U.S. Congress

# Congressional Record

## PROCEEDINGS AND DEBATES

OF THE

## FIRST SESSION OF THE SEVENTIETH CONGRESS

OF

THE UNITED STATES
OF AMERICA

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APRIL 23 TO MAY 7, 1928

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# Congressional Record

PROCEEDINGS AND DEBATES OF THE SEVENTIETH CONGRESS
FIRST SESSION

## SENATE

MONDAY, *April 23, 1928*

*(Legislative day of Friday, April 20, 1928)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 1648) for the relief of Oliver C. Macey and Marguerite Macey, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 967. An act for the relief of George J. Illichevsky;

H. R. 1957. An act for the relief of Wendell M. Saunders;

H. R. 2474. An act for the relief of the San Francisco, Napa & Calistoga Railway;

H. R. 3222. An act for the relief of John M. King;

H. R. 3224. An act for the relief of Ichabod J. Woodard;

H. R. 3470. An act granting relief to Havert S. Sealy and Porteus H. Burke;

H. R. 3893. An act for the relief of Francis L. Sexton;

H. R. 3949. An act for the relief of Frank F. Moore;

H. R. 3960. An act for the relief of William Downing Prideaux;

H. R. 4012. An act for the relief of Charles R. Sies;

H. R. 4101. An act for the relief of U. R. Webb;

H. R. 4111. An act to correct the naval record of Peter Hansen;

H. R. 4440. An act for the relief of Frederick O. Goldsmith;

H. R. 4664. An act for the relief of Capt. George R. Armstrong, United States Army, retired;

H. R. 4827. An act providing for the promotion of Chief Pharmacist Laurence Oliphant Schetky, United States Navy, retired, to the rank of lieutenant, Medical Corps, on the retired list of the Navy;

H. R. 4839. An act for the relief of the Press Publishing Co., Marianna, Ark.;

H. R. 5398. An act for the relief of the heirs of the late Dr. Thomas C. Longino;

H. R. 5910. An act for the relief of Ralph Ole Wright and Varina Belle Wright;

H. R. 5931. An act for the relief of Thomas Heard;

H. R. 5968. An act for the relief of Byron Brown Ralston;

H. R. 7061. An act for the relief of William V. Tynes;

H. R. 7898. An act to ratify the action of a local board of sales control in respect of contracts between the United States and the Lagrange Grocery Co., of Lagrange, Ga.;

H. R. 7976. An act for the relief of Mrs. Moore L. Henry;

H. R. 8001. An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *City of Beaumont* against the United States, and for other purposes;

H. R. 8440. An act for the relief of F. C. Wallace;

H. R. 8484. An act for the relief of Henry Manske, jr.;

H. R. 9148. An act for the relief of Ensign Jacob E. DeGarmo, United States Navy;

H. R. 9568. An act to authorize the purchase at private sale of a tract of land in Louisiana, and for other purposes;

H. R. 9620. An act for the relief of E. H. Jennings, F. L. Johanns, and Henry Blank, officers and employees of the post office at Charleston, S. C.;

H. R. 10218. An act authorizing the Court of Claims of the United States to hear and determine the claim of the city of Park Place, heretofore an independent municipality, but now a part of the city of Houston, Tex.;

H. R. 10261. An act for the relief of Edward Tomlinson;

H. R. 10336. An act for the relief of Nannie Swearingen;

H. R. 10352. An act to correct the military record of Edward Delaney;

H. R. 10536. An act granting six months' pay to Anita W. Dyer;

H. R. 10702. An act for the relief of Elbert L. Cox;

H. R. 10957. An act to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920;

H. R. 11429. An act granting six months' pay to Marjory Virginia Watson;

H. R. 11716. An act authorizing and directing the Secretary of the Interior to issue patents to Ethel L. Saunders, and for other purposes;

H. R. 11741. An act for the relief of Thomas Edwin Huffman;

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907;

H. R. 11978. An act granting six months' pay to Alexander Gingras, father of Louis W. Gingras, deceased private, United States Marine Corps, in active service;

H. R. 12049. An act to authorize the Secretary of the Interior to sell to W. H. Walker, Ruth T. Walker, and Queen E. Walker, upon the payment of $1.25 per acre, the southeast quarter section 34, township 2 north, range 14 east, Choctaw meridian, Clarke County, Miss.;

H. R. 12063. An act for the relief of the widow of Surg. Mervin W. Glover, United States Public Health Service, deceased;

H. R. 12189. An act for the relief of Marie Rose Jean Baptiste, Marius Francois, and Regina Lexima, all natives of Haiti;

H. J. Res. 47. Joint resolution for the relief of Mary M. Tilghman, former widow of Sergt. Frederick Coleman, deceased, United States Marine Corps; and

H. J. Res. 77. Joint resolution concerning lands and property devised to the Government of the United States of America by Wesley Jordan, deceased, late of the township of Richland, county of Fairfield, and State of Ohio.

### PETITIONS AND MEMORIALS

Mr. SHEPPARD presented resolutions adopted by the St. Ann's Women's Catholic Society, of Castroville, Tex., protesting against the treatment of Catholics in Mexico and requesting this Government to use its good offices at once to bring about a peaceful solution of this question, which were referred to the Committee on Foreign Relations.

Mr. WARREN presented resolutions adopted by the Lions Club, of Sheridan, and Engstrom-Duncan Post, No. 22, the American Legion, of Rawlins, both in the State of Wyoming, favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which were referred to the Committee on Irrigation and Reclamation.

Mr. CAPPER presented memorials numerously signed by members of the Kansas Yearly Meeting Christian Endeavor Union, Friends Church, of Wichita, Kans., remonstrating against repeal of the eighteenth amendment to the Constitution or any modification of the so-called Volstead Act, which were referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts presented letters in the nature of memorials from the New England States Holstein Friesian Association; the librarian, the City Library Association; and

C. S. Woodworth Co., all of Springfield, Mass., remonstrating against the passage of Senate bill 1752, to regulate the manufacture and sale of stamped envelopes, which were referred to the Committee on Post Offices and Post Roads.

Mr. McLEAN presented a letter in the nature of a petition from the International Institute, Young Women's Christian Association, of Bridgeport, Conn., praying for the passage of the so-called Walsh-MacGregor bill, providing for the uniting of separated families under the immigration law, which was referred to the Committee on Immigration.

He also presented letters in the nature of petitions from the Connecticut State Association of Letter Carriers of Hartford, and Silver City Branch, No. 227, National Association of Letter Carriers of Meriden, both in the State of Connecticut, praying for the passage of the so-called Dale bill, being Senate bill 1727, relative to the retirement of civil-service employees, which were referred to the Committee on Civil Service.

He also presented telegrams and letters in the nature of petitions from the National Council of Jewish Women, of Hartford; the Bunker Hill Literary Club, of Waterbury; the Men's Club of the Congregational Church, of Simsbury; the Sprague League of Women Voters, of Hanover; the League of Women Voters, of Wallingford; and of sundry citizens of Westport and Wethersfield, all in the State of Connecticut, praying for the adoption of the so-called Gillett resolution, being the resolution (S. Res. 139) suggesting a further exchange of views relative to the World Court, which were referred to the Committee on Foreign Relations.

Mr. COPELAND presented petitions of sundry citizens of New York City, N. Y., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

PRINTED RETURN CARDS

Mr. COPELAND. Mr. President, I present a resolution adopted by the New York Press Association, assembled at its seventy-sixth annual meeting, held at Syracuse, N. Y., February 2–4, 1928, condemning the practice of the Post Office Department in furnishing special printed return cards. I ask that the communication may be referred to the Committee on Post Offices and Post Roads and be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

NEW YORK PRESS ASSOCIATION,
OFFICE OF THE SECRETARY,
*Elmira, N. Y.*

The New York Press Association, assembled at its seventy-sixth annual meeting, held in Syracuse, N. Y., February 2–4, 1928, does hereby—

"*Resolve*, That we condemn the present practice of the Post Office Department of the United States in furnishing special printed return cards on Government stamped envelopes as unfair competition and unwarranted invasion of private industry by the Government. We ask the Senators and Congressmen from New York State to favor the principles embodied in the Oddie bill, now pending in the Senate, and thus relieve the publishing industry in the small cities and rural sections of cut-price competition such as no other business in the country is called upon to face."

Carried unanimously.

ELMER E. CONRATH, *President*.

Certified from the records.

[SEAL.] JAY W. SHAW, *Secretary*.

REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on the Judiciary, to which was referred the bill (H. R. 12320) to amend the longshoremen's and harbor workers' compensation act, reported it without amendment.

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (H. R. 5297) for the relief of Christine Brenzinger, reported it with an amendment and submitted a report (No. 866) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 2654) for the relief of Anton Anderson, reported it without amendment and submitted a report (No. 867) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2657) for the relief of Thomas Huggins, reported it with an amendment and submitted a report (No. 868) thereon.

Mr. WATERMAN, from the Committee on Claims, to which was referred the bill (S. 3917) for the relief of the State of Florida, reported it without amendment and submitted a report (No. 869) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6367) authorizing the redemption by the United States Treasury of 20 war-savings stamps (series of 1918) now held by Dr. John Mack, of Omaha, Nebr., reported it adversely and submitted a report (No. 870) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 2274) for the relief of William H. Chambliss, reported it with amendments and submitted a report (No. 872) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 4170) to authorize plans for a hospital at the Home for Aged and Infirm in the District of Columbia, and for other purposes (Rept. No. 873); and

A bill (S. 4174) to establish a woman's bureau in the Metropolitan Police Department of the District of Columbia, and for other purposes (Rept. No. 874).

Mr. SACKETT, from the Committee on Banking and Currency, to which was referred the bill (S. 4039) to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, reported it with amendments and submitted a report (No. 875) thereon.

Mr. BLACK. Mr. President, on last Thursday I reported a bill from the Committee on Military Affairs by mistake. The number was wrong. It appears as a report on the bill (S. 1894) to increase the efficiency of the Army, and for other purposes; but as a matter of fact it was a report on the bill (S. 3089) to increase the efficiency of the Military Establishment, and for other purposes, as amended by the committee. I ask unanimous consent that Senate bill 1894 be recommitted to the committee and to substitute Senate bill 3089 as amended, and I submit a report (No. 871) thereon.

The VICE PRESIDENT. Without objection, Senate bill 1894 will be recommitted to the Committee on Military Affairs and the report on Senate bill 3089 will be placed on the calendar.

ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On April 21, 1928:

S. 2725. An act to extend the provisions of section 2455, United States Revised Statutes, to certain public lands in the State of Oklahoma; and

S. 3640. An act authorizing acceptance from PETER G. GERRY of the gift of the law library of the late Elbridge T. Gerry.

On April 23, 1928:

S. 1736. An act for the relief of Charles Caudwell;

S. 1738. An act for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon;

S. 1758. An act for the relief of Fred A. Knauf; and

S. 1771. An act for the relief of Peter S. Kelly.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WARREN:

A bill (S. 4187) for the relief of Con Murphy (with accompanying papers); to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 4188) granting a pension to Callie Manley; to the Committee on Pensions.

By Mr. KING:

A bill (S. 4189) to authorize the designation and bonding of persons to act for disbursing officers and others charged with the disbursement of public money of the United States; to the Committee on the Judiciary.

By Mr. THOMAS:

A bill (S. 4190) authorizing an appropriation for the encouragement and benefit of the International Petroleum Exposition Corporation, of Tulsa, Okla.; to the Committee on Mines and Mining.

By Mr. WHEELER:

A bill (S. 4191) to amend an act for the relief of certain tribes of Indians in Montana, Idaho, and Washington; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 4192) granting a pension to John Seyne; and

A bill (S. 4193) granting a pension to Laura Kenyon; to the Committee on Pensions.

By Mr. WATSON (for Mr. ROBINSON of Indiana):

A bill (S. 4194) granting an increase of pension to Ruhamah Shafer;

A bill (S. 4195) granting an increase of pension to Eliza A. Conner (with accompanying papers); and

A bill (S. 4196) granting an increase of pension to Amelia G. Underwood (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 4197) granting an increase of pension to Charles F. Burch; to the Committee on Pensions.

VETERANS' BUREAU HOSPITAL NO. 90, MUSKOGEE, OKLA.

Mr. THOMAS submitted an amendment intended to be proposed by him to the bill (H. R. 12821) to authorize an appropriation to provide additional hospital, domiciliary, and outpatient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. McKELLAR submitted an amendment intended to be proposed by him to House bill 12286, the naval appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 53, after line 17, insert the following:

"*Provided*, That no part of the appropriations made in this act shall be used for the purpose of maintaining marines or troops in the Republic of Nicaragua on and after February 1, 1929, unless specifically authorized by the Congress: *And provided further*, That in the event of an emergency the President is authorized to land troops temporarily for the protection of lives and property under international law or the Monroe doctrine only, in which event the President will report to the Congress immediately, if the Congress be then in session, and upon the convening of the Congress if it shall not be in session."

INVESTIGATION OF SINKING OF SUBMARINE "S-4"

Mr. ODDIE submitted the following resolution (S. Res. 205), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Naval Affairs or a duly authorized subcommittee thereof is hereby authorized and directed to make a full and complete investigation of the sinking of the submarine *S-4* in collision on December 17, 1927, with the United States Coast Guard destroyer *Paulding* off the Massachusetts coast, and the rescue and salvage operations carried on by the United States Navy subsequent thereto; and to report thereon to the Senate as soon as practicable, giving the results of its investigation and with such recommendations as it deems advisable. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistance, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of such stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee, which shall not be in excess of $10,000, shall be paid from the contingent fund of the Senate.

BOGUE CHITTO RIVER BRIDGE, ST. TAMMANY PARISH, LA.

Mr. STEPHENS. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 788, being the bill (S. 3808) to authorize the construction of a temporary railroad bridge across Bogue Chitto River at a point in township 5 south, range 6 east, St. Tammany Parish, La. It is a bridge bill in the usual form.

Mr. CURTIS. Mr. President, let the bill be read.

The Chief Clerk read the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments, on page 1, line 5, after the word "at," to insert the words "or near"; in line 6, after the word "range," to strike out "6" and insert "13"; and in the same line, after the word "east," to insert "St. Helena meridian," so as to make the bill read:

*Be it enacted, etc.*, That the Lamar Lumber Co. (Inc.) is hereby authorized to construct a temporary railroad bridge across Bogue Chitto River at or near a point in township 5 south, range 13 east, St. Helena meridian, St. Tammany Parish, La., some few miles below where the New Orleans Great Northern Railroad crosses that stream, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the construction of a temporary railroad bridge across Bogue Chitto River at or near a point in township 5 south, range 13 east, St. Helena meridian, St. Tammany Parish, La."

PROTECTION OF WATERSHEDS

Mr. McNARY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1181) authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following: "available July 1, 1928, $2,000,000; available July 1, 1929, $3,000,000; available July 1, 1930, $3,000,000; in all for this period, $8,000,000, to be available until expended"; and the House agree to the same.

CHAS. L. McNARY,
HENRY W. KEYES,
*Managers on the part of the Senate.*

G. N. HAUGEN,
FRED S. PURNELL,
J. B. ASWELL,
*Managers on the part of the House.*

The report was agreed to.

OLIVER C. MACEY AND MARGUERITE MACEY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1648) for the relief of Oliver C. Macey and Marguerite Macey, which was to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $3,000, to Oliver C. Macey and Marguerite Macey, of Anne Arundel County, Md., on account of the death of their infant daughter, Eleanor Macey, who was killed December 14, 1925, by reason of the negligence of the operator of the United States Navy commissary truck, and for injuries sustained in said accident by Marguerite Macey.

Mr. BRUCE. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. HOWELL, Mr. NYE, and Mr. BAYARD conferees on the part of the Senate.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 10957. An act to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920; to the Committee on Public Buildings and Grounds.

H. R. 12189. An act for the relief of Marie Rose Jean Baptiste, Marius Francois, and Regina Lexima, all natives of Haiti; to the Committee on Foreign Relations.

H. R. 9568. An act to authorize the purchase at private sale of a tract of land in Louisiana, and for other purposes;

H. R. 11716. An act authorizing and directing the Secretary of the Interior to issue patents to Ethel L. Saunders, and for other purposes; and

H. R. 12049. An act to authorize the Secretary of the Interior to sell to W. H. Walker, Ruth T. Walker, and Queen E. Walker, upon the payment of $1.25 per acre, the southeast quarter section 34, township 2 north, range 14 east, Choctaw meridian, Clarke County, Miss.; to the Committee on Public Lands and Surveys.

H. R. 3222. An act for the relief of John M. King;

H. R. 3224. An act for the relief of Ichabod J. Woodard;
H. R. 3893. An act for the relief of Francis L. Sexton;
H. R. 4664. An act for the relief of Capt. George R. Armstrong, United States Army, retired;
H. R. 5931. An act for the relief of Thomas Heard;
H. R. 10261. An act for the relief of Edward Tomlinson;
H. R. 10352. An act to correct the military record of Edward Delaney;
H. R. 10702. An act for the relief of Elbert L. Cox; and
H. R. 11429. An act granting six months' pay to Marjory Virginia Watson; to the Committee on Military Affairs.
H. R. 1957. An act for the relief of Wendell M. Saunders;
H. R. 3960. An act for the relief of William Downing Prideaux;
H. R. 4012. An act for the relief of Charles R. Sies;
H. R. 4111. An act to correct the naval record of Peter Hansen;
H. R. 4827. An act providing for the promotion of Chief Pharmacist Laurence Oliphant Schetky, United States Navy, retired, to the rank of lieutenant, Medical Corps, on the retired list of the Navy;
H. R. 5910. An act for the relief of Ralph Ole Wright and Varina Belle Wright;
H. R. 5968. An act for the relief of Byron Brown Ralston;
H. R. 8484. An act for the relief of Henry Manske, jr.;
H. R. 9148. An act for the relief of Ensign Jacob E. DeGarmo, United States Navy;
H. R. 10536. An act granting six months' pay to Anita W. Dyer;
H. R. 11978. An act granting six months' pay to Alexander Gingras, father of Louis W. Gingras, deceased private, United States Marine Corps, in active service; and
H. J. Res. 47. Joint resolution for the relief of Mary M. Tilghman, former widow of Sergt. Frederick Coleman, deceased, United States Marine Corps; to the Committee on Naval Affairs.
H. R. 967. An act for the relief of George J. Illichevsky;
H. R. 2474. An act for the relief of the San Francisco, Napa & Calistoga Railway;
H. R. 3470. An act granting relief to Havert S. Sealy and Porteus R. Burke;
H. R. 3949. An act for the relief of Frank F. Moore;
H. R. 4101. An act for the relief of U. R. Webb;
H. R. 4440. An act for the relief of Frederick O. Goldsmith;
H. R. 4839. An act for the relief of the Press Publishing Co., Marianna, Ark.;
H. R. 5398. An act for the relief of the heirs of the late Dr. Thomas C. Longino;
H. R. 7061. An act for the relief of William V. Tynes;
H. R. 7898. An act to ratify the action of a local board of sales control in respect of contracts between the United States and the Lagrange Grocery Co., of Lagrange, Ga.;
H. R. 7976. An act for the relief of Mrs. Moore L. Henry;
H. R. 8001. An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *City of Beaumont* against the United States, and for other purposes;
H. R. 8440. An act for the relief F. C. Wallace;
H. R. 9620. An act for the relief of E. H. Jennings, F. L. Johanns, and Henry Blank, officers and employees of the post office at Charleston, S. C.;
H. R. 10218. An act authorizing the Court of Claims of the United States to hear and determine the claim of the city of Park Place, heretofore an independent municipality but now a part of the city of Houston, Tex.;
H. R. 10336. An act for the relief of Nannie Swearingen;
H. R. 11741. An act for the relief of Thomas Edwin Huffman;
H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907; and
H. R. 12063. An act for the relief of the widow of Surg. Mervin W. Glover, United States Public Health Service, deceased; to the Committee on Claims.
H. J. Res. 77. Joint resolution concerning lands and property devised to the Government of the United States of America by Wesley Jordan, deceased, late of the township of Richland, county of Fairfield, and State of Ohio; to the Committee on the Judiciary.

BILL RECOMMITTED

Mr. NORRIS. Mr. President, I desire, under direction of the Committee on the Judiciary, to ask that the Senate refer back to the Committee on the Judiciary Calendar No. 812, being the bill (H. R. 6687) to change the title of the United States Court of Customs Appeals, and for other purposes.

The VICE PRESIDENT. Without objection, the bill will be recommitted.

NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE, to insert, after line 17, page 53, the following proviso:

*Provided*, That after December 25, 1928, none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility against a friendly foreign nation, or any belligerent intervention in the affairs of a foreign nation, or any intervention in the domestic affairs of any foreign nations, unless war has been declared by Congress or unless a state of war actually exists under recognized principles of international law.

The words "acts of hostility" and the words "belligerent intervention" shall include within their meaning the employment of coercion or force in the collection of any pecuniary claim or any claim or right to any grant or concession for or on behalf of any private citizen, copartnership, or corporation of the United States against the government of a foreign nation, either upon the initiation of the Government of the United States, or upon the invitation of any foreign government existing de jure or de facto.

Mr. NORRIS obtained the floor.

Mr. JOHNSON. Mr. President, has the Senator any objection to a call for a quorum before he proceeds with his speech upon the pending measure?

Mr. HEFLIN. Mr. President, I wish the Senator would permit us to have a quorum called.

Mr. NORRIS. I yield for that purpose.

Mr. JOHNSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edge | Keyes | Shortridge |
| Barkley | Edwards | King | Simmons |
| Bayard | Fess | La Follette | Smith |
| Bingham | Fletcher | Locher | Smoot |
| Black | Frazier | McKellar | Steck |
| Blaine | George | McMaster | Steiwer |
| Blease | Gerry | McNary | Stephens |
| Borah | Goff | Mayfield | Swanson |
| Bratton | Gooding | Metcalf | Thomas |
| Brookhart | Gould | Neely | Tydings |
| Broussard | Greene | Norbeck | Tyson |
| Bruce | Hale | Norris | Vandenberg |
| Capper | Harris | Nye | Walsh, Mass. |
| Caraway | Harrison | Oddie | Walsh, Mont. |
| Copeland | Hawes | Overman | Warren |
| Couzens | Hayden | Phipps | Waterman |
| Curtis | Heflin | Pittman | Watson |
| Cutting | Howell | Ransdell | Wheeler |
| Dale | Johnson | Sackett | |
| Deneen | Jones | Schall | |
| Dill | Kendrick | Sheppard | |

Mr. LA FOLLETTE. Mr. President, I desire to announce that the Senator from New Hampshire [Mr. MOSES] is detained on business of the Senate before the Committee on Post Offices and Post Roads.

Mr. SWANSON. I wish to announce that my colleague the junior Senator from Virginia [Mr. GLASS] is detained from the Senate by illness.

Mr. CARAWAY. I wish to announced that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is still detained from the Senate by reason of illness.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

Mr. NORRIS. Mr. President, I believe the debate on the question now before the Senate has resulted in a great deal of good and perhaps a better understanding. The question of our action in Nicaragua is one which has not been debated as it seems to me it should have been debated on the floor of the Senate. An honest debate and a fair consideration of the questions involved are not only of benefit to the Senate but will have a tendency to clear up the situation before the people of the country.

I was rather astounded on Saturday that the claim was made by the Senator from Connecticut [Mr. BINGHAM] that there is not a state of war existing in Nicaragua. While I do not believe the settlement of that question is necessary for a determination of what we should do under present conditions, it does have a bearing more or less important. The Senator from Idaho [Mr. BORAH], in the very able address which he delivered on the subject a few days ago, admitted, if not in direct language I think at least by implication—and if I misquote him, I shall be glad to have him interrupt me—that there is

a state of war existing now in Nicaragua between our Government and at least one of the factions there claiming to have the right to govern that country. The Senator from New Jersey [Mr. EDGE] very fairly and frankly admitted that, at least in a technical sense, he thought that war is now in existence.

The question has an important bearing as to whether the President of the United States, in what he has done in Nicaragua, has overstepped the authority given him by the Constitution of the United States. Everyone concedes that the President of the United States has no power or authority to declare war. I think everyone concedes, on the other hand, that the President has authority to use the forces of the United States to protect life and property if he does not go to the extent of bringing on a state of war. Therefore, it is important, I think, to consider whether or not there is a state of war existing now in Nicaragua.

The interesting historical incidents which were recited by the Senator from Connecticut [Mr. BINGHAM], which he offered, I presume, to show that there is no state of war existing, were, to my mind, with very few exceptions, not to the point and have no application whatever to the present condition of things in Nicaragua. Most of the instances he gave were instances where it was conceded that the President had not overstepped the authority conferred on him as Commander in Chief of the Army and Navy, and no one, I think, upon a fair consideration of most of those instances would reach the conclusion that there was a state of war existing or that the President brought on a state of war. I am not going over that, Mr. President, but I want to refer to one instance which the Senator cited which seemed to him, and, perhaps, seemed to others, to show that President Coolidge had not overstepped his authority in Nicaragua because he was following a precedent, namely, the instance where our Army was sent into China during the Boxer revolution.

In that case there was no attempt on the part of the American Government to take territory; there was no attempt in that case to participate in a war that was in existence between different factions in China for the purpose of controlling and administering the Chinese Government. It was simply an instance where the President used the Army and the Navy to protect American citizens, mostly American officials, who were in Peking at the time. I think I shall be able to show by authority that can not be controverted that such a condition is not war, while the condition now existing in Nicaragua is war.

Before I go into that, I want to reply to another criticism that has been made of those who are opposed to what we are doing in Nicaragua. It was dwelt upon particularly by the Senator from New Jersey [Mr. EDGE] in the very able address which he delivered to the Senate the other day. Reduced to a nutshell, it is that we must not criticize the President, particularly in matters pertaining to our foreign relations. Mr. President, not for a single moment can I submit to that proposition; not for a single moment, in my judgment, can any one who believes in the perpetuity of our Government or of any form of free government, or one who believes in the different departments of government carrying on their separate functions without infringing upon the functions of any other department agree to that kind of proposition.

I know those of us who do criticize the President in the conduct of foreign affairs, and in other matters also, but particularly in foreign matters, bring down upon our heads the condemnation and criticism of a great many people, who are well minded and moved by the very best of motives; but honest criticism, Mr. President, is at the foundation of every free government; constructive criticism is not only beneficial to the person or the official criticized but it is the best way in any debate in any legislative body to bring out the best results. Without it, we shall just as surely, as night follows day, gradually surrender the functions of the legislature, and in the end become a monarchy; not only a monarchy but an absolute monarchy. Probably at this time the only government of a civilized nation that does not tolerate any criticism is the Government of Mussolini, which no Italian dare criticize; and if we ever start on the theory that as to any important function of the executive department no man must criticize, where no one must find fault, then we shall be leading up to the time when we shall abdicate as a legislature; when we shall gradually turn the Government over to a monarch.

I am not thinking of any President; I am not thinking of President Coolidge any more than I am of any other President; I am not thinking in any disrespectful way of the actions of the President or of the President as an individual or as an official, but I claim the right—I not only claim it is the right but I claim it is the duty particularly of a Member of Congress representing the legislative functions of the Government—to criticize any official of the Government, whether it be the President or anyone else where I honestly believe that such criticism is due.

Such criticism does not mean that we impugn the motives of the person criticized, but it merely means that we are expressing our honest dissent, as we have the right to do, as it is our duty to do, particularly if we are members of the legislative department of the Government and wish to perform our full duty; and, in my humble opinion, we can not perform it in any other way. We are derelict in our duty if we think there is something wrong in an important branch of our Government and we fail to speak. We are not only failing to do our duty as members of the legislative department of the Government, but we are not doing our full duty as patriotic citizens of that Government should we remain silent.

I think that is particularly true in relation to foreign affairs, because that is one function of the Government in connection with which the official duties of the Executive are carried on in secret; where there is no publicity. I think that is all wrong, but the foreign affairs of the Government are not open to the light of day. We have no access to the documents, to the letters, to the correspondence, and to everything else that is going on officially in the State Department. We can not always even get them by asking for them, because the President may say that, in his judgment, it is not compatible with the public interest to give us the information. So we are having one function of government, our dealings with foreign nations, perhaps the most important of any for the peace of the country, the peace of the world, and the life of our own citizens may be at stake—perhaps the most important of any that can be conceived—carried on officially in secret to a great extent and we are denied, even though we ask for it in the name of the Senate, information to enable us properly to act as representing the American people.

When we take that into consideration, it seems to me it is very important that we should, wherever we deem it to be our duty, criticize the President, just as any of us would have the right to criticize another Member of this body. We do that every day in our debates and, if we are courteous about it, the person criticized can find no possible objection to that kind of course. Yet when we dare to suggest that we think some action on the part of the executive department is not right or that we ought to have more information in regard to it we are denounced oftentimes as enemies of our country.

Not many months ago the President of the United States announced publicly to the newspapers of the country that he thought the newspapers ought not to criticize the Government in matters of foreign relations. Anyone who will consider that suggestion for a moment and think where it will lead us, must reach the conclusion—there can be no escape from it—that if we carry it out to its legitimate end we will eventually destroy our form of government. Criticism is a healthy thing; it is a righteous thing; it is the best means by which we can approach, even though we never reach, perfection. So that what I am saying is said with perfect respect; it is said, however, without fear and without any idea of stopping, because somebody else may say—and the statement may do a great injury—that I am not loyal to the President of the United States. I have no such intention; I have no such idea; but I am going to perform what I believe to be my duty, even though I subject myself to those who would unjustly criticize me for that kind of action.

Now, Mr. President, I wish to read one or two extracts from some decisions of the Supreme Court of the United States. The Supreme Court said:

> By the Constitution, Congress alone has the power to declare a national or foreign war * * *. The Constitution confers on the President the whole executive power * * *. He is the Commander in Chief of the Army and the Navy of the United States * * *. He has no power to initiate or declare a war either against a foreign nation or a domestic State.

That is a quotation from the decision of the United States Supreme Court in the Prize cases, in Second Black, 635 to 668.

Mr. BINGHAM. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes.

Mr. BINGHAM. Does the Senator think that the scatterbrains of Sandino are either a foreign nation or a domestic state?

Mr. NORRIS. No; but if the Senator will do me the honor of listening to me he will find when I come to take it up that I will make what I believe to be a direct application to Sandino and his followers and what they are doing in Nicaragua and what we are doing to them, and I think I will demonstrate that there is a war now being carried on. It has not been declared by the Congress of the United States; it has not been

declared by the Nicaraguan Government; but there is war just the same. The conflict has all the elements of war, as I think I shall be able to show.

The Supreme Court said again:

The whole powers of war being by the Constitution of the United States vested in Congress, the acts of that body can alone be resorted to as our guides in this inquiry. It is not denied, nor, in the course of the argument, has it been denied that Congress may authorize general hostilities, in which case the general laws of war apply to our situation; or partial hostilities, in which case the laws of war, so far as they actually apply to our situation, must be noticed.

It may, I believe, be safely laid down that every contention by force between two nations in external matters under the authority of their respective governments is not only war but public war.

That was decided in the case of Talbot *v.* Seeman, 1 Cranch, from the first to the twentieth page.

Mr. BINGHAM. Mr. President, will the Senator yield again?

Mr. NORRIS. Yes.

Mr. BINGHAM. I do not quite understand the Senator's quotation. It said "war between two governments."

Mr. NORRIS. Yes; that is what it said.

Mr. BINGHAM. Between two governments?

Mr. NORRIS. Yes.

Mr. BINGHAM. And the Senator expects to prove before he concludes that the forces of the bandit Sandino are another government?

Mr. NORRIS. No.

Mr. BINGHAM. I am very glad to hear the Senator say that.

Mr. NORRIS. The Senator is drawing a conclusion that he is not justified in drawing.

Mr. BINGHAM. I did not see any application of the quotation from the decision of the Supreme Court unless the Senator should say that the forces of Sandino constituted another government.

Mr. NORRIS. I will give the Senator a citation that will apply to Sandino and his forces and show, before I get through, that there is now war in Nicaragua.

As shown by the able Senator from Wisconsin [Mr. BLAINE] there has been a gradual increase in the authority exercised by the President in the use of the Army and the Navy. For the last 20 years it has been growing; and I want to pause before I go into other definitions of war to show the danger that comes from such a condition.

We established a precedent, and the person in power uses that precedent. He uses all the power that he has. It is human nature. I am not offering that in criticism of anybody or any President. It is natural for every official—there are exceptions to it, I admit—to take all the power he has, and stretch it to the utmost.

If you will look over the history of the world, if you will look over the history of civilization, you will find that that is true in all governments and of all rulers; so that there is danger in precedents. There is danger, if we remain silent and say nothing, that the power of declaring war, although given to Congress by the Constitution, will be entirely taken away by the executive department. I think that danger is practically here now; and no one wants to do that. No one has argued for that; but that is where we are drifting.

During the twentieth century there has been a gradually increasing encroachment upon this power by the executive department through the use of the Army and Navy, until to-day it in effect claims the right to make war. The executive officials do not use that language; but the effect of what they do is to make war or to authorize warlike acts abroad, without the consent of Congress, to the extent to which such warfare can be carried on by the military forces under the command of the President.

One President goes where he thinks is the limit of his authority in the use of the Army and the Navy. Another President coming after him, perhaps purely with the idea of doing what is right, goes to the same extent, and a little bit further. The next President uses that as a precedent, and goes still further, until we have reached a point where the President uses the Army and the Navy to make war upon any nation that he sees fit to make war upon, without consulting anybody; and we have been drifting that way.

We are now in Nicaragua; and I want to read a definition of war given by Thomas Jefferson. It seems to me it covers the matter. It seems to me it must stand uncontradicted.

In the case of actual physical attacks upon American citizens or their property or the immediate danger of such attacks, the forces of the United States may be used for strictly protective purposes without the consent of Congress.

Let me read that again; and no one, so far as I know, contradicts it.

In the case of actual physical attacks upon American citizens or their property or the immediate danger of such attacks, the forces of the United States may be used for strictly protective purposes without the consent of Congress. * * * When, however, any attempt is made to take over the control of territory, to use force for the collection of claims due to American citizens, to interfere with the military operation of foreign troops, or, above all, to interfere between two governments, each claiming to be the legal government of the country, war (perhaps only partial war, but still war) is waged, and this can only be constitutionally done under the authorization of Congress.

Mr. EDGE. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes.

Mr. EDGE. As a practical proposition, referring directly to the situation in Nicaragua, as I followed the first paragraph read from Jefferson, it stated without qualification that the use of troops to protect American property or on the defensive was entirely proper, did it not?

Mr. NORRIS. Yes.

Mr. EDGE. These troops being on the defensive, they are certainly subject to attack. Members of the troops being actually killed from ambush, and Congress not being in session—that occurring, as I recall, in May or June of last year—could the commandant of the troops do anything else in the world, in the interest of protection of the lives of the men under him, but pursue an offensive?

Mr. NORRIS. Well, perhaps in the way the Senator states it, I would not contradict it.

Mr. EDGE. That did actually happen.

Mr. NORRIS. If he is attacked, he must defend himself, of course.

Mr. EDGE. That did actually happen, with Congress not in session.

Mr. NORRIS. The Senator talks about Congress not being in session. Great heavens! Congress has been in session since December this time. It was in session during an entire session commencing the December before.

Why, Mr. President, we have done in Nicaragua and are doing there almost exactly in words what Thomas Jefferson described as war. We are interfering with the Government. We have been taking sides between two factions, each claiming the right to govern. We have taken possession of territory. We are now proposing, without authority from the Congress of the United States and without authority from the Nicaraguan Congress, to carry on an election in Nicaragua. We are performing the functions of government. We have been doing it from the beginning. We have gone away beyond the protection of life and property; and, in my judgment, the protection of life and property down there is 99 per cent an exaggeration. The Senator from Idaho [Mr. BORAH] in his able address said that there was practically nothing to it. In his judgment we had not any right to put the marines in there on the theory of protecting life and property. It was not necessary. It was not demanded.

But, of course, Mr. President, when war was going on, as it was down there for a year or two, between different factions, each claiming the right to govern the country, there would be danger to those who were noncombatants. There would be danger to an American citizen or anyone else if he was in the path of one of the armies or between the two. That, however, is not the kind of protection that the President is authorized to afford in using the Army and Navy.

The Senator from Minnesota [Mr. SHIPSTEAD] the other day called our attention to the great Battle of Gettysburg. It is an exaggerated case, it is true, but it illustrates the principle. Suppose, when those two armies were about to fight, some citizen of Great Britain had been between them, and the officials of Great Britain had landed an army and navy and said, "Gentlemen, you must not fight here, because you may injure the property and take the lives of British subjects." It is true that that might happen, but no one would be so wild as to claim the right to interfere in that way.

It is true without any question that when Sacasa was fighting against Diaz down there trying to get what it is usually conceded by those who have studied the question most that he was entitled to, the Presidency of Nicaragua, whenever he made an advance, whenever he overcame the Diaz army, our Government interfered and said, "This is neutral territory. You must not fight here." They took sides indirectly with the Diaz faction down there; and incidentally we ought to know, too—we do know, if we will think about it—that Diaz was our man. We put him in office. He could not have remained in office

24 hours without the American Army. He was a man we set up.

Mr. BINGHAM. Mr. President, will the Senator yield a moment?

Mr. NORRIS. Yes.

Mr. BINGHAM. Did the Senator say that Diaz could not have remained in office 24 hours without the American Army?

Mr. NORRIS. Yes.

Mr. BINGHAM. Why, Mr. President, there was not an American soldier in Nicaragua when Diaz assumed the Presidency.

Mr. NORRIS. I am not speaking of the remote days, but of the time when we did go there. At a time when he was about to be overthrown we stepped in. We put him in office in the first place. He was our man. We put ourselves in office, and then we made a contract with ourselves afterwards to hold an election. That is just what happened. As the Senator from Idaho [Mr. BORAH] has suggested, Diaz himself pleaded with us to intervene. He has officially said that he could not maintain his place without the American marines. He has asked us to intervene.

Mr. BINGHAM. But the Senator implied in his remarks that we had troops there at the time Diaz was made President.

Mr. NORRIS. I did not intend to imply that. I am unaware that I did. It does not make any difference what was done yesterday or day before yesterday or to-day. The Senator can not quibble out of it by stating that at a particular time we did not have troops there. Everybody knows, and nobody will dispute—not even Diaz himself, not President Coolidge, not Secretary Kellogg, and I hope nobody here will dispute—that Diaz would have gone down; he could not have maintained his position without the assistance of the American Government. The Senator from Connecticut will not deny that.

Mr. BINGHAM. Mr. President, the Senator from Nebraska will not deny, I hope, that the regularly elected President, Solorzano, would have maintained office, together with the regularly elected Vice President, Sacasa, if the American marines had not been withdrawn.

Mr. NORRIS. I do not think that has any more to do with this question than the flowers that bloom in the springtime. There are a lot of things that might have happened, and probably a lot of bad things would have happened. I am not saying that these people who were trying to get the Presidency were angels or that they were perfect. I would not say that about Mussolini; but I would not be in favor of taking the Army and the Navy and going over there and setting up another man and backing him up and putting Mussolini out.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. DENEEN in the chair). Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I do.

Mr. WHEELER. The Senator does know as a matter of fact that the reason why Diaz was put in there was because of the fact that it was known, and the American minister let it be known, that Diaz was acceptable to the American Government, and they let it be known that they would protect Diaz if he was put in there.

Mr. NORRIS. Yes. I thank the Senator from Montana. I think it can be fairly said that there is really no dispute about this proposition. Diaz could not have maintained himself without the assistance of the American Army. He will not claim that himself. No one can claim it and get away with it. There is not any question about our Army being used to maintain him in office. The representative of President Coolidge, Mr. Stimson, in his letter, which I will read after a while, says practically the same thing. He says, "We are going to administer this election, and we think that Diaz ought to be maintained in office to the end of the term." They are going to maintain him. They do maintain him. They have maintained him all the time. He is our man. He owes his office to the Government of the United States. He owes his ability to stay there to the marines, to the Army, and to the Navy of the United States. There can be no question about that.

Mr. BINGHAM. Mr. President, will the Senator yield a moment?

Mr. NORRIS. Yes.

Mr. BINGHAM. In the interest of accuracy, I hope the Senator will correct his speech to the effect that there were no members of the Army present, and that Diaz does not owe his position to the Army and Navy of the United States, because the Army was not there—just to be accurate; that is all.

Mr. NORRIS. The Senator distinguishes the Army from the marines?

Mr. BINGHAM. Anyone familiar with international law knows the distinction between the use of marines and the use of an army on foreign soil.

Mr. NORRIS. Yes. I suppose the Senator would say that if a marine burned up a house or killed a man that would not be anything, because he did not happen to be a member of the Army.

I do not care to distinguish between marines and the Army. The Senator may call them anything he wants to; they are soldiers of the United States. They are under the command of American officers. They are carrying out the orders of the President of the United States, and the Senator ought to be broad minded enough, and great enough, and big enough not to try to quibble because I call them an army instead of calling them marines.

Mr. BINGHAM. I am not desiring to quibble, but the Senator is trying to prove a very delicate, technical point; and when he wants to be technical about the use of the term "war," he should be careful to distinguish between the use of the word "marines," who, everyone recognizes, may be properly used in foreign countries for the protection of American life and property, and the term "the United States Army," which may not be so used properly.

Mr. NORRIS. I suppose that if Congress desired they could provide that hereafter all the forces of the United States should be called marines, that we could have 200,000 marines, and then we could carry on war, we could use those marines to invade countries, to kill people, and to destroy property, and we would escape the charge that we were carrying on a war, because we called them marines instead of soldiers. A rose by any other name would not smell any different. It would be just the same.

Mr. BINGHAM. But it would have to be done by the vote of the Congress.

Mr. NORRIS. Exactly; that is what I am pleading for, and in this case it has not been done by act of Congress. The Senator is going on the theory—I think it is quibbling; it is way beneath what a great statesman like him ought to try to do—that the President can send as many marines as he desires to take possession of any country, and still not violate the Constitution of the United States, which says that Congress alone may declare war. He can carry on a war with marines just as well as he can carry on a war with men who are called something else. I do not care what they are called.

Mr. BINGHAM. If the Senator chooses to quibble over the use of the word "war," I have nothing further to say.

Mr. HEFLIN. Mr. President, if the Senator will permit me there; you kill the natives of Nicaragua just as dead with the marines.

Mr. NORRIS. I suppose that when a man is killed it will not make much difference to him whether he was killed by a marine or a soldier or a sailor; he is dead just the same.

Mr. BORAH. Mr. President——

Mr. NORRIS. I yield.

Mr. BORAH. I seem to misunderstand the contention. Does the Senator from Connecticut claim that, so far as the question as to whether the President is making war is concerned, it makes any difference whether he is using the marines or part of the Army?

Mr. JOHNSON. I am interested in that, too.

Mr. BORAH. Does the Senator contend that, so far as the act of making war is concerned, as to whether the President is carrying on war or whether war is being waged, it makes any difference whether the President is using the marines or using a part of the United States Army?

Mr. BINGHAM. Not if the President is engaged in making war.

Mr. BORAH. Whether it is the marines or the Army throws no light on the question here as to whether the President is making war. Certainly he can make war with the marines just the same as he can with the Army.

Mr. BINGHAM. But it is not necessarily true that when marines are used we are engaged in war.

Mr. BORAH. No.

Mr. NORRIS. Nobody said so.

Mr. BORAH. Neither would it be necessarily true that if he were using the Army he would be engaged in war. If the Army were used solely for the purpose of protecting American life and property, it would not be waging war, although the President had the entire Army there.

Mr. BINGHAM. Undoubtedly the Senator realizes that in the present situation in China the President very carefully refrained from sending the Third Battalion of the Fifteenth Infantry from the Philippines to Tientsin when the lives and property of American citizens were in danger, to protect them,

because he was afraid that that would seem like an act of war, whereas he sent a great many more marines to Tientsin to protect American lives and property, because that could be done without infringing the rights of China, as would have been threatened had he used the Third Battalion of the Fifteenth Infantry.

Mr. BORAH. No; Mr. President, he could have used the Third Battalion for the same purpose for which he used the marines. As a matter of policy, and for its effect upon the Chinese people, a different question might arise; but as a matter of whether or not he was waging war, as an actual fact, it would not make any difference whether he sent the Infantry or sent the marines.

Mr. NORRIS. I do not suppose it would be claimed that it made any difference whether he sent the Cavalry or the Infantry. It would not make any difference whether he sent the air force or the Navy, he would send that which he wanted to use, and which, in his judgment, he could most effectually use. If what they did constituted war, it would be no defense to say that the fellows were not called soldiers. I suppose the Senator from Connecticut could say that the men who bombed the villages and the towns and the followers of Sandino were not members of the Army, and therefore that the bombing constituted no act of war. The point I want to make—and I almost apologize to the Senate for trying to make it—is that it does not make any difference whether you call the men marines, or soldiers, or sailors, or what not, that has not anything to do with the case any more than the uniform which they wear.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. NORRIS. Certainly.

Mr. SHORTRIDGE. I think I understand the Senator's position, but if he will answer me categorically, is it the Senator's position that a state of war has existed and now exists in Nicaragua as between the United States and that Government, or anyone claiming to represent the Nicaraguan people?

Mr. NORRIS. Yes, Mr. President. To say that a state of war exists does not necessarily mean always that there must be a government. There was no Federal Government in this country during the Revolutionary War. No one will claim that that was not a war. There was no Federal Government here at that time. There were 13 independent Colonies. There was not any declaration of war, and, of course, no one will claim that a declaration was necessary. But the war went on, and all the world realizes and knows that the Revolutionary War was a war which lasted eight years, and it has always been so recognized.

Mr. SHORTRIDGE. The Senator will observe, however, that my question was not limited to an existing war as between two existing governments.

Mr. NORRIS. I understand the Senator's question.

Mr. SHORTRIDGE. Does the Senator claim that there is a war to-day as between us, this Government, and anyone representing the Nicaraguan people?

Mr. NORRIS. Yes.

Mr. SHORTRIDGE. A state of war?

Mr. NORRIS. Yes; that is what I have said, or tried to say several times, that there is such a condition, that it constitutes war, and that it is war right now.

Mr. SHORTRIDGE. As a legal proposition?

Mr. NORRIS. Yes; as a legal proposition, as a moral proposition, as a religious proposition, or as a spiritual proposition. Let us not be technical. Let us take the conditions as they are.

Mr. BINGHAM. Let us be accurate.

Mr. NORRIS. Yes; let us be accurate; and so, to be accurate and to be technical, we would say, according to the Senator from Connecticut, that there is not any war because all the destruction of these lives and this property was by marines rather than by soldiers.

Mr. BINGHAM. Does the Senator maintain that General Sandino has set up a government?

Mr. NORRIS. No; he has not had a chance. He does not get a chance. Will the Senator maintain that George Washington had set up a government? He had not set up any government, and the Government was not set up for years after the Revolutionary War was over.

Mr. BINGHAM. The Senator thinks that the Continental Congress, then, did not constitute a government?

Mr. NORRIS. I did not say that. The Senator can draw that conclusion. If he were an uneducated man, I would think he might draw such a conclusion, but with the great ability of the Senator I can not understand how he will try to quibble out of it, and draw that kind of a conclusion. I did not say anything of the kind. I did not say anything by any possible construction could be construed into meaning that.

Thomas Jefferson in his definition——

Mr. BORAH. Mr. President, before the Senator leaves that, may I say that the subject which the Senator from Nebraska is discussing is one of very great general interest. What its application may be to the amendment before us is a different proposition, as he said in his opening.

Mr. NORRIS. Yes.

Mr. BORAH. But we ought to keep in mind, when we are determining the question of whether the President is initiating a war or carrying on a war, that we are trying to distinguish between the powers of the Congress and the powers of the President, trying to get the correct construction of our own Constitution. It is not like a case where you are trying to settle belligerent rights between two different nations.

Mr. WHEELER. Mr. President——

Mr. NORRIS. I yield.

Mr. WHEELER. A few moments ago the Senator from Connecticut made the statement that at the time Diaz was put into office there were no marines and no Army officers and no naval officers in Nicaragua, as I understood him; and he wanted to have the record kept straight. For the benefit of the Senator from Connecticut, and for the purpose of keeping the record straight, let me say that at the time Diaz was elected, and before he was elected, Lawrence Dennis, who was the American minister in Nicaragua, had his picture taken with Diaz, and then they paraded up and down the street with American soldiers or American sailors off of one of the American warships that lay in the harbor.

Mr. NORRIS. Of course, that would not constitute war, according to the theory of the Senator from Connecticut, because they were sailors, they were not soldiers.

Mr. BINGHAM. Does the Senator think that every time a group of sailors goes ashore in a foreign country it constitutes war with that country? That is an extraordinary theory.

Mr. NORRIS. I suppose the Senator is asking that question for information. I thought he probably understood that without asking the question. Perhaps I have an exaggerated idea of the Senator.

Mr. BINGHAM. That seems to be the implication of the Senator from Montana.

Mr. WHEELER. Oh, no.

Mr. NORRIS. I will say, in answer to the Senator, no. That is a kind of a kindergarten question, but the Senator wants to know, and I will give him the information.

Mr. EDGE. Mr. President, I do not want to interrupt the Senator——

Mr. WHEELER. Let me just say that that was not the implication of the Senator from Montana, but the impression I gained from it, and the impression that was given to the people of Nicaragua. The statements that were issued were to the effect that Diaz would be acceptable to the Government of the United States, and for the purpose of showing that he was acceptable, Dennis and the American soldiers and sailors paraded up and down the streets of Nicaragua to show the people there that the American Government was back of him, and that they would back him up with their Army and with their Navy.

Mr. EDGE. Mr. President, I want to discuss that phase.

Mr. NORRIS. Let me discuss it before the Senator interrupts me.

I do not regard it as extremely important, as I said a while ago, whether at any particular time there were soldiers or sailors or marines in Nicaragua, or whether there were marines there or soldiers there or sailors there at the time Diaz was put into power by us. It is sufficient to say, it seems to me, that the evidence stands undisputed that there are at the present time, and for quite a long time past there have been, American forces there, they are there now, they have been interfering with the Government of Nicaragua, have been attempting to assist the side we set up originally as against the other, they participated in a civil war, and are, under the control of the Government, undertaking to go on and get in control of all of it for the purpose of holding an election, without the consent of the American Congress or the Nicaraguan Congress. Now I yield to the Senator from New Jersey.

Mr. EDGE. The Senator will recall that I drew attention to the fact that the American marines were attacked by Sandino's forces and that, taking the offensive in a natural desire to save their own lives, undoubtedly were, as I frankly said before, pursuing what would be properly interpreted as technical warfare. I want to ask the Senator this question. I understood him to say that he thought they were entirely justified in doing that, Congress not being in session, and even if Congress were in session. What is the Senator's view as to the next move? They are now pursuing men who have attacked them. They did not provoke the attack.

Mr. NORRIS. How could Sandino have attacked the American Army if the American Army had not been in Nicaragua? Sandino does not have ships, he does not have flying machines, he does not have automobiles. It is admitted that whatever army he has is in Nicaragua, and has been all the time. Now Senators want to say, on the one hand, that our Army was not there, that we did not have anything to do with it, and that we are fighting these fellows because they attacked us. It is subterfuge, Senator. It has no truth for its basis. We all understand what the facts are. We are there, and our Army was there before Sandino became what you call now a despot and a bandit. We were there then. We said to him in so many words, "We are going to supervise this election. We are going to keep Diaz on the throne until the expiration of his term. You can lay down your arms or we will compel you to do it by force." There is no dispute about what the facts are. The Senator says they attacked us. Does he suppose these men, even though they be bandits, are to be followed through the hills and marshes, bombs dropped upon their homes, their property destroyed, their towns burned, and that they will never attack us in return? Is it not the most natural thing in the world? That is what makes war.

Mr. EDGE. Perhaps it is. I did not understand the Senator's viewpoint to be that the President did not have the right and the constitutional power originally to have sent the troops to Nicaragua, whether it was for the purpose of bringing about peaceful conditions and protecting American lives and property by supervising an election, or whether it was for some other purpose. I thought he had agreed that the President had a perfect constitutional right to send troops.

Mr. NORRIS. It depends upon conditions. I have said and I believe that while there might be conditions under which he could do it, he has no right to take possession of their territory; he has no right to take sides between two factions engaged in a civil war. When he does that he makes war under this definition, and there can be no dispute about it. He has no right to take possession of that country and their affairs. That is war. He has done it, and he is doing it now. He does not deny it. He admits it. He says he is going on until the expiration of the Diaz term.

We might conceive of a condition where he ought to land troops in Nicaragua, but we can not conceive of a condition in this civilized world where he would do the things he has done in Nicaragua if it was a government which was big enough to take care of itself. No man for a moment would think that he would dare to do such a thing in Canada, yet he has the same right. He would not do such a thing in Japan. He would not do such a thing in Great Britain. He would not do such a thing in any government that is able to take care of itself. Why should not the principle apply to the poorest and the weakest as well as the greatest and the strongest?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. FRAZIER. Does the Senator from Nebraska think that the size of the country has something to do with the interpretation of the Constitution?

Mr. NORRIS. One would think from some of the questions which have been asked here that that might have something to do with it.

Mr. SIMMONS. Mr. President, may I ask the Senator from Nebraska a question?

Mr. NORRIS. Certainly.

Mr. SIMMONS. I want to ask the Senator if he has been able to discover any evidence that at this time or recently Sandino has been doing anything to interfere with the rights of Americans in the possession of their property or to imperil their lives?

Mr. NORRIS. Not that I know of.

Mr. BINGHAM. Has not the Senator heard of the case with which the Senator from California [Mr. SHORTRIDGE] is familiar?

Mr. NORRIS. Yes; but that is not the question.

Mr. BINGHAM. Has not the Senator from Nebraska——

Mr. NORRIS. Just let me talk, if the Senator please. I have the floor.

Mr. BINGHAM. I beg the Senator's pardon.

Mr. NORRIS. That is not the question asked by the Senator from North Carolina. He asked whether Sandino is doing anything now. I understand the Senator from California claims that several years ago Sandino committed robbery, that he robbed a man or killed an American citizen, or something of the kind.

Mr. BINGHAM. It was not several years ago. I think the Senator is mistaken.

Mr. NORRIS. I do not know when it was.

Mr. BINGHAM. It was a few months ago, during the present episode, while he was a rebel against the Liberal Party, that he seized this mine belonging to a citizen of California and destroyed property of the value of a million dollars. I was surprised to hear the Senator from Nebraska say he was not familiar with any such thing.

Mr. NORRIS. So far as the question of war is concerned, I would be willing to admit that he took possession of 100 mines. That only makes my case all the stronger. If he is taking mines and taking property like an army does, like our Army does, like every army does when it is in the field, that is another demonstration that war is going on down there. Why should not the army take a mine? Why should not they take anything they think necessary? We do it. We kill people, we burn houses, and destroy villages. I do not think we ought to be there doing it; but if we are carrying on war we have a right to do it, and that is one of the reasons why I maintain there is war there now.

Mr. BINGHAM. In reply to the question asked by the Senator from North Carolina [Mr. SIMMONS], the Senator from Nebraska should change his answer.

Mr. NORRIS. No; I will not change it. I will let it stand. If the Senator from North Carolina will let his question stand it will be read in the RECORD, and it will be found that my answer is technically correct, so far as I know. I do not know, from the very beginning, of instances where either Sacasa or Moncada or Sandino were trying to destroy American property or kill American citizens. There is the best reason in the world why they should avoid it wherever they could, because they knew that that would bring down upon them the power of the American Government. There is no doubt in my mind, although some Senators claim to the contrary—and yet I have the approval of the Senator from Idaho [Mr. BORAH], who has probably studied this question more than any one else—that the question of the destruction of American lives and American property is mostly a myth. They did not undertake to injure them. They were careful not to do so. It was the most natural thing in the world not to do it. They did not want to do it. But there would come times in carrying on the war, of course, where anybody's property might be seized, where anything that would sustain an army might be taken. That is civilized warfare, and because Sandino did it and because we do the same thing now is only more evidence that there is war existing in Nicaragua.

Mr. President, I have for some time tried to repeat some of of the definition given by Thomas Jefferson.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

Mr. NORRIS. Will the Senator let me finish this and interrupt me later?

Mr. SHORTRIDGE. Very well.

Mr. NORRIS. Jefferson's definition continues:

When any attempt is made to take over or control the territory—

We are doing that—

to use force for the collection of claims due to American citizens—

That is another reason not involved in this case—

to interfere with the military operations of foreign troops—

That is what we have done from the very beginning—

or above all to interfere between two governments which claim to be the legal government of the country.

That is just the condition that existed down there until we compelled one of them to surrender. In other words, according to this definition of what is war, we have it in Nicaragua on all fours. There can be no doubt about it that it is war.

I am merciful to the President of the United States when I claim it is war. If I had the idea that those Senators who contend there is no war, then I do not know what I would be compelled to say about the President, because he has used the armed forces of the United States to destroy human life, to burn villages, to bomb innocent women and children from the air. He can do that if there is war, but if there is no war between the countries then what must be said of that kind of conduct? The people who are trying to excuse every act of the President, no matter what it may be, are getting themselves in a hole and are putting their hero in a position where he would be subject to much more and much more bitter criticism than I am trying to administer.

I yield now to the Senator from California.

Mr. SHORTRIDGE. If war exists, it exists between this Government and Sandino, does it not?

Mr. NORRIS. I think so; but I am not on the witness stand. I am not going to be the Senator's witness. Let him ask his question.

Mr. SHORTRIDGE. My question is, if war exists, and of course the Senator has stated that it does, then does not war exist as between this Government and Sandino or his forces?

Mr. NORRIS. Yes. I want to repeat to the Senator what I said a while ago, that there can be war even if there is no organized government.

Mr. SHORTRIDGE. Yes; I so understood the Senator.

Mr. NORRIS. And our own country is a living example, having been born under those conditions.

Mr. SIMMONS. Mr. President, will the Senator yield to me again?

Mr. NORRIS. Gladly.

Mr. SIMMONS. If the Senator will pardon me, I have assumed—whether rightfully or wrongfully I do not know, because I have not had an opportunity to make a study of the question; I have depended largely upon the public press for my information and upon speeches I have heard here upon the floor of the Senate—I have assumed that Sandino, at present at least, and probably in the beginning, was engaged in a revolution in an attempt to overthrow the Diaz government. I have assumed also that in the beginning of the struggle, probably in the disorder that was occasioned, harm or injury might have been inflicted upon Americans either with respect to their property or their lives.

But I have assumed, since I did assume that to be the case—and that is why I asked the question of the Senator a few moments ago—that if that had happened in the first stages of this revolutionary movement, then when the United States interceded for the purpose of protecting American property, Sandino had sufficient sagacity to know that this Government was able to protect its property and its citizens, and that he dared not to continue to trespass upon the rights of American citizens.

The question that I asked was whether at the present time there is any evidence that Sandino, in carrying on his revolutionary operations against the Diaz government, is interfering with the rights of American property or jeopardizing the lives of American citizens?

Mr. NORRIS. That is the question the Senator asked me before and the question that I answered, and I said I did not know of any such evidence, and I still stand by that answer. If there is any such evidence, I do not know what it is, and it is not an answer to say that some time ago this man, who has been denounced as a bandit, did something that was wrong. That does not answer it.

I want to say in further answer to the Senator that Sandino was a part of Moncada's army. A part of that army surrendered to the United States and we disarmed them. They surrendered to our forces. Sandino refused to do it. He is a part of that army, so he is fighting the United States. He claims that the United States has no right on the territory of Nicaragua to take control of that Government. He is contesting that right in his feeble way, and that constitutes war again.

Mr. EDGE. Mr. President——

Mr. NORRIS. I yield to the Senator from New Jersey.

Mr. EDGE. If the Senator will permit me, I would say positively that evidence was given before the Committee on Foreign Relations, and I shall be glad to insert it in the RECORD later, to the effect that Sandino had occupied, during the present manifestation, American property and exacted fines or tributes and destroyed American property.

Mr. NORRIS. I am sorry the Senator from New Jersey does not understand the question of the Senator from North Carolina.

Mr. EDGE. I understand his question.

Mr. NORRIS. The Senator's question is whether Sandino is now destroying property or trying to destroy the property of Americans. Is he now trying to kill citizens of the United States? I said I have no evidence of it.

Mr. EDGE. I understood the Senator's question was whether he had done so during this present episode.

Mr. SIMMONS. No; I did not ask that.

Mr. EDGE. That is, within three or four months.

Mr. NORRIS. Mr. President, in carrying on a war either side has a right to take possession of the property of the neutrals of the other side. We have done that in every war in which we have ever been engaged.

Mr. KING. And of our own nationals.

Mr. NORRIS. Yes. Why should not Sandino have the right to do it? Are we going to deny that right? With this highly civilized country of ours standing upon a pedestal before the world, flaunting our security, and claiming that we are only moved by peaceful motives, are we going to deny to this tramp whom we call a bandit, this outcast, the same privileges that we assume now and always have assumed?

It is perfectly foolish, it seems to me, for grown men to make that kind of contention, and I am surprised that anybody should do so.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

Mr. NORRIS. I yield.

Mr. KING. Mr. President, the Senator from Nebraska will recall that in the recent war the United States took possession of the property of American nationals and has not paid them for it to this day.

Mr. NORRIS. The United States took possession of the property of German nationals.

Mr. KING. The Government took possession of the property of German nationals, but it also took possession of the property of our own nationals. The Senator from Nebraska stated that during time of war we have the right to take possession of the property of neutrals, but we also took possession of the property of our own nationals.

Mr. NORRIS. We have that right, and nobody denies it.

Mr. KING. We had the right to do so, but under our Constitution we promised that we would pay; yet in a number of instances suits have been brought which have not as yet been terminated, and American nationals, as I am advised, are still without payment for property which was taken by our Government. So, if Sandino did take the property of American nationals in his country, he did no more than we did in the case of our own nationals in the United States during the recent war.

Mr. NORRIS. Mr. President, I think that is a fair statement of the case, and I do not believe anyone in his sober moments can dispute the proposition that the Senator from Utah has laid down and which I tried in my weak way also to lay down.

Mr. President, let us see what we have been doing there. Several thousand marines have from time to time been taken down there; we have an army in Nicaragua that far surpasses the army that we are fighting. From official records, from the report of the Secretary of the Navy that was laid before the Senate not long ago, we find that we have used 36 American vessels in carrying on that contest. Does that look like war? Does that look as though we were trying to defend somebody's property or somebody's life against a little nation? Does it require 36 American vessels to transport our soldiers, even though we call them marines, down to Nicaragua, and to transport munitions of war, airplanes, and bombs in order to protect American lives and property?

Mr. CARAWAY. Mr. President, may I ask the Senator from Nebraska a question?

Mr. NORRIS. Yes.

Mr. CARAWAY. I believe we assumed the right to seize the arms of the contending forces in that country. If there is no war down there, what is that?

Mr. NORRIS. Yes; we not only claimed that right, but we have exercised it. We went in there when there were two factions fighting for supremacy, and we disarmed them all, except Sandino. Sandino is a part of the army that we were going to disarm, but he refuses to be disarmed. Whether it is right or not, whether he is using good judgment or not, is entirely beside the question. The point I am now making is that it is war and nothing else can be made out of it. We have spent many millions of dollars in the aggregate; we have lost many precious human lives; we have killed hundreds and hundreds of Nicaraguans, many of them having been unarmed. That is one of the results of war. I am speaking of that now to show that there was war and that there is now war.

Let us see. I hold in my hand an announcement by the Associated Press no longer than a few days ago; in fact, it was printed on the 13th day of this month:

MANAGUA, Nicaragua, April 13.—Determination by American marines to use their every resources in rounding up the remaining followers of the rebel general, Augustino Sandino, was seen to-day in announcement of operations in northern Nicaragua.

A new landing field was opened at Condega. This made nine fields scattered throughout the country to which transport planes could carry men and munitions during the rainy season, which, starting next month, will make the jungle trails impassible to transport trains.

By force of our Army, called marines, we have taken nine fields in different parts of Nicaragua, "to which transport planes could carry men and munitions during the rainy season." Does that look like war? Is that an effort to save somebody's life? Is that an effort to protect somebody's property? No, Senators, that is war.

Mr. CARAWAY. That is but an incident to holding an election.

Mr. NORRIS. This dispatch continues:

Land troops are disposed in 48 posts—

Does that sound like war? That is in accordance with the Jeffersonian definition. We are taking possession of the country. We have our troops in 48 different places in Nicaragua—

to which provisions, arms, and ammunition have been going forward steadily during the past months, since Maj. Gen. John A. Lejeune, commander of the marines, came to Nicaragua to survey their activities. Twenty-five patrols are operating daily through the area where the Sandinistas and their leader are said to be hiding.

Does that look like trying to protect somebody's property? That is the pursuit of an army. Senators may say they are bandits down there, but the Nicaraguans say that Sandino is the Nicaraguan Washington. I heard some Senators discussing this matter the other day leisurely and good naturedly, and one of them said, "I saw the Nicaraguan Army; they were a lot of ragamuffins; they were barefooted; they were dressed in overalls, and wore straw hats."

Mr. President, when I was a small boy, away back among the Buckeye hills, I was taught out of a little history that there was a man by the name of George Washington who had an army at Valley Forge, and that they were almost naked in the dead of winter; they did not have even straw hats; they did not even have overalls, and many of them, like the Nicaraguans, were barefooted. That book further told me that they left the marks of their tracks on the snow and the ice from their own blood as they traveled to and fro in that great army of Washington. Are we now to say that Sandino, because he is ragged, because he has not sufficient money with which to equip his men or to clothe them properly, is, therefore, not entitled to be treated even according to the rules of war?

Mr. President, I wish to read briefly from an article by Mr. Beals, whose articles have been running for some time in the Nation. He went down to Nicaragua and finally got in touch with Sandino's army. He describes it to some extent. I shall not read from the article at length, because it would take too long, but he tells their condition; he tells what they are doing. The statements that I shall read will be those which he asserts have been corroborated. He makes other statements as to incidents which were related by Sandino and his followers, but without other corroboration. I am not going to read anything of that kind, but I am only going to read what this writer says he saw and some of the conclusions that he has drawn from what he saw:

The marines are not accustomed to fight in tropical forests, and they are dealing with a tricky opponent who declares "God and my native mountains are fighting for me." It is perhaps only prudent before advancing into a dense growth of these hostile mountains—especially since ammunition is plentiful and the American taxpayer generous—to blaze away with machine guns. But in these mountains and in these forests people have their homes, humble to be sure, and their little clearings, both invisible a few yards away. One of the juanas, or camp women, wounded in the forehead by a piece of shrapnel in an aerial bombardment of El Chipote, put it to me, "The Machos [Americans] have killed many civilians, many animals; they have burned many homes, but they've been careful to kill few Sandino soldiers."

* * * * * * *

Some of these stories may come from official Sandino sources. General Sandino showed me the following letter he had received:

Then follows a letter—

On December 6 this town (Ciudad Antigua) was attacked by two Yankee airplanes, the combat of machine guns and bombs lasting an hour and a half, as a result of which—

Then he goes on to tell what the results were. I am not going to read it all, because, as I have said, I do not want to read anything that has not come within the actual visual observation of this writer.

When I went through most of Mataguineo the inhabitants were in such a state of fear that on the approach of strangers they either whipped out their guns and shot without warning or else took to the hills in full flight. We always sent a single, unarmed Indian ahead of us to advise the householders that friends were approaching and not to take flight or shoot.

As we came nearer to El Chipote the sense of desolation became more overpowering. And when we landed in Murra at sundown on a rainy night and found the town completely deserted, the effect was gruesome in the extreme. The fear of war gripped us with a hundred vicelike terrors. Everyone had left Murra hurriedly. Some of the doors were padlocked; others had been hastily tied with pieces of cloth or rawhide; some were not even tied. From the refugees we learned that they thought the place would be sacked and burned by the marines.

That is a pleasant thought! That is war, Mr. President. We are carrying that on. Did it occur to you, sir, that the American flag is leading that kind of attack; that it is being done in the name of this blessed Government, which we say is founded upon human freedom; that it is being done by our authority; that it is being done by our President? Does that look like protecting human life, or does it look like the protection of property? We have these people frightened to death; there is not any question about that.

Most of the belongings—

Says this writer—

had been left behind. Only a few valuables or cherished objects which could be carried on the shoulder or head had evidently been removed. Those people were not running from Sandino; they were running from the marines.

And as we proceeded we found the mountains silent, depopulated; the food supply was for days exceedingly difficult. At the few houses where people remained there were only men; they had sent the women into hiding with all available food. It grew more and more terrifying to go on, without proper equipment, into mountains from which most of the human inhabitants had vanished. We were lucky to get a few green bananas, a few tortillas—without salt, for salt had become more precious than gold. The refugees who had not gone into Honduras had gone deeper into the wilder mountains. They had found concealed nooks where they had built temporary lean-to's out of branches and sulta palm. In many cases they had even concealed the entrances to the narrow paths leading to their erstwhile abodes. All the way to Little Mataguineo we found no people, only evidence here and there of the passing of refugees. In Little Mataguineo, a place of one house, we came upon a family—man, wife, three children, and a sick old man with a bandage around his head—all emigrating, but they were kind enough to share a few beans with us—again without salt. The owner of the house, we learned, was in the vicinity, but in hiding.

When we later crossed into the Coco River basin the cry was the same: "The Machos are coming!" "They will burn our houses." Here again part of the region had lost many inhabitants.

Whatever the rest of Nicaragua may think of us, this little corner knows only bitterness and hatred. We have taken a place in the minds of these people with the hated Spanish conquerors of other days. The password runs among the people and it echoes in their song, "We must win our second independence; this time from the Americans, from the Machos, the Yankees, the hated Gringos." Names enough they have for us.

My personal opinion is that if Sandino had arms he could raise an army of 10,000 men by snapping his fingers; that if he marched into Managua, the capital, to-morrow, he would receive the greatest ovation in Nicaraguan history. America's friends in Nicaragua are the politicians who have bled the country for so many decades; they are the politicians who wish to stay in power, or to get into power with our help. I would not advise any American marine to walk lonely roads at night in Nicaragua.

Mr. President, this writer goes on to tell how he saw these people who were trudging along, some of them carrying some little trinket that they had taken from their homes, some carrying a little food, some leading a little child, some with bandages about different parts of their bodies where they had been wounded. I remember that he tells about one woman driving a pig, and others taking what little they could into places where they could hide in order to escape our Army—our Army, the American Army, dropping bombs, scaring and frightening these people. They are more frightened than we would be; but we would be frightened under the same circumstances. These people are unused to the civilization that we claim for ourselves. They are not familiar with airplanes and big navy vessels and well-uniformed armies; and when there are dropped out of the heavens the bombs that burn their homes, that shatter their bodies, and scatter the fragments to the four winds of heaven, is it any wonder that these people are emigrating and hunting places in the mountains for the concealment of themselves? Is it any wonder that they have no food? Is it any wonder that the Nicaraguan Army has to go barefooted and wear overalls and straw hats?

My own impression is, Mr. President, that if the American people could see the suffering that is being caused down there they would rise as one man and say, "Get out of this country! Let their country alone! There is nobody there who wants you, except" as this man says, "a few politicians."

It is conceded that a large majority of the people are opposed to Diaz, the man whom we put in power and who is maintained in power by our Army. They are opposed to him. He could not hold his job 24 hours, as I said a while ago,

without the assistance of our Army. Everybody admits it; everybody knows it; and still we are appropriating money to carry on that kind of a warfare.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Yes.

Mr. KING. I invite the Senator's attention to a fact with which he is more familiar than I—that during the World War, when it was charged that the Germans were dropping bombs upon French cities, and some of their airplanes passed over London and over English towns and dropped bombs, we denounced those acts as atrocities that were outside the pale of civilized nations; and yet in the case of those poor, defenseless people in Nicaragua we send our armies down there and our airplanes, and we drop bombs upon their little villages and hamlets and destroy and kill and wound and burn.

Mr. NORRIS. Mr. President, those people are moved by the same things that move us. They have the same sensations that all other human beings have. If you prick one of them with a pin it will hurt as badly as though he were an American, wrapped up in the American flag. They love their little children. They love their homes. We would call them hovels, but they are the best they have. We have burned them and destroyed them and killed some of their little children, killed some of their wives, killed some of their women, every one of whom was unarmed and not a single one of whom had ever raised a finger against us. Not one of them had ever done anything against us. They had nothing against us. They wanted to be our friends, and still we are carrying on this warfare against them.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. Just a moment.

Why, Mr. President, through it all, and while these people are running to get away from our Army, I can not conceive of a worse condition. Maybe, Pollyannalike, they thank God that they do not live in Chicago, but at least they are as bad down there; and that leads me to inquire, Mr. President, if President Coolidge wants to use the Army and the Navy and the marines and the sailors to purify elections, why does he not go into Philadelphia, where they vote men who have been dead for 15 years, where they get the names off the tombstones in the cemetery—something they can not do in Nicaragua, because they do not have the money or the financial ability even to put up tombstones at the graves of their dead? Even now for some time we have been deprived of the association and the assistance of the lone Senator from Illinois [Mr. DENEEN], the statesman from Chicago, who has had his time almost entirely taken up in Chicago delivering funeral orations over his dead political heroes.

There is room enough at home if we want to reform somebody. If we want to purify an election, we have the whole United States before us. There are many places where we ought to devote our energies instead of interfering down there; and why down there? What for? What good is it going to do? What are we going to accomplish by killing those men and those women and those children and burning those little hovels and those little homes? What are we going to accomplish?

If Sandino is no more than they say he is, and we are bound to hold an election, why not go on and hold it? He can not interfere with us. He is up in the mountains. He is driven away. He can not come to a voting place. We can hold the election; but we are following him. This Associated Press article shows that there are many places in Nicaragua where we have headquarters. We have 49 posts where we can carry provisions and munitions of war and men with airplanes, even after the rainy season begins. We have 25 places where we are engaged in surveying activities, marching men back and forth, policing the country. We have taken possession of it. We have used the force of arms to do it for the purpose of holding an election it seems now. They have given up the idea that there is any property to be preserved, or that the lives of any Americans are in danger, and they say now, "We are going to hold an election."

Let us see for a moment about that.

In the first place, we put Diaz in power. We keep him in power with our Army, and we make an agreement with him—which is making an agreement with ourselves—that we will supervise an election. The American Congress has not passed any law that gives that authority. The Nicaraguan Congress has not passed any law that gives that authority; but we have made an agreement with ourselves that we are going to supervise an election down in Nicaragua, and that is what we are doing. That is what we are getting ready for; and why should we supervise an election?

It is said now that since we have made that agreement we ought to carry it out; that we have disarmed the liberals, and therefore they will not stand a fair show unless we carry out the agreement. If we have done what Stimson's letter says, we have disarmed both sides; and that would not be a bad thing to take the arms away from all of them. If we have done that—and I assume that we have; I am going to read Mr. Stimson's letter here now, and he was going to disarm both sides—if he has done that, why not get out to-morrow? Neither side is armed. Why not get out to-morrow and let the people of Nicaragua hold their election as they want to? There will be no danger, even to the liberals, if they are the fellows you want to sustain, because the other side will not have any arms.

Let me read this letter:

DEAR GENERAL MONCADA: Confirming our conversation of this morning, I have the honor to inform you that I am authorized to say that the President of the United States intends to accept the request of the Nicaraguan Government to supervise the election of 1928—

That is the Diaz government. That is our government. In other words, the President has accepted an invitation from one of his own people to supervise that government, and he is going to do it.

That the retention of President Diaz during the remainder of his term is regarded as essential to that plan and will be insisted upon—

There you have it. There is some one speaking for the President of the United States, backed by the Army and the Navy of the United States, to Moncada. He is talking to him in this letter. He says:

We are going to see that Diaz serves out his term. We are going to insist that he remain in office during the balance of his term.

What does that mean? That is to a man, Moncada, with an army that can not compete with ours. Everybody knows that. He knows that with the great force of the Government of the United States he will eventually be conquered; he will eventually have to surrender; and so, in my judgment, it is surrendering at the point of a gun.

Let me read on—

that a general disarmament of the country is also regarded as necessary for the proper and successful conduct of such election—

To begin with, we have decided—there is no compromising here—the Government of the United States has decided, first, that Diaz shall remain in office until the expiration of his term. Second, the Government of the United States is going to hold an election in Nicaragua. Third, in order to carry that out a general disarmament is necessary.

and that the forces of the United States will be authorized to accept the custody of the arms of those willing to lay them down, including the government, and to disarm forcibly those who will not do so.

In other words, we say: "The United States Government is going to keep Diaz in power. We are going to disarm everybody. We are going to use the whole Army of the United States to do it if necessary. We are going to hold an election, and we are going to disarm both sides; and those who do not willingly surrender and lay down their arms will be forced by the power of the Government of the United States to do so." That is the contract that we are asked now to carry out!

If there ever was a contract that was void on its face, if there ever was a contract that was brought about by force and intimidation, that is one of them. Nobody can dispute it. In the first place, we make a contract that we have no authority to make. We make a contract with somebody else, and we compel them by force to surrender their arms and lay them down. We compel a surrender, and now we say, "If we do not carry that out we will be violating our contract."

Mr. President, if we are to permit precedents of this kind to go uncriticized; if we are to permit the President of the United States to use the public funds that we appropriate to carry out that kind of a contract, made without any authority of law, made with people who are defenseless and who are forced to sign on the dotted line, who are compelled to surrender at the point of a gun—if we are going to approve that precedent, then where is the next Congress coming in with the next precedent? We will not have to go any further than that. That precedent is enough to permit any man who is President of the United States at his own sweet will to plunge this country into a war with any country on earth. Nobody can dispute that. No one can get away from that; and we will have a President some day who will do that very thing.

Talk about amending the Constitution because we are trying to put this legislation on an appropriation bill! Great heavens!

Have we not amended the Constitution already? If this is sustained, have you not taken out of the Constitution that provision which gives to Congress the right to make war? You have, as fully and completely as though it had a constitutional majority here and had been approved by a sufficient number of State legislatures. You have given to the President of the United States the power to make war at any time against anybody that he pleases to make war against. There can be no escape from that.

Mr. President, I am coming to the point now where I want to plead for the American Government; I want to plead for its perpetuity; I want to plead for the continuation of the life of our Government; I want it to continue to be a representative government; I want it to be a democracy, a liberty-loving democracy, that will stand before the world as an emblem of human freedom. To do that, I must stand against the usurpation of this authority; I must condemn, and the Senate and the Congress ought to condemn, by refusing to appropriate money to carry it out—such an unholy, such an illegal contract as that—however good the motives may be of the men who made it.

I want to call attention, on that point, to what George Washington said in his Farewell Address, one of the finest documents, it seems to me, that has ever been penned by human hand.

Mr. KING. Mr. President, before the Senator proceeds to that will he suffer an interruption?

Mr. NORRIS. Yes.

Mr. KING. I listened with very great interest to part of the address of the able Senator from Idaho [Mr. BORAH] the other day, and was called from the Chamber before he concluded. I have also listened to a number who have spoken, with a view to ascertaining what limitations, if any, there were upon the power of the President to enter into agreements which, in effect, were treaties, which, in effect, according to the contention of some, constitute the supreme law of the land, the Senate having no voice whatever in the negotiation of the agreements, and the agreements never being presented to the Senate for ratification.

I should be very glad if the Senator, before he concludes, would tell us if the President may, at his discretion, enter into such agreements with foreign powers, the effect of which may be, and in some instances inevitably will be, to bring about conflicts, war, in which the United States will be involved.

Mr. NORRIS. Of course, he has no such authority; of course, he has no such power, and here is an instance where he is assuming that power; here is an instance not only where he has assumed it, but has made a contract in violation of the Constitution of the United States, and the executive department of the Government is here now to get money to carry out that contract, and it is up to us to say whether we shall appropriate the money.

It is said we should not do this on an appropriation bill. I admit this is an indirect way of doing it, but I do not know of any other way to do it. We have no other opportunity to do it, and I am opposed to remaining silent now, no matter what the result may be on this amendment and other amendments that will be offered if this is defeated. I am opposed to remaining silent. I want to put my views on record, and I want to put the Senate on record as to what it is going to stand for in this kind of a deal, whether we are going to permit our President to use the powers of his office to make a contract that the Constitution of the United States says he shall not make, and make it in a way that is more dangerous to our national life than any other action could possibly be.

It would not be so bad if the President made some contract with the governor of some State that was illegal along the same line; it would not mean the destruction of our Government; but I want to tell the Senate that if this precedent is carried out—and it will be, because similar precedents are relied on now, none of which has gone quite so far—it will only demonstrate that when you give to an official power, he will go a little beyond what the other fellow did; he will go a little bit farther. The President has now gone to the very limit, so that it will be within the power of any President to make war at any time, according to his own sweet will, upon any country on earth, and we will have nothing to do except to appropriate the money to carry it on.

Listen for a moment to the words of Washington:

> It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding, in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominates in the human heart, is sufficient to satisfy us of the truth of this position.

Those are not my words; they are the words of the Father of Our Country, and applied to this case they mean that if you are going to approve this precedent you will take only the first step, which will ultimately bring about the destruction of our Government and the establishment of a despotism upon the ruins. You can not get away from it. If George Washington was right, then the Congress of the United States, in his memory, if for no other reason, ought to call a halt—we ought to stop our President. It does not mean that we necessarily impugn his motives. He may have the holiest of motives; he may mean to be doing good by it; but he is using an illegal means to do it, and some one following him, even though he does good by this wrongful act, will use that wrongful act as a precedent to do something that is in itself wrong, and that will bring ruin to our Government and our people.

It seems to me, therefore, Mr. President, that we have reached the time now when the Congress of the United States ought to speak, not only because we think that Nicaraguans are not being treated right but for the salvation of our country, realizing that we are approaching a point where, if we do not call a halt, we eventually will bring down the structure of our Government upon our heads.

Mr. NORBECK. Mr. President, no country in the world is so far away that its welfare is not our concern to some degree, but the happenings of this continent are either in our house or in our dooryard. We must frankly take their part in dealing with any trouble that arises between the Arctic Ocean to the north and the Panama Canal to the south. I only plead for a little more frankness in the admission of well-known facts toward the solution.

As to the countries bordering on the Gulf of Mexico, there have been lengthy debates in Congress from the beginning of our history. The speeches have referred to the limitation of our Constitution and the duties of the American Government. They have had to bear on the question of self-determination and religious freedom, as well as the protection of life and property. The debates in Congress have apparently been exhaustive, but never a word is said as to why our troubles come to the south of us and never to the north of us. One would almost be led to believe that the same steady, self-reliant people that inhabited Canada have a counterpart in every island and every Republic to the south of us. If so, why this trouble?

It was my privilege at one time to spend about a month in a so-called republic lying south of us, a country that enjoys civil and religious liberty, if constitutional and legal declarations are to be taken at par. Their constitution was, in fact, modeled after our own. But I found the relations between the ruler and the ruled were entirely different. There was no safety for life or property unless you belonged to the faction in power. If a candidate for the presidency lost the election he would still get the office, provided he had the support of the army—ballots did not count; the elections are just pretexts.

The "upper class," if such a term can properly be used, were the property-owning class. They were the office-holding class. They were educated and cultured, and they were white—real Caucasian stock. They were not inferior people, but they did lack the stability and patience of the north European people, even though they may be well advanced in art and learning. They came from those Mediterranean countries that periodically prefer a dictator. They frequently get into a mess that requires a dictator to untangle.

But that is not the most serious situation, for Mediterranean people do not need some outsider to come in and handle their affairs. The sad thing is that only 20 per cent of the population were white—one out of every five. The other 80 per cent of the voting population were largely descendants of the old American stock that inhabited this continent prior to the discovery by Columbus. It is true there was a little mixture of white. The effect of the mixture seemed to be about the same there as on a South Dakota reservation—often the best qualities of the old stock were lost and the vices of the whites were taken on. It did not improve the situation much.

If they lived within the borders of the United States, we would recognize the situation as it is. We would not try to fool ourselves. The population of the Southern States, both white and colored, have accepted the situation, where the bulk of the responsibility falls on the whites. Even in Northern States the native population are denied the right of self-government and are wards of the Nation. If they lived in Nicaragua we might argue for their competency in self-government, but we do not if they live within our own borders.

I could imagine the resentment on the part of the Senators from Mississippi or Alabama if some protesting foreign govern-

ment should insist on a majority rule in those States and the subdivisions thereof. No Member of Congress, North and South, is for giving our own Indians the same responsibility in control of government as the white people enjoy. I do not speak of the Indian as an inferior race. He does have a different culture from ours. He has some virtues the white man lacks, but on the other hand he lacks those traits and experiences so common to a self-governing European people.

Why not accept the situation frankly and admit that we must rely on the white population in those countries for whatever stability can be given the government and whatever protection there may be to life and property, until such a time as the native population has reached that test of civilization—the willingness to sacrifice to-day for the good of to-morrow, the present for the future, and have also learned that the individual must yield for the benefit of the whole, in order to establish safety, stability, and justice?

I do not care to defend the white man's policy or philosophy in dealing with primitive races or his acts of aggression in discovery, exploration, and settlement. The settlement of the countries to the south of us is to some extent a repetition of the history of our own country. We start with letting our self-sacrificing missionaries go out and introduce the Christian religion, to establish schools and hospitals, to segregate the leper, to relieve the sick and the poor.

Next comes the enterprising American who "opens up the country," as he calls it. Plantations are established, mines are opened, factories are built. Employment is given to the natives at a wage five or ten times what they were able to earn before. A new prosperity puts money in circulation. Churches and schools get their part; towns grow up, highways are built. A new era comes into being, but it must be admitted that it is not an ideal situation. Wages are still low compared to those paid in other countries. Property is none too secure and life is often put in jeopardy.

Next we find a few natives, or more likely mixed bloods, have acquired what he calls an American education. It was not an education in the use of the spade and the hoe. It was not a development of patience and self-sacrifice, nor was it the stimulating of the better impulses of the human heart. It was rather a book learning. These young people are thoroughly familiar with our Declaration of Independence, the American spelling book, and the American dime novel. They do not believe in evolution nor in slow growth—they are for direct action and quick action. The leader has a political mind—he takes advantage of the political opportunity. He stirs the prejudice of the ignorant against the white man's invasion and calls attention to the fact that larger wages are paid in New York, and the trouble is on. Our Government has stood idly by—in fact, has even encouraged what has taken place.

A considerable number of Americans have gone into these lands with their families, some engaged in altruistic undertakings and others in money-making occupations. Trouble comes periodically, and when it comes there is nothing more natural than for the man or woman born in the United States to look to our flag for protection. The President may send the marines, and the critics will say that this is a violation of the Jeffersonian theory of self-government—though they refrain from being too specific as to when or where Jefferson said any such thing.

We are told that we are denying these people what we insist on having for ourselves—a free government—in which each individual takes its full part and receives the full benefit. Every argument we hear is based on the theory of equality between races, but the equality is not asserted. If this is a sound doctrine abroad, it should be a sound one at home. If it is fallacy at home, it should be fallacy abroad. Let us quit fooling ourselves.

I am unable to find a reason for our attitude unless it lies in a consciousness of our own wrong-doing toward the natives of this country. If atonement for our transgression is to be given, we might find it more convenient to make such sacrifice in Nicaragua than in North Dakota.

It is not so difficult to call on the Americans who are out in the foreign field to sacrifice their lives and property as a blood offering for their own misdoings. We do not intend to start any reforms in our own dooryard—we are going to start them a thousand miles away from home, where such high purpose will not interfere with our own selfishness.

INEVITABLE

I share the views of the Senator from Idaho [Mr. BORAH] that we can not change our policy abruptly. We must carry out not only written treaties but implied obligations. That all goes to the question of our national policy.

If the policy is to be changed, let us announce frankly—do it in advance and adhere strictly to the announcement—but let us not betray anybody who has relied on our counsel.

MONROE DOCTRINE

The Monroe doctrine placed additional obligations upon this country. At one time it was a necessary doctrine. The need for it does not exist to the same extent. Why not announce to the world our intention of abandoning this as far as applicable to the South American Continent at the end of a 25 or 50 year period?

UNCLE SAM'S OBLIGATION

Let us at the same time announce that we recognize it is our obligation to maintain order all the way from the Canadian border to the Panama Canal. We can not avoid the responsibility for peace and order in our own dooryard. It is not necessary to impose any unfair terms on anybody. We have been helpful to Cuba in bettering their conditions, though we have occasionally had to use a strong arm. It may become necessary to do it again, but we will have the support of the most intelligent and the most patriotic class of her citizens. We have supervised elections in Cuba, Santo Domingo, and Haiti. Our policy has not reflected party politics. We have done this under Democratic administrations as well as under Republican administrations. We are going to carry on. Why not announce our policy frankly? Let us give assurances that our policy will protect the life and property of every citizen in these countries, be he an American banker or an American laborer. Tell our citizens living in foreign lands that in case of trouble it will not be necessary to use any such false pretenses as to run up the British flag and claim protection under same. Give them to understand that our flag will be their protection to-day, to-morrow, now, and in the future, and as long as our Republic endures.

Mr. SWANSON obtained the floor.

Mr. BINGHAM. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

Mr. SWANSON. I yield for that purpose.

Mr. BINGHAM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Dill | Kendrick | Sackett |
| Barkley | Edge | Keyes | Schall |
| Bayard | Edwards | King | Sheppard |
| Bingham | Fess | La Follette | Shortridge |
| Black | Fletcher | Locher | Simmons |
| Blaine | Frazier | McKellar | Smith |
| Blease | George | McLean | Smoot |
| Borah | Gerry | McMaster | Steiwer |
| Bratton | Goff | McNary | Stephens |
| Brookhart | Gooding | Mayfield | Swanson |
| Broussard | Greene | Metcalf | Thomas |
| Bruce | Hale | Neely | Tydings |
| Capper | Harris | Norbeck | Tyson |
| Caraway | Harrison | Norris | Vandenberg |
| Copeland | Hawes | Nye | Walsh, Mass. |
| Couzens | Hayden | Oddie | Walsh, Mont. |
| Curtis | Heflin | Overman | Warren |
| Cutting | Howell | Phipps | Waterman |
| Dale | Johnson | Pittman | Watson |
| Deneen | Jones | Ransdell | Wheeler |

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

HERBERT HOOVER

Mr. BLEASE. Mr. President, will the Senator from Virginia yield to me for the purpose of asking to have something printed in the RECORD and to make a statement of about five minutes in connection with it?

Mr. SWANSON. I yield to the Senator from South Carolina for that purpose.

Mr. BLEASE. Mr. President, this Republic was founded by the best and most intelligent manhood that existed on the earth at the time it was brought into being. They did not have to fight their way up from the caves and jungles as the people who had established governments in other parts of the world had had to do. They came here to escape the oppression of monarchies which cursed the Old World, and with their own hands and brawn fought back the oppressors who pursued them here. They builded a government that has become, in a century and a half, the greatest nation and the freest nation that ever existed on the earth. Its keeping is in their own hands and they should have the fullest light on every question on which they are expected to pass at the ballot box.

I can conceive of no greater crime against the Republic than to mislead the people to make them ignorantly destroy their country in attempting to conduct its affairs in the way marked out by the fathers who had offered their lives as a sacrifice on the battle field to make them and their offspring free men.

When a man asks the people to intrust him and elevate him to the exalted station as their Chief Magistrate for four years the people should have all the light on his life obtainable before they should intrust him with their destiny. The candidate for this lofty position should convince the people of distinguished service he has rendered for his country before he should seek so great a reward at their hands.

One of the candidates before the people to-day seeking their suffrages for the exalted office of President of the United States is Herbert Hoover, the present Secretary of Commerce in the Cabinet of the present Executive, Calvin Coolidge. He is asking a great deal at the hands of the people of the country, and they should know who he is before they are qualified to cast a ballot for him. His life's story is best written by himself and its evolution is clearly set forth in the biographical sketches which he has furnished to the currently published books, Who's Who in England and Who's Who in America, covering the period of the past 12 years, during which he has figured before the public.

Mr. BRUCE. Mr. President, will the Senator yield to me?

Mr. BLEASE. Certainly.

Mr. BRUCE. May I observe to the Senator that it seems to me, in view of the doubt as to whether Hoover is an Englishman or an American, his life might well appear in a book entitled "Which is Who?"

Mr. BLEASE. Mr. President, I am going to prove in a minute that he is not an American; that is, if he himself told the truth.

In Who's Who in America in 1916 he gave his life story, as follows:

Hoover, Herbert Clark, engineer, * * * assistant Arkansas geological survey, 1893; United States Geological Survey Sierra Nevada Mountains, 1895; assistant manager Carlisle Mines, New Mexico, and Morning Star Mines, California, 1895; in western Australia as chief of mining staff of Bewick, Moreing & Co., and manager of Hannan's Brown Hill Mines, 1897; manager for Sons of Gwalia and E. Murchison Mines, 1898; chief engineer for the Chinese Imperial Bureau of Mines, 1899, doing extensive exploration in the interior of China; took part in the defense of Tientsin during the Boxer disturbances in 1900; representative of the bondholders in the construction of Ching Wang Tow Harbor in 1900; general manager of the Chinese Engineering & Mining Co. in 1901; partner of Bewick, Moreing & Co. Mines Operators of London from 1902 to 1908; director of Zinc Corporation (Ltd.), Oraya Exploration Co. (Ltd.), Russo-Asiatic Corporation (Ltd.), from 1908 to 1914; was chairman or director of the Burma Corporation (Ltd.), of the Santa Gertrudis Mining Co., Camp Bird (Ltd.), Irtysh Corporation (Ltd.); chairman of the American Relief Commission, of London, 1915 and 1916; chairman for the relief of Belgium; trustee of Stanford University (founded by a British subject); Fellow of the Royal Geographic Society; member of the American Institute of Mining Engineers, of the Society Ingenieurs Civil de France, of the Society Belgian des Iengeneers et des Industriales, Society of Mining and Metals, Society A. A. A. S., Hukluyt Society, etc.; his clubs are Devonshire (England), Ranclaugh (England), Albemarle (England). Is a writer of articles on mining and mines for European publications. His home is Red House, Hornton Street, London, England; offices, No. 1 London Wall Buildings, London E. C., England, and 71 Broadway, New York, and Mills Building, San Francisco.

In the Who's Who in England of 1919, Mr. Hoover sets forth that he holds degrees of doctor of law from Harvard, Princeton, Brown, Pennsylvania, Oberlin, Yale, and Alabama Universities; that he is commander of the Legion of Honor; won the French Academy Audiffret prize in 1918; gave his address at Stanford University of California and his clubs as University of New York, Pacific Union, Bohemian of San Francisco; Metropolitan, Cosmos, and Chevy Chase, of Washington, D. C.

In the English Who's Who of 1920 his title is set forth as "Food Administrator of the United States of America" and "member of the War Trade Council since 1917" and "director general of Allied Relief Administration at Paris after the armistice," and he takes the degree "doctor of civil law," besides many others. In the Who's Who in America of 1918 his address is given as United States Food Administrator, Washington, D. C. In the Who's Who in America of 1920 he has become a member of the Lawyers' Club and the Bankers' Club of New York and gives his address as 120 Broadway, New York.

Mr. President, the Chinese people had lived their own lives at home and defended themselves against foreign pirates for more than 6,000 years; their government reached the state 2,500 years ago where they had all the laws they needed, and their people had but little use for a government to rule over them. They built their first great canal system and lowered the beds of their two great rivers after their 13 years' flood 3,750 years before Christ, and completed their great wall to keep the barbarians out of their country 2,500 years ago. These land and mine and water-front and railroad-grant pirates from the British Empire came upon them unaware during the war between the United States and Spain in 1898 and 1899 and took from them their substance when they were not prepared to defend themselves from the seas, and the Boxer rebellion resulted. Herbert Hoover had renounced his citizenship from the United States and had become a subject of this most imperialistic monarchy that ever existed on the earth and was one of their ready plunderers of the defenseless east, China and Siberia, and it was when this Boxer rebellion was engendered that he first wrapped the flag of the United States about his shoulders and asked protection of the United States Army and Navy in his operations in his new-found kingdom.

Mr. President, here are four reasons why Herbert Hoover should never be President of the United States:

First. When his name was up for confirmation as Secretary of Commerce a noted Senator said:

This man, Herbert C. Hoover, has spent all his grown-up life in the employ of British corporations in England and Australia. He never voted in the United States 'til 1916, for Woodrow Wilson.

The last statement is quoted verbatim.

Second. When Americans—in United States—were paying 10 cents a pound loaf for green, soggy "substitute" bread, England, France, and Belgium were paying 3½ and 4 cents a pound loaf for all-flour, American wheat bread, furnished them by Herbert C. Hoover, the American.

Third. He never accounted for $11,000,000 of the $33,000,000 placed in his hands by the "American Charities (Inc.)" for the starving children of central Europe. Repeated efforts and interrogations by New York publications failed to elicit any response from Herbert C. Hoover or his subordinates in office.

Fourth. When newly appearing in American affairs he, with friends, speculated in American wheat up to $50,000,000 at a time, in the Far East. No denial was ever made.

These facts were all thrashed out by metropolitan dailies at the time of occurrence.

All Americans who could read had this information plainly before their eyes.

Mr. President, here [exhibiting] is a picture of Mr. Hoover. Below it are the pictures of two negroes. They are his candidates for delegates in the Ohio primary. I shall not read the statements around the pictures, but ask that they may be placed in the RECORD as a part of my remarks. I wish, however, to read from the last one, over the pictures of these two negroes:

They know that a vote for Hoover delegates is a vote for Hoover, the antisegregationist.

And the negroes should stand by him.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Gazette, Cleveland, Ohio, Saturday, April 21, 1928]

VOTE FOR HOOVER

Long residence in countries abroad, even extensive travel through foreign lands, broadens and materially improves nearly all who have such experience. Herbert L. Hoover spent many years abroad in various countries, Australia and the Orient being among the number, with the result made so clear in recent months by favorable action of great interest to Afro-Americans.

When Principal Robert N. Morton, of Tuskegee, Ala., N. & I. Institute, and the flood sufferers' committee, of which he is chairman, wired United States Secretary of Commerce Herbert L. Hoover, asking the removal of a prejudiced New York woman, an official of the flood sufferers' relief committee in the South because of her heart-rending discrimination against Afro-American flood sufferers, she was promptly relieved of her duties and separated from the service.

When the segregation of Afro-American clerks in the United States Department of Commerce, over which Secretary Hoover presides, was called to his attention a few weeks ago by Neval H. Thomas he promised an investigation, and when the facts were presented to him and he learned the truth of Professor Thomas's segregation charges, Secretary Hoover immediately stamped it out! He was too big and broad-minded a man to tolerate such an outrage upon American citizens of color or anyone else in a United States department presided over by him.

These are the things that best show the man, from the Afro-American's standpoint, and ought to have a marked influence upon their determination as to whom to vote for on April 24, 1928. The utmost confidence can be placed in a man whose mind has been so broadened by travel and residence abroad as well as at home that he is able to rise above the contemptible prejudice of the day to secure justice even to employees of color in his department of the Government service at Washington, D. C. Vote for Herbert L. Hoover next Tuesday.

OUR CANDIDATES ON HOOVER TICKET IN OHIO PRIMARY

A graduate of Howard University, Washington, D. C., Capt. Leroy H. Godman, of Columbus, was a staff officer of the Three hundred and sixty-sixth Infantry, Ninety-second Division, during the war and served overseas as judge advocate for his unit. He is a member of the Ohio State Bar Association, American Legion, and numerous other civic and fraternal organizations.

Dr. Leroy N. Bundy, of Cleveland, representing our people of northern Ohio, is a candidate for delegate from the twenty-first district. He is a leader among our people of Cleveland and adds decided strength to the Hoover cause in this industrial center. His Cleveland indorsements include six Republican clubs and the county Republican organization. There is no doubt of his triumphant election Tuesday.

Ohio Afro-Americans know that in supporting the Hoover delegates they are voting for the best interests of themselves and the whole Nation. They know that a vote for Hoover delegates is a vote for Hoover, the antisegregationist.—(Adv.)

Mr. BLEASE. I also ask leave to print at this point in my remarks an article published in the Chicago Daily News of April 21, 1928, entitled "From the negro's point of view," and will only read the last few words of the article, which states:

True enough, the Commerce Department has seen segregation for the last four years, but that was before Mr. Hoover had become a serious contender for the Presidency.

That statement is from one of his negro friends' newspaper.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Saturday, April 21, 1928]

FROM THE NEGRO'S POINT OF VIEW

By Chandler Owen—Hoover, BLEASE, and the negro

A little while ago Neval H. Thomas, president of the Washington (D. C.) branch of the National Association for the Advancement of Colored People, protested to Secretary of Commerce Hoover against racial segregation in his department. Quite promptly thereafter Mr. Hoover abolished such discrimination. In doing so, however, the Secretary of Commerce incurred the hostility and castigation of Senator COLE BLEASE, of South Carolina, whose annual bills for a Federal anti-intermarriage law and a Jim Crow car for the District of Columbia have already been introduced and are now resting peacefully with the Judiciary Committee, to which they were tactfully referred.

Senator BLEASE declares Hoover's action in abolishing racial segregation in the Department of Commerce has spelled a death blow to all of his (Hoover's) hopes for breaking the "solid South."

Of course, Mr. Hoover has already figured the whole problem out, and he understands that a Republican candidate for the Presidency has much more to gain from a "solid Republican northern negro vote" than from a "solid Democratic southern white vote," when the latter is invariably cast against the G. O. P. candidate. So there is neither principle nor good politics to recommend Mr. BLEASE's course to Mr. Hoover.

True enough, the Commerce Department has seen segregation for the last four years, but that was before Mr. Hoover had become a serious contender for the Presidency.

Mr. BLEASE. I have another article entitled "Thomas to Mills," with a picture of a negro named Thomas, who wrote the letter—he is supposed to be the head of some organization here—to his devoted friend Ogden L. Mills, which I ask may be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). In the absence of objection, it will be so ordered.

The article is as follows:

[From the Gazette, Cleveland, Ohio, Saturday, April 21, 1928]

THOMAS TO MILLS—NEVAL STILL AFTER UNDERSECRETARY MILLS (A NEW YORKER) OF THE TREASURY DEPARTMENT—COOLIDGE ADMINISTRATION SEGREGATION

WASHINGTON, D. C.—A definite statement by Ogden L. Mills, Undersecretary of the Treasury, on the segregation of our employees in the Treasury Department is requested in a letter sent, April 13, by Prof. Neval H. Thomas, president of the local N. A. A. C. P. branch; Robert J. Nelson, of the Elks; and Thomas A. Johnson, of the National Equal Rights League. The letter to Mr. Mills is as follows:

"We have the honor of asking you for the results of your investigations in your vast department and your future policy dealing with your colored employees. It has been three months since we first called on you at the Treasury Department. Since then we have had two lengthy interviews with you and paid five additional visits to see you without success. In the meantime we have had no word from you as to your disposition of our case. We, therefore, take this means of contact. You will remember that we complained about segregation first, and informed you of the immense injury the undemocratic practice is doing our people, the Government service, and the Constitution itself. We pointed out the 'Jim Crow' section of the office of the Register of the Treasury where pernicious discrimination keeps superior negro clerks in lower salary grades, in inferior work, and under constant humiliation of being huddled together on the basis of color. Then we told you of the office of the United States Treasurer where there are the Hon. John T. Howe, ex-member of the North Carolina Legislature, and five other competent negro clerks of superior intelligence and long service, set off from their white coworkers and retained in low salary grade and on the simple mechanical work of 'stating accounts.' White men whom they have taught have passed over them to higher placement and even to the position of chiefs of departments. You spoke to us of the immensity of your department with its 67,000 employees. We held that the merit system can not prevail there when, out of so vast an army being paid by all of the people, there is not one negro in a directive position. We know all too well of the superiority of the negro clerk and that of all of the other colored employees, for white men of their caliber and attainment secure far more lucrative activities in the economic, civil, and political life of the Nation. Hence, if the merit system prevailed in the Treasury Department, or in any other of the many other bureaus of the Nation and the municipality here at the Capital, there would be thousands more negro employees, and many of them holding important executive positions. In the Bureau of Engraving and Printing, the Government Printing Office, and in others of the thirty-odd huge establishments that come under your jurisdiction the same complaints can be justly made. We, therefore, respectfully ask that you make us reply—belated, if you please—to our complaints."

Mr. BLEASE. In the Afro-American of Baltimore, Md., there is another article on Mr. Hoover and his segregation, which I ask to have printed in the RECORD. I also have a letter which I received a few days ago, written by a very distinguished citizen of our country, giving some past history, which I ask to be inserted in my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Afro-American, Baltimore, Md.]

WORK ABOLISHES JIM CROW IN INTERIOR DEPARTMENT—PARTITIONS SEPARATING RACES IN LAND OFFICE ARE TAKEN DOWN—BLEASE RILED, YELLS IT'S "SOCIAL EQUALITY"—N. A. A. C. P. EXPECTS SEGREGATION IN TREASURY TO END NEXT.

WASHINGTON, D. C.—By order of Secretary Hubert Work, segregation of Interior Department workers because of race ended April 13.

Last week Secretary Herbert Hoover abolished Jim Crow in the Department of Commerce, and Secretary Andrew Mellon, of the Treasury, is expected to take similar steps.

Conditions in the Federal departments will now go back to what existed before the first administration of President Wilson. Democratic subordinates of Mr. Wilson were the first to issue segregation edicts, which separated workers of both races who had been working in the same room, and in many cases, at adjoining desks for 25 years.

WORK'S ORDER

In accordance with the order of Secretary Work Miss Gretta D. McRae, a colored stenographer in a "Jim Crow" division of the Land Office, was transferred to the stenographic division. She was later transferred to the survey division, and is doing stenographic work for any employee of that division who may need the services of a stenographer.

Partitions which have separated white and colored employees in the Land Office are being removed, and white and colored clerks are being put to work together in the same rooms.

BLEASE PEEVED

In the Senate last Monday Senator COLE BLEASE (Democrat, South Carolina) accused Secretary Hoover and his campaign managers, Doctor Work and Ogden L. Mills, Assistant Secretary of the Treasury, with seeking to gain the negro vote in the doubtful States by ending this segregation.

The Secretary of Commerce, BLEASE said, is using his influence also with his campaign managers and assistants in other departments. For eight years, he stated, the conditions under which they were working were not disturbed. After Mr. Hoover became a candidate for President he abolished segregation in the Census Bureau.

BLEASE read into the CONGRESSIONAL RECORD a letter from an unnamed white girl clerk and a newspaper article in which the Land Office was referred to as a "hell hole" at best. The white chief of the mineral division, for 35 years termed "Bully McGhee," is ignorant, uncouth, dirty, sneaking, and listening, and knowing nothing of the work.

SOCIAL EQUALITY

The new order which makes all girls use the same lavatory was referred to by BLEASE as an attempt at social equality.

Hon. COLEMAN BLEASE, M. C.,

*United States Senator from South Carolina,*

*The Capitol, Washington, D. C.*

DEAR SENATOR BLEASE: I note with interest the remark by yourself as cited in the CONGRESSIONAL RECORD of April 18 (6696), respecting

the circulation of the report that a candidate for the Republican nomination at Chicago had negro blood, in order to win support for him from the negro delegates from the South. I was present as a spectator at the time of that nomination, and I was told this by the Louisiana negro delegates, of whom seven were seated on the sidewalk outside the auditorium and talking cheerfully about the matter.

The same report was circulated about this same man when he first ran for the State senate; it was circulated about him when he ran for lieutenant governor; it was circulated about him when in 1910 he ran for governor and was defeated by Judson Harmon; it was circulated about him when he ran for Senator against Timothy Hogan, a better man and a first-class lawyer, in 1914 and won.

In 1920 I was a member of the city council of a city of this my native State and that of my forefathers for several generations, and chairman of the police committee, in which capacity it was represented to me on a Sunday in July that a negro preacher from outside the city was in the pulpit of a negro church and had asked every negro and negress of the city to go to the polls and vote for this man because he had negro blood. I was told by indignant citizens to stop this outrage before it should happen again.

It did happen again and it happened that very Sunday evening and again two Sundays later. The police statutes of the city, county, and State are inadequate to meet any such situation. The Republicans were very urgent that I should allow this preaching to go on, because they believed that it would improve the chances of election for this candidate.

Ohio has many colored folks who have crossed the line and "come white." The notion that Democrats circulated this tale is false at least in Ohio. It was of Republican origin, in order to get out the negro votes, as it certainly did.

The man himself was frequently appealed to in order that the tale might be stopped, but he always took the ground that to deny its truth would cost him the negro vote and support. Among white people his white friends always asserted that he was an all-white man, of course. It was a great political play in a State with a great negro vote. These same white friends talked differently whenever they thought that the negroes would hear of what they were saying. These same white men are now telling their negro supporters that the man was a very fine President and that all the stories about corruption in his administration are Democratic lies. And because the negroes have no way and no time to find the facts, they believe that a man of their own race has made a splendid record as President.

White is black, black is white to these Republican managers.

Yours very respectfully,

———— ————.

(Dated April 21, 1928.)

Mr. BLEASE. Mr. President, I made a charge here on the floor the other day that "Mr. Hoover had made this change in the department only for the purpose of obtaining the negro vote." There are negro newspapers and negro correspondents stating that to be the fact, and there is an appeal to the colored people of Ohio to vote for Mr. Hoover because he has issued this order. I think the country is entitled to have that information, and I think it is also entitled to the information for which I asked the Senator from Kentucky [Mr. SACKETT] the other day. See CONGRESSIONAL RECORD, April 20, 1928, page 6862.

## THE POLITICAL SITUATION

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the senior Senator from Iowa [Mr. STECK] before the Democratic State convention at Des Moines, Iowa, on April 20.

The VICE PRESIDENT. Without objection, it is so ordered. Senator STECK's speech is as follows:

In a discussion of political conditions affecting our Government and our people so many angles present themselves, so many questions are of importance, that anything approaching a full discussion of them all or even a major part would be impossible.

It is my intention to go over briefly the more important issues and to but mention others which are almost of equal importance.

From 1912 until 1918, only six years, the Democratic Party was in absolute control of the executive and legislative branches of our Government. In these few years we made a record of accomplishment which is without parallel in the history of this or any other Government. With a loyal majority in both Houses of Congress, under the matchless leadership of Woodrow Wilson, the Democratic Party wrote into our law:

Federal reserve banking act, wresting control of money power from Wall Street.

Farm loan act, enabling farmers to negotiate loans at low rates of interest.

Smith-Lever Agricultural Extension Act, extending aid to farming industry.

Federal Trade Commission act, for prevention of unfair trade practices.

Clayton Antitrust Act, in which it was declared that labor is not a commodity.

Underwood-Simmons Tariff Act, under which trade reached unparalleled dimensions.

Extension of parcel post and postal savings bank system.

Tariff Commission act.

Income tax amendment and act, levying taxes according to ability to pay.

Constitutional amendment for election of United States Senators by popular vote.

Corrupt practices act, aimed at ending practice of corrupting elections.

Bureau of Farm Markets and Bureau of Farm Management act.

Creation of Department of Labor, first full recognition of labor.

Creation of Federal Employment Bureau.

Workmen's compensation act.

Eight-hour law applicable to railroad and Federal employees.

Establishment of Woman's Bureau.

Act exempting labor and farmer organizations from inhibitions of antitrust law.

Vocational training act.

War-risk insurance act, and other measures for relief and rehabilitation of World War veterans.

During the years while this legislative record was being written, America became involved in and prosecuted to victory the greatest war in the history of the world. It raised and equipped fighting forces numbering 5,000,000 men and transported 2,000,000 of them across submarine-infested seas to the fields of France and Belgium without the loss of a single life. This was done at enormous cost, of course, but let it never be forgotten that, despite the ghoulish rakings of numerous investigating committees, appointed by the hostile majority that had gained control of Congress, in all that stupendous record they utterly failed to find evidence of crookedness, corruption, or graft upon which a Republican Department of Justice could obtain one single indictment of an official intrusted with power by Woodrow Wilson. This is a record that will be reviewed with pride so long as our Nation lives.

The Republican Party has had entire control of the legislative branches of our Government since 1918 and control of both the legislative and Executive since 1920. The mere statement of these facts should be sufficient to insure Democratic victory in this year of 1928. It should seem unnecessary to remind the voters of the country that all the ills and evils from which we have suffered have come during the past 10 years, between 1918 and 1928.

In 1919 when the Republican Party succeeded to the control of Congress the country was at peace and enjoying unprecedented prosperity. What is the record since that date?

The deflation and resultant ruin of our farmers.

A new record of bank failures, 4,300 since 1920.

A new record of business failures and bankruptcies.

A boom in the business and profits of certain great industries, but the ruin or near ruin of the great mass of smaller ones.

Five million men out of work in 1922.

Four million men out of work in 1928.

The farmer's dollar worth but 60 cents.

Corruption in high places. Ferreted out by Democrats. Complacent silence or acquiescence by Republican officials.

There was the disarmament conference which Republicans hailed as the greatest step toward peace of all history, but now it develops that we lost $300,000,000 worth of the finest battleships that ever floated under any flag, while the British tore up some blueprints and pictures. They matched their wits with the foreign diplomats and it cost the taxpayers $300,000,000.

Immediately the Republican Party gained control of Congress in 1919 they proceeded in every conceivable way to annoy President Wilson in his efforts to arrive at fair and honorable terms of peace between the United States and the Central Powers.

The proudest boast of this administration is what they call their economy program, but the fact is that, notwithstanding the constant reduction of the public debt and resultant lessening of interest charges, the cost of Coolidge economy government has increased during each year of his administration, while the taxpayer has continued to be burdened with war-time taxes. In spite of the annual guesses of the "greatest Secretary of the Treasury since Alexander Hamilton," enormous surpluses have piled up each year. As a result of these annual surpluses either taxes should have been reduced or, by applying the surplus to a reduction of the public debt, our annual costs of government, including interest charges, should show a steady reduction. Neither of these things have happened. The administration has not permitted a real reduction of taxes, and Coolidge economy has given us a constant increase in cost of government.

CORRUPTION

Throughout the existence of our Government no holder of high office under a Democratic administration has been successfully accused of graft or corruption, while it has been charged that no Republican administration since Lincoln has escaped the proven indictment of some of its officials high in Government service.

One could talk for hours and not tell all the story of corruption in high places since the Republicans came into power in 1919.

There is the story of the sale of the country's resources. A story reeking with filth and smeared with oil.

There is the story of the sale of patronage and privilege to the highest bidder.

There is the story of the Indiana elder who took tainted—some say stolen—bonds to pay Republican campaign deficits, and peddled them around the country among the faithful.

There was the looting of the Veterans' Bureau, and the granting of special favors by the Alien Property Custodian for a consideration.

It is a sordid story of debauchery, of corruption, of graft, brought to light through Democratic effort in spite of silence and even opposition in high places. Just to call the roll tells the story:

Albert B. Fall, Secretary of Interior, trader in the country's resources. Resigned.

Harry K. Daugherty, Attorney General. Permitted to resign.

Will H. Hays, Postmaster General. Receiver of bonds. Resigned.

Edwin Denby, Secretary of the Navy. Just dumb. Resigned.

Charles R. Forbes, Director of Veterans' Bureau. Convicted felon.

Thomas W. Miller, Alien Property Custodian. Convicted by a jury and refused retrial by our highest court.

Jesse B. Smith, friend of Daugherty. Suicide.

The record is blacker than the corruptions of Grant's administration or the scandals of and following the Spanish War. We do not charge the rank and file of the Republican Party with being dishonest or unpatriotic. We know such a charge would be untrue. That party has, however, at times been unfortunate in its choice of leaders.

PROSPERITY

According to Republican propaganda the country is enormously prosperous. Figures are published to prove this claim, figures furnished by departments of the Government. Endless statistics are quoted conclusively showing that the Republican Party has brought the country to the highest state of prosperity it has ever known. Of course, we could not expect the Republicans to broadcast a tale of business depression, agricultural poverty, unprecedented bank failures, and general unemployment, especially just before an election, but if the different departments of the Government give out any information it should be in accordance with the facts. Government departments should not be used to spread misleading and untrue information for purely partisan political purposes.

Republican officials say that industry is prosperous. We will admit that the larger ones, the great combinations, are prospering as never before, but they do not publish the fact that the smaller companies are at the lowest peak in many years or that the record shows more bankruptcies than ever in our history.

They say that agriculture is on the road to recovery, and if just let alone will ultimately recover. If this be true, if agriculture does ever reach the plane of prosperity it held under Democratic rule, it will be by the labor and thrift of the farmer himself and not because of any help from the present administration.

The record of bank failures surely does not indicate prosperity. Four thousand three hundred of them in seven years of Republican prosperity as compared with 578 failures during eight years of Democratic control. It is interesting to note that in the industrial States there have been less bank failures since 1920 than for a 10-year period prior to 1920. In the New England and Eastern States from 1909 to 1920 there were 128 bank failures, while from 1920 to June 30, 1927, there were 78 failures.

In the agricultural States an entirely different situation is shown.

In the 13 Southern States from 1909 to 1920 there were 220 bank failures, while in the period from 1920 to 1927 there were 1,116 such failures.

In the Middle Western States there were 184 bank failures from 1909 to 1920, and 1,327 from 1920 to 1927. Iowa is in this group and had but 13 bank failures from 1909 to 1920 and 453 failures during the past seven years. The year by year record of bank failures shows an increase each year from 1921 reaching over 900 during 1927. It has been often said that the condition of our banks reflects the state of our prosperity. If this be true, the Republican boast of prosperity is without basis in fact.

The Republicans claim there are only about 2,000,000 men unnecessarily out of work. This means that there are about 2,000,000 men who want work and can not get it. Other agencies say the true figure is around 4,000,000, and this estimate is concurred in by labor bodies and reports from State labor commissions.

Accepting the Republicans' figure of 2,000,000, surely it can not be successfully claimed that we are enjoying general prosperity when approximately 10 per cent of our wage earners are walking the streets hunting work, when this last winter we saw bread lines in all our larger cities, the charitable institutions swamped with men hungry and cold, and the jails crowded, not with criminals but with honest men who had no other place to sleep. It does seem that we have had enough of Republican prosperity to do us for many years.

AGRICULTURE

In 1919, when the Republicans took over control of both Houses of Congress, agriculture was enjoying the greatest prosperity. For the only time in history farming was financially on a par with other industries.

The Republicans' first legislative act was to pass an emergency tariff law, soon followed by the Fordney-McCumber act, which under the guise of a protective tariff gave us the present prohibitory tariff. Then in 1920 the Republican platform declared for "courageous and intelligent deflation," and immediately after the Harding administration came into power in 1920 the Republicans proceeded to carry out this plank of their platform. This act was hailed by Republicans as a guaranty of agricultural prosperity. The effect was to plunge agriculture into the darkest days it has ever known. Their action may have been "courageous," but certainly no one will admit its "intelligence."

Another plank in the Republican platform of 1920 said that—

"The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interest of America on a basis of economic equality with other industries to assure its prosperity and success."

We have seen that they faithfully carried out the deflation plank of their platform, but what have they done in eight years to carry out in any degree their promise of economic equality for agriculture? The fact is that nothing has been done and it may properly be charged that no good-faith effort has been made to carry out their platform pledge to the farmer. They have proven either that the Republican Party has not the ability to protect the farmers or they have demonstrated that that party is indifferent to the farmers' interests.

The McNary-Haugen bill, devised to relieve the farmer, was defeated in 1926 when the Republican Party had entire control of Congress. The same bill was passed in 1927, but was passed by Democratic votes. The record shows:

That in the House 58 per cent of the Democrats voting voted for this measure, while of the Republicans voting only 51 per cent voted affirmatively. In the Senate, of the Democratic Senators present and voting, 56 per cent voted for the bill as compared with 52 per cent of the Republicans.

Then a Republican President vetoed the measure, presenting a long message setting forth his reasons, in the preparation of which he was assisted by those great friends of the farmer—Mellon, Hoover, Sargent, and Jardine. The veto message was a patchwork of ideas glaring with inconsistencies and false logic. It showed an inability to understand or appreciate the farmers' problems and a lack of sympathy with the farmers' condition. Last week the Senate again passed the McNary-Haugen bill. On this vote, of the Democrats voting 28 voted "aye" and 9 "no"; of the Republicans voting but 25 voted "aye" and 14 voted "no," so again the Democrats furnished the votes to pass this bill demanded by our farmers, which, it is rumored, the President will again refuse to sign.

The Republican Party has long posed as the friend of the farmer. For a generation and longer the farmers of the great Middle West have been the backbone of that party and have kept it in power. Our farmers have been faithful to the Republican Party and have accepted its pledges of friendship. But they now see that these pledges have been mere bait for votes; that while the farmers furnished the votes all Republican favors have gone to other industries. Our farmers are now demanding legislative aid, including a revision of the tariff, and threaten to bolt the Republican Party. I am wondering if they will be able to abandon the habits of a lifetime and carry out their threat. I predict that the Republican platform of 1928 will repeat the age-old pledges to the farmer and I fear that the farmer will again be persuaded to believe these pledges sincere. Let us hope that they will not forget the years of broken Republican promises and unfulfilled Republican pledges, and will remember that under Democratic administration every pledge was redeemed, every promise fulfilled.

For years the farmers of the Middle West have been told by the Republican Party that the Republican tariff acts have brought them good times by protecting their products from foreign competition. The Republicans have always placed high duties on farm products, but anyone who cares to study the subject soon discovers that no matter how high the duties may be put they do not affect the price the farmer receives, even to the slightest degree; there may be some exceptions, but so far as the Iowa farmer is concerned tariff duties add nothing to the price of his products.

On the other hand, the tariff compels the farmer to pay higher prices for almost everything he buys.

Even Republican defenders of high tariff have been compelled to admit that the Republican tariff has not done for the farmer what that party has so long claimed.

Senator WATSON of Indiana, one of the old guard of the Republican Party said not long ago in the Senate, "We have discovered that the tariff on agriculture has not been effective." The fact is that the high duties imposed on agricultural products were enacted by the Republican Congress purely to make a big showing to the farmer, to make him believe that he would get all the excess duty in one form or another, and to make it easy for him to swallow the high duties on manufactured goods. Conditions which have existed following the enactment of the Fordney-McCumber Tariff Act must prove to anyone of even slight intelligence, who is sufficiently interested to enter upon even the slightest investigation, that this Republican prohibitory tariff act has accomplished exactly what we Democrats prophesied at the time of its passage; that is, it has worked to the benefit of the large manufacturing interests and against the interests of agriculture and the smaller industrials. Yet the Republicans have refused to even consider a revision of existing rates.

The only remedy they have suggested is to raise the present tariff schedules. They display no originality. In nine years the Republicans have not passed a single piece of progressive legislation. In nine years they have not even suggested one piece of constructive legislation. Their inability to create legislation to remedy existing conditions proves that President Wilson was right when he said that the Republican Party had not had an original idea in the last 50 years. During this session of Congress, Senator MCMASTER, Progressive Republican, introduced a resolution asking for the revision downward of existing excessive tariff schedules for the purpose of establishing a closer parity between agriculture and industry. It passed the Senate by a vote of 54 to 34 and was defeated in the House. In the House every Member from Iowa voted against the resolution, thus helping defeat a move to increase the duties on agricultural products and at the same time to decrease the duties on the products our farmers must buy.

The Democrats are not and never have been free traders. We believe in a tariff which will protect our own industries, but which at the same time will be fair to the consumer. We do not believe that under the cloak of a "protective tariff" certain industries should be preferred to the detriment of others. During the operation of the Democratic tariff act all our people, all industry was prosperous, while under the present Republican tariff only the great industries have prospered, and other industries, including agriculture, have been suffering a general depression. The mere statement that from 1912 to 1919 the country was operating under a Democratic tariff and that from 1919 to 1928 it has been under a Republican tariff act should be sufficient for anyone who has been familiar with conditions during these periods.

LAW ENFORCEMENT AND PROHIBITION

Whatever opinion any individual may have on the prohibition question, all who are honest must agree that so long as the prohibitory amendment is a part of our fundamental law, and so long as the Volstead Act remains on our statute books, they must, as a matter of common decency, be enforced. We all know of the disgraceful conditions existing due to Republican failure to enforce these laws. Conditions could hardly be worse than they have been with the prohibition enforcement under the direction of Mr. Mellon, the Republican Secretary of the Treasury. I see no reason why the Democratic Party should permit itself to be divided on the liquor question. As Democrats, we believe that the Democratic Party is better qualified and fitted to solve this annoying question than the Republican Party, and, believing in the ability and honesty of purpose of the Democratic Party, every Democrat, no matter what his convictions may be on this question, should unite in putting his party in power to give that party a chance to solve this as it has solved so many other important issues.

This same logic applies to all other questions on which any of us may have settled convictions. We may and do differ among ourselves as to how these various matters should be settled, but we are all Democrats. We agree on the fundamentals which make us Democrats. We know that the Democratic Party is the best political agency we have at our disposal to settle the many important questions confronting the country. We have seen that the Republicans either can not or will not meet these issues, so all Democrats must, temporarily at least, put aside personal ideas, forget personal prejudices, and in a spirit of tolerance, as Americans and Democrats, submit to the judgment of the majority of our party expressed through this and our national convention. Acting together in such a spirit we can and will win; failing to do so we invite certain defeat.

The people have slowly, but I believe surely, come to realize that they can not expect anything from a Republican administration. There is a general feeling of unrest and dissatisfaction with existing conditions such as has always occurred when the people have retired the party in power. This feeling will grow in intensity from now until the election in November, notwithstanding the frantic efforts of the Republican Party. It will not be stopped by fair promises, by false propaganda, or by the expenditure of huge slush funds. The American people once aroused will sweep aside all obstacles which can be put in their way and at the polls in November retire from power the party which has demonstrated its unfitness to serve the Nation.

EDWIN MARKHAM

Mr. COPELAND, Mr. President, this is the birthday of Shakespeare, universally recognized as the world's greatest poet; and by a most interesting coincidence, it is also the birthday of one of the world's greatest living poets, a constituent of mine—Edwin Markham.

A few weeks ago the Senate paused long enough to pay deserved homage to the world's best-loved poet—Longfellow. It will honor itself to-day by similar recognition of two whose achievements in the realm of letters will live long after most others are forgotten; and I suggest that two of Markham's wonderful poems, The Man With the Hoe and Lincoln, the Man of the People, be placed in the RECORD.

There being no objection, the poems were ordered to be printed in the RECORD, as follows:

This revised version was chosen out of 250 Lincoln poems by the committee headed by Chief Justice Taft, chosen to be read at the dedication of the great Lincoln Memorial erected by the Government in Washington, D. C. This was in 1922. There were 100,000 listeners on the ground and 2,000,000 over the radio. President Harding delivered the address.

LINCOLN THE MAN OF THE PEOPLE

When the Norn mother saw the whirlwind hour
Greatening and darkening as it hurried on,
She left the heaven of heroes and came down
To make a man to meet the mortal need.
She took the tried clay of the common road—
Clay warm yet with the genial heat of earth,
Dasht through it all a strain of prophecy;
Tempered the heap with thrill of human tears;
Then mixt a laughter with the serious stuff.
Into the shape she breathed a flame to light
That tender, tragic, ever-changing face;
And laid on him a sense of the mystic powers,
Moving—all husht—behind the mortal veil.
Here was a man to hold against the world,
A man to match the mountains and the sea.
The color of the ground was in him, the red earth;
The smack and tang of elemental things;
The rectitude and patience of the cliff;
The good will of the rain that loves all leaves;
The friendly welcome of the wayside well;
The courage of the bird that dares the sea;
The gladness of the wind that shakes the corn;
The pity of the snow that hides all scars;
The secrecy of streams that make their way
Under the mountain to the rifted rock;
The tolerance and equity of light
That gives as freely to the shrinking flower
As to the great oak flaring to the wind—
To the grave's low hill as to the Matterhorn
That shoulders out the sky. Sprung from the West,
He drank the valorous youth of a new world.
The strength of virgin forests braced his mind,
The hush of spacious prairies stilled his soul.
His words were oaks in acorns; and his thoughts
Were roots that firmly gript the granite truth.
Up from log cabin to the Capitol,
One fire was on his spirit, one resolve—
To send the keen ax to the root of wrong,
Clearing a free way for the feet of God,
The eyes of conscience testing every stroke,
To make his deed the measure of a man.
He built the rail pile as he built the State,
Pouring his splendid strength through every blow:
The grip that swung the ax in Illinois
Was on the pen that set a people free.

So came the captain with the mighty heart,
The man of great compassion and great peace;
And when the judgment thunders split the house,
Wrenching the rafters from their ancient rest,
He held the ridgepole up, and spikt again
The rafters of the home. He held his place—
Held the long purpose like a growing tree—
Held on through blame and faltered not at praise.
And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

THE MAN WITH THE HOE

(Written after seeing Millet's world-famous painting of a brutalized toiler)

"God made man in his own image
In the image of God made He him." (Genesis.)

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.
Who made him dead to rapture and despair,
A thing that grieves not and that never hopes,
Stolid and stunned, a brother to the ox?
Who loosened and let down this brutal jaw?
Whose was the hand that slanted back this brow?
Whose breath blew out the light within this brain?

Is this the thing the Lord God made and gave
To have dominion over sea and land;
To trace the stars and search the heavens for power;
To feel the passion of eternity?
Is this the dream He dreamed who shaped the suns
And markt their ways upon the ancient deep?
Down all the caverns of hell to their last gulf
There is no shape more terrible than this—
More tongued with censure of the world's blind greed—
More filled with signs and portents for the soul—
More packt with danger to the universe.

What gulfs between him and the seraphim!
Slave of the wheel of labor, what to him
Are Plato and the swing of Pleiades?
What the long reaches of the peaks of song,
The rift of dawn, the reddening of the rose?
Thru this dread shape the suffering ages look;
Time's tragedy is in that aching stoop;
Thru this dread shape humanity betrayed,
Plundered, profaned, and disinherited,
Cries protest to the judges of the world,
A protest that is also prophecy.

O masters, lords, and rulers in all lands,
Is this the handiwork you give to God,
This monstrous thing distorted and soul-quencht?
How will you ever straighten up this shape;
Touch it again with immortality;
Give back the upward looking and the light;
Rebuild in it the music and the dream;
Make right the immemorial infamies,
Perfidious wrongs, immedicable woes?

O masters, lords, and rulers in all lands,
How will the future reckon with this man?
How answer his brute question in that hour
When whirlwinds of rebellion shake all shores?
How will it be with kingdoms and with kings—
With those who shaped him to the thing he is—
When this dumb terror shall rise to judge the world,
After the silence of the centuries?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 1368) to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had severally passed, without amendment, the following bills of the Senate:

S. 205. An act to authorize the Secretary of the Treasury to pay the claim of Mary Clerkin;

S. 463. An act for the relief of David J. Williams;

S. 484. An act for the relief of Joe W. Williams;

S. 802. An act for the relief of Frank Hanley;

S. 1377. An act for the relief of Lieut. Robert Stanley Robertson, jr., United States Navy;

S. 1428. An act for the relief of R. Bluestein;

S. 1848. An act for the relief of Frank Dixon;

S. 2008. An act for the relief of the parents of Wyman Henry Beckstead;

S. 2442. An act for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy;

S. 2926. An act for the relief of the Old Dominion Land Co.;

S. 3366. An act to authorize a per capita payment to the Shoshone and Arapahoe Indians of Wyoming from funds held in trust for them by the United States;

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove;* and

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.).

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1736. An act for the relief of Charles Caudwell;

S. 1738. An act for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon;

S. 1758. An act for the relief of Fred A. Knauf;

S. 1771. An act for the relief of Peter S. Kelly;

H. R. 8835. An act to amend section 98 of the Judicial Code, as amended, to provide for terms of court at Bryson City, N. C.;

H. R. 10437. An act granting double pension in all cases to widows and dependents when an officer or enlisted man of the Navy dies from an injury in line of duty as the result of a submarine accident;

H. R. 11404. An act authorizing the Port Huron, Sarnia, Point Edward International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.; and

H. R. 12441. An act to amend section 2 of an act entitled "An act in reference to writs of error," approved January 31, 1928, Public, No. 10, Seventieth Congress.

NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE.

Mr. HEFLIN. Mr. President, I have been much interested in the very eloquent speech of the able Senator from Virginia [Mr. SWANSON]. He and I are usually in agreement on matters pending here. I am sorry we can not agree to-day. I do not think that it requires any gift of prophecy for a Senator to be able to state what he thinks about the advisability of bringing our armed forces from Nicaragua and what time, if at any time, he thinks they should be brought out. We do not have to be on Mount Sinai, as the Senator has intimated, in order to be able to tell our own views as to when we think the troops ought to come out of Nicaragua.

The Senator from Virginia concedes that the marines have no business in Nicaragua and every Senator here ought to take that position. I think the Senator from Idaho [Mr. BORAH] takes that position, and some other Senators who are willing to keep our armed forces in Nicaragua——

Mr. McKELLAR. Those Senators go further than that, if the Senator from Alabama will permit me, and contend that the marines ought never to have been sent down there.

Mr. HEFLIN. The Senator from Tennessee is right; those Senators admit that the troops should never have been sent there in the first place. Then, having been sent there wrongfully, their presence there not being justified by any rule of right or law of justice, how can any Senator in all good conscience stand in this body and defend the program to keep the marines in Nicaragua when we agree and openly declare that they ought never to have gone there, that the mission they are on did not justify us in sending them there in the first place? How can we, who have sworn to protect and preserve this Government in its integrity, get ourselves worked up to the point where we are willing to shut our eyes and blindly plant ourselves behind any President, be he Democrat or Republican, who takes the American marines off on a mission that we do not and can not approve? Will the people whose Government this is be satisfied if Senators in defending their position simply say, "Oh, well, the President did this unjust and wrongful thing, but we decided that we would just swallow our own convictions, violate our oaths, and back the President in doing what we believe is an unjust and un-American thing, even if it takes the last drop of American blood and the last dollar of American money to carry out an unjustified program, one that no American can defend"?

Senators, that is a mistaken policy. It is not the principle and policy of the American people and I am not for it. If my President goes off on a mission like that, and I am convinced that American boys are being killed to carry out such a program, it is my duty to the American boy whose life is being sacrified, my duty to my country since I have sworn to hold it true to the purpose of its creation, to tell the President to

get out of that ugly and indefensible predicament. End the inexcusable slaughter and bring the marines home.

Why, Senators, I have been taught from my youth time that if you took a position that was untenable, a position that you were not justified in taking, a position that you admit is wrong, the most manly thing on this earth that you can do is to make amends for it, to apologize, and get back out of it in the quickest way possible. But now we are having a new doctrine in this new day of imperialism in America—that if a President ventures out upon this imperialistic road, unfurls the flag and spills American blood on foreign soil, it is the duty of every Senator and every Member of the House to stultify himself, and get right behind the President, and call more boys to the colors, and have them butchered in a slaughterhouse behind a cause that can not be defended.

Senators, your position is untenable and un-American; and let me tell you there is more trouble for some of you connected with this issue than you seem to realize. I have a newspaper article here somewhere which shows that in every place in the country where this matter has been discussed in the schools and colleges the resolutions which demanded that we get out of Nicaragua have won in the debates. Committees have been here to call on the President, petitioning him to bring our boys back home from Nicaragua. A father, a man from Missouri by the name of Ferguson, whose son was killed down in Nicaragua recently, wrote the President a letter and said that his boy had an honorable record in the World War in France; he had won the cross of honor; he had rendered signal service to his country; and now this father wrote to the President, the Commander in Chief of the Army and Navy, and said, "I feel that my boy has been murdered by the Government that he fought to uphold and save in France."

Senators, you may not be thinking just about the people at home when you come to consider this question. I must say that I can not understand the position of some Senators when they admit that this thing is wrong; they admit that we have gone off into something we had no business meddling with; they practically admit that we have invaded a foreign country, and that we are there with force of arms bullying the people of that country; you have a revolution going on by a native, Sandino, supported by natives, and they are protesting against the American program in Nicaragua, and you ask them what is in their minds, and they say, "We are fighting for our country, for our liberty, just as the people of the 13 Colonies fought in the War of the Revolution."

Senators, I confess that that appeals to me. They called us bandits then. The redcoats of Britain called the colonists bandits. We were outlaws when we were struggling for our liberty, making ready to establish here the greatest and freest government in all the world. Yes; they called us bandits; and now Sandino—brave, heroic Nicaraguan, inspired to fight by the inspiration and example that we furnished him and his soldiers—does not want our soldiers in Nicaragua helping to keep an impostor and usurper in office over them. He has stated that he is willing to die in a struggle to drive them out; that we are invading his country and remaining their against the wishes of the Nicaraguan Congress and the people there.

Who here has said without some modification of his statement that we are justified in being in there now? Practically everyone admits here that we have no business in there. Then how are we going to defend a cause that everybody condemns in one breath, and then turns right around and says, "Well, inasmuch as we are already in there and while it may be a mistake, and we think it is; let us continue to annoy and irritate the natives and murder them and kill some more of our marines while we are there. Let us continue, by force of arms, to work our will in a country where those who are able to put up a fight are out fighting in the field to get us out of their country.

What is the situation down there, Mr. President?

The Senator from South Carolina [Mr. SMITH] has put his finger on the sore spot in this whole thing. Sandino, we are told, was a party to the agreement, that they would lay down their arms, and we would settle this thing in the way Mr. Stimson, the American, wanted it settled; and then we are told that he broke his part of the compact with this Government, and now we are told on top of that that some of the so-called Conservatives are working in concert with Sandino, a Liberal, to carry out that program.

Then, if that is true, as the Senator from South Carolina points out, both sides in part have broken their agreement with us; and yet we are insisting on staying there, and we are having American boys killed down there, and nobody has ever told the Senate and the country how many have been killed in Nicaragua. It is strange, but we can not get that information. Now, why is that?

What else on that point?

Sandino is referred to as a bandit. Is he a bandit? He is being backed by the Congress of his country. Who are we backing? We are backing Diaz, the head of a bastard government. How did Diaz obtain his place? By driving Sacasa out of office at the points of bayonets. He has no right in that office. The people of Nicaragua never elected him. He is an impostor and a usurper. Four-fifths of the people of Nicaragua stood up in protest against him, and when he with force drove Sacasa out the masses of Nicaragua, many of them armed, arose; they were marching to the capital to overthrow this impostor and usurper, and what did they meet? They met the armed forces of the United States, who told them to halt, and said, "We are going to hold Diaz in this office of President."

The question is, Who and what influence got the United States Government to take the side of Diaz?

Diaz would have killed Sacasa if he could have gotten his hands on him. They wanted to kill him; but when he got away and aroused his patriotic followers, they were coming back, as they had a right to do, to drive Diaz out, and would have done it but for the strong and mighty arm of this great Government.

My God! What are we coming to in the United States? Are these boys that we are rearing in these various States going to be taken from their homes and sent off on this imperialistic road? Are they going to give their lives for the purpose of collecting the debts of adventurous speculators in our country and protecting questionable holdings in property wherever they choose to go and invest? When they do it amid hazardous and dangerous conditions, have American boys in uniform got to follow these adventurers all over the earth, wherever they make an investment or make a loan, and wave the flag of the United States and become their collecting agency? They are not going to do it if I can help it.

I am willing to protect the property of American citizens in foreign lands when they go about acquiring it in a legitimate way and are behaving themselves and attending to their business and locate in communities and establish themselves in foreign countries as law-abiding citizens, remaining loyal to America. We will look out for them and protect their property; but these reckless adventurers that are running over the world, these globe-trotters, investing in hazardous situations, who cry out whenever their holdings, big or little, are imperiled, they must show me that they are entitled to such consideration and protection.

Mr. President, many of the nations of the earth have perished out on this same imperialistic road. When the mighty financiers got so big that they went out of their own country to invest in other countries, and had the Army follow them, that is when the country took the fatal step and entered upon the road of imperialism, and then came decay and downfall. Are we ready to enter upon that road? God forbid.

What are we told here? That Sandino is a bandit. Well, let us see what is the true situation in Nacaragua.

Sandino is leading his forces against the Diaz government. Is he pursuing our soldiers? No. What is he doing? He is trying to keep away from them. What are our marines doing? They are pursuing him. Does that look as if we are protecting American property and waiting to hold an election? No, Mr. President; there is no escaping the fact that we are there at the instance of Diaz and his régime which includes Wall Street financiers. We are protecting Diaz. We are fighting the battles of the Diaz government, while every one of his soldiers sits in a place of safety, not one of them in danger, and American boys are being sacrificed in such a miserable cause!

If I were not in the Senate, and a Senator representing me or misrepresenting me as he would be doing should he vote to keep the marines in Nicaragua indefinitely, I would ask him, when he came up for reelection, if he had forgotten me and the others and their sons who were being fed into the maw of death down there in Nacaragua.

I repeat, what is the situation, Senators? Sandino is fighting the Diaz government. Is he alone? No. Who is backing him? The Nicaraguan Congress. That is not a bastard congress. They did not usurp their places. They were elected. What side are they on? They are on Sandino's side. Do we believe in self-government? They look on Diaz as an impostor and a usurper. They recognize Sandino as being engaged in a righteous cause, and the Congress, when the issue was put up to them as to whether they would vote to express themselves favorably to our remaining in Nicaragua to hold this election, voted overwhelmingly against it.

Senators, there is no way of getting away from the fact that we are intruding ourselves upon those people. The only legiti-

mate government that exists in Nicaragua is the Congress of the country, and that Congress is on record opposing our remaining in Nicaragua.

What are you going to do about it? Sandino and the other natives who are fighting the Diaz régime are out in the open. Then, who is against the Congress and Sandino? Diaz is. How long would he last if the armed forces of the United States should be withdrawn? They tell us we are not in a state of war. That seems to be the position taken by the Senator from New Jersey [Mr. EDGE], the Senator from Connecticut [Mr. BINGHAM], and others, that we are not in war. Mr. President, there have been any number of American marines killed, one from my State, a brave boy named Russell, a boy just 21 years old, just standing on the threshold of man's estate, a bright, fine boy. He has gone to his death down there, and while we are waiting for the big imperialistic financiers of Wall Street to tell us when to come out, boys from your States and boys from mine are being killed down there while we are waiting to decide just what will be done.

They tell us we are not in a state of war even if we kill hundreds of their soldiers in battle. I am sorry the Senator from Virginia did not tell the Senate about a little village down there where the men, women, and children were literally murdered and the village wiped off the face of the earth by the field guns and air bombs of the United States marines. Women with babies in their arms fleeing into their mountain fastnesses were blown from the face of the earth. They have not harmed us. They had a right to live.

Why are we doing that—hunting Sandino, going out to where he has fled in his efforts to get away from the American marines? He was not pursuing our Army; he was not engaging them in battle; he was not firing on the flag. He was fleeing from this mighty force, and in pursuing him it seems that they killed everything they could find along the way. Can you justify such brutal conduct in the greatest nation on earth, the only nation whose highest judicial authority has declared it to be a Christian nation? God deliver us from such Christianity.

What are you going to do about it? You say that since we are down there we must remain there. Who is putting that thought in the heads of Members of this body, that since we are down there we must remain there?

Mr. CARAWAY. Mr. President, does the Senator call that a thought or a suggestion?

Mr. HEFLIN. A very feeble suggestion, I would say. But they say we are down there, and we will decide later when we will bring the marines out. Who made the suggestion—following the idea of the Senator from Arkansas—that we will wait and decide later when we will come out? How many more American boys have to be killed before the Senate wakes up?

Mr. SMITH. Mr. President, I tried to get the Senator from Virginia to tell us what would cause us to remain in Nicaragua after the election we are alleged to be in there to bring about shall have been held. Let us suppose the election is held in October, and, according to the judgment of those who will have the right to vote, suppose a fair election has been held, and the proper parties are installed in office, why are we to stay there after that function has been performed? He says we should not name any date, that we should wait until December, which will be two months after the election will be held, or maybe next April. He says it will take a prophet to prophesy. Prophesy what? I want to know, if we are there simply to hold an election, why we should stay there after the compact has been fulfilled.

Mr. HEFLIN. That is beyond me. The Senator is entirely right.

If, after the election is held, the President is duly installed, he will then be the commander in chief of his army and his navy, if he has any; his forces will be free and unfettered, and he can arm and equip them in order to preserve his government. He will have the right to preserve himself and his government. Then what business is it of ours? Must we continue to stay along for a few years, and watch him, to see how well he will do?

Mr. SMITH. According to the Senator from Idaho and the Senator from Virginia each side had ample arms, but they surrendered them, on the understanding that we were to see that a fair election was held. After the election is held, and the officers are installed, as the Senator intimates, then the army and navy, if they have such a thing, anyhow, the military, the fighting forces, will be at the command of the duly elected government, and it will become the duty and responsibility of the president to see that there is a proper observance of the law. It is not our responsibility.

Mr. HEFLIN. Absolutely. If that position were not sound, and the position of the opposition were the sound one, then, if we should ever go into one of these countries hereafter, we would have to stay there for a certain number of years to make sure that those people were capable of self-government, and that they were able to take care of themselves. When did this Government ever commit itself to such a foolish course as that, running its armies around the earth, policing other nations, setting up governments, and keeping troops there to maintain them? It is ridiculous, and the position of the opposition is ridiculous.

Mr. DILL. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. DILL. Is it not a fact that when they had the other election, the Liberals won power, and then as soon as trouble occurred we went in and recognized the existing government in opposition to what the people had voted?

Mr. HEFLIN. That is true. In practically all of the cities that held elections after Diaz overthrew Sacasa, the Liberals won. The tide was rising and coming in strong, and then our Government appeared on the scene to stem the tide and to save the imposter and usurper, Diaz. Senators, there is no question about that.

I have a private report here that I am going to read in a day or two if this thing continues, which shows that one of the Conservatives, a leader, told the Liberals, "You can not drive us from power. We have the Wall Street bankers and White House with us."

Mr. SMITH. Is it not a fact that Diaz is in power in violation of the compact entered into by the five South American States, to the effect that no man should hold office who was the beneficiary of a revolution?

Mr. HEFLIN. That is true. Senators, the more we discuss this the more light we turn in on it, the more untenable is the position of those who oppose the bringing of the American marines out of Nicaragua.

Senators who so solemnly tell us that we are not in a state of war remind me of a case that was up for trial in Alabama, where a witness was put upon the stand and they asked him to tell what occurred. A difficulty had taken place, and serious harm had been done to several human beings, and one man had been killed, and they asked the witness to tell what occurred. He took his seat on the witness stand and proceeded to talk. The prosecuting attorney said, "Just tell the jury, now, what you saw."

"Well," he said, "I was down there in the storehouse at the crossroads, in the back room of the store."

"Tell just what occurred. You were there when the difficulty started?"

"No, sir; I was not there when the difficulty started. I walked in the back room of this store and I saw Pete Brown strike Jimmy Jones over the head with a chair and knock him sprawling on the floor. Jimmy Jones's brother stabbed Brown's brother in the shoulder with a dirk, and then one of the Brown boys' cousins arose and shot Pete Elkins, a relative of the Jones boys, and killed him, and I said to myself, 'By golly, there's going to be a difficulty here and I am going to leave before it starts.'" [Laughter.]

Mr. President, I believe that the facts in that case would impress the average man or woman of ordinary intelligence that the difficulty had really started before that witness left.

And yet he had the same idea about fighting that these Senators have about our fighting in Nicaragua. What is the killing of a few marines, they seem to say. That is not war. What is the killing of patriotic native Nicaraguans? That is not war. What is the blasting and blowing of a Nicaraguan village from the face of the earth, and rending the air with the screams and the wails of dying mothers with their babies in their arms? Is that war? Yes; it is cruel, remorseless, and inexcusable war.

Has the Congress of the United States ever declared war on Nicaragua? No. What does the Constitution say about it? It says that no power but Congress shall declare war. Does that mean that a President can start a war of his own and carry it on, and that Congress has nothing to do with it?

Senators, there was a time in this body when nine-tenths of the Senators would have been standing on their feet demanding that the President come here and give an account of this usurpation of the people's power vested in Congress.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. McKELLAR. On the question of the claim about what is and what is not war, as I understand it, more than three times as many Americans have been killed in Nicaragua as were killed at the great Battle of New Orleans, one of the greatest fights this country was ever in.

Mr. HEFLIN. Yet they say it is not war. To this day we point with pride to the time Old Hickory and his soldiers with

their squirrel rifles hid behind the cotton bales and whipped Pakenham and his army.

Mr. McKELLAR. And we lost eight men.

Mr. HEFLIN. And we lost eight men. We are killing many times that many marines in Nicaragua. We say that the battle at New Orleans was the decisive battle, the finishing up of the job with Great Britain in the War of 1812. But this thing down there in Nicaragua, Senators would have us believe, is only a May morning zephyr, a mere butterfly parade—not war! What is the killing of American marines and native soldiers of Nicaragua and the blasting of Nicaragua homes and families from the face of the earth?

Senators, the day is coming when the fathers and mothers of this country are going to call to political judgment those who sit in this body and in the other branch of Congress and vote to send our soldiers into foreign countries under every pretense under the sun.

I am going to insist that Congress lay down a program and specifically set out just what the President's powers are in the matter of using independently of Congress the armed forces of the United States.

I would not hamper him in any necessary and legitimate use of them. I want the President to be foot-loose and free, if danger should approach and Congress were not in session, to do the thing necessary to protect American rights and interests until Congress could be convened. I want the President to be at liberty to do what is necessary to protect our country temporarily; but then, just as soon as it is possible for him to do so to take the matter to Congress, because we are the representatives of the people, coming directly from them, and their Constitution provides that no one but Congress shall declare war, and that means that no one but Congress in the true sense shall conduct or carry on a war. War has not been declared on Nicaragua and Congress is not conducting an American war against Nicaragua. It is being conducted by the President, and it is a usurpation of constitutional authority that belongs to Congress.

Senators, those of you who think you want to vote to keep the marines in Nicaragua until after this election should consider this proposition. I have an amendment pending which I am going to offer as soon as the amendment of the Senator from Wisconsin [Mr. BLAINE] is voted on. I am not going to offer it as a substitute for his amendment.

I am going to give the Senate a chance to vote on his amendment as it stands, and then I am going to offer mine as a separate amendment to the bill. They deal somewhat with different subject matters. Mine is a brief amendment. I think Senators can vote for it without showing any desire to embarrass the President. They can assert their own sense of right and justice in the premises as representatives of the people and leave it to the President to ask Congress to consent to his plan if he wants to have the American marines remain in Nicaragua. Here is my amendment:

*Provided*, That none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility by United States marines in Nicaragua unless and until the President shall obtain from Congress the consent to keep them there.

What is wrong about that? If the President has a good reason for wanting to keep them there, let him do like President Wilson did when the armed forces of Mexico at Tampico and Vera Cruz arrested a United States citizen who was on an American battleship and who went ashore to get the ship's mail. He was arrested and thrown in prison. They arrested other American citizens. President Wilson came to Congress and asked Congress to sanction his suggestion that he go into those towns in Mexico with armed forces. Congress did it. What is wrong with the suggestion and demand that Mr. Coolidge come here and tell us just why he wants to remain in Nicaragua awhile longer? It is his duty to do it. For months I have stood on the floor of the Senate and said that he ought to get our consent, but he has never come for it. Other Senators have said the same thing, but he has never come to consult us.

Now, the leaders are moving heaven and earth to adjourn Congress by the 25th of May with this big question pending, clearing the decks and getting everything out of the way so that Senators can go home and begin the game of politics again, and these helpless marines, American boys in Nicaragua, bound by the order of the President, have to stay in Nicaragua until the snow flies and until somebody decides that they may all be brought back home. Why not adopt this amendment of mine and say that he can not use these funds unless he comes here and gets our consent to keep the marines in Nicaragua? We are representing the American people. Nobody here speaking for them has said we have any right in Nicaragua. It is simply said that since we are there we ought to stay there.

That is the flimsiest excuse ever made by a man who lays any claim to statesmanship—that we have done wrong in going there; that it was a miserable mistake; that we have no right in there; and yet we ought to stay there and continue to kill American boys until somebody's whim or purpose is satisfied, until we have seen enough bloodshed, until enough soldiers have been killed to shock this Nation so that a cry like a bugle call will sound around the country to assemble Congress and take action to get our boys out of Nicaragua.

Senators, four-fifths of the American people I believe want to bring our boys out of Nicaragua. They are not in favor of this desperate and dangerous imperialistic move. They are not in favor of the reckless adventurers whose only music is the clink of dollars and dimes, who care nothing for the killing of human beings, who are simply after stuffing their purses with their ill-gotten gains. Has Congress reached the point that we are going to let them dictate our course? If I may be permitted to say it, we ought to remain true to the people who sent us here, true to American ideals and true to the Constitution of the United States.

Mr. President, I have here an article from the Chicago Daily News. It is headed "Criminal slaughter of brave Nicaraguan boys."

Mr. BINGHAM. Mr. President, does not the Senator think it particularly appropriate that a protest against the use of rifles and machine guns should come from Chicago?

Mr. WHEELER. I think they ought to send the marines to Chicago instead of sending them to Nicaragua.

Mr. CARAWAY. They want us to settle the Chicago riots for them.

Mr. HEFLIN. The Republican Party leadership or management has become so corrupt in certain places that the high-up grafters and thieves have fallen out among themselves and have gone to killing one another. Something has got to be done to stop that. I trust that that will hold my friend from Connecticut for a while. [Laughter.]

Mr. President, among other things, this article says:

All fair-minded, thinking men, no matter of what race, creed, or color, must agree with Senator HEFLIN in his stand that we should end this needless slaughter of our American boys in Nicaragua.

I shall ask permission to print the entire article, but I want to read just another sentence or two in this connection:

To be sure, we claim we were invited to supervise the coming election in Nicaragua. This may be true of a few Nicaraguan leaders who are willing to sell their country for a mess of American pottage.

Mr. President, I want to say here, that there are some scandalous suggestions about the deals of Mr. Stimson with some of those Liberal leaders in Nicaragua. It is openly rumored around the Capitol that large sums of American money were used to buy off some of those leaders opposed to Diaz and that those offers were coupled with the threat that "you had just as well get this and get out of the way, because if you do not the American Government will crush you." Sandino was the only one who had the grit and the courage finally to stand up and say he was willing to die rather than to submit to such a deal.

Continuing, this article says:

Evidently the brave stand taken by Sandino and his followers has had some influence on those Nicaraguan congressmen, when they bravely voted against our supervision of their coming election. But to what avail? Immediately after this decision of the Nicaraguan Congress, our Government replied by sending another thousand marines to that country. Apparently we have no regard for the wishes of the majority of the people of Nicaragua—we intend to force ourselves upon this weak and much-harrassed country. And to what end? Can we afford to incur the hatred and distrust of other nations by pursuing this policy of "might makes right"? Can we do this and continue to consider ourselves a "Christian" nation?

Mr. President, I ask permission to have the entire article printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. EDGE in the chair). Without objection, it is so ordered.

The article is as follows:

SANDINO AS A HERO—"CRIMINAL SLAUGHTER" OF BRAVE NICARAGUAN BOYS

*To the New York Herald Tribune:*

On March 20 Senator HEFLIN, of Alabama, protested in the Senate against the murder of American boys in Nicaragua and made a demand for the immediate withdrawal of the United States marines from that country. However, as in the case of similar previous protests, objection was made and the question was "thrown over."

All fair-minded, thinking men, no matter of what race, creed, or color, must agree with Senator HEFLIN in his stand that we should end this needless slaughter of our American boys. Yet how much more criminal is the slaughter of Nicaraguan boys by our marines! What are these young Nicaraguans doing other than making a brave effort to defend their country against the forced intervention of the mightiest Nation in the world? Is it such a long time since our Revolutionary days that we have forgotten the meaning of freedom and patriotism?

We call these Nicaraguan patriots "bandits" and "rebels." Rebels to what? To the United States? By what chance of the gods did we become masters of this supposedly independent nation? We even go so far as to call General Augusto Calderon Sandino, that heroic young figure who asks nothing for himself and gives all for his country, a "bandit." As one magazine editor puts it, Sandino is no more a bandit than our President is a bolshevist. If the American marines should kill this young patriot and defender of his country, it will be to the eternal disgrace of our Government.

To be sure, we claim we were invited to supervise the coming election in Nicaragua. This may be true of a few Nicaraguan leaders who were willing to sell their country for a mess of American pottage. But when the question was debated in the Nicaraguan Congress recently it was voted against by a large majority. Evidently the brave stand taken by Sandino and his followers has had some influence on those Nicaraguan Congressmen, when they bravely voted against our supervision of their coming election. But to what avail? Immediately after this decision of the Nicaraguan Congress our Government replied by sending another thousand marines to that country. Apparently we have no regard for the wishes of the majority of the people of Nicaragua—we intend to force ourselves and our power upon this weak and much-harassed country. And to what end? Can we afford to incur the hatred and distrust of other nations by pursuing this policy of "Might makes right"? Can we do this and continue to consider ourselves a "Christian" nation?

JEAN WUNDERLICH.

BROOKLYN, *March 27, 1928.*

Mr. HEFLIN. Mr. President, I want to say this in conclusion:

First, Diaz is not justly or legally the President of Nicaragua. He has no right to hold for a single day the office of President.

Second, Sandino, as a party to the agreement, has broken it, and those of the Liberals who can get arms are following him and objecting to the presence in Nicaragua of American marines.

Third, the Congress of Nicaragua is on the side of Sandino and his followers and has voted against permitting the American forces to remain in Nicaragua and conduct a presidential election in that country.

Fourth, the American marines are a part of the fighting forces of the United States. They act in the name of the United States, and whether we call them soldiers or call that force the United States Army they are carrying the flag, they are killing people in the name of this Government just like other soldiers would do, so there is no difference. We have to all intents and purposes got our Army in Nicaragua. It makes no difference to the Nicaraguan whether he is killed by a marine or by a soldier in the Army. When the Nicaraguan is killed he is just as dead when killed by a marine as he would be if killed by a soldier.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. HEFLIN. I yield to the Senator from South Carolina.

Mr. SMITH. If our forces were not fighting Sandino, it is very evident that the opposition in Nicaragua would be fighting them. Then what would that be called in Nicaragua? If the Conservative forces were fighting the Liberal forces, we would denominate it warfare, would we not?

Mr. HEFLIN. Certainly.

Mr. SMITH. But simply because our forces have taken the place of the Conservative forces, it is not war.

Mr. HEFLIN. The Senator is absolutely correct. Not only that, Mr. President, but, as I said a moment ago, Sandino and his men are not fighting our soldiers or pursuing our soldiers. They are fleeing from our soldiers. They are being pursued by our soldiers. I am about to make an assertion now that no Senator of the opposition will deny—at least, I do not think he will. Our marines are being sent out in the mountain fastnesses of Nicaragua under instructions to pursue and find and kill Sandino. Who can deny that?

The only outstanding and prominent Nicaraguan patriot that had the courage to stand up and die rather than basely submit to the invader who comes with guns and battle blade to hold a usurper in office against the will of four-fifths of the natives said, "I am willing to spill my blood and give my life in defense of the rights of Nicaragua." This Government is following Washington's example with his ragged Continentals when they were fighting for the same principle. We still point with pride to their heroism, their patriotism, their willingness to do and die for those principles of justice and liberty, and yet here we are with our great flag unfurled, with the fighting forces of the greatest Government on earth pursuing this hero of Nicaragua with the avowed purpose of finding him and killing him wherever we find him.

Senators, can we justify that? Have you any right to kill my boy or to kill your boy or our neighbors' boys in the various States in pursuit of such a principle, cowardly and base as it is? I do not believe we have.

Let us vote to adopt at least a portion of the amendment of the Senator from Wisconsin. I am not entirely satisfied with all its provisions, and yet I am for it in the main. Let us provide that the President must come here to Congress and take us into his confidence as the representatives of the people and get our consent before he can proceed further with his strange program and terrible slaughter in Nicaragua and thus carry on still further an unauthorized war which has aready lasted for more than a year.

Let Congress assert itself, be true to itself, true to its oath, true to the people in whose name it speaks by demanding this action on the part of the President of the United States.

Mr. McKELLAR. Mr. President, I shall detain the Senate for only a few minutes this afternoon.

Mr. President, I am opposed to keeping our troops in Nicaragua; I am opposed to the war that is admittedly going on there. I believe that the war that is now being carried on in Nicaragua is not in accordance with our Constitution. I believe it is in direct violation of our Constitution. It is claimed that the President is Commander in Chief of the Army and Navy under the Constitution, and so he is, but the Constitution specifically provides that only Congress has the right to declare war. It gives the President no power to declare war or to engage in war without the direction of Congress.

I want to say at the outset, Mr. President, that the amendment offered by the Senator from Wisconsin [Mr. BLAINE] is not exactly the kind of an amendment that I should like to vote for, nor is the amendment offered by the Senator from Alabama [Mr. HEFLIN] just what I think is proper at this time. I think both amendments go a little too far, and I have prepared an amendment of my own that I believe will more nearly fit the situation. I wish to read it to the Senate; it is very brief:

*Provided*, That no part of the appropriation made in this act shall be used for the purpose of maintaining marines or troops in the Republic of Nicaragua on and after February 1, 1929, unless specifically authorized by the Congress: *And provided further*, That, in the event of an emergency, the President is authorized to land troops temporarily for the protection of lives and property as authorized by international law and by the Monroe doctrine only, in which event the President will report to Congress immediately, if the Congress be then in session, and upon the convening of the Congress, if it be not in session.

Mr. President, I believe that that amendment ought to be satisfactory to every Senator here. Why do I say that? It is because I have listened to or read the speeches made on the other side; to the speech made by the Senator from New Jersey [Mr. EDGE], to the speech delivered by the Senator from Idaho [Mr. BORAH], to the speech delivered by the Senator from Connecticut [Mr. BINGHAM], to the speech delivered by the Senator from Virginia [Mr. SWANSON], and to the other speeches made on the other side, in every one of which it was admitted that a state of war exists in Nicaragua. All, except the Senator from Connecticut, have admitted that they did not believe that we should have gone into Nicaragua or that we should stay there. So it seems to me that there is no reason why every one, with the exception of the Senator from Connecticut, should not vote for the amendment which I have proposed, and in that way settle this question.

Mr. President, much has been said about our having assumed obligations in Nicaragua which we should now fulfill. The amendment suggested by me will permit every supposed obligation to be fulfilled, because the troops will not be ordered out until more than three months after the election which we have assumed to hold in Nicaragua. So it is not a question of fulfilling our obligations. The amendment which I suggest will fulfill every one of the assumed or so-called obligations.

I wish to say that I do not think we should have assumed any obligations down there. Our troops have no business in Nicaragua. It is not our duty to govern Nicaragua; it is not our duty to land troops in Nicaragua. No American property seems ever to have been in jeopardy in Nicaragua; no American lives were in jeopardy in Nicaragua until we ourselves had jeopardized them.

Mr. EDGE. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I shall yield to the Senator in just one moment.

The only way American lives have been in jeopardy in Nicaragua is by reason of our making war on the citizens of Nicaragua. Now I yield to the Senator from New Jersey.

Mr. EDGE. While I was temporarily occupying the chair, as I followed the speech of the Senator from Tennessee, he made a statement that in addressing the Senate a few days ago on this subject the Senator from New Jersey had indicated that in his belief the troops should never have been sent to Nicaragua, or words to that effect.

Mr. McKELLAR. I so understood the Senator from New Jersey. If I did not understand him correctly, will he now say what is his view on the subject?

Mr. EDGE. For that reason I left the chair and took the floor. At considerable length I expressed to the Senate on Friday the conviction that, in my judgment, the sending of marines to Nicaragua was in every way justified, and I read from the report of the State Department—which I shall not attempt to repeat in the Senator's time—reciting, I would say off-hand, 25 or 30 requests, some of them coming from Senators now members of this body, the Senator from Louisiana [Mr. RANSDELL], the former Senator from Kentucky, Mr. Ernst, and others, representing constituents or American citizens who were in business in Nicaragua, requesting that the President protect the lives and property of American citizens there. So far as I am concerned, I do not want to interrupt the Senator, but I want it to be perfectly clear that I believe the President of the United States was in every way justified in sending the marines to Nicaragua, and that it was a great mistake, on the other hand, that the marines were withdrawn from Nicaragua in 1925, which action was followed within two months by revolution.

Mr. McKELLAR. The Senator from New Jersey desires to keep the troops there indefinitely. Is that correct?

Mr. EDGE. So long as the Senator from Tennessee has asked me that question, permit me to answer it. In reply I desire to say that I want to see the marines out of Nicaragua at the earliest possible moment.

Mr. McKELLAR. Why?

Mr. EDGE. But I do not think that the Senate of the United States is in any way qualified arbitrarily to decide 8 or 10 months in advance what that date should be. In the meantime our officers are assisting to organize and train a national guard, which I sincerely hope, as I am sure does every Member of the Senate and every American citizen, that they may take up the work of keeping order in Nicaragua so that we may withdraw our marines. Nothing would be more pleasing to me.

Mr. McKELLAR. Mr. President, a peculiar situation has developed in the Senate. Out of the, I believe, 94 Members of the Senate that we now have, 2 Senators, the Senator from New Jersey [Mr. EDGE] and the Senator from Connecticut [Mr. BINGHAM] justify the sending of the troops to Nicaragua; 2 out of the 94. We have two others, the distinguished Senator from Idaho [Mr. BORAH] and the distinguished Senator from Virginia [Mr. SWANSON], who say that troops ought not to have been sent there, that they ought not to be kept there, that they ought to be brought out, but they want to hold them there just a little while longer. How long do they want to hold them there? Well, just a while longer. It is all wrong for them to be there; it is all wrong for the Government to keep them there; but the situation might be complicated in some way, and so they should like to have the decision on this question go over until December. To-morrow! To-morrow! To-morrow! These Senators ask us to put off the date of withdrawal, but, after all, there are only four Senators, so far as I have heard, who have stood on this floor and have stated that they want this condition to continue. What is the remainder of the Senate going to do? Are they going to sit idly by and cast their votes to uphold a defensive proposition purely? Two Senators, Mr. EDGE and Mr. BINGHAM, boldly take the side that it is all right and that the condition ought to continue, while two other Senators, Mr. BORAH and Mr. SWANSON, say that it is all wrong and it ought not to continue, but these last two are unwilling to fix a time for its discontinuance. What are the rest of us going to do? Are we going to assert our manhood? Are we going to stand by what we think is right, or are we just going to follow blindly the four Senators, two of whom say that they were willing for the United States to go into Nicaragua and are willing to stay there, and the other two who seek to justify our remaining there?

Mr. CARAWAY and Mr. BINGHAM addressed the Chair.

Mr. McKELLAR. The Senator from Arkansas rose first, and I yield now to him. I will yield to the Senator from Connecticut later.

Mr. CARAWAY. The only thing I was preparing to ask the Senator from Tennessee is this: If we are unwilling to trust our judgment to say when the marines shall come out of Nicaragua, and if there is a superior intelligence which we must follow blindly, I am curious to know where we get intelligence enough even to approve what the superior intelligence has done. Until we come to comprehend an act we can not intelligently approve it, can we?

Mr. McKELLAR. I should not think so.

Mr. CARAWAY. And if we can comprehend it, then we can tell what ought to be done, can we not?

Mr. McKELLAR. I have noticed that whenever a lawyer has a bad case he wants to postpone consideration of it. So the four special pleaders, two of whom are open in their pleadings, and the other two, who say that they are all wrong in the position that they take, all want the question to go over.

Mr. CARAWAY. Mr. President——

Mr. McKELLAR. I yield.

Mr. CARAWAY. We are asked, however, to vote that we have not sense enough to know what ought to be done. Is that not correct?

Mr. McKELLAR. That is the substance of it.

Mr. CARAWAY. But we have a guardian, and until he speaks we must not act?

Mr. McKELLAR. That is the substance of it.

Mr. CARAWAY. If that is true, why do we not get off the pay roll?

Mr. McKELLAR. It would be cheaper to do so. I now yield to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, I merely wish to say that, from what little reading of history I have been able to do, I believe that if one of the greatest citizens that ever came from the State of Tennessee or who ever conducted operations in the State of Alabama were here to-day, he would take the position of standing up for American citizens wherever they are. I refer to Andrew Jackson.

Mr. McKELLAR. And so will I, but I do not believe in making war upon a helpless nation, and Andrew Jackson never would have done it in all his life. The weak and helpless always had his protection. When he fought individually, he fought antagonists who were his equals. When he fought nations, he fought nations like Great Britain, France, and Spain, all at that time our full equals. Andrew Jackson never jumped on a cripple or a weakling.

Mr. NORRIS. Mr. President, will the Senator yield;

Mr. McKELLAR. I yield.

Mr. NORRIS. I wish to enter my protest now against the Senator from Connecticut trying to put those who are in favor of this amendment in the attitude of being opposed to the protection of American citizens.

Mr. CARAWAY. That is not involved in the question at all.

Mr. McKELLAR. I will say to the Senator the very amendment I have read and which I intend to propose directs the President to protect the lives and property of American citizens.

Mr. NORRIS. Without regard to the Senator's amendment or any other amendment, whether it be the amendment that is now pending, the one the Senator from Alabama has said he is going to offer, or the one which I have in my desk and which I am going to offer if the proper parliamentary situation presents itself, I want to protest against any insinuation here that those who are in favor of amending the appropriation bill as proposed are enemies of their country, or bolsheviks, or are opposed to government, or opposed to protecting American lives and American rights. There is not any call for that kind of insinuation, and it ought to be beneath any Senator's intention to try to cast such a reflection upon those who are standing for a principle.

Mr. McKELLAR. Mr. President, I hope the Senator will not be too severe on them. Our antagonists are hard pressed, indeed, for any argument on their side of the case.

Mr. CARAWAY. The Senator does not call that an argument, does he?

Mr. McKELLAR. And naturally they are grasping at any straw. Therefore I want to be pleasant and agreeable with them. I do not think they ought to be blamed; they have taken the wrong side of this question, a side that they can not defend from attack, and so in their efforts to try to defend it they are just grasping at any shadow or any straw and attempting to place it before the Senate.

Mr. NORRIS. Their situation is very much like that of a witness before the Federal Trade Commission the other day. The Water Power Trust was sending out instructions to those who were going to defend it in opposition to those who do not agree with it that they ought not to use arguments or attempt to do so, but to try to stigmatize those in opposition as bolsheviks.

Mr. McKELLAR. It is somewhat similar to the statement of the Senator from Connecticut [Mr. BINGHAM] a few mo-

ments ago, when he undertook to show that one of the greatest men this country ever produced, Andrew Jackson, in his judgment, would have taken a different position. Why, that is idle. As I read the history of Andrew Jackson, he never under any circumstances could have been induced to make war on a weak, poor nation like Nicaragua. He was not that kind of a man. He was not that kind of a fighter. He would have scorned to jump on a little, defenseless nation.

Mr. HEFLIN. Mr. President, if the Senator from Tennessee will permit me just one minute, when in his war with the Indians at Horseshoe Bend, I believe——

Mr. McKELLAR. That was one of his greatest fights.

Mr. HEFLIN (continuing). They found one of the little Indian boys roaming wild in the woods, cut off from his people, and some of the Jackson troops wanted to kill him; Jackson shamed them and reproved them, and took that little Indian boy home with him, and reared him in his family.

Mr. McKELLAR. He adopted him.

Mr. HEFLIN. He adopted him. That is the sort of a heart he had.

Mr. McKELLAR. Mr. President, our opponents are hard put to it when they make such suggestions. But I proceed.

I want to say that we did not have any business attempting to regulate elections in Nicaragua. It is none of our business whom the people of Nicaragua select as their President or as their other officials. It is their country; it is not ours. These are their elections, not ours—their fights, not ours.

I did not approve of Mr. Stimson being sent down there to make any such agreement as he made. He ought not to have been sent down there. The agreement he made ought not to have been made; but, as it has been made, out of the abundance of precaution it might be well for us to stay there until such agreements are fulfilled; but as soon as past obligations, either supposed obligations or any other kind of obligations, are fulfilled, we should get out of Nicaragua.

Diaz ought never to have been recognized by our Government as the President of Nicaragua. He was not elected to that place. Another man was elected. He is a usurper. He led a successful revolution, overturned the Government, and took charge of it, and we gave him at least tacit approval, and since that time our Government has given him its open approval. We should never have done that, in my judgment.

In keeping our troops in Nicaragua and making war on Nicaragua, in holding an election in Nicaragua, in holding Diaz in as President of Nicaragua, we are committing a number of offenses.

In the first place, we, a great power, are jumping on a weak power, utterly unable to defend herself against us. We are making war against a friendly power. We are taking the part of one set of revolutionists against another set of revolutionists. We are needlessly destroying the lives of our own marines, and we are unlawfully destroying the lives of our opponents.

We are making war contrary to our own Constitution. We are holding an election down there contrary to right, contrary to justice, contrary to the laws of nations, and regardless of the best interests of the people of Nicaragua, and at the same time regardless of the best interests of the people of the United States. It is a war that no fair-minded man can defend. What financial interests have brought this war about are immaterial and inconsequential; but this Congress ought to stop it, and there is but one way to stop it, and that is to take away from the President the funds with which to prosecute it further.

I regret that there are any supposed, or alleged, obligations. If there were none, I would certainly vote to take our marines out. But since they are there and the election will take place in October, our troops should be taken out by January 1, 1929.

I am not complaining of President Coolidge or of Secretary Kellogg. They are simply following in the footsteps of other Presidents and other Secretaries of State; but this is simply a matter where Congress has the power and the duty. It has the only power to declare war, and its duty is to withdraw our marine forces at the earliest possible moment.

Unless the Congress does it, we are allowing the Executive authority to encroach on our legislative power. But even that question is immaterial beside the big question of what is right for this great Nation to do. We all know that we have no business down there. We all know that we have no business keeping our marines down there. We all know we have no business taking part in revolutions down there. We all know that it is not to the interest of Nicaragua for us to be down there in the position of actual war that we are in; and we all know that it is unjustifiable for a great Nation like the United States to take charge of the domestic troubles of a small country like Nicaragua. Let us get out as soon as possible with honor, and stay out.

I am willing to help Nicaragua in every honorable and proper way; but I am unwilling to impose our rule upon her. We want to be a friend of Nicaragua and of all her people; but I believe the American people are opposed to the present guerrilla warfare that we are carrying on there now. I know that I am, and therefore I am going to vote for these resolutions and amendments as they come up. I am not going to be put in the attitude of condoning for one moment what has been done down there, or what is being done down there, or what will be done down there by us.

If the first amendment that comes up is the one that has been offered by the Senator from Wisconsin [Mr. BLAINE], I expect to vote for it, not because I approve it just as it stands but for the purpose of protesting against this unholy war that is being waged down there. If that amendment is not adopted, and the Senator from Alabama [Mr. HEFLIN] offers his, I am going to vote for that. In other words, while I do not approve of either one of those amendments just as they stand, as I have stated before, such is my interest, such is my feeling about the matter—a feeling that my country has been placed in a wrong position—that I am going to make my protest known by my speech and my votes and in every way that is possible.

The Senator from Virginia [Mr. SWANSON] talks about postponing this matter until next December. He even suggests that we can add it to an appropriation bill next year. Why, it would be just as objectionable as an amendment to an appropriation bill next year as it is this year. Why do we offer it here? Because we know it will become the law if we put it on this bill, and all of us know that no independent resolution will be likely to become the law; and that is why we ought to vote for it now, Senators.

Remember that only four Senators, as I recall, have stood up here either directly or indirectly to uphold the present condition of things down there. Is the Senate going to abdicate its function, and let these four Senators club the other Members of this body into voting for something that they do not want, and that they know the country does not want? The American people, if I know anything about them, demand that we quit this unholy warfare in Nicaragua, and bring our marines out of there as soon as possible.

Mr. DILL. Mr. President, early in this session I submitted a resolution providing for the wiring of the Senate Chamber with electrical apparatus so that the debates in this body might be broadcast to the country. I have been unable to get serious consideration of that resolution up to this time; but at no time since I introduced it have I wished that it might be in operation as I have since this debate on the Nicaraguan amendment began.

I wish the American people could hear the discussion in this body on this subject. I wish they could hear for themselves the way in which those who defend the policy of the administration in Nicaragua refuse to meet the issue in this case. Why, they have discussed every possible subject to get away from the real question that is to be considered. They have said it was not proper to place this amendment on an appropriation bill.

I remind them and you that when the Constitution was written Congress, and Congress alone, was given the power to appropriate money with which to run the Government, including the Army and the Navy. This is the place, and this is the time to stop the use of the armed forces of this country when the actions of the Executive can not be controlled in any other manner. This appropriation bill will not be vetoed. A provision in this appropriation bill prohibiting the use of the marines in Nicaragua will be the law; and that is why Senators are so strongly opposed to the adoption of this amendment.

They say this is not the proper time to limit the action of the administration in Nicaragua. The Senator from Idaho [Mr. BORAH] and the Senator from Virginia [Mr. SWANSON], learned and able as they are, floundered about here as I have never seen them flounder in public addresses when they attacked all the administration had done and then urged that the Senate should accede to it for a little while longer.

The Senator from Virginia to-day said that the administration was wrong when it took the marines into Nicaragua, but having taken them in, he and other members of the Foreign Relations Committee consented that they should stay in. While that was going on, the administration recognized, according to the Senator from Virginia, the wrong President, the wrong government; and when I reminded him of that, he said that was the function of the administration; but he condemned the administration because it proposed to use the armed forces of this country to maintain that government which it had recognized.

Having started that policy, wrong though it was in his judgment, we must "keep the faith," as he said, and go forward. Congress adjourned, and Colonel Stimson, appointed without the

authority of Congress, made an agreement, not approved by Congress, to hold an election, not supported to-day by the Nicaraguan Congress or by a part of the Nicaraguan rebels, and we are told here that it will be "breaking faith" if we do not go through with it!

Then the Senator from Virginia—unfortunately for his argument, as it seemed to me—recalled the history of the Roman Empire. The Roman Senate, he said, would keep the faith of any proconsul, no matter how wrong the agreement of that proconsul might be. Ah, sir; if we have reached the place in the history of this Republic where we will follow in the footsteps of the Roman Empire in keeping faith with agreements that certain officials make that are illegal and wrong, the time has come to awake and put a stop to further agreements of that kind.

Mr. CARAWAY. Mr. President, if we are bound to honor agreements made by officials, whether right or wrong, why did we not let Sinclair keep Teapot Dome? Fall sold it to him, and got the money for it, and he gave it to him, and now we are trying to repudiate the transaction.

Mr. DILL. Yes; and then Sinclair used the money to get out of jail with.

Mr. CARAWAY. But if that argument is sound, what difference is there between the two cases?

Mr. DILL. I do not see any difference, except that this is far worse, because this has resulted in the killing not only of innocent people in a foreign land but of American boys who enlisted in the marines to defend the American flag.

Then the opponents of this amendment have gone to another position. I think it was the Senator from New Jersey [Mr. EDGE] who was talking about supporting the President. When the Congress of the United States has legally declared war, when this country has entered upon war with a foreign nation, then the Senator from New Jersey can well appeal to this body to support the President. None will be more loyal in supporting a President under that condition than I shall.

When the President makes an illegal, void agreement to do a thing which nobody yet has been able on this floor to show he had a right to do, namely, provide for the holding of an election in Nicaragua, it is not the duty of Senators to support the President; it is the duty of Senators here, under their oaths, to stop the President from going further with such illegal agreements and such illegal actions.

The Senator from Connecticut [Mr. BINGHAM] in a university address yesterday attempted to prove that the killing of men in Nicaragua is not war. As I listened to a part of his speech and as I read the rest of it I wondered what he would say to the mothers of some of these young men who died in Nicaragua. I want to remind you that these boys who are dying in Nicaragua are just plain American boys, who have the same right to life, who have the same right to the opportunities of young men that other boys have. When those boys lie dead at the feet of their mothers, I would like for the Senator to say to the mother of any one of them, "This boy was not killed in war." She would say, "What was he doing when he was killed? He was killed down in Nicaragua. What was he doing there if it was not war?" Then the Senator from Connecticut would say: "He was down there to help protect somebody's gold mine that some speculator had invested in. He was down there to help collect claims for American business men who were speculating down there."

I say I would like to have him look in those mothers' faces and tell them that; tell them that was what their boys were dying for. Instead of that he attempts to defend a policy, as though it were a policy important to the future of the world that costs the lives of American boys. If you can kill one boy in a wrong cause, you can kill a million, because one boy's life is as important to him, his friends, his relatives, his parents, as are the lives of a million boys to those who love them.

I protest with all the earnestness I possess against the murdering of these boys in a foreign land without the consent or the authority of Congress.

It is said we went into Nicaragua to protect American lives and American property. When did the protection of American lives or American property require that we should set up a stable government and keep that government in such condition that those who have financial interests there shall continue to profit on the investments they have made? This is not the mere protection of American lives and property. This is an attempt to set up a government that will be stable, and to keep that government stable, so that those who have invested or want to invest may continue to make the profits they hope to make. We are doing this at the cost of American boys' lives, the lives of boys who had as much right to live, who had as much right to expect their legal rights to be respected when they joined the marines as other men. Of course, if their country called them in its own defense, they would serve faithfully and fearlessly. It was never expected, it was never intended, and it is not right that they should be called upon to die in order that a few investors shall be able to continue to profit upon the investments they have made in a land where governments have always been unstable and still are of doubtful stability.

Mr. President, I do not want to take the time of the Senate, but I do want to call attention to the fact that every time Congress permits a President, be he Republican or be he Democrat, to do an unauthorized act in the way of invading a foreign land or using the armed forces of this country in an illegal way it furnishes an excuse for another President hereafter to commit an even greater wrong.

In this debate the fact has been referred to that Mr. Taft, Mr. Roosevelt, and Mr. Wilson all had used the armed forces of the United States abroad without first getting the consent of Congress. Those precedents are used as a defense for this greater wrong that is being committed, and when Congress refuses to take action to stop the committing of the present illegal acts on the part of the United States Government it is only furnishing another precedent for some other President in the future to do even more illegal acts and to commit even greater acts of hostility against foreign countries than have been already committed, and spill more American blood in the protection of property and the collection of foreign claims.

Future Presidents may claim to be justified by the fact that Congress permitted these acts, admittedly illegal and admittedly wrong, to be consummated with its own consent.

In closing I just want to remind the Senate that the power to declare war is a power that should be jealously guarded by Congress. A reference to the history of civilization discloses that wars originally were always declared by the king. A little later in the history of mankind the king's counsellors joined with him in declaring war. In practically every country in Europe to-day wars are declared through the cabinet. The great World War really began because of orders for troop mobilization on the part of the heads of the German and Russian Governments.

Here in America our fathers set up a Constitution and provided that war should be declared only by Congress, but little by little the Executive, having control of foreign affairs, is setting up precedents by committing illegal acts and by performing unauthorized deeds in foreign lands that inevitably lead us into war, until to-day we have in Nicaragua a state of affairs that is admittedly war, and we have men on this floor defending it as a necessary act on the part of the President which should not be even condemned by Members of this body.

I protest against it. I shall vote for every one of these resolutions in the hope that some one of them may pass. I do not approve the wording of all of them, but I shall vote for them, because I want to express my protest against this policy.

Mr. PITTMAN. Mr. President, I have an amendment I want to offer, if it is in order. It is to come at the end of line 9 of the amendment of the Senator from Wisconsin [Mr. BLAINE].

The PRESIDING OFFICER (Mr. STEIWER in the chair). There is an amendment pending to the amendment offered by the Senator from Wisconsin.

Mr. PITTMAN. I ask to have my amendment read, and have it lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

Mr. PITTMAN. I understand there is only one amendment pending; that is the amendment offered by the Senator from Wisconsin [Mr. BLAINE].

The PRESIDING OFFICER. The Senator from Alabama [Mr. HEFLIN] tendered an amendment to the amendment of the Senator from Wisconsin.

Mr. PITTMAN. Very well.

Mr. McKELLAR. Mr. President, I think the Senator from Alabama is going to offer his amendment should the Blaine amendment be not agreed to. Is not that correct?

Mr. HEFLIN. I did agree with several Senators that the Senator from Wisconsin is entitled to have his amendment voted on, and that I would not offer my amendment as a substitute for his, but that we would have a vote on his amendment, and I would immediately offer my amendment to the appropriation bill if his amendment should be defeated.

Mr. PITTMAN. Then my amendment to the amendment would be in order.

The PRESIDING OFFICER. The RECORD shows that the Senator from Alabama offered his amendment to the amendment and asked for a vote on it, and the yeas and nays were ordered upon that question.

Mr. NORRIS. I ask unanimous consent that the order for the yeas and nays be set aside.

Mr. HEFLIN. I hope that will be done.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PITTMAN. Mr. President, I offer the following amendment, to be inserted at the end of line 9, page 1, of the amendment offered by the Senator from Wisconsin [Mr. BLAINE].

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk read the amendment, as follows:

*Provided*, That in case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks at any time, the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

Mr. PITTMAN. Mr. President, that language was read by the Senator from Nebraska [Mr. NORRIS] from a statement that was made by Thomas Jefferson. Thomas Jefferson's statement in full on this subject is as follows:

In the case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks, the forces of the United States may be used for strictly protective purposes without the consent of Congress, which it is manifestly impossible to obtain in such cases. When, however, any attempt is made to take over the control of territory, to use force for the collection of claims due to American citizens, to interfere with the military operations of foreign troops, or, above all, to interfere between two governments, each claiming to be the legal government of the country, war, perhaps only partial war, but still war, is waged, and this can only be constitutionally done under the authority of Congress.

I am offering the amendment for this reason.

Mr. SIMMONS. Mr. President, the Senator is including in his amendment all of those things which Jefferson said might be done?

Mr. PITTMAN. I am including the first part of it, which states the authority of the President without action by Congress.

Mr. SIMMONS. And not the balance.

Mr. PITTMAN. There is no doubt but that under the Constitution the President has certain authority, and whatever authority he has we can not take away from him by congressional action, either directly or indirectly. If we attempt to interfere with the constitutional authority of the President, if we attempt to place a limitation upon the constitutional authority of the President, the whole limitation is void.

I favor the policy stated in the amendment of the Senator from Wisconsin [Mr. BLAINE]. I do not desire, from my statement that I favor that, to have anyone get the idea that I doubt for one moment the constitutional authority of the President of the United States to use our armed forces to protect the lives and property of our own citizens when they are attacked or when they are in immediate danger of attack.

If we do not, while we are establishing a policy, also recognize the constitutional right of the President we may have the whole limitation declared unconstitutional by the Supreme Court. On the other hand, whether they declared that limitation unconstitutional or not, there is not a Senator in this body who seeks to prevent the proper protection of lives of American citizens, wherever they may be. It seems to me it would be totally improper to state a policy here such as is found in this amendment without also reiterating the constitutional authority and duty of the President of the United States in this particular.

I believe in this statement:

None of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility against a friendly foreign nation, or any belligerent intervention in the affairs of a foreign nation, or any intervention in the domestic affairs of any foreign nation, unless war has been declared by Congress or unless a state of war actually exists under recognized principles of international law.

I do not think there is a member of the Foreign Relations Committee who does not believe that is good policy. I think we all agree with that policy, but, on the other hand, assume that in compliance with the intent of this amendment, on a certain date all of the armed forces were withdrawn from Nicaragua, and suppose one week thereafter some of our citizens were attacked by armed forces; would it not be the duty of the President, without hesitation, without coming to Congress immediately to take the available armed forces he could get to go there and repel that attack? If on the date that the armed forces were to come out authentic news came to the President of the United States that on the next day there was going to be an armed attack against some of our citizens there, would not we want those citizens protected? Of course we would. Unless the amendment carries with it the express pronouncement that while we denounce these acts set forth in paragraph 1 of the resolution of the Senator from Wisconsin, we do not question the constitutional authority of the President, nor do we want to do anything to interfere with that constitutional authority.

I have stated it in language that no one can question; to a great extent in the language of Thomas Jefferson. Strange to say, in that same statement he confirms the statement contained in the very body of the amendment of the Senator from Wisconsin.

I agree to the statement of facts submitted by the chairman of the Committee on Foreign Relations. I agree with the statement of facts submitted by the senior Democratic member of the committee, the Senator from Virginia [Mr. SWANSON]. I agree with them that it would have been far preferable if this matter could have been acted on by the committee in a carefully prepared measure setting out the policy in which Congress believes. As a general thing, I do not approve of this method of attempting hastily to legislate on an appropriation bill by limitation; but the fact is that the legislation is presented, the fact is that the world has been notified that the Congress of the United States is about to act on a policy, the policy is put squarely before us, and the question is, if we vote down this amendment, will not the rest of the world have a right to believe that we, the Congress of the United States, or at least the Senate of the United States, believe in the imperialistic policy that we are charged with throughout the world?

It is the effect of it that must be met now. I believe we could just as well wait until December, as the Senator from Virginia has said, so far as the physical effect of it is concerned. We could act—bring the marines out in January—just as well in December as now. But that is not the question. There are put up to us the questions: Do we favor intervention in the domestic affairs of other countries? Do we favor belligerent intervention in the affairs of other countries? Those questions have got to be answered, and answered now. I could not vote on this question and vote nay, because I favor every policy set out in the amendment. I would not dare attempt to avoid it; but I could not vote for the amendment if it were subject to any construction whatever to the effect that we were attempting to interfere with the constitutional powers of the President to protect our citizens or that we do not believe it is his duty to protect our citizens. For that reason I have offered the amendment to the amendment of the Senator from Wisconsin.

Mr. BORAH. Mr. President, may I ask the Senator offering the original amendment whether it will be agreeable to him to have the date of the original proposition fixed at not earlier than the 1st of January? The new officials should take office the 1st day of January, 1929, and it would seem to me that that would be better—to fix a date later than January 1.

Mr. McKELLAR. The 1st of February would be satisfactory.

Mr. BORAH. It would give the new government an opportunity to get itself established and in control of the machinery of government.

Mr. BLAINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Wisconsin?

Mr. PITTMAN. I yield.

Mr. BLAINE. The suggestion of the Senator from Idaho, as I understand it, is to advance the date upon which the marines shall leave Nicaragua, on the theory that the inauguration of the President elect of Nicaragua will be on the 1st of January. I think I made myself clear on the proposition. I realize that we are in Nicaragua, and I am not going to discuss that question again. My statement in the course of the debate I desire to stand as I addressed myself to it at that time.

The suggestion of the Senator from Idaho as made is perfectly reasonable, but I would go a little further than that under the circumstances. After the inauguration of the President elect on January 1 I appreciate that there are certain physical obstacles to be overcome, certain movements that must be made to get the marines out of Nicaragua. I have no desire to embarrass the President or the administration. I have no desire to interfere with the orderly process of evacuating the territory of that Republic. I therefore would ask permission to modify the amendment by changing the date from December 25, 1928, to February 1, 1929.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. PITTMAN. Does the Senator approve of the amendment I have offered?

Mr. BLAINE. I listened with a great deal of interest to the Senator from Nevada. When my mind was turned to the undertaking of proposing some proper limitation upon the use of the funds to be appropriated by the bill under consideration, I had in mind writing as nearly as possible the declaration made by Thomas Jefferson. So with the view that the modification suggested by the Senator from Nevada is interpreted according to the language, statesmanship, patriotism, and loyalty of Thomas Jefferson to this Republic as operated democratically, and his adherence to policies of democracy that ought to control in the administration of the affairs of this Republic, I want to say that with that suggestion and the interpretation which no doubt will be placed upon it as an interpretation announced in the declaration of Thomas Jefferson, I will accept the amendment offered by the Senator from Nevada.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. PITTMAN. Certainly.

Mr. JOHNSON. There are many of us who are very deeply interested in the amendment, although we have had nothing to say concerning it at all—interested from every standpoint. May I ask, because of the very important amendment which has just been presented by the Senator from Nevada, that this matter rest until to-morrow in order that we may consider the original amendment and the amendment now offered, and determine then the course we would like to pursue?

Mr. HEFLIN. Mr. President, I hope that will be done.

Mr. CURTIS. I am going to ask that the amendment, with the changes, be printed to-night so that we may have it before us in the morning.

Mr. BORAH. In order that we may have the question for consideration in the morning, may we have the amendment read now as it will be printed in the morning, so that we may have an opportunity to think about it over night?

The PRESIDING OFFICER. The clerk will read the proposed amendment.

The CHIEF CLERK. The Senator from Wisconsin [Mr. BLAINE] offers an amendment which as modified now reads:

On page 53, after line 17, insert the following:

"*Provided*, That after February 1, 1929, none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility against a friendly foreign nation, or any belligerent intervention in the affairs of a foreign nation, or any intervention in the domestic affairs of any foreign nation, unless war has been declared by Congress or unless a state of war actually exists under recognized principles of international law: *Provided*, That in case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks at any time, the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and the appropriations may be used to pay the expenses of such protective action.

"The words, 'acts of hostility,' and the words 'belligerent intervention,' shall include within their meaning the employment of coercion or force in the collection of any pecuniary claim or any claim or right to any grant or concession for or on behalf of any private citizen, copartnership or corporation of the United States against the government of a foreign nation, either upon the initiation of the Government of the United States or upon the invitation of any foreign government existing de jure or de facto."

Mr. BORAH. Mr. President, may I suggest to the Senator from Nevada that it seems to me his amendment ought to read that this provision shall not apply to such instances as he names there, rather than saying that in such instances the President is authorized to do thus and so. It would seem that we were taking the position that the President would not have the authority unless we authorize him to do it. The Senator from Nevada takes the position, and correctly, that he has that authority, and we can not take it away from him. The amendment should read, it seems to me, that this should not apply to instances in which property or lives are threatened or actually assailed, as it now reads, but not making it affirmative authority to do it. The President has that authority under the Constitution and we can not take it away from him.

Mr. PITTMAN. I realize that, and the only reason why I worded it in this way was that it was so much simpler to use the exact language by putting it in that way than to attempt to paraphrase the language. I realize the force of the suggestion made by the Senator from Idaho and by to-morrow morning we will have an opportunity to make such changes as may be necessary or desirable.

Mr. WHEELER. Mr. President, are we to understand that with the amendment of the Senator from Nevada the Senator from Idaho would then favor the amendment?

Mr. BORAH. As I have said, Mr. President, to several Senators who have inquired, I do not see any objection to it at this time, but I should like to have the opportunity to think it over. As I construe the amendment now, it is the Constitution of the United States and international law.

Mr. WHEELER. I should like also to ask the Senator from Virginia [Mr. SWANSON] whether or not he has any objection to the amendment as it is now framed?

Mr. SWANSON. While I think it wiser to wait until December to settle this matter, as I have said, yet if the Senator from Idaho believes the amendment is wise—and he has studied the question more than I have—I shall raise no objection to it, in view of the declaration which it embodies, which seems to me to be in accord with well-established principles.

Mr. BORAH. Mr. President, the appropriation bill is not in my charge and neither is the amendment—I am merely expressing my individual view—but, as I construe the amendment hurriedly, it is an elucidation of the Constitution of the United States and international law with reference to the condition now existing.

Mr. SWANSON. Rather than have debate and worry and delay, if the amendment reiterates the law as it is, while I do not think it is wise to put it on an appropriation bill, I will interpose no objection. I have no desire to fight a thing which is a reiteration of the law as it is.

Mr. EDGE. Mr. President, does the Senator from Idaho believe that even in reiterating known principles it is necessary to limit to an arbitrary date through appropriations the time when the President can use his best judgment in his admitted responsibility of protecting American lives and property in any country in the world?

Mr. BORAH. Mr. President, there is no limit in this amendment, either as to date or authority as to the power of the President to protect American life and property in foreign nations. There is no limit either in time or in language as to that.

Mr. SWANSON. As I understand from the Senator, if this amendment is adopted, it will impose no restriction on the power of the President within international law and his constitutional authority. In view of that, and feeling that there has not been done in Nicaragua exactly what should have been done, I do not see how I could interpose any objection to it, and consequently I accept the amendment.

Mr. EDGE. I ask the Senator from Virginia, following his own line of reasoning, why should there be any particular date when an appropriation shall cease to be available?

Mr. SWANSON. The Senator from Idaho has examined the question more thoroughly than have I. I have some doubt as to whether we ought not to wait until December, but I am willing to have the amendment now suggested adopted and accepted, so far as I am concerned.

Mr. BORAH. There is no limitation as to the power of the President to do those things that he has a right to do. He is not limited in his right to protect life and property and should not be.

Mr. SWANSON. I think the President ought to be restrained from doing illegal things. All this amendment does is to restrain him within the Constitution and to prevent any illegal actions. He has authority now to do what may be necessary to protect American lives and property. The election in Nicaragua, I think, is the most important consideration of all, for, in my opinion, there will not be peace in Nicaragua until there has been an election and the Liberals have been given an honest opportunity to register their choice, as we agreed they should do. I have no objection to restricting a Republican President from the 1st of February until the 4th of March.

Mr. EDGE. I should like to have the Senator's view as to the necessity of naming an arbitrary date. That must mean something. Before that date he can use a certain appropriation for this purpose, while after that date, apparently, he can not do so. Who is to decide?

Mr. BORAH. If the President be consulted, it will be found that he contends that he is not going beyond his constitutional powers. It is his contention and the contention of the administration that he is in Nicaragua protecting life and property; that he is not exercising any unconstitutional power. That is his contention and that is the viewpoint of the administration. So, as a matter of fact, as the amendment is drawn it does not limit the President at all, either in time or authority, as to doing those things which he has the power to do and which the President claims he is doing. There are others who think that he has gone beyond his constitutional authority; but, so far as this amendment is concerned, it would not limit any power that he now has under the Constitution.

Mr. EDGE. But am I not correct in the assertion that it would limit the expenditure of any of the money appropriated for the marines to send them to any foreign country if, in his

judgment, at that time American lives and property were in jeopardy?

Mr. BORAH. No; it would not limit him at all in that respect.

Mr. EDGE. The amendment refers to interfering with the domestic affairs of other countries.

Mr. BORAH. Yes; but it is a well-established principle of international law that the sending of marines into a foreign country for the purpose of protecting life is not intervention; it is not an act of war; it is not interfering with domestic affairs. That is a well-established principle. If the President goes beyond that and commits an act of hostility, if he seeks with the marines to interfere in domestic affairs, he is doing something which he ought not to do without the authority of Congress.

Mr. BRATTON. Mr. President, will the Senator from Idaho yield to me for a moment?

Mr. BORAH. I yield the floor, unless the Senator wants to ask a question.

Mr. BRATTON. The Senator from Idaho has developed a thought that had occurred to me in connection with the amendment which the Senator from Nevada [Mr. PITTMAN] now proposes. If sending marines into Nicaragua for the protection of American citizens is not an act of "hostility against a friendly nation," if it is not "belligerent intervention in the affairs of a foreign nation," and if it is not unlawful "intervention in the domestic affairs of a foreign nation," what force and what vitality would the amendment have? If the marines have been sent there to protect the lives and property of American citizens, as the President had the right to do, then he has not transgressed any of the provisions of the amendment proposed by the Senator from Wisconsin, but he has kept within the law. If that be true, I do not see what is to be accomplished by adopting the amendment proposed by the Senator from Nevada, because it will be said by those who uphold the views entertained by the President that he has not committed any of the acts denounced in the amendment of the Senator from Wisconsin, but that he has kept within his rights, as declared in the amendment proposed by the Senator from Nevada; that is, that he sent the marines there originally and is retaining them there now to protect the lives and property of American nationals, and consequently has not committed any "act of hostility against a friendly foreign nation" or of "belligerent intervention in the affairs of a foreign nation" or of "intervention in the domestic affairs of any foreign nation," but has proceeded squarely within the terms of the amendment proposed by the Senator from Nevada.

Mr. BORAH. Mr. President, of course it is the contention of the administration that it has acted within its authority under the Constitution, but we must take into consideration that the author of the resolution and others think that the President has not done so; that he has committed belligerent acts; that he has interfered with the domestic concerns of the Government of Nicaragua.

Mr. BRATTON. Then, let me ask the Senator from Idaho another question.

Mr. BORAH. I agree with the proposition that the President ought not to have the approval of Congress, either expressed or implied, to commit belligerent acts against a friendly nation and interfere illegally with the domestic affairs of a foreign nation, but we ought to bear in mind that the protection of life and property in a foreign country is not in violation of international law.

Mr. BRATTON. Exactly.

Mr. BORAH. It is expressly sanctioned by international law, and it has been held not to be an act of war because of which a nation could take offense. Therefore it seems to me that under the amendment of the Senator from Nevada the President is authorized to do all that he has a right to do under the Constitution and under international law.

Mr. BRATTON. Let me express my inquiry in this way: Suppose the present conditions continue until this appropriation bill becomes effective, who is going to determine whether the continuance of the marines in Nicaragua does constitute an "act of hostility against a friendly foreign nation," or does constitute "belligerent intervention in the affairs of a foreign nation," to wit, Nicaragua, or does constitute "intervention in the domestic affairs" of that country, or whether his actions and conduct merely constitute activities to protect the lives and property of American nationals? Whether the money can be expended under this appropriation law will depend upon which status obtains. If the President is protecting life and property, the money should rightfully be expended to defray the expenses incurred. If the retention of the marines in Nicaragua constitutes a violation of the prohibitions set forth in the amendment proposed by the Senator from Wisconsin, payment should be withheld. In order that we may avoid doing a vain and useless thing, we should make certain that the money appropriated in this act will not be expended except under circumstances of which we approve.

Mr. BORAH. Mr. President, my objection is——

Mr. HEFLIN. Mr. President, before the Senator from Idaho answers that question, I desire to say that the Senator from New Mexico [Mr. BRATTON] has raised a very interesting question. It is going to lead to a good deal of discussion, and I think we had better let it go over until to-morrow.

Mr. PITTMAN. Mr. President, before that happens, at least let me perfect the amendment in accordance with the suggestion of the Senator from Idaho and the Senator from Wisconsin. As perfected the amendment will read:

*Provided*, That such limitation shall not apply in case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks at any time; the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

Does the Senator from Wisconsin accept the amendment as I have now modified it?

Mr. BLAINE. I accept the amendment as modified.

Mr. CURTIS. I ask unanimous consent that the amendment of the Senator from Nevada [Mr. PITTMAN], as modified, be printed so that we shall have it in its perfected form.

The VICE PRESIDENT. Without objection, it is so ordered.

## THE PROPOSED NICARAGUAN CANAL

Mr. MCKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by A. Guyot Cameron, of Princeton, N. J., relative to the proposed Nicaraguan canal, and also an article published in the National Financial News of New York City, prepared by Mr. Cameron, entitled "America's opportunity in Nicaragua."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PRINCETON, N. J., *April 22, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate.*

MY DEAR SENATOR MCKELLAR: If before this I have not expressed my great appreciation of your so courteous and immediate letter, this has been by unwillingness, while awaiting the arrival of the CONGRESSIONAL RECORD, containing your speech as to the Nicaragua canal, which you were good enough to send and which arrived yesterday afternoon, to trouble you twice with my thanks.

Permit me to offer my congratulations upon your so able treatment of the fundamentals involved, and urging, in the question of the Nicaragua canal. It is an amazing thing that, in view of the proven protection and profits of the Panama Canal, of the practical solution offered by the Nicaraguan project on its economic side, for the political aspect of Latin-American relations, as you have so ably indicated; and of the value in every way inherent in the Nicaragua canal, for this country and internationally, that ignorance or indifference or antagonistic interests, should obscure or delay construction of the Nicaragua canal.

I am hoping that opportunity may arise, by your reopening of the subject, to further proper conception by the people of the United States of the vital importance of the matter, particularly for ourselves, but not in selfish sense.

You may permit me to inclose a reprint of my articles on this question, which appeared in the National Financial News. This paper was taken over in 1926 by the Magazine of Wall Street. Of my statements Doctor Jenks, then just returned from Nicaragua, wrote to me, among other things: "You have given me considerable information in the articles that I did not have before." And Consul General Toribio Tijerino, of Nicaragua, in a long and very delightful communication, declared: "I have read many articles about Nicaragua published in the United States, but none has been as accurate, nor shows the careful study of the matter as yours."

I have not had the long-desired privilege of seeing Nicaragua, but I have long done what I could toward realization of the canal. This effort has had fairly wide echo in Latin America. I am hopeful that your awakening of public attention to not merely the necessity but the duty of the United States in this great matter, may give the momentum to our patriotic opportunity. I trust that, interested as you are in our Latin-American contacts, the copies of the Financial Forum may have reached you.

With great appreciation, I have the honor to be, Senator,

Very truly yours,

A. GUYOT CAMERON.

[From the National Financial News, New York]

AMERICA'S OPPORTUNITY IN NICARAGUA

By A. Guyot Cameron, foreign affairs editor

Professor Cameron's appointment as foreign affairs editor of the National Financial News means that all Americans who read his articles will get a new vision of conditions abroad. The importance of foreign business to citizens of this country is emphasized by the comment of the New York Evening Post on May 13: "One billion American dollars were sent abroad for investment during 1924. This raises the amount of American holdings in other countries to a total of more than $9,000,000,000; before the war the figure was about $2,000,000,000.

"This is the sense in which the United States, as Secretary Hoover says in the third annual report of the Department of Commerce, 'is now the world's greatest investor.' No other country during the last year increased its foreign holdings by $1,000,000,000; no other country during the last decade has increased its foreign holdings by $7,000,000,000.

"These statistics indicate a vast change in the economic and financial situation of the world. The United States has taken its place securely among the great creditor nations. As time goes on the power that comes from this status will unquestionably increase."

"We need to understand the peoples of South America better. Few of us really know how to judge them. Their countries offer splendid industrial and other opportunities. It is important that when we send men to represent us in South America they shall be the type to understand the people." (Sir Herbert S. Holt.)

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"European stabilization will bring about a revival in world trade and increased consumption of commodities in which the United States is bound to have its share." (Herbert Hoover.)

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"There exists in the New World a state as admirably situated as Constantinople, and we must say up to this time as uselessly occupied. We allude to the state of Nicaragua. As Constantinople is the center of the ancient world so is the town of León the center of the new, and if the tongue of land which separates the two lakes from the Pacific Ocean were cut through, she would command by virtue of her central position the entire coast of North and South America. The state of Nicaragua can become, better than Constantinople, the necessary route of the great commerce of the world, and is destined to attain an extraordinary degree of prosperity and grandeur."

The man who wrote that, with balanced judgment and yet with fiery enthusiasm, was Napoleon III. That the splendors of the Second Empire, during which Paris was not only what it has remained—the playground of the world—but the leader in things artistic, in civic expansions, and in many economic matters, fell, does not change the value of political perspective in the emperor. In spite of attack, in a relatively recent book, of Philip Guedalla, the breadth of political view of Napoleon III remains. We may add, he was a tactician, a diplomat, a brave man, and, had the Franco-Prussian war not occurred, he would have accepted the "Liberal Empire," which would have saved his dynasty.

WAS FRANCE RIGHT?

But that is not the point. Was France right as to Panama? It was. And no technical nor financial mistakes alter the tremendous debt due France for Panama inception which eventually hastened United States actions. Was Napoleon right and, is he yet, as to Nicaragua? There can be no question of it with proper conception of the conditions and of the facts.

The mistake of Napoleon was not as to Nicaragua but as to violating the political testament of Cardinal Richelieu in the matter of political conjunction with the House of Austria. It was renewing error as in the case of Marie Antoinette, lovely and vicarious victim of history. It was perpetuating fault by the case of Marie Louise, the second wife of Napoleon I. It was repeating blunder by the backing of Maximilian in Mexico. Richelieu was right. And so was Napoleon III, as have been many others, in the matter of Nicaragua. It makes no difference that his purpose was the extension of the territory of Maximilian to include the boundaries of Nicaragua within the then empire of Mexico.

It is a peculiar coincidence that the area of Nicaragua is 49,200 square miles and that the area of New York State is 49,204 square miles. The latter is already passing into history as the Empire State. The former is the gateway of an economic empire.

Why did the United States build the Panama Canal instead of constructing the Nicaragua route? For two causes, one due to our national psychology, the other, for obvious pecuniary reasons. We are the speed Nation. Panama was apparently a quicker proposition. We are a keen financial Nation. The Yankee bargain appeals to us. Without here discussing why, France was willing to sell to us her Panama concession for the small sum of $40,000,000, giving us a free hand and vast materials, much of which, for many reasons, we could not utilize. And back of both these propositions were the energy and the political foresight of Theodore Roosevelt. Let us imagine the World War without the Panama Canal!

We did this, although after years of engineering reports, Government estimates, and political discussions, not to say partisan ones, the United States had reached the decision for the Nicaragua route. Whatever reasons held good for this choice, after long oppositions and indecisions; whatever forcible arguments were adduced until the final and favorable passing of the Nicaragua canal bill, remain valid until this day, in so far as they are inherently valuable. It is not at all a question as to what interests may or not be pleased with the reopening of the Nicaragua canal matter. It is a question of patriotism and of potential for the United States.

"WE HAVE PANAMA"

We need the Nicaragua canal for the fulfilling of national opportunity and of international duty. We had our lesson—and a World War soon thereafter proved the danger in this—and we even had our fear at the possible control by a foreign power of an all-American isthmian canal. We have no moral right, under a Monroe doctrine cooperation, to play the dog in the manger act and to estop the building of a Nicaraguan canal for which Central America waits, as it has long waited, and which international trade approaches the day of needing. Again, it is not a question of conflict but of commerce and of communications of every sort. It is not a matter merely of military aspect. That phase certainly does exist. But this country must think of economic preparedness in numberless ways. A telegraph or cable company is not insured for its business opportunity without at least duplicate or triplicate lines. A single-track railroad is under constant possibility of interruption of service. "We have Panama." Yes; but that is just the point: What of possible delay or destruction?

The Nicaragua canal remains a paramount issue, largely unknown by this generation, which has forgotten or has never gauged the idea and the importance of the subject. It is paramount by its practicality; by its economic potential, and by its favorable political aspect. But whether a matter of politics or of trade development, the issues connected with a Nicaraguan isthmian canal are as closely linked with this country as they have ever been in times previous to this one.

BATTLE GROUND FOR CENTURIES

It is worth while to consider a few things. What has made Nicaragua for centuries a battle ground? Appreciation of the seal set by nature upon its pivotal world position. Here is, and in simplest form, the topographical key to world oceanic intercommunication. To obtain possession of this key many nations have striven, with or without the permission of their governments. We are apt to blame our political brethren of the Spanish republics to our south for more or less political instabilities. But in Central America almost every one of these may be traced to the struggle, either open or concealed, of powerful nations appreciating that the narrow neck of land near the slim Isthmus of Nicaragua meant a world cross road of the sea and that whether for colonial power or for strategic position or ultimately for trade expansion, Nicaragua was a dominating center, military or material, for world connections.

So even after Nicaragua became Spanish colony there was continual war with England, France, and Holland. Besides this, the pirates and the privateers of these three countries and mixed piratical crews devastated and distressed Nicaragua with frightful detriment to people and to products and to politics. In addition there were the struggles against the Indians, or with them against a common enemy. And terrific internecine and interstate warfare.

There has been no more pathetic situation in economic-political history than the 100 years appeal of the isthmus for interest, cooperation in development, and trade sympathy of the United States toward Nicaragua. Disregarding the surges of anti-American or pro-American feeling that were often the political slogans of the "ins" or the "outs" there has been steady hope that the big brother of the North would see clear the opportunity for him and for the isthmus in the cutting of the waterway that would mean such tremendous help in international relations. An extraordinary gauge of this spirit is seen in the fact that Salvador, even a century ago, asked for annexation to the United States. This was to rescue it from its temporary incorporation in 1822–23, with the other Central American States, into the Mexican Empire of Iturbide.

It is declaring ignorance of United States history to consider our contacts with Nicaragua as something foreign to our policies and to our progress. On the contrary, our relations have long been extremely a matter close and in common. Run over these relations. These relations have been of two kinds, political and engineering.

THE FEDERAL UNION

In 1821 Nicaragua, Guatemala, Honduras, Salvador, and Costa Rica declared their independence of Spain, an independence not acknowledged by Spain until 1850. In 1823 came the Federal Union of the five Central American states, lasting until 1839, and, in spite of seccedings and wars, repeatedly renewed, with undoubted ultimate acceptance by the five states. From 1858 to 1893 Nicaragua enjoyed under extremely able presidents, the longest period of peace known in Central American history. Since 1893 the United States have kept friendly eye upon Nicaraguan complications.

But already in 1825 the Republic of the Centre, considering applications from British and United States citizens for canal concessions, made overtures to the United States through the United States Senate and asked their cooperation in the building of a canal. In 1826 a company of New York capitalists was formed, including De Witt Clinton, and made contracts for canal purposes but did not have enough capital to pursue its plans.

Acquisition of California after 1848 settled future canal construction. In 1850 United States engineers surveyed the Nicaragua route. From 1870 to 1875 repeated United States Navy expeditions considered all projected isthmian routes. In 1876 a United States commission advised that the Nicaragua route possessed greater advantages and offered fewer difficulties than any other route and plan proposed.

CLAYTON-BULWER TREATY

By treaty with New Granada (Colombia) in 1846; with Great Britain in 1850 through the Clayton-Bulwer treaty renewed in 1901; and with Nicaragua in 1867, we had guaranteed the neutrality of either Panama or Nicaragua Canal. In 1884 came the Frelinghuysen-Zavala treaty with Nicaragua by which we would build the canal without cost to Nicaragua, and after its completion the two countries would together own and manage it.

This treaty, receiving in 1885 in the United States Senate 32 votes but with 23 votes against it and thus failing of two-thirds ratification (as had failed a similar treaty in 1848), did not pass, and change of administration hampered its reconsideration. Yet in 1886 the Nicaragua Canal Association was formed privately with concessions in 1887 and 1888 from Nicaragua and Costa Rica, respectively. Under authority of Congress, the Maritime Canal Co. was formed in 1889, and until the panic of 1893 forced it to the wall it spent $4,500,000 in work, which included a railroad of 11 miles back from Greytown (now San Juan del Norte). In 1895 and in 1897 Congress appointed new boards of engineers (the Walker Commission under President McKinley in 1897) to report.

Then came in quick succession the Spanish war in 1898; the revelation of the need of an isthmian canal immediately, but in 1900 the triumph of the Nicaraguan route in the report of the commission for Nicaragua, which declared "the commission is of the opinion that 'the most practicable and feasible route for' an isthmian canal to be 'under the control, management, and ownership of the United States,' is that known as the Nicaragua route."

In January, 1902, the French Panama Co. offered to sell. The Nicaragua Commission reversed its report. Just previously to this the Hepburn bill authorizing the Nicaragua Canal at a cost of $180,000,000 had passed the House of Representatives by a large majority. The Spooner amendment in the Senate allowed presidential purchase of the Panama concession and plant and agreement with Colombia. And thus the Panama Canal was built.

Yet the United States Senate on February 18, 1916, by a vote of 55 to 18, ratified the treaty with Nicaragua, which gave to us perpetual right of way along the San Juan River and Lake Nicaragua and naval bases in Fonseca Bay and at Corn Islands for 99 years, all this for the modest sum of $3,000,000 gold. By the Chamorro-Bryan treaty.

But the work of our so able minister of the fifties, Squier, and of our engineers like Menocal, is far from over. Nicaragua remains as potential as ever. World development calls more loudly for Nicaraguan facilities than previously. This, apart from economic reasons to be seen later. Nature has not changed its obvious physical advantages because of the Spanish war.

FRESH-WATER LAKES

Nicaragua has two great fresh-water lakes. Lake Nicaragua is 92 miles long by 34 wide with an area of 3,000 square miles, a depth at maximum of over 200 feet, a surface above sea level of about 110 feet, the largest fresh-water sheet between Lake Michigan and the South American Lake Titicaca. The continental divide is approximately 160 feet above sea level. Distance across the isthmus in a straight line is 156 miles. Connected by the Tipitapa River with Lake Nicaragua is Lake Managua, 32 miles long and 16 miles wide, with 512 square miles. From Lake Nicaragua flows the San Juan River, navigable 120 of its 140 miles. The distance from the lake to the principal mouth of the San Juan River is 95 miles with an average width of channel of 1,500 feet. A short-cut canal from Lake Nicaragua to Brito on the Pacific side and the canal from Atlantic to Pacific is complete. This would mean, say 100 miles of San Juan River navigation; 70 miles across Lake Nicaragua; and with the Las Lajas and Rio Grande Rivers, 17 miles to Brito, a total of 187 miles from coast to coast. This canal must be a lock canal, a sea-level canal not being feasible, as it could be at Panama.

Time for the construction was estimated at 10 years. Cost was set at $200,540,000. This would be $300,000,000 at present.

Why build the Nicaragua canal? Among other reasons because, while it was calculated that an average vessel could pass through the Panama Canal in 12 hours, but through the Nicaragua canal, by greater distance, 33 hours, yet the distance from New York to San Francisco through the Nicaragua canal would be 377 miles less than by Panama; from New Orleans to San Francisco, 579 miles less, and from Liverpool to San Francisco, 386 miles less. The profits in shortened route need no discussion, even allowing for extra time in canal transit and for increased maintenance of a longer canal route.

THE NICARAGUAN CANAL

Many reasons urge patriotic reconsideration of undeveloped opportunity in the matter of the Nicaraguan canal. Nicaragua has just honored the United States and one of our great international economists, Prof. Jeremiah W. Jenks, by asking him to take part in the revision of the banking laws of Nicaragua. His report to the President of Nicaragua, in which Ralph N. Elliott has collaborated, has just been presented. As part of the future are involved the possibilities of Nicaraguan national conditions to a great degree. By canal across the isthmus! With this would come railway and highway construction and port improvements.

Nicaragua itself must look outside for the financial force to start and continue these great possibilities which affect international conditions to a great degree. By the plans of Professor Jenks much can be done in short time and at comparatively small cost. Reviving past engineering and improving it by present feasibilities these international factors could be and should be set at work. The United States Government, as Professor Jenks points out, must be sounded as to its continued or revivable interest. Shipping companies should equally become interested in the economic factors for them. Nicaragua and Costa Rica by concessions can help their own interests. The Governments of the United States, Costa Rica, and Nicaragua could cooperate, with settlement of mutual rights. Nicaragua could have the port dues and divide these with Costa Rica.

SAN JUAN RIVER

Professor Jenks has also proposed the improvement of the San Juan River. Such improvement would include a port development, to cost $2,000,000, at San Juan del Norte, on the Atlantic coast; draft for 20-foot ocean-going ships (there is a dangerous bar at the Caribbean shore). Our Government, should it ultimately decide upon canal construction, would find two years saved, as these port developments would amply carry on initial canal construction and give communication through the San Juan improvement as well, the Government then taking over the work of the private company that might initiate it.

The river, with the Colorado, whose main mouth belongs to Costa Rica, forms an extremely fertile delta—probably the best banana country in the world. By proper wing dams, the estuaries could be made available for vessels of the "lighter" or the Mississippi River type. Bananas could thus be delivered at 15 to 20 cents less a bunch than off the Atlantic Rio Grande. Clearing of the silt would cost another $2,000,000. Development of the upper San Juan River, with wing dams, control of the rapids and shallows, dredging, and channel for a draft of 5 feet, would cost $1,000,000.

From Granada at the head of Lake Nicaragua to San Juan del Norte (the former Greytown) $5,000,000 would develop, with only one transshipment, the distribution of the products of an extraordinary country. And it would take this small sum—five millions—and only three or four years of time to do a great work and one which would prepare admirably for the future construction of a possible interoceanic canal.

PART II

There are a few striking scenes in all-American history when the man of the west from Europe met the man of the Asian East in the still farther west for friendly pow-wow to have enormous consequences. There is Peter Minuit purchasing for $24 Manhattan Island. There is William Penn under the tree, ratifying treaty and trade with his Indian admirers. And there is Gil Gonzalez de Avila or Davila exploring in 1522, on his trip started in Panama in 1519, the country discovered by Columbus on his fourth and last voyage when he landed December 12, 1502, on the cape which he christened Gracias á Dios—thanks to God—to this day, Davila, received in most friendly fashion by Nicarao or Nicaras or Nicaragua, a powerful chief of the Cholutec tribe, who was baptized into the Roman Catholic Church with his followers, and who gave his name, whether or not be included in it the Spanish word agua, water, to the country of international importance known as Nicaragua.

ECONOMIC NICARAGUA

Economic potential in Nicaragua lies in its exportable values of coffee, sugar, and cacao and its transfer from domestic production to world quantity of its corn production. Corn now means meat. Meat is cattle. Were Nicaragua to develop its corn possibility it would rival our Mississippi Valley as a world corn producer, which, says our Government through the Pan American Union, would result in making "Nicaragua one of the richest agricultural sections in the world." But cattle mean varied by-products. Nicaragua can become a world distributor in these respects. As cattle for export purposes demands steady supply, scientific care, and feeding, there must be "tame" pasture and grain feeding, in other terms, alfalfa and corn. Nicaragua is one of the great natural opportunities, and with low-priced public lands, for cattle raising.

So for sugar. So for cacao. The World War gave permanent and tremendous impetus to the use and the appreciation, especially by the United States, of the dietetic value of chocolate. What man who went

"over there" will ever forget what chocolate and cacao meant! The Tropics have a natural monopoly of cacao production and Nicaragua is a cacao country by physical birthright.

So, again, for ever-growing world demand for bananas. So for coconuts, well called, with the date palm of the East, "one of the two most valuable food trees known to man." So for coffee, representing, for some years past, about one-third the value of Nicaraguan exports. So for cabinet woods, not merely a matter of furniture, but, with airplane development to sweep the skies and the commercial world, the use of mahogany and other woods.

And in addition to corn, cane, cacao, coffee, cabinet woods, many other products and mining. Nicaragua is a country of gold and silver. Of much gold.

CAPITAL AND CANAL

Here, then, is opportunity for the United States. Nicaragua needs money, modern methods, machinery, and men. It is perfectly true that other countries need these also. But other countries do not have the possibility of such an isthmian canal which alone would entail the development of vast resources lying latent.

Question of such a canal, however, must face greatest opposition. What are the main factors in such opposition? The Panama Canal, the railroads of the United States, and perhaps the power of finance. Accepting, as was shown in a previous article, the fact that physical configuration sets a premium upon engineering development of the Nicaraguan canal and that successive generations of United States Government surveys and commissions have emphasized the superiorities of that trade route for a canal, what other obstacles are in the path of proceeding to construction of the Nicaraguan canal?

We have, first, the status of the Panama Canal. If the Panama Canal does not pay and the United States Government, besides the necessary military and naval expenditures thereat, which can not justly be charged to the canal, must provide interest on the bonds of the canal and the vast upkeep, the United States taxpayer must be responsible in taxes for financing the deficit.

But what sane man will question the value of even such a deficit in view of the enormous insurance of speed, of safety, and of commercial possibilities opened to us by construction and control of the Panama Canal? Our Latin-American trade growth because of the canal has already amply repaid our effort for patriotic advantages and for world commercial benefits.

But besides these reasons there is the future. The Panama Canal will some day—not physically but commercially—overflow its banks and prove unable to handle the world trade desiring to pass through it. Then, what? One may multiply locks—and there is always the possibility at enormous expense of a sea-level canal at Panama, as it should be, but the water will be lacking to fill the locks. Let us face the truth and at once.

RAILROAD FEELING

Secondly, there is railroad opposition to be considered. We know the story of the sufferings of the railroads: Ignorant hostile legislation; provincial and picayune pursuit by demagogic politicians; lack of economic conceptions dictating policies antagonistic to the railroads; labor maladjustments; Government war controls and their sequences; disorganized relations of various kinds; vast increase of expenses under every head of charges—and Panama competition. Who could blame the railroads for not desiring additional competitive canal action in a new canal?

Yet the railroads are pushing out to meet a canal, whether they wish it or not. The Southern Pacific Railroad has only 30 miles to go of its great 100-mile link, which will give access of over 1,000 miles, with the National Railways of Mexico, from Los Angeles to Mexico City, a superb span that will bind our wide agricultural Northwest, and, in fact, the whole country, with the renewed development, after revolution, of magnificent Mexico, a construction project well termed by Julius Kruttschnitt: "An epochal event in the relations between this country and its southern neighbors."

What is more, the Government of Mexico, in lately renewing the charter of this extension, authorized the Southern Pacific to construct its own lines through to Mexico City. As, under liberal Mexican law, any operating railroad is entitled to demand the joint use of connecting roads for through traffic, the Southern Pacific for the present will take advantage of this opportunity. Next year will see the opening of the road after an engineering feat of about 15 miles of boring through mountain spurs and table-lands, qualified as "terrifically difficult," and will make practical a broad international and patriotic conception.

So the Missouri Pacific Railway, competing for Mexican trade, goes down through San Antonio and Laredo into an already great business. It is the "Dream of Harriman" and the "Goal of the Goulds" for a transcontinental railroad, turned into an international and an intercontinental railroad.

And when the intercontinental railroad is put through from New York to Buenos Aires the National Railway of Nicaragua will furnish its share of mileage by its route from Corinto to Granada.

VOLCANOES

A further reason advanced against the Nicaragua Canal is the volcanic character of the western section of the country. History has recorded there some tremendous eruptions. One can but admire Nicaragua for setting upon the seal of its country a line of volcanoes of which it need not be ashamed, dominated by the fiery cap of liberty for which the country so long strove. Answer is found in the reports of our Government which did not hesitate to choose Nicaragua for a canal route, volcanoes or not.

COMMUNICATIONS

Nicaraguan development has been hampered by lack of means of communication. Until a few years ago almost literally east was east and west was west and little the twain did meet. For any one from Colon in Panama or Port Limon in Costa Rica to reach Bluefields (named after Blieveldt, the Dutch corsair), it was necessary to travel 1,300–1,400 miles to New Orleans and then to return over the Gulf of Mexico and the Caribbean Sea—five or six days each way—to cover a distance of 275 or 125 miles. Roads were few and in rainy season practically impassable. To add to complications, there was one tariff for the east and another for the west coast, with the discord that this produced.

With a population of less than 700,000, seven-eighths of it Indian in origin and with, therefore, the contributory stability of the Indian, one-third distributed in the cities and two-thirds rural and some 80 per cent in the western part of the country; with a Caribbean coast line of about 300 miles and a Pacific coast of 200 miles; the Nicaraguan frontier with Honduras extending for 300 miles and with Costa Rica for 125 miles, there are only about 600 miles of highways, supplemented by quite extensive river and lake transportation.

The National Railroad of Nicaragua, the Pacific Railway, owned by the Government, runs from Corinto on the Pacific to several cities of the western portion of Nicaragua. It was built in sections, from 1878 to 1903, and has a mileage of 157 miles. Built and operated until 1905 by the Government, then leased to a private syndicate which returned it in 1909; in March, 1912, Messrs. Brown Bros. & Co. and Messrs. J. & W. Seligman & Co. formed the Ferrocarril del Pacifico de Nicaragua, and in October, 1913, purchased for $1,500,000, 51 per cent of the stock and control, the J. G. White Management Corporation being appointed operating manager. In February, 1916, a concession was taken for a line of 22 miles from San Juan del Sur, on the Pacific, to San Jorge, on Lake Nicaragua.

By contract of October 5, 1920, the Republic repurchased the 51 per cent of stock sold, paying the bankers $300,000 in cash and $1,450,000 in Nicaraguan Government treasury notes. At present a contract calling for the creation of a committee of five for the construction and operation of a line to the Atlantic survives but is in abeyance. This road would be 200 miles in length.

A 48-mile railroad, the Wawa Railroad Co., but of 75 miles planned, belonging to the Wawa Commercial Co. and to some mahogany companies, is now owned and operated for 9 miles as a logging railroad by Mr. Fransen, a Belgian. This is on the Atlantic coast. For handling bananas the Cuyamel Fruit Co. since 1921 built a railroad of 8 miles, with 4 miles of spurs. The Bragman's Bluff Lumber Co. in 1923 purchased from the Government 20,000 hectares of public lands at $2 a hectare, with concession for full port developments and railroad for some 40 miles back from the northeastern Atlantic coast. Some 21 miles are now ready. The Nicaraguan Sugar Estates Railroad has built 6 miles of main and 7 of narrow cane-field track to connect with the Pacific Railway in the northwest. To Mr. Prestinary, representing Mr. Keilhauer, has been granted a 99-year concession, with large lands and other advantages, for a road curving from Bragmans Bluff to practically the Honduran frontier, some 110 miles.

A road is projected from San Miguelito, at the eastern end of Lake Nicaragua, 117 miles, to Monkey Point, on the Atlantic. Connection by Lake Nicaragua for 90 miles of water travel will reach Granada, at the western end, the inland terminus of the Pacific Railway.

Finally, a contract was signed in 1920 giving to Rene Keilhauer the contract for construction of a railroad from the Gulf of Fonseca to Chinandega, there to connect with the Pacific Railway. In addition, was granted the right to build a branch north to the Honduran frontier. This would be a link in the Pan American Railway.

There are also some miles of private steam tramways on the west side of Lake Nicaragua.

The Caribbean coast has three harbors: Cape Gracias à Dios, Bluefields, and Greytown (San Juan del Norte). On the Pacific side are the Gulf of Fonseca, Corinto, Brito, and San Juan del Sur. The Bay of Fonseca in extent and in safety has no superior on the Pacific Ocean. With a breadth of 50 miles by a width of 30 miles, with an entrance 18 miles across, with four channels between islands, each deep enough for the largest vessels, a channel extends from its southern point for 50 miles, reaching to about 20 miles from Lake Managua.

With access by the Panama Railroad Steamship Line and the United Fruit Co. through Colon (Cristobal) and Panama City (Balboa) to Pacific Mail Steamship Co. sailing to San Juan del Sur and Corinto;

with similar connections by Dollar Line, Grace Line, Panama Pacific Line, or other steamers at the same Panama port; with vessels of the Pacific Mail Steamship Co. sailing from San Francisco to the same ports of Nicaragua; with the Southern Pacific Steamship Co. (Morgan Line) from New York connecting at New Orleans with steamers of the New Orleans and Bluefields Fruit & Steamship Co., and of the Cuyamel Fruit Co. sailing to Bluefields and Cape Gracias; and with the Pacific Steam Navigation Co. having service from Cristobal to all Central American ports, reaching Nicaragua is facile.

The Government of Nicaragua has developed a wireless system. The United Fruit Radio Co. reaches Managua, the capital, Bluefields, and Cape Gracias à Dios, working with the Western Union Co., its line from New Orleans to Managua taking but one hour, and is well placed for expansion. The All America Cables Co. through double cables to San Juan del Sur covers Nicaraguan connections. Linking of all these activities and completion of outlined plans will mean the development of the great economic power of Nicaragua.

FINANCE

The financial history of Nicaragua touches closely the United States. Whatever exigencies or struggles may have occurred in the finances of Nicaragua in the past, the recent record is remarkable. Nicaragua has the gold standard. On March 20, 1912, it passed an act effective March 24, 1913, under which the gold córdoba—after Hernán de Córdoba, who circumnavigated Lake Nicaragua and in 1524 founded Granada there—of equal weight and fineness with the gold dollar of the United States, is the unit of value. The national bank issues notes which, with all coin, are maintained at par with gold.

New York bankers made recuperation of Nicaragua possible. It was part of that United States and world patriotism which has so helped our moral and pecuniary position of leadership. In 1911 Nicaragua was in arrears on the interest and the sinking charges of its foreign debt. New York adjusted differences between London and Nicaragua, provided for overdue interest and for the payment of 1911 treasury bills and brought about reduction of debt interest rate. There were claims against Nicaragua for $18,000,000. Of these a mixed claims commission in three and a half years eliminated nine-tenths, making $1,800,000 of them to be paid. A national bank owned by the Government and the New York bankers was founded. This was followed in 1915 by affiliation between this bank and the Mercantile Bank of the Americas in New York, and increase of capital.

In September, 1924, the Nicaraguan Government purchased 51 per cent of the stock of the National Bank of Nicaragua, which was owned by the Bank of Central & South America, so that both the national railway and the national bank are at present owned in full by the Nicaraguan Government.

In 1911 Nicaragua had been disappointed in its hope of procuring from the United States a loan of $15,000,000 because the United States Senate had failed to ratify at that time the treaty pending. When, however, this country in 1916 paid the $3,000,000 gold for naval bases in Nicaragua and perpetual canal rights, $1,100,000 of this sum was applied to the interest and the principal of the Nicaraguan foreign debt. Proceeds of a bond sale of $3,800,000 were added to $1,400,000 remaining and were applied to reorganization of the internal debt. Since, in 1911, fifty millions of dollars in irredeemable paper pesos had been converted at 20 pesos to the gold dollar, into córdobas; and since 97 per cent of the creditors had accepted the award of the commission of public credit in the reorganization of the internal debt, the United States bankers had done a wonderful work, led by Messrs. Brown Brothers & Co. and Messrs. J. and W. Seligman & Co. and with collaboration of such banks as the Shawmut National Bank of Boston, Mass., the Hibernia Bank of New Orleans and San Francisco, and other representative institutions.

Whatever changes have occurred in connection with ceasing or continued control (Mercantile Bank of the Americas, Central and South American Bank, Royal Bank of Canada, Guaranty Trust Co.) and with private banking houses as above not at present interested further in the matter, United States banking established a record of amity and of action that will remain in financial history and in political friendship.

Let it pass into history that United States and Nicaragua cooperation performed this miracle during the World War; kept Nicaragua on a gold basis during that whole period, a record of which no other nation can boast in similar fashion; and operated the railroads of Nicaragua with its trade crushed by war conditions.

WHY NICARAGUA?

Of that trade, whether import or export, the United States has about 75 per cent. For Nicaragua has practically no manufactures. There is a moral aspect to such a condition on a basis of mutual relation and friendly appreciation. It is no slight indication of Nicaraguan sentiment that, apart from its religious holidays, Independence Day of the United States, July 4, is the first holiday celebrated annually in Nicaragua and one of the six national or international ones of the whole year.

Long since has the remembrance of the marvelous episode of Byron Cole and his American Phalanx of May, 1855, been forgotten. Nicaragua understands fully the extraordinary anabasis of William Walker and his filibusters. Walker, university man, lawyer, physician, journalist—partly by adventure and partly by attempt to help the slaveholders of the United States and to add new slave States to the Union, increasing his 56 men to 3,000, capturing Granada, organizing a government recognized in 1856 by President Pierce, receiving the sympathetic resolutions of the Democratic National Convention, elected President of Nicaragua by 15,835 votes out of 23,236, repealing the antislavery constitutional provision, fighting all the other Central American States in their coalition financed by Cornelius Vanderbilt, and, after many other vicissitudes, taken prisoner by the British, surrendered by them in 1860 to Honduras and shot.

But Nicaragua has not forgotten the long friendly offices of the United States; our constant opposition to Great Britain in the matter of the unjustly named Mosquito Coast—not so called because of its mosquito population (Spanish, mosquito, a gnat, the diminutive of mosca, a fly), but from its inhabitants, the Misskito Indians, living in that section of Nicaragua called by the English in 1665, "Mahomet's Paradise." We almost fought Great Britain about it in 1848. Our diplomacy helped its final transfer to Nicaragua in 1894. When in the eighties Colombia prepared seizure of Nicaraguan territory, President Cleveland, to prevent hostilities, despatched naval representation. In boundary decision between Nicaragua and Costa Rica the President of the United States was the arbitrator. And so on. Long and interesting are the bibliography and the diplomatic archives of our relations with Nicaragua.

Under President Carlos Solorzano, upright ruler, cultivated man and successful business executive, Nicaragua is headed for prosperity. But advance demands capital. The United States can supply this and assure itself of rich reward. Irrespective of Pacific Ocean political conditions, whether or not we see in these, warnings to be heeded, the Nicaragua canal, which means the development of Nicaragua, presses for construction. It represents coming commercial necessity; engineering insurance; expansion of our trade facilities. And even more than these, cementing of Latin and North American economic and, therefore, political friendships. (Reprinted from May 23 and 30 issues of The National Financial News, 1925.)

SENATE AND COURTS

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Times of April 22, 1928, entitled "Senate and courts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATE AND COURTS

We have already spoken our mind about the bill which recently passed the Senate to limit the power of Federal judges in the conduct of a trial. It would take from them the right to make even a remark in court about the character and credibility of witnesses or the nature of the evidence. This bill was adopted by the Senate without a record vote and almost without discussion. It has not yet been reported in the House, and it is much to be hoped that it never will be. With the country anxious to see criminal procedure expedited, there can be little general sympathy with a measure certain to result in delay and confusion. Just now everybody is praising the course of Judge Bailey in driving ahead with the Sinclair trial. It is that kind of speedy and efficient justice which the Senate bill would make still rarer than it is.

Not content with this attempted interference with the Federal judiciary, the Senate has before it two other bills which, whatever their motive, can be only mischievous in their effect if they become law. One of them is Senator SHIPSTEAD'S bill to amend the Judicial Code by defining and limiting the jurisdiction of courts sitting in equity. It really aims at the issue of writs of injunction. Such writs are for the protection of property, but the bill proposes that "nothing shall be held to be property unless it is tangible and transferable." Doubtless the aim is to restrict the use of injunction in labor troubles. But the proposal would take from Federal courts the right to issue injunctions in a great range of cases where it appears to be the only adequate remedy at law. It would, for example, make impossible the main resort which persons now have who are threatened with injury by the violation of patent rights, of copyright, and also by infringement of the laws relating to improper use of trade-marks, unfair competition, etc. Even more important matters affecting personal rights, guaranteed by the Constitution, would be removed from the jurisdiction of an equity court, at least in the sense that no temporary injunction could be issued to protect a threatened person.

Still more objectionable is the pending Senate bill to amend the Judicial Code by taking from the Federal courts jurisdiction in a large class of cases which have for years been tried before them. These relate to suits between citizens of the same State with claims under grants by different States, also to suits between citizens of different States, or between citizens of a State and foreign States, citizens or subjects. Competent lawyers who have looked into this proposal by Senator NORRIS regard it as destructive of some of the chief and established features of the Federal jurisprudence. It is no secret, since the

fact was stated in the Senate by Mr. COPELAND, of New York, that the Chief Justice of the Supreme Court regards some of the features of this bill as most undesirable and harmful. A similar verdict has been reached by the leading members of the bar all over the country. Yet the Senate Judiciary Committee did not even hold a hearing on this radical proposal to alter the Federal judicial system. Senator NORRIS explained that he thought no hearings were necessary. He declared that the bill was "purely a question of practice that the lawyers on the Judiciary Committee understand as well as other attorneys." With all due respect, it may be submitted that anyone who reads the list of the Senators who now compose the Judiciary Committee will note a sad falling off from the time when eminent lawyers like Edmunds and Thurman, to mention no more, were its ornament and protection.

Passing all this, the puzzling question is why the Senate, especially the lawyers in the Senate, should seem to countenance this whole series of attacks on the Federal courts. Doubtless some Senators cherish grievances. They may have resented suits that might be called collusive which have been brought in the Federal court. They probably object to certain Federal receiverships which have had unpleasant features. But even if there have been occasional abuses in Federal procedure, that is no reason for cutting so deeply and rashly into court methods and a body of jurisprudence that have commended themselves for years to the people of this country as a whole. The bills mentioned should never in their present form be allowed to pass the Senate. If, unhappily, they do, they ought to be stopped in the House. Failing that, they would surely be found ripe and ready for a presidential veto.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, April 24, 1928, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate April 23 (legislative day of April 20), 1928*

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

FIELD ARTILLERY

Capt. Frank Henry Hollingsworth, Infantry, with rank from July 1, 1920.

AIR CORPS

Second Lieut. Edward Fearon Booth, Infantry (detailed in Air Corps), with rank from June 12, 1924.

Second Lieut. Robert Wells Harper, Infantry (detailed in Air Corps), with rank from June 12, 1924.

PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Lieut. Col. Frederick Sion Young, Infantry, from April 15, 1928.

Lieut. Col. Thomas Samuel Moorman, Infantry, from April 17, 1928.

*To be lieutenant colonels*

Maj. Philip Henry Worcester, Coast Artillery Corps, from April 15, 1928.

Maj. George Veazy Strong, Infantry, from April 17, 1928.

*To be majors*

Capt. Sereno Elmer Brett, Infantry, from April 15, 1928.

Capt. William Dennison Alexander, Field Artillery, from April 17, 1928.

*To be captains*

First Lieut. Timothy Sapia-Bosch, Infantry, from April 15, 1928.

First Lieut. Edward Garrett Cowen, Coast Artillery Corps, from April 17, 1928.

*To be first lieutenants*

Second Lieut. Ralph Christian Bing, Infantry, from April 15, 1928.

Second Lieut. Clinton John Harrold, Cavalry, from April 17, 1928.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

Brig. Gen. James Sumner Jones, Adjutant General's Department Reserve, to be brigadier general, Adjutant General's Department Reserve, from July 17, 1928.

PROMOTIONS IN THE NAVY

MARINE CORPS

Capt. Hal N. Potter to be a captain in the Marine Corps from the 16th day of June, 1926, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Oliver T. Francis to be a captain in the Marine Corps from the 22d day of June 1926, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Edward A. Fellowes to be a captain in the Marine Corps from the 27th day of June, 1926, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Robert C. Kilmartin, jr., to be a captain in the Marine Corps from the 5th day of July, 1926, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Edward A. Craig to be a captain in the Marine Corps from the 11th day of July, 1926, to correct the date from which he takes rank as previously nominated and confirmed.

First Lieut. Lester A. Dessez to be a captain in the Marine Corps from the 31st day of March, 1928.

Second Lieut. Shelton C. Zern to be a first lieutenant in the Marine Corps from the 12th day of March, 1928.

Second Lieut. John E. Curry to be a first lieutenant in the Marine Corps from the 16th day of March, 1928.

Second Lieut. Richard M. Cutts, jr., to be a first lieutenant in the Marine Corps from the 25th day of March, 1928.

Second Lieut. Frank D. Weir to be a first lieutenant in the Marine Corps from the 31st day of March, 1928.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 23 (legislative day of April 20), 1928*

UNITED STATES COAST GUARD

John W. Malen to be temporary ensign.

APPOINTMENTS, BY TRANSFER, IN THE ARMY

John Merle Weir to be captain, Judge Advocate General's Department.

Samuel Adrian Dickson to be second lieutenant, Field Artillery.

William Ignatius Brady to be first lieutenant, Coast Artillery Corps.

Richard Howell Dean to be second lieutenant, Air Corps.

APPOINTMENTS, BY PROMOTION, IN THE ARMY

*To be colonel*

William Russell Standiford.

*To be lieutenant colonel*

Jay Leland Benedict.

*To be majors*

Emil Watson Leard.
Terrill Eyre Price.
Walter Frank Adams.
William Henry Kasten.

*To be captains*

James Emerson Troupe.
Ward Edwin Becker.
William Wayne Murphey.
Earl Hendry.

*To be first lieutenants*

Leslie Martin Grener.
Joseph Smith.
Kenneth Shearer Sweany.
Joseph Harold Hicks.
Guy Haines Stubbs.

*To be colonel, Dental Corps*

Julien Rex Bernheim.

*To be chaplain with the rank of lieutenant colonel*

Walter Kenyon Lloyd.

POSTMASTERS

ALABAMA

Lansing T. Smith, Anniston.
Dyer B. Crow, Collinsville.
Zula L. Persons, Prichard.
Walter Morgan, Woodward.

ARKANSAS

Lasco A. Callis, Bradford.
Charles N. Ruffin, De Witt.
James D. Lowrie, Elaine.
Julius L. Stephenson, Everton.
Ora L. Jones, Fouke.
John E. Bittinger, Grady.
Eustace A. Davis, Hatfield.
Charlotte A. Proctor, Hazen.
Bessie Bevill, Kensett.
Ralph F. Locke, Lockesburg.

William E. Hill, Norphlet.
William E. Edwards, Rison.
Warren P. Downing, Weiner.
Wilber B. Huchel, Winthrop.

FLORIDA

Alonzo A. McGonegal, Yalaha.

IDAHO

Austin A. Lambert, Hailey.

ILLINOIS

Fred W. Newman, Grand Ridge.
Rose C. Auth, Rankin.
John Van Antwerp, Sparland.

MINNESOTA

Roy A. Smith, Beardsley.
Olaf T. Mork, Madison.
John A. Hilden, Oslo.
Albert J. Anderson, Spicer.
James M. Patterson, West Concord.

NEW YORK

Ward A. Jones, Canajoharie.
Glenn D. Clark, Prattsburg.

NORTH CAROLINA

Christopher C. Snead, Laurel Hill.

NORTH DAKOTA

Marie Siverts, Dodge.
James H. McNicol, Grand Forks.
Thomas G. Kellington, New Rockford.
Gilbert A. Moe, Sheyenne.
Agnes L. Peterson, Washburn.
Andrew M. Hewson, Wimbledon.

PENNSYLVANIA

Harry A. Miller, Rockwood.

WASHINGTON

J. Kirk Carr, Sequim.

WEST VIRGINIA

Michael H. Duncan, Crumpler.
George H. Spencer, Rivesville.

WISCONSIN

Fred D. Wood, Glenhaven.
Elvin E. Strand, Strum.
Herman C. Gralow, Woodville.

WYOMING

Phyllis C. Dodds, Cumberland.
Edna M. Booth, Sunrise.

## HOUSE OF REPRESENTATIVES

### MONDAY, *April 23, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, as we pause and meditate the seriousness and the joy of life are revealed. Oh, what is man in the presence of such infinite majesty? We thank Thee that he is souldestined to live through the eternities, for surely the kingdom of God is within him. We praise Thee for the immortal symphonies which invite us on; for the springtime of hope, which blesses us with the reflection of the unknown world. O Thy love and mercy surround us as we face the nightless dawn! For the memories that make life sweet and for the gentle compulsion that lures us onward we bless Thee. Inspire us this day with a high sense of duty and with a very certain, directive wisdom. In all things help us to work worthily of our origin, calling, and destiny. In the blessed name of Jesus. Amen.

The Journal of the proceedings of Saturday, April 21, 1928, was read and approved.

#### CALL OF THE HOUSE

Mr. LaGUARDIA. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. TILSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

| | | | |
|---|---|---|---|
| Andrew | Deal | Kearns | Robsion, Ky. |
| Anthony | Dempsey | Kelly | Rowbottom |
| Beck, Pa. | Douglas, Ariz. | Kendall | Rubey |
| Beedy | Doutrich | Kent | Sears, Fla. |
| Beers | Drane | Kiess | Shreve |
| Begg | Drewry | Kunz | Sirovich |
| Bell | Englebright | Kurtz | Smith |
| Blanton | Estep | Larsen | Somers, N. Y. |
| Boies | Fisher | Leech | Sproul, Kans. |
| Bowles | Fitzgerald, Roy G. | McDuffie | Stobbs |
| Britten | Fitzpatrick | McFadden | Strong, Pa. |
| Burdick | Fort | Magrady | Strother |
| Bushong | Gambrill | Manlove | Sullivan |
| Butler | Glynn | Mead | Sumners, Tex. |
| Campbell | Golder | Menges | Thompson |
| Carew | Goldsborough | Merritt | Thurston |
| Carley | Graham | Monast | Tillman |
| Casey | Griffin | Montague | Tinkham |
| Celler | Harrison | Moore, Ohio | Treadway |
| Chase | Haugen | Morgan | Updike |
| Clarke | Hope | Morin | Vestal |
| Cochran, Pa. | Hudspeth | Newton | Watson |
| Connally, Tex. | Hughes | Norton, N. J. | Weller |
| Cooper, Ohio | Hull, Tenn. | O'Connor, N. Y. | Welsh, Pa. |
| Crail | James | Oldfield | White, Kans. |
| Cullen | Jenkins | Palmer | Wyant |
| Curry | Johnson, Okla. | Palmisano | Yates |
| Dallinger | Johnson, S. Dak. | Quayle, N. Y. | |
| Darrow | Kading | Ransley | |
| Davey | Kahn | Reed, N. Y. | |

The SPEAKER. Three hundred and thirteen Members are present; a quorum.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

#### SETTLEMENT OF AUSTRIAN INDEBTEDNESS

Mr. HAWLEY, chairman of the Committee on Ways and Means, by direction of that committee, presented a privileged report on House Joint Resolution 247, to authorize the Secretary of the Treasury to cooperate with the other relief creditor governments in making it possible for Austria to float a loan in order to obtain funds for the furtherance of its reconstruction program and to conclude an agreement for the settlement of the indebtedness of Austria to the United States, which was referred to the Committee of the Whole House on the state of the Union and ordered printed.

#### ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 8835. An act to amend section 98 of the Judicial Code, as amended, to provide for terms of court at Bryson City, N. C.;

H. R. 10437. An act granting double pension in all cases to widows and dependents when an officer or enlisted man of the Navy dies from an injury in line of duty as the result of a submarine accident;

H. R. 11404. An act authorizing the Port Huron, Sarnia, Point Edward International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.; and

H. R. 12441. An act to amend section 2 of an act entitled "An act in reference to writs of error," approved January 31, 1928, Public, No. 10, Seventieth Congress.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 1736. An act for the relief of Charles Caudwell;

S. 1738. An act for the validation of the acquisition of Canadian properties by the War Department, and for the relief of certain disbursing officers for payments made thereon;

S. 1758. An act for the relief of Fred A. Knauf; and

S. 1771. An act for the relief of Peter S. Kelly.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4166. An act to remit estate tax on the estate of John Sealy.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 1181) entitled "An act authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled 'An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers,' as amended."

ORDER OF BUSINESS

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Mr. Speaker, this being the fourth Monday of the month, I desire to inquire whether, under section 876 of the rules of the House, the Committee on the District of Columbia is not entitled to the day as a matter of course?

The SPEAKER. The Chair thinks not. It is merely in order to call up District business.

Mr. LAGUARDIA. Of course, if the chairman of the Committee on the District of Columbia should call up any bills to-day, he is entitled to consideration of his bills, is he not?

The SPEAKER. He would have exactly the same right theoretically that the gentleman from Illinois would have if he desires to call up the flood control bill. It would be in the discretion of the Chair which he would recognize.

Mr. LAGUARDIA. I understand there are several bills pending before the Committee on the District of Columbia which have been reported, and I simply want to point out that the District Committee has its opportunity to-day so that later on they may be estopped from complaining that they have not had their day in court.

FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes.

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 151, noes 40.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3740, with Mr. LEHLBACH in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of S. 3740, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. FREAR. Mr. Chairman, I believe I am entitled to recognition.

The CHAIRMAN. The gentleman has 20 minutes remaining.

Mr. FREAR. Mr. Chairman, it has been suggested that I yield a part of my 20 minutes to the distinguished chairman of the Committee on Flood Control. I do not expect to occupy all of my time, but I ask unanimous consent that the gentleman from Illinois be given five minutes after I have concluded, he being entitled to that time by all the rules of the game.

The CHAIRMAN. Does the gentleman mean that he yields five minutes to the gentleman from Illinois out of his time?

Mr. FREAR. No; unless necessary. I ask unanimous consent that after the conclusion of my remarks five minutes be given to the chairman of the Flood Control Committee.

The CHAIRMAN. The gentleman from Wisconsin, under the unanimous-consent agreement made in the House itself, that general debate may be prolonged in committee, asks unanimous consent that the gentleman from Illinois [Mr. REID], chairman of the Committee on Flood Control, be given five minutes. Is there objection?

There was no objection.

Mr. FREAR. Mr. Chairman, I have never halted in a fight because of lack of support and will not do so now, but after allotting time on the request of several Members who did not later claim it, I pause to express regrets because of noticeable absence in debate of those who ordinarily carry the flag.

The President has made a great effort to protect the Government from this $1,000,000,000 drive on the Treasury, made under a sympathetic plea of flood control. He ought to have the active support of every Member, including leaders and laymen, in his effort to secure a good bill. Support here, as well as elsewhere, is now important.

Committee members opposed to the bill appreciate that I have repeatedly urged others to take the leadership against it. My action is at their request and not from any desire of my own. Pursuant to their request, facts have been presented affecting the bill.

Chairman REID, who, like myself, appeared to be sidetracked during negotiations, now seems to have rounded up his battalion. I congratulate him, but trust he will not be permitted to enact the Senate bill into law unless that bill is materially amended by the House. If we desire to make flood relief certain, then a bill should be passed that merits Executive support and can be fairly defended.

Others of the committee who, like myself, have registered their disapproval of the bill are not responsible for this brief expression, because all of them have been loyal in their support. When the record is made it is certain they will have nothing to regret. Later on I may desire to offer a few amendments which, if accepted, I believe will improve the bill.

Now, Mr. Chairman, I am briefly going to try to point out, as best I can, the distinction between the offer that was made in the negotiations and the Jones bill as it was reported to the House.

Before reading of the bill I will use my remaining time to repeat that the Jones Senate flood control bill before us is objectionable because it provides, first, for a political commission, that will ultimately be asked under another bill to take over local levee obligations. Second, it requires the Government to pay $71,000,000 for damages to railways that ask to be protected from floods, in addition to other unlimited damages; and third, it requires the Government to buy everything, including land for levees for protection of life and property, without any local contribution.

Failure of negotiations in flood-control legislation now presents the Senate bill for amendment. This bill passed the Senate practically without any consideration. It appropriates $325,000,000, or only about one-third of the amount required to construct flood-control works under its provisions.

ACTUAL COST OF THE FLOOD CONTROL BILL

The Army Engineers' office estimates the cost at upward of $1,000,000,000, of which possibly $300,000,000 is for flood-way lands—all to be borne by the Federal Government under the terms of the bill. E. E. Blake furnished the President, the press, and Congress with an estimate of possibly $1,800,000,000 cost for the project, of which one item consists of 6,047,000 acres for flood ways to cost $674,000,000. For a number of years Blake has been chairman of a flood-control interstate commission composed of 27 members representing Alabama, Louisiana, Mississippi, Arkansas, Texas, Oklahoma, and other States (p. 335, hearings).

His estimate of flowage damage to be paid by the Government is over 100 per cent that of the Army engineers and the Mississippi River Commission estimate far exceeds amounts quoted on scattered tracts, placed in the record by the gentleman from Louisiana. Estimates of $150 per acre and $75 per acre by witnesses also indicate the character of demands to be made on the Government if it buys flood-way lands or easements. It should be kept in mind that 77 per cent of all lands in the proposed flood ways are owned by 1,000 corporations and large landowners named in the RECORD of April 4. If this evidence is trustworthy, no wilder assault on the Federal Treasury could be predicted. It is only paralleled in character by that feature of the Senate bill which gives to railways $71,000,000 for future alleged damages.

In an effort to secure a compromise agreement, a proposal was submitted to the committee that eliminated some of the worst provisions of the Jones bill. That substitute bill it was believed would meet objections voiced repeatedly by the President in an effort to stop any proposed Treasury raid.

The bill so submitted proposed that the Government would undertake to construct flood-control works along the lines of the Jadwin plan, and that the Government would pay all damages that might accrue through floods under general liabilities fixed by the Constitution.

That means presumably where floods occur possibly on an average once in a decade, those having property largely of cut-over lands in the 4,000,000-acre flood ways will be paid whatever damages may properly be laid against the Government whenever caused by Government levees along such flood ways. It should be remembered these levees are also for the protection of 15,000,000 acres outside of flood ways.

Increased values to the protected land would reach many times the entire cost of the flood-control project to be of local or State benefit. It would mean increased business, increased taxes, and better living conditions generally, subject to any increased flood damage that might occur to the land temporarily covered by water in the flood way. That plan it was believed would meet the rising protest against any effort to secure 4,000,000 acres of land in the flood way at outside prices involving purchase or condemnation of 7,500 properties to be used only in heavy floods, all to be paid for by the General Government.

The Army engineers' flood-control plan in the Jones bill gives higher levees along the river, in addition to $100,000,000 additional river-bank revetment, complete protection to Cairo by the New Madrid spillway, and the same to New Orleans by the Bonnet Carre spillway. In addition to other features the plan proposed to relieve superfloods along the river by means of the

Boeuf and Atchafalaya River bottoms, that for centuries have temporarily cared for the river overflow.

The Jones bill requires the Federal Government to buy or condemn this 4,000,000 acres of land in natural flood ways, now to be restricted by levees. These flood ways will relieve the main river in flood time and the flood-way levees will protect all lands behind the levees. As before stated, under the Jones bill to acquire the 4,000,000 acres of land or flood easements therein suits or purchases must occur between the Government and 7,500 owners, large and small.

The names of 1,000 corporations and large owners, including nonresident land and lumber companies, have been placed in the record. Less than 15 per cent of the 7,500 owners own 77 per cent, or over three-fourths, of the 4,000,000 acres, or about 1 owner to every square mile. Based on the Army engineers' estimates this land may cost $300,000,000, and according to Engineer Blake's figures over $600,000,000 for 6,000,000 acres, his estimate of flowage. That is the Jones bill provision now before us, which also carries $71,000,000 in railway damages and unlimited damages against the Federal Government from sources aside from land and railways.

THE ADMINISTRATION FLOOD CONTROL PROPOSAL

The administration proposal submitted by the Attorney General provides that the Federal Government will build all levees along these two flood ways at Federal expense when rights of way are furnished locally. This condition is the same as with the Mississippi River levee rights of way. Parties in the 4,000,000-acre flood way who may receive special damages from floods will then have their rights of action under the Constitution.

Without legal hairsplitting it means that those now living in the flood way who have lived there in the past, and will continue to do so whether the Government buys the easement or not, will have added protection when the levees are built by moving back of the levees to protected ground until the water subsides. Their hazard if increased in cases will be compensated by damages where the Federal Government is responsible.

Neither plan of purchase or condemnation contemplates removing water from the flood ways, but on the contrary both the Jones bill and the administration proposal is to use these flood ways for safety of the whole valley whenever necessary to do so. Those living in the 6,000 square miles of flood way, about one to the mile, well know they are not protected any more than formerly excepting through lands behind adjacent levees.

All the tears and pleas for safety of the comparatively handful of people living on the cut-over lands in the flood way come from a mistaken understanding of what the flood ways are for or else are offered to confuse the situation. The Government is asked to save lives and property, and if in so doing it must use old flood ways now largely subject to overflow, then it is illogical and absurd to expect the same protection in the flood ways as out. But even so, there can be no difference in safety between an outright purchase of flowage rights or rights to condemnation suits for damages.

Whether the Federal Government buys the land or flood easements or the settlers and 7,500 owners of the 4,000,000 acres are left to their rights to damages, not 1 per cent will remove from the flood ways in either event, and it is immaterial to the remaining 99 per cent which course is taken, although the levees near at hand will give ample protection on protected lands after they are built.

Flood waters in the flood way may not come once in a decade, due to other protective works, and damages against the Government, if so, will not reach one-tenth of 1 per cent of money required to buy land under the Jones bill, land that the Government is to give back to the States for the second time—first under the swamp land act and now under the Jones bill.

A JUG-HANDLED COMPROMISE

Congress is informed through the press that Missouri will never permit local interests to pay for levee rights of way on flood ways, but will agree to a "Missouri compromise," wherein the Government will be permitted to buy such rights of way, buy flood-way lands, and build levees. Then under another $1,000,000,000 flood bill now before the committee a political commission is to be asked to take over outstanding bonded indebtedness reaching many millions of dollars held by St. Louis banks. Frankly, that kind of compromise looks unjust for the remaining 47 States.

All should hesitate to invite a veto, not alone for our own legislative record based on the bill vetoed but for the danger of failure of flood-control legislation. I have no knowledge of the bill's future, but by a ringing veto declaring forcibly the facts in this case the President can tear aside all sentimentality that seeks to float a possible gigantic real-estate project under a cloak of flood control. And in this connection let me say I absolve any Member of Congress from being behind such a project.

The country will support such a veto, and I firmly believe this House will do the same. I make no prediction of the Senate. Without consideration it passed this same bill beyond speed limit, with several presidential booms and other complications involved, so no man can tell what will happen there, but whatever the result let the responsibility for flood control rest with those who demand the bill with this 4,000,000-acre purchase of land without local contribution.

Everybody favors flood control and flood control without delay, but I have presented facts that deserve your careful consideration when amending the bill. [Applause.]

Mr. COX. Will the gentleman yield for a question?

Mr. FREAR. I yield to the gentleman from Georgia.

Mr. COX. The gentleman opposes the bill, for one among many reasons that it provides that the Government shall acquire rights of way. I would like to inquire of the gentleman if he favors the taking or damaging of private property for public use without compensation.

Mr. FREAR. Why, no; certainly not. I believe if this land is damaged beyond what it has been under the original overflowing of these flood ways, the Government should pay for that damage, but I would not pay $75 an acre for the purchase of the land and then wait 10 years for an overflow, because under this substitute provision it will not cost 1 per cent for actual flood damages of what it will to buy the land outright.

Mr. JOHNSON of Texas. Will the gentleman yield for a question there?

Mr. FREAR. Certainly.

Mr. JOHNSON of Texas. Where does the gentleman get his figures that it is going to cost $75 an acre?

Mr. FREAR. The $75 value was given by the witness who appeared before the committee from the New Madrid district. The land in the New Madrid district is figured at $150 an acre. Mr. Blake estimates flowage costs for 6,000,000 acres would be over $600,000,000, as stated.

Mr. JOHNSON of Texas. But the land in Louisiana——

Mr. FREAR. Oh, I know the land in Louisiana is reported at $5 to $10 an acre, according to telegrams read here.

Mr. JOHNSON of Texas. According to the statement the gentleman made the other day, that is the land that was figured at $75 an acre.

Mr. FREAR. Oh, no; I beg the gentleman's pardon. I did not wish to be so understood; not especially for Louisiana lands, but a maximum average for all lands needed for flood ways. Not in Louisiana alone.

Mr. JOHNSON of Texas. I so understood the gentleman.

Mr. ARENTZ. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. ARENTZ. Has the gentleman from Wisconsin gone into the retroactive features of this bill with respect to damages occurring to land from the construction of a levee on one side or the other of the river, and providing that the Government in such cases shall pay damages?

Mr. FREAR. It is not quite that; but I will say to the gentleman that I am sure Chairman REID will agree with me that we have spent many days on that very proposition. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. The gentleman from Illinois [Mr. REID] is recognized for five minutes. [Applause.]

Mr. REID of Illinois. I want to clear up the situation a little before I start my statement. We have met the representatives of the President, and we have agreed on everything they asked, and I am going to present amendments embodying everything the President asked, with the single exception of agreeing to one thing—and I will never propose an amendment or support any section of this bill which will permit the turning down on innocent people in these so-called flood ways of a torrent three times that of Niagara Falls without first acquiring the rights of way or the flowage rights; and there I stand, and that is the only difference between us to-day. [Applause.]

The last speaker is in error. The Boeuf flood way at the present time is not a flood way. The Atchafalaya flood way is not a flood way. The Birds Point-New Madrid flood way is not a flood way at the present time.

These lands are protected, the same as the lands on the Mississippi River, by the levees on the Mississippi River; and unless the Mississippi levees break, you will have no floods in the Boeuf flood way; you will have no floods in the New Madrid flood way; but they are trying to give you the impression that we are trying to make the Government acquire land that is now a flood way. This is not true, and no one claims it is true. These lands are overflowed because of the breaks on the levees of the Mississippi River proper.

Under the plan now put before you there is a wide departure from the ordinary method of flood control, which was through levees only, and in that case the levees protected the adjacent land. These so-called spillways protect land in other States, perhaps a hundred miles away. Consequently there is no relation by which the people of the State should pay for it or should supply the rights of way. Would you want a ditch to run through your front yard to take care of somebody three or four blocks away? Do you think that would add anything to the value of your land? This is exactly the proposition here.

We are not trying to get the Government to acquire any flood ways that are flood ways now. It would be foolish for us to do so.

We are going to move to strike out the section with respect to the railroads, which is section 4. Everybody has agreed to this.

We have agreed to everything except a single point, and we will never permit this bill to be passed so you can turn down floods on these people and then say to them, "You can go to the courts, under the Constitution, and if you get any damages awarded, then come in and the Congress will consider them in the Committee on Claims."

I consider we have gone as far as we could go and I think any other settlement of the matter would be inhuman.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. REID of Illinois. Certainly; I will be pleased to yield to the gentleman.

Mr. MADDEN. Did the committee agree on the question of the buying of foundations for the dams around the flood ways and providing them without cost to the Government?

Mr. REID of Illinois. What committee?

Mr. MADDEN. And providing the rights of way?

Mr. REID of Illinois. Our committee yielded on the rights of way on the Mississippi River, but why should the people down in Louisiana or the people in Missouri supply rights of way that would damage their lands? They do not want them. The people of Missouri and the people of Louisiana are not asking for these spillways, but you are going to force the spillways on them by the overwhelming power of the Government. The people in Cairo and the people of Illinois are the ones to be protected. The people of Missouri will not and can not buy this land and give it to the Government for the reason that they can only collect money where the land is benefited by the improvement, and the people of Illinois can not go over there and condemn this land, because they have no such authority.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. REID of Illinois. I will.

Mr. LAGUARDIA. What does the gentleman substitute for section 4?

Mr. REID of Illinois. That the Government shall be liable where it diverts the water from the main channel. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 30 seconds.

Mr. REID of Illinois. I yield the floor.

The CHAIRMAN. All the time has expired, and the Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.*, That the project for the flood control of the Mississippi River in its alluvial valley and for its improvement from the Head of Passes to Cape Girardeau, Mo., in accordance with the engineering plan set forth and recommended in the report submitted by the Chief of Engineers to the Secretary of War dated December 1, 1927, and printed in House Document No. 90, Seventieth Congress, first session, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers: *Provided*, That a board to consist of the Secretary of War, the Chief of Engineers, the president of the Mississippi River Commission, and two civil engineers to be appointed by the President, by and with the advice and consent of the Senate, whose compensation shall be fixed by the President and be paid out of the appropriations made to carry on this project, is hereby created; and such board is authorized and directed to consider the engineering differences between the adopted project and that recommended by the Mississippi River Commission in its special report dated November 28, 1927, and after such study and such further surveys as may be necessary, to determine the action to be taken upon the same, and its decision upon all matters considered by it shall be followed in carrying out the project herein adopted: *Provided further*, That if after considering any controverted problem between the Mississippi River Commission project and the project herein adopted the board shall be of the opinion that a new method should be followed, it shall submit its recommendation thereon to Congress: *Provided further*, That such surveys shall be made between Baton Rouge, La., and Cape Girardeau, Mo., as the board may deem necessary to enable it to ascertain and determine the best method of securing flood relief in addition to levees, before any flood-control works other than levees and revetments are undertaken on that portion of the river: *Provided further*, That all diversion works and outlets constructed under the provisions of this act shall be built in a manner and of a character which will as fully and amply protect the adjacent lands as those protected by levees constructed on the main river: *Provided further*, That pending completion of any flood way, spillway, or diversion channel, the areas within the same shall be given the same degree of protection as is afforded by levees on the west side of the river contiguous to the levee at the head of said flood way. The sum of $325,000,000 is hereby authorized to be appropriated for this purpose.

The Clerk read the following committee amendment:

Page 2, line 7, after the word "engineers," insert the words "chosen from civil life."

The CHAIRMAN. The question is on the committee amendment.

Mr. TILSON. Does the gentleman intend to offer a substitute for this section?

Mr. REID of Illinois. Mr. Chairman, for the information of the House I will send all of the proposed amendments to section 1 to the desk so that they may be read for information:

Page 2, line 5, strike out the words "the Secretary of War."

Page 2, line 6, strike out the word "two" and insert in lieu thereof the word "a."

Page 2, line 7, strike out the word "engineers" and insert in lieu thereof the word "engineer."

Page 2, line 13, strike out the word "that" and insert in lieu thereof the words "the plans."

Page 2, line 16, strike out beginning with the word "determine" through the word "such," in line 24, and insert in lieu thereof the following: "recommend to the President such action as it may deem necessary to be taken in respect of such engineering differences, and the decision of the President upon all recommendations or questions submitted to him by such board shall be followed in carrying out the project herein adopted. The board shall not have any power or authority in respect to such project except as hereinbefore provided. Such project and the changes therein, if any, shall be executed in accordance with the provisions of section 8 of this act. Such."

Page 3, line 5, strike out the word "further."

Page 3, line 8, strike out the first word "as."

Page 3, line 8, strike out the words "as those protected by levees constructed on the main river."

Page 3, line 14, after the word "way," change the period to a comma and insert the following: "but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river."

Mr. MADDEN. Mr. Chairman, I would like to have the Clerk read the section as it would read when amended.

The CHAIRMAN. The entire section?

Mr. MADDEN. The entire section as it would read with the amendments adopted.

The CHAIRMAN. Without objection, the Clerk will read.

Mr. LAGUARDIA. While the Clerk is preparing the section, I ask to be recognized.

The CHAIRMAN. The Chair recognizes the gentleman from New York.

Mr. LAGUARDIA. Mr. Chairman, all the amendments offered by the gentleman from Illinois in all likelihood will not be opposed, but will be adopted by the committee. That indicates the desire on the part of a great majority of the Members of this House to bring about a bill which will afford adequate flood relief to be undertaken by the Federal Government. But when we come to the question which should have no direct bearing on the matter of flood relief, there we find a stubborn resistance. I refer to the sordid desire to dump millions of acres of land on the Federal Government at excessive and exorbitant prices.

Mr. REID of Illinois. Mr. Chairman, I object unless the gentleman confines his remarks to the amendment under consideration.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. LAGUARDIA. The amendment under consideration.

Mr. RAMSEYER. Which is the amendment under consideration? Were not those amendments all read for the information of the committee? Were they not all offered as one amendment?

The CHAIRMAN. The amendment under consideration is the committee amendment reported in the bill.

Mr. HUDSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. If the gentleman from New York [Mr. LAGUARDIA] will yield for that purpose.

Mr. LAGUARDIA. Certainly not. I have only five minutes.

The CHAIRMAN. The gentleman from New York may not be taken from the floor by a parliamentary inquiry.

Mr. LAGUARDIA. Mr. Chairman, I hope that the gentleman from Illinois [Mr. REID] will allow some latitude in discussing the merits of this bill. The amendment offered provides for the board of engineers to carry on this work. What I am seeking to do now in the beginning of the discussion is to emphasize the one point upon which there seems to be a difference of opinion. We are all agreed upon the matter of flood control, of controlling the waters, but we are not agreed upon the matter of purchasing the land, and it would seem that more interest is devoted to the acquisition of this land than there is to the control of the waters. I point out to the gentlemen representing States where land is to be taken that it is not your people, not the natives or residents who have lived down there for years and years, not the owners of the land who have held this land for years; they are not going to benefit, but the speculators who will come from my State and from the State of Illinois, who will go down there to reap the benefits of the scoop, if the present bill be enacted into law in its present form. At this very moment the confidence men of New York and the tinhorns of Chicago are getting together to reap a haul if this bill is enacted in its present form. Anyone who has had any experience knows that when the law is so wide open the inevitable will happen.

Mr. DRIVER. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. DRIVER. According to the statement made by our colleague from Wisconsin [Mr. FREAR], these lands to be dealt with are now owned by Chicago and other interests. Does the gentleman think they are going to permit their lands to get out of their hands into the hands of speculators?

Mr. LAGUARDIA. They have already anticipated what would happen. Apparently, as the gentleman suggests, the evil has already happened. When the gentleman from Illinois [Mr. REID] points out that we should not permit land to be acquired without just compensation, he knows that neither the Federal Government nor a State government can take the property of any citizen without due compensation.

Mr. REID of Illinois. And the gentleman knows that property can be damaged by the Government without paying compensation.

Mr. LAGUARDIA. Oh, there is difference of opinion about that.

Mr. REID of Illinois. And that is what you intend to do here.

Mr. LAGUARDIA. There is no one who contends that property should be taken without compensation. There is no one who contends that property that is damaged by the work of the Government should not be paid for, but we do object to going in and paying an excessive, exorbitant price for 3,700,000 acres of land now already in the hands of speculators or soon to get into their control.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. Are we now considering the amendments which have been read, as offered by the gentleman from Illinois, en bloc, or are we considering the first amendment proposed by him?

The CHAIRMAN. The amendment under consideration at the present time is the committee amendment reported in the bill in line 7 of page 2. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The question now recurs upon the first amendment offered by the gentleman from Illinois [Mr. REID], but pending that the Clerk will report the section as it would read with the various amendments offered by the gentleman from Illinois agreed to.

Mr. RAMSEYER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSEYER. So that there will be no misunderstanding, are the amendments which were sent up by the chairman of the Flood Control Committee all before the committee at this time, as one amendment, or were they intended to be offered separately, each to be taken up by itself?

The CHAIRMAN. Each amendment will be taken up and voted on separately, but they are all pending at the present time. They will be taken up in their order as they appear, modifying the section.

Mr. TILSON. Mr. Chairman, in view of the fact that all of these amendments taken together accomplish what is desired, I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent that the amendments offered by the gentleman from Illinois, chairman of the committee, may be considered en bloc. Is there objection?

Mr. NELSON of Missouri. I object.

Mr. FREAR. The only object, it seems to me, is to have it read in the whole.

Mr. ASWELL. Regular order, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendments as they will read when agreed to.

The Clerk read as follows:

That the project for the flood control of the Mississippi River in its alluvial valley and for its improvement from the Head of Passes to Cape Girardeau, Mo., in accordance with the engineering plan set forth and recommended in the report submitted by the Chief of Engineers to the Secretary of War dated December 1, 1927, and printed in House Document No. 90, Seventieth Congress, first session, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers: *Provided*, That a board to consist of the Chief of Engineers, the president of the Mississippi River Commission, and a civil engineer chosen from civil life to be appointed by the President by and with the advice and consent of the Senate, whose compensaton shall be fixed by the President and be paid out of the appropriations made to carry on this project, is hereby created; and such board is authorized and directed to consider the engineering differences between the adopted project and the plans recommended by the Mississippi River Commission in its special report dated November 28, 1927, and after such study and such further surveys as may be necessary, to recommend to the President such action as it may deem necessary to be taken in respect of such engineering differences, and the decision of the President upon all recommendations or questions submitted to him by such board shall be followed in carrying out the project herein adopted. The board shall not have any power or authority in respect to such project except as herein before provided. Such project and the changes therein, if any, shall be executed in accordance with the provisions of section 8 of this act. Such surveys shall be made between Baton Rouge, La., and Cape Girardeau, Mo., as the board may deem necessary to enable it to ascertain and determine the best method of securing flood relief in addition to levees, before any flood-control work other than levees and revetments are undertaken on that portion of the river: *Provided*, That all diversion works and outlets constructed under the provisions of this act shall be built in a manner and of a character which will fully and amply protect the adjacent lands: *Provided further*, That pending completion of any flood way, spillway, or diversion channel, the areas within the same shall be given the same degree of protection as is afforded by levees on the west side of the river contiguous to the levee at the head of said flood way; but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river. The sum of $325,000,000 is hereby authorized to be appropriated for this purpose.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that I may proceed out of order for 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 15 minutes, to proceed out of order. [Applause.]

Mr. MADDEN. Mr. Chairman, to begin, I am thoroughly in favor of adequate flood-control legislation. I have devoted as much time to it, perhaps, as any other one man except those who may be living on those waters. I have endeavored in every way within my power to reach not only an amicable, but a just solution of all the problems affected, not only to the people who are afflicted by the disaster which befell them, but to the people of the whole United States.

The amendment offered by my colleague from Illinois [Mr. REID], the chairman of the Committee on Flood Control, is one in the preparation of which I have had a part. I am very happy to see that he and his committee have agreed to the adoption of this amendment, for I think it will have as much to do with insuring efficiency in the administration of the moneys that are to be appropriated as any other one thing that may be done could have.

This amendment provides, if I may be allowed to state it, that there shall be appointed to correlate—if I may put it that way—the problems submitted by the Mississippi River Commission and those submitted by the Army Engineer Corps. The purpose of the selection of the commission provided, consisting of three engineers, one the Chief of Engineers of the Army, one the chairman of the Mississippi River Commission, and the other a civilian engineer from civil life, is to have an agency through

which the story, if I may put it that way, of the various communities may be told, of their needs and their hopes and their fears. The obligation placed upon this commission is to take the recommendation of the Mississippi River Commission and the recommendation of the Chief of Engineers and consider these two together and to work out some plan which will embody a part of each. The commission, as I understand it, is to be given authority to order a resurvey of the river from Baton Rouge down to the Passes, so that in the construction problems affected by the report of the existing two agencies they will have all the facts before them that may be disclosed by these surveys. When they have completed the work of coordination between the two reports, the commission is to go out of existence. But before they go out they are to report to the President of the United States their conclusions, and upon his adoption of these conclusions the project becomes fact, and it will be upon the conclusions of this commission, with the approval of the President of the United States, that the project on which the physical work of flood control on the Mississippi River is to be conducted will proceed.

So far so good. Then we proceed, and if I may be allowed to state it in the way in which the chairman of the committee stated it, when the friends of the President or his agents or his representatives presented these cases for the consideration of the representatives of the people down in the Mississippi Valley and its tributaries, we offered to provide that when the people of New Orleans, who have paramount interest in the work of flood control, and particularly in the Bonnet Carre flood way and spillway, expressed a willingness to relieve the United States Government from damages, the United States itself, at the expense of the people of the United States, and without any expense whatever to the local people along this spillway, and were ready to relieve the United States Government from any damages during the period of construction of the Bonnet Carre spillway, the Government would proceed to build it.

The same thing is true in respect to the New Madrid spillway, except that the paramount interest there was said to lie in southern Illinois and southeastern Missouri. The Committee on Flood Control in its wisdom has decided not to accept that suggestion. The President insists upon the suggestion being legislated into law if it can be legislated into law. He says he has made every compromise which he could understand how he could afford honorably to make. He has surrendered, as I understand it, any demand for local cash contributions. [Applause.] But he insists that the people along the Mississippi River and along the flood ways shall supply at their expense the foundations for the levees which the Government of the United States is ready and willing to construct for the protection of the people along this territory. I understand they have refused as far as the foundations for the levees around the flood ways go. They are willing to accept the President's suggestion to supply the foundations for the dams along the main Mississippi River Channel, but in conversations with these gentlemen who live in these parts through which these flood ways are to be constructed, I am told by them that the total cost of the lands for the foundations of the flood ways—that is, for the foundations of the levees in the flood ways—will cost only $1,000,000. Does anyone here pretend to say that the people of the Southern States through which this vast improvement is to be made at the expense of Illinois, New York, Pennsylvania, Massachusetts, Ohio, and all the other States of the Union, are not willing to raise $1,000,000 in order to cooperate?

Mr. REID of Illinois. Will the gentleman yield?

Mr. MADDEN. I yield to my colleague.

Mr. REID of Illinois. Will the gentleman tell the committee how they can raise it according to law?

Mr. MADDEN. If I were down there and were one of the citizens of the Southern States, I would contribute my part.

Mr. REID of Illinois. The gentleman would take a tin cup and set the Red Cross at work?

Mr. MADDEN. I would go to the bankers of Louisiana, of Arkansas, and of Mississippi. They could well afford to make this contribution of $1,000,000; aye, $5,000,000, in order that they might be the beneficiaries of the richness that is to be created by the expenditure out of the Federal Treasury of the sum that is about to be expended.

I am astonished. But I am afraid it is worse than this. I am afraid there is politics in it somewhere, and I am told that men are running for the Senate on the basis of how much they can deliver to their States without charge. If that is true, it is not right. I am told that in Louisiana candidates are each vying with the other to see how much more they can get from the Government of the United States without contribution by their own people.

Mr. SANDLIN. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. SANDLIN. I would like to state to this House that the gentleman has been misinformed.

Mr. MADDEN. I have not been misinformed. There is politics in it and that has been established by these gentlemen themselves.

Mr. SANDLIN. Will the gentleman permit me to finish my statement?

Mr. MADDEN. Certainly.

Mr. SANDLIN. I will state that there is no senatorial campaign on in the State of Louisiana at this time, and, as a matter of fact, the gentleman, for whom I have great respect, has been entirely misinformed.

Mr. MADDEN. I will be glad to give the names of the people who told me.

Mr. SANDLIN. I would be glad if the gentleman would give them.

Mr. MADDEN. Mr. RILEY WILSON told me that there was politics in it.

Mr. WILSON of Louisiana. I beg the gentleman's pardon. I never made any statement of that kind.

Mr. MADDEN. I understood the gentleman to say that in the conference we had.

Mr. WILSON of Louisiana. I might have said there was some politics on that side, but not on my side.

Mr. MADDEN. I say that if there is politics in it, that is wrong, and politics ought not to be injected into it.

Mr. WILSON of Louisiana. There is no politics in it in Louisiana.

Mr. MADDEN. There may be politics in it on that side but none on this side.

Mr. WILSON of Louisiana. I do not claim there is any politics in it anywhere.

Mr. MADDEN. I know the gentleman does not claim it now, but I claim there is politics in it and I will be able to prove it if it is necessary.

Mr. BYRNS. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BYRNS. I understand the gentleman says that there is the sum of $1,000,000 involved in this difference between the President and the committee?

Mr. MADDEN. That is as to the foundation for the levees.

Mr. BYRNS. So far as that particular difference is concerned, as the gentleman from Illinois [Mr. REID] has suggested, there is no way in which that money can be legally collected and the gentleman suggests it might be done through contributions. Does not the gentleman think that when you take into consideration the fact that $1,000,000 is a mere bagatelle as compared to the total cost of this improvement that we ought not to risk the failure of the whole proposition upon the chance of collecting the money by contributions?

Mr. MADDEN. I do not think we should risk its failure on the raising of $1,000,000, but I maintain this, that if the people of the South are so interested, as they ought to be, and we are interested with them and for them, that they ought not to stand on the question of their going and getting this $1,000,000 and supplying the foundations for the levees around these flood ways.

For myself I am perfectly willing, although everybody on this side may not agree with me, that the Government should pay for the flowage rights in the flood ways. I am willing we should surrender the tax which might be presumed to be imposed in the cash contributions toward the cost of this great improvement, but I do believe, in all decency and in all good conscience, there ought not to be for a single instant any opposition to the purchase or the acquirement in any way that is necessary of the land around these flood ways upon which are to be built the levees to further protect the life and the property of the people down there. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WILSON of Louisiana. Mr. Chairman, I ask recognition for five minutes.

Mr. Chairman and gentleman of the committee, I regret very much the statement of my distinguished friend from Illinois relative to any statement that may have been made in relation to politics in connection with this measure.

Of course, when statements went out from Washington and appeared in the public press that this legislation was an effort on the part of the people in the lower valley to unload lands and timber and all that sort of thing upon the United States through the efforts of big corporations, to the extent of about a billion dollars, and this statement was carried in newspapers throughout the country, I did say that that looked like politics

to me, but so far as implying any politics in Louisiana is concerned, no one has any such intention and any statement of that kind is unfounded and has no business here. Everybody here knows that in the press, through statements coming from Members of the House and through statements accredited to the executive departments, it was said that there was such an effort being made, just as you heard my friend the gentleman from Wisconsin [Mr. FREAR] say to-day that there was an effort on the part of the people to unload on the Government $1,000,000,000 of lands in Louisiana, Arkansas, and Missouri.

Mr. FREAR. If the gentleman will pardon me, I never intended to make any such statement. The total cost will be about $1,000,000,000, but that is the whole project.

Mr. WILSON of Louisiana. The gentleman ran his land calculations very close to that amount by taking 4,000,000 acres at $75 an acre——

Mr. FREAR. Oh, no.

Mr. WILSON of Louisiana (continuing). When the statement had been presented here from people in Louisiana and elsewhere, including large corporations in New York and in Chicago, that the lands can be had at $10 an acre.

Mr. MOORE of Virginia. Will the gentleman permit an interruption?

Mr. WILSON of Louisiana. Yes.

Mr. MOORE of Virginia. I live farther from the section in question than our very able and distinguished friend, the gentleman from Illinois [Mr. MADDEN]. I have been wondering how there could be any local politics involved or any southern politics in view of the fact that there is unanimity of sentiment in the Mississippi Valley. It would seem to me impossible that two candidates for the Senate could bring into their contest any question as to this matter.

Mr. WILSON of Louisiana. I do not think there could be, and there are no candidates for the Senate in Louisiana now, although there may be in Mississippi.

My friends, I want now to say a word relative to the proposition discussed by the gentleman from Wisconsin [Mr. FREAR]. There is not a single section where a flood way is proposed in Louisiana, Missouri, or Arkansas but what the people in that section are hoping and praying that when this new survey authorized in this section is made they will be given relief. I was very glad to hear the gentleman from Illinois [Mr. MADDEN] say that when that survey is made they will go down the valley and let the people of the towns and cities come before the board and be heard and present the question anew. I am glad that the gentleman has given the provision that construction. Of course, those of us who are acquainted with the conditions know this is true, and when they go there they will find there is not a man in one of these flood ways but is hoping and praying that some way will be found by which this project may be executed by the Government and the flood way avoided, or that the plans may be adjusted so that they can have equal protection throughout these flood ways. It is the hope that the protective amendments in this section will be effective, and that these flood ways, if it is found necessary to establish them, will afford the greatest degree of protection possible.

But the idea that anyone down there is seeking this opportunity to add a single dollar of additional cost to the Government by bringing these waters through there is unfounded and untrue, and when the board makes this survey, my friends, they will find that charge is not true.

They also make the statement that the proposed flood-way areas are natural flood ways and should have been open all the time.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILSON of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILSON of Louisiana. If you understand the Mississippi River, you know that the whole alluvial valley is a natural flood way just as much at one place as another; that is, as the valley was built up deposits were made along the banks of the river gradually and the water went over all the way down, but, just because at some place like Cypress Creek in Arkansas it may have been left open there longer than at other places, or the fact that before it was closed 300,000 cubic feet of water went through there, does not justify the statement that this is a natural flood way whereby you can divert 700,000 to 900,000 cubic feet of water without any compensation for the damage it causes. So all that was asked was that if flood ways were found necessary in Missouri, Arkansas, or Louisiana that the property that was taken should be compensated for. And I want to say here that whether it be the property of a railroad or of a farmer, if it is taken for this purpose, just and fair compensation ought to be made, because when these industries were built there they were established in good faith, and were established on account of protection assured by the Government.

So, my friends, I think it is unfortunate that anyone would attempt at this hour of distress to charge that these people are trying to unload practically a billion dollars of property on the Government and are trying to join with Wall Street and the people of Chicago in doing this, when these people are opposed to flood ways if they can be avoided. I think it is unfair to charge them with trying to scoop into the Treasury for the benefit of landowners in Louisiana and in the large cities.

The new surveys ordered in this session will be made by the board and will, I think, give some light on this question that is not even known to-day by the Chief of Engineers of the United States Army.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WILSON of Louisiana. I will.

Mr. LAGUARDIA. The gentleman has described the land in Louisiana, and it was always my impression that they were just as the gentleman is describing. What value would the gentleman put on those lands per acre?

Mr. WILSON of Louisiana. I put several telegrams in the RECORD the other day from large owners of land in which they put the value at $5 to $10 an acre.

Mr. LAGUARDIA. Does the gentleman know what the average assessed value of those lands is?

Mr. WILSON of Louisiana. I can not say, but a committee of engineers made an investigation and they estimated that the average value is about $23 an acre.

Mr. COX. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. COX. It should not escape attention that all the land the Government wants is along the flood way.

Mr. WILSON of Louisiana. Whatever is necessary to carry out the project.

Mr. COX. It is not contemplated that it shall take any lands except along the flood ways—that which is overflowed.

Mr. WILSON of Louisiana. The whole valley is subject to overflow.

Mr. SCHAFER. Will the gentleman yield?

Mr. WILSON of Louisiana. I will.

Mr. SCHAFER. The gentleman speaks of the telegrams he put in the RECORD that the owners would sell from $5 to $10 an acre. But they reserved the timber and mineral rights, did they not?

Mr. WILSON of Louisiana. Yes.

Mr. SCHAFER. The land has no value except in the timber and mineral rights?

Mr. WILSON of Louisiana. What the Government proposes to do is to acquire flood rights over the land, using the land for flood-control purposes. They do not want the timber or the mineral.

Mr. SCHAFER. No; but the value of the land is for timber and mineral rights?

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. WHITTINGTON. Mr. Chairman, I want to say a few words in reply to the gentleman from Illinois who has correctly stated that there is no objection on his part or on the part of those for whom he speaks to the adoption of these amendments now proposed by the chairman of our committee. I could have wished, in so far as I am concerned, that the request of the gentleman from Connecticut had been complied with and that we might treat the amendments en bloc, because I want to remind my friend from New York [Mr. LAGUARDIA] that these amendments have nothing to do with the diversion or flood ways.

Having made that statement I want to say a word about the matter of diversions and flood ways in further reply to the distinguished gentleman from Illinois. I know of no Member of the House who has worked more assiduously or more earnestly and honestly to arrive at a solution of this flood-control problem than the chairman of the Committee on Appropriations. [Applause.] I make the statement that his observations a few moments ago, if written into the pending bill, concede everything that the Flood Control Committee is asking, except the rights of way for levees along spillways, flood ways, and diversions. In other words, if we accept the statement of the chairman of the Committee on Appropriations, and if we can agree on the language to put into the bill whereby the Government will provide for flowage rights or easements

through diversions the only point of difference between the gentleman and our committee is the matter of acquiring the rights of way for levees along diversions and flood ways.

I want to say to the gentleman from Illinois—and mark my words—I speak only for the levee districts in the State of Mississippi, and I have not conferred with the citizens of these districts on the proposition, but speaking for myself I wish that the entire alluvial valley could raise the funds for payment of rights of way for levees along flood ways.

If there is any language that can be put into the bill whereby, as suggested by the distinguished gentleman from Tennessee [Mr. BYRNS], the States of the entire valley—mark my language—could under the laws of the States pay for the rights of way along diversions and flood ways in Louisiana, Arkansas, and Missouri, I would like to see it inserted. [Applause.]

Mr. Chairman and gentlemen of the committee, I would even go further than that; I would like to say to you again that as a matter of compromise we have endeavored to iron out the matters in this bill. If there is any method whereby the States of the entire lower valley may contribute the lands for levees along diversions or provide in the bill that if these rights of way are not so provided, the Government will have the right to provide them and the States to reimburse the Government, I personally would stand for it.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. TILSON. Does the gentleman intend to offer an amendment that will change the bill to read that way?

Mr. WHITTINGTON. I would be glad to do it, if my conferees would agree to it.

Mr. TILSON. This is very important; it is near the crux of the matter.

Mr. WHITTINGTON. It is, absolutely. If the gentleman from Connecticut will propose an amendment that will be a declaration in this bill whereby the Government will provide for the flowage rights and easements through those diversions, I shall offer an amendment if one could be framed to be binding on the entire alluvial valley to provide the rights of way for levees for diversions.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to preceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COX. Mr. Chairman, the gentleman is not speaking now for the committee?

Mr. WHITTINGTON. I am speaking for myself.

Mr. TILSON. The gentleman has put up to me a suggestion about a proposed amendment.

Mr. WHITTINGTON. I have not completed my statement along that line. I say to the gentleman from Louisiana [Mr. WILSON], if he will give me his ear for a moment—we are not going to get excited about this matter—but I stand, if all the States can not or will not provide for rights of way for levees along diversions, for the Government to pay for the rights of way for levees on the diversions, the flood ways, and the spillways, and, mark my language, I shall stand here and oppose to the end any legislation that requires the State of Louisiana, the State of Arkansas, or the State of Missouri alone, to pay for the rights of way for the levees on the diversions and the flood ways through those States.

Mr. COX. Does the gentleman propose the creation of a superlevee district?

Mr. WHITTINGTON. I do not.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. WILLIAMSON. Is it the intention that the Government shall acquire only the flowage rights and that the title to the land shall remain in private ownership?

Mr. WHITTINGTON. The Government may have the right to do either one of two things. It may acquire the flowage rights or acquire the land in the flood ways and diversions. That is left to the discretion of the Secretary of War, as to which the Government will do. Having said that I oppose the State of Louisiana or the State of Arkansas or the State of Missouri being required to provide for the rights of way for levees for the diversions and for the flood ways through those States, and having said that I shall continue to oppose that burden being borne by the States of Arkansas, Louisiana, and Missouri, unless some way can be arranged whereby all the States in the valley shall share in that expense. I call attention to this significant fact, and I invite the attention of the leaders on the Republican side to this statement: This bill provides for two projects: One the Mississippi River and the other the Sacramento River. I remind you that under the Sacramento project, embraced in this legislation, the Government of the United States is proposing to pay in substance one-third of the cost of the project, including levees on the by-passes and the rights of way for these levees and the flowage rights in by-passes, and the expenses made necessary to the landowners in those by-passes, including changes in railroads—and that is a term that has been hawked about here in this legislation—so that the concrete proposition that confronts us in the flood control of the Mississippi is whether or not the Government of the United States will provide the cost of the rights of way for levees along these diversions, if no plan can be worked out whereby the States in the lower valley can provide for them, or whether this legislation shall fail because you are not willing to provide for levees for diversions estimated to cost $1,000,000. In addition, the Sacramento River is an intrastate stream.

In this particular case these diversions along the Mississippi River are not being made for the benefit of the State of Louisiana, the State of Arkansas, or the State of Missouri, and I put this question to you: If the Government is to pay substantially one-third the cost of the project including rights of way for levees for diversions on the Sacramento River in one State, is it not fair and just for the Government to pay all costs for the rights-of-way levees for diversions and the damages to be done in the States of Louisiana, Arkansas, and Missouri, for the benefit of 31 States of the Union?

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. SNELL. Is not the gentleman mixing up these two propositions? Does the gentleman take the position that we are paying more in the Sacramento Valley than we are willing to pay on the Mississippi proposition?

Mr. WHITTINGTON. I repeat my statement.

Mr. SNELL. The gentleman need not repeat his statement.

Mr. WHITTINGTON. Then I ask the gentleman to repeat his question.

Mr. SNELL. Does the gentleman maintain that we are paying more in the Sacramento Valley than we are willing to pay under our provisions at the present time for the Mississippi flood control?

Mr. WHITTINGTON. If you insist upon the local interests providing for the rights of way for levees on the flood ways and diversions through the States of Missouri, Arkansas, and Louisiana, then you are asking them to provide those rights of way entirely, while under the Sacramento project the Government is contributing one-third of the cost.

Mr. SNELL. I appreciate that, but under the Sacramento project they pay two-thirds of the entire cost.

Mr. WHITTINGTON. Undoubtedly.

Mr. SNELL. And we would be willing to agree with you to-day on any proposition that you can bring in, and pay one-third of that cost. We will even go further than that. We will pay two-thirds of the entire cost. The gentleman makes the statement here that the Government is not willing to do as much by you as we were doing by the Sacramento Valley.

Mr. WHITTINGTON. Instead of leaving that impression, I want to say, as I said in the beginning, you have gone to the extreme limit except as to diversions, but when you come down to the question of a million dollars for rights of way for levees along diversions you should go farther.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. FREAR. Can you in your report find anywhere that the Government is paying any proportion of the levee expenses of the rights of way or anything else on the Sacramento River except that it contributes one-third? As it is there, it can be applied in any way you choose.

Mr. TILSON. Mr. Chairman, and to be fair about the Sacramento proposition, it should be said that that includes navigation, and that is a very large element, from the head of the Sacramento River down to the ocean.

Mr. WHITTINGTON. I want to say concerning the interests included here, of the appropriation that we ask for $325,000,000 in the pending bill, from $110,000,000 to $150,000,000 goes to navigation. That answers the gentleman from Wisconsin. The proposition does provide that the entire cost of the Sacramento is $51,000,000, of which the United States pays one-third; and I am for it, including rights of way and diversions.

Mr. FREAR. These things are mentioned, of course, in the report?

Mr. WHITTINGTON. Yes; and having made that statement, Mr. Chairman, I want to say——

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. WILLIAM E. HULL. I want to straighten up some matters that are in my mind. Do I understand you to say that the South would be willing to raise the money to pay for the foundation of the levees along the diversions, provided that it is a million dollars, with the understanding that the Government assumes the flowage rights?

Mr. WHITTINGTON. Yes. As I said, I am speaking for myself, and if there is any way to embrace in this legislation a change in the law respecting the alluvial valley of the Mississippi—and I speak for myself alone—if we can do that, I will stand for it; and I may add, Mr. Chairman, that until somebody can suggest language whereby that will be done and can be done, I am for the bill as we agreed to report it here.

Mr. FULBRIGHT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. FULBRIGHT. Is the gentleman aware of the fact that the flood way in southeast Missouri is for the section at Cairo, Ill.?

Mr. WHITTINGTON. Yes.

Mr. FULBRIGHT. Does the gentleman say that it is a proper thing for Missouri to pay for the flood way?

Mr. WHITTINGTON. Missouri ought not to pay one cent for it. I am opposed to Missouri paying one cent for it, or for Louisiana or Arkansas paying a cent for the flood way. I think it ought to be done at the expense of the Federal Government.

The gentleman is aware that this matter can not be adjusted without the Federal Government. But if the cost of flood control is assumed by the Government, except the estimated costs of $1,000,000 for rights of way for levees on diversions and flood ways, I would personally like to see all the interests in the alluvial valley agree to assume the amount if the success or failure of this bill depends upon such a provision. At the same time the bill should provide that the Government will pay for and acquire the flowage rights through the diversions and flood ways.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. The question is on agreeing to the first amendment offered by the gentleman from Illinois [Mr. REID], which the Clerk will report.

The Clerk read as follows:

Page 2, line 5, strike out the words "Secretary of War."

Page 2, line 6, strike out the word "two" and insert in lieu thereof the word "a."

Page 2, line 7, strike out the word "engineers" and insert in lieu thereof the word "engineer."

Mr. CRAMTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAMTON. It was my understanding that an agreement was reached whereby these amendments should be voted on en bloc.

The CHAIRMAN. No. It was objected to. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the second amendment.

The Clerk read as follows:

Page 2, line 13, strike out the word "that" and in lieu thereof insert the words "the plans."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the third amendment.

The Clerk read as follows:

Page 2, line 16, strike out, beginning with the word "determine" to the word "such" in line 24, and insert in lieu thereof the following: "Recommend to the President such action as may be deemed necessary to be taken in respect to such engineering differences, and the decision of the President upon all recommendations or questions submitted to him by such board shall be followed in carrying out the project herein adopted. The board shall not have any power or authority in respect of such project except as hereinbefore provided. Such project and the changes therein, if any, shall be executed in accordance with the provisions of section 8 of this act. Such."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the fourth amendment.

The Clerk read as follows:

Page 3, line 5, strike out the word "further."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the fifth amendment.

The Clerk read as follows:

Page 3, in line 8, strike out the first word "as."

Page 3, line 8, strike out the words "as those protected by levees constructed on the main river."

Mr. MACGREGOR. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. MACGREGOR. Is this the proper place to move to strike out the last word?

The CHAIRMAN. Debate has been closed and the committee is voting on a series of amendments.

Mr. MACGREGOR. I understood that these amendments were to be taken up ad seriatum, and that there was no closing of debate. I simply want to ask the chairman of the committee a question.

Mr. WINGO. Mr. Chairman, I ask unanimous consent that the gentleman may have the privilege of asking the chairman of the committee a question.

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. MACGREGOR. I would like to understand the import of this change. It is provided in the first instance:

That all diversion works and outlets constructed under the provisions of this act shall be built in a manner and of a character which will as fully and amply protect the adjacent lands as those protected by levees constructed on the main river.

Mr. REID of Illinois. The idea is that they do not want to have to build the same standard levees on the spillways as are now on the main river. It is a different construction and for a different purpose.

Mr. MACGREGOR. Does not the proposed language—I do not know whether I am right or wrong—make the Government at least morally liable in the future for all damages occasioned by any floods which take away these levees.

Mr. REID of Illinois. I would be glad to write that in if we could, but nobody has ever suggested that to-day.

Mr. MACGREGOR. You now have the language reading:

That all diversion waters and outlets constructed under the provisions of this act shall be built in a manner and of a character which will fully and amply protect the adjacent lands.

Mr. REID of Illinois. While they are building the spillways. I would be glad to write into the RECORD what the gentleman says.

Mr. MACGREGOR. I certainly would not be favorable to that idea.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the sixth amendment.

The Clerk read as follows:

Page 3, line 14, after the word "way," change the period to a comma and insert the following: "but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SHALLENBERGER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Nebraska offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SHALLENBERGER: On page 3, line 14, after the committee amendment and before the word "the," insert the following: "*Provided further*, That whenever the President shall ascertain from the Secretary of War or other agency that floods on the lower Mississippi can be controlled and prevented by construction of reservoirs for the impounding of waters in the Mississippi River and its tributaries, the construction of such reservoirs is hereby authorized, under the direction and supervision of the Secretary of War and the Chief of Engineers, and the appropriations authorized by this act are hereby made available for such reservoir construction."

Mr. SHALLENBERGER. Mr. Chairman and gentlemen, I do not intend to take the time of the committee but for a moment in order to express my reason for offering this amendment and why I think it important to a proper solution of this great question that it should be adopted. I think it is very clear to those who have studied the reports of the engineers who have been dealing with this matter that the final solution and permanent settlement of the prevention of floods in the Mississippi Valley depends upon the construction of reservoirs and the

impounding of the water in the tributaries and on the upper sources of the stream. Now, the debate we had between members of the Flood Control Committee just a moment ago proved very conclusively to me that the big problem we are now dealing with is the cost of the construction of the spillways and flood ways provided in the bill. I am going to make the statement that the control of floods in the Mississippi Valley, if the plan proposed in the bill is adopted, will not be brought about by the building of levees and walls of earth, but by the building of spillways and flood ways. Unless you store the waters of the tributaries in the upper sources of the river the great expenditure of money is going to be for the building of spillways and flood ways in order to carry off the floods you can not control. If we build reservoirs, we make use of the waters which otherwise run to waste and destruction in the lower valley.

By this amendment, which I have offered, we do not bind the President nor those in control of the operations to any particular plan, but we do include in the plan we are authorizing now a definite declaration that we authorize the expenditure of the money appropriated for any plan which the engineers deem best. I believe it will sooner or later be that of reservoir control.

Mr. REID of Illinois. Will the gentleman yield?

Mr. SHALLENBERGER. Yes.

Mr. REID of Illinois. I was wondering whether the gentleman will not wait and offer his amendment when we get to section 10 where we have a reservoir amendment. It is prepared and will be offered when we reach that section.

Mr. SHALLENBERGER. I believe I prefer to offer it here. Other amendments will be offered at that place, and I thought this was probably the proper place to offer my amendment.

If my amendment is voted down, other amendments may be adopted; but I will say to the chairman, that the people of the upper portions of the river are vitally interested in this matter. Those of us who live in the great northwest region of the Nation, who will have to in part pay for flood control, are also interested. This morning, to show you the intense interest taken in this problem out in the great Northwest, I found on my desk a clipping from a daily paper from the State of Nebraska, from our capital city of Lincoln, and after analyzing fully the importance of this problem and declaring it is a national problem, they wound up with this language. I quote from an editorial in the Lincoln, Nebr., Daily Star:

> Sooner or later the question of constructing dams and reservoirs all over the central western region, to hold back the water which converges in the Mississippi, will have to be taken up and dealt with. Nebraska and her neighboring States are greatly interested in that phase of the problem, which contemplates the use of such diverted waters for irrigation and power purposes. The Federal Government will be expected to aid in constructing the water-storage system, but the States will no doubt be willing to do their part.

So we on the tributaries are ready to do our part in providing sites and paying our share to carry out the storage-reservoir principle.

Mr. McKEOWN. Will the gentleman yield?

Mr. SHALLENBERGER. I yield to the gentleman.

Mr. McKEOWN. If the President should find that the reservoir system is effective, then the Government of the United States would not have to pay all of the cost of the reservoirs because there would be contributions.

Mr. SHALLENBERGER. There would be contributions and, furthermore, we would not have to spend such enormous amounts for spillways. If we stored but one-half of the water on the watershed, then the great problem of spillways would be partly met, the cost of the land that you are going to overflow and the matter of damages under the plan we have here, would be greatly reduced.

I offer you in the valley a plan of salvation and I am giving you a chance to accept it now. [Applause.]

Mr. SIMMONS. Mr. Chairman and gentlemen, I have not taken any part in this debate up to this point, preferring to listen in order that I might find out some things that many of us western men do not know about the South. My colleague from Nebraska, Mr. SHALLENBERGER, has presented to you what a great many people in the United States deem to be a rational, sensible solution of this flood-control matter; and that is, to change the flood waters of the Mississippi Valley from a national liability into a national asset, changing them from a damaging and destroying power to a power for the production of great national wealth through irrigation and the creation of water power and furnishing of water for navigation by the construction of storage reservoirs.

I live in the heart of a great reclamation project that the Congress of the United States authorized and the Government built from the reclamation fund. As a boy I have seen the river that goes by my home town early in the spring out of its banks, sweeping over our bridges, destroying the approaches spring after spring. Now, since this and other projects have been in operation there is the least amount of water in the North Platte River passing through Wyoming and Nebraska in the flood period of any period of the year. The flood waters are held in storage. The greatest amount of water coming down that river is in July and August. What has happened? There has been built up in Wyoming beyond the city of Casper a great reservoir, the Pathfinder. Supplemental reservoirs are being built. These dams can be regulated and the quantity of water held so that they take the flood water year after year and fill this reservoir with it. Then what happens? Throughout all of the summer months that stored water is being spread over 500,000 acres of fertile land. Not only the water that is used for the plant in its life is stored and taken out of the river but that 500,000 acres of irrigated land is itself a great reservoir, storing the water in the soil. That water comes back in the fall months into the river and goes on down the stream, contributing to a regular orderly flow throughout the year.

We western folk believe that by putting this tributary control into the flood-control scheme, and as a part of it the proposition of building reservoirs, of developing lands for irrigation, of developing hydroelectric power for industrial uses, of regulating the flow of water for navigation, is at least a sensible solution in part of this flood problem. If you adopt the amendment that the gentleman from Nebraska [Mr. SHALLENBERGER] offers, it indicates that the Congress is willing to at least try out this plan of control, and it will be an indication, too, to us in that section of the country that you believe in developing our section of the United States as well as protecting your own.

My folk are paying dollar for dollar back into the Federal Treasury; every cent the Government of the United States has spent on this project, and we are controlling your floods in part as we are doing it.

You are asking that you pay not a cent of the cost of your development. Give us, in this amendment, recognition of the thing that we in the tributary States are asking for, and that is a control, in part, of these things, by storage reservoirs furnishing power and water for development. You will change these waters from a thing you people do not want, a damage-doing agency, to a wealth-creating force, and you will be doing the thing that all of us want, and that is making the Missouri and the Mississippi——

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SIMMONS. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SIMMONS. You will be contributing materially, likewise, to making the Missouri and the Mississippi navigable streams 12 months in the year, and that is something likewise that we of the Mississippi Valley all want.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. SIMMONS. I yield to my colleague.

Mr. SHALLENBERGER. Will the gentleman also call the attention of the committee to the fact that my amendment is very general in its terms and leaves the final determination of the whole problem to the President and his advisers with respect to the use of this money.

Mr. SIMMONS. Yes; and it does recognize the principle and authorizes the expenditure of the money under such circumstances. The plan is sensible, it is feasible, and it will not cost more than the present plan. It will make these waters develop and not destroy a great section of the United States. [Applause.]

Mr. HOWARD of Nebraska. Mr. Chairman, I rise in support of the amendment. I want in a few words to bring to the attention of the members of this committee who do not live in our great prairie realm the absolute and unquestioned importance and necessity for legislation, which I hope will grow out of the amendment, if adopted, offered by my colleague from Nebraska [Mr. SHALLENBERGER].

Men of the House, let me tell you our story so that you may understand it. We in Nebraska live in a prairie zone. There is no timber in Nebraska, save that which has been planted by the hand of man. There is no coal, there is no mineral of any kind. But out there most of us are Christians, and we are believers in the goodness of God Almighty. He did not give us any coal under the prairies of Nebraska, but He gave us a splendid substitute in the form of two of the most regularly

flowing rivers in all the world that have ever been gauged by any reliable government.

Now, if we could harness the waters of these rivers and set them to the task of generating electric energy and supplying it to the people at a low price, what would it mean to us?

Oh, my friends, those of you who have never lived in a prairie realm, you do not know what it is to be in the clutches of Coal Trust as we do. Suppose that we could get the waters of the rivers harnessed, after having them carried to reservoirs, to be used a part of the time for irrigation and a part of the time for generating electricity. What would it mean to us?

Why, my friends, it would mean the absolute relief of Nebraska from the clutches of Coal Trust, because if we could do this we never would want to buy coal in Nebraska, even if we could get it for a dollar a ton. Why? Because if we could harness these waters and have them generate electrical energy it would be sufficient to heat and light every public and private building in all that prairie realm, turn the wheels of all machinery, and still have enough left to cook all the food for all the people.

Why is it, my friends, that that vast natural asset of ours is not employed and used for the benefit of the people? I do not know. Some say that the reason we are not able to harness the waters in these wonderful rivers in Nebraska is because of the power and machinations of that mysterious thing we call Power Trust. It may be true, I do not know, but, my friends of the House, those of you who know nothing about the situation of our people out in the prairie zone, will you not believe those of us who come from the prairies when we tell you that our fond hope for the harnessing of the rivers can now be best put in the way of ultimate consummation by the adoption of the amendment offered by my friend from Nebraska, Mr. SHALLENBERGER. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I hope the committee will not treat this amendment lightly, but will give it very serious consideration. The amendment offered by the gentleman from Nebraska [Mr. SHALLENBERGER] brings before the House two distinct schools of thought in the matter of flood control. The one contained in the bill, I might say, is to regulate the defects from nature, while the one suggested in the amendment offered by the gentleman from Nebraska corrects the defects of nature. By the methods in the bill we simply build levees, provide flood ways and spillways, and wait until the flood comes and then permit this flood of water with terrific power to inundate and flood millions of acres of land and cause immense damage. Besides there is always the constant fear of flood in these flood-way areas.

Now, by the amendment offered by the gentleman from Nebraska, instead of waiting for the flood to come and destroy the lives and properties, we collect these waters, harness this power in a series of reservoirs upstream and along the tributaries, so that they may be released in uniform quantity during all seasons, and not only prevent a flood but utilize this tremendous water power for useful purposes, so that instead of being a curse to the Mississippi Valley we can make it a blessing to the people of the valley.

Now, gentlemen, it can not be urged by the committee that they, the committee, are not sympathetic to the method suggested by the gentleman from Nebraska, because in section 12 of the bill now before us they provide for a survey to do the very same thing which the gentleman from Nebraska suggests should be done. In other words, the reservoir plan and the utilization of the water power of the main stream and tributaries is recognized in theory by the committee in section 12, while the amendment offered by the gentleman from Nebraska [Mr. SHALLENBERGER] puts that theory into practice.

In other words, the Committee on Flood Control preaches this system, while the amendment of the gentleman from Nebraska [Mr. SHALLENBERGER] puts into action that which the committee and the bill preaches.

Mr. MADDEN. Would the gentleman from New York do this before he found out how many billions it is going to cost?

Mr. LAGUARDIA. No matter what it costs, instead of purchasing these millions of acres, instead of this water going to waste, you can utilize this water, and if we do not do it to-day and Congress does not do it next year the time will come when our successors will take this matter up and deal with it in the very way suggested by the amendment of the gentleman from Nebraska and wonder why we to-day lacked the vision and foresight in the light of past experience and the advanced stage of engineering of our time.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WILLIAM E. HULL. In this last flood does the gentleman think that these reservoirs would have done any good?

Mr. LAGUARDIA. Oh, all of the water would not be in one reservoir. All of the water of the flood did not come from one tributary. It came from various tributaries.

Mr. RAGON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. RAGON. If these reservoirs in Oklahoma are as feasible as the good engineers have said they are, you would not have had any flood on the Mississippi if the reservoirs had been there, because water of sufficient quantity fell in that region to make a volume of over 740,000 cubic feet in a hundred miles.

Mr. LAGUARDIA. Exactly. We all know that the water does not come from one source or from one tributary. One tributary may be flooded and not cause a flood in the lower Mississippi. A major flood only happens when conditions are such that there is an undue and abnormally large amount of rainfall in all the sections during the same season, so that all of the tributaries are flooded, which naturally sends down such an abnormal flow as to overflow the lower bed of the main stream.

Mr. RAGON. And I call further attention to this, that even the Army engineers who made this survey, about whom there is some question in respect to their bias or prejudice, have said that you may amply control the Arkansas and the White Rivers and that their waters could have been controlled in the last flood by reservoirs. If you had done that, you would have taken out of the volume of 2,000,000 cubic feet per second on the Mississippi at Natchez 1,200,000 cubic feet contributed by those two rivers.

Mr. LAGUARDIA. Certainly. The committee recognizes the fact, because they have included the idea of a survey in section 12 of the bill. Instead of having a survey on something so elementary, in the name of common sense, you friends of flood control, come to the rescue now and give us a chance to do something constructive, something that is in keeping with the age in which we are living, and provide a scientific method to control this great problem. I hope gentlemen will give this amendment serious consideration and put it in the bill where it belongs.

Mr. McKEOWN. Mr. Chairman, I ask to have read in my time the following discussion of this matter by the Manufacturers' Record, of Baltimore, Md.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

MANUFACTURERS' RECORD,
*Baltimore, Md., April 19, 1928.*

DEAR SIR: The leading editorial in this week's issue of the Manufacturers' Record, copy of which is inclosed, contains a suggestion of what we believe to be the logical and only feasible solution of the jam into which flood control has been thrown.

General Jadwin has admitted that the plan worked out by the Interstate Commission for control of the Arkansas and Red Rivers is accurate in cost estimates, and that it will prevent floods in those rivers exactly as its proponents say it will. Further, he admits that it will take from 3 to 4 feet off the crest of floods in the Mississippi River below the mouth of the Arkansas. The States of the interstate compact—that is, the States drained by those two rivers—stand ready to contribute 40 or 50 per cent of the cost of the project, leaving about $60,000,000 for the Federal Government to pay.

It seems safe to say that two other large tributaries of the Mississippi—the Ohio and the Missouri—can be proportionately controlled by reservoirs on their many subtributaries. Could this be done—and General Jadwin has admitted that it is possible—the degree of control of the Mississippi resulting from control of these three rivers alone would be:

Below the Missouri (3 to 5 feet), 3 to 5 feet.

Below the Ohio (6 to 8 feet), 9 to 13 feet.

Below the Arkansas (3 to 4 feet), 12 to 17 feet.

General Jadwin has admitted that this much reduction, could it have been secured, would have prevented all danger of damage from the 1927 flood; and he has further admitted that it could be had, though he said the cost would be upward of a billion dollars. But this plan would cost no more than the plan submitted by General Jadwin, now admitted to require an expenditure of somewhere in the neighborhood of $1,500,000,000; it would protect thousands of miles of tributaries, as well as the lower valley, thus eliminating further costly works there; and it would command millions of dollars of local support, leaving only a reasonable portion for the Federal Government to pay.

Why can not the leaders of the Mississippi Valley, the Arkansas and Red River Valleys, the Missouri Valley, the Ohio Valley, and of the other tributaries that desire protection from their local floods, get together and determine to carry this plan through? We believe it could be done.

Very truly yours, MANUFACTURERS' RECORD.

Mr. McKEOWN. Mr. Chairman, the purpose of this legislation is this: If the President of the United States shall find by investigation of his agents and engineers that flood control can be accomplished along the tributaries and the waters that enter the tributaries, and if he further finds that it could be done economically and the money expended be reimbursable to the Government, then it would not be necessary to expend our millions and millions of dollars on the works in the lower Mississippi. Does it not stand to reason that there ought to be two plans before we spend all of our money on the lower reaches of the Mississippi? There is not a single State in the whole 31 along the tributaries that would not make the money in a large measure reimbursable, and the commission would find that it is in a great extent reimbursable. So is it not common sense to give the President two propositions, so that he can use his judgment and save money as well as accomplish the result of flood control? I favor the adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SNELL. Mr. Chairman, I am not opposing this amendment at this time because of the fact that I am opposed to the reservoir scheme of controlling the flood waters on these large rivers. As a matter of fact, I made an extended speech upon that proposition some time ago. I am opposing the proposition at this time because we should not adopt such a scheme without knowing something about it. This is a tremendous proposition, which might go into one or two billions of dollars, and we are asked here to adopt it as a simple amendment, when it means more in fact than all the rest of the bill. It might take all of the money that we are appropriating at this time to make the surveys and lay out these propositions; it might all be expended on the reservoir schemes and not anything on the lower Mississippi Valley, to protect which is the main object of the bill, if it is to be taken out of the funds appropriated at this time. Later on in the bill there is provision for complete surveys to investigate the whole reservoir proposition. I want that to be done, but certainly it would be death to this bill to adopt this amendment at this time and say that without coming back to Congress, without a completed plan, without any definite knowledge of any kind, yet we will authorize these most extensive construction of reservoirs.

Mr. McKEOWN. This provides that the President should do this if he shall find it feasible. It is not positive.

Mr. SNELL. These reservoir projects are definitely authorized by that amendment and, if adopted, we lose control, except such as comes through the Appropriations Committee.

Mr. SHALLENBERGER. If the gentleman will permit me, the amendment simply provides that if the President shall ascertain, from the Secretary of War or any other agency, that the floods on the lower Mississippi can be controlled by these reservoirs, then he will be authorized to build these reservoirs.

Mr. SNELL. Yes; and there is no doubt in my mind that if you spend money enough, of course, you could control the floods in that way; but the amount of money might be so much that it would be out of the question.

Mr. SHALLENBERGER. The President is allowed, under the amendment offered by the committee, to use his judgment as to where every dollar shall be expended under the present plan, and I simply add to it that if in his judgment he wishes to use the money elsewhere he can do so if the judgment of the engineers and his agency is that that is the way to use the money.

Mr. SNELL. It is provided that if they could be controlled in that way they are authorized to do so, but the Lord only knows how much money it would take. We certainly ought to know how much it will be before we adopt such a comprehensive plan.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. WHITTINGTON. I want to ask the gentleman from New York if under the provisions of the amendment proposed here we will not do two things: First, if it will not prevent investigation and surveys of reservoirs, just the same as the amendment which provides that it shall report to Congress?

Mr. SNELL. It supersedes that.

Mr. WHITTINGTON. This provides that the President or the Secretary of War after investigation shall report on the floods of the lower Mississippi Valley. Such a report has already been made. I read from substance of the report of the Secretary of War on that point furnished to the President:

The reservoir board reports that reservoirs are not economically justifiable in connection with a comprehensive plan for flood control in the Mississippi Valley at the present time. Reservoirs that would give a dependable reduction of flood height of 5.7 feet at Cairo, 6.9 at the mouth of the Arkansas, and 5.4 at the mouth of the Red River are estimated to cost $1,296,000,000. Equivalent protection can be given by levees for $250,000,000. The best reservoir project found, in addition to the reservoirs at the mouths of tributaries, for the flood control in the lower valley is a system of 11 reservoirs on the Arkansas and White Rivers, at an estimated cost of $242,000,000, and these reservoirs would have reduced the floods at Arkansas City by about 8 feet. The probability is that even these reservoirs would require the destruction of fertile lands in the valleys of the Arkansas and the White more valuable than the lands they would protect along the Mississippi River. In addition, the costs of protection would be very much greater for the construction of reservoirs.

I think they ought to be investigated. The Secretary could make that report now. Is it not a fact that these reservoirs could be considered in connection with section 4?

Mr. SNELL. It is fully covered in section 10.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SNELL. Mr. Chairman, may I have five minutes additional?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. CRAMTON. I will ask if it is not a fact that if the Shallenberger amendment should become a part of the law it would give the President the option of following the reservoir plan and dropping the other plan entirely?

Mr. SNELL. Yes. When we agree upon this proposition we have lost our control as far as reservoirs are concerned and perhaps the other.

Mr. SIMMONS. Of course, the Congress will have the right to pass on the amount when we come to the appropriation. You can not irrigate lands and you can not develop water power by surveys. You always tell the western Members, "We will give you a survey." That is what you tell us on river development. Now, the Congress has authorized the survey of these projects, and the United States has paid the cost, and the reports are before Congress, and you know how much power there will be and how much water can be stored. That information is all brought here.

Mr. SNELL. We want it all brought before the House so that the House can discuss it before any work is entered upon.

Mr. SIMMONS. We are asking that we have authority, if the President deems it advisable, to come before the Congress and the Committee on Appropriations and ask for the money.

Mr. SNELL. We want the membership of this House to be given the right to pass upon it, and not leave it entirely to the Appropriations Committee.

Mr. SIMMONS. You have it now.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes; I yield.

Mr. LOZIER. Is not the logical effect of this amendment, if adopted, to confer upon the President the power of adopting a great national project and policy without first having submitted it to Congress for approval?

Mr. SNELL. Yes. That is something that Congress has never been willing to do heretofore, and I do not think it is willing to do it now.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. McKEOWN. Suppose it should be found that the reservoir system would cost the Government less money and be more effective than the levee system on the lower Mississippi River. Should we not have the right to adopt it?

Mr. SNELL. Yes; and furthermore if the board suggested that proposition to Congress, we might immediately adopt it. But do the people of the lower Mississippi Valley want to wait 1 year or 10 years for that? I ask, gentlemen, if they want to wait?

Mr. McKEOWN. But here is the proposition: Does the gentleman want to commit Congress to the expenditure of $300,000,000 or $400,000,000 in the lower Mississippi without giving the President authority to see whether the other plan is feasible or not?

Mr. SNELL. I am perfectly willing to commit this Government to a certain amount to take care of the lower reaches of the Mississippi River at this time without going into a full investigation of the reservoir scheme.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. LaGUARDIA. The committee just adopted an amendment offered by the gentleman from Illinois which gives the President the power to select one of two projects. That is the

bill as it is now before us, and with a certain proviso in the bill we have already conferred the power to which the gentleman now objects.

Mr. SNELL. No; that is entirely a different proposition than the one we are now discussing.

Mr. LAGUARDIA. The gentleman has in mind the amendment just adopted by the committee?

Mr. SNELL. No; I do not know just what the gentleman has in mind, but I do know that there is not an amendment in this bill providing for the adoption of the reservoir proposition without submitting it to Congress.

Mr. GIFFORD. Mr. Chairman, before a vote is taken upon this amendment some of us not so intensely interested as they who live in this territory, but interested because of responsibility of the Treasury, should express ourselves. I suggest that all of us have studied the proposition, and I wish to say to the committee that immediately after the flood I looked over the CONGRESSIONAL RECORD and read over again a splendid speech made by the gentleman from Mississippi [Mr. WHITTINGTON] about a year before the flood, in which he insisted that the only feasible method, quoting engineers of the last 100 years, was the levee method and that spillways were not practical. It is now shown that when you build 100 miles of levees at the mouth of the river it is necessary to build the next 100, and so on. We who live on the ocean know that when we protect our beaches that it is absolutely necessary for our neighbor to protect his beach or the waters will undermine his property. We are told by engineering authorities—and I presume the gentleman had this in mind in 1926—that after you build a spillway and experience a few floods the force of the main river is only distributed and is finally only as effective as the original stream. These engineers for 100 years back seem now to be discredited, although we have had many serious floods before. However, after the flood of 1927 our friend from Mississippi [Mr. WHITTINGTON] changes from "levees only" and believes that spillways are now practical, although in the face of his most exhaustive argument of two years ago. They now ask us to waste all of the water and not provide any opportunity of conserving it. I am sympathetic with the gentleman from Nebraska and those who have spoken before him for this form of amendment. We are anxious to do something to conserve those waters. We feel that reservoir control will return something to the Government for the large sums we will spend for flood control. Let the tributaries have a chance to be considered, at least, in the great sum of $325,000,000, which is to be expended. I believe we should give the President and the board some authority with reference to reservoirs, if it is found practical. It may be proven that they can build reservoirs in some localities, which would assist in flood control. We should not provide for the expenditure of all this large sum of money for the building of spillways and flood ways only until the reservoir plan is most carefully considered. I was greatly impressed by this speech of the gentleman from Nebraska [Mr. SEARS], who spoke here so enlighteningly about two weeks ago. I have read this speech several times, and I would plead his cause and those of the semiarid regions for the conservation plan. Do not ask us so violently to spend all of this money on spillways, which Mr. WHITTINGTON claimed were not practical, and engineers assure us that after three or four floods we could dump into the Gulf only the amount of water as was the capacity of the river before such outlets were constructed. [Applause.] [Cries of "Vote!" "Vote!"]

Mr. FREAR. You gentlemen are shouting "Vote!" "Vote!" We have been sitting for five months and listening to evidence with reference to this proposition, and yet you are objecting because we want to have a few minutes in which to learn the truth and pass it around to you.

Mr. Chairman, the engineers made a long examination of the subject of reservoirs. Frankly, I do not believe they know much about reservoirs because of limited time afforded, but they have made a long examination. The engineers had another body examining into the question of diversion, and they also reported. There were five subcommittees among the engineers, and some 200 engineers were engaged in this work. They reported to our committee and stated that a reservoir system would cost in the neighborhood of $1,500,000,000. Now, here is the situation that impressed me more than all else in their report—that it would take a long period to make a complete determination of what the cost was going to be for reservoirs and what the effect would be upon the flood waters of the lower Mississippi. In response to a question I put to them they said that if you could shut off all of the rivers in Nebraska; for instance, cutting off the river completely, the Pathfinder Reservoir and all others, it would not make a difference of over one-sixteenth of an inch at Cairo at that time. Now, frankly, I am not prepared to accept that as being a sufficient answer.

But this is the question that confronts us here just as it did in the committee. It will take a very long period to determine the cost of reservoirs and the influence they will have on the lower Mississippi River. It may be several years, and surely it will be over a year, because there are so many questions that are involved in the provision.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from Texas.

Mr. BLACK of Texas. In view of that situation, does the gentleman think it would be wise at this time to adopt the amendment which has been offered by the gentleman from Nebraska [Mr. SHALLENBERGER]?

Mr. FREAR. I am just coming to that. This is a question of great seriousness, and we all ought to have a fair understanding of it no matter how we may vote.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. FREAR. In a moment. Let me discuss and explain something that has not been presented to the House. We permitted section 12 to be inserted in the bill. Section 12 requires a complete survey of all of the tributaries to ascertain what effect the reservoir system will have, and included in that is the power question and all these other propositions. The only serious question, to my mind, or the most serious one, is that it will take such a long time before we can give relief to the people down in the lower valley and therefore we ought to do something at this time. It will take the Army engineers about a year to go on and bring the levee grades up to height, in addition to providing the spillway at Bonnet Carre to protect New Orleans and look after the diversion opposite Cairo at New Madrid. This will take possibly several years. Whether or not we will gain anything by holding back the project, in view of the fact that we have to let contracts and take care of the work incident to that, is for the House to determine.

I was a member of the committee at that time, and we felt it was going to mean great delay. There is a large question involved in this reservoir system and I have presented the facts to you just as fairly as I can.

Mr. HASTINGS. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. HASTINGS. Then we have the assurance of the gentleman from Wisconsin to support sections 10 and 12, in substance, when reached.

Mr. FREAR. I do not see any objection——

Mr. HASTINGS. Do we have the assurance of the gentleman from Wisconsin to that effect?

Mr. FREAR. I do not see any objection to that. I think it is important to have a survey. I think we ought to have all the intelligence and all the information we can have furnished by the engineers or by any other authority. If I were going to criticize the amendment at all, it would be because the President on the support of the Secretary of War or any other agency may proceed at once. Just think what a wide proposition you have in this amendment. Nothing like that is proposed in the bill. Here you have a survey which is to be brought back to Congress and we will then ascertain what the merits are.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from New York.

Mr. JACOBSTEIN. If we adopt this amendment, are we precluded from going ahead any faster on the reservoir system, and if we do construct the reservoir system later on, have we spent money unnecessarily?

Mr. FREAR. Oh, yes; but I am not necessarily worried over that.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Even if we spend $100,000,000 in a large proposition of this kind it is small when compared with the total amount involved, because in any question of flood control, as suggested by the gentleman from Nebraska, Governor SHALLENBERGER, there is a provision with respect to water power and so many other instrumentalities that are to be developed that we can afford to spend the money. The only thing that disturbs me, I do not want to have the whole project delayed.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. SHALLENBERGER. Right in connection with that statement I want to call the gentleman's attention to the fact

that my amendment does not prevent work being started on the lower valley. It simply provides that in the course of construction work, at any time the agencies of the Government which the President relies upon, the Chief of Engineers or any board that he constitutes, shall determine that the project can be benefited by building reservoirs, the President is then authorized to build them.

Mr. FREAR. I understand that, and in any event I am not fearful as to the results; it is only a question of the time involved. That is what I have in mind.

Mr. LAGUARDIA. The attitude of the gentleman from Wisconsin, as reflected by his last statement, stabs me to the quick. The gentleman does not contend that the amendment offered by the gentleman from Nebraska, if adopted, would delay the necessary preliminary work in the lower Mississippi.

Mr. FREAR. If it takes only a year I concede it would not, except so far as letting contracts and advancing the absolutely necessary work you have to proceed with this year. You must remember, however, it is going to take 10 years to complete this project. It is not a question of one year; it is going to take 10 years to finish it, but I do not want needlessly to delay it.

Mr. CROSSER. Mr. Chairman and members of the committee, when one considers the terrible ravages of the Mississippi floods, surely he can not remain indifferent to the subject of flood control. I have long been deeply impressed with the urgent need of providing a remedy for the terrible floods that have caused so much loss of life and property.

Many millions of dollars have been spent in an effort to control the floods in the Mississippi Valley. Most of the work done has been worse than wasted, for it has done much harm instead of good, and has been contrary to all scientific principles. The proper method for the correction of any evil requires that we first determine what is the cause of the trouble and then that we shall endeavor to neutralize or overcome that cause. This has never been done in the case of the flood evil in the Mississippi Valley, nor indeed has it been done anywhere else in the United States. We have spent many millions of dollars to build levees; that is, great embankments alongside of and a little distance back from the natural banks of the river, and the result has been that every flood has been more disastrous than the floods which preceded it.

The theory advanced by the Army engineers to justify the building of levees was that the added force resulting from confining the stream within levees would expend itself on the bottom of the river bed, and would tear up and carry away material from the bottom of the river and so deepen the channel. Mr. Lyman E. Cooley, one of the leading waterway engineers of the United States, when discussing this made the following comment:

> The wish seems to have been father to the thought. * * * Unhappily, the river does not seem to have exercised any wise selective power; in fact, it seems to have discriminated in favor of the banks.

Yes, that is exactly what happens; the river tears away the banks instead of removing material from the bed of the stream.

No effort to control the mighty waters of the Mississippi River, when, uncontrolled, they have reached the lower end of the valley, can be successful. The reason why floods are now greater and more destructive in the lower part of the Mississippi Valley than was the case in the early history of the country is that man has removed many natural obstructions which formerly retarded the flow of the water which fell on the land of the upper Mississippi Valley. When the United States Government came into existence great forests covered the land which surrounded the streams which flow on to form the upper Mississippi River. The leaves of the trees of the forests helped to impede the flow of water which fell in the form of rain or snow. The dead leaves which lay on the ground below the trees further hindered the flow of the water which created the smaller streams, which in turn moved on to form the mighty Mississippi River. When these forests were removed and the lands were devoted to agriculture, or occupied by cities and towns, the water falling upon the ground flowed into the streams with greatly increased rapidity. After a heavy rain or sudden melting of heavy snowfalls the streams of the upper Mississippi Valley rise very quickly and, of course, rush on with great rapidity to empty into the main stream which can not at once accommodate such a great volume of water. No more water goes into the Mississippi River than formerly. The trouble is that it now empties into the river more rapidly.

The Government should, wherever possible, engage in a system of reforestation. This, however, will not alone remedy the evil which now confronts us. We must provide a remedy which can be applied more promptly. That remedy, in my opinion, could be provided by the construction of a sufficient number of reservoirs properly located on the upper tributaries of the Mississippi River. Such a system of reservoirs on the tributaries would enable the Government to not only control the water level in the rivers, but would in reality aid navigation, make possible the irrigation of large tracts of land now practically useless, and would develop water power more than enough to pay the whole cost of building the system of reservoirs.

When it is shown how logical and reasonable is the reservoir plan of controlling floods, those who want to hold to the old idea of levees now say that to be of any use for water power we must have reservoirs full of water, and to be of any use in the control of floods we must have empty reservoirs. Men who make that objection do so because they lack a complete understanding of the proposed reservoir plan. The reservoirs should be large enough to make possible not only the development of water power by the streams when at their average height, but the reservoir walls should be built high enough above the point where water power can be developed, so that there will be plenty of space behind the walls to hold the excess waters resulting from floods. The excess water would be held in the reservoir until it could be allowed to flow out gradually from the reservoirs into the river channels and without danger to any of the country lying below the reservoirs. If great dams were built at suitable locations on all of the tributaries of the Mississippi there would be no difficulty in regulating almost precisely the level of the Mississippi River.

The unanswerable logic of the plan which I have urged should appeal to anyone. To those, however, who are never willing to adopt a proposal on the basis of principle and who must always know before adopting a plan that it has already been in successful operation elsewhere, I might say that Germany, Austria, Russia, France, and Spain have all applied the principle to control floods in certain of their rivers.

What I have said very briefly states the fundamental principles of systematic flood control. Let me say, however, that for the thorough and comprehensive treatment of the subject we should provide for the cooperation of several of the departments of the Government which, because of the duties and functions given them by law, are particularly interested in the subject of the control of waterways.

For that reason, while I was a member of the Flood Control Committee when it was first organized, I introduced on May 2, 1926, a bill for flood control and for the utilization of flood water for constructive and beneficial purposes. The bill proposed the establishment of a national waterways council, to consist of the President of the United States as chairman, the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the chairman of a water control board, which was to be appointed by the waterways council, and which was to devote itself exclusively to the subject of water control. The national waterways council was, by the terms of the bill, to cooperate with the States. The enactment of such a bill would have provided for the systematic control of the waterways of the United States. It would have provided for the control of floods and yet would have kept in view the fact that the excess water of floods could be used for irrigation purposes. It would have provided reservoirs for the development of water power, but would also at the same time have considered the advantages and necessity of providing reservoirs not only large enough to provide for the development of water power but large enough to hold as long as necessary the excess water of floods. In a word, the streams of the country under such a council could have been controlled so as to prevent damage and at the same time confer a positive benefit upon the people of the United States. Later, when the flood control bill, reported favorably by a majority of the committee, came before the House for action, I offered a substitute for the committee bill. That substitute embodied the same principles as the bill I had previously introduced, and presented the proposal which I am now again advocating. The plan, however, was not adopted. It was, however, a relatively new idea and, as usually is the case with new ideas, it was rejected. If they have not seen a thing done, or have not read in a book that it has been done, the reason and imagination of many men do not enable them to know that it could be done. We find, therefore, that after having done in 1916 all that the Mississippi River Commission asked Congress to do, the country suffers more from floods than was the case before we did what the commission requested us to do.

Congress relied upon the assurances of the chairman of the House Flood Control Committee, Mr. HUMPHREYS, and the majority of the committee, who said that if we should provide the money that they were asking for the building of levees, the people of the Mississippi Valley would no longer suffer from the ravages of floods. These gentlemen were given the money they requested and yet what has been the result? In the year

1927, the worst flood in the history of the country brought disaster and untold misery upon the people of the Mississippi Valley.

Let us cease the folly of spending hundreds of millions of dollars to build embankments alongside the lower part of the Mississippi River in a vain effort to hold back from the farms and towns the flood water which has accumulated in the upper part of the Mississippi Valley as a result of the junction of the swollen tributary streams. Let us begin to control the cause of the evil by providing at least for the building of a system of reservoirs in which to hold the flood waters accumulating in the upper tributaries. The water can then be released with perfect safety to the territory lying in the lower part of the valley, but it can also be made of value to the people by using it for irrigation purposes and to produce water power. The expense would be only apparently greater for such a plan would eventually produce enough revenue to pay for the cost of constructing the reservoirs and other works. We should not, however, where human life is in danger, haggle about a supposed greater cost. I say supply the proper remedy now and we shall not be asked in the future for millions of dollars to rebuild levees which have been destroyed as we might reasonably have expected that they would be destroyed when such unscientific methods were adopted.

Mr. MADDEN. Will the gentleman yield?

Mr. CROSSER. I will.

Mr. MADDEN. The gentleman referred to the fact that in 1916 he, as one of the members of the minority, made certain proposals. He was a member of the majority then—the Democrats were in control.

Mr. CROSSER. I am not referring to partisan politics. I was not indulging in political twaddle.

Mr. MADDEN. The gentleman stated he was a member of the minority.

Mr. CROSSER. I said that I was in the minority of the Flood Control Committee.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HASTINGS. Mr. Chairman, I am heartily in favor of this amendment, whether it be added to section 1 of the bill or to sections 10 or 12.

The people of the Nation have been studying the question of reservoir control and are deeply interested in it, and the more it is examined the more, I am sure, they will be in sympathy with it.

This is an additional method of flood control, and we have no doubt of its ultimate adoption.

The importance of this bill has been repeatedly emphasized. It is one of major importance to the entire Nation. The flood of 1927 was a tragedy. While its disastrous results are vividly fixed upon our memories we should enact legislation which will afford protection in so far as it is humanly possible.

I congratulate the Rules Committee in giving the time which has been allowed by this resolution for the consideration of this question. We were assured of liberal time being allowed for the consideration of amendments which are to be proposed.

Those who represent the sections of our country most disastrously affected are appealing to Congress for adequate protection. The people whom they represent have their backs to the wall. They are entitled to have the sympathetic consideration of Congress. I am sure they will have it.

For more than 100 years we have been making appropriations, but they have not been adequate for protection against the more disastrous floods. I concur in the repeated statement that this is a national question.

First. The floods on the lower Mississippi do not originate there. They come from the watersheds which wholly or in part drain 31 States, which in times of floods pour streams with torrential force through the lower Mississippi, resulting in great loss of life and the destruction of property difficult to estimate. We therefore should not look at the question from a local standpoint but should view it as it is, a national question.

Second. It is urged that there must be local contributions and yet it is admitted that this should be waived in those localities where the people are unable to further contribute for the protection of themselves and their property. The hearings disclose that they have already contributed some $292,000,000, and if this is viewed as a national question this is far more than their share of local contribution, and these previous payments should be considered in the enactment of this legislation.

Third. The Mississippi is navigable and under the complete control of the Federal Government.

Fourth. The interests of the various units in the same or different States are antagonistic and neither the people, the drainage districts, counties, or States will voluntarily contribute to the purchase of land for flood-control purposes for the benefit of those inhabiting lower sections. Neither the State of Missouri nor those living in the southeastern counties thereof will bond, tax, or voluntary contribute for the protection of those living below in the northeastern part of the State of Arkansas, yet a break in Missouri is disastrous to the lives and property of the people living below in the State of Arkansas. The same argument applies with equal force to the several counties and drainage districts within the same State.

It is insisted that all property necessary to be condemned for use in the building of levees or spillways in connection with flood control on the lower Mississippi should be paid for by the people locally because the cost would be much less than if the financial burden for this puprose is borne by the Federal Government. Any amendment presented drawn to protect the Government against real-estate speculation and at the same time permit the work to go forward will receive the careful consideration of Congress—no one wants excessive damages paid. As a matter of practice most of these lands will be acquired through agreements and resorts to the courts will only be occasionally taken. Whether this property belongs to the poor man who owns a few acres, or to his more fortunate neighbor, who owns a larger tract, only fair and reasonable compensation should be paid.

We therefore favor the enactment of such legislation as will protect as adequately as possible the people who inhabit the States bordering on the lower Mississippi River. The levees there should be repaired and strengthened and such other improvements made as are recommended by the best engineers of the country.

We repeat that we are viewing this situation in the lower Mississippi from a national standpoint, and comprehensive legislation should be enacted as will insure permanent protection against the recurrence of these great disasters.

It is urged that the cost will be prohibitive. This argument does not appeal to me. I do not want to see a dollar unnecessarily or extravagantly expended. I am for the strictest economy. This legislation should be so carefully prepared as will insure the Government against graft and reduce to a minimum extravagant waste. This can not always be avoided in public work, but we should enact legislation to minimize and safeguard it as much as possible. The work should be placed under competent supervision.

If the people of the Nation are satisfied that they will get 100 cents' worth of benefit out of every dollar expended, they will be satisfied.

I do not believe that we should place the money authorized to be expended in the balance against the human equation of protecting the lives of the people and of preventing the suffering and disaster that befell them along the lower Mississippi in 1927. When we enact legislation, as we will, providing for a comprehensive plan of flood control, we will make only annual appropriations, and Congress must see to it from year to year that the work is not only efficiently done but that all opportunities for graft and extravagance are either eliminated or reduced to a minimum. The greatest care should be taken to protect the Government both in legislation and administration.

We have been making appropriations and enacting legislation for flood protection in a more or less inadequate manner for 100 years. The question now arises: Shall we resort to the levy system or to levees and spillways without the testing of every other method which may be presented for our consideration? We who live in States not immediately adjacent to the Mississippi express our deep sympathy with those who live in the lower reaches of the great valley. The picture presented of the great flood of 1927 is a harrowing one. We say to you that this picture is not complete unless our vision permits us to take a comprehensive view of the entire 31 States from whose watersheds the drainage comes to produce these great disasters. The people of my State are tremendously interested in this important question. One of the great tributaries of the Mississippi, the Arkansas River, is 1,460 miles long. It rises in Colorado and gathers force and volume as it flows through Kansas, Oklahoma, and Arkansas, emptying into the Mississippi. Great disasters occur along this river and its tributaries. Congress has made appropriations for this river since 1832. I live a few miles distant from the Arkansas River, which flows through my district, and have intimate knowledge of the disasters which have occurred in previous years, particularly in 1927, along this river and its main tributaries. These disasters are of more or less annual occurrence. In 1927 we witnessed this mighty river pouring its torrential volume of water with great force toward the Mississippi River, spreading out 5 to 10 miles in width over the richest agricultural land that may be found in the entire Nation, taking its toll of lives, sweeping away homes, destroying crops of incal-

culable value, doing permanent injury to the land itself, undermining and destroying highways, interrupting the commerce of that section of the country by destroying bridges and interfering with the mails. In my home city the train service was so interrupted that mail was not received for almost a week, the first mail being brought in by motor transportation. This picture is not overdrawn, and while we are willing to sympathetically view the picture of the lower Mississippi and to assist in the enactment of legislation that will afford adequate and permanent protection, we appeal to the Representatives of that section, and the entire membership of this House, that we should view the entire picture and enact constructive legislation embodying a comprehensive plan to remedy the situation.

For 75 years the Arkansas River was navigable and is now so recognized by the Government, to the confluence of the Grand and Verdigris Rivers, near Muskogee, Okla. Appropriations have been made for this stream as far north as Wichita, Kans. Shortly after the Civil War railroads were built through that country, which was then sparsely settled. The Arkansas River fell into disuse. The appropriations and improvements were discontinued. The trees were felled along the banks of the river, and these banks were by erosion carried into the bed of the stream, the channel filled and changed, until within the past 25 years little use for navigation purposes has been made of this river. The neglect has been with Congress. We, therefore, who represent States drained by the major tributaries of the Mississippi in turn appeal to the Members of this House and urge the consideration of a comprehensive national plan for flood control.

We are deeply interested, therefore, in the sections which provide for surveys and flood control of the tributaries. Much important data have already been collected through the efforts of the Representatives of these States and the best civil engineers engaged, who have spent a great deal of time in making surveys, assembling data, and making a comprehensive study of the question. The best civil engineers obtainable report that reservoirs can be constructed at a reasonable cost for the impounding of the water when floods are menacing which will sufficiently reduce the volume in the lower Mississippi that, in connection with levees already built, after they are repaired and strengthened, will afford adequate protection to that section. It will also protect the people along these major tributaries from the results of disastrous floods, such as they experience almost annually, culminating in the great flood of 1927. It is estimated that in my State alone we lost from twenty-five to forty million dollars' worth of property. The flooded area in the Arkansas River valley and its tributaries in Oklahoma covered 782,300 acres.

We are therefore deeply interested in those sections of the bill which provide for surveys for the major tributaries of the Mississippi, including the Arkansas River and its tributaries, and authorizing the expenditure of $5,000,000 in addition to the amounts authorized in the river and harbor act of January 21, 1927, and a study of the reservoir system for flood control.

We would prefer to have these surveys made under the direction of the board that is created by section 1 of the bill rather than through the Corps of Engineers. The report of the engineers compels us to reach the conclusion that they are prejudiced in advance against the reservoir plan of flood control. Their report insists that the cost is prohibitive. The best civil engineers whose services have been utilized insist that the cost of the construction of these reservoirs, adequate for flood control, will be reasonable. These civil engineers have spent a great deal of time in collecting data and in the consideration of this important question. The report of the Army engineers, we insist, is upon a superficial examination of the question. We believe, therefore, that the board created by section 1 would give a more unbiased and a more sympathetic consideration to the reservoir plan of flood control.

It is true that section 10 provides that before the reports of the Army engineers are presented to Congress they shall be presented to the board. We feel that the data will be collected and so arranged that it will not be presented in an unprejudiced way to the board. If these surveys were made under the direction of the board so as to insure an open-minded consideration of the reservoir plan, and reports expedited, we would be satisfied with the conclusions that would be reached. We also believe that the cost of the construction of reservoirs on the Arkansas and its major tributaries would not exceed the damage done by the 1927 flood alone.

I have confidence that if section 10, in substance, stays in the bill with the expenditure of $5,000,000 authorized, that the feasibility of the plan of reservoir control will be acknowledged and that reservoirs will ultimately be constructed not only to the great benefit of the flood protection along the lower reaches of the Mississippi River but for the benefit and protection along the Arkansas River and its major tributaries below the sites selected for the reservoirs. That means, of course, protection against disastrous floods in the future. It means incidentally the reclaiming of great bodies of productive land to the farmers for cultivation. It means navigation renewed on the Arkansas River and reduced competitive freight rates. It means the protection of commerce, the Federal highways, and the roads over which the mails are carried. We believe that this will be money wisely expended. In my judgment, it should be regarded as an investment. We should have courage to enact such legislation as will adequately meet the needs of the situation.

It has been suggested on the floor and in the press that legislation, except along certain lines, will be met with Executive disapproval. The responsibility is upon Congress to study this question, to originate and enact legislation that will meet the situation. When passed, the responsibility is transferred to the President. The Flood Control Committee of the House has held hearings upon this bill for three or four months. Every phase has been presented and considered. I am not willing, as a Member of the House, to permit the question of cost to prevent me from supporting a comprehensive plan of flood control provided it is safeguarded against graft and waste reduced to a minimum.

It has been suggested by the chairman of the Committee on Rules [Mr. SNELL] that amendments to the bill are to be presented for the consideration of the House, and it is intimated that these amendments will not only be perfecting amendments but far-reaching in their character. It is also suggested by the dissenting member of the Flood Control Committee [Mr. FREAR] that certain amendments are in course of preparation and will be presented.

In fairness to the House, these amendments should have been printed and offered at the beginning of the debate, so that they might have had the study of Members before they are presented for consideration later on. I will consider each amendment on its merits when presented and vote for those which my best judgment may approve.

I would like to make myself clear upon two points: First, I am in favor of the most rigid economy. I would not vote for a dollar for flood control or any other purpose which was not recommended as necessary, and I want every dollar of that money efficiently expended, and its expenditure safeguarded by legislation enacted by Congress to eliminate graft and to reduce extravagance to a minimum. If under the expenditure authorized by section 10 of this bill the reports, as I believe they will, compel the building of reservoirs, I am sure adequate appropriations by Congress will follow.

Second, I am supporting this bill for flood-control protection, with the assurance that section 10 providing for the survey of the major tributaries of the Mississippi will be retained in the bill. Of course, the argument used in behalf of the Arkansas River and its tributaries applies with equal force to the other major tributaries authorized to be surveyed by section 10 of the bill. We should not take a narrow or sectional view of this legislation. We have a right to expect that this section, in substance, will be retained. Let me warn my fellow Members that if this section is eliminated and no provision is made for a survey and a study of the major tributaries and their contributing streams, I shall be compelled to withhold my approval of this legislation. I can not vote for a bill that discriminates against my State and district. We have a right to expect fair treatment of all sections of the country at the hands of Congress. We do insist, however, that in so much as our people have suffered so greatly that they have a right to have the reservoir plan of flood control examined and carefully studied, which we believe will compel its acceptance.

In criticizing this plan of flood control the report of the engineers in support of the levee system insists that the bed of the lower Mississippi is not raised by the deposit of silt, sand, gravel, and erosion carried into it from the major tributaries, and, therefore, they argue that building up and strengthening the levees will afford adequate protection. This is against the experience of every barefoot boy who has played and fished along the minor streams in every section of our country. They know that after a heavy rain falls silt and sand and gravel form sandbars, filling up and frequently changing the channels of the smaller streams near their source. This is true where the fall is much greater and the current, therefore, stronger than in the lower reaches of the Mississippi where the bed is so level that the momentum of the current presses the water on to the Gulf. It is against the experience of all who have lived along the larger streams where erosion causes the banks to cave in and to fill up the bed of the stream and frequently change its current. If this be true where the fall is greater and the current stronger it must of necessity be true in the lower Mississippi River bed. If the bed of the Mississippi is

raised, of course the height of the protecting levees is correspondingly lessened. We insist, therefore, that with the surveys made as provided in section 10, in which we are so vitally interested, that it will compel the adoption of the reservoir plan of flood control and this in turn will afford flood protection to an area extending in whole or in part over 31 States of the Union. Of course, such a comprehensive plan will necessitate the authorization of a large expenditure of money, but we ought to legislate for the permanent benefit of this wonderfully rich area which produces the agricultural products, not only to sustain the people of this country, but also contributes to the happiness and prosperity of the entire citizenship of the Nation.

Let me remind you, in conclusion, that in the settlement of our foreign obligations we remitted to the people of the European countries in interest the staggering sum of $10,705,000,000. We should not, therefore, hesitate because of its cost to come to the relief and protection of our own citizenship in the enactment of such legislation as will result in permanent benefit to them and to the people of the entire Nation.

If this bill is enacted retaining the provisions in substance as are found in section 10, I am going to vote for it. If that section is eliminated or if combinations are made so as to emasculate the bill, either in the House or in conference, I shall take the course which my best judgment dictates when a vote is finally had in the House either upon the bill, the conference report, or the threatened presidential disapproval.

Finally, I want to insist that this responsibility is upon Congress and that we will not be meeting the expectations of the country if we do not fully assume our part of the responsibility and direct in detail this flood-control legislation.

Mr. REID of Illinois. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto be closed in 12 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that debate upon this section and all amendments thereto close in 12 minutes. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, ladies and gentlemen of the House, I made the statement a few days ago that I wanted to support flood-relief legislation and would vote for this bill if certain amendments were included. I believe we should adopt the pending amendment submitted by the distinguished gentleman from Nebraska [Mr. SHALLENBERGER]. It is a step in the right direction, because in the final analysis the levees and spillways are not the real solution of the flood-control problem We have to control the waters in the tributaries if we are to give proper protection to the valley. [Applause.] I know that the great Power Trust in this country does not want the tributaries controlled and reservoirs and dams built where power may be generated, which will come into competition with their business. We should adopt this amendment and send word to the country that this Congress favors sound, complete, and effective flood control and not merely a patchwork plan.

I call attention to another amendment which I shall offer at the proper time. I propose to offer an amendment on page 5, line 12, after the word "pay," to insert:

*Provided*, That in no event shall the compensation paid for property used, taken, damaged, or destroyed exceed the assessed valuation for taxing purposes, plus 100 per cent of such valuation.

I think this is a reasonable amendment which every Member should support, especially those from the valley States who are constantly reminding the country that there is no pork in the pending bill.

Mr. DENISON. Why make it so large?

Mr. SCHAFER. I am making it large so that no Member of the House can vote against it because it is not large enough.

Mr. COX. Does the gentleman think that the provision would be sustained in law? Does he not recognize that it would be unconstitutional?

Mr. SCHAFER. I would rather await the opinion of the highest court of the land in respect to its constitutionality than take that of the distinguished genleman. We have had similar limitations in legislation providing for purchase of property in the District of Columbia. We know that when the Government of the United States is in the market for property that the owners generally demand three, four, and five times the assessed valuation. There was read into the RECORD the other day some telegrams from great lumber and land companies showing that they would sell their land for $10 an acre; but the telegrams indicated that they reserved the minerals and the timber. Those lands are practically valueless after the timber is taken off and the minerals reserved. With the timber on these lands I am frank to state that if we look into the assessment rolls of the various districts, we will find they are not assessed on a value of much more than 50 cents an acre. A dollar or two an acre at the very most. Vote for my amendment when it is offered, and send the word to the country that this Congress is not going to leave the door wide open for any exploiting of the Treasury. [Applause.]

Mr. HOWARD of Oklahoma. Mr. Chairman, I am in full accord with the amendment offered by the gentleman from Nebraska [Mr. SHALLENBERGER]. I have prepared and intended to offer an amendment at the end of section 10, reading as follows:

Line 20, page 10, after the word "section," add: "*Provided further*, That the surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act, and if said surveys made on these tributaries shall disclose any flood-control projects which in the judgment of the commission herein provided for would be effective in controlling or assisting in controlling the floods on the Mississippi River, the President is hereby empowered to include such flood-control projects as a part of the work of controlling floods on the Mississippi River, and there is hereby made available for such purpose or purposes any part of the moneys for flood control on the Mississippi River authorized to be appropriated by this act."

When it comes to real flood control in the entire Mississippi Valley, where flood control is needed just as much on one river as the other, this amendment is the most important portion of the entire bill. We who believe in a great and comprehensive plan of flood control believe that the control of the tributaries is the most important part of this work. It is from the tributaries that the waters come that cause the floods on the Mississippi. If there were no floods on the tributaries the people of the lower Mississsippi would not be in peril.

We have believed and still believe that had the Army engineers given due, broad, and scientific study to tributary control through reservoirs that all the controversy that has arisen as to the cost of rights of way for spillways would have been averted, as many, if not all of them would not have been needed, and the sites for reservoirs would have been much cheaper than the rights of way for spillways. We are not yet convinced but if provisions are made, and they are made drastic enough to compel the proper study, that an honest administration of flood-control work will, to a very considerable degree, revert to the reservoir and tributary-control plan.

Why not? Experts who have studied the situation claim, and it is claimed that General Jadwin has admitted, that a reservoir plan on the Arkansas River would have reduced the flood crest of 1927 on the Mississippi from 3 to 4 feet, and those who have made surveys on the Arkansas River maintain that this could have been done for a cost of about $70,000,000 for the Arkansas alone, and would not only have reduced flood control on the Mississippi from 3 to 4 feet, but would have insured flood control on the Arkansas and its tributaries.

This plan on the Arkansas alone would have resulted in lowering the flood crest on the Mississippi from 3 to 4 feet. Experts who have studied the question claim that the same kind and extent of control on the Ohio would have reduced the Mississippi crest from 6 to 8 feet. They also claim that by following the same plan on the Missouri River they would reduce the Missisippi crest from 3 to 5 feet.

Thus we find the situation to be: Were the reservoir and tributary plan followed on these three rivers they would have reduced the flood crest on the Mississippi in any recorded flood from 12 to 20 feet.

It is claimed, and records disclose, that if the flood crest on the Mississippi had been reduced by this amount, or one-half of this amount, all danger and damage on the Mississippi in the flood of 1927 would have been avoided. Then I inquire why not control floods in this way and make flood control on both the Mississippi and its tributaries permanent and economical?

And why should not Congress adopt the amendment just offered, for it would yet open up the way for those in charge of flood control to do it if the facts after this survey justified the findings above? This amendment in no way interferes. It makes no additional appropriation. It can do no damage and merely makes it optional, but it does do this: That should the plan of reservoirs be found feasible or partly feasible, it would avoid any delay in asking Congress for further instructions.

I hope the chairman of the committee and the Congress will see fit to accept this amendment.

Mr. O'CONNELL. Did General Jadwin make the statement the gentleman referred to before the Flood Control Committee, or was it made in some private statement?

Mr. HOWARD of Oklahoma. General Jadwin's report indicates that reservoirs would control the Arkansas River and its tributaries, and my argument is that if they will do it, what

harm can this amendment do? We appropriate no money and increase in no way the cost to the people, but we do give an alternative plan here, if the President and the engineers in charge find that they can save money and control the floods.

Mr. WINTER. The gentleman speaks of an alternative plan. He means an additional plan, does he not?

Mr. HOWARD of Oklahoma. Yes. I can see no harm in this amendment. It may be that these experts, when they get some civil engineers on the job who are not prejudiced against these reservoirs, who are not in the position of the Army engineers of having made an office survey, and when they have made a real scientific survey, will control these floods through reservoirs both on the tributaries and on the Mississippi. Let us adopt this amendment. [Applause.]

Mr. REID of Illinois. Mr. Chairman, I would like to reiterate every good thing that has been said about the reservoir system. I think it is the ideal method of preventing floods on the Mississippi River at some time, because everybody knows that a big flood is nothing but a lot of little floods coming together at the same time.

The introduction of such an amendment is an ideal method of killing this particular piece of legislation, and therefore I hope you will vote down the amendment at this time. My original bill provided for reservoirs in a similar way, and my having it in there was the occasion of commentaries by people appearing before the committee, and was used as an excuse to belittle my bill and for saying it would cost a billion dollars, and thus wipe it off the board so far as concerns the proposition at this time.

Mr. SHALLENBERGER. My amendment is not binding on the President to spend a dollar.

Mr. REID of Illinois. No. But it permits the use of the appropriation on reservoirs and does not provide whether you will give one-tenth or do it for nothing. It is ill-advised at this time, and consequently I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. O'CONNELL. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk read as follows:

Amendment offered by Mr. SHALLENBERGER: Page 3, line 14, after the committee amendment and before the word "The," insert the following: "*Provided further,* That whenever the President shall ascertain from the Secretary of War or other agency that floods on the lower Mississippi can be controlled and prevented by construction of reservoirs for the impounding of waters in the Mississippi River and its tributaries, the construction of such reservoirs is hereby authorized, under the direction and supervision of the Secretary of War and the Chief of Engineers, and the appropriations authorized by this act are hereby made available for such reservoir construction."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Nebraska [Mr. SHALLENBERGER].

The question was taken; and on a division (demanded by Mr. SHALLENBERGER) there were—ayes 107, noes 111.

Mr. LaGUARDIA. Tellers, Mr. Chairman.

Tellers were ordered; and the Chairman appointed Mr. REID of Illinois and Mr. SHALLENBERGER to act as tellers.

The committee again divided; and the tellers reported—ayes 107, noes 114.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 3, line 15, after the end of section 1, add a new paragraph, as follows:

"All unexpended balances of appropriations heretofore made for prosecuting work of flood control on the Mississippi River in accordance with the provisions of the flood control acts approved March 1, 1917, and March 4, 1923, are hereby made available for expenditure under the provisions of this act except section 13."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MADDEN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. HASTINGS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question with reference to the fixing by the President of the salary. I invite attention to the proposed amendment on page 8, beginning with line 12 and ending with line 18. I want to ask the gentleman whether or not that did not provide for the salaries of the commission?

Mr. REID of Illinois. One is for the board and one is for the commission.

The CHAIRMAN. Without objection, the Clerk will correct the spelling of the word "contiguous," on page 3, line 13.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That it is hereby declared to be the sense of Congress that the principle of local contribution toward the cost of flood-control work, which has been incorporated in all previous national legislation on the subject, is sound, as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest. As a full compliance with this principle, in view of the great expenditure, estimated at approximately $292,000,000, heretofore made by the local interests in the alluvial valley of the Mississippi River for protection against the floods of that river; in view of the extent of national concern in the control of these floods in the interests of national prosperity, the flow of interstate commerce, and the movement of the United States mails; and in view of the gigantic scale of the project, involving flood waters of a volume and flowing from a drainage area largely outside the States most affected, and far exceeding those of any other river in the United States, no additional local contribution to the project herein adopted is required.

With a committee amendment.

Mr. LaGUARDIA. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. CRAMTON). The gentleman will state it.

Mr. LaGUARDIA. It is not legislation. It is simply a declaration of sentiment and feeling. Otherwise there is no legislation in it. It is like a "whereas" clause in a resolution.

The CHAIRMAN. Unless the gentleman from New York desires to be heard further, the point of order is overruled. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 4, line 9, strike out the word "additional."

The CHAIRMAN. The question is on agreeing to the committee amendment.

Mr. FREAR. Mr. Chairman, what is the committee amendment?

The CHAIRMAN. The Clerk reported the committee amendment. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Page 4, line 10, after the word "required," strike out the comma and insert the words: "*Provided,* That in all cases where in execution of the flood-control plan results, in the opinion of the board created in section 1 of this act, in special benefits to any person or persons, or corporations, municipal or private, or public-service corporations, such benefit shall be assessed upon the property benefited and shall constitute a lien thereon, and shall be collected by such proceedings as the Secretary of War may prescribe, which proceedings shall provide for deferred payments to such extent as may be deemed just and reasonable under all the circumstances."

Mr. REID of Illinois. Mr. Chairman, I reserve a point of order against the amendment.

Mr. LUCE. Mr. Chairman, the injection of what may at first blush seem a novel proposal into the consideration of a bill of this sort at this stage does not invite speedy acceptance, I well realize, but possibly later in the journey of the measure the proposal may receive adequate consideration, if that is impossible now. But the suggestion is not wholly novel. In section 4, which we are told will disappear from the bill, there is essentially this proposal but applying only to such lands as might in part be taken. This is the principle of betterments. There is no logical reason why the principle of betterments should apply only to land to be taken in part and not apply to adjacent land, chancing to be outside the limits of the actual construction. It has been in my State for 60 years an accepted principle, one now become a political and social habit, that the unearned increment accruing to private owners of property as a result of public improvement shall be taken by the community to reduce the cost of that improvement.

Mr. DENISON. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. DENISON. Before the improvement is undertaken in your State, is it not submitted to a vote of the people?

Mr. LUCE. The improvement itself?

Mr. DENISON. Yes.

Mr. LUCE. Oh, by no means.

Mr. DENISON. Does the gentleman maintain that this Government can provide an assessment in one State for an improvement done in another without consulting the people themselves, and that that can be made a lien upon property in another State and their property taken from them if they do not approve it?

Mr. LUCE. I maintain that the practice is constitutional in those of the States that follow it and that it is constitutional for the Federal Government to say that unearned increment shall not accrue to private owners of property as the result of public improvement. That may be presumed to have been the justification for putting it, in part, into section 4.

Mr. BLACK of New York. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. BLACK of New York. Does the gentleman contend that it is constitutional for the Government to levy a direct tax on any real estate?

Mr. LUCE. I do not admit that this is a tax. This is what is known in various States of the country as a special assessment. I am told by an Indiana Member that in his State the benefits that result from drainage undertakings are assessed not only in the case of the bottom lands but also that the assessments go away up into the hill lands, and no man is allowed to benefit unrighteously by the expenditure of public money. The gentleman who told me this thought the same system prevailed in Illinois and in some of the other Western States.

Mr. DENISON. Of course, that system prevails, but before an improvement is undertaken there must be a vote or a petition signed by a certain number of the people whose land is affected. The Government can not undertake an improvement and impose a burden upon property without consulting the people.

Mr. LUCE. I think the gentleman discloses lack of familiarity with the principle as we have applied it in New England to the great benefit of the community and with fair play to all concerned. Now, let me get down to the concrete facts.

Mr. McSWAIN. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. McSWAIN. If the amendment should be enacted into law, I wish to suggest to the gentleman the propriety of requiring that the Secretary of War shall give notice to all parties whose lands may be affected by a lien to show cause why there may not be an assessment made in compensation for betterments, so they may have had their day in court and the question of constitutionality may then not be raised.

Mr. LUCE. The amendment is necessarily brief, for I did not desire to include the whole law of betterment or special assessment, but I was proceeding on the expectation that the Secretary of War, with the advice of the Attorney General, would go ahead in a constitutional and legal manner.

Mr. COX. Will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Georgia.

Mr. COX. Is the gentleman contending that the Federal Government has a revenue-raising power which it can exert as against the States?

Mr. LUCE. I do not concede that this is a revenue-raising power.

Mr. COX. The amendment of the gentleman provides that the principle of benefit assessments shall be exercised.

Mr. LUCE. I do not concede it is an exercise of the taxing power. It is the exercise of the right to take away from those who have not earned it money that would otherwise go into their pockets.

Mr. COX. But certainly the gentleman is not contending that the Federal Government can exercise any such power as against the States.

Mr. LUCE. It is not the exercise of taxing power against the States. This does not require a local contribution or a local levy of any sort. It says to the great lumber company that is going to get a million dollars increase in the value of its land, "You have not earned this $1,000,000, and it should go into the Public Treasury to pay for the cost of the improvements."

Mr. COX. Certainly the gentleman does not contend that the Federal Government can exercise any such power.

Mr. LUCE. I absolutely do so contend. It was put into the fourth section of the bill. Why did the gentlemen who put it in the fourth section permit it to go there if we could not exercise that power?

Mr. COX. The gentleman is entirely in error.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SHALLENBERGER. Mr. Chairman, I move to strike out the last word. I want to submit a question to the gentleman from Illinois [Mr. MADDEN], if I may have his attention. I would like to ask the gentleman if he can state to the committee just how much additional appropriation we carried in the amendment of the gentleman which appropriates unexpended balances of the past?

Mr. MADDEN. It is just the unexpended balance of the appropriation for flood control which we have been making of $10,000,000 a year. We have now $10,000,000 pending.

Mr. SHALLENBERGER. Can the gentleman state how much money that would add to the $325,000,000?

Mr. MADDEN. I think it would add $10,000,000, or very close to it.

Mr. BANKHEAD. Mr. Chairman, I understand a point of order has been reserved to the amendment.

Mr. REID of Illinois. Mr. Chairman, I withdraw the point of order.

Mr. GARRETT of Tennessee. Mr. Chairman, I renew the point of order. I do not care to discuss it, but I make the point of order it is not germane to the section.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Massachusetts on the point of order.

Mr. LUCE. Mr. Chairman, the first consideration in the matter of this point of order is that the whole subject is thrown open by the stump speech that makes up 95 per cent of the section. That part of the bill has no place in the law. We regularly strike out preambles. We do not ordinarily put reasons and arguments into our legislation, but when we do try to put them into the law itself we open wide the whole subject with such an academic expression of opinion and such a statement of historical fact as here appears. This sort of thing invites litigation and then controversy every time the statute comes into court. Now, gentlemen, when you opened the door wide you invited every kind and type of amendment. This is the first answer I shall make to the point of order, and it is the case of the King of France going to the French city and the council coming out and apologizing because the mayor did not present himself. They said the first of 10 reasons was that the mayor was dead. This first of the 10 reasons why this section is open to amendment in any particular relating to the whole subject suffices, in my judgment, and there is no need to give the rest.

If it is not to be opened to amendment in this particular, possibly when section 4 is reached the amendment may be renewed and may receive further consideration by the committee.

Mr. NEWTON. Will the gentleman yield there?

Mr. LUCE. Yes.

Mr. NEWTON. I will call the gentleman's attention to lines 19, 20, 21, 22, and 23, and the broad language used there which calls attention to the special interest of the local population. That certainly ought to form some basis for the gentleman's amendment.

Mr. LUCE. And I would add to that pertinent consideration by calling your attention to this other language, adequate as a basis for proposing an amendment of this sort:

As a means of preventing inordinate requests for unjustified items of work having no material national interest.

The demands of certain corporations interested in the lands of this valley might be inferred from the words, "unjustified items of work," and "inordinate requests" might be construed to cover the whole proposition.

The CHAIRMAN (Mr. LEHLBACH). The Chair is ready to rule. The first sentence of section 2 reads as follows:

SEC. 2. That it is hereby declared to be the sense of Congress that the principle of local contribution toward the cost of flood-control work, which has been incorporated in all previous national legislation on the subject, is sound, as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest.

After a further recital the section continues that in view of the gigantic scale of the project, and so forth, no additional local contribution to the project herein adopted is required. By committee amendment the word "additional" is eliminated.

The amendment offered by the gentleman from Massachusetts [Mr. LUCE] provides for the assessment of special benefits accruing to any persons, corporations, municipal or private or public service corporations, and provides that the assessment of such benefits upon the property benefited shall constitute a lien thereon. The point of order is that this provision is not germane to the subject matter of section 2. Without going exhaustively into the question, the Chair deems the amendment in furtherance of the declaration of policy in the first part of

the section and hence germane. He therefore overrules the point of order. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. LUCE) there were 87 ayes and 90 noes.

Mr. LUCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. LUCE and Mr. REID of Illinois.

The committee again divided; and the tellers reported that there were 110 ayes and 118 noes.

So the amendment was rejected.

Mr. FREAR. Mr. Chairman, I move to amend by striking out of section 2 all after the words "national interest," in line 23.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Page 3, line 23, after the word "interest," strike out the remainder of the section.

Mr. FREAR. Mr. Chairman, I concur in the statement that section 2 is largely a stump speech. This policy of contribution has always been pursued by the Government in regard to flood control. It is pursued in case of the Sacramento proposition in this same bill and it ought, to my mind, to be continued.

The second part of the project is of the same character and I will point it out. It says:

As a full compliance with this principle in view of the great expenditure estimated at approximately $292,000,000 heretofore made by the local interests in the alluvial valley of the Mississippi River for protection against the floods of that river.

That is money spent for levees. During the course of 50 years, or it may be 100 years, of such expenditure it does not state anything with regard to how much they benefited by that expenditure. They may have had in crops and other benefits a hundredfold that amount. I do not know that anyone knows the fact. It seems to me it has no relation and we ought not to prejudice a good principle by that provision. By striking it out it interferes in no way with the other parts of the section.

I do believe, as the gentleman from Massachusetts [Mr. LUCE] declared on the floor, that on every occasion where it can be made, where the Government goes in and puts in money and permits the local States to benefit, those benefits should be charged to them. The fact is that the committee was so strongly in favor of the amendment of the gentleman from Massachusetts that we almost passed it with over 100 votes. I am in favor of contribution.

Mr. BANKHEAD. Would not it put us in a ridiculous attitude for the committee to adopt the gentleman's suggestion—striking out the latter part and leaving in the first part, that we do believe in local contribution?

Mr. FREAR. I am willing to strike it all out.

Mr. RAINEY. Mr. Chairman, the narrow escape the bill had from complete destruction a few minutes ago emphasizes the fact that the friends of this legislation ought to remain on this floor. A proposition socialistic in the extreme, and not dreamed of by any advocates of the single-tax system, narrowly escaped incorporation in the bill. It was only defeated in the committee by seven or eight votes. The speech of the gentleman from Massachusetts introducing the proposition itself was made the vehicle for another insinuation that somewhere in these spillways which are to receive the surplus flood of this river—somewhere there is a lumber company which may profit to the extent of a million dollars by the adoption of this bill with its provision for spillways.

Mr. LAGUARDIA. What is the name of the lumber company?

Mr. RAINEY. There is no such lumber company. The insinuation was that somewhere there is a lumber company which may profit greatly and to the extent suggested by the gentleman from Massachusetts if this bill becomes a law.

I challenge that statement and all similar statements that there are lumber companies in these proposed spillways which will recover enormous sums of money if the plan is adopted. The statement was made early in this debate by the gentleman from Wisconsin [Mr. FREAR] that there are lumber companies, namely, the Tensas Lumber Co., operating in the Cypress Creek spillway, owning 225,000 acres of land, and other great lumber companies were enumerated in that particular indictment of this bill.

Mr. WILSON of Louisiana. Mr. Chairman, if the gentleman will yield, in order to keep the RECORD straight, the Tensas Delta Land Co. is not a lumber company.

Mr. RAINEY. I thank the gentleman for his contribution to the facts. After the publicity had gone out over the country that these companies were to profit and to obtain all the way from $50 to $75 an acre for their land, then the telegrams commenced to come from these companies addressed to the gentleman from Louisiana [Mr. WILSON]. He commenced to put them in the RECORD, and we were surprised to learn that the Tensas Land Co. insisted that its lands, the fee to its land, timber rights, mineral rights, if there are any, everything of value connected with the land, was not worth to exceed $10 per acre, and much of it was not worth to exceed $5 an acre.

Mr. SCHAFER. Those telegrams incorporated in the RECORD do not indicate that $10 an acre included the mineral and timber rights. The telegrams specifically exempted those rights.

Mr. RAINEY. Oh, what the gentleman thinks he knows about flood control would fill a great many volumes, but what the gentleman does know would not fill one.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN? Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. SCHAFER. The RECORD will speak for itself as between the accuracy of my statement and the statement of the gentleman from Illinois.

Mr. RAINEY. I yielded only for a question. What does the Government want with coal 60 feet under ground, when it simply wants to run water over the surface of the ground? What does the Government want with timber standing on the ground when it only wants to run water through the timber on the way down to the Gulf? But the gentleman from Wisconsin [Mr. SCHAFER] is continually injecting into this debate, no matter what the facts are, no matter what the companies are willing to take for their land, that they all retain the mineral and timber rights. What in the world does the Government want with coal and the minerals and the timber in order to flow water through the timber and over the land down to the lower part of the river and on to the Gulf?

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. I can not yield for the present. I understand that in this spillway where the Tensas Land Co. operates there are 3,750,000 acres of timberland. The gentleman from Louisiana [Mr. WILSON] has already received telegrams and has placed them in the RECORD, accounting for perhaps 600,000 acres of that land. Those telegrams fix the value of the flowage rights over all of it. Nobody can substantiate the extravagant amounts that the gentleman claims were demanded for this land, $50 and $75 an acre, at the opening of this debate.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. MADDEN. I wonder if my colleague is right when he says that all that they demand of the Government is the cost of the flowage rights. My understanding is, and I may be wrong, that they are demanding that the Government shall buy the title to the land. If that is true, there is quite a difference as to what it will cost.

Mr. RAINEY. If that is true, that would make some difference, but if that is true the title to this land could not be worth over $5 or $10 an acre. It is worth only one-seventh as much as the House has been told it was worth.

Mr. MANSFIELD. And in that case the mineral and timber rights would not be reserved.

Mr. WILSON of Louisiana. The flowage rights would be bought, except such land as may be necessary for the construction of the levees.

Mr. FREAR. Does the gentleman contend that the flowage rights of these 4,000,000 acres can be purchased for $5 to $10 an acre?

Mr. RAINEY. For the land itself. That can be purchased at $10 or $5 an acre. That is what the telegram of the Tensas Co. stated, and this is the largest of these land companies which were subjected to a most vigorous indictment by the gentleman from Wisconsin.

Mr. FREAR. But the testimony in our committee was entirely to the contrary.

Mr. RAINEY. The telegram is of record and that settles it, and that company would be bound by its statement and could not get out of it, and all these other companies have values fixed for them by these numerous telegrams.

Mr. WILLIAM E. HULL. All they want on these flowage rights is an easement.

Mr. RAINEY. Yes.

Mr. WILLIAM E. HULL. And if a man refused to give that easement, they could flow the water over it anyway, could

they not, and then he would have to come to the court for damages?

Mr. RAINEY. I think, perhaps, with the collaboration of States a condemnation proceeding might be brought which might accomplish that.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

Mr. REID of Illinois. Mr. Chairman, pending that, I ask unanimous consent that debate upon the pending section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five minutes additional. Is there objection?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. I yield.

Mr. COX. The estimate in relation to flood ways is substantially correct except as to the land included in the New Madrid set-back.

Mr. DRIVER. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. DRIVER. I want to call attention to the fact that the highest estimate on the acreage of the flood ways in Louisiana and Arkansas is 2,150,000 acres, and that of New Madrid 170,000 acres, and not 3,000,000 or 4,000,000 acres.

Mr. RAINEY. Now I want to add just one contribution to the letters and telegrams that have gone into this record from timber-owning companies in these flood ways. The assertion was made that ex-Senator Lorimer, of Illinois, was interested in this proposition, that his company controlled a large amount of timberland in the Cypress Creek spillway, and that his company occupied offices in the same office building as that occupied by the Tensas Land Co., although the name of the building was not stated—the Illinois Merchants National Bank Building. It is true the offices of his company are located in that building. At least 5,000 people have offices in that building; perhaps as many as 10,000 people.

The officials of the Tensas Land Co. have stated that they have not even heard of Mr. Lorimer's company. It has been insisted that Mr. Lorimer's company will profit, and that is the reason for his concern or interest in this legislation.

I know what his concern and interest is. His interest in the problems of the Mississippi River was well understood in this body during the 14 years he has served here and during his entire career. He is here representing the Chicago Flood Control Conference. I have here a letter addressed to me, which I will put in the RECORD, in which he states that his company will give the flowage rights on his land. That ought to cover it. Mr. Chairman, I ask unanimous consent that the letter be read by the Clerk.

Mr. LAGUARDIA. Will the gentleman connect or couple the offer to give the flowage rights for the land with an acceptance of the offer right now?

Mr. RAINEY. Oh, yes. If you want to accept it and will introduce a germane amendment to that effect, I will favor it. I will vote for it.

Mr. Chairman, I ask that the letter be read in my time.

The CHAIRMAN. Without objection, the Clerk will read the letter.

The Clerk read a portion of the letter.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. May I have one minute more in which to finish the reading of the letter?

The CHAIRMAN. Is there objection?

Mr. FREAR. I will have to object, unless I can answer it in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois? Without objection, the Clerk will read.

There was no objection.

The Clerk continued to read the letter.

Mr. FREAR (interrupting the reading). Mr. Chairman, I make a point of order against it. I move that that be stricken from the RECORD.

The CHAIRMAN. The gentleman from Wisconsin makes a point of order against a certain portion of the letter. Has the gentleman any other motion to make?

Mr. FREAR. I move that it be stricken from the RECORD.

The CHAIRMAN. The entire letter?

Mr. FREAR. The entire letter.

Mr. RAINEY. Can the Chair give me an opportunity to be heard on the point of order?

The CHAIRMAN. It must be taken up in the House.

Mr. FREAR. Mr. Chairman, I ask that the words be taken down.

The CHAIRMAN. The gentleman from Wisconsin asks that the words be taken down. The words being written, the Clerk will report them.

The Clerk read the passage in the letter that was objected to.

Mr. RAINEY. Mr. Chairman, may I be heard?

The CHAIRMAN. There can be no business transacted until the committee rises and reports to the House.

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, having under consideration the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, reported that by unanimous consent the reading clerk in the committee was proceeding to read a letter into the RECORD in the time of the gentleman from Illinois [Mr. RAINEY], whereupon the gentleman from Wisconsin [Mr. FREAR] made the point of order that the language in the letter was unparliamentary and demanded that the words be taken down, that the words were taken down, and were read by the Clerk.

The SPEAKER. The Clerk will report the words to which exception is made.

The Clerk read the words objected to.

Mr. FREAR. Mr. Speaker, the only reason I moved to strike this from the RECORD—and do so move—is because of other insinuations that occurred before, and I thought there should be an end to them. They have been continually followed in this letter. Of course, I knew nothing about the contents of the letter until it was read. I do not dispute the facts, but I move that the personal allusion to me in the letter be stricken from the RECORD.

Mr. RAINEY. Mr. Speaker, may I have that letter for a minute?

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Illinois?

Mr. FREAR. Surely.

Mr. RAINEY. Mr. Speaker, this letter contains merely statements of fact.

Mr. FREAR. It may be considered as containing statements of fact when it reflects upon me, as it does, but I do not concede that.

Mr. SCHAFER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. SCHAFER. The gentleman from Illinois [Mr. RAINEY] is out of order. He stated that the letter contained nothing but statements of fact when it reflects upon the gentleman from Wisconsin [Mr. FREAR]. Therefore, the gentleman is out of order, as his language is unparliamentary.

Mr. LAGUARDIA. Mr. Speaker, I make the point of order that under the rules of the House, when a point of order is made that unparliamentary language has been used and a request is made for the words to be taken down and the matter referred to the House, the offending Member must take his seat and remain seated until the matter is disposed of.

The SPEAKER. The gentleman from Wisconsin has made a motion. He is entitled to an hour and has yielded to the gentleman from Illinois.

Mr. RAINEY. And the gentleman from Illinois is proceeding to occupy as much time as he may need.

Mr. FREAR. I refuse to yield further if that be the attitude of the gentleman from Illinois.

Mr. RAINEY. Mr. Speaker, I have the floor.

The SPEAKER. No. The gentleman from Wisconsin has been recognized by the Chair to offer a motion to strike a letter from the RECORD. The gentleman from Wisconsin has the floor for one hour.

Mr. RAINEY. And has yielded to me.

Mr. FREAR. I refuse to yield further.

The SPEAKER. The gentleman from Wisconsin is within his rights. The gentleman must take his seat. The gentleman from Wisconsin is recognized.

Mr. FREAR. Mr. Speaker, I do not know what the latitude may be in discussing this question. I will say to my distinguished friend from Illinois [Mr. RAINEY] that he and I rarely find any serious question of difference, but I do wish to make this brief statement to the House in reference to Mr. Lorimer and I make it without any exaggeration. I feel the House is entitled to the facts at this time. From the day that we had our first hearing the ex-Senator from Illinois Mr.

Lorimer, has been in constant attendance in our committee, up to and including Saturday last, when he came out——

Mr. BANKHEAD (interposing). Mr. Speaker, I raise a point of order. The gentleman from Wisconsin who now occupies the floor has taken exception to certain language quoted from a letter which was being read from the Clerk's desk. The gentleman, under the rules, is entitled to discuss that offensive language, and explain to the House wherein the language in itself is offensive, but I say that under the rules he is not entitled to go into various statements of fact involved in this whole controversy with Mr. Lorimer. I make the point of order that he should be confined in his remarks to an explanation or a statement with reference to the offensive language.

Mr. FREAR. I am endeavoring to keep within the rules, Mr. Speaker.

The SPEAKER. The Chair thinks the gentleman should proceed to discuss his motion, which is to strike out certain language that is offensive to him.

Mr. FREAR. I wanted to give the basis for it. I have made no statement in regard to Mr. Lorimer, such as he suggests. It was reported to me that he had an office in the same building, in Chicago, that he had lumber interests, as we knew, small though they may be, that this other company had offices in the same building, with 226,000 acres, and he had been in such constant attendance that I had a right, I felt, to make the statement that they were there together.

I did not make any statement beyond that. Although he has been in constant attendance here, I have never charged him with doing anything unfair or dishonest whatever the facts or anything of that kind, but he does make a charge about me, as he says, if I can understand it. I am frank to say that I concede he is a very clever, very shrewd man, the way he has phrased his letter, and I contend it is an unfair insinuation against me. I have tried to conduct this whole flood-control matter fairly with the House and with every Member of it, and this man has sat here in the House on the floor every day, a very unusual proceeding.

Mr. RAMSEYER. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. RAMSEYER. The motion the gentleman has made, as I understood it, goes to the striking of the entire letter from the RECORD?

The words that were taken down in committee constituted the language to which the gentleman objected as being offensive. Why would it not be better to limit the motion to the offensive language?

Mr. FREAR. The gentleman was not listening to the other part of the letter which I passed over and was perfectly willing to let go by until a later and renewed reflection was made upon me, and I felt than the entire letter ought to be striken from the RECORD for the same reason I would vote in the case of any Member of this House if anyone on the outside wrote such a letter about him.

Mr. RAMSEYER. The gentleman does not claim that the entire letter——

Mr. FREAR. Not so far as the facts are concerned, but so far as the personal allusions are concerned.

Mr. RAMSEYER. The gentleman does not claim that the entire letter tends to reflect on him?

Mr. FREAR. Not the entire letter, but the insinuations throughout the letter where he mentions my name.

Mr. BANKHEAD. Will the gentleman from Wisconsin yield?

Mr. FREAR. Certainly.

Mr. BANKHEAD. Did not the gentleman confine his objection to the language which he requested to be taken down and which was read from the Clerk's desk?

Mr. FREAR. No; I said——

Mr. BANKHEAD. Under the rule that is all the gentleman had the right to except to.

Mr. FREAR. The gentleman from Alabama can discuss that later, but the gentleman asked me what I did. In view of the preceding language which led up to this statement, and in view of the constant reiteration regarding myself, I asked that the letter be stricken from the RECORD. If I am not entitled to do that——

Mr. O'CONNOR of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Wisconsin yield for a parliamentary inquiry?

Mr. FREAR. No; not until I have made my statement.

As I have said, based upon that, I made a motion that the letter be stricken from the RECORD. If I am not entitled to make that motion, that is a matter that is subject to a point of order.

Mr. O'CONNOR of New York. Will the gentleman yield for a parliamentary inquiry?

Mr. FREAR. I yield. Is the gentleman addressing me or the Speaker?

Mr. O'CONNOR of New York. I wish to submit a parliamentary inquiry to the Speaker.

The SPEAKER. The gentleman will state his point of order.

Mr. O'CONNOR of New York. Do I understand that the motion before the House is to strike the entire letter or is the motion confined to the taking down of certain words which were read by the Clerk?

The SPEAKER. The motion of the gentleman from Wisconsin, as the Chair understood, was to strike the entire letter from the RECORD.

Mr. O'CONNOR of New York. Mr. Speaker, I do not believe the record before the House would justify that view because I never heard a motion to strike the entire letter from the RECORD. The words were taken down in the committee and reported back to the House, and I understood that was the only motion made.

The SPEAKER. The Chair thinks under the circumstances the gentleman from Wisconsin has the right to make the motion. The Chair has since read the letter and there are a number of sentences in it which convey—well, a rather unpleasant attitude.

Mr. FREAR. Mr. Speaker, it is discursive and abusive.

The SPEAKER (continuing). And the Chair thinks it is for the House to decide whether to support the motion of the gentleman from Wisconsin or not. The Chair thinks the motion is in order, and the House will be called upon to vote whether or not to strike the entire letter from the RECORD.

Mr. LAGUARDIA. Will the gentleman from Wisconsin yield?

Mr. FREAR. I yield to the gentleman from New York.

Mr. LAGUARDIA. Will the gentleman kindly inform the House why it is that in a bill of such national importance this man Lorimer, a former Representative—I refuse to call him Senator—why former Representative Lorimer is so prominent in this measure? Can the gentleman give us that information?

Mr. FREAR. That relates to a fact; and, of course, I am not supposed to dwell on facts here, I am simply expected to speak for myself, I suppose.

Mr. REID of Illinois. Will the gentleman yield so that I may submit a parliamentary inquiry?

Mr. FREAR. I yield to the chairman of the committee.

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Illinois?

Mr. FREAR. I yield to the gentleman from Illinois.

Mr. REID of Illinois. I want to make a point of order, Mr. Speaker, in the time yielded to me. The committee rose for the purpose of acting upon certain objectionable words that were taken down. After this was done we come into the House and find an entirely different situation, because a motion is now being made to strike the entire letter from the RECORD, which is a different purpose from the one which the committee had in mind when it rose. I want to object to any further proceedings other than those for which the committee rose and ask the regular order.

Mr. LEHLBACH. Mr. Speaker, may I address myself to the point of order made by the gentleman from Illinois?

The SPEAKER. Yes; the Chair will be pleased to hear the gentleman.

Mr. LEHLBACH. The Chairman of the Committee of the Whole House on the state of the Union reported that a letter was being read to the committee at the instance of the gentleman from Illinois [Mr. RAINEY]; that a point of order was made that the letter contained objectionable language, and that language was taken down and reported to the committee and reported to the House. Now, it is thoroughly competent for the House, in its discretion, to strike the letter carrying the offensive language from the RECORD.

The SPEAKER. The Chair thinks so.

Mr. REID of Illinois. The point of order I make is that that is not the purpose for which the committee rose.

Mr. LEHLBACH. But the House can do as it pleases about that.

The SPEAKER. The Chair just a moment ago gave it as his opinion that it is for the House itself to decide whether to strike the letter from the RECORD or not. The gentleman from Wisconsin, the Chair thinks, is proceeding in order.

Mr. FREAR. Now, let me take a moment to finish my statement.

The letter as read contained reflections upon me. The gentleman from Georgia [Mr. CRISP] is very fair generally, and if the statement had been made about the gentleman from Georgia [Mr. CRISP], I would have immediately resented it. I passed the matter over for the first two or three insinuations and then when I saw the whole letter was of that character—and I am very sorry the gentleman from Illinois [Mr. RAINEY] insisted on reading it here—I then objected and asked that the whole

letter be stricken from the RECORD, not because of these words alone but because of the words that preceded as well.

Mr. CRISP. Will the gentleman from Wisconsin yield to me for a parliamentary inquiry?

Mr. FREAR. I yield to the gentleman from Georgia.

Mr. CRISP. Mr. Speaker, the gentleman has yielded to me for a parliamentary inquiry of the Chair. I do not care to express any opinion as to this immediate controversy, but I do want to call the Chair's attention to this matter as a precedent and to address a parliamentary inquiry to the Chair after the Chair has thought about the matter a moment.

This whole matter comes before the Chair by reason of the fact that the committee automatically rises to report to the Chair that during the debate unparliamentary words were read. The committee did not rise on motion. The committee rose automatically to report to the Speaker that there had been a violation of the rules as to the decorum of debate.

Now, Mr. Speaker, it seems to me under those conditions the first thing the Speaker must decide is whether or not the words are unparliamentary. If they are, then I grant you that it is in order for the House to take such action as it sees fit to purge the RECORD.

But, Mr. Speaker, think of this: The Committee of the Whole is considering a very important piece of legislation—the flood control bill. Some Member calls another to order for words spoken in debate that are claimed to be unparliamentary. The committee does not rise on a motion, but rises automatically to report to the Speaker. The Speaker has not passed on whether those words are a breach of the rules of debate. What is the practical effect of it? Any gentleman can, by calling another to order, get the committee to rise, get recognition for an hour and discuss a matter that may be perfectly foreign to the bill the committee was considering.

Therefore it seems to me that before this matter can come up the Speaker must decide whether, in his judgment, there has been a breach of the rules in debate. If so, the gentleman is entitled to recognition, and the House can take such action as it sees fit.

Mr. DENISON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. DENISON. Does not the gentleman think that in this kind of a case the only question before the House as distinguished from the committee is on the words that were taken down?

Mr. CRISP. Unquestionably, the Speaker is not supposed to know what transpired in committee. When the committee rises automatically the Chairman of the Committee of the Whole House on the state of the Union informs the Speaker what has transpired, and then if the Speaker rules that the words were parliamentary the committee would automatically go back into Committee of the Whole House on the state of the Union and consider the bill they were considering when it rose. If the Speaker decides that the words were unparliamentary it is up to the House to take such action as it sees fit.

Mr. RAINEY. Mr. Speaker——

Mr. SCHAFER. Mr. Speaker, I make the point of order that the gentleman from Illinois is out of order.

The SPEAKER. The gentleman is out of order unless the gentleman from Wisconsin yields to him.

Mr. FREAR. I wish to make a statement and do not yield.

The SPEAKER. The Chair is clear in his own mind as to what the situation is. The Chair could not be imputed with ignorance, because the Chair was present and heard the words uttered, and the fact that the Chair recognized the gentleman from Wisconsin carries with it the necessary implication that he regarded the words as not parliamentary. The gentleman from Georgia is right, that the Chair must decide in the first place whether the words taken down are unparliamentary or not. The Chair did not announce in so many words, but the fact that he recognized the gentleman from Wisconsin implied that he regarded the words of an unparliamentary nature and allowed the gentleman to move that they be stricken from the RECORD.

Mr. FREAR. Mr. Speaker, let me say in answer to the gentleman from Georgia that statements were made in the letter that were clearly objectionable but I let them go by expecting there would be an end of it, and then the final objectionable remark came and I made the motion. Suppose the letter, in addition to what it did say—suppose it contained more and more of the same character. Am I obliged in each case to ask that the words be taken down and have the committee refer the matter each time to the House? To avoid that situation I took what I supposed was the proper course and moved that it be stricken from the RECORD. The fact is the Speaker had access to it and knows what it contains.

Mr. GARRETT of Tennessee. Will the gentleman yield to me?

Mr. FREAR. Certainly.

Mr. GARRETT of Tennessee. If the gentleman will yield, I think the matter can be settled in a moment if he will yield to the gentleman from Illinois [Mr. RAINEY].

Mr. FREAR. I will yield.

Mr. RAINEY. Mr. Speaker, I will say that I am sorry that the gentleman from Wisconsin was offended by any statement in the letter. I will simply read that part in which Mr. Lorimer proposes to give the right of way over his land.

Mr. FREAR. Let me supplement that statement by saying that in our Flood Control Committee some such remark was made by Mr. Lorimer—there is no question about that.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to withdraw the letter.

The SPEAKER. The gentleman from Illinois asks unanimous consent to withdraw the letter. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, I withdraw my motion.

The SPEAKER. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN. The House is again in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3740, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last two words.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry. The gentleman from Illinois [Mr. RAINEY] had the floor when the committee rose.

The CHAIRMAN. The gentleman's time had expired and he asked unanimous consent for sufficient time in which to read the letter. The letter having been withdrawn, the time has expired. The gentleman from Wisconsin is recognized.

Mr. SCHAFER. Mr. Chairman, I shall not take up much of the time of the House at this time, but merely want to reply in part to the statements made by the gentleman from Illinois [Mr. RAINEY]. He was proceeding under debate and called to the attention of the committee that these great lumber companies had sent telegrams offering their property for spillways at sums of from $5 to $10 per acre, and that the offer included the minerals and the timber. In order to keep the RECORD straight I asked him to yield and he did yield. I called his attention to the true facts in the matter, that these offers of the lumber companies of $5 and $10 an acre did not include the mineral rights or the timber. He then told the House that the timber and the mineral rights did not mean anything. Of course, the great natural resources of this Nation may not mean anything to distinguished Democrats, such as Mr. Doheny, who believed the Government had no interest in the oil resources of the country. Perhaps the timber and mineral resources, including coal, do not mean anything to the distinguished gentleman from Illinois [Mr. RAINEY], but they do mean something to me and the American people. In view of the fact that he inferred that I did not understand anything about this flood control bill, I rose for these two minutes to keep the RECORD straight. The RECORD clearly shows that it was necessary to correct the gentlemen from Illinois in order to keep before us the true facts concerning the telegrams of the great land and lumber companies. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment to the amendment of the gentleman from Wisconsin, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA to the amendment offered by Mr. FREAR: Page 3, beginning with line 16, strike out all of section 2 down to and including the word "interest" in line 23.

Mr. LAGUARDIA. Mr. Chairman, this would strike out the entire section 2. I think it is apparent to the House that no matter how careful we may be in following the rules of the House, no matter how parliamentary we may be in the choice of the language used in discussing this bill, the American people will know that certain people with an unsavory political past are vitally interested in the land features of this bill. The more we discuss it, the more we go into it, the more the fact will come out that the one proposition on which we are divided is the matter of this land and the machinery whereby the Government will acquire it and have to pay excessive and exorbitant prices for the land. The gentleman from Illinois [Mr. RAINEY], who is always lucid and clear, I can not understand on this occasion. He first takes the floor and points out that there are no lumber companies interested, and then he proceeds to tell that we received telegrams from lumber com-

panies. The gentleman from Louisiana [Mr. WILSON] points out that the land in the lower part of the valley is worth only $5 to $7.50 an acre, and when he is pressed by some of his colleagues he says in another part of his statement that most of the land is highly cultivated.

Mr. WILSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WILSON of Louisiana. I did not make the statement. I simply placed in the RECORD the telegrams from the various companies, the people whose names have been connected with the RECORD and who it was publicly stated were expecting $75 an acre for their land, to show exactly what they asked.

Mr. LAGUARDIA. But the gentleman said that 60 per cent of the land was under cultivation.

Mr. WILSON of Louisiana. I said that in the Boeuf spillway 60 per cent of the land is under cultivation.

Mr. LAGUARDIA. What is that land worth?

Mr. WILSON of Louisiana. No statement has been put into the RECORD as to its value. The question was asked about its assessed value, and I stated that the engineering commission examining it said that the average value of the land in these flood ways was $23 an acre.

Mr. LAGUARDIA. Assessed value?

Mr. WILSON of Louisiana. Actual value. I do not know what the flowage rights would be, but the evidence I put in as to the value of this property was direct from the people who own the property as to what they would take.

Mr. LAGUARDIA. Exactly; and do not you see that by adopting the program such as is contemplated in this bill, with 4,000,000 acres of land to be taken, if necessary, for flood ways and spillways, that we have not even passed the bill before the value of the land has jumped from $5 and $10 an acre to $23 and then to $50 and $75 an acre? There are some gentlemen right now in the gallery waiting for a rise in value.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. COX. Do I understand that the gentleman is contending that if the Government acquires an interest in this land it will have to take it at the exaggerated value placed upon anticipated improvements?

Mr. LAGUARDIA. Oh, no; awards would be made under condemnation.

Mr. COX. I would like to make this statement——

Mr. LAGUARDIA. I can not yield. I am familiar with the law on the question.

Mr. COX. If the gentleman is familiar with the law, what is it?

Mr. LAGUARDIA. It has to go to condemnation and an award must be made; but let me say to the gentleman that in fixing the award it is necessary to take into consideration the assessed value, the market value, the return on the land, the future prospective profits of the land, which, I fear, will take in contemplation the very proposed improvements we here provide.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. The time for debate upon this section and all amendments thereto has been fixed by the committee.

Mr. COX. Mr. Chairman, I ask for recognition on the amendment.

Mr. FREAR rose.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. FREAR. Mr. Chairman, I have been asking for recognition for some time.

The CHAIRMAN. The Chair is endeavoring to divide the time equally and alternately between the two sides. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman, I want to answer the argument that the gentleman from New York [Mr. LAGUARDIA] has just made. It is a repetition of an argument made by other Members of the House during this debate. The argument is, if this bill passes with a provision that the Federal Government shall acquire an interest in lands necessary for rights of way, it will have to take it at a valuation based upon an anticipated public improvement.

I want to say, and particularly for the benefit of the gentleman who has just addressed the House, and who knows the law, that the Supreme Court of the United States in the case of the United States *v.* The Chandler-Dunbar Co. (229 U. S. 55), made this holding:

> One whose property is taken by the Government for improvement of navigation of the river on which it borders is not entitled to the probably advanced value by reason of the contemplated improvement. The value is to be fixed as of the date of the proceedings.

[Applause.]

Mr. FREAR. Mr. Chairman, speaking to the amendment offered by the gentleman from New York [Mr. LAGUARDIA]—he amended the amendment I offered by striking out the section—he calls attention to the fact that my statements were criticized by the gentleman from Illinois [Mr. RAINEY] as to values of land in the flood ways, and by the gentleman from Louisiana [Mr. WILSON] as to the value of land in Louisiana. Now, I have stated what the engineers gave to me as their estimates of values. The gentleman from Louisiana very carefully does not mention the New Madrid flood way, on which the testimony was $75 an acre for cut-over lands. He does not mention the fact that in that proposal it was estimated as high as $150 an acre, nor does he consider, so far as I can ascertain, that a gentleman named Mr. Blake, who was chairman of the flood commissioners, representing Mississippi, Louisiana, Arkansas, and Alabama, estimated that 6,000,000 acres in the different flood ways would cost the Government $600,000,000. Certainly Blake should know. He was aware of all the facts in his estimate. The gentleman from Louisiana is too intelligent not to know that it is far beyond $5 and $10 on the average, and the House is entitled to the information. We do not know. We have not had a survey. Every time we have attempted to get that information we have been referred to the testimony. There were 40 land and lumber corporations whose names I put in the RECORD, land and lumber companies that had large holdings down there in these flood ways. There were over 400 corporations and as many large individual holdings that ran over 3,000,000 acres; 77 per cent belonged to these interests. It is idle to say we do not know anything about it, and that two or three telegrams from Louisiana have been received stating the cost on several parcels would be $5 and $10 an acre. That is not right of the gentleman from Louisiana, a member of the committee, to offer such telegrams in view of the facts you have.

We made a fair statement here and gave the values as shown by the Army engineers and by Mr. Blake. I do not agree with him in $100 an acre, or with the statement of the gentleman from Louisiana that only $23 would be the cost, because that was the assessed value of certain lands. We know that valuation will be doubled if you try to get the land. It seems too late to-day to discuss the values of land. The values have been put in the RECORD. There are 4,000,000 acres concerning which you do not know any more than I do, but these lands have been valued by the engineers at anywhere from $50 to $75 an acre.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; I will yield to a question, but not to read any statement.

Mr. COX. I want to call attention to the figures given by Mr. Blake, who put the value of $224 on 2,000,000 acres and a value of $50 on the remainder.

Mr. FREAR. He represents Arkansas, Mississippi, Louisiana, and other States affected down there. That is his testimony. He is chairman of their flood commission and I think his judgment ought to have some value at this time. I am not questioning it.

Mr. WILSON of Louisiana. I will say that the gentleman referred to, Mr. Blake, does not represent Louisiana and Mississippi.

Mr. RAINEY rose.

The CHAIRMAN. The gentleman from Illinois has already been recognized. The Chair will not recognize him again until he seeks recognition under a new section.

Mr. BLACK of New York rose.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. BLACK of New York. Mr. Chairman, it is unfortunate that this bill, which is intended to provide for a great piece of constructive work for this country, should for the time being be imperiled by being connected with the name of a man who left here under unpleasant circumstances. It is unfortunate, I say, that his name should be connected with this proposition. It seems to me the House is capable of perfecting this bill by legitimate amendments to section 4, to provide that there shall not be extortionate values charged in these condemnation proceedings.

There is no reason why this, of all bills, should become a vehicle of fraud. This House has intelligence sufficient to perfect the bill. We have had under consideration similar bills from time to time and have been able under similar circum-

stances to protect the Government. There have been times, I admit, when some have succeeded in defrauding the Government; and the cases of Fall and Sinclair as well as Doheny have shown that it is necessary to provide safeguards for the protection of the Government.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 37, noes 110.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Wisconsin.

Mr. FREAR. That takes out the latter part of the section. Mr. Chairman, may we have the amendment again reported?

Mr. REID of Illinois. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 3. Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any item of the project until local interests have given assurances satisfactory to the Secretary of War that they will (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees; maintenance includes normally such matters as cutting grass, removal of weeds, local drainage, and minor repairs of main-river levees; (b) agree to accept land turned over to them under the provisions of section 4.

With the following committee amendment:

In line 21, after the word "accept," insert the words "the title to."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

Mr. REID of Illinois. Mr. Chairman, I have sent three amendments to the desk.

The CHAIRMAN. There are three amendments which will be disposed of, amendments which have been heretofore submitted and which the Clerk will report.

The Clerk read as follows:

Page 4, line 15, strike out the words "local interests" and insert in lieu thereof the words "the States or levee districts."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 4, line 22, after the figure "4," change the period to a semicolon and insert the following as subparagraph (c):

"(c) Provide without cost to the United States all rights of way for levee foundations and levees on the main stem of the Mississippi River between Girardeau, Miss., and the Head of Passes."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 4, line 22, after subparagraph (c), already adopted, add a new paragraph at the end of the section, as follows:

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MADDEN. Mr. Chairman, I do not think this ought to be in this section of the bill. I do not think it should be attached to this section of the bill.

Mr. FREAR. This has been agreed on.

Mr. MADDEN. We agreed to it, but I do not think it should be made a part of this section.

Mr. GARRETT of Tennessee. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment to the amendment offered by the gentleman from Illinois, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee to the amendment offered by the gentleman from Illinois [Mr. REID]: At the end of the amendment insert: "*Provided, however,* That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct works for the protection of adjacent lands, and that such adjacent lands will be subject to damage by the execution of the general flood-control plan, it shall be the duty of the board herein provided to cause to be acquired on behalf of the United States Government either the absolute ownership of the lands so subjected to overflow or floodage rights over such lands."

Mr. GARRETT of Tennessee. Mr. Chairman, I am inclined to agree with the gentleman from Illinois [Mr. MADDEN] that the amendment which the gentleman from Illinois [Mr. REID] has proposed more properly would come in another section, but if it is to come now it seems to me that my amendment will have to come in connection with it at this place. I do not want to lose any rights in connection with it.

Mr. MADDEN. If the gentleman will yield, I am in favor of the amendment offered by my colleague, but I propose to strike out section 3 and offer a substitute to section 3, and I do not want to strike out that part of it.

Mr. REID of Illinois. That is the reason we had better get it in.

Mr. MADDEN. No. I will move to strike it out, anyway, if the gentleman wants to do it that way. I do not think it is fair; that is all. I think an amendment should be considered on its merits without any attempt to foreclose the right to have proper consideration of it. It does not matter how much power anybody has, it is just as well to exercise it with justice; and it does not make any difference how many votes you may have on a given proposition, it is well to exercise proper respect for the facts in the case.

Mr. REID of Illinois. Will the gentleman from Illinois yield?

Mr. MADDEN. Yes.

Mr. REID of Illinois. This was submitted at this place by the gentleman's conferees and we put it in at the gentleman's request.

Mr. MADDEN. The gentleman put it in, but it was not put in here at our request.

Mr. REID of Illinois. Yes; the gentleman ought to organize his conferees and know what he wants.

Mr. MADDEN. Now, I do not want to take up the time of the gentleman from Tennessee, but if we are going to consider the amendment which I have offered, and which has been pending, and which was pending before my colleague offered his amendment, we ought to do it before the gentleman's amendment comes along, because then it may be said that I have slept on my rights in offering this amendment here and that I no longer have any right to offer the amendment.

I want to move to strike out section 3, but I do not want to offer to strike out that part of the section, if the amendment is adopted, that the gentleman has just introduced but which has not been acted upon.

Mr. REID of Illinois. The gentleman can include it in his substitute.

The CHAIRMAN. The gentleman from Illinois can offer his amendment in that form.

Mr. MADDEN. Mr. Chairman, I would like to have my amendment read for information now, if I may.

The CHAIRMAN. Without objection, the Clerk will report for the information of the committee the amendment of the gentleman from Illinois.

The Clerk read as follows:

Amendment proposed by Mr. MADDEN: Strike out section 3 and substitute the following:

"SEC. 3. Except when authorized by the Secretary of War, upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any item of the project until the States or local interests to be benefited and protected have indicated their desire for Federal assistance by giving assurances satisfactory to the Secretary of War that they will, (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees; (b) provide without cost to the United States such drainage work as may be necessary and the rights of way for the levees and other structures as and when the same are required. Work on the so-called Bonnet Carre spillway will be undertaken when the city of New Orleans, in recognition of its paramount interest therein, shall have undertaken to hold and save the United States from all damage claims arising out of the construction of the spillway. Work on the so-called New Madrid flood way will be undertaken when interests in southern Illinois and southeastern Missouri, in recognition of their paramount interest therein, shall jointly or severally have entered into a similar undertaking."

Mr. MADDEN. The question is whether this would come before the other amendments that are pending or before the amendment of the gentleman from Tennessee.

The CHAIRMAN. Perfecting amendments are to be disposed of before the amendment involving the striking out of the section is voted on. The question is on the amendment offered by the gentleman from Illinois, the chairman of the committee.

Mr. GARRETT of Tennessee. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Tennessee desire recognition on his amendment?

Mr. GARRETT of Tennessee. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. GARRETT of Tennessee. Mr. Chairman, the situation which exists in Tennessee, I think, has come to be very, very well known to the membership of the House. Bear in mind that the Congress is officially adopting the Jadwin plan so far as the engineering part of that plan is concerned, plus a further consideration of the Mississippi River Commission's plan, with a view to combining the best parts of the two. Neither of these plans in any way promises anything to any part of Tennessee except injury. The only way I can see to meet the situation is in the way I am proposing here and in the language that is offered.

I appreciate, of course, the tremendousness of this problem, but I am sure every Member of the House who understands the situation realizes that we of Tennessee are not here as mendicants in this matter; we are simply here asking to be protected in our rights, and asking that our equities may be respected and worked out.

I very much hope, Mr. Chairman, the amendment may prevail.

Mr. COX. Mr. Chairman, I ask recognition on this amendment.

Mr. Chairman, if I understand the amendment offered by the gentleman from Tennessee, it is simply to take care of a limited territory here and there which is subjected to overflow as a result of the execution of this project; that is, subjecting lands to overflow as a result of the execution of these plans, which have not heretofore been overflowed by the flood waters of the river.

I have in mind, gentlemen—and I beg your attention to this statement—areas along the main river which will be damaged, in all probability, as a result of the execution of the plans, unless some work or works be constructed for the purpose of holding off flood waters. These are certain lands in the State of Tennessee which are limited in area, and lands in Kentucky, particularly the town of Hickman, which will be overflowed and damaged as a direct consequence of the proposed improvement. These areas and others similarly situated along the river should be protected.

Let me say, my colleagues, this amendment is not proposed for the purpose of obligating the Government to make good all damages that may result because of the execution of this project. The statement has been made by Members opposing the bill that they are not opposed to the Government paying or compensating for any land that is taken or that is damaged as a result of the execution of the project, which land would be immune from damage if the work proposed was not done. My friend, the gentleman from New York [Mr. LAGUARDIA], made the statement this morning, in effect, that he was willing that the Government be committed to the proposition of paying the damage that the Government might cause, and this amendment is to put the Government in the position where this can be done, so far as property along the main river is concerned.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. COX. I will.

Mr. LAGUARDIA. Will the gentleman's amendment take care of the actual damage sustained or the prospective damages that might be sustained?

Mr. COX. No; the actual damage. The effect of the amendment is this, that where, in the execution of the Jadwin plan for flood control an area is endangered as the result of the work which it is impracticable to protect by any sort of flood-protective works the Government shall acquire either the absolute title to the land or flooded rights therein.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COX. Certainly.

Mr. WHITTINGTON. I would like to ask the gentleman from Georgia about what area the Government would have to acquire for flood rights?

Mr. COX. I am not in a position to state to the gentleman what the area in Tennessee might be.

Mr. WHITTINGTON. And elsewhere?

Mr. COX. This would not apply to any territory except that on the main stem of the stream.

Mr. GARRETT of Tennessee. It would apply to Tennessee and the Mississippi situation.

Mr. COX. Yes; and elsewhere along the Mississippi River proper.

Mr. REID of Illinois. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and section close in 15 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate on the section and amendments close in 15 minutes.

Mr. O'CONNOR of Louisiana. I suggest to the gentleman that he make it 30 minutes.

Mr. REID of Illinois. I will make it 20 minutes.

Mr. LAGUARDIA. Will the gentleman make it apply to the pending amendment only? I have an amendment that I would like to get five minutes on, although I have a suspicion of what is going to happen.

Mr. O'CONNOR of Louisiana. Reserving the right to object, I want to ask the chairman of the committee if that would give any time to my colleague Mr. SPEARING and myself?

Mr. REID of Illinois. I do not know.

Mr. O'CONNOR of Louisiana. Then I object. Members who do not live in this flooded locality can get an hour or an hour and a half, but Members who live in the territory affected, in the valley of the Mississippi River, can not get five minutes; it is ridiculous.

Mr. REID of Illinois. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 30 minutes.

Mr. DENISON. A parliamentary inquiry, Mr. Chairman. Does that apply to amendments that are not yet offered?

The CHAIRMAN. It applies to the section and all amendments.

Mr. WINGO. Mr. Chairman, I offer an amendment to the amendment of the gentleman from Illinois, that all debate on this section and amendments thereto close in 10 minutes.

Mr. SPEARING. And I offer an amendment to the amendment striking out 10 minutes and making it 1 hour.

The CHAIRMAN. That amendment is an amendment to an amendment to an amendment, and therefore not in order. The question is on the amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from Illinois [Mr. REID.]

The question was taken; and on a division, there were 35 ayes and 87 noes.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Illinois to close debate on the section and all amendments thereto in 30 minutes.

The question was taken, and the amendment was rejected.

Mr. MADDEN. Mr. Chairman, I rise to discuss the amendment I have offered.

The CHAIRMAN. The amendment pending should be disposed of before further amendments are offered. The question is on the amendment offered by the gentleman from Tennessee [Mr. GARRETT] to the amendment offered by the gentleman from Illinois, chairman of the committee.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 111 ayes and 79 noes.

So the amendment of Mr. GARRETT of Tennessee to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment of the gentleman from Illinois as amended by the amendment of the gentleman from Tennessee.

The question was taken, and the amendment as amended was agreed to.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] offers an amendment, which the Clerk will again report.

The Clerk read as follows:

Amendment by Mr. MADDEN: Strike out section 3 and substitute the following:

"SEC. 3. Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under the authority of this act shall be expended on the construction of any item of the project until the States or local interests to be benefited and protected have indicated their desire for Federal assistance by giving assurances satisfactory to the Secretary of War that they will (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees, (b) provide without cost to the United States such drainage works as may be necessary, and the rights of way for all levees and other structures as and when the structures are required. Work on the so-called Bonnet Carre spillway will be undertaken when the city of New Orleans, in recognition of its paramount interest therein, shall have undertaken to hold and save the United States from damage claims arising out of the construction of the spillway. Work on the so-called New Madrid flood way will be undertaken when interests in southern Illinois and southeast Missouri, in recognition of their para-

mount interest therein, shall, jointly or severally, have entered into a similar undertaking. No liability of any kind shall attach to or rest upon the United States for any damages from or by floods or flood waters at any place.

Mr. GARRETT of Tennessee. Mr. Chairman, I reserve the point of order for the time being. The point of order is that you can not strike out what the committee has just voted in. I ask the gentleman from Illinois [Mr. MADDEN] if he is not willing to attach the amendment which I offered along with the Reid amendment, which he has attached to his amendment.

Mr. MADDEN. Yes; I will put that in.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, it is not necessary, if we have that distinct understanding, for me to insist upon the point of order. I would like the amendment to be reported as it will read. That is, the latter part of it.

Mr. GARNER of Texas. Have the substitute reported as it will read finally.

Mr. QUIN. I think it is a good idea to let it be corrected before the gentleman from Illinois [Mr. MADDEN] starts his argument, and have it read into the RECORD.

Mr. MADDEN. I am perfectly happy to have that done.

Mr. QUIN. We do not want to lose this amendment. It is vital to us.

The CHAIRMAN. The Chair desires to propound an inquiry to the gentleman from Illinois. Does the gentleman from Illinois desire to ask unanimous consent to append the Reid amendment as amended by the gentleman from Tennessee to his pending amendment?

Mr. MADDEN. I am willing to do that. That is the only way that I can get my amendment before the House.

Mr. TILSON. The gentleman means only the Garrett amendment.

Mr. MADDEN. Yes.

Mr. GARRETT of Tennessee. The Reid amendment as amended by the Garrett amendment.

Mr. MADDEN. The Reid amendment is a part of my proposed amendment now.

Mr. GARRETT of Tennessee. The gentleman from Illinois has included as a part of his amendment the amendment that is offered by the gentleman from Illinois, which was adopted by the committee, but there was also adopted by the committee an amendment to that amendment offered by myself, and I understand now that the gentleman from Illinois is willing to include both of them.

Mr. MADDEN. Yes—not that I am for the amendment of the gentleman from Tennessee—but because I am in a sense forced to do that.

The CHAIRMAN. The Clerk will again report the amendment as modified by the unanimous-consent request of the gentleman from Illinois.

Mr. REID of Illinois. Mr. Chairman, so that no rights may be lost, I reserve the point of order as to the amendment.

The CHAIRMAN. The Chair is ready to dispose of any point of order that may be made, overruling the point of order. It is quite in order to strike out a section that has been amended and insert new language.

Mr. GARRETT of Tennessee. Mr. Chairman, if the gentleman from Illinois will yield, there is some confusion as to the parliamentary situation. In order that it may be perfectly clear, although the gentleman from Illinois is putting in the amendment offered by myself——

Mr. MADDEN. I am not going to argue against it.

Mr. GARRETT of Tennessee. The voting down of the amendment that is proposed by the gentleman from Illinois [Mr. MADDEN] would not in any way affect the status of the Reid amendment as amended by myself.

Mr. MADDEN. That is true. I agree with that.

The CHAIRMAN. The Reid amendment as modified by the gentleman from Tennessee is now incorporated in section 3, and if section 3 is not stricken out, it remains in the bill.

Mr. MADDEN. Of course, that is good notice that they are to vote against my amendment.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Chairman, the United States in the course of the construction of this flood-control work from Cape Girardeau down, proposes, among other things, to build the New Madrid spillway on the southeast corner of Missouri, in which southern Illinois and southeastern Missouri have a paramount interest.

The United States also proposes to build the spillway at Bonnet Carre, La., in which the city of New Orleans has a paramount interest. The United States proposes to build these spillways and pay for them out of the Treasury of the United States. The United States is not calling on any of the local communities to contribute toward the cost of the construction of these spillways, but the United States is asking that the city of New Orleans, on the one hand, and southern Illinois and southeastern Missouri, on the other, should save the United States Government harmless from any damages that may accrue as the result of the construction, and particularly during the period of construction, of these two necessary works in connection with flood control.

I think everybody who has given any consideration to this question will agree that these two spillways are essential to the success of the project, and I think the people of southern Illinois and the people of southeastern Missouri and the people of New Orleans, if they tell the truth, will agree that they have a paramount interest in the construction of these two spillways for which the United States proposes to pay.

Mr. FULBRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I can not yield now. I have been waiting all the afternoon to get a chance to say a word upon this important subject, and I do not want to have any extraneous matter injected into what I am saying on it.

They all say that these spillways are essential, but they will all say that they ought not to be called upon to contribute to the cost, or even be called upon to assume a contingent liability in connection with any damage that might occur as the result of the assumption of the responsibility on the part of the United States to do the work and pay the bill.

It is the most extraordinary thing I have ever listened to. It is the most presumptuous thing that I have ever seen set forth. It is an assertion by various communities of the United States having a paramount interest in a great problem that they under no circumstances must be called upon to pay a dollar of the cost. Impudence, I would say; unjust beyond reason.

What would be the responsibility of these communities in this connection? It could not amount to much. Then why does not the United States pay it, if that is true? Because the United States is going to pay the cost of the construction. In God's name, is there any community anywhere within the confines of the United States that is willing to contribute a dollar for its own protection in connection with one of the greatest works ever undertaken?

Oh, it will not do to say that the gentleman is parsimonious; oh, no; that will not do. It must be said that I am only dealing in justice. I want to say to you gentlemen, I suppose it makes no difference to you what my vote may be, but I propose to vote against the bill, no matter how many good things there are in it, unless you put this in it. [Applause.]

That is where I stand. The President of the United States has done everything in his power to show his interest in this problem. He has been earnest, tireless, honest, industrious, in his endeavor to work out a project for flood control that ought to meet the honest judgment of every man, woman, and child in the United States. [Applause.]

Oh, it is true; you have the power. You do the voting. You pass the laws. The President has the power to veto them if he will. That is his responsibility, and your responsibility is to say whether you will pass the bill over his veto after he has written it.

Now, I make no threats and make no promises. I speak for myself only. I am interested in you, in your future, in your development. I came to the front last summer, in violation of every law of the land, to help you when all others ran away from it. Everybody ran away. Everybody refused to assume the responsibility of meeting the situation. I assumed the responsibility. [Applause.]

It is true it was not my money, but I said to the Comptroller General of the United States that sometimes it was more important to meet a great emergency than it was to obey the law; and as this was a great emergency at that time, I met it, and I met it when everybody else refused.

I think you are making a mistake in refusing to cooperate with the President, who has been and is the friend of this great project. He has been working for it in season and out of season. You can pass the bill, I have no doubt; but you can not pass it over the President's veto. [Applause.] I am sure of that.

Why do you want to take a chance? Why do you not do the thing that ought to be done in all conscience? Why do you not do the thing that justice demands, and which reason tells you ought to be done? Why do you want to take the chance of losing the whole thing by a veto when by the expenditure of a million dollars you can furnish the foundation for the levees or the flood ways and assume the liability, which may not amount

to anything, to relieve the United States of damage claims while it is constructing at its own expense, without a dollar of expenditure on your part, the Bonnet Carre and the Madrid spillways? [Applause.]

Mr. QUIN rose.

The CHAIRMAN (Mr. NEWTON). The Chair recognizes the gentleman from Mississippi.

Mr. QUIN. Mr. Chairman, I want to say that I appreciate the kindness of the gentleman from Illinois [Mr. MADDEN] in agreeing to accept the Garrett amendment onto his amendment, and that if the Madden amendment is adopted the Garrett amendment is accepted and part of it, and if the Madden amendment is defeated the Garrett amendment stands as part of the flood-control bill.

Mr. MADDEN. That is not included in my effort.

Mr. QUIN. You are not trying to kill the Garrett amendment?

Mr. MADDEN. No, sir.

Mr. QUIN. A parliamentary situation forces it upon you. However, I thank the gentleman from Illinois in behalf of the people I represent for what the gentleman did in their behalf when they were suffering from overflow last summer, but I can not agree with him on this amendment that he has offered, which is taking the vitals out of this bill.

The gentleman from Illinois says he wants to help us, but if he is going to help us by taking the heart out of the bill, that kind of help is worse than no help at all. [Applause.] I trust the Members of this House can see the real purport of the gentleman's amendment. The real purport of his amendment is smooth and it cuts deep. Do not let any man pretend not to understand that if he votes for the Madden amendment he is killing this bill. For the people of the Mississippi Valley the much-sought aid will be gone. Mr. MADDEN understands that.

Mr. MADDEN. If I thought that was the case, I would not do it. I am sure that it is necessary to have these spillways, and all the Government is asking is that the two communities will guarantee the United States against losses by reason of damages.

Mr. WHITTINGTON. Will the gentleman from Mississippi permit me to ask the gentleman from Illinois a question?

Mr. QUIN. I will.

Mr. WHITTINGTON. I should like to ask the gentleman from Illinois if it is not a fact that the language "and other structures as and when the same are required" in your amendment would require the States of Missouri, Louisiana, and Arkansas to furnish the flowage rights through the diversion, and in answering me I call the gentleman's attention to the fact that the original Jadwin plan bill, introduced in the Senate of the United States by Senator JONES, of Washington, on December 13, contains the identical language, to wit, "rights of way for all structures as and when required"?

Mr. MADDEN. It would not. It would not require them to furnish the flowage rights.

Mr. WHITTINGTON. Is there any objection to striking out the words "and structures," because it has been the opinion of every lawyer on our committee that those words require the construction of the flowage rights?

Mr. MADDEN. If it passes, let that question go to conference, where they will have time to study the problem.

Mr. WHITTINGTON. My question is: Does not that include the flowage rights?

Mr. MADDEN. It includes the construction of these spillways, it includes the supplying of the flowage rights, or the taking of the chance of the cost of that being assumed by the Government of the United States, as it does of the Atchafalaya.

Mr. WHITTINGTON. It has been the opinion of every lawyer that that would require the local interests to pay for the flowage rights.

Mr. QUIN. And that is what they are not able to do. The people have reached a stage of bankruptcy in that distressed and overflowed country, and I trust that the gentleman from the State of Illinois does not want an impoverished people to be further burdened and their lands assessed for levee taxation up to more than they can stand. Under the amendment offered by the gentleman the result would be to confiscate the property of these poor citizens who are not able to assist further in bearing any more expense. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. NELSON of Missouri. Mr. Chairman and gentlemen of the committee, I want, if I may, to have your attention while I say just a few words about the southeast Missouri proposition. As a member of the committee and as one who has given considerable thought to it, I hope I can make the situation plain.

I have no direct personal interest in this because of the district I serve. It is in the central part of the State, 100 miles from this point. If you will take the map of southeast Missouri and look at Birds Point, on the Mississippi River, and drop down a distance of 72 miles to New Madrid, you will find it is proposed to make a flood way there varying in width from 5 to 10 miles and amounting to about 200,000 acres, as I now recall the figures. The present river-front levee would be cut down 5 feet, while 5 miles back of this another levee would be built, and between these the flood would flow to a depth of from 10 to 20 feet when the spillways were in operation or the lowered front levee failed at any point. Missouri wants no such flood way, yet it is proposed. For the protection of Missouri? No; for the protection of Cairo, across the river; and, according to the amendment which has been offered, Missouri and Illinois shall agree as to the cost and meet the cost.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. NELSON of Missouri. Yes.

Mr. FULBRIGHT. I will ask the gentleman if it is not a fact that the damages sustained by southeast Missouri under the Jadwin plan would exceed the benefits derived from this project?

Mr. NELSON of Missouri. Unquestionably so, as brought out in the hearings. May I say to you, gentlemen, that three counties principally make up this territory, and the drainage and levee districts in those three counties have already voted $52,000,000 in bonds, and $31,000,000 of that amount remains unpaid to-day? The people of these districts virtually are bankrupt.

In one county, out of 10 banks only 3 remain. If you write the proposed amendment into this bill you have taken the heart out of it and made it impossible to protect the territory below.

In answer to the insinuation, to the unwarranted suggestion, that "if Missourians would tell the truth" we would acknowledge the fairness of the proposition, or something to that effect. I reply that Missourians do tell the truth, and they tell you that night will be day, that black will be white, that east will be west, and that joy will be sorrow when Missouri and Illinois agree to pay for something they do not want. This is the situation.

I come to you to plead for a square deal for the people of my State. The Governor of Missouri, who is not of my party, has truthfully written that Missouri will never agree to such a transaction. The attorney general of my State, who is not of my party, is very properly on record to the same effect.

Finally, may I say, gentlemen of the committee, that after all there is a bigger issue before this body than flood control. It has to do with the integrity of the legislative branch of this Government. Section 1, Article I of the Constitution reads:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Speaking only for myself, I resent the nature of many of the attacks made on this measure. I resent the fact that the President of the United States has intimated that if we do not do certain things in advance he will veto this bill. [Applause.]

I call upon you, as the Representatives of the people, to come out and once more say to the country that there is a Congress and that we are going to do our duty irrespective of the fact that the White House has sent here a mandate to the effect that if we do not do so-and-so there will be no flood control. [Applause.]

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. NELSON of Missouri. I yield to the gentleman.

Mr. MOORE of Virginia. The amendment of the gentleman from Illinois provides that these two localities which he describes shall stand the cost of the construction of such drainage works as may be necessary. The gentleman is a member of the committee in charge of the bill; what would that include, if the gentleman can tell us briefly?

Mr. NELSON of Missouri. As to Missouri, I may say, in brief, it would include, as I stated, this flood way of some 200,000 acres. According to the testimony that has been offered as to the value of the land, if I remember correctly, General Jadwin indicated it would be some two and a half or three million dollars. It was testified when the bill was under discussion the other day that it might approach $20,000,000.

Do you think it is possible, gentleman, for a community that is already broke to put up $20,000,000?

We want Cairo protected, my colleagues, but it is not necessary for Missouri to pay for the protection across the river. My plea is for fair play and for a bill that somehow we can get through. You can not expect Missouri to pay for something she does not want and does not need. [Applause.]

Mr. DENISON. Mr. Chairman and gentlemen, I have not had an opportunity to say anything on this bill since we began reading the bill for amendment, and I do not expect to have very much more to say. I represent the only district in Illinois that is directly affected by this bill, and I want to discuss this particular amendment, because it is of very vital importance to the district I represent. I therefore ask unanimous consent that I may proceed for 15 minutes.

The CHAIRMAN (Mr. NEWTON). The gentleman from Illinois asks unanimous consent to proceed for 15 minutes. Is there objection?

There was no objection.

Mr. DENISON. Gentlemen, I appreciate this privilege very much.

I have not come before this House very often asking anything that would directly benefit the people I represent. I have devoted a great deal of my time in the last few years in trying to serve the other Members of the House. I am now appealing to the other Members to help me and those I represent. Since I came to this Chamber about 14 years ago, I have held out the hope to the people of Cairo and the surrounding part of southern Illinois that sooner or later Congress would pass national flood relief legislation that would give them some hope and bring substantial relief to them. Now at last comes the opportunity to fulfill that promise and to help them realize that hope, but here is an amendment presented by my colleague, Mr. MADDEN, which would blot out completely all hope so far as that part of Illinois is concerned that is directly interested in the bill.

I represent the lower counties of Illinois, including Cairo. Gentlemen, if you can see this map, you will notice that Cairo is located at the extreme southern end of Illinois, and up north some 20 or 30 miles is the city of Cape Girardeau, Mo.

In its natural condition there was a natural diversion of the flood waters of the Mississippi River just south of Cape Girardeau down through a bayou and on south into the St. Francis River. That was the way the floods went when this country around here [indicating] was in a natural condition.

My colleague from Illinois has spoken at length, and with some feeling about the justice of this matter. I am now presenting a question of justice which I am sure will appeal to every Member of this House. Down here between Birds Point and New Madrid, where it is proposed to build this flood way, in a state of nature the flood waters of the Mississippi River spread out all over this part of Missouri and cut across here and entered the Mississippi River down near New Madrid; that is, in the early days before there were levees constructed to any extent, the flood waters of the Mississippi River that were not diverted through the bayou south of Cape Girardeau and allowed to flow down through here [indicating], and thence on down the St. Francis into the Mississippi River, were allowed to spread out over a natural reservoir in southeastern Missouri.

At that time Cairo, Ill., began the construction of levees and protected herself fully; and I want to say that Cairo and the drainage district north of Cairo have built their levees entirely with their own money. Only one contribution has ever been made by the Federal Government and that was after the flood of 1912, when the Federal Government, by special act, contributed a certain amount to match a similar amount contributed through the Legislature of Illinois. Outside of that the people of Cairo and southern Illinois have built their own levees, 60 feet high, around Cairo, without any contribution from the Federal Government at all. Why did we have to build our levees so high? A few years ago in order to reclaim this land down through here in Missouri [indicating], a large levee district was formed in Missouri and Arkansas, and they built a levee across the mouth of this natural diversion channel south of Cape Girardeau. That reclaimed a lot of valuable farming lands in Missouri and Arkansas, to be sure, but at the same time it diverted an immense amount of flood waters from their natural channels and sent them on down upon Cairo and the surrounding communities in Illinois.

The flood waters were thus confined and rushed down the river to Cairo. Cairo was not responsible. That was done by the people of Missouri and Arkansas. Meantime the people of Missouri, in order to reclaim and protect more overflowed farm lands, organized other levee districts and constructed levees all along the natural banks of the river from Cape Girardeau, north of Cairo, to New Madrid, 60 miles south of Cairo. Those levees in Missouri cut out the natural reservoir and compelled the confining of all floods in the main channel of the river. That had the effect of throwing back the water onto Cairo, Ill. Cairo is not responsible for that condition. But Cairo and all southern Illinois is suffering and is constantly threatened by the artificial condition that has been brought about by the reclamation improvements in another State.

Gentlemen, Cairo can not live unless something is done to relieve the people of that part of our State from the constant menace that is hanging over them by reason of the levee improvements over in the State of Missouri.

I assume that the people of Missouri had a legal right to make those improvements. They were trying to reclaim very fertile farming lands. But Cairo is trying to protect herself from destruction. Cairo is trying to save her homes, her great industries, and the lives of her people. I do not expect Missouri to pay for flood works to protect southern Illinois. I do not see how you can make her do it. The people over in Missouri had a right to build their levees. They were not only permitted by the Federal Government to build them where they did, but the Federal Government helped build them.

On the other hand, it would be the greatest injustice to Cairo to make her pay for relief from the conditions that have been brought upon her by the people of Missouri. I am sure everyone can see the injustice of that. That would be the effect of the amendment offered by the gentleman from Illinois [Mr. MADDEN].

Mr. COX. Will the gentleman yield?

Mr. DENISON. Certainly.

Mr. COX. Will not the gentleman concede that only the Federal Government is responsible?

Mr. DENISON. That illustrates the situation exactly. Gentlemen, there can be no relief to southern Illinois except by the Federal Government. If you adopt the amendment offered by my colleague from Illinois [Mr. MADDEN] you destroy this bill as far as southern Illinois is concerned, because the people of southern Illinois have taxed themselves until now they are practically bankrupt. Merchants and manufacturers have been going bankrupt. They can not stand any assessment for flood works in Missouri, and you might just as well not pass this bill if you put this amendment into it.

Mr. MADDEN. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. MADDEN. I think my colleague does not understand the question.

Mr. DENISON. Oh, yes; I do.

Mr. MADDEN. Nobody is asking Cairo or southern Illinois or southeastern Missouri to pay a single cent of the cost of building the Bonnet Carre or the New Madrid spillway. All that is being asked is that these two elements of our citizenship composed of the people around southern Illinois and the people of southeastern Missouri shall accept a contingent liability—without the expenditure of a dollar—for damages that may be imposed on the United States during the period of construction of these two spillways. That is all, nobody is asking your people to pay for this.

Mr. DENISON. Contingent liability to whom?

Mr. MADDEN. You accept the responsibility for answering to the Government of the United States against any cost for damage to property owners.

Mr. DENISON. It would mean millions of dollars to be paid by southern Illinois and southeastern Missouri, and you might as well defeat the bill as far as southern Illinois is concerned. The people of Cairo or southern Illinois can not pay it, and I would rather that the House would rise up and strike out the enacting clause of the bill than to put that amendment into it. [Applause.]

I want to say, too, that after the President fully understands this situation, I do not believe he is going to veto the bill if the proposed amendment is not in it.

Mr. DRIVER. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. DRIVER. I want to call the gentleman's attention to this amendment. It says, "No liability of any kind shall attach or rest on the United States for any damages from or by flood or flood waters at any place."

Mr. DENISON. That would mean an assessment of millions of dollars upon an impoverished people that are absolutely unable to pay it. Who would you assess it on? The amendment says on the "interests of southern Illinois." What interests? There is no practical way to carry such a proposal into effect, and if there was the people could not pay it. Why defeat some of the main purposes of the bill by putting such a provision in it?

Mr. WHITTINGTON. Has not the Supreme Court of the United States decided time and time again that no legal liability rested on the Government by the construction of levees?

Mr. DENISON. I think that has been held.

Mr. COX. And is it not true that if the State of Illinois and the State of Missouri were to enter into an agreement to

pay damages they would be assuming a liability where none now exists?

Mr. DENISON. That is true, but there is no more hope or possibility of the people of southern Illinois and of Missouri reaching an agreement on this thing than there is, as the gentleman from Missouri [Mr. NELSON] said, of mixing oil and water. No one would know how to apportion the damages or the costs, nor against whom to assess them. The whole thing is purely visionary. It is impractical, and it is impossible if it were practicable.

Mr. IRWIN. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. IRWIN. The language of the amendment of the gentleman from Illinois [Mr. MADDEN] speaks of southern Illinois and southeastern Missouri. What does that mean? How much territory is taken in in those two States? The amendment does not qualify by stating so many counties or such and such parts, but simply says southeastern Missouri and southern Illinois. That is a pretty big territory. Just how much does the amendment take in?

Mr. DENISON. Nobody knows. It is wholly impracticable.

Mr. WILLIAM E. HULL. And is it not true that the constitution of the State of Illinois, so far as the State is concerned, would prevent it from spending any money in Missouri?

Mr. DENISON. Yes. It could not be done unless it were done voluntarily.

Mr. WILLIAM E. HULL. And if this were to be agreed to it would mean that they would have to pay for all of that land in that section where the spillway is.

Mr. DENISON. It would.

Mr. WILLIAM E. HULL. That would be the damages.

Mr. DENISON. If this amendment is to be adopted, it means that there will be no flood protection for southern Illinois and southeastern Missouri, because it is impossible of fulfillment so far as southern Illinois is concerned.

Mr. JACOBSTEIN. And is not that the real point here, that you could not have any flood-control project unless you have an agreement there—the whole thing would be stopped right at the start?

Mr. DENISON. Yes; entirely.

Mr. COX. In other words, flood control is conditioned upon cooperation?

Mr. DENISON. Yes.

Mr. COX. That is upon a voluntary assumption of these burdens on the part of southern Illinois and southeast Missouri, which the people of that territory consider to be unjust and inequitable.

Mr. DENISON. Absolutely. The people of southern Illinois have lived for years and years under a threatened wall of water. Whenever the water gets up as high as it did last spring it begins to seep under the levees, and so Cairo can not stand any higher levees. There is only one thing that will save southern Illinois and Cairo, and that is to lower the flood level by the construction of some kind of a diversion channel or flood way on the other side, or by setting back the levees. The people of Missouri ought not to have to stand that expense, and the people of southern Illinois not only ought not to have to stand the expense but they could not do so. I hope the Members of the House will not condemn the good people of the city of Cairo and the surrounding country in my State to this continued menace to their property, their homes, and even their lives, and to the loss of all hope, by the approval of this amendment to the bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The question is on the amendment offered by the gentleman from Illinois [Mr. MADDEN].

Mr. SPEARING. Mr. Chairman and gentlemen, in considering the pending amendment it must be borne in mind that the plan proposed to be adopted in the bill under consideration is for one whole and complete plan, each part thereof being an integral and necessary unit of the whole plan. Included in the plan is a spillway known as the Bonnet Carre spillway, opening, of course, at the river and emptying into Lake Pontchartrain, in the rear of New Orleans. The spillway itself is a short distance, approximately 25 or 30 miles, above the city of New Orleans, and, as I have already indicated, it is one of the outlets to take care of and discharge surplus water when the Mississippi River is in flood.

The amendment calls for the same requirements as to what is known as the New Madrid flood way, which is located in the southeastern part of Missouri and covers an area opposite to Cairo, Ill., and, of course, on the opposite side of the Mississippi River. It, too, is an integral part of the flood-control plan recommended by the Chief of Engineers, which plan, as I have already indicated, is proposed in the pending bill.

You have heard from the gentleman from Illinois [Mr. DENISON] who has just taken his seat that it is impossible for the citizens of the section covered by the New Madrid flood way to comply with the requirements and demands of the pending amendment. If, therefore, the people affected by the New Madrid flood way can not and do not comply with the requirements of the pending amendment so far as it affects the New Madrid flood way, and if the city of New Orleans can not and does not comply with the requirements of the amendment as to the Bonnet Carre spillway, neither will be constructed, and therefore the whole plan would necessarily fail—because, I repeat, the New Madrid flood way and the Bonnet Carre spillway are necessary parts of the one whole and complete plan.

Mark the language of the pending amendment, which, so far as the Bonnet Carre spillway and the city of New Orleans are concerned, is as follows:

> Work on the so-called Bonnet Carre spillway will be undertaken when the city of New Orleans, in recognition of its paramount interest therein, shall have undertaken to hold and save the United States from all damage claims arising out of the construction of the spillway.

The same burdens are placed upon "interests in southern Illinois and southeast Missouri" so far as the New Madrid flood way is concerned.

The provision of the amendment is an affirmative, pregnant with a negative. In other words, the amendment is tantamount to declaring that the Bonnet Carre spillway will not be constructed unless nor until the city of New Orleans "shall have undertaken to hold and save the United States from all damage claims arising out of the construction of the spillway," and in the other instance the same is true of the New Madrid flood way. Therefore, unless the city of New Orleans and the interests in southern Illinois and southeast Missouri assume the burdens proposed to be put upon them and pay the claims for damages, the Government will not undertake to construct either the New Madrid flood way or the Bonnet Carre spillway.

Mr. MADDEN. Of course not.

Mr. SPEARING. And you have the statement from the gentleman from Illinois [Mr. DENISON] that his people can not bear this burden. Therefore, if the city of New Orleans does not assume to pay the claims for damages and you adopt the amendment, the Congress is declaring in advance that neither the New Madrid flood way nor the Bonnet Carre spillway will be constructed.

Mr. MADDEN. Do not you all say that you do not want it—that the people are opposed to it? And if they are opposed to it, why do you want to force it on them?

Mr. SPEARING. No; we have never said that at all. We do want the Bonnet Carre spillway and we want the New Madrid flood way, and also the Tensas flood way, and the Atchafalaya flood way; but we want all of them so as to obtain and secure the relief from destructive floods which the Chief of Engineers assures will be accomplished by constructing all of the projects and not merely by constructing two of them, viz, the Tensas and Atchafalaya flood ways and omitting the New Madrid flood way and the Bonnet Carre spillway. To omit those two projects would manifestly destroy the completeness of the flood-relief plan and would at the next flood bring disaster to the people in the alluvial valley equal to, if not greater than, the damage to life and property wrought by the high water of 1927. It is not logical to put in the bill a provision which in advance destroys the effectiveness of the plan which the bill itself proposes to adopt, and which we are assured by competent authority will secure relief to the flood-stricken areas. Moreover, what good reason is there for singling out two particular sections to bear this extra burden which is not attempted to be placed upon the other sections? The omission of the other sections from the burdens carried in the amendment is to concede that they are unreasonable and improper because if it is right to place this extra burden upon the people of southern Illinois and southeast Missouri as to the New Madrid flood way and upon the city of New Orleans as to the Bonnet Carre spillway, then a like burden could, with propriety, be placed upon the people affected, or that might be benefited by the other two flood ways.

Surely the fact that New Orleans is a large and prosperous city and may indirectly be benefited by the Bonnet Carre spillway is no justification whatever for attempting to mulct that city out of funds for the benefit of private interests, because the provisions against which complaint is not in any manner advantageous or beneficial to the Government, as I shall presently show. No good reason has been even suggested, nor can it be, why this extra burden should be placed upon the communities that might be affected or benefited by either the New Madrid flood way or the Bonnet Carre spillway. If flood control is a

national obligation, as it undoubtedly is and is conceded by everyone, the obligation should be borne by the Government, irrespective of locality and of a possible local benefit. If it is right to discharge a burden, as undoubtedly it is, then that burden should be discharged in favor of all people alike and not withheld because perchance it is possible that the proper discharge of the obligation may benefit some person or persons, or some community which is supposed to be more advantageously situated financially than other communities. Flood control is not a charity. It is an obligation and duty which the Nation owes to the people affected by the overflow of the banks of the Mississippi River or by breaks in the levees. Relief should not be withheld because one person or one community might be better off financially than another. Relief should not be doled out as a charity, but it should be granted in the discharge of an obligation recognized by everyone as resting upon the National Government. If the principle that a community which may be benefited by a public work is to defray a part of the expense or is to pay all of the damages be followed in other public works, the more populous and wealthy citizens, including the home city of the proposer of this amendment, would be required to make large contributions. Of course, no one advocates such an absurdity and yet we have it seriously contended here that because the city of New Orleans may be benefited by the Bonnet Carre spillway it should obligate itself to pay claims for damages for which the Government itself is not liable. The fact of the matter is the Atchafalaya flood way is of more importance and will be more beneficial to the city of New Orleans than will be the Bonnet Carre spillway.

In other words, the city of New Orleans will have greater security from damage if the Atchafalaya flood way be constructed and the Bonnet Carre spillway omitted than if the Bonnet Carre spillway be constructed and the Atchafalaya flood way omitted. The reason is that the Atchafalaya flood way will discharge a vastly greater amount of water than will the Bonnet Carre spillway, and thus by means of the Atchafalaya flood way New Orleans will be relieved of that great bank of water which would otherwise pass in front of it. In comparison with the amount of water which it is proposed to discharge through the Atchafalaya flood way the Bonnet Carre spillway sinks into insignificance.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. SPEARING. Certainly.

Mr. SNELL. I have been told that formerly the city of New Orleans was willing to build the Bonnet Carre spillway, provided the Federal Government would allow them to do it. It is said they are willing to do that on account of their own protection.

Mr. SPEARING. I have never heard of it.

Mr. O'CONNOR of Louisiana. I suggest to my colleague that he ask the gentleman who made that statement.

Mr. SNELL. I understand a statement came to the War Department to that effect.

Mr. SPEARING. I will say that to my knowledge there was a crevasse at Bonnet Carre a number of years ago and New Orleans was endeavoring all the time to have it closed up, and it was finally closed.

As a matter of fact, except for certain physical conditions resulting from an opening in the levee below New Orleans, that city would much prefer to have a spillway between that city and the Gulf than to have one above the city of New Orleans, as will be the Bonnet Carre spillway. The water, through a spillway below New Orleans, flows directly in the Gulf and can not under any circumstances reach or affect any portion of the city of New Orleans. On the other hand, the water through the Bonnet Carre spillway will be discharged into Lake Pontchartrain, upon which the city of New Orleans borders in the rear. The effect of the water being discharged into that lake through Bonnet Carre spillway may raise the level of that lake, and in the event of high tide in that lake, as sometimes happens, the water may flood that portion of the city of New Orleans bordering on Lake Pontchartrain. By reason of the possibilities just mentioned, it may be necessary for the city of New Orleans to build levees or embankments along the shores of Lake Pontchartrain in order to protect that portion of the city from the overflow resulting from the water of the spillway flowing into the lake at high tide.

Bear in mind that in an amendment offered by the chairman of the committee [Mr. REID of Illinois], as well as in the amendment offered by the gentleman from Illinois [Mr. MADDEN], it is provided that—

no liability of any kind shall attach to or rest upon the United States for any damages from or by floods or flood waters at any place.

While it is wise to insert that provision in the bill, it is not necessary, because the Supreme Court of the United States has decided, as you have heard reiterated many times during the discussion of this bill, that the Government is not liable for any of these damages. It is apparent therefore that the provision that the city of New Orleans shall undertake to hold and save the United States free from damage claims is not for the benefit or to the interest of the Government because both by judicial decisions and by the text of the bill the Government is relieved from, and is not responsible for, those damages. It necessarily results that the only persons, corporations, or institutions that could be benefited by requiring the city of New Orleans to assume the payment of such damaged claims are the persons, whether individuals or corporations, that may be damaged. Note that the language is to hold the Government "from all damage claims arising out of the construction of the spillway." Observe that there is no restriction limiting the "damage claims" to those for which the Government may be liable, but is generally for "damage claims arising out of the construction of the spillway." Those who prepared the amendment were careful to clothe it with every possible provision to make the city of New Orleans legally liable to third persons; that is, persons other than the Federal Government. Thus they took pains to include the requirement that a consideration should be expressed, namely, the "paramount interest" of New Orleans in the spillway; and, as I have already said, they enlarged the obligation so as to include all damage claims arising out of the construction of the spillway, not merely those against the Government or for which the Government might be liable. In effect the requirement is that the city of New Orleans, in order to obtain what is conceived to be protection from floods, must assume obligations and liabilities to third persons for which the Government is not liable. Under such conditions and obligations the city of New Orleans would legally be liable to such third persons even though the Government would not be. No good reason has been urged why this condition and result should be insisted upon.

Let us for a moment consider the persons or corporations which would be benefited as a result of the proposed amendment, if adopted. The Bonnet Carre spillway will traverse a narrow neck or strip of land about 7 or 8 miles wide between the Mississippi River and Lake Pontchartrain. In that area, however, are three major railroads as well as other interests and property which will be damaged. Necessarily there will be damage to those railroads and other interests and property, so that if the provision I am now discussing is put in the bill it will inure to their benefit and not the benefit of the Government, because, as we have already seen, the Government will not only not owe them anything or be liable to them for any damages, but will be free from obligation or liability under the decision of the Supreme Court to which reference has frequently been made and under the provisions of the bill exempting the Government from liability. Congress should not be so solicitous of the interests of private concerns, of institutions, or even individuals, as to legislate in their favor and against communities already stricken by disaster for which they were in no manner responsible but which, though a long series of years and at excessive outlay of cash, they have endeavored to prevent.

New Orleans has never been unmindful of its obligations, nor the city or its citizens slow in the expenditure of funds for the protection of itself and the neighboring territory from overflow and its effects. As the flood of 1927 was about to reach its height it seemed possible that the river might overflow its banks at New Orleans and that a break might occur below Baton Rouge, which would have caused great damage and suffering and possibly loss of life. In that extremity the city authorities arranged for the opening of an artificial crevasse below the city, and the city assumed the entire cost, damage, and expense, including reimbursing the persons who were damaged as a result of the crevasse. While it is true one of the purposes of creating that crevasse was to prevent the water from overflowing the banks in front of the city—there was no danger of a break in the levees then—it is perfectly clear that the opening referred to relieved the pressure elsewhere and probably prevented a break in the levee at some other point, so that while New Orleans was benefited by the break, so also were other communities.

The prevention of another break saved immense damage not only to physical property but to general economic and commercial conditions, because it must be remembered that an overflow not only causes physical damages, human distress and suffering, and frequently loss of life, but upsets and disarranges the economic, financial, and commercial conditions, and ultimately affects the manufacturing, wholesale, and financial centers. It is, of course, manifest that when the purchasing

power of a large class of people is materially diminished, if not destroyed, as was the case in the flood of 1927, their inability to make purchases of useful as well as necessary articles affects the retailer, the jobber, the wholesaler, and the manufacturer, each in his turn, and has an effect upon the general economic and financial situation. Louisiana was more injuriously affected than was any other State, and it is now suffering more than is any other State. In addition to that it must be borne in mind that of the three flood ways or diversion channels two of them—namely, the Tensas flood way and the Atchafalaya flood way—are in Louisiana, as is also the Bonnet Carre spillway. Much of the land in those sections will be destroyed for all practical purposes and will necessarily be withdrawn from taxation, thus reducing the revenue of the State and the purchasing power of the people for all time. In addition to the loss and damage just referred to, it is proposed by the amendment under discussion, and to which we are objecting, to place an additional burden upon the city of New Orleans for no apparent reason than that it seems to be conceived that the city might be forced and compelled, as a matter of self-protection, if not preservation, to yield to the unjust and unfair demands suggested by the amendment. This inequity should not be permitted.

As I have just said, and I again urge, the placing upon the city of New Orleans of the tax and burden and cost and expense proposed by the amendment would be inequitable, unfair, and unjust. I do not believe that the fair-minded men of this House will support the amendment. [Applause and cries of "Vote!"]

Mr. O'CONNOR of Louisiana rose.

Mr. REID of Illinois. Mr. Chairman, I ask unanimous consent that the debate on this section and all amendments thereto be now closed.

Mr. O'CONNOR of Louisiana. I would like to have five minutes.

Mr. REID of Illinois. I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

Mr. LAGUARDIA. I object, Mr. Chairman.

Mr. REID of Illinois. Mr. Chairman, I move that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this section and amendments thereto close in five minutes. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The debate closes in five minutes. The Chair recognizes the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, as I said a few days ago, I have been fighting the good fight for flood relief since I came to Congress. I have seen many converts made during the last few years, and I think to-day we are nearing the goal for which we have fought for so many years down in the lower reaches of the river in Louisiana.

We want the Madden amendment voted down, for the excellent reasons given by the gentleman from Illinois [Mr. DENISON] and by my colleague from Louisiana [Mr. SPEARING]. I do not violate any confidence when I tell you that I know Mr. MADDEN himself was not pressing a few days ago for that amendment with reference to the Bonnet Carre spillway at New Orleans. He did not think it necessary to the policy to be pursued; and I believe the Republican leader, the gentleman from Connecticut [Mr. TILSON] was in accord with that. I do not violate any confidence or the ethics when I say to you that the President of the United States told my colleague [Mr. SPEARING] and myself this morning that that proposition, as it applies to New Orleans and as it is written in the Madden amendment, was entirely new to him. Mr. MADDEN, you ask for the truth. "Ye shall know the truth, and the truth shall make you free." Why should New Orleans, at the end of the river, take 10,000 cubic feet of water extracted from Lake Michigan by Chicago and 10,000 additional cubic feet of filth and sewage and drainage and pay for it for the benefit of the hygienic and sanitary welfare of Chicago?

The gentleman from Illinois knows that this statement is true. The greatest inland city of the world to protect herself from typhoid that would destroy her uses water from the lake and with her own enormous wastage as the result of stockyard and domestic use, creates power down the Chicago River out of which her sanitary district makes tremendous money and he has the audacity to ask New Orleans to pay for taking care of that water after it has served his city's purpose and she has made money out of it. Why should we be compelled to stand the burden of the drainage of every acre of ground in the great Mississippi Valley and take care of the sewage and drainage of the rapid development of civilization called the "cities" all around and on both sides of the great river? Substantially, if not literally, we ask for bread, and you give us a stone. We ask for a fish, and you give us a serpent. And the gentleman talks about "justice" on the floor of this House in regard to that amendment as it is applicable to New Orleans! It is the very last word of injustice.

Through and by his amendment New Orleans would be forced for all practical purposes to assume the payment of all damages resulting from the construction of the Bonnet Carre spillway.

I join with my friend [Mr. DENISON] in asking you to vote that amendment down overwhelmingly. [Applause.] Listen to this statement made in behalf of a city that has borne the heat and burden of the day. Listen to the last city on the banks of the Mississippi that has to watch with aching eyes yearly when the snows begin to melt between the Rockies and the Alleghenies and from above the Canadian border down through the mightiest, the most stupendous, valley in the world, as upon that melting and the rains that fall in the great rain sheds depends whether we shall sleep or remain awake "until danger's troubled night is o'er." Listen to the voice of the city that has already assumed the obligation of paying for all the damages in connection with the spectacular cutting of the levee at Caernarvon, and which may cost us millions.

In the estimates of cost of the Bonnet Carre spillway submitted by General Jadwin and by the Mississippi River Commission, there is a difference of $3,300,000 which covers the cost of right of way, the cost of rearrangement of railroads crossing the spillway, the relocation of the highways, and so forth, these items being included in the Mississippi River Commission's estimate and excluded in General Jadwin's estimate.

It is now represented as fair to require the city of New Orleans to assume this amount of $3,300,000 for the alleged reason that the spillway is for its particular benefit.

The city of New Orleans has 26 miles of levee on the Mississippi River. These levees have been built entirely at the expense of the city of New Orleans. Not one nickel of United States money was expended either in the construction or the upkeep of these levees. If a spillway is built at Bonnet Carre, these 26 miles of levees, in common with 250 to 300 miles of levee in other levee districts on both sides of the river, from Baton Rouge above New Orleans to Point a la Hache below, will participate in the benefits derived from a lowering of the flood height in that stretch of the river.

But in the consideration of the proposed assessment of $3,300,000 against New Orleans in connection with this spillway, let it not be overlooked that there are considerable expenditures that must be assumed by the city of New Orleans as a consequence of this proposed spillway.

There are three drainage canals, two navigation canals, and one natural stream, the Bayou St. John, all of which connect the built-up area of the city with Lake Pontchartrain in the rear. The Bonnet Carre spillway will discharge into Lake Pontchartrain about 250,000 cubic feet per second, or equivalent to the discharge of Niagara Falls.

While the effect of this discharge will not be to raise the lake more than a few feet—probably less than 3 feet—it is possible that there may be a storm tide occurring simultaneously with the high lake stage due to the spillway discharge and, to provide against such a contingency, there will be needed a material improvement of the rear protection-levee system. New Orleans gets the benefit of reduced flood stages on the front at the cost of increased flood stages in the rear.

The New Orleans levee board has an estimate recently prepared as to what would be the cost of this work, and this estimate is between four and five millions of dollars, no part of which it was contemplated to ask the United States Government to pay. Nor is it contemplated to ask the Government to assume any part of the cost of raising the levees along the commercial front of the city, comprising work that will involve, perhaps, $2,000,000, because it is not desirable to introduce complications in the matter of jurisdiction of our wharves and docks, as would naturally follow if the Government paid any part of the levee raising along that part of the river.

I join with my friend, Mr. DENISON, I repeat, in asking you to emphatically indorse his protest by voting down overwhelmingly the Madden amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MADDEN].

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 73, noes 142.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 4, line 15, strike out the words "local interests," and insert in lieu thereof "the several States within the Mississippi flood area," and on line 21, after "(b)," strike out the balance of the line and all of line 22 and insert in lieu thereof, "without cost to the United States provide necessary drainage works and rights of way or easements for structures, spillways, and flood ways as and when required, and will hold safe the United States from all damages or claims resulting from such work: *Provided*, That each of the said several States within the Mississippi flood area shall contribute for the acquisition of land, easements, and rights of way as herein provided in proportion to the acreage within its boundary benefited by the flood-relief plan herein provided: *And provided further*, That the United States will reimburse each of the said several States one-third of the amount expended by it for the acquisition of said land, rights of way, and easements."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. RAINEY. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. RAINEY. For the purpose of propounding a unanimous-consent request.

The CHAIRMAN. The gentleman is recognized for the purpose of propounding a unanimous-consent request.

Mr. RAINEY. Mr. Chairman, with reference to the letter about which there was a controversy a while ago, I have stricken out all references to Mr. FREAR. I have submitted the letter to him, and I ask unanimous consent to print the letter as amended.

Mr. SCHAFER. Mr. Chairman, reserving the right to object, does the gentleman know how many acres of land Mr. Lorimer owns down in the valley?

Mr. RAINEY. Yes.

Mr. SCHAFER. About how many?

Mr. RAINEY. He owns in fee 800 acres; and his company has timber rights, I think, on 15,000 acres.

Mr. LAGUARDIA. Will the gentleman make that request to-morrow morning? The committee is about to rise.

Mr. RAINEY. I am not going to take up any time.

Mr. LAGUARDIA. Has the gentleman from Wisconsin [Mr. FREAR] seen the letter?

Mr. RAINEY. Yes; I submitted it to him.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois:

There was no objection.

The letter referred to is as follows:

WASHINGTON, D. C., *April 19, 1928.*

Hon. HENRY T. RAINEY,

*House of Representatives, Washington, D. C.*

MY DEAR MR. RAINEY: * * * When I was before the Flood Control Committee of the House the chairman inquired of me who I was representing, and I made it clear on that occasion that I represented no interest aside from the Chicago Flood Control Conference, and that I was there in behalf of that organization and at the request of its executive committee, of which I am a member.

The fact is that during the past 36 years I have not been in the employ of any person, firm, or corporation other than corporations controlled by myself and members of my immediate family; and I am not now nor have I ever been employed by the Tensas Delta Land Co. or any other interest. It is common knowledge that I am here in behalf of the Chicago Flood Control Conference. * * * I am not paid for this service; but, to the contrary, I am here at my own expense, which I pay out of my own funds.

I have no personal interest to promote or conserve in connection with the pending legislation. The only land in the Delta in which I have an interest is owned by the lumber company bearing my name, and is situated in the proposed Boeuf flood way. The land itself is not of much value, and our timber rights will not be benefited or injured by the water. Our company will donate the flowage rights over our land in event the flood way should be constructed; I so stated before the committee.

* * * * * * *

You know how you and Congressman MADDEN and myself have labored in season and out of season during the past 25 years for the control and improvement of the Mississippi River; and you know that our only purpose has been to promote a great public improvement of paramount interest to the whole country; and now that the time is at hand when the Federal Government is about to take over the control and regulation of this great highway of commerce, * * * I take the liberty to request you, as a matter of simple justice, to read this statement into the RECORD during the consideration of the flood-control legislation in the House.

Very respectfully, WM. LORIMER.

The Clerk read as follows:

SEC. 4. Just compensation shall be paid by the United States for all property used, taken, damaged, or destroyed in carrying out the flood-control plan provided for herein, including all property located within the area of the spillways, flood ways, or diversion channels herein provided, and the rights of way thereover, and the flowage rights thereon, and also including all expenditures by persons, corporations, and public-service corporations made necessary to adjust or conform their property, or to relocate same because of the spillways, flood ways, or diversion channels herein provided: *Provided*, That in all cases where the execution of the flood-control plan results in benefits to any person, or persons, or corporations, municipal or private, such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid.

The Secretary of War may cause proceedings to be instituted for the acquirement by condemnation of any lands, easements, or rights of way needed in carrying out this project, the said proceedings to be instituted in the United States district court for the district in which the land, easement, or right of way is located. In all such proceedings the court, for the purpose of ascertaining the value of the property and assessing the compensation to be paid, shall appoint three commissioners, whose award, when confirmed by the court, shall be final. When the owner of any land, easement, or right of way shall fix a price for the same which, in the opinion of the Secretary of War, is reasonable, he may purchase the same at such price; and the Secretary of War is also authorized to accept donations of lands, easements, and rights of way required for this project. The provisions of sections 5 and 6 of the river and harbor act of July 18, 1918, are hereby made applicable to the acquisition of lands, easements, or rights of way needed for works of flood control: *Provided*, That any land acquired under the provisions of this section shall be turned over without cost to the ownership of States or local interests.

With the following committee amendments:

On page 5, in line 9, after the word "in," insert the word "special"; and in line 10, after the word "private," insert the words "or public service corporations."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

In line 15, after the word "way," insert the words "which, in the opinion of the Secretary of War, are."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 7, after the word "that," insert the words "the title to."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 8, after the word "section," insert the words "and used in connection with the works authorized by this act."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

In line 10 strike out the words "ownership of."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

In line 11, after the word "interests," insert the words "which shall retain the same for the purposes specified in this act."

The committee amendment was agreed to.

Mr. REID of Illinois. Mr. Chairman, I have certain other amendments to this section and other sections of the bill which I ask unanimous consent to have printed in the RECORD.

The CHAIRMAN. Without objection, the amendments indicated by the gentleman from Illinois will be printed in the RECORD.

There was no objection.

The amendments referred to are as follows:

SECTION 4

Page 4, strike out all of the first paragraph, beginning with the word "Just," in line 23, down to and including the word "paid," in line 12, on page 5, and insert in lieu thereof the following paragraph:

"The United States shall provide lands for rights of way over which destructive flood waters will pass by reason of the diversion from the main channel of the Mississippi River, and for levees along such diversions, flood ways, and spillways, and any lands, easements, flowage rights, or rights of way necessary to control and regulate such diversion."

Page 6, line 10, strike out the words "local interests" and insert in lieu thereof the words "levee districts."

SECTION 6

Page 6, line 22, strike out the words "In an emergency, funds" and insert in lieu thereof the word "Funds."

Page 6, line 23, after the word "of," insert the words "section 1 of."

Page 7, line 1, after the word "project," change the semicolon to a comma, strike out the rest of the section, and insert in lieu thereof the following: "including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes, in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on tributaries the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the cost of the works, and maintain them after completion: *And provided further*, That not more than $10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section."

Page 7, after the amendment proposed to be inserted at the end of section 6, add a new paragraph, as follows:

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

SECTION 8

Page 8, line 15, after the word "officer," insert the words "of the United States Army or other branch of the Government."

SECTION 9

Page 9, line 16, strike out the word "section" and insert in lieu thereof the words "sections 13, 14, 16, and."

Page 9, line 17, after the word "to," insert the words "all lands, waters, easements, and other property and rights acquired or constructed under the provisions of."

SECTION 10

Page 9, line 21, after the figures "1927," insert the word "and."

Page 10, line 9, after the word "tributaries," change the colon to a semicolon and insert the following: "and the reports thereon, in addition to the surveys provided by said House Document 308, Sixty-ninth Congress, first session, shall include the effect on the subject of further flood control of the lower Mississippi River to be attained through the control of the flood waters in the drainage basins of the tributaries by the establishment of a reservoir system; the benefits that will accrue to navigation and agriculture from the prevention of erosion and siltage entering the stream; a determination of the capacity of the soils of the district to receive and hold waters from such reservoirs; the prospective income from the disposal of reservoired waters; the extent to which reservoired waters may be made available for public and private uses; and inquiry as to the return flow of waters placed in the soils from reservoirs; and as to their stabilizing effect on stream flow as a means of preventing erosion, siltage, and improving navigation."

Page 10, line 15, after the word "authorized," insert the words "in section 1 of this act."

SECTION 11

Page 11, line 22, after the word "act" strike out the words "the commission is authorized to build same," and insert in lieu thereof the words "and by the President, the same shall be built."

SECTION 12

Strike out all of section 12 on pages 11, 12, 13, and 14.

SECTION 13

Page 14, line 3, strike out the figure "13" and insert in lieu thereof the figure "12."

SECTION 14

Page 14, line 5, strike out the figure "14" and insert in lieu thereof the figure "13."

Mr. REID of Illinois. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON, Speaker pro tempore, having assumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, and had come to no resolution thereon.

PENSIONS

Mr. ELLIOTT. Mr. Speaker, I submit, for printing, conference report on the bill (S. 2900) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2900) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 7, 15, 16, with the following change: On page 11, strike out the lines 18 to 21, inclusive. On amendments numbered 18, 21, 24, 36, 41, 44 the House agreed with the following change: On page 23, line 10, after the name "Weaver," insert the word "former." On amendments numbered 53, 58, 64, 65, 67, 68, 71, 74, 80, 81, 82, 93 the House agreed with the following change: Strike out "$30" and insert "$20." On amendments numbered 94, 99, 106, 117, 126 the House receded.

That the Senate recede from its disagreement to the House amendments numbered 1, 2, 2½, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 17, 19, 20, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 42, 43, 44½, 45, 46, 47, 48, 49, 50, 50½, 51, 52, 54, 55, 56, 57, 59, 60, 61, 62, 63, 66, 69, 70, 72, 73, 75, 76, 77, 78, 79, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 95, 96, 97, 98, 100, 101, 102, 103, 104, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 118, 119, 120, 121, 122, 123, 124, 125, 127, 128 with the following changes: On page 156 of the engrossed bill, line 20, strike out "$30" and insert "$20." On page 180 of the engrossed bill, strike out the following language: "The name of Allie Crabb, widow of Mark M. Crabb, late of Company H, Seventy-eighth Regiment Volunteer Infantry, and pay her a pension at the rate of $30 per month"; and the House agreed to the same.

W. T. FITZGERALD,
RICHARD N. ELLIOTT,
MELL G. UNDERWOOD,
*Managers on the part of the House.*
PETER NORBECK,
LYNN J. FRAZIER,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House on Senate bill 2900 state by the way of explanation that 1,028 House bills were included in said bill. The committee on conference carefully examined into the merits of each individual case over which any difference of opinion existed, and mutually agreed to restore all bills of a meritorious character. The Senate bill contained the names of 343 beneficiaries and the House disagreed with the Senate on 58 items and made 87 corrections as amendments. Of the 58 items disagreed to the Senate asked that 33 of them be restored and the House conferees agreed to restore 32, in one of which the rate was reduced from $30 to $20 a month. The Senate agreed on the other 113 House amendments. Of the 1,028 House bills the Senate took exception to only 25 of them, and agreed to the retention of 24 of the exceptions. In one case the rate was reduced from $30 to $20 a month, the House receding in one case only. Therefore, the House lost but one bill of the total number included as an amendment to the Senate bill.

W. T. FITZGERALD,
RICHARD N. ELLIOTT,
MELL G. UNDERWOOD,
*Managers on the part of the House.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

To Mr. BOHN (at the request of Mr. MAPES), indefinitely, on account of illness.

To Mr. DOUGLAS of Arizona (at the request of Mr. LANHAM), for to-day, on account of illness.

To Mr. WURZBACH, for three weeks, on account of important business.

THE JOHN SEALY HOSPITAL

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include an explanatory

statement with reference to a bill introduced by me, H. R. 13217, such explanatory statement having been prepared by counsel for the foundation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRIGGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

*To the Honorable Senators and Members of the House of Representatives of the United States:*

In connection with our petition for relief of the estate of John Sealy from the payment of Federal estate taxes, we present the following:

HISTORY OF THE JOHN SEALY HOSPITAL, A DEPARTMENT OF THE MEDICAL BRANCH OF THE UNIVERSITY OF TEXAS

GALVESTON, *December 24, 1926.*

At an election held for that purpose on the first Tuesday of September, 1881, the voters of the State located the main university at Austin and the medical branch or department at Galveston.

On May 12, 1887, Mrs. Rebecca Sealy, executrix and wife of Mr. John Sealy, who died August 29, 1884, and Mr. George Sealy, a brother, and executor, addressed a letter to the city council of Galveston, from which we quote:

"Gentlemen: The executors of the late Mr. Sealy, in order to carry into effect his legacy toward an establishment of usefulness or charity in Galveston, to be of the most service, have concluded to tender to your honorable body the sum of $50,000, to be used in the erection of a building for a medical hospital, on grounds to be furnished by the city. * * *

"The only condition placed upon the donation is that so long as the hospital remains under the administration of the city it should be rendered more useful to the indigent sick of the city, under the regulations deemed best by you for that object. Should the medical department of the Texas State University be practically established at Galveston, as the State constitution requires, and should you deem it proper to transfer the same to the university for its benefit, you have the consent of the executors to such action as your wisdom shall dictate."

The city, by an ordinance approved September 6, 1887, accepted the donation.

By an act approved May 17, 1888 (acts of 1888, p. 20), the Legislature of Texas appropriated $50,000 for use in the construction of buildings for the medical branch of the University at Galveston, from which act we quote:

*"Provided,* That the said city of Galveston shall donate to the University of Texas block No. 668 in said city to be used for the medical branch of said institution; and

*Provided further,* That the executors of the estate of John Sealy, deceased, shall agree to construct on said block, at a cost of not less than $50,000, a medical hospital, which, when completed, is to be donated to the medical branch of the University of Texas, and to be under the control of the board of regents of said university."

By a deed dated July 30, 1889, recorded in Book 72, p. 268, the city conveyed to the State of Texas block 668 for the benefit of the University of Texas, and to be used for and in connection with the medical branch.

Block 668 has been used only for hospital purposes, the State having acquired other land upon which the medical department buildings were constructed.

From 1888 to 1891 the estate of Mr. Sealy expended in the construction of the hospital $69,126.36. The Mr. John Sealy hereinafter mentioned is the son of Mr. John Sealy, whose estate constructed the original hospital. Mr. John Sealy and his sister, Mrs. R. Waverley Smith, expended the following amounts in repairs of the hospital:

| | |
|---|---|
| 1898 | $10,499.47 |
| 1899 | 11,886.56 |
| 1900 | 5,584.74 |
| 1901 | 3,836.27 |

In 1915 Mr. Sealy and his sister constructed the women's hospital at a cost of $125,000. They executed a deed of gift to the board of regents of the University of Texas, dated May 31, 1915, recorded in book 285, page 413, of the women's hospital, located on property owned by the State. On December 4, 1911, the county of Galveston executed a lease to the board of regents of the University of Texas demising to the regents for 99 years all of the land acquired by the county for sea-wall purposes north and northwestward of the line of Avenue B, for a rental of $10 per annum, such land to be used solely for hospital purposes in connection with the John Sealy Hospital. By a deed dated December 23, 1911, recorded in book 253, page 517, Mr. John Sealy conveyed to the State of Texas for hospital purposes in connection with the John Sealy Hospital all of lots 1, 12, 14, and 13 in block 667, excepting so much thereof as had been conveyed to the county for sea-wall purposes. That property was acquired by Mr. Sealy at a cost of $3,600.

In 1916 Mr. Sealy expended in remodeling and refurnishing the main hospital $270,000. Since May, 1913, the John Sealy Hospital and its accessories have been operated under a lease contract between the regents of the university and the city of Galveston dated May 9, 1913, recorded in book 266, page 55, which expires May 9, 1938 (which succeeded the lease contract dated October 7, 1889), under the terms of which the university furnishes the medical staff of the hospital and the city is required to make yearly adequate appropriations for the care of the indigent sick of the city in the hospital and for the maintenance, support, and operation of the hospital. Under such contract the hospital is managed by a board of five persons, two appointed by the regents, two by the city, and the fifth chosen by the four. The appropriation made by the city each year, when added to receipts of pay patients, was insufficient to pay the operating expenses of the hospital and the deficiency each year was paid by Mr. Sealy. The amounts expended by him for such purpose from 1914 to 1925 aggregated $206,000.

The Sealy & Smith Foundation for the John Sealy Hospital was chartered under the laws of Texas as a charitable corporation March 10, 1922 (see Appendix A). Prior to his death, which occurred on February 19, 1926, Mr. Sealy, including the cost of lots 1, 2, 3, 4, 11, 12, and 13 in block 608, and lot 1 in block 607, which he conveyed to the Sealy & Smith Foundation, donated to the foundation in property and securities $271,463.11. Mrs. R. Waverley Smith purchased lots 2, 3, 4, 5, 6, 14, and the west one-half of lot 12, in block 607, at a cost of $22,066.50, and conveyed the same to the foundation. The total of the contributions made by the Sealy and Smith family prior to Mr. Sealy's death is $999,063.01.

The Rebecca Sealy Nurses' Home was constructed by the board of regents on the hospital grounds in 1914–15, at a cost of $92,250, and furnished by the city at a cost of $4,000.

By an act approved February 28, 1915 (acts of 1915, p. 32), the State accepted the gift by the Public Health Association of the Walter Colquitt Memorial Children's Hospital, also known as the Children's Ward of the John Sealy Hospital, on the premises of the University of Texas, Galveston, the same to the State hospital for crippled and deformed children and to be under the control and management of the board of regents of the university, and said board was authorized to lease the same to the city in the same manner as the John Sealy Hospital buildings. It was further provided that the legislature should make suitable provision in the general appropriation bill, or otherwise, to pay for the proper care of children afflicted with surgical tuberculosis. Such children's hospital was constructed by the Public Health Association at the expense of $15,000.

In 1910 the board of regents constructed the isolation hospital for the treatment of contagious diseases at a cost of $18,000. The colored hospital was constructed in 1901, with $18,500 donated by the New York Chamber of Commerce, supplemented by $3,000 from the funds of the general relief committee of 1900.

The will of John Sealy (Appendix B), after making specific bequests to relatives and friends, aggregating $220,000, leaves one-half of his residuary estate immediately to the Sealy & Smith Foundation for the John Sealy Hospital and provides that the foundation shall expend so much of the income from such half of the estate as its board of directors shall deem appropriate or necessary for the support, maintenance, operation, and repair of or additions to the John Sealy Hospital, or for the construction of additional buildings to be operated in connection therewith. See Appendix B, tenth clause of will. The will (11th par.), in connection with the codicil (4th par.), bequeaths the other half of the residuary estate to trustees, who are to pay over the income therefrom to four persons named in the will, after the death of which four persons such one-half of the residuary estate goes to the foundation for the same purposes as described in paragraph 10 of the will.

The codicil (3d par.) provides that all inheritance and estate taxes shall be paid out of the half of the residuary estate which is immediately bequeathed to the foundation for the benefit of the hospital, so that any inheritance legacy or estate taxes that may be paid will to that extent diminish that part of the estate which under the will goes immediately to the foundation. Mr. Sealy's estate was appraised by the appraisers appointed by the probate court of Galveston County at $10,055,565.43. The New York tax authorities, where transfer tax was paid, increased the valuation of the oil stock of the estate above the value placed thereon by the Galveston appraisers $1,898,624.49, which amount, added to the Galveston appraisement of the estate, would make a valuation of $11,954,189.92.

The Legislature of Texas, by an act approved October 1, 1926 (see Appendix C), released the Sealy & Smith Foundation and the other legatees, and the estate of Mr. Sealy from the payment of legacy or inheritance taxes estimated at $700,000, upon a condition that $700,000 of the assets of the foundation shall be subject to joint control of the board of regents and of the foundation.

Assuming that in addition to the specific bequests the half of the residuary estate, the income from which is to be paid to the individuals or to an individual until the death of four persons named in the will,

is subject to the Federal estate tax, the amount of such tax has been estimated at $600,000, upon which there will be a credit of $139,850.48, the amount of the transfer tax paid the State of New York. However, there is some question about the constitutionality of such transfer tax, which may be tested in the courts.

In addition to the ordinary functions of a hospital, the John Sealy Hospital is used for clinical instruction by the medical department of the university, without which a medical school can not be successfully conducted. The hospital also maintains a school for training nurses.

The hospital conducts an out-patient department for the treatment of those who do not require accommodation in the hospital, where indigents are treated without charge. The poor are treated in the hospital without charge. A charge is made only against those well able to pay who require special accommodations. Generally speaking, while the hospital is owned by the State, it is conducted as any other charity hospital.

It was stated by the president of the university that this bequest of Mr. Sealy would make the medical college and the hospital one of the largest medical centers in the United States. Any money expended on the hospital and any additions made thereto from the income of Mr. Sealy's estate left to the foundation will become the property of the State, as the hospital, as above stated, is owned by the State.

It was the earnest wish of Mr. Sealy that the bulk of his estate might go to the hospital without depletion by the payment of taxes of this nature.

Respectfully submitted.

J. W. TERRY.
BALLINGER MILLS.
JOHN L. DARROUZET.

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APPENDIX A

CHARTER OF THE SEALY & SMITH FOUNDATION FOR THE JOHN SEALY HOSPITAL

STATE OF TEXAS,
*County of Galveston:*

*Know all men by these presents:*

That we, Jennie Sealy Smith, John Sealy, and R. Waverley Smith, all citizens of Galveston, Galveston County, Tex., under and by virtue of the laws of this State, do hereby voluntarily associate ourselves together for the purpose of forming a private corporation under the terms and conditions hereinafter set out, as follows:

1. The name of this corporation is the Sealy & Smith Foundation for the John Sealy Hospital.

2. The purpose for which it is formed is the support of a charitable undertaking in the city and county of Galveston, State of Texas, for the construction, remodeling, enlarging, equipping, and furnishing of the John Sealy Hospital and other hospital building or buildings in the city of Galveston, Tex., in connection with the John Sealy Hospital in said city and the endowment thereof, for the use of the people of said city of Galveston and providing them with the necessary medical care and attention therein.

3. The place where the business of the corporation is to be transacted is at Galveston, Galveston County, Tex.

4. The term for which it is to exist is 50 years.

5. The board of directors shall be seven, and the names and post-office addresses of those selected for the first year are as follows:

Mrs. Jennie Sealy Smith, Galveston, Galveston County, Tex.; John Sealy, Galveston, Galveston County, Tex.; R. Waverley Smith, Galveston, Galveston County, Tex.; Charles S. Peek, Galveston, Galveston County, Tex.; Dr. Edward Randall, Galveston, Galveston County, Tex.; Fred W. Catterall, Galveston, Galveston County, Tex.; E. O. Cone, Galveston, Galveston County, Tex.

6. This corporation, being organized as a charitable undertaking, has no capital stock, and the estimated value of the goods, chattels, lands, rights, and credits owned by the corporation is undetermined, as it is formed for the purpose of receiving contributions in the future to the charities mentioned, and as yet has no property.

In testimony whereof we hereunto sign our names this 1st day of March, A. D. 1922.

JENNIE SEALY SMITH.
JOHN SEALY.
R. WAVERLEY SMITH.

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STATE OF TEXAS,
*County of Galveston, ss:*

Before me, the undersigned authority, this day personally appeared Jennie Sealy Smith, John Sealy, and R. Waverly Smith, known to me to be the persons whose names are subscribed to the foregoing instrument, and each of them acknowledged to me that she and he, respectively, had executed the same for the purposes and consideration therein expressed.

In testimony whereof I hereby subscribe my name and affix the seal of my office this the 8th day of March, A. D. 1922.

[SEAL.] C. O. NEWBROUGH,
*Notary Public in and for Galveston County, Tex.*

Filed in the office of the secretary of state this 10th day of March, A. D. 1922.

S. L. STAPLES,
*Secretary of State.*

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THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, S. L. Staples, secretary of state of the State of Texas, do hereby certify that the foregoing is a true and correct copy of charter of the Sealy & Smith Foundation for the John Sealy Hospital, with the indorsement thereon, as now appears of record in this department.

In testimony whereof I have hereunto signed by name officially and caused to be impressed hereon the seal of State at my office in the city of Austin the 11th day of March, A. D. 1922.

[SEAL.] S. L. STAPLES,
*Secretary of State.*

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BY-LAWS OF THE SEALY & SMITH FOUNDATION FOR THE JOHN SEALY HOSPITAL

ARTICLE I

*Purposes and authority of the foundation*

This foundation is authorized by its charter to receive any money or property, real or personal, turned over to it by gift, devise, or descent; to hold, manage, and control; to invest and reinvest or exchange the same; to receive title to real estate and make conveyances thereof in its corporate name; and to use and expend such property, or the income thereof, in such manner as may be directed by the donor, or if received by it without specific direction from the donor, then within the discretion of its board of directors and as may be by them determined, both as to the time and manner, for the construction of new buildings or for remodeling, enlarging, equipping, and furnishing existing buildings of the John Sealy Hospital and other hospital building or buildings in the city of Galveston, Tex., in connection with the John Sealy Hospital in said city, and for the endowment or support thereof, in such amounts as may be determined by its board of directors, for the use of the people of said city of Galveston and for providing them with the necessary medical care and attention in said hospital buildings.

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APPENDIX B

WILL

The STATE OF TEXAS,
*County of Galveston:*

I, John Sealy, of the city and county of Galveston, State of Texas, being of sound and disposing mind and memory, do make, publish, and declare this my last will and testament, hereby revoking and annulling any and all other wills by me at any time heretofore made.

First. I nominate, constitute, and appoint Jennie Sealy Smith, R. Waverley Smith, and Charles S. Peck, all of the city and county of Galveston, Tex., independent executrix and executors, respectively, of this my will and of my estate, and I hereby expressly direct and provide that no bond or other security shall be required of them, or either of them, as such executrix or executors, and that no action shall be had or taken in the probate court, or any other court, with reference to the settlement of my estate, except to probate and record this will and to file an inventory, appraisement, and list of claims of my estate.

I direct that the said Charles S. Peek, in his capacity as my said executor, shall receive the sum of $10,000 per annum during the time he acts as my said executor, beginning with the date of my death and continuing until my estate is finally distributed and closed under the provisions of this will.

Wherever the words "executor" or "executors" are hereinafter used, they shall be construed to mean my said executrix or executor, or my said executrix and my said executors, as the case may be.

In the event of the death, resignation, refusal, failure, or inability of any or either of them to act as such executor, then the survivor or survivors, or he or they who act as such executor or executors, shall have full power and authority as such executor or executors the same as if all of them had qualified and acted; it being my intention that if one or more of said persons named as my executors shall die, resign, refuse, fail, or for any reason be unable to act as such, then the other or others of said persons shall have and exercise all the powers as such executors that could have been exercised by all of them had they all qualified and acted as such executors.

My said executors shall have full title, right, power, and authority to make any transfer, sale, and conveyance of all or any part of the estate and property left by me, from time to time, and at any time, as in their judgment shall seem best, and generally until final distribution of my estate, to have and exercise unlimited and general control and charge of my estate and effects in the same manner that I could do if living.

Second. It is my express will, desire, and intention that my executors shall have full power and authority to carry out all the provisions of this will and to administer, distribute, and finally close my estate without the exercise of any jurisdiction over it or them by the probate

court, or any other court, and without the intervention or action of any kind whatsoever of any court in any matter relating to my estate or of the settlement thereof.

Third. I give, devise, and bequeath to my sister, Jennie Sealy Smith, all of my interest in our home, being lots Nos. 12, 13, and 14, in block No. 262, in the city and county of Galveston, State of Texas, and all improvements thereon, and all of the contents of the said home.

Fourth. I give, devise, and bequeath to my aunt, Mary D. Maitland, widow of Thomas J. Maitland, the sum of $10,000. In the event of the death of my said aunt, Mary D. Maitland, before my own death, then I give, devise, and bequeath said sum of $10,000, that would otherwise have gone to said Mary D. Maitland, to my cousin, Mary S. Babcock, the daughter of my said aunt. In event of the death of both my said aunt and my said cousin before my own death, then if my said cousin leaves surviving her a child or children of her own, then I give, devise, and bequeath to such child or children, if more than one, share and share alike, as shall be living at the time of my death, said sum of $10,000 that would otherwise have gone to either my said aunt or my said cousin. But if both my said aunt and my said cousin die before my own death and if there be not living at the time of my death any surviving child of my said cousin, then said sum of $10,000 that would otherwise have gone either to my said aunt or my said cousin, or to such child or children of my said cousin, shall revert to, fall into, and become a part of my residuary estate and as such shall be disposed of in accordance with the provisions of this will.

Fifth. I give, devise, and bequeath to my cousin, Etta R. Jackson, wife of Thomas W. Jackson, of Hollidaysburg, Pa., the sum of $10,000. In the event of her death before my own death the said sum of $10,000 shall revert to, fall into, and become a part of my residuary estate and as such shall be disposed of in accordance with the provisions of this will.

Sixth. I give, devise, and bequeath the sum of $10,000 to each of my following-named cousins, to wit: To Margaret Sealy Burton, of Galveston, Tex., $10,000; to Ella Sealy Newell, of Greenwich, Conn., $10,000; to Caroline Sealy Livermore, of San Francisco, Calif., $10,000; to Rebecca Sealy Mallory, of Greenwich, Conn., $10,000; to George S. Ewalt, of Galveston, Tex., $10,000. I give, devise, and bequeath to my cousin, George Sealy, of Galveston, Tex., $50,000; making in all to my said six cousins $100,000. In event of the death of any of said legatees named in this paragraph before my own death, then the legacy or legacies that would otherwise have gone to such deceased legatee or legatees, under the provisions of this paragraph, shall revert to, fall into, and become a part of my residuary estate, and as such shall be disposed of in accordance with the provisions of this will.

Seventh. I give, devise, and bequeath the sum of $10,000 (being in all $50,000) to each of my following-named friends, all of Galveston County, Tex., to wit: To H. O. Stein, $10,000; to J. J. Davis, $10,000; to E. D. Cavin, $10,000; to Ballinger Mills, $10,000; and to M. H. Royston, $10,000.

I give, devise, and bequeath to John Sealy Peek, of Galveston, Tex., $5,000; I give, devise, and bequeath to John Sealy Livermore, of San Francisco, Calif., $5,000.

In event of the death of any of the legatees named in this clause seventh before my own death, then the legacy or legacies that would have otherwise gone to such deceased legatee or legatees, under the provisions of this paragraph, shall revert to, fall into, and become a part of my residuary estate, and as such shall be disposed of in accordance with the provisions of this will.

Eighth. I give, devise, and bequeath to my executors, as trustees, the sum of $50,000, in trust, for the following purpose, to wit: My said executors shall pay over and distribute said sum to and among my friends, all the employees of the firm of Hutchings, Sealy & Co., or of whatever firm, if any, shall at the time of my death be the successor in business of Hutchings, Sealy & Co., as shall be in the service of said Hutchings, Sealy & Co., or such successor firm, at the date of my death, constituting the entire office force of said Hutchings, Sealy & Co., or such successor firm at said date, such payment to and distribution among them to be made pro rata in proportion to the amount of compensation at said date received by them respectively as such employees.

Ninth. I direct that all of the legacies and bequests provided for in clauses third, fourth, fifth, sixth, seventh, and eighth of this will shall be paid to the legatees therein named in full, without any deduction for any Federal estate tax, or State inheritance tax on said legacies, or any of them, and any and all estate inheritance or legacy taxes which may be payable by reason of said legacies, or any of them, shall be paid out of my residuary estate. My executors may pay over and deliver the said legacies and bequests either in money or in securities which in their judgment are of the value of the legacies and bequests to which said legatees are severally entitled under the terms of said clauses.

Tenth. After the payment of all the legacies and bequests provided for by the preceding paragraphs of this will, I give, devise, and bequeath one-half of all the rest, residue, and remainder of my estate, property, and effects of whatsoever character, kind, nature, or description, real, personal, or mixed, in possession or in action, and wheresoever situated, which may be owned or possessed by me, or to which I may be entitled, to the Sealy & Smith Foundation for the John Sealy Hospital, a charitable corporation duly incorporated under the laws of the State of Texas, in trust, for the purpose that said corporation shall take charge and possession of the bequest made by this paragraph and shall invest and reinvest the same and collect and gather in the interest, income, and revenue thereon accruing or therefrom arising, and shall use, discharge, and expend such interest, income, or revenue, or so much thereof as said corporation through its board of directors shall deem appropriate or necessary for the support, maintenance, operation, and repair of or additions to the John Sealy Hospital located in the city of Galveston, Tex., or for the construction of additional buildings to be operated in connection therewith.

Eleventh. After the payment of all of the legacies and bequests provided for by clauses third, fourth, fifth, sixth, seventh, and eighth of this will, I give, devise, and bequeath one-half of all of the rest, residue and remainder of my estate, property, and effects, of whatsoever character, kind, nature, or description, real, personal, or mixed, in possession or in action, and wheresoever situated, which may be owned or possessed by me, or to which I may be entitled, to Jennie Sealy Smith, R. Waverley Smith, and Charles S. Peek, as trustees, upon the following trusts, terms, and conditions, to wit:

(a) The said trustee shall take charge and possession of the bequest made by this paragraph, and shall during the terms of this trust, as hereinafter limited, invest and reinvest the same and collect and gather in the interest, income, and revenue thereon accruing, or therefrom arising, and shall have full power to make any sales or conveyances of said property, or of any reinvestments thereof.

(b) The said trustees shall pay over or deliver at such periods as they may deem best, not longer than annually, one-half of the net interest, income, and revenue arising from the property bequeathed to them in trust by clause eleventh of this will to my sister, Jennie Sealy Smith, during her life time. At the death of my said sister, Jennie Sealy Smith, the trust created as to her by this paragraph of this clause eleventh of this will shall cease and determine, and the said trustees shall thereupon pay over, convey, and deliver one-half in value of the entire property bequeathed to them in trust by this clause eleventh of this will to the Sealy & Smith Foundation for the John Sealy Hospital in trust for all the uses and purposes and under all the terms and conditions specified and set out in clause tenth of this will. In the event the said Jennie Sealy Smith shall predecease me I direct that the said one-half of the trust property bequeathed to said trustees by clause eleventh of this will shall be turned over and delivered to said the Sealy & Smith Foundation for the John Sealy Hospital at the same time, in the same manner, and subject to the same trusts and provisions as the legacy or bequest made by clause tenth of this will.

(c) The said trustees shall pay over or deliver at such periods as they may deem best, not longer than annually, one-sixth of the net interest, income, and revenue arising from the property bequeathed to them in trust by this clause eleventh of this will to my brother-in-law, R. Waverley Smith, during his lifetime. At the death of my said brother-in-law, R. Waverley Smith, the trust created as to him by this paragraph of this clause eleventh of this will shall cease and determine, and the said trustees shall thereupon pay over, convey, and deliver one-sixth in value of the entire property bequeathed to them in trust by this clause eleventh of this will to the Sealy & Smith Foundation for the John Sealy Hospital in trust for all the uses and purposes and under all the terms and conditions specified and set out in clause tenth of this will. In the event the said R. Waverley Smith shall predecease me I direct that the said one-sixth of the trust property bequeathed to said trustees by clause eleventh of this will shall be turned over and delivered to said the Sealy & Smith Foundation for the John Sealy Hospital at the same time, in the same manner, and subject to the same trusts and provisions as the legacy or bequest made by clause tenth of this will.

(d) The said trustees shall pay over or deliver at such periods as they may deem best, not longer than annually, one-sixth of the net interest, income, and revenue arising from the property bequeathed to them in trust by this clause eleventh of this will to my cousin, Anna D. Terry, during her lifetime. At the death of my said cousin, Anna D. Terry, the trust as to her created by this paragraph of this clause eleventh of this will shall cease and determine, and the said trustees shall thereupon pay over, convey, and deliver one-sixth in value of the entire property bequeathed to them in trust by this clause eleventh of this will to the Sealy & Smith Foundation for the John Sealy Hospital in trust for all the uses and purposes and under all the terms and conditions specified and set out in clause tenth of this will. In the event the said Anna D. Terry shall predecease me I direct that the said one-sixth of the trust property bequeathed to said trustees by clause eleventh of this will shall be turned over and delivered to said the Sealy & Smith Foundation for the John Sealy Hospital at the same time, in the same manner, and subject to the same trusts and provisions as the legacy or bequest made by clause tenth of this will.

(e) The said trustees shall pay over or deliver at such periods as they may deem best, not longer than annually, one-sixth of the net interest, income, and revenue arising from the property bequeathed to them in trust by this clause eleventh of this will to my cousin, Rebecca

Sealy Terry, during her lifetime. At the death of my said cousin, Rebecca Sealy Terry, the trust created by this paragraph of this clause eleventh of this will shall cease and determine as to her, and the said trustees shall thereupon pay over, convey, and deliver one-sixth in value of the entire property bequeathed to them in trust by this clause eleventh of this will to the Sealy & Smith Foundation for the John Sealy Hospital in trust for all the uses and purposes and under all the terms and conditions specified and set out in clause tenth of this will. In the event the said Rebecca Sealy Terry shall predecease me I direct that the said one-sixth of the trust property bequeathed to said trustees by clause eleventh of this will shall be turned over and delivered to said the Sealy & Smith Foundation for the John Sealy Hospital at the same time, in the same manner, and subject to the same trusts and provisions as the legacy or bequest made by clause tenth of this will.

(f) Whenever any portion of the property devised to the said trustees by this clause eleventh of this will is to be turned over, conveyed, or delivered to said the Sealy & Smith Foundation for the John Sealy Hospital under the terms hereof, the trustees above named shall have full power to designate and determine what portion or portions of the trust property shall constitute the share then to be turned over, conveyed, or delivered to said the Sealy & Smith Foundation for the John Sealy Hospital, and what portion shall remain in the trust hereby created until its final termination, and to execute instruments of partition thereof.

(g) Upon the death of the last survivor of Jennie Sealy Smith, R. Waverley Smith, Anna D. Terry, and Rebecca Sealy Terry, the trust created by this clause eleventh of this will shall wholly cease and determine and all of the then existing trust property which shall not have theretofore been delivered to the said the Sealy & Smith Foundation for the John Sealy Hospital shall be then turned over and delivered to it to be held and used by it for the purposes hereinabove set out.

(h) No bond or other security shall be required of said trustees, or any of them, in connection with the said trust property, or its administration.

(i) All powers herein given to the said trustees shall vest in and may be exercised by the survivor or survivors thereof.

(j) In the event of the death of any of the three trustees hereinabove named in this clause of this will, prior to the final termination of this trust, or in the event of the death of any two of said trustees, the surviving trustees or trustee, as the case may be, shall have the right to join another trustee or trustees, either individual or corporate, with said survivor or survivors so as to keep the total number of trustees acting at three, by a written instrument of appointment acknowledged in accordance with the laws of Texas so as to entitle it to registration, and upon the execution of any such instrument of appointment by the surviving trustee or trustees, as the case may be, and its registration in the deed records of Galveston County, Tex., the trustee or trustees thereby appointed shall succeed to all of the powers of the then deceased trustee or trustees, and any and all acts in furtherance of the purposes of this trust done by such successor trustee or trustees so appointed shall be as effective and binding as if done by the trustees herein expressly named, whose place or places they take. Such power of appointment shall exist whenever by death, resignation, or otherwise, there are not three trustees administering the trust.

(k) After my estate is fully administered by my executors and the trust provided for by this clause eleventh of this will is established, the compensation provided for Charles S. Peek for acting as executor in clause first of this will shall cease, but he shall thereafter, until the final termination of said trust, receive out of the income from the said trust property, as his compensation for acting as such trustee, compensation at the rate of $10,000 per year as long as the whole of the property devised by this clause eleventh of this will shall remain in the hands of said trustees under the provisions hereof, such compensation to be diminished proportionately as and when the trust shall end as to any portion of the trust property by the delivery of same to the Sealy & Smith Foundation for the John Sealy Hospital under the terms of this clause.

Twelfth. All the legacies and bequests provided for in this will shall be paid out of my estate by my executors as soon after my death as may be convenient and suitable to the affairs of my estate, as to which time my said executors shall judge, and for the purpose of providing for the payment of said legacies and bequests as well as for any and all other purposes provided for by this will, my said executors are expressly authorized and empowered to transfer, sell, and convey any and every part of my estate necessary therefor as in their judgment may seem best.

Thirteenth. It is my desire and intention and I hereby expressly direct and provide that all the provisions and stipulations of the contract or articles of partnership of the firm of Hutchings, Sealy & Co., or any successor in business of said firm that may be in existence at the date of my death, relating to the continuance of said partnership and its business after the death of any one of the partners thereof, or relating to any other matters whatsoever, shall be in all respects carried out, observed, and performed by my said executors and said surviving partners, and I expressly authorize and empower my said executors to make all necessary arrangements and agreements and do and perform all necessary acts and things according to their own judgment and discretion, providing for the continuance and carrying on of the business of such partnership, or successor partnership, after the death of any of the partners thereof and with respect to the interest and rights of my estate therein, and the continuance and continued carrying on of the business thereof, in accordance with the terms and provisions of such articles of partnership or partnership contract.

Fourteenth. The unlimited and general control, charge, management, and disposition of my estate and property is confided to the wisdom, judgment, and discretion of my executors, or such of them as shall survive and act under the terms of this will, with full trust and confidence in their good faith and in their acting for the best interest of my estate and legatees and devisees, and my said executors shall have full time and discretion as to the time and manner of winding up my estate and making distribution thereof and with respect to investments and reinvestments during the administration thereof, and no demand shall be made or enforced against them for distribution or partition until the proper and judicious period shall, in accordance with their good judgment, have elapsed.

Fifteenth. My executors are hereby given full power and authority to make final partition and distribution of my estate to the parties respectively entitled thereto without the action, judgment, or decree of any court whatsoever, and in the meantime to invest, reinvest, and change investments of my estate and any and every part thereof.

In testimony whereof I hereunto subscribe my name at Galveston, Tex., this 24th day of March, 1922, in the presence of C. W. Branch and C. J. Ogilvy, who subscribe their names hereto as attesting witnesses in my presence and at my request, and in the presence of each other.

JNO. SEALY.

Here, now, on this the 24th day of March, 1922, the said John Sealy, the testator, subscribed his name to the foregoing instrument and published and declared the same to be his last will and testament, all in my presence, and we at the same time and at his request and in his presence, and in the presence of each other, hereto subscribe our names as attesting witnesses on this the said —— day of March, 1922.

C. W. BRANCH
C. J. OGILVY.

Filed April 23, 1926.

GEO. F. BURGESS,
*Clerk County Court, Galveston County, Tex.*
By J. R. PLATTE, *Deputy.*

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CODICIL

The STATE OF TEXAS,
*County of Galveston:*

I, John Sealy, of the city and county of Galveston, State of Texas, being of sound and disposing mind and memory, do make, publish, and declare this first codicil to my last will and testament, which bears date the 24th day of March, 1922.

1. I direct and provide that as long as my three executors named in clause first of said will shall act as such executors, any act done by any two of them, including the sale and conveyance of real estate, shall be valid and binding.

I direct and provide that whenever and as long as there are three trustees under clause eleventh of said will, the act of any two of them, including the sale or conveyance of real estate, shall be valid and binding.

2. I hereby cancel and annul so much of the ninth clause of said will as reads as follows:

"I direct that all of the legacies and bequests provided for in clauses third, fourth, fifth, sixth, seventh, and eighth of this will shall be paid to the legatees therein named in full, without any deduction for any Federal estate tax or State inheritance tax on said legacies, or any of them, and any and all estate inheritance or legacy taxes which may be payable by reason of said legacies, or any of them, shall be paid out of my residuary estate."

3. I hereby add to said will and make a part thereof the following clause, to be numbered sixteenth, to wit:

Sixteenth. I direct that the entire Federal estate tax on my estate and all State inheritance taxes on all bequests, legacies, and devises, whether specific or residuary, made by my said will shall be paid by my executors out of and shall be charged against and deducted from the bequest, legacy, and devise made by clause tenth of said will, it being my intention that all of such taxes upon my entire estate and upon all of the legacies and bequests made by my said will shall be paid out of the bequest and devise of one-half of my residuary estate made by said clause to the Sealy and Smith Foundation for the John Sealy Hospital, and that the bequests made by the third, fourth, fifth, sixth, seventh, and eighth clauses of my said will and the bequest and devise of one-half of my residuary estate made by the eleventh clause of my said will shall be paid in full and not have charged against them, or any of them, any amount for any such taxes.

4. I hereby cancel and annul all and so much of the eleventh clause of my said will and those portions of said clause in which it is provided that on the death of the respective life tenants of the bequests and devises thereby made the share of each one of them, as he or she dies, shall be turned over and delivered to the Sealy and Smith Foundation for the John Sealy Hospital free from any control of the trustees therein named, and in lieu thereof I hereby direct and provide that the trustees provided for by the eleventh clause of my said will shall keep the entire bequest and devise made by said eleventh clause of said will together until the death of the last survivor of Jennie Sealy Smith, R. Waverley Smith, Anna D. Terry, and Rebecca Sealy Terry, and that upon the death or successive deaths of each of them the share in the income from said trust property which would have been paid to the one so deceased shall be divided among the survivors of them equally, share and share alike, until the final termination of the trust provided for by said eleventh clause of said will by the death of the last survivor of them, upon which event the entire corpus of the then trust property shall be turned over and delivered to the Sealy and Smith Foundation for the John Sealy Hospital in the same manner and subject to the same trusts and provisions as the legacy and bequest made by clause tenth of said will.

In testimony whereof I hereunto subscribe my name at Galveston, Tex., this 10th day of July 1924, in the presence of C. W. Branch and C. J. Ogilvy, who subscribe their names hereto as attesting witnesses to this first codicil to my will, in my presence and at my request and in the presence of each other.

JNO. SEALY.

Here, now, on this the 10th day of July, 1924, the said John Sealy, the testator, subscribed his name to the foregoing instrument and published and declared the same to be the first codicil to his last will and testament, all in our presence, and we at the same time and at his request, and in his presence and in the presence of each other hereto subscribe our names as attesting witnesses.

C. W. BRANCH.
C. J. OGILVY.

Filed April 23, 1926.

GEO. F. BURGESS,
*Clerk County Court, Galveston County, Tex.*
By J. R. PLATTE, *Deputy.*

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APPENDIX C

An act (S. B. No. 271) to relieve the Sealy and Smith Foundation for the John Sealy Hospital, the estate of John Sealy, deceased, formerly of Galveston, Tex., and the legatees in and under his will, from the payment of taxes provided in chapter 5, title 122, Revised Statutes of Texas, generally known as inheritance taxes, and to provide that the city of Galveston shall not thereby be relieved from any obligation under a certain lease of John Sealy Hospital, executed by the board of regents of the University of Texas with the said city, dated the 9th day of May, 1913, and declaring an emergency

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. That the Sealy and Smith Foundation for the John Sealy Hospital, a charitable corporation, incorporated under the laws of this State for the construction, remodeling, enlarging, equipping, and furnishing of the John Sealy Hospital, the property of the State used for clinical purposes of the medical department of the State university, and other hospital building or buildings in the city of Galveston in connection with the John Sealy Hospital and the endowment thereof, for the use of the people of said city of Galveston, by providing them with the necessary medical care and attention therein, the legatees under the will of the estate of John Sealy, deceased, and each of them, be, and are hereby, relieved and released from payment of taxes provided for in chapter 5, title 122, Revised Statutes of Texas, generally known as inheritance taxes, and the State comptroller and the tax collector of Galveston County are hereby ordered and directed not to collect or attempt to collect such tax or taxes, which taxes if not so hereby released would be payable out of the part of his estate devised and bequeathed by said Sealy to said foundation; and provided, however, that the city of Galveston shall not thereby be released from any obligation in or under a certain lease of said John Sealy Hospital executed by the board of regents of the University of Texas with said city, dated the 9th day of May, 1913.

SEC. 2. Section 1 hereof shall become void unless the Sealy and Smith Foundation for the John Sealy Hospital shall within six months after the passage of this act enter into an agreement with the board of regents of the University of Texas, a copy whereof certified as a correct copy by the president of the University of Texas shall be filed with the secretary of state, whereby the Sealy and Smith Foundation for the John Sealy Hospital shall agree with said board of regents to segregate and set apart property, or the proceeds thereof, or cash, or partly property and partly cash, to be agreed to by and between said foundation and the said regents of a value equal to $700,000, the estimated amount of taxes released by section 1 hereof and by which said foundation shall agree to keep such property separate from its other assets or property and to use the income therefrom under the direction and with the approval of said regents for said John Sealy Hospital, or any additions thereto or buildings to be used in connection therewith, or for any of the purposes specified in the will of said John Sealy. The sum hereby remitted shall perpetually be under the joint control of the board of regents of the University of Texas, and the Sealy and Smith Foundation to invest and reinvest the proceeds.

SEC. 3. The shortness of this special session and the importance of this act to the people of the State creates an emergency and an imperative public necessity exists which requires that the constitutional rule providing that bills shall be read on three several days be suspended, and said rule is hereby suspended and that this act take effect and be in force from and after its passage, and it is so enacted.

(Signed) BARRY MILLER,
*President of the Senate.*
(Signed) LEE SATTERWHITE,
*Speaker of the House of Representatives.*

Received in the executive office this 1st day of October, A. D. 1926, at 11 o'clock and 30 minutes a. m.

(Signed) LENA W. GUIN,
*Assistant Secretary to the Governor.*

I hereby certify that senate bill 271 passed the senate finally by two-thids vote of 24 yeas and no nays on September 27, 1926, and that the senate concurred in house amendment on October 1, 1926, by a vote of 23 yeas and no nays.

(Signed) W. V. HOWETTON,
*Secretary of the Senate.*

I hereby certify that senate bill 271 passed the house of representatives with amendment on September 30, 1926, by the following vote: Yeas 75 and nays 28.

(Signed) C. L. PHINNEY,
*Chief Clerk of the House of Representatives.*

(In script by the governor.)
Approved October 1, 1926.

MIRIAM A. FERGUSON,
*Governor of Texas.*

EXTENSION OF REMARKS

Mr. HASTINGS. Mr. Speaker, does the permission given a few days ago to revise and extend remarks on this bill apply to the remarks made to-day? If not, I want to get permission to revise and extend the remarks I made to-day.

The SPEAKER pro tempore. The Chair understands there was general leave to revise and extend given to all who speak on this bill, and that would include the gentleman.

Mr. LOWREY. Mr. Speaker, does that include those who do not get the floor to speak on the bill?

The SPEAKER pro tempore. The Chair understands the leave was general for five legislative days.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title, when the Speaker signed the same:

H. R. 11020. An act validating certain applications for and entries of public lands.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 205. An act to authorize the Secretary of the Treasury to pay the claim of Mary Clerkin;

S. 463. An act for the relief of David J. Williams;

S. 484. An act for the relief of Joe W. Williams;

S. 802. An act for the relief of Frank Hanley;

S. 1377. An act for the relief of Lieut. Robert Stanley Robertson, jr., United States Navy;

S. 1428. An act for the relief of R. Bluestein;

S. 1848. An act for the relief of Frank Dixon;

S. 2008. An act for the relief of the parents of Wyman Henry Beckstead;

S. 2442. An act for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy;

S. 2926. An act for the relief of the Old Dominion Land Co.;

S. 3366. An act to authorize a per capita payment to the Shoshone and Arapahoe Indians of Wyoming from funds held in trust for them by the United States;

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove;* and

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.).

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval bills of the House of the following titles:

H. R. 8835. An act to amend section 98 of the Judicial Code, as amended, to provide for terms of court at Bryson City, N. C.;

H. R. 10437. An act granting double pension in all cases to widows and dependents when an officer or enlisted man of the Navy dies from an injury in line of duty as the result of a submarine accident;

H. R. 11404. An act authorizing the Port Huron, Sarnia, Point Edward International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.; and

H. R. 12441. An act to amend section 2 of an act entitled "An act in reference to writs of error," approved January 31, 1928, Public, No. 10, Seventieth Congress.

ADJOURNMENT

Mr. REID of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House adjourned until to-morrow, Tuesday, April 24, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, April 24, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE LIBRARY

(10.30 a. m.)

To create the Mount Rushmore national memorial commission and defining its purpose and powers (H. R. 12521).

COMMITTEE ON WAYS AND MEANS

(11 a. m.)

To remit estate tax on the estate of John Sealy (H. R. 13217).

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON PARKS AND PLAYGROUNDS

(7.30 p. m.)

To provide for the acquisition of certain land in the District of Columbia and the establishment and operation of a municipal airport thereon (H. R. 7220).

To provide for the acquisition, improvement, equipment, management, operation, maintenance, and disposition of a civil air field and any appurtenances, inclusive of repairs, lighting, and communication systems, and all structures of any kind deemed necessary and useful in connection therewith (H. R. 8300 and 8299).

MILITARY AFFAIRS COMMITTEE

(10.30 a. m.)

A meeting to consider bill before the committee concerning promotion and retirement.

NAVAL AFFAIRS COMMITTEE

(10.30 a. m.)

A meeting before a subcommittee on the Naval Affairs Committee to consider the private bills on the calendar.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10.30 a. m.)

To provide for the transfer to the Department of the Interior of the public-works functions of the Federal Government (H. R. 8127).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

A bill to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries (H. R. 13151).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress, as expressed in sections 201 and 500 of the transportation act," approved June 3, 1924 (H. R. 10710).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

459. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Post Office Department for the fiscal year 1928, $50,000, and for the fiscal year 1929, $1,750,000; in all, $1,800,000 (H. Doc. No. 238); to the Committee on Appropriations and ordered to be printed.

460. A letter from the Secretary of the Navy, transmitting proposed draft of a bill to authorize an increase in the limit of cost of alterations and repairs to certain naval vessels; to the Committee on Naval Affairs.

461. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to authorize an increase in the limit of cost of one fleet submarine; to the Committee on Naval Affairs.

462. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Department of Labor, Bureau of Labor Statistics, and the United States Employment Service for the fiscal year ending June 30, 1929, amounting to $120,000 (H. Doc. No. 239); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. HAWLEY: Committee on Ways and Means. H. J. Res. 247. A joint resolution to authorize the Secretary of the Treasury to cooperate with the other relief creditor governments in making it possible for Austria to float a loan in order to obtain funds for the furtherance of its reconstruction program, and to conclude an agreement for the settlement of the indebtedness of Austria to the United States; without amendment (Rept. No. 1364). Referred to the Committee of the Whole House on the state of the Union.

Mr. WASON: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the United States Civil Service Commission (Rept. No. 1365). Ordered to be printed.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. S. 3437. An act to provide for the conservation of fish, and for other purposes; with amendment (Rept. No. 1366). Referred to the Committee of the Whole House on the state of the Union.

Mr. VESTAL: Committee on Patents. H. R. 13109. A bill to protect trade-marks used in commerce, to authorize the registration of such trade-marks, and for other purposes; without amendment (Rept. No. 1368). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAWLEY: Committee on Ways and Means. H. R. 12733. A bill to authorize the refund of certain taxes on distilled spirits; without amendment (Rept. No. 1369). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. H. R. 7552. A bill for the relief of Bertina Sand; with amendment (Rept. No. 1367). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 13267) authorizing the South Carolina and the Georgia State Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. PEERY: A bill (H. R. 13268) to establish a fish-hatching and fish-cultural station in the State of Virginia; to the Committee on the Merchant Marine and Fisheries.

By Mr. ASWELL: A bill (H. R. 13269) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. McLEOD: A bill (H. R. 13270) authorizing the appointment as warrant officers certain noncommissioned officers of the United States Army; to the Committee on Military Affairs.

By Mr. MORIN: A bill (H. R. 13271) to authorize the removal of the Aqueduct Bridge crossing the Potomac River from Georgetown, D. C., to Rosslyn, Va.; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 13272) authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes; to the Committee on the Public Lands.

By Mr. McDUFFIE: A bill (H. R. 13273) to relinquish the title of the United States to land in the claim of Seth Dean,

situate in the county of Washington, State of Alabama; to the Committee on the Public Lands.

Also, a bill (H. R. 13274) authorizing the Chamber of Commerce of Jackson, Ala., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at or near Jackson, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. TATGENHORST: A bill (H. R. 13275) to regulate the practice before any board, commission, commissioner, officer, employee, or bureau of the United States by members admitted to the bar of the Supreme Court who are in good standing; to the Committee on the Judiciary.

By Mr. DRIVER: A bill (H. R. 13276) to amend section 3 of an act approved June 15, 1926, granting consent of Congress for the construction of a bridge across White River at or near Augusta, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 13277) to provide for a study of the need for a new uniform for the enlisted men of the Army; to the Committee on Military Affairs.

By Mr. BERGER: Joint resolution (H. J. Res. 281) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SWEET: Joint resolution (H. J. Res. 282) directing the Tariff Commission to conduct investigations under the flexible provision of the tariff act of 1922 concerning various agricultural products and providing funds therefor; to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 283) to change the name of the Gatun Locks, Dam, Spillway, and Lake; and the Pedro Miguel Locks, Dam, Spillway, and Lake; and also the Miraflores Locks, Dam, Spillway, and Lake, in the Panama Canal, and for other purposes; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 13278) for the relief of Martin Anderson; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 13279) granting a pension to Miranda Ford; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 13280) granting an increase of pension to Dulcina Jones; to the Committee on Invalid Pensions.

By Mr. W. T. FITZGERALD: A bill (H. R. 13281) granting a pension to Kate Forrester; to the Committee on Pensions.

By Mr. HOGG: A bill (H. R. 13282) granting a pension to Mary M. Vore; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 13283) granting an increase of pension to Mary E. Hazzard; to the Committee on Invalid Pensions.

By Mr. KINCHELOE: A bill (H. R. 13284) granting an increase of pension to Martha Huff; to the Committee on Invalid Pensions.

By Mr. LaGUARDIA: A bill (H. R. 13285) for the relief of E. Stewart Ferrand; to the Committee on Claims.

By Mr. RAMSEYER: A bill (H. R. 13286) granting an increase of pension to Margaret Maneor; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 13287) granting an increase of pension to Catherine Hays; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 13288) to authorize a cash award to William T. Flood for beneficial suggestions resulting in improvement in naval material; to the Committee on Naval Affairs.

By Mr. TILLMAN: A bill (H. R. 13289) granting an increase of pension to Emily E. Morley; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 13290) granting a pension to Deliah D. Kirkpatrick; to the Committee on Invalid Pensions.

By Mr. PALMISANO: Joint resolution (H. J. Res. 284) to authorize an appropriation to pay claims of parents of deceased and injured children killed and injured by an Army airplane landing in Patterson Park, Baltimore, Md., on or about August 14, 1919, and for other purposes; to the Committee on Military Affairs.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7114. Petition of city council, city of Philadelphia, Pa., requesting favorable consideration to the amendment cited to the proposed revenue bill (H. R. 1); to the Committee on Ways and Means.

7115. By Mr. BOHN: Petition of citizens of Munising, Mich., who believe in maintenance of the national-origins plan of determining immigration quotas; to the Committee on Immigration and Naturalization.

7116. By Mr. BURTON: Resolution of the Palmer-Roberts Post of the American Legion, composed of ex-service men from Willoughby, Mentor, Wickliffe, and Irtland, Ohio, favoring the Capper-Johnson universal draft bill; to the Committee on Military Affairs.

7117. Also, resolution of Sub. Court Broadway, No. 1252, Independent Order of Foresters, Cleveland, Ohio, at a meeting of April 3, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7118. Also, resolution of Court Zaboy, No. 14, Foresters of America, Cleveland, Ohio, at a meeting held April 6, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7119. Also, resolution of Local No. 550, American Federation of Musicians, Cleveland, Ohio, at a meeting held April 8, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7120. Also, resolution of Court Fremont, Independent Order of Foresters, Cleveland, Ohio, at a meeting held April 5, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7121. Also, resolution of Past Commanders' Association, Knights of Malta, Cleveland, Ohio, at a meeting held March 29, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7122. Also, resolution of Court Lakewood, No. 4898, Independent Order of Foresters, Cleveland, Ohio, at a meeting held in April, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7123. Also, resolution of Hiawatha Council, No. 123, Daughters of America, Cleveland, Ohio, at a meeting held April 11, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7124. Also, resolution of Lake Shore Lodge, No. 6, Cleveland, Ohio, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7125. Also, resolution of Cleveland Commandery, No. 547, Knights of Malta, Cleveland, Ohio, at a meeting held April 3, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7126. Also, resolution of Criterion Tent No. 224, Maccabees, Cleveland Ohio, at a meeting held April 3, 1928, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7127. By Mr. BOYLAN: Resolution adopted by board of visitors, State Camp for Veterans, relative to the proposed transfer of the State Camp for Veterans to the United States Government; to the Committee on World War Veterans' Legislation.

7128. Also, petition of Merchants' Association of New York, favoring the Lehlbach bill (H. R. 10644); to the Committee on the Civil Service.

7129. Also, petition of Muscle Shoals committee of the Illinois Farmers' Institute, protesting against the Government control of Muscle Shoals; to the Committee on Military Affairs.

7130. By Mr. CARLEY: Petition of The Grasselli Chemical Co. of New York, protesting against the Wyant bill (H. R. 8127) to transfer control of rivers and harbors to the Interior Department; to the Committee on Rivers and Harbors.

7131. By Mr. CULLEN: Resolution by Metal Trades Council, of Brooklyn, N. Y., indorsing House bill 12032; to the Committee on Naval Affairs.

7132. By Mr. FREEMAN: Petition of J. Rechel, and others, of Willimantic, Conn., protesting against compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7133. Also, petition of Harry L. Brodley and others, of Stafford, Conn., advocating the passage of the National Tribune's Civil War pension bill; to the Committee on Invalid Pensions.

7134. Also, petition of Clarence H. Barlow and others, urging the support of House bill 9035, to establish a uniform rule of naturalization; to the Committee on Immigration and Naturalization.

7135. Also, petition of Lillian Amidon and others, of Eagleville, Conn., urging the support of House bill 9035, to establish a uniform rule of naturalization; to the Committee on Immigration and Naturalization.

7136. By Mr. GARBER: Petition of W. H. Hudson, room 106, customhouse, New York City, in support of the Bacharach bill (H. R. 10644); to the Committee on Ways and Means.

7137. Also, petition of Charles W. Briles, director vocational education, Oklahoma City, Okla., in support of House bill 12241, vocational education bill; to the Committee on Education.

7138. Also, petition of American Association of Engineers, Oklahoma City, Okla., by the secretary, R. F. Danner, in support of House bill 6518; to the Committee on the Civil Service.

7139. By Mr. GREEN: Petition of 13 citizens of Fernandina, Fla., advocating passage of bill for relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7140. By Mr. HALE: Petition from 54 citizens of Atkinson, N. H., urging the passage of legislation providing for increase of pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7141. By Mr. HUDSPETH: Petition of Council of Catholic Women, of El Paso, against enactment of Curtis-Reed bill; to the Committee on Education.

7142. By Mr. KERR: Petition from Charlotte chapters, Reserve Officers' Association of the United States, and the American Legion Auxiliary, Hornet Nest Unit, both of Charlotte, N. C., indorsing the Capper-Johnson bill; to the Committee on Military Affairs.

7143. By Mr. KVALE: Petition of several residents of Minneapolis, Minn., urging passage of House bill 11998, dog exemption bill; to the Committee on the Judiciary.

7144. Also, petition of Clifford Anderson, Montevideo, Minn., urging passage of House bill 11998, dog exemption bill; to the Committee on the Judiciary.

7145. By Mr. LINDSAY: Petition of Polish Army Veterans' Association of America, Chicago, Ill., urging passage of House bill 8273, referring to an amendment of the act to admit to the United States and to extend naturalization privileges to alien veterans of the World War; to the Committee on Immigration and Naturalization.

7146. Also, petition of Surfmen's Mutual Benefit Association, Elizabeth City, N. C., urging support of House bill 12032, providing for readjustment of pay of warrant officers in the Navy and Coast Guard; to the Committee on Naval Affairs.

7147. Also, petition of the Grasselli Chemical Co., New York City, protesting against the passage of House bill 8127, which seeks to transfer from the War Department to the Department of the Interior the control of harbors and rivers and the jurisdiction over navigable waters; to the Committee on Military Affairs.

7148. By Mr. O'CONNELL: Petition of the Mailers Union No. 6, International Typographical Union, New York City, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7149. Also, petition of the Allied Printing Trades Council of Greater New York, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7150. Also, petition of L. P. Spach, chairman flood relief, American Legion, favoring the passage of the Jones flood relief bill; to the Committee on Flood Control.

7151. Also, petition of the Bindery Women's Union, Local No. 43, International Brotherhood of Bookbinders, of New York and vicinity, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7152. Also, petition of the United States Customs Inspectors Association, port of New York, favoring the passage of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7153. Also, petition of the Grasselli Chemical Co., New York City, protesting against the passage of the Wyant bill (H. R. 8127) for the transfer from the War Department to the Department of the Interior the control of rivers and harbors and the jurisdiction over navigable waters; to the Committee on Expenditures in the Executive Departments.

7154. Also, petition of the Surfmen's Mutual Benefit Association, Elizabeth City, N. C., favoring the passage of the Britten bill (H. R. 12032) to readjust the pay of warrant officers in the Navy and Coast Guard; to the Committee on Naval Affairs.

7155. By Mr. O'CONNOR of New York: Resolutions adopted at conference of trade-union officers of Greater New York, indorsing House bill 89; to the Committee on the Post Office and Post Roads.

7156. Also, resolutions adopted at conference of trade-union officers of Greater New York, indorsing the Dale-Lehlbach retirement bill; to the Committee on the Civil Service.

7157. By Mr. PEAVEY: Petition of the members of the Webster Commercial Club, of Webster, Wis., favoring the authorization of the construction of a bridge across the St. Croix River between the Counties of Burnett, Wis., and Pine, Minn.; to the Committee on Interstate and Foreign Commerce.

7158. By Mr. QUAYLE: Petition of Edwin Gould, of New York City, appealing for liberal treatment of budget of the Virgin Islands; to the Committee on Appropriations.

7159. Also, petition of the Grasselli Chemical Co., of New York City, protesting against the passage of the Wyant bill (H. R. 8127); to the Committee on Rivers and Harbors.

7160. Also, petition of Surfmens Mutual Benefit Association, of Elizabeth, N. C., urging the passage of House bill 12032 to readjust the pay of warrant officers in the Navy and Coast Guard; to the Committee on Naval Affairs.

7161. Also, petition of the State Camp for Veterans, of the State of New York, protesting against the passage of House bill 12204, providing for the transfer of the State Camp for Veterans at Bath, N. Y., to the Veteran's Bureau; to the Committee on World War Veteran's Legislation.

7162. Also, petition of the National Fertilizer Association, Washington, D. C., with reference to Muscle Shoals bill; to the Committee on Military Affairs.

7163. Also, petition of the Western Fruit Jobbers Association of America, Chicago, Ill., with reference to Mexican immigration restrictions; to the Committee on Immigration and Naturalization.

7164. By Mr. RAMSEYER: Petition of Elm Grove Woman's Christian Temperance Union, Oskaloosa, Iowa, urging passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7165. Also, petition of citizens of Brooklyn, Iowa, urging that immediate steps be taken to bring to a vote a Civil War pension bill; to the Commitee on Invalid Pensions.

7166. By Mr. SINCLAIR: Letters from V. M. Antonius and Arthur Kateley, Crosby, N. Dak., and from Judge John H. Lewis, Minot, N. Dak., protesting against the Oddie bill; to the Committee on the Post Office and Post Roads.

7167. By Mr. SWEET: Petition of J. C. Rasbach, of Canastota, N. Y., favoring the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7168. By Mr. WINTER: Resolutions re House bill 9956, from V. E. Farmer, commander, Engstrom-Duncan Post, No. 22, the American Legion, Rawlins, Wyo., and C. L. Carter, president the Lions Club, Sheridan, Wyo.; to the Committee on Irrigation and Reclamation.

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## SENATE

### TUESDAY, *April 24, 1928*

*(Legislative day of Friday, April 20, 1928)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 205. An act to authorize the Secretary of the Treasury to pay the claim of Mary Clerkin;

S. 463. An act for the relief of David J. Williams;

S. 484. An act for the relief of Joe W. Williams;

S. 802. An act for the relief of Frank Hanley;

S. 1377. An act for the relief of Lieut. Robert Stanley Robertson, jr., United States Navy;

S. 1428. An act for the relief of R. Bluestein;

S. 1848. An act for the relief of Frank Dixon;

S. 2008. An act for the relief of the parents of Wyman Henry Beckstead;

S. 2442. An act for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy;

S. 2926. An act for the relief of the Old Dominion Land Co.;

S. 3366. An act to authorize a per capita payment to the Shoshone and Arapahoe Indians of Wyoming from funds held in trust for them by the United States;

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove;*

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.); and

H. R. 11020. An act validating certain applications for and entries of public lands.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT—SENATE (S. DOC. NO. 88)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, United States Senate, fiscal year 1929, in the sum of $7,496, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE, as modified.

Mr. BORAH obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield to me that I may suggest the absence of a quorum?

Mr. BORAH. I yield.

Mr. CURTIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Dill | Kendrick | Reed, Mo. |
| Barkley | Edge | Keyes | Robinson, Ind. |
| Bayard | Edwards | King | Sackett |
| Bingham | Fletcher | La Follette | Schall |
| Black | Frazier | Locher | Sheppard |
| Blaine | Gerry | McKellar | Shortridge |
| Blease | Glass | McLean | Simmons |
| Borah | Goff | McMaster | Smith |
| Bratton | Gooding | McNary | Smoot |
| Brookhart | Gould | Mayfield | Stephens |
| Broussard | Greene | Metcalf | Swanson |
| Bruce | Hale | Moses | Thomas |
| Capper | Harris | Norbeck | Tydings |
| Caraway | Harrison | Norris | Tyson |
| Copeland | Hawes | Nye | Walsh, Mass. |
| Couzens | Hayden | Oddie | Walsh, Mont. |
| Curtis | Heflin | Overman | Warren |
| Cutting | Howell | Phipps | Waterman |
| Dale | Johnson | Pittman | Wheeler |
| Deneen | Jones | Ransdell | |

Mr. LA FOLLETTE. I desire to announce that the Senator from Minnesota [Mr. SCHALL] and the senior Senator from Iowa [Mr. STECK] are engaged in the Committee on Post Offices and Post Roads.

Mr. JONES. I was requested to announce that the junior Senator from New York [Mr. WAGNER] is engaged in the Committee on Public Lands and Surveys.

Mr. CARAWAY. I wish to announce that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is still detained from the Senate by reason of illness.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present. The Senator from Idaho is entitled to the floor.

Mr. EDWARDS. Mr. President, will the Senator from Idaho yield to me for a brief statement?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New Jersey?

Mr. BORAH. I yield.

NEW JERSEY DELEGATES TO DEMOCRATIC NATIONAL CONVENTION

Mr. EDWARDS. Mr. President, I rise to a point of personal privilege.

On Thursday of last week the senior Senator from Alabama [Mr. HEFLIN] hurled certain charges in the face of New Jersey Democracy, which I feel should be answered.

The Senator from Alabama said:

But, Mr. President, a strange political campaign is on—political tricks of the trade that Mark Hanna in his palmiest days never thought of are being employed by the Smith forces. In my judgment a large corruption fund is back of Al Smith in this campaign. His leaders are quietly moving around and quietly and strangely slipping over delegates in States where the rank and file of the party in those States stand against him usually 8 out of every 10 votes. How are they reaching and influencing these delegate manipulators? How are they getting them? Listen to this from the Trenton Evening Times:

"Hague ties up delegates by agreeing to pay bills. Expense may be $100,000, but mayor assumes it in exchange for Smith votes. All go free to the convention.

"In exchange for a written pledge to stand by Gov. Al Smith for President to the bitter end, Mayor Frank Hague, of Jersey City, has agreed to defray all traveling and hotel expenses for the New Jersey delegates to the Democratic National Convention at Houston, Tex., in June. The list is to include not only delegates and alternates but wives and friends to the number of approximately 75. The party may go by special train or by boat, and a conservative estimate of the cost will be from $75,000 to $100,000.

"There is naturally some interest as to how Hague, whose salary is only $10,000 a year, will be able to foot such a bill. Whether the signing by the delegates of a written pledge to take orders from Hague at Houston in return for having their bills all paid is in violation of the corrupt practice act is another matter for speculation. The corrupt practice act contemplates that the only money that can be expended in the interest of a candidate must be spent by the officially named manager for such candidate."

Senators, are you learning any politics from this bold and brazen eastern escapade? Hague is not Smith's manager. That is, he has not been designated as such publicly. It seems that anybody they can reach in the East is attending to this thing. A few people are gotten in a room. Delegates and their families are gathered up; a State is traded off and hog tied. They sign on the dotted line. They pledge themselves to vote for Smith to the bitter end if so much money is put up, and so forth, expenses, hotel bills, taken on a trip to Houston, and stand ready to come at the beck and call of the mayor, Mr. Hague, for Al Smith.

I want Governor Smith's henchmen summoned to bring down Mayor Hague and ask him where he got this money; ask him who authorized him to expend $100,000 for one delegation to a national convention; ask them why they are violating the corrupt practices act, if they are violating it. Let us be the judges of that; and ask them what they are doing, and let us decide whether or not they are violating it.

The above is taken from the CONGRESSIONAL RECORD of April 19.

Mr. President, the remarks of the senior Senator from Alabama [Mr. HEFLIN] are untrue from beginning to end, and if the Senator had wished to be fair in the premises he could have easily ascertained the falsity of the statement before it was made on the floor of this Chamber.

In this connection, I send to the desk a telegram received from Mr. Joseph J. Collins, secretary to Mayor Hague, and ask that it be read by the clerk.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

JERSEY CITY, N. J., *April 19, 1928.*

EDWARD I. EDWARDS,

*United States Senate, Washington, D. C.:*

Your wire received. The following statement was issued by Mayor Hague when Newark News published story about expenses New Jersey delegation on April 9:

"These stories in the Newark Evening News published this afternoon, which purport to say that delegates from New Jersey to the Democratic National Convention were promised their expenses to Houston and return if they pledged themselves to vote for Governor Smith for the Democratic nomination for President, are not alone ridiculous but untrue. The list of delegates which has been filed is representative of the best among the citizenship of New Jersey. Every delegate should and will resent this absurd imputation. The prospective delegates who attended the luncheon at the Biltmore Hotel last week were unanimous, so far as sentiment was concerned, in declaring for Governor Smith's candidacy. No delegate from New Jersey needs or desires any financial guaranty to vote for Governor Smith's nomination, and their opinion of a choice for the Presidency certainly can not be purchased with a railroad ticket."

JOSEPH J. COLLINS, *Secretary.*

Mr. EDWARDS. Mr. President, my name is on the list of delegates at large which has been filed for representation of the State of New Jersey at the Houston convention in June, and inasmuch as I am not opposed, I presume I shall be elected and I shall probably attend the convention. I attended the luncheon at the Biltmore Hotel, New York, mentioned by Mr. Collins in the telegram just read, and I can assure the Senator from Alabama and the Senate that there was no suggestion of any kind made to pay any expenses of any delegate. There is no one mentioned as a probable member of the delegation from the State of New Jersey to the Democratic National Convention who would allow such a suggestion to be made. Each and every member of the New Jersey delegation is able and willing and desirous to go to the convention and will pay his or her own way without financial assistance from either Mayor Hague or Governor Smith. There is no man in the State of New Jersey who has ever paid my fare anywhere and there never will be; nor will they ever change my opinion when I am once set, and I get that way very frequently.

I have no objection to the senior Senator from Alabama opposing with all his might and main the presidential aspirations of Gov. Alfred E. Smith. He has just as much right to oppose Governor Smith's candidacy as I have to encourage and indorse it, but let him be fair and just in his opposition; let him at least tell the truth.

Charges made by the Alabama Senator against the New Jersey delegation were somewhat similar to those made against the delegation recently chosen in the State of Iowa. The honest Democrats of Iowa repudiated the charges flung at them

by the Alabama Senator, and in the name of the State of New Jersey I now do likewise.

Let me repeat that the unfair and libelous charges hurled at Mayor Frank Hague and the Democrats of New Jersey by the Alabama Senator are untrue and I herewith challenge Senator HEFLIN to substantiate them, either in whole or in part.

Mr. HEFLIN. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I did not know there was dynamite in this matter when I yielded. I understood that there was to be something in the nature of a personal statement. I am going to take only a few moments.

Mr. HEFLIN. I think the Senator should yield to me for just four or five minutes. I will not take more time.

Mr. BORAH. Very well; I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I am glad to have had the statement from the distinguished Senator from New Jersey [Mr. EDWARDS]. I am glad to know that nobody is going to pay his expenses. I have never said that anybody was going to pay his expenses to the convention at Houston. I can not quite understand how he gets so excited and stirred over an article which I read in the Senate from a newspaper published in his own State. The Senator should go to the newspaper that published the statement. I took the statement from the public press. The statement set out that Mayor Hague was going to pay the expenses of the New Jersey delegation and take them and their families to Houston and that it would cost probably $100,000. What a delightful picnic occasion such a trip would be!

The Senator from New Jersey takes offense at what I have said. I have not vouched for the truthfulness of the statement of the New Jersey newspaper. I simply read the statement. It is strange that the newspaper publishing the statement would do so if it were not true. It is hard to believe that this newspaper man would just hatch it out of his own imagination.

So far as the Senator from New Jersey himself is concerned, I accept his statement that they are not going to pay his expenses, but, unless he has conferred with each of the other delegates, I do not see how he knows exactly what sort of arrangements have been made with them.

The tactics of the Al Smith régime deserve the condemnation of all honest Democrats. There are a few leaders of the Democratic Party who do not believe that money is being corruptly used and very lavishly used by the Smith crowd. I do. I think the most secretive and corrupt campaign from the standpoint of the use of money is going on now in behalf of Governor Smith. I think there are earmarks of it in North Carolina, a Southern State. Bought-up weekly and daily newspapers in the various States are throttling and stifling the vehicles that carry information to the people. They are swamping candidates with the enormous amount of money that they are using. Senators have never seen such a situation in the Democratic Party in all their lifetimes—one man by the use of his corrupt machine—Tammany—with the vast amount of money they have got back of them, some coming from abroad and some contributed by the whisky interests in the United States, endeavoring to obtain the Democratic nomination, and other Democratic candidates are fearing to come out and run for the Presidency in the face of such dark-lantern tactics. I condemn those tactics. I want to see a resolution passed by the Senate calling the agents of the various presidential candidates before it in order to interrogate them.

Let me read to Senators a letter from California, where this dangerous, corrupt, and contemptible work is going on. The letter is addressed to myself, and reads as follows:

DEAR MR. HEFLIN: Inclosed find a clipping from a newspaper of an ad of Al Smith as a candidate for President. These ads have been running in the papers most of the month of March. Who is putting up the money for all this advertising? If they are running all over the United States, it will take millions of dollars. Is the Pope putting it up? He gets more money from the United States every year than from all Europe combined. The Republican Catholics all around the San Francisco district have registered this year as Democrats in order to vote for Smith at the primary election May 1. Are the Democrats of the United States going to swallow Smith and the Roman Papacy? Smith is too big a bigot to send his children to the public schools. The Pope has control of Mexico, Central and South America. If he gets hold of the United States he will own all of America. Then we will be like some of the other republics; when one cutthroat lays down the torch of revolution another cutthroat will take it up.

This clipping is from the Mercury Herald, San Jose. Every paper in the United States is afraid of the Irish Catholics. That gives them a wonderful pull in this country. Well, good luck to you.

Yours truly,

G. D. CUMMINGS.

Here [exhibiting] is the advertisement, Senators, appearing in all the newspapers of California for a month or more. It takes a lot of money to carry advertisements such as that. I repeat the question propounded to me by the writer of the letter: "Who is putting up all this money?" And I reserve the right, I want to say to the Senator from New Jersey, to read what I please to read in the Senate from newspapers, and I am responsible for reading them in the Senate and commenting on them as I see fit. That is a Senator's privilege.

## NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE, as modified.

Mr. McKELLAR. Mr. President, will the Senator from Idaho yield to me for a moment?

Mr. BORAH. I yield.

Mr. McKELLAR. Mr. President, I understand that the naval appropriation bill is going over until to-morrow. I wish to offer the amendment which I presented on yesterday as a substitute for the so-called Blaine amendment and have it pending. I ask that that may be done.

The VICE PRESIDENT. The amendment in the nature of a substitute will be printed and lie on the table.

Mr. BORAH. Mr. President, since adjournment last evening I have given what consideration I could in point of time to the amendment which was proposed at the close of the session. The amendment to the amendment proposed by the Senator from Nevada [Mr. PITTMAN] reads as follows:

*Provided*, That such limitation shall not apply in the case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks, at any time when the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

There are two matters to which I desire to call the attention of the Senate. In the first place, I find that we have a number of treaties, and I have been unable to determine for myself what effect this proposed amendment will have upon the obligations which we have assumed under those treaties. We have a treaty with Haiti which authorizes and, in fact, in which we agree to assist in creating and maintaining a constabulary in Haiti and in keeping order for the purpose of enabling the Haitian Government to go forward with a certain program which is outlined in the treaty. There are now about 700 marines in Haiti; they are there under the treaty; it can not be said that they are there purely for the purpose of protecting citizens against threatened attack. I am unable to say at this time just how we could avoid affecting the treaty by this amendment.

We also have a protocol with China by which we keep certain marines in Tientsin and other places under the protocol growing out of the Boxer rebellion.

We have a treaty with Panama under which we are authorized to use our troops for the purpose of maintaining order.

We also have a treaty with Cuba under which, under certain conditions, we are permitted to use our armed forces in Cuba.

I desire, Mr. President, time to examine these treaties in the light of this amendment. My opinion at the present time is that the amendment would conflict with our obligations under the treaties.

There is another matter to which I desire to call the attention of the Senate; and that is, I particularly desire to ask the Senator from Nevada what would be the effect of this amendment with reference to the President using forces for the purpose of protecting life and property. Would it be necessary, under the amendment, to have the approval of the Comptroller General before making use of troops?

Mr. PITTMAN. Mr. President, I take it that this whole amendment—the original amendment and the amendment that was offered by me yesterday—means nothing more or less than a resolution would have meant if reported by the Foreign Relations Committee and adopted by this body.

Mr. BORAH. That is what I understood the Senator to contend.

Mr. PITTMAN. It was necessary, as a piece of legislative strategy, to put the resolution in the form of a limitation on the appropriation. Otherwise, it would have been subject to a point of order. All that the amendment I have offered attempts to express is the constitutional authority of the President of the United States.

As I have stated before, it is perfectly evident that if anyone attempted to interfere with the constitutional authority of the President of the United States either by withholding money that was appropriated or in any other way the act would be contrary to the Constitution and void. I do not think the Comptroller General, Mr. McCarl, would attempt to pass on the constitutional authority of the President; but if he should attempt to pass on the constitutional authority of the President, I do not think there is any question but that he would admit that it is within the power of the President to use the armed forces to repel an attack or to prepare to repel an attack.

In other words, I do not believe that the appropriation has anything on earth to do with this subject. I do not think there will ever be any action with regard to any appropriation. I think this amendment is simply a statement of the policy of the United States Senate, just exactly as if it had come in the form of a resolution from the Foreign Relations Committee.

It says in the first part of this amendment, as presented by the Senator from Wisconsin [Mr. BLAINE], in effect, that it is the sense of the Senate of the United States that the President has not any right to use the armed forces of this country for belligerent intervention in the affairs of a foreign nation. There is no doubt, to my mind, that he has not any right to do that. The amendment further states that he has not any right to use our armed forces in any intervention in the domestic affairs of any foreign nation. I think that is good policy.

As to the treaty proposition, however, is the taking of troops into a country by virtue of a treaty an intervention? It may be or it may not be. The word "intervention" has a meaning. When there is an agreement to bring troops into a country under a treaty I do not think it constitutes an intervention; but as to the amendment, I will say that I had no purpose or intent to have it affect treaties. I simply desired this amendment not only to express the sense of the Senate as to what we thought the President had no constitutional authority to do without the action of Congress but also frankly in the same expression to admit what constitutional authority he has. In other words, it would be bad policy to pass a resolution saying that in our opinion he had no right to use our armed forces to interfere in the domestic affairs of another country; that he had no right to intervene belligerently; that he had no right to commit a hostile act against a friendly country and stop there. That is the expression of the Senate as to what he should not do; and then we state in the very next proviso that he has the constitutional authority to use our armed forces to repel attack against our citizens or a threatened attack anywhere. Here is what we admit to be his authority. There is what we deny to be his authority.

As a matter of fact, there are but two practical remedies against the President of the United States. One is impeachment for willful violation of his constitutional authority. The other is by defeat at the hands of the electorate of the country. To my mind, it is perfectly useless to talk about any minor officer of this country attempting to prevent the President of the United States from doing whatever he determines to do. If the President of the United States thought he was carrying out his constitutional authority, and Comptroller General McCarl or any one other officer should attempt to interfere, the President would probably remove him. It will be remembered that the Supreme Court has held that Congress can not deprive the President of the power of removing one of his appointees.

Mr. BORAH. I do not agree with that. If the Congress of the United States should really delegate to the Comptroller General the authority to pass upon a particular appropriation, it would be the duty of the Comptroller General to follow out the law; and it would be a high-handed proceeding upon the part of the President to dismiss an officer for obeying the law of the land.

Mr. WHEELER. Mr. President, will the Senator yield for a question?

Mr. BORAH. Yes.

Mr. WHEELER. Does not the Comptroller General have that power at the present time; and, as a matter of fact, should he not disapprove of the allowance of money where it is in violation of the President's constitutional power?

Mr. BORAH. What I am interested in now is whether under this amendment the Comptroller General would pass upon the question of whether the troops were being used to protect life and property or whether the President would be the judge. I do not desire to substitute the Comptroller General's judgment for that of the President's.

Mr. PITTMAN. Just one other observation, and that is this: I think the Comptroller General to-day has the right to refuse to approve of the use of any money that he believes is being used contrary to the Constitution of the United States. That is what this matter deals with.

As to the treaty situation, it may be that the amendment as originally presented by the Senator from Wisconsin [Mr. BLAINE] might bear on acts under our treaties. I do not believe that the amendment offered by me has any effect on that question at all. It deals with an entirely different one; and it is for the Senator or some one else to consider whether or not any additional amendment should be offered.

Mr. FLETCHER. Mr. President, I should like to direct the Senator's attention to this provision in the amendment, which seems to me somewhat ambiguous and somewhat involved:

> None of the appropriations made in this act shall be used to pay any expenses incurred in connection with * * * any intervention in the domestic affairs of any foreign nation.

That may be a perfectly friendly intervention, an invited intervention; it may be in pursuance of a treaty; and yet, under this amendment, none of the money appropriated by the bill could be used to pay for intervention in pursuance of a treaty in Haiti, or in Panama, or in China, and so forth.

Mr. BORAH. I am quite clear that there are certain provisions of these treaties which would be contravened by this amendment. It may be that the amendment can be reformed so as not to interfere with these treaties, but I desire myself to examine that question in the light of the treaties.

Mr. CURTIS. Mr. President, if the request of the Senator from Idaho is granted, I understand that the Senator from Wyoming [Mr. WARREN] desires to proceed with the legislative appropriation bill; and I give notice that after that, if the afternoon is not consumed, I shall ask unanimous consent to proceed with unobjected bills on the calendar.

Mr. DILL. I should like to have about five minutes.

Mr. CURTIS. Will the Senator let us take up the legislative bill?

Mr. DILL. I am perfectly willing to have that done if I can obtain the floor before a speech is made on some other subject. I shall take only about five minutes. I want to insert some matters in the RECORD and comment briefly on them.

Mr. NORRIS. Mr. President, I desire to offer a substitute for the amendment to the naval appropriation bill on the Nicaraguan question offered by the Senator from Wisconsin [Mr. BLAINE]. I ask that it be printed and lie on the table.

Mr. ASHURST. Let it be read.

Mr. NORRIS. Several Senators have requested that the amendment be read, so I make that request.

The PRESIDING OFFICER (Mr. MCNARY in the chair). The clerk will read the amendment.

The CHIEF CLERK. As a substitute for the modified amendment of the Senator from Wisconsin [Mr. BLAINE], on page 53, after line 17, insert:

> By Mr. NORRIS as a substitute for Mr. BLAINE'S modified amendment: "*Provided*, That after February 1, 1929, none of the appropriations made in this act shall be used in Nicaragua to pay any expenses incurred in connection with acts of hostility against that nation, or any belligerent intervention in the affairs of that nation, or any intervention in the domestic affairs of that nation, unless war has been declared by Congress: *Provided*, That such limitation shall not apply in the case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks, at any time when the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.
>
> "The words 'acts of hostility,' and the words 'belligerent intervention,' shall include within their meaning the employment of coercion or force in the collection of any pecuniary claim or any claim or right to any grant or concession for or on behalf of any private citizen, copartnership, or corporation of the United States against the Government of Nicaragua, either upon the initiation of the Government of the United States, or upon the invitation of any official or other person claiming to be an official of Nicaragua."

The VICE PRESIDENT. The amendment will lie on the table and be printed. Is there objection to the request of the Senator from Idaho to postpone the further consideration of the naval appropriation bill until to-morrow? The Chair hears none, and it is so ordered.

APPROPRIATIONS FOR LEGISLATIVE BRANCH

Mr. WARREN. Mr. President, I understand that the naval bill is to be laid aside temporarily.

The VICE PRESIDENT. By unanimous consent, the naval appropriation bill has been temporarily laid aside until to-morrow.

Mr. WARREN. I wish to call up House bill 12875, the legislative appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 12875) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. WARREN. I ask unanimous consent that the formal reading of the bill may be dispensed with, and that it may be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

INTERSTATE COMMERCE COMMISSIONER JOHN J. ESCH

Mr. DILL. Mr. President, a few weeks ago the Senate refused to confirm the nomination of Commissioner Esch, of the Interstate Commerce Commission. He has continued to serve in face of the fact that confirmation was refused. I was interested, for my own information, in learning by what authority he continues to serve as a member of the Interstate Commerce Commission and draw his pay.

I found, on investigation, that his right to serve was based upon the provisions of the Constitution, supported by two decisions. One was the decision of the Attorney General in 1830, bearing on this subject, when J. McPherson Berrien was Attorney General of the United States. Under the Constitution, owing to the fact that the President gave Mr. Esch an appointment during the holiday recess, he is permitted to serve until the end of the session of Congress. I have tried to learn whether or not an appointment made following the adjournment of Congress, would be legal.

I understand that it would be like any other appointment made when Congress is not in session, namely, that he might serve, but he could not draw his pay. I ask, therefore, to have inserted in the RECORD the opinion of the Attorney General delivered April 16, 1830, and following that the opinion of the Comptroller General of the United States, delivered May 7, 1915. Those two decisions seem to be the only decisions on this question.

The PRESIDING OFFICER (Mr. MCNARY in the chair.) Is there objection?

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

[From opinions of Attorneys General, United States, 1791 to 1838; Executive Document No. 55, House of Representatives, Thirty-first Congress, second session, pp. 701–703]

COMMISSIONS GRANTED DURING RECESS OF SENATE

A commission issued by the President during a recess of the Senate continues until the end of the next session of Congress, unless sooner determined by the President, even though the individual commissioned shall have been meanwhile nominated to the Senate, and the nomination rejected.

The acceptance of a new commission, after confirmation by the Senate of an appointment made during a recess, is a supersedeas of that granted on the original appointment.

ATTORNEY GENERAL'S OFFICE,
*April 16, 1830.*

SIR: I have the honor to acknowledge the receipt of your communication of yesterday, asking my opinion—

Whether the rejection by the Senate of the nomination of Mr. Isaac Hill to the office of Second Comptroller of the Treasury has vacated the commission granted on the Executive appointment to that office, made during the late recess of the Senate?

Or whether a commission, issued under an executive appointment, continues until the end of the succeeding session of Congress or until another commission shall be issued on a nomination approved by the Senate?

Mr. Hill was appointed, during the last recess of the Senate, to fill a vacancy occurring during the recess. That appointment was made in pursuance of the third clause of the second section of the Constitution, which declares that "the President shall have power to fill all vacancies that may happen during the recess of the Senate by granting commissions which shall expire at the end of their next session." The commission issued to Mr. Hill was, I presume, in conformity with these provisions. It was then a grant of the office to the end of the next session of Congress succeeding its date, subject intermediately, as all such offices are, to the pleasure of the President.

Under the preceding clause of the same section of the Constitution the President is authorized to nominate, and, by and with the advice and consent of the Senate, to appoint all officers of the United States whose appointments are not otherwise provided for in the Constitution, and which shall be established by law, with a provision, which is inapplicable to the present inquiry, that Congress may vest the appointment of such inferior officers as they may think proper in the President alone, in the courts of law, or in the heads of departments.

In the exercise of the power thus conferred upon the President, Mr. Isaac Hill was, during the present session of Congress, nominated by him to the Senate, and the nomination has been rejected by that body. I apprehend that the commission granted to Mr. Hill, in the recess, remains untouched by this nomination, and the rejection of it.

The limitation, which is affixed to it by the Constitution, is the end of the present session of Congress, unless it be sooner determined by the pleasure of the President. To this the decision of the Supreme Court in the case of the United States *v.* Kirkpatrick has superadded another limitation. That court has, in that case, decided that the acceptance of a commission, issued after the confirmation by the Senate of an Executive appointment made during the recess, on a nomination to that body of the same individual, is a virtual superseding and surrender of the commission granted on the original appointment; so that, by force of that decision, if Mr. Hill's nomination had been confirmed, and a new commission had issued under an appointment made in conformity to the advice and consent of the Senate, after the acceptance by him of such new commission, that which he originally held would have been virtually superseded and would not have continued until the end of the present session of Congress; but this would be the result of the concurring acts of the President and the officer: Of the former, in the new appointment consequent to the advice and consent of the Senate; of the latter, in the acceptance of the commission issued under such new appointment.

In the case under consideration, whether the commission of Mr. Hill shall continue until the end of the present session of Congress, or be sooner determined, seems to me to depend on the pleasure of the President. He certainly has the power, by and with the advice and consent of the Senate, to determine it by a new appointment, to take effect immediately. But this power is derived from his right of removal. If he abstains from the exercise of that power—if he delays the nomination until the last day of the session, or nominates immediately, specifying that the appointment is to take effect at the end of the present session—in either case Mr. Hill's commission, undetermined by any act of the Executive will, is left to expire, by its own constitutional limitation, at the end of the present session of Congress.

The following proceedings, which have been adverted to among others, seem to conform to this view of the subject:

On the 5th of March, 1799, Mr. Adams, then President, appointed Eugene Brenan an inspector of the revenue; on the 4th of the following December he nominated that individual to the Senate for the same office; on the 10th of that month the nomination was rejected by that body; and on the 12th of the same month he made a new nomination in the following terms: "I nominate Julius Nicolls, jr., of South Carolina, to be inspector of survey No. 3 in that State in place of Eugene Brenan, whose commission will expire at the end of the present session of the Senate"; and on the 13th the Senate advised and consented to that nomination.

On the 17th January, 1814, Mr. Madison nominated to the Senate as principal assessor for the twenty-eight collection district of New York, Homer R. Phelps, who had been appointed to that office during the recess. On the 24th of that month the nomination was rejected by the Senate, and on the 31st the President nominated sundry assessors, and, among the rest, "Asahel E. Paine for the twenty-eight collection district of New York, in room of Homer R. Phelps," which nomination was confirmed on the 2d of February.

In the first of these cases, Mr. Adams left the officer to enjoy the benefit of the commission granted during the recess, until the end of the then current session of Congress, although his commission was rejected in the early part of that session. In the second, Mr. Madison, conforming to the opinion of the Senate as expressed in their vote of rejection, determined the Executive appointment by appointing a new officer in the room of the person so appointed.

In the first, the President forbore to exercise the power of removal, but left the Executive commission, granted during the recess, to expire by its own limitation. The Executive commission granted in the second case was determined by the exercise of that power.

Upon the whole, I am of opinion that the commission granted during the recess to Mr. Hill will continue until the end of the present session of Congress, unless it be sooner determined by his resignation or by the pleasure of the President.

JN. MACPHERSON BERRIEN.

The PRESIDENT OF THE UNITED STATES.

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[From Decisions of the Comptroller of the Treasury, July, 1914, June, 1915, XXI, pp. 789–791]

COMPENSATION OF RECESS APPOINTEES TO OFFICE

Rejection by the Senate of the nomination to the office of United States attorney of a person who had received from the President a recess commission to fill up a vacancy in the said office does not ter-

minate the incumbency under the recess appointment, and the recess appointee is entitled to the salary of the office until his incumbency is terminated by the expiration of the Senate's session or otherwise.

DECISION BY COMPTROLLER DOWNEY, MAY 7, 1915

The Auditor for the State and Other Departments submits for approval, disapproval, or modification his decision of May 4, 1915, as follows:

"This office has before it for settlement a voucher in the account of H. L. Fassett, United States marshal for the western district of New York, for the quarter ended December 31, 1914, representing a payment made by the said marshal to John D. Lynn, United States attorney for the aforesaid district, for salary from December 3 to December 31, 1914, in the sum of $350.

"The facts in the case are: On December 1, 1914, the Senate not being in session, the President, under authority of the Constitution (Art. II, sec. 2, clause 3), appointed John D. Lynn to be United States attorney for the western district of New York, to fill a vacancy occurring during the recess of the Senate caused by the severance from the attorneyship of the prior incumbent. Mr. Lynn took the prescribed oath of office on December 2, 1914, and entered on duty on December 3, 1914, thereby and thereafter becoming the legal incumbent of the office and lawfully entitled to the compensation of the office under this appointment and until this appointment terminated according to law. The Senate convened on December 7, 1914. While the Senate was in session the President nominated Mr. Lynn to the aforesaid attorneyship (Constitution, Art. II, sec. 2, clause 2). On December 14, 1914, the said nomination of Mr. Lynn was rejected by the Senate.

"The question is, What effect did the rejection of the nomination of Mr. Lynn have upon his tenure of office under his recess appointment, and is he entitled to be allowed the full amount of his salary on this voucher or only from December 3 to December 14, 1914, the date of rejection?

"As far as within the knowledge of this office this question has not received judicial attention.

"The Constitution provides:

"'* * * and he (the President) shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors * * * and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law; * * *.' (Art. II, sec. 2, clause 2.)

"'The President shall have power to fill up all vacancies that may happen during the recess of the Senate by granting commissions which shall expire at the end of their next session.' (Art. II, sec. 2, clause 3.)

"At the time the nomination was made Mr. Lynn was the legal incumbent of the attorneyship, and his commission was a valid and subsisting one; his tenure of office would continue until the close of the next session of the Senate unless terminated by the acceptance of a commission issued under an appointment with the advice and censent of the Senate. See United States v. Kirkpatrick (9 Wheat. 720).

"If the nomination by the President under clause 2, section 2, Article II of the Constitution had been made to the Senate of some other person for the aforesaid position and had been rejected by the Senate, it seems clear that such action of the Senate would not affect or disturb the commission, tenure, or compensation of Mr. Lynn under his appointment made according to the provisions of clause 3, Article II, section 2 of the Constitution, and that he [Mr. Lynn] would be in the same status as before the rejection of the other person.

"It therefore appears equally clear that the rejection by the Senate of Mr. Lynn's nomination to the full term of office did not terminate his temporary recess appointment, and that he was left in full legal possession of the attorneyship and entitled to the lawful compensation of the office under his recess appointment until the end of the session of the Senate on March 4, 1915.

"This conclusion is supported by the opinion of the Attorney General, as follows:

"'A commission issued by the President during a recess of the Senate continues until the end of the next session of Congress unless sooner determined by the President, even though the individual commissioned shall have been meanwhile nominated to the Senate and the nomination rejected.' (2 Op. 336, April 16, 1830.)

"The United States court for the aforesaid district appointed Mr. Lynn to perform the duties of the office of United States attorney on March 5, 1915, under the provisions of the act of June 24, 1898 (30 Stat. 487), upon the expiration on March 4, 1915, by constitutional limitation, of Mr. Lynn's temporary or recess appointment, and he has been since, and is now, continuously performing the duties of the attorneyship under this appointment.

"I am of the opinion, and so decide, that Mr. Lynn is entitled to the amount of $350 salary represented by the voucher, and that Marshal Fassett is entitled to receive credit for the payment."

This decision is approved.

The paragraph relating to the appointment given to Mr. Lynn by the court has no bearing on the question decided by the auditor. No ruling as to Mr. Lynn's right to compensation under the appointment has been submitted by the auditor, and the approval of his decision carries no inference as to the proper decision of the question of payment involved in the said appointment. The decision otherwise is limited to the facts of this case.

Mr. DILL. When I first began to consider this subject, I had in mind the introduction of some legislation that would prohibit any appointee of the President serving in office and drawing pay after the Senate had refused to confirm him, but an examination of these opinions convinces me that no legislation would be constitutional that attempted to do that; that that can be done only by a constitutional amendment. I therefore do not care to take any more time of the Senate.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. PITTMAN. I understand that the decisions and opinions the Senator is submitting deal with the right of the President to give a temporary appointment during a session of Congress to a former appointee who was not confirmed by the Senate.

Mr. DILL. It is a very peculiar situation. The President may make a recess appointment under the Constitution that will continue until the end of the next session of Congress. If he made it while Congress was in session, it would not continue beyond the refusal of the Senate to make confirmation. But, taking advantage of the holiday recess, the President gave Mr. Esch a new appointment, he having been appointed previous to the recess, and the Senate having failed to act upon his nomination. So, taking advantage of the recess, the President gave Mr. Esch a recess appointment. Under the provision of the Constitution referred to in these decisions, he is permitted to hold his office until the end of this session of Congress, even though the Senate refuses to confirm him.

Mr. PITTMAN. Outside of what might be the technical construction, has the Senator no opinion with regard to the propriety of the President of the United States deliberately attempting to keep some one in office through technicalities who has been rejected by the Senate of the United States?

Mr. DILL. I have an opinion, which I had not intended to express, not only of the President but of any appointee who would continue to serve even if the President asked him to after the Senate had refused to confirm him. It is in violation of the intent and spirit of the Constitution giving the Senate power to confirm appointees of the President. He who violates the spirit of the Constitution is not fit to enforce laws made under that Constitution.

Mr. PITTMAN. That is exactly the expression I wanted, because I have the same opinion.

Mr. DILL. As I said, I had intended to introduce legislation that would make such a thing impossible, but after an examination of these provisions of the Constitution I am satisfied that the only way this could be prevented in the future would be by amending the Constitution of the United States.

Mr. PITTMAN. Of course, there are measures that are still constitutional against the President of the United States if he has violated the Constitution.

Mr. DILL. I do not think he and his appointee have violated the Constitution. I think they have violated the spirit of it by defying the will and power of the Senate.

Mr. PITTMAN. The Senator thinks he has violated the spirit of it?

Mr. DILL. Yes.

Mr. PITTMAN. There are so many of those things heaping up it would make no difference to add a few more.

Mr. McKELLAR. Mr. President, I do not know whether the appropriation bill providing for the Interstate Commerce Commission has actually passed or not, but we could put an amendment on the appropriation bill providing that no part of the fund appropriated should be paid to an official under the circumstances mentioned by the Senator. If we should do that, Mr. Esch would have to serve without pay, and he would not serve long that way.

Mr. DILL. I think this appointee probably would continue to serve.

PETITIONS AND MEMORIALS

Mr. KENDRICK. I present a resolution adopted by Travis Snow Post, No. 5, of Sheridan, Wyo., in favor of the immigration bill known as the Box bill. I ask that the resolution may be printed in the RECORD and referred to the Committee on Immigration.

There being no objection, the resolution was ordered to be printed in the RECORD and referred to the Committee on Immigration, as follows:

Resolution

Whereas a bill has been introduced in the House of Representatives known as the Box bill, being H. R. 6465, the purport and intent of

which is to place immigration from countries therein designated on a quota basis such as is applied to other countries; and

Whereas the undersigned being residents of a territory which will be adversely affected by the passage of this bill from the viewpoint of the employer, the sugar and other industries employing Mexican labor; and

Whereas we have made a thorough study and given the matter and the consequences of the passage of the bill due consideration; and

Whereas from such study and consideration we have unanimously come to the conclusion that said bill should be passed for the following reasons, among others, viz:

A. Continued unrestricted immigration of people from the countries above referred to, prolific as they are, except perhaps the Dominion of Canada, will result in cheap labor, lowering the standards of living, will populate and people the western and southwestern portions of the United States with a class which is largely undesirable.

B. The inherent racial color and temperament of the people from Mexico and other southern countries of Indian extraction make it impossible to assimilate them as a part of the citizenry of this country or to transform them into citizens by amalgamation by our so-called melting pot; moreover, an intermarriage with these people will result in a mongrel race.

C. The people referred to as undesirable are of a low moral and intellectual make-up and continue to so remain wherever found.

D. The inevitable result of unrestricted immigration will create a condition and situation such as now exists in our Southern States; in that where the South has now a negro problem the West and Southwest will have its Mexican problem. It is apparent that the impelling motives of the beet industry, truck industry, and other industries seeking cheap labor are willing, as is evidenced by the opposition made to the passage of the bill, to barter away the heritage of our children and our children's children for a mess of pottage. Those testifying before the committee on immigration who opposed the passage of the Box bill, consciously or unconsciously, frankly admitted that their opposition was for mercenary motives only. The present high standards of living enjoyed by the laboring class in this country was obtained only by fighting for and receiving a reasonable wage.

E. That the indorsement previously made by the Lions Club of Torrington, Wyo., of which club one of the undersigned is president, did not express the sentiment of Torrington and community, and the vote of the question was passed by a bare majority of two votes, and those voting in favor of the resolution passed by the Lions Club were practically without exception directly or indirectly associated with the Holly Sugar Corporation, one of the great employers of the Mexican laborers in this country.

F. The further unrestricted immigration of Mexicans in particular should be vigorously opposed, since they live in slovenly settlements and under the most unsanitary conditions, having a tendency to vice and to spread disease and constitute the largest portion of our law violators even though they are but a small minority: Be it therefore

*Resolved*, That the Travis Snow Post, No. 5, of the American Legion, Department of Wyoming, unanimously go on record as indorsing wholeheartedly the proposed amendment to our immigration law known as the Box bill; be it further

*Resolved*, That a copy of this resolution be forwarded to the State department of the American Legion with the request that a copy of said resolution be forwarded to our Representatives in Congress, and that they be respectfully requested and urged to withdraw further opposition to said bill and that they work for its early passage.

Unanimously adopted this 15th day of March, A. D. 1928.

TRAVIS SNOW POST, NO. 5.
J. M. WENSHALL,
C. W. PERCY,
T. C. FITZGERALD,
*Resolutions Committee.*

Mr. JONES presented a petition numerously signed by sundry citizens of Seattle, Wash., praying for the passage of legislation providing for a 10 per cent pay differential for postal night workers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by Division No. 1, Ancient Order of Hibernians in America, of Pierce County, Wash., protesting against the passage of legislation creating a Federal Department of Education, which was referred to the Committee on Education and Labor.

He also presented a memorial of sundry citizens of Seattle, Wash., remonstrating against the adoption of the proposed naval building program, which was referred to the Committee on Naval Affairs.

Mr. BINGHAM presented resolutions adopted by employees of the New London Ship and Engine Co., the Electric Boat Co., and the Vanadian Metals Co., all of New London, Conn., protesting against the passage of legislation favoring ship or engine construction in Government plants, which were ordered to lie on the table.

He also presented a resolution adopted by the convention of the Connecticut State Dental Association, favoring the passage of Senate bill 3356, to provide for the coordination of the public-health activities of the Government, which was ordered to lie on the table.

He also presented resolutions adopted by the New England Tobacco Growers' Association, favoring the amendment of House bill 9195, to amend sections 2804 and 3402 of the Revised Statutes, by striking out the clause relating to the importation of cigars, which were referred to the Committee on Finance.

He also presented letters in the nature of petitions from Governor Jonathan Trumbull Chapter, of Lebanon, Ruth Hart Chapter and Susan Carrington Clarke Chapter, both of Meriden, all of the Daughters of the American Revolution, in the State of Connecticut, praying for the retention of the national-origins quota provision in the immigration law, which were referred to the Committee on Immigration.

He also presented letters and papers in the nature of petitions from the Bunker Hill Literary Club and Sunday Noon Club of the Second Congregational Church, both of Waterbury, and sundry citizens of Norwich, South Norwalk, Westport, and Weathersfield, all in the State of Connecticut, praying for the adoption of the so-called Gillett resolution, being the resolution (S. Res. 139) suggesting a further exchange of views relative to the World Court, which were referred to the Committee on Foreign Relations.

## REPORTS OF COMMITTEES

Mr. CARAWAY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 114) authorizing assessments by levee, drainage, and road districts upon unreserved public lands in the St. Francis levee district, State of Arkansas, reported it without amendment and submitted a report (No. 876) thereon.

He also, from the Committee on Claims, to which was referred the bill (H. R. 5981) for the relief of Clarence Cleghorn, reported it without amendment and submitted a report (No. 877) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 363) for the relief of Louise M. Cambouri, reported it with amendments and submitted a report (No. 878) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 1749) providing for the development of hydroelectric energy at Great Falls for the benefit of the United States Government and the District of Columbia, reported it with an amendment and submitted a report (No. 879) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 456) to carry out the findings of the Court of Claims in the case of Edward I. Gallagher, of New York, administrator of the estate of Charles Gallagher, deceased (Rept. No. 880); and

A bill (S. 1769) for the relief of the legal representative of the estate of Haller Nutt, deceased (Rept. No. 881).

Mr. TYDINGS, from the Committee on Naval Affairs, to which was referred the bill (S. 1633) for the relief of Edward A. Blair, reported it without amendment and submitted a report (No. 882) thereon.

Mr. WATERMAN, from the Committee on Patents, to which was referred the bill (H. R. 6104) to amend sections 57 and 61 of the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, reported it with an amendment and submitted a report (No. 883) thereon.

## ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the following enrolled bills:

S. 205. An act to authorize the Secretary of the Treasury to pay the claim of Mary Clerkin;

S. 463. An act for the relief of David J. Williams;

S. 484. An act for the relief of Joe W. Williams;

S. 802. An act for the relief of Frank Hanley;

S. 1377. An act for the relief of Lieut. Robert Stanley Robertson, jr., United States Navy;

S. 1428. An act for the relief of R. Bluestein;

S. 1848. An act for the relief of Frank Dixon;

S. 2008. An act for the relief of the parents of Wyman Henry Beckstead;

S. 2442. An act for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy;

S. 2926. An act for the relief of the Old Dominion Land Co.;

S. 3366. An act to authorize a per capita payment to the Shoshone and Arapahoe Indians of Wyoming from funds held in trust for them by the United States;

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove;* and

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 4198) to provide hospitalization for Leroy Wilbur Abbott; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 4199) for the relief of certain Indians employed by General Nelson A. Miles in the campaign against Chief Joseph; to the Committee on Indian Affairs.

By Mr. McKELLAR:

A bill (S. 4200) granting an increase of pension to Capt. C. M. Park (with an accompanying paper); to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 4201) granting a pension to Rosalie Thomas Draper; to the Committee on Pensions.

By Mr. BLAINE:

A bill (S. 4202) to amend sections 21 and 24 of the act of October 15, 1914 (secs. 386 and 389 of title 28 of the Code of Laws of the United States of America), relating to trial by jury in cases of indirect criminal contempts; to the Committee on the Judiciary.

By Mr. HAWES:

A bill (S. 4203) authorizing J. H. Haley, his successors and assigns (or his heirs, legal representatives, and assigns) to construct, maintain, and operate a bridge across the Missouri River at or near a point where Olive Street Road, St. Louis County, Mo., if extended west would intersect the Missouri River; to the Committee on Commerce.

By Mr. REED of Missouri:

A bill (S. 4204) granting an increase of pension to Margaret Louise Maloy (with accompanying papers); to the Committee on Pensions.

FLOOD PROTECTION ON WHITE RIVER, ARK.

Mr. CARAWAY. Mr. President, the country is well acquainted with the deplorable situation that last year overtook the people living in the lower Mississippi Valley, and along the tributaries of the Mississippi, owing to an unprecedented flood. It exhausted the resources of all the improvement districts that had been created for the purpose of building levees along those streams.

In our State, levee and drainage districts are created under the law, and raise their resources by betterment taxes assessed against the lands included in the districts. In order to fight the flood and try to rebuild the levees last year, the people exhausted the last dollar of taxable wealth that was available to these various districts. In addition to losing many, many millions of dollars, and much of their land lying out because they could not repair the levees in time to place the lands in cultivation, they sustained other heavy losses.

The levees were just patched. It was obvious to everyone that they were not sufficiently strong to withstand another heavy rise.

The White River, one of the large tributaries of the Arkansas River, is at flood. It threatens to sweep away these temporary levees and overflow hundreds of thousands of acres of land on which crops have been planted, and in most instances are up and have been cultivated somewhat.

The Mississippi River Commission, whose jurisdiction extends up these streams for purposes of aiding in the maintaining of levees, is without any funds to aid in this approaching fight. I took up the question also with the War Department, and it has no available funds. Both the commission and the War Department have furnished engineers to the levee districts where the levees are threatened with destruction by this flood, but neither of those districts, as I said a minute ago, has any resources. They not only have no money, but they have no credit. They exhausted both in their fight last year. It is now too late, should their crops be destroyed, for the people to make a crop this year.

For these reasons I introduce a joint resolution asking that the War Department may be given $50,000 to help maintain the levees and protect these thousands of acres of land and the farmers down there from an overflow that is so threatening that the office of the Chief of Engineers, that if they had the resources, if they had the money, it was believed it would be possible to save the levees and prevent this disaster, but unless they may have the resources, and have them immediately, there is no chance to save these levees and protect these thousands of people against having what little they have left destroyed.

To-morrow I shall seek to have the joint resolution passed, so as to extend to these people the credit that will make it possible to save their homes.

The joint resolution (S. J. Res. 135) making an emergency appropriation for flood protection on White River, Ark., was read twice by its title and referred to the Committee on Appropriations.

TERMINATION OF HAITIAN TREATY

Mr. KING. Mr. President, I would not introduce the joint resolution which I am about to offer at this time except for the statement made by the chairman of the Committee on Foreign Relations a few moments ago, in which he indicated that a treaty exists between the United States and Haiti which, as I interpreted his remarks, obligates the United States to maintain marines or other military forces in Haiti.

In my opinion there is no treaty between the United States and Haiti. It is the opinion of some that the treaty which was negotiated in May, 1916, and which was forced upon Haiti by military arms, never had any validity, but that if it did have validity it no longer exists, having expired 10 years after its ratification.

There was an attempt to renew the treaty of May, 1916, by another treaty or convention. This so-called treaty was never submitted to or ratified by the Senate of the United States and, so far as I am advised, never was brought to the attention of the Senate by the State Department; nor was it ratified by any person or body authorized to speak for the Haitian people. The treaty negotiated in 1915 was to expire in 10 years. Within a few months after it was negotiated an attempt was made to extend its provisions for a further period of 10 years. There was no reason to prolong the life of the treaty, and no sufficient grounds were assigned for such attempt. An agreement was signed by Mr. Borno and Mr. Bailly-Blanchard which it is contended by the State Department is a treaty and prolongs the treaty of 1915 for an additional 10 years.

This latter so-called treaty reads as follows:

*1917*

ADDITIONAL ACT EXTENDING THE DURATION OF THE TREATY OF SEPTEMBER 16, 1915, WITH RESPECT TO THE FINANCES, ECONOMIC DEVELOPMENT, AND TRANQUILITY OF HAITI. SIGNED AT PORT-AU-PRINCE MARCH 28, 1917

(Treaty Series No. 623–A)

ARTICLES

1. Extends life of 1915 convention to 20 years.

2. Approval of parties.

The Republic of Haiti having recognized as urgent the necessity of a loan for a term of more than ten years destined for the amelioration of its financial and economic situation, considering from now this necessity as a specific reason susceptible of giving to the Convention of September 16, 1915, a duration of twenty years and desiring in consequence to exercise the right which it holds from Article XVI of this Convention;

And the United States of America, conforming itself to Article first of the said Convention and assuring its good offices for the full accomplishment of its aims and objects,

Have decided to conclude an additional act to this Convention, with a view to facilitating a prompt realization of the loan and to offer to the capitalists the serious guarantee which they claim of an uninterrupted stability indispensable to the development of the wealth of the Republic of Haiti;

And have been appointed as Plenipotentiaries.

By the President of the United States of America,

Mr. Arthur Bailly-Blanchard, Envoy Extraordinary and Minister Plenipotentiaries of the United States of America,

By the President of the Republic of Haiti,

Mr. Louis Borno, Secretary of State of Foreign Affairs and Public Worship,

Who having exhibited to each other their respective full powers found to be in good and true form, have agreed as follows:

Article 1. The two High Contracting Parties declare to admit the urgent necessity for a loan for a period of more than ten years for the benefit of the Republic of Haiti as one of the specific reasons indicated in Article XVI of the convention of September 16, 1915, and agree to fix at twenty years the life of the said Convention.

Article 2. The present act shall be approved by the High Contracting Parties in conformity with their respective established procedures and the approvals thereof shall be exchanged in the city of Port-au-Prince as soon as may be possible.

Signed and sealed in duplicate in the English and French language, at Port-au-Prince, Haiti, the 28th day of March, 1917.

[SEAL.] A. BAILLY-BLANCHARD.
[SEAL.] LOUIS BORNO.

Senators will observe that this agreement assigns as a reason for its attempt to extend the life of the treaty of 1915 that a loan was necessary to "ameliorate the finances and economic situation in Haiti and that the capitalists require the serious guaranty of an interrupted stability indispensible to the development of the wealth of the Republic of Haiti."

The question of military occupation by the United States or the necessity for the United States to assume a dictatorship over Haiti is not now raised. It is apparent that an effort was to be made to require Haiti to negotiate a foreign loan and that those from whom the money was to be obtained were asking or demanding that the United States retain its military control over Haiti for 20 years. Haiti did not need the intervention of the United States. She had for more than a hundred years maintained herself as an independent and sovereign State, and had discharged her obligations to foreign countries. After forcing the treaty of 1915 upon the Haitian people the United States proceeded to direct that a $40,000,000 bond issue be authorized. The total debts of Haiti, foreign and domestic, when the United States assumed military control, were less than $16,000,000. My recollection is that bonds have been sold under the direction of the United States to the extent of $26,000,000. Under the so-called treaty which expired, and under the so-called treaty signed by Borno and Bailly-Blanchard, the United States selected Dartiguenave as President, and thereafter Borno as his successor. Our marines acting under authority of the United States expelled the legislative bodies of Haiti's national legislature, and our Government has since then prevented the operation of the Haitian constitution or the election of members of the national legislature. The United States is in Haiti with marines and military forces. There is no justification in my opinion for the course which we are pursuing in Haiti and for the maintenance of American marines upon Haitian soil. There is no treaty calling for this course. However, because of the contention of the executive department of the Government, that there is a treaty which obligates the United States to control Haiti and her people, and to maintain military forces in Haiti for that purpose, I am submitting a joint resolution, although, as indicated, I do not concede the existence of such a treaty or that the United States is obligated in any way to govern Haiti or the Haitian people or to protect loans which may have been made by the Haitian Government before the United States forcibly took possession of Haiti, or which have been made since the United States has controlled the Haitian Government.

Mr. President, I ask that the following resolution be read at the desk and printed and that it lie on the table. In view of the statement made by the Senator from Idaho [Mr. BORAH] it will be pertinent in the discussion to-morrow to inquire as to what obligations rest upon the United States to govern Haiti and to keep marines upon Haitian soil.

The joint resolution (S. J. Res. 136) for the termination of the alleged treaty between the United States and Haiti was read the first time by its title, the second time at length, and ordered to lie on the table, as follows:

Whereas a treaty forced upon Haiti by the military forces of the United States was entered into between the United States and Haiti and was signed at Port au Prince on September 16, 1915, and ratifications were exchanged at Washington on May 3, 1916, and on the said same day said treaty was proclaimed; and

Whereas by its terms said treaty was to remain in full force for 10 years from the day of the exchange of ratifications, and also for another term of 10 years if for "specific reasons presented by either of the high contracting parties the purpose of the treaty has not been fully accomplished"; and

Whereas without any specific or other sufficient reason an attempt was made on the 28th day of March, 1917, to extend said treaty for a further period of 10 years, and Arthur Bailey-Blanchard and Louis Borno made an agreement which each signed and which attempted to fix the life of said treaty at 20 years; and

Whereas said agreement signed by said Bailey-Blanchard and said Borno was not presented to the Senate of the United States or ratified by it, or by the Haitian Government or any part thereof authorized to ratify treaties; and

Whereas said treaty, ratifications of which were exchanged on the said May 3, 1916, has expired, but it is claimed by the executive department of the United States that it is still in force; and

Whereas said treaty is no longer responsive in various respects to the political principles of the United States, or to the principles of justice and international comity which should govern the relations of the United States and Haiti and other countries; and

Whereas said treaty is not responsive to the political principles and commercial needs of Haiti and the Haitian people: Therefore be it

*Resolved, etc.*, That said treaty, if it has any validity, or exists for any purpose, or at all, together with all the terms thereof, is hereby terminated.

### AMENDMENT TO BOULDER DAM BILL

Mr. BRATTON. Mr. President, I ask leave to present a proposed amendment to Senate bill 728, being the so-called Boulder Dam bill, and ask that it may be printed, also published in the RECORD, and lie on the table.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be published in the RECORD, as follows:

On page 5, strike out all of lines 1 to 18, both inclusive, and insert in lieu thereof the following:

"SEC. 4. (a) This act shall not take effect and no authority shall be exercised hereunder unless and until (1) the States of California, Colorado, Nevada, New Mexico, Utah, Arizona, and Wyoming shall have ratified the Colorado River compact mentioned in section 12 hereof and the President, by public proclamation, shall have so declared, or (2) if after one year from the date of the passage of this act the said States shall fail to ratify the said compact; then if six States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article II of said compact, which makes the same binding and obligatory only when approved by each of the seven States mentioned in said section 12, and shall have approved said compact without conditions, save that of such six States' approval and the President, by public proclamation, shall have so declared: *Provided, however*, That if ratification should be upon a six-State basis, then California shall agree in the ratifying act that the aggregate annual consumptive use in California of waters of the Colorado River shall never exceed 4,200,000 acre-feet and that the use by California of the excess or surplus waters unallocated by the Colorado River compact shall never exceed annually one-half of such excess or surplus waters, such use always to be subject to the terms of the Colorado River compact."

### INVESTIGATION OF NAVAL OIL LEASES

Mr. FLETCHER. Mr. President, I ask unanimous consent to have inserted in the RECORD two short editorials from the Philadelphia Record.

The PRESIDING OFFICER (Mr. BLEASE in the chair). Without objection, it is so ordered.

The matter referred to is here printed, as follows:

[From the Philadelphia Record of April 10, 1928]

#### MR. SINCLAIR AND HIS PATRIOTIC OIL BONDS

A lawyer for the defense in a criminal case is expected—it may even be said that he is obligated—to give to his client's acts the most favorable interpretation possible. Neither professional ethics nor public policy forbids his attributing to the defendant irrelevant virtues and associating indictable actions with the most altruistic motives.

But in his opening address to the jury the other day one of Sinclair's attorneys indulged in an oratorical flourish which must have put a serious strain upon the solemnity of the court. Everyone in the audience, from the judge to the tipstaff at the door, was perfectly acquainted with the unsavory history of the Liberty bonds purchased by the fake Continental Oil Co. and divided among the participants in that odious deal, and with the fact that from his share Sinclair sent $233,000 to Fall, from whom he received the fraudulent Teapot Dome lease.

Naturally the lawyer emphasized the defense plea that this was a payment for a one-third share in Fall's ranch. But he was not satisfied with exhibiting the transaction as a lily of business legitimacy; he undertook to gild it as an incident of public service. "Yes," he said impressively, "Mr. Sinclair had Liberty bonds; he had invested large amounts in Liberty bonds, as every patriotic man at that time had done."

This closes the contest, we think, for the most precious bit of Pecksniffery to be uttered during the calendar year 1928.

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[From the Philadelphia Record of April 23, 1928]

#### TWO OTHER VERDICTS ON THE FALL-SINCLAIR DEAL

From the beginning of the oil-lease scandal there have been in process two trials—first, of the participants in a corrupt conspiracy, and second, of the system of law created to prevent and punish such offenses. Fall and Doheny, and now Sinclair, have been acquitted; and thereby the administration of criminal justice has been convicted of inefficiency, of inadequacy, of impotence to deal with flagrant wrongdoing.

Ordinarily a verdict such as that just rendered would forbid so disheartening a conclusion. The finding of the jurors would have to be accepted as a defensible, though totally unconvincing, interpretation of the evidence. But fortunately there have been irrefutable judgments of an exactly contrary nature upon the same facts. The public which cynically notes the freeing of Sinclair is perfectly aware that the very

acts condoned by the jury have been unhesitatingly condemned by the highest tribunals.

Of the Teapot Dome lease secretly given by Fall to Sinclair and of the payment of $233,000 to the Cabinet officer by the oil man, the Federal Circuit Court of Appeals at St. Louis unanimously declared:

"If a Government official engaged in making contracts for the Government receives pecuniary favors from one with whom such contracts are made, a fraud is committed on the Government. The entire transaction is tainted with favoritism, collusion, and corruption. A trail of deceit, falsehood, subterfuge, bad faith, and corruption runs through the transactions surrounding this lease. The lease and contract were produced by fraud and corruption, and they should be canceled."

This sweeping decree was contested before the Supreme Court of the United States. But, uncompromisingly and unanimously, that tribunal branded Fall's procedure as that of "a faithless public official," the culmination of a conspiracy with Sinclair "to circumvent the law and defeat public policy," and ruled that "the leases and agreement were made fraudulently, by means of collusion and conspiracy between them."

These judgments were so manifestly sound and authoritative that under them restitution of the diverted property was enforced. They are not erased and will not be forgotten because the eccentricities of the law forbade their presentation to the jury and thus enabled that body to perceive innocence where the courts had found unanswerable evidences of criminality.

## AFFAIRS IN NICARAGUA

Mr. EDGE. Mr. President, yesterday the question was asked several times whether Sandino was operating at the present time and whether any Americans had been under attack or their property occupied or confiscated.

I ask unanimous consent to have printed in the RECORD an article from this morning's New York Herald-Tribune, which states that according to information received in the last few days seven prisoners, among who were Americans, have been taken recently by Sandino.

The PRESIDING OFFICER (Mr. BLEASE in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is here printed, as follows:

THREE AMERICAN MINES SEIZED BY SANDINO—BANDIT REAPPEARS IN PISPIS RIVER DISTRICT TO CAPTURE GOLD WORKINGS EN ROUTE TO NORTHEAST COAST—NEW YORKER AMONG SEVEN PRISONERS TAKEN—EDEN, BONANZA, AND LA LUZ MINES, LATTER WORTH MILLIONS, IN CONTROL OF REBELS

By Charles Eyton-Jones

(By cable to the Herald Tribune. Copyright, 1928, New York Tribune, Inc.)

MANAGUA, NICARAGUA, April 23.—Gen. Augustino Sandino has reappeared in the Pispis River mining district about 75 miles northeast of Puerto Cabezas, and has taken possession of the Eden mine of the Tonopah interests, of Philadelphia, and the Bonanza mine, also belonging to American interests, according to confirmed reports reaching Managua from Puerto Cabezas. Another mine, the La Luz y Los Angeles, situated to the south and owned by Americans, also is mentioned in the dispatches, but it is not clear whether the rebel leader captured that also.

Sandino had not been heard from for several weeks, although the marines had searched the northern district of Esteli, Ocotal, Jinotega, and Matagalpa with infantry and airplane patrols. The situation is serious, considering the proximity of the rainy season, which would make it impossible to transfer American forces from their present positions to the new zone of operations.

Gen. Frank McCoy, commander of the United States marines, and Dana G. Munro, first secretary of the American Legation, have postponed their trip to Rivas San Juan del Sur because of the news received to-day.

### BELIEVED HEADING FOR COAST

MANAGUA, NICARAGUA, April 23.—Marine brigade headquarters tonight were convinced that Augustino Sandino with the remnant of his followers is heading for the Atlantic coast of Nicaragua. They took this attitude when a radiogram came from W. J. Crampton, collector of customs at Puerto Cabezas, also known as Brangmans Bluff, on the northeast coast of the country. The message said that two mines near the headwaters of the Pispis River were robbed by rebels a few days ago.

Mr. Crampton also stated that two Americans employed at the mines have been taken prisoner, according to unconfirmed rumors that had reached him.

The district around the Pispis River is north of the rich La Luz y Los Angeles mine, which was reported raided in advices received at New York via wireless to New Orleans. Sandino would find this mining property on his direct line of march if he has taken an overland route from the mountainous jungle in which he is believed to have been hiding hitherto.

### TURNS FORCES TOWARD RIVER

The Marine authorities, however, are inclined to believe rather that Sandino headed through the Pispis district with the idea of reaching the headwaters of the Waspuc River. This good-sized stream flows northeastward and joins the River Coco 150 miles inland from the mouth of the latter stream at Cape Gracias, on the northeast coast.

There are numerous mines in that region; but while their gold deposits are known to be rich, the ore is low grade, and the cost of working them has caused all except a few to be shut down. The Eden mine of the Tonopah Mining Co. is in that category.

Other well-known mines about the headwaters of the Pispis are the Bonanza, the Lone Star, the Constancia, and the Concardia. All of these are believed to be American owned.

### MINE COMPANY TELLS OF RAID

Augustino Sandino's insurrectionary forces raided an American-owned gold mine in the district of Prinzapolca, Nicaragua, on April 12, capturing three Americans, a British mine superintendent, and a Norwegian, together with supplies worth more than $25,000, it was announced here yesterday by J. Gilmore Fletcher, president of the La Luz & Los Angeles Mining Co., 511 Fifth Avenue, which owns the property.

The Americans captured were George B. Marshall, 48 years old, assistant superintendent of the mine, only son of Mrs. H. M. Marshall, of 442 East One hundred and thirty-sixth Street, a teacher in public school 91, Manhattan; L. B. Milbery, of Woodsville, N. H.; and Roy Burley, whose home was not known by Mr. Fletcher.

### TAKE 100 NICARAGUANS

The other prisoners are Harry J. Amphlett, superintendent, a British subject, whose last known address in the United States was 1702 St. Paul Street, Baltimore, and Peder Peterson, 58 years old, a Norwegian, who has a sister, Mrs. Elsie Bensen, living at 440 Ninth Street, Brooklyn. One hundred Nicaraguans employed at the mine also are understood to have been held by Sandino.

The first report of the raid reached Mr. Fletcher, who is a brother of Henry P. Fletcher, ambassador to Rome, on Saturday, April 21. He said the message was probably sent out by courier at the time of the attack, carried six days through the wilderness to Puerto Cabezas, and radioed from there to the United States by an agent of the Standard Fruit & Steamship Co., named Martin. It read:

"On 12th Sandino raided La Luz (name of the mine), taking all gold, money, merchandise, and animals. Also Marshall and all employees prisoners."

### CALLS ON STATE DEPARTMENT

Mr. Fletcher immediately communicated with the State Department, asking that marines be sent to rescue the prisoners, if possible, but withheld the news from the public until the receipt of a confirmatory telegram yesterday from the Bluefield Mercantile Co., Bluefields. The telegram read in part:

"April 7, forces of Sandino have taken possession of mine. Have taken prisoner Amphlett."

This last message was taken by Mr. Fletcher to indicate that Sandino had returned to the mine following the raid on April 12 and was forcing the superintendent and his American assistants to operate the property, which he said produces about $30,000 worth of gold monthly.

### ESTIMATED LOSS AT $100,000

"From the meager information I have," Mr. Fletcher said, "the losses from looting of movable property will run anywhere from $25,000 to $100,000. There was $10,000 worth of food in the commissary, 75 head of oxen used for taking in supplies and sending out gold bullion, the bullion on hand, a pay roll of $5,000, dynamite, and other stores. Even under ideal conditions it will take three months to put the mine in operation again."

Mr. Fletcher declared that if the steel-pipe line, recently installed at a cost of $150,000, and the mill plant were destroyed the company's loss would run from $3,000,000 to $10,000,000 and the owners would face ruin. The mine is owned by three Fletcher brothers—J. Gilmore, G. Frederick, and D. Watson Fletcher—and a brother-in-law Joseph Riter.

### NO TROUBLE WAS EXPECTED

That the raid was entirely unexpected only added to the bitterness with which the owners received the news of damage to the mine, into which they have put their capital for the last 10 years. La Luz and the Prinzapolica district are far in the northeast of the zone in which Sandino has heretofore confined his operations. Not the slightest preparation for defense has been made at the mine, Mr. Fletcher said, and no trouble was anticipated.

"We are not in politics down there," he continued, "and we have nothing to do with Wall Street. I don't know what I'll do if anything happens to our men. They are a lot of fine fellows. I guess that's what comes of investing one's money in foreign countries."

Mr. Fletcher scouted reports that the men were kidnapped for ransom. "They were captured," he said, "and the raid was apparently in reprisal for the activities of the marines. I don't anticipate that they will be harmed. There's nothing to gain by that."

IN COUNTRY MANY YEARS

All the foreigners reported captured had passed many years in Central America and speak Spanish fluently. Marshall, who was graduated as a mining engineer at the University of Michigan in 1907, passed 12 years in Costa Rica, where his wife is now. He started work at the mine on December 1 last on a two-year contract, after having visited with his mother here from June to November.

Mrs. Marshall said she received a letter from him two weeks ago, in which he reported everything quiet, and said he received more news of what was happening in Nicaragua from the American papers which reached him than from local sources.

Peterson has passed 38 years in Nicaragua, over 20 of them at the mine, Mrs. Benson said. He has a Spanish wife and two or three children with him at the time of the raid, she believed. He came to this country from Norway at 18, took out his first citizenship papers, and left for Nicaragua before becoming naturalized.

PETERSON HERE SIX YEARS AGO

Mrs. Bensen recalled that when her brother visited her in New York six years ago he remarked that "they were always fighting down there." He was used to it, Mrs. Bensen said, and she did not believe that he would come to any harm. She heard from him last month, his letter stating that he had just returned from a prospecting trip in the mountains and had a touch of fever.

Burley, who is about 45 years old, has been prospecting and working at the mine alternately for nearly 10 years, Mr. Fletcher said. Milbery has a wife at Woodsville, N. H. He is about 60 years old. Amphlett's brother, J. Roy Amphlett, of 3418 Guilford Terrace, Baltimore, Md., is chief assayer of the Baltimore Copper Co.

SENATORS WALSH AND WHEELER, OF MONTANA

Mr. BRATTON. Mr. President, there was recently published in the Butte Miner, a newspaper of Montana, a letter from Mr. Ralph E. Williams, of Philipsburg, Mont., to Mr. Charles R. Leonard, of Butte, Mont., in which the Nicaraguan situation and many other subjects are discussed. I ask that the letter may be inserted in the RECORD.

There being no objection, the letter was ordered to be inserted in the RECORD, as follows:

[From the Butte (Mont.) Miner, Sunday, April 15, 1928]

THE LEONARD LETTER

PHILIPSBURG, MONT., *March 26, 1928.*

CHARLES R. LEONARD, *Butte, Mont.*

DEAR SIR: I have read with considerable interest your letter addressed to the editor of the Butte Miner, which letter was published in full in yesterday's issue of said paper; and may I say, without being considered presumptuous, that it is my opinion that former Governor Lowden is fortunate in having such an able champion in this State.

However, it was not with the purpose in mind of discussing the former governor's candidacy or qualifications that I decided to write to you; but rather to direct your attention to certain statements contained in your letter which, to my mind, are open to question.

May I say, before proceeding to the consideration of your statements, that I am not in any way attempting to take issue with you? Indeed, such a thing is furthest from my mind. I am not equipped mentally or otherwise to join issue with you on a discussion of political questions, but what I am going to set forth in this communication is the result of reflection by the writer on certain statements contained in your letter.

You made the assertion in your letter that the Republican Party is the "party of protection," and you also ask the question as to whether such party should also be protectionists for farmers of the West as well as for the manufacturing interests of the East.

USUAL PROTECTION URGED

In answer to your question, I will say that, to my mind, the farmer should receive an amount of protection equal to that which is given the manufacturer; but I do not particularly like the inference which arises as a result of reading your statement that the Republican Party is the party of protection. To my mind this savors of an effort to create the impression in the reader's mind that the Democratic Party are advocates of free trade and no protection. If such be the case, it is then a misleading statement or my conclusions are incorrect.

It is my information that both major political parties, formerly as far apart as the two poles on the matter of the tariff, do not harbor such a vast difference of opinion as was formerly the case. I believe I am making a true statement when I say that the only difference of opinion between the legislative Members of both parties is as to what lines and industries should be protected by a high tariff and what lines and industries have become so well established that they do not now require such high protection which, ultimately, is paid by the American consuming public. In other words, the difference of opinion, to my mind, seems to be only an equitable adjustment of the present tariff schedules, resulting in the raising of some and the lowering of others. It is my belief that the Democrats, as a party, favor protection of all industries in this country which are in need of such protection; but that they do not believe the American people should be called upon to assist certain interests to increase their already superabundant profits when such concerns are able, financially and otherwise, to compete with foreign manufacturers of like commodities.

FARM RELIEF

As to farm relief, I will ask you who it is that opposes the most strenuously all efforts to obtain legislative relief for the farmer? Is it not those Members of our lawmaking body who come from the great industrial centers of the country? Are they not adherents to the Republican political faith? Do not a considerable number of the Democratic Members of Congress represent agricultural districts? Have they not most consistently during the past four years supported farm relief legislation? If the answer to this last question is yes, then I ask you: Is it not the policy of the Democratic Members of Congress to advocate and work for an equal degree of protection for all industries in need of such protection? Does not the record of the Republican Party reveal them as being advocates for protection of a "favored few"?

The main difference of opinion, as I see it, between the two parties is not that of "protection," but rather it is that of determining to whom and to what industries such protection is due.

Then I direct your attention to your statements in which you urge the election of Republican representatives to Congress from Montana, in lieu of two Democratic Members who are there at present and who, presumably, will again be candidates to succeed themselves. You state that we need Members who will concern themselves more with the needs of this State, rather than Members who are devoting considerable time to international affairs at the expense of our State's best interests.

In discussing this matter I wish to state that I am writing to you in the hope that you will, for the moment, forget your political affiliation, and that you will consider this as a citizen and not as a member of the Republican Party. Let us put aside all partisan feeling and consider your statements solely as citizens. Let us consider this question with the view in mind of learning, if we may, what is best for the country.

TO DEFENSE OF WHEELER

There is no doubt in my mind but what your statement, in part, is directed against the activities of the Hon. B. K. WHEELER, one of our Senators from this State. So far as I know Mr. WHEELER has not neglected the interests of the Nation generally. An indefatigable worker on the committee of the United States Senate which conducted the investigation into the manner of conducting the business of the Attorney General's office, he has rendered service to this State and to our Nation, for which we are unable to justly and commensurately compensate him. Balked and hindered at every turn by not only the Attorney General, Harry M. Daugherty, but also by the Department of Justice—which department is supposed to be charged with the prevention of crime and the securing of evidence of the commission of crimes—Mr. WHEELER doggedly, and with great perseverance, kept on with his task until, ultimately, he revealed a state of affairs in high governmental circles which showed that influential men of the Nation, as well as Cabinet Officers, were engaged in the task of corrupting, debauching, and despoiling our Government for the purpose of self-enrichment.

I make these statements after having read a printed transcript of the testimony adduced during the hearing which I mentioned in the foregoing paragraph. I base these statements not upon newspaper reports but upon the testimony I just referred to.

You may say that Senator WHEELER is not solely responsible for the revelations which have been made; but I direct your attention to this fact: Senator WHEELER was the principal prosecutor (if that be the correct term to use), and was the person upon whom, more than upon any other single member of the committee, the duty devolved of obtaining witnesses and running down clues. It is principally due to his untiring efforts that such exposé was made. Should he not be commended and compensated so far as it is possible for us to do so?

PRAISE GIVEN SENATOR

Should we lend our active aid to those who were instrumental in the attempt to corrupt the debauch our Government by failing to recognize the inestimable value of the services rendered by Senator WHEELER and by failing to return him to the United States Senate, should he desire to be so returned?

Would it not give Harry M. Daugherty et al. considerable satisfaction to know that the electors of the State of Montana failed to indorse the good work done by Senator WHEELER by refusing to return him to the office he now occupies?

It is my belief that the very principles of good government were undermined, and for a time threatened, by those in power; and that we should do everything in our power to assist in returning to office those persons who so diligently labored to expose the rottenness which existed in governmental circles. To do this would, to my mind, be serving notice upon all persons having ulterior motives and designs that the American people are awake to their responsibilities and that grafters and corrupters had better beware.

Now, as to the inference that our estimable Senator has unduly concerned himself with international affairs to the prejudice of our State. In this connection, I would like very much to ask you in what way Montana's interests have been neglected. I have no information which leads me to believe that Montana has been in any way injured or slighted by our present representatives in Congress. But let us assume for a moment that it is so. Then I ask you: Is it a matter of no concern to the citizens of Montana that foreign affairs are, indeed, demanding, in the name of constitutional law and justice, the attention of Congress?

NICARAGUA REFERRED TO

Is it a matter of no moment to the people of the State of Montana that the "strong, silent man in the White House" is at present engaged in conducting a war in Nicaragua in direct contravention to the Constitution of the United States, which provides: "Congress shall have the power to declare war, * * *?

Is the present White House incumbent not now busily engaged in carrying on aggressive warfare in Nicaragua without war having been declared by Congress? Daily press dispatches reveal to us that our marines are engaged in actively seeking Sandino and his warriors, and not that they (the marines) are engaged solely in protecting property.

Do you not recall a news dispatch appearing in local papers recently to the effect that the main legislative body in Nicaragua had failed to pass, by a considerable majority, a resolution requesting the supervision of the national election by the United States marines?

Do you not also recall that, subsequently, a news dispatch was printed stating that President Diaz had, by proclamation, called upon the United States marines to supervise the election to be held in that country?

Is not the inference and conclusion we draw from such dispatches this, viz: That the President of Nicaragua, like our own President, refuses to abide by the provisions and the mandates of their constitution; but, instead, in the interests of a favored few, he violates every principle of democracy by issuing a proclamation which is in direct contravention to the wishes of his constituents and, as a means of coercion, uses the presence of our marines to enforce such proclamation?

Judging from this distance I would say that Mussolini has nothing on Diaz in regard to bringing people to accept his decrees; but the anomalous part of it all is that the United States, supposed to be the most humanitarian of all nations—and engaged in aiding the oppressed—is an accessory, by the act of its President, in the perpetration of such outrages.

COULD USE MARINES IN AMERICA

Why does not President Coolidge request Congress to authorize him to use the marines in Nicaragua? Is it not because he is well aware that such authorization would not be granted? Therefore he takes it upon himself to do what he knows Congress would not do; and because of his prestige and political power, he "gets away with it."

We hear quite a lot of "buncombe" from the "standpatters" of the principles of the Monroe doctrine being involved in this Nicaragua matter. Is it a violation of the Monroe doctrine to permit people in foreign countries to rule themselves in accordance with their own views; or should we send the marines down there to show them how they should establish and operate their Government? It might be pertinent to remark at this time that we could use the marines to a good advantage here in our own country during some of our elections.

Another excuse offered by supporters of the administration is that we are "protecting American interests" in Nicaragua. Undoubtedly we are; but, I ask you, is it the interests of the American people in general or just those of a chosen few? Are the lives of the young men of this country less to be considered than the dollars of a few persons who already have more than enough to do them for their natural lives?

But these latter questions are entirely beside the matter now under discussion. The thing mainly to be considered at this time is the fact that our President, head of the greatest and most liberal—politically—democracy, is now usurping to himself powers which, by the fundamental law of the Nation, have been delegated to Congress.

Should our representatives sit supinely by and raise no voice in protest of this flagrant violation of our Constitution? How can the rank and file of the country be asked to obey the mandates of the Constitution and abide by its provisions when the chief law-enforcement officer of the Nation, openly and with impunity, violates it?

REGRETTABLE THING

It seems to me a regrettable thing indeed that there seems to be only two classes of persons in this country in the minds of a considerable number of our citizens, viz, conservatives and radicals. It seems to have reached the point where if a person speaks what he deems to be the truth about any matter of importance—and in so doing he tramps upon the toes of influential persons as a "radical." In fact, as a result of influence exerted in the proper places, through the press and otherwise, it seems that we are headed toward the giving up of our right to freely express ourselves on matters of public concern in order that we may keep ourselves "in right" with the powers that be.

But to get back to the original question, viz: Whether this Nicaragua matter is one which concerns the people of Montana.

We know it to be a well-established fact that all conflagrations from little fires grow. Who knows but what the guerilla warfare being conducted in Nicaragua to-day will be the fire which, in turn, will start the conflagration? In this connection let me remind you that the recent World War was originally started by two nations of minor importance from the viewpoint of world affairs.

Would you care to have your son called upon to take up arms in the service of his country when such a contingency could be avoided by demanding that the President of the United States abide by the provisions of the Constitution, the document which he has sworn to uphold and defend?

This, then, is why I am of the opinion that international affairs are of particular moment to the people of the State of Montana. Conditions have changed to such an extent since the inception of this country as a nation that we are now more or less concerned with what takes place in foreign affairs; especially is this so when matters concerning the United States are involved.

Therefore when our representatives endeavor to right wrongs or to denounce them it would seem to me that they are acting for the best interests of all of us and that we should not permit our partisan feeling to influence us in the selecting of our representatives.

MONTANA ABLY REPRESENTED

Senator WALSH and Senator WHEELER have labored arduously and diligently in the interests of the Nation as a whole, and I state with all sincerity that it is my opinion that Montana has never been so ably represented in Congress as it is at the present time. In spite of the innumerable obstacles placed in their paths, in spite of the efforts made by the crooks and debauchers in high governmental circles and influential places to besmirch the reputations of our representatives, they pressed onward with their tasks.

That they were successful can not be controverted at this time; and, to my mind, partisanship should be forgotten should they aspire to any further political office. It seems to be only fitting and proper that we should do everything in our power to see that these men are afforded the opportunity of continuing the good work which they have commenced; and that we should demonstrate to all the world our pride in their achievements by electing them to any office to which they aspire and for which they are qualified.

In the past the slogan seems to have been: "My party; right or wrong, my party." I submit that such a slogan is not in keeping with the principles of good government. History has shown us that persons seeking to enrich themselves at the expense of the Government have never been respecters of politics. Republicans and Democrats all look alike to them; the only matter of concern to them being the control of those in power. They will donate as quickly to one party as to another if they think they can advance their interests by so doing.

Therefore, in order to successfully cope with this unpatriotic and un-American element we should adopt similar tactics. If we have a man aspiring to an office who has rendered faithful service to the Nation we should forget our "politics" temporarily and return him to office as citizens and not as Republicans or Democrats. By doing this we will be encouraging our representatives to do further and better work; we shall be showing them that we appreciate their efforts and that they have not labored in vain. Indeed, we shall be doing as all successful operations and business concerns of the country are doing, viz: Rewarding merit by promotion or by continued employment.

Would it not only be fitting and proper for the people of the State of Montana to openly and unqualifiedly indorse the candidacy of Senator WALSH for the presidency, in view of his distinguished service rendered in the past, such indorsement to be made by Republicans and Democrats alike?

Would it not only be fitting and proper that the Republicans and Democrats of the State of Montana show proper appreciation for services rendered, by requesting Senator WHEELER to run as a candidate to succeed himself in the United States Senate, and to reward such service by having his candidacy unopposed by a member of either political party?

Such an indorsement and recognition of services rendered would, to my mind, be serving notice upon the people of this country that Montanans are deeply appreciative of the fact that their Senators have rendered signal service to the Nation as a whole. It would also tend to show that when matters of good government are involved, partisan feelings are submerged and that Montana citizens wholeheartedly and unqualifiedly indorse the good work of their representatives. It would mean an added incentive to all others who later aspire to similar positions to do all in their power to assist in the proper operation of our Government and to the proper protection of its interests.

In closing, permit me to say again that it is not my purpose to take issue with what you said in your letter; but, instead, I am simply setting forth some thoughts that came to the mind of the writer after reading your published letter. If I am in error in my conclusions I shall appreciate having that fact pointed out to me.

It seems to me that we should reward good and faithful service so far as it is within our power to do so. To do this might mean that

some of us would have to vote for candidates who are members of the political party opposed to ours; but in doing so we would be voting the "man" instead of the "party," and I respectfully submit that once such a practice is established we shall have a far better class of public servants than is now the average case. Corporations reward faithful and meritorious service, so why should not the American people do likewise?

Trusting that I have not bored you with this long communication, I am,

RALPH E. WILLIAMS.

PHILIPSBURG, MONT.

NATIONAL INSTITUTE OF HEALTH

Mr. RANSDELL. Mr. President, I desire to make an announcement. There will be a very interesting meeting of the subcommittee of the Senate Committee on Commerce at 2 o'clock this afternoon, at which some pictures will be exhibited which have been loaned by the Rockefeller Institute by my request to be used in connection with the hearings on my bill (S. 3391) to create a national institute of health. They are a combination of the high-power microscope with the motion-picture machine. These pictures show the life growth of the unit cell, disease-producing bacteria and their fights with each other, cell destruction in diseases, such as cancer, and illustrations of hookworms, live nerves, flow of the blood through the veins, and so forth.

This hearing is on the bill to create and establish a national institute of health. Hearings are now being held by the committee, and if any of the Senators can come up to the committee room at 2 o'clock I think they will be very much interested and instructed by these perfectly marvelous pictures which were prepared under Dr. Alexis Carrell, of the Rockefeller Institute.

FARM RELIEF—GEORGE N. PEEK

Mr. NORBECK. Mr. President, I have a letter from George N. Peek relating to the controversy about which we have heard considerable in the past. I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD.

NORTH CENTRAL STATES AGRICULTURAL CONFERENCE,
EXECUTIVE COMMITTEE OF TWENTY-TWO,
*Washington, D. C., April 21, 1928.*

Hon. PETER NORBECK,
*United States Senate, Washington, D. C.*

DEAR SENATOR NORBECK: I have read in the CONGRESSIONAL RECORD this morning the address in the Senate yesterday of Senator SACKETT, of Kentucky. Senator SACKETT refers to my statement, which you placed in the CONGRESSIONAL RECORD on April 5. I refer to the concluding paragraph in that statement:

"If Mr. Hoover takes exception to my statements or attempts to refute them, I invite him to join with me now in a request to Congress to make such an investigation as I suggested in 1925, broadening it to include an investigation of statements herein contained. From the report of such an investigation the public can form an accurate opinion as to 'his record as a friend of the American farmer,' and the wisdom of his 'long-view' policies."

I now repeat that invitation.

Senator SACKETT refers to the activities in 1919 of the industrial board of the Department of Commerce, of which I was chairman.

A pamphlet, History of the Industrial Board, which sets forth the record of the activities of that board is in the Congressional Library. This pamphlet is the historical refutation of many of the charges in connection with the industrial board, which Senator SACKETT makes, including his reference to the statement of the then Secretary of the Treasury, Mr. GLASS.

Senator SACKETT says it was the after-armistice difficulties with Mr. Hoover that won my enmity toward him. This is not an accurate statement. It was Mr. Hoover's attempt in 1924 and 1925 to ride over the dead body of Secretary Wallace and his continued opposition to the plan of farm leaders, although barren of constructive proposals himself that finally convinced me of his unscrupulous character, although I had misgivings about him before.

Senator SACKETT says, "Mr. Hoover has been Secretary of Commerce not Secretary of Agriculture." I assert that Mr. Hoover influenced the appointment of Secretary Jardine, and as a condition precedent to Mr. Jardine's appointment it was understood that Dr. H. C. Taylor, Chief of the Bureau of Agricultural Economics, and Charles J. Brand, consulting specialist in marketing, who with Secretary Wallace had favored the McNary-Haugen bill, should be removed from the department. This program was followed and these gentlemen were forced out of the department shortly after the appointment of Secretary Jardine and the adjournment of Congress in the spring of 1925, and Mr. Hoover directly and indirectly has continued to influence the activities of the Department of Agriculture.

If Mr. Hoover will join with me in the request referred to for a congressional committee to investigate the accuracy of the charges against him, the public can form an intelligent opinion from the report of such an investigation of "his record as a friend of the American farmer" and "the wisdom of his long-view policies." Such an opinion can not be secured by the hurling of adjectives and epithets between the parties to the controversy. The public wants the truth.

Sincerely yours,

GEORGE N. PEEK.

THE PROHIBITION QUESTION

Mr. BRUCE. Mr. President, ever since I have been a member of this body I have from year to year presented to it police statistics showing that during the preceding 12 months there had been an increase in arrests for drunkenness. I have done that first of all because Washington in that respect is but typical of the other great cities of the country, as is demonstrated by the reports for some years past of the Moderation League, which evidences the fact that every year there is an increase in arrests for drunkenness, not only in the city of Washington, but in upwards of 500 American cities and towns. The last report of the Moderation League was published only two or three months ago.

I have had another reason for bringing to the attention of this body those police statistics. Here in the Capital of the Nation where Congress sits, where the supreme judicial tribunal of the land sits, where the President resides in the great White House whose whiteness has never been sullied in the history of the American people except during the administration of President Harding, here, if anywhere, surely prohibition should be enforceable. If it is not enforceable here where, as I have said, all the insignia of the Federal authority are found, and where the Anti-Saloon League maintains its legislative lobby, and the Methodist Board of Temperance and Morals its headquarters, where can it be enforced?

Mr. TYDINGS. Mr. President, will my colleague yield for just a brief observation?

The PRESIDING OFFICER (Mr. BLEASE in the chair). Does the senior Senator from Maryland yield to his colleague?

Mr. BRUCE. Certainly.

Mr. TYDINGS. I would like to remind the Senator that when the Army and Navy football game was played in Baltimore three or four years ago it was estimated that there were 82,000 people present. When the game was over, by actual count more than 1,000 half-pint liquor flasks were picked up in the stadium. That would be one for every 82 people, to say nothing of the silver flasks which evidently were carried on the person both to and from the game.

In line with the Senator's remarks, the people who attended that game were Members of Congress, of the Army and the Navy, and State and governmental officials from all over the land. Notwithstanding that type of citizenship, 1 out of every 82 persons had a liquor flask that was left on the ground in the stadium after the game.

Mr. HEFLIN. That shows that the law can be enforced.

Mr. BRUCE. That shows that it can not be enforced.

Mr. TYDINGS. It shows that the people came from every State in the Union, were representative of the citizenship of the country, and that apparently the prohibition law is not enforced in any State.

Mr. BRUCE. I called attention the other day to the last official report of the governor's constabulary in the State of South Carolina, which states that during the year covered by the report 1 still had been broken up by that force for every 2,400 inhabitants of the State. And it should be borne in mind that the report does not include stills broken up by the prohibition unit or the county police of South Carolina. Of course, conditions in South Carolina do not differ from conditions that prevail elsewhere in the United States.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. BRUCE. Certainly.

Mr. BORAH. I take it the Senator thinks there is no remedy for this except to repeal the eighteenth amendment?

Mr. BRUCE. The remedy I have always suggested is first an interim remedy; that is to say, the modification of the Volstead Act that would allow the people of the country to have the use of a wholesale nonintoxicating beer, and, secondly, a permanent remedy; that is to say, the amendment of the eighteenth amendment in such a manner as to legalize the use of spiritous and fermented liquors under some system of government supervision and local option established by Congress akin to that which has worked with such extraordinary success in the Province of Quebec and in other great populous communities.

Mr. BORAH. Does the Senator know of anyone who is advocating the repeal of the eighteenth amendment?

Mr. BRUCE. Advocating it? Did not the Senator see that only yesterday the Association Against the Prohibition Amendment was reorganized with a directorate composed of some of the most distinguished citizens of the United States, and that it placed in the very forefront of its program the total repeal—not the amendment, as I have been urging in this body, but the total appeal—of the eighteenth amendment?

Mr. BORAH. That is composed of a few individuals, but there is no political party in favor of it, is there?

Mr. BRUCE. No! But surely the Senator, with his knowledge of the cowardice of many politicians, both Republican and Democratic, would not make any point of that. He himself, naturally enough, with his resolution of character, has complained repeatedly of the miserable time-saving, temporizing, pusillanimous, and craven spirit in which the great issue of prohibition is approached by both parties in this country. Have I answered the Senator?

Mr. BLACK. Mr. President, will the Senator from Maryland yield to me?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Alabama?

Mr. BRUCE. I yield.

Mr. BLACK. I understood from the Senator that he drew the inference that not only the increase of drunkenness here in the city of Washington but the failure of the enforcement authorities showed that the law could not be enforced anywhere else.

Mr. BRUCE. I draw that inference in part from the course of administrative experience in Washington and in part from the same source in other great cities of the United States.

Mr. BLACK. May I suggest to the Senator that recent events do not indicate that the city of Washington is entitled to any crown of glory for its enforcement of the law against stealing from the Government.

Mr. BRUCE. And neither is any other city in the Union entitled to any such crown.

Mr. BLACK. Then, should the laws against stealing be repealed?

Mr. BRUCE. Take the great city of Baltimore, the city in which I live, a city where the crimes commission, that which was appointed only a few years ago, has testified that law, so far as the general criminal law is concerned, is enforced very satisfactorily; take that great city, for illustration, and ask how far the Federal Government has been able to enforce the Volstead Act there. There, too, arrests for drunkenness have mounted up since the enactment of the Volstead Act, and that notwithstanding the fact that we have Federal judges in that city who conscientiously do all in their power to enforce the act, and notwithstanding the fact that almost every few months, it would almost seem, the prohibition administrator for the State of Maryland organizes a special raid for the purpose of checking violations of the Volstead Act.

Mr. TYDINGS. Mr. President, will my colleague yield to me?

Mr. BRUCE. I yield.

Mr. TYDINGS. It seems to me, in all honesty, that it is about time we should admit that the prohibition law can not be enforced, and one of the reasons why it can not be enforced is that if Christ Himself were on earth to-day, even He would be put in jail for turning water into wine.

Mr. BRUCE. Mr. President, in the city of Baltimore, notwithstanding the punitive agencies of the law that are forever in operation, the attempts of the Government at the extermination of the bootlegger remind me of nothing so much as the irrepressibility of the human beard. Each morning we take up a razor, run it over our faces, and shave them clean; but the next morning out the beard has come again, exactly as if its luxuriance had never been checked.

I have done everything that I could to secure the enforcement of the Volstead Act in the city of Baltimore. It was primarily through my agency that another Federal judgeship was recently created for the purpose of effectively enforcing that act in the State of Maryland.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Maryland yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Massachusetts?

Mr. BRUCE. Yes.

Mr. WALSH of Massachusetts. I happen to know personally and intimately the prohibition enforcement officer in Baltimore. He is from my State—Massachusetts. He was a most excellent officer in the World War and achieved a great record as a fine disciplinarian and a very able man. I think the State of Maryland, therefore, has in that officer an enforcement official who is unsurpassed among all in the country.

Mr. BRUCE. Mr. President, I am glad that the Senator from Massachusetts has mentioned Mr. Herbert. He has been untiring some people think—I do not say that I share their views—to the point of little less than indefensible tyranny in his efforts to enforce the Volstead Act in Maryland, and yet nothing could be vainer than those efforts. Not only did I, with the aid of the Maryland Representatives in the House, have another Federal judgeship created for the State of Maryland with special reference to the enforcement of the Volstead Act, but despite the fact that the Federal judge who was then on the bench in Maryland had been stern, as some thought, almost to the point of extreme rigor in enforcing that act, I was among those who asked the President of the United States to elevate him to a still higher judicial position.

We all hear from time to time a great deal of inane, idle talk about the duty to enforce prohibition. Let me say, that honorable, public spirited men of all kinds, whether prohibitionists or otherwise, are entirely agreed as respects that. I should have a supreme contempt for any President of the United States, for any member of the Supreme Court, for any Federal judge, for any minister of the Federal law who did not, so long as the Volstead Act was on the statute books and the eighteen amendment in force heed all the obligations of his oath impartially to enforce the Federal laws without any discrimination between them.

But, as I have stated, in spite of the two Federal judges in the city of Baltimore, in spite of the efficient and energetic prohibition administrator to whom the Senator from Massachusetts has referred, despite the fidelity to duty of Federal officials generally connected with the Federal court in the State of Maryland, the attempt of the Federal Government to enforce the Volstead Act in Maryland has been futile so far as the extinguishment of widespread bootlegging is concerned.

I recall the time when it was said in the city of Baltimore, "The State of Maryland may not be able to enforce all its laws; the city of Baltimore may not be able to enforce all its ordinances; but Uncle Sam always enforces his laws." Ah, not within the limits of the State of Maryland or of any other State in the Union to-day can any such vaunt as that be truthfully uttered. It would perish in the very process of formation upon the lips of any veracious individual familiar with the practical workings of the Volstead Act throughout the United States.

Of course, now that a presidential election is coming on, more than one circumspect friend of mine has said to me, "You have kept this fight up for four or five years; now that you are face to face with another senatorial contest, do you not think that it would be prudent to 'soft pedal' or 'pussy foot' a little just now?"

I will do nothing of the sort. What care I for my paltry political fortunes; what care I whether I am reelected to this body or not, in comparison with the intense strength of conviction, the inextinguishable enthusiasm with which I have committed myself to the great cause of personal liberty, inspired by the tyranny of the Volstead Act and the eighteenth amendment? I am inflexibly opposed to both. I have no use for the cub; I have still less use for its dam; and, however brief may be the unexpired time before the end of my life, I trust that my existence will last long enough to enable me to see repealed by an indignant popular reaction in this country, the constitutional and statutory provisions relating to prohibition, which have been nothing but the fruitful parents of odious oppression, official corruption, widespread lawlessness, and bloodshed.

I do not care what the presidential conventions may do, but I do know that magnetic as Alfred E. Smith is, able as he is, endowed with administrative genius as he is, deservedly popular as he is because of his honorable and fruitful career as governor, he would not to-day be sweeping over this country like a fire in a broom-straw field, but for the fact that hundreds of thousands and millions of people in the United States believe that if he shall be elected President of the United States he will, while enforcing prohibition faithfully so long as it shall be in force, do everything in his power, everything that his powerful office would afford him an opportunity to do, to bring to a close the most atrocious invasion of personal liberty in the history of the United States, except that which was made when the guaranties of human slavery were inserted in the Federal Constitution.

(At this point Mr. BRUCE yielded to Mr. EDGE, who asked and obtained leave to have printed in the RECORD an article with reference to affairs in Nicaragua.)

Mr. BRUCE. The Senator from New Jersey has been silent so long in relation to prohibition that I had hoped that possibly his insertion had some bearing upon that subject; but it seems that it has not.

Mr. WALSH of Massachusetts. A national election is coming.

Mr. BRUCE. I do not know what effect that may have on a regular Republican, under existing circumstances. I trust that no reverse process of conversion is setting in among my antiprohibitionist comrades.

Now, getting back to the police statistics in relation to the city of Washington to which I have referred, let me bring them specifically to the attention of the Senate.

Arrests for drunkenness in the city of Washington from 1920, the first year after the passage of the Volstead Act, to March 31, 1928, were as follows:

| | Arrests for drunkenness |
|---|---|
| 1920 | 5,415 |
| 1921 | 6,375 |
| 1922 | 8,368 |
| 1923 | 8,128 |
| 1924 | 10,354 |
| 1925 | 11,160 |
| 1926 | 12,907 |
| 1927 | 13,375 |

And for the period from July 1, 1927, to March 31, 1928, the arrests for drunkenness were 10,340, which, at the same rate of monthly increase, would for the entire period of 12 months amount to 14,774.

Mr. TYDINGS. In Washington?

Mr. BRUCE. In the city of Washington.

Mr. TYDINGS. The Capital of the Nation?

Mr. BRUCE. Yes! The Capital of the Nation; an increase of drunkenness mounting up from 5,415 arrests for drunkenness in 1920 to 13,375 in the year 1927.

Mr. TYDINGS. If the Senator will permit me to make the observation, a hasty computation shows that would be about 45 for each day of the year, counting Sundays.

Mr. BRUCE. Oh, I will say to the Senator from Maryland that the rate of increase now is worse, though his imagination might well stand appalled at the idea that it could be.

In the Washington Evening Star of yesterday appeared this report, which I will ask to have inserted in the RECORD:

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRUCE (reading):

Sixty-four arrests on charges of sale, possession, and transportation of intoxicants were reported [in Washington] during the 48 hours which ended at 8 o'clock this morning.

Think of that! Sixty-four arrests for violations of the Volstead Act in 48 hours! And that not at Christmas either.

Mr. TYDINGS. Mr. President, will the Senator allow another interruption?

Mr. BRUCE. I will do so with pleasure.

Mr. TYDINGS. If there were that many detected, I was just wondering how many cases had gone undetected of persons who violated this very excellent law.

Mr. BRUCE. The Senator can form some idea of that when I remind him that General Andrews testified two years ago before the subcommittee of the Senate Judiciary Committee that the Prohibition Unit succeeded in seizing only 1 out of every 10 commercial stills. It is needless to say that a commercial still can not secrete itself, can not hide itself, as an individual can; but if we multiplied 64 by only 10, that would be 640 violations of the Volstead Act during a period of 48 hours.

Then the report goes on:

The seizures included 348 quarts of whisky, 152 quarts of brandy, 84 quarts of alcohol, 23 quarts of gin, 326 bottles of beer, 2,000 gallons of mash, and one still.

That is the bag in 48 hours.

Then the report continues—I will ask the Senator from Maryland to listen to this, though there is such entire community of sympathy and belief between us that I do not know why I should especially call his attention to these other figures.

One hundred and forty-four persons were arrested for intoxication during the two-day period.

Think of that!

Mr. TYDINGS. In Washington, the Capital of the Nation?

Mr. BRUCE. In Washington. One hundred and forty-four persons were arrested for intoxication during the two-day period! Now, at that rate maintained for 12 months, the number of arrests for drunkenness in Washington, as I figure it hastily, would be no less than 26,208 persons.

Mr. TYDINGS. Will the Senator permit another interruption?

Mr. BRUCE. Yes.

Mr. TYDINGS. How would the 14,000 annual arrests for drunkenness in the District now compare with the number of arrests for drunkenness prior to the passage of the present law?

Mr. BRUCE. All I know about that is that, as I recollect, Major Hesse, the chief of police of Washington, stated a few days ago that during the last 13 or 16 years, as I recollect—I think it is 13 or 16 years; anyhow, it is a period that overlaps the period that has elapsed since the passage of the Volstead Act—while there had been an increase in the population of Washington of only 40 per cent, there had been an increase in arrests for drunkenness of 168 per cent.

The idea of this convention down at Houston, or of that convention out at Kansas City, attempting to bring forward issues that nobody is thinking about in the place of an issue that everybody is thinking about is one that my mind rejects with derision.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BRUCE. Yes; I yield.

Mr. TYDINGS. I should like to observe that many people who are in favor of prohibition think that God is with them; that it is godly and Christianlike to put poison in alcohol, and to go into the lives of people who mind their own business and do not offend public morals, to regulate them in all degrees.

To prove God is not with these people, because the philosophy of prohibition seems to be thought to be bottomed on the Bible, I have gone through it from Genesis to Revelations and have taken out all the verses—not many of them—dealing with wine, and I ask unanimous consent to insert them in the RECORD at the conclusion of the Senator's address.

Mr. BRUCE. I hope the Senator will cull out right now from that collection some typical ones and read them to the Senate.

Mr. TYDINGS. I do not want to take the time; but if anyone objects to it, I shall have to read them individually here at this time.

Mr. SMOOT. Mr. President, I am not going to object to the Senator's putting them in; but I did want to compliment him on the fact that he has read the Bible, if he got those quotations out of it.

Mr. TYDINGS. I thank the Senator from Utah; and I will say to him that if others would read the Bible and understand it, the Senator from Maryland who is now speaking, who has yielded me his time, would not have to make the effort he is making to get the philosophy of Christ sowed into the hearts of the American people.

The PRESIDING OFFICER. Without objection, the request of the Senator from Maryland will be granted.

(The matter referred to appears at the end of Mr. BRUCE'S remarks.)

Mr. BRUCE. In view of the superior familiarity with the Bible that the Senator from Utah [Mr. SMOOT] seems to claim, I can not but recall a colloquy that I once heard in court in Baltimore City between ex-Governor William Pinkney Whyte, who was twice a Member of this body, and a bright, clever, rattle-brained lawyer named Stockett Matthews.

The governor was not only a man of very great ability but of very upright character. He was supposed, however, by the wicked to be just a little too conscious, perhaps, of his righteousness. On the occasion to which I refer, Matthews in his address to the jury said that Governor Whyte had, in his address to the jury, spoken as if he had been just converted. Then Governor Whyte, instead of laughing off his observation—perhaps he did not have the same sense of humor that the Senator from Utah has—interrupted with the solemn, reproachful observation, "I was converted long ago." "Well," replied Matthews unabashed, "then all I have to say, governor, is that you have not brought forth fruits meet for repentance."

So I say to the Senator from Utah, if he intended to claim for himself an extraordinary degree of familiarity with the Bible.

I could not help listening to the Senator from Alabama [Mr. HEFLIN] this morning when he spoke of the enormous sums of money that are being expended on behalf of Governor Smith at the present time, sums of money, I venture to say, as fabulous as the stores of gold that were supposed in legendary times to be guarded by the mythical griffon.

In an address before the Institute of Public Affairs at the University of Virginia last year on the eighteenth amendment I made this statement, which is completely borne out by the testimony elicited by the Reed investigated committee:

All the inner workings of the Anti-Saloon League have not yet been completely exposed by the Reed Senate committee; for, when it was

sitting, Wayne B. Wheeler was successful in preventing the names of some of the pecuniary contributors to the activities of the league from being divulged. But the records of the league have, for the first time, been laid sufficiently bare to enable us fully to understand just how the adoption of the eighteenth amendment was brought about. It is enough to say that, while that event is largely attributable to just resentment against the abuses of the old saloon, and is partially attributable also to the overstrained feelings kindled by the World War, it is to a very great extent ascribable to the lavish use of money by the league.

The Reed committee elicited the fact that during the period from 1920 to 1925 the league expended no less than $13,655,313.72; and from its official records, which came into the possession of the committee, it would appear that the amounts previously collected and disbursed by the league from 1883 to 1918 aggregated $50,000,000, making a grand total, exclusive of amounts expended by the league in the years 1919 and 1926, of no less than $63,655,313.72.

Just think of the Senator from Alabama [Mr. HEFLIN] allowing himself to speak of large, and I believe totally imaginary, sums spent by the class of persons that he chose to denominate "wets," when here we have evidence of the Anti-Saloon League of the United States expending in all the sum of no less than sixty-three and odd million dollars in attempts to browbeat and to bully candidates for office and to impose its will upon the people of the United States in the place of the legislative will of their chosen representatives.

I rejoice, however, to say that what used to come into the coffers of the Anti-Saloon League in streams, now, to all appearances, comes in only in driblets. The people of the United States are finding out what a harsh tyrant it is, what an unprincipled and unconscionable a politician it is, what an unscrupulous disburser of money it is, what a menace it is to everything that constitutes the essentials of American liberty and self-government and orderly legislative procedure.

The last contributor of any moment to its till, a contributor whom it seems to have accepted with the same degree of satisfaction that it might have accepted a contribution from a decent man, was Kresge, the department-store proprietor, who was proved only a few days later to have recently been involved in at least two lewd intrigues with abandoned women.

To show how discredited the Anti-Saloon League has become, over in Baltimore the other day, when some of the citizens of that community, most of whom were prohibitionists, proceeded to hold a law-enforcement meeting, they were careful to let the whole State of Maryland know that the Anti-Saloon League was to have nothing to do with the meeting. We have at least gotten far enough along the road of reformatory progress to have brought that intriguing and unconscionable association into popular disrepute, that association which once, in the plenitude of its power, had the insolence to propose nothing less than impeachment of the President of the United States.

I do not want to see any return to the old saloon. God forbid! Nobody, no matter what may be the future fortunes of the eighteenth amendment or the Volstead Act, will ever see that. Social revolutions rarely go backward.

Much as I abominate prohibition, in my relations to it I have never lost sight of my primary duty as a citizen, recognizing the fact that, so long as the Volstead Act is on the statute books, an honest effort should be made to enforce it. I say this although if there is anything that I loathe more than drunkenness it is prohibition, and I loathe that more because it is not only the fertile mother of drunkenness but of abuses worse than the abuses bred by drunkenness.

What I would prefer to see—and I speak for myself personally only—would be, not the total repeal of the eighteenth amendment, though I am prepared to acquiesce in that if necessary, but the amendment of that amendment so as to legalize the use of liquor of every kind under some mixed system of regulation made up partly of Government supervision and partly of local option established by Congress. If we adopted such a system, no one could say that we were going back to the old saloon or even that we were going back to 48 different systems of regulation in 48 different States. The Government would have no motive to sell liquor to a minor, or to a drunken man who already had far too much, or to commit any of the offenses so common in the day of the old saloon. In other words, if the regulation of liquor were brought under the supervision of the Government, its sale would not be subject to any of the selfish private motives which lead private traffickers in liquor to do things that law or public opinion condemns.

Such a system as I have sketched has been established in the Province of Quebec, and there it is working like a charm. I receive the reports of the liquor commission of the Province of Quebec every year. Its reports show that, unlike the situation in Washington and every other great city in our land, in the city of Montreal drunkenness is steadily declining from year to year. In the last six years it has been cut down there one-half; and, moreover, those reports show that the ideal of Thomas Jefferson is in that Province being steadily realized; that is to say, the ideal which contemplates the substitution of wine and mild malt beverages for ardent spirits.

If I am correctly informed, so satisfactory has that system proved in the Province of Quebec that none of its territorial divisions have asked, since the Quebec liquor act went into effect, for the opportunity to exercise the privilege of local option.

Under the system that I have sketched any city or any county in the United States could by the vote of a majority of its voters release itself from Government supervision and establish prohibition within its limits.

The trend of liquor reform at the present time is not back to the old saloon. There is no reform to be found there; we all agree upon that. The trend is forward, to the same enlightened system of Government supervision which has been established in British Columbia, in Alberta, in Saskatchewan, in Manitoba, in Ontario, in Quebec, in New Brunswick, and every Canadian Province except the little water-girt Province of Prince Edward Island and the seabound Province of Nova Scotia, where the people can obtain all they desire to drink so easily by way of the sea that it makes no difference to them whether prohibition is or is not sought to be enforced within their limits.

Mind you, in every single one of those Canadian Provinces now under Government supervision prohibition was tried, faithfully tried, and in every one of them it was abandoned.

Indeed, this is true of every other country in the whole world where the experiment of prohibition has been entered upon, except Finland, Nova Scotia, Prince Edward Island, and the United States of America, as witness Russia, Sweden, and Norway, to say nothing more. And at this very moment a resolute, popular agitation is under way in Finland calling for the revocation of its prohibitory legislation. Even in Prince Edward Island and Nova Scotia the condition of the public mind with reference to prohibition is, to say the least, very restless. If the words "Thou art weighed in the balance and found wanting" were ever written upon any walls, it is upon the gloomy and tyrannical walls of prohibition.

I say to all the antiprohibitionists throughout the country, "Gird up your loins, present a stern and resolute face to the foe. Everything is going our way. If national conventions shall prove faithless to their obligations, the voters will not fail to rebuke them in due time."

I desire to recall, as I have more than once done before, an observation made by John Randolph of Roanoke many years ago when slavery was in force in the United States and politicians and national conventions were trying to temporize with the rising demand for its abolition. Said Randolph:

> It is idle to talk about suppressing the slavery issue. You might as well talk about covering up an earthquake with a carpet.

That is as true of prohibition to-day as it was of slavery then.

If my old historic party could only rise to the level of its great opportunity it would, when it meets at Houston, declare unequivocally in favor of two of the noblest and most inspiring things that men have ever struggled and died for.

It would unequivocally declare, in resonant tones that would reverberate from one end of our land to the other, for personal liberty and sectarian tolerance. Rarely in the history of any party in our country was any such opportunity ever offered as is offered now to the Democratic Party to take its stand upon the exalted levels of those two great immortal, unextinguishable principles. We should bring to an end these irritating, corrupting restrictions in the matter of drink.

Why say to me that the use of liquor tends to abuse? Yes; it tends to abuse whether prohibition is or is not written into the law, but so do all the propensities of our nature tend. There is not a corporeal appetite of ours of which that is not true. As I have so often said, God did not fill our veins with vinegar but with red blood corpuscles. He intended that we should derive all the pleasure that is to be derived from the gratification of our bodily senses as well as from the gratification of our moral and intellectual impulses. He only asks of us that we gratify these moderately and within the bounds of the laws that he has prescribed for our conduct. It was never His intent to condemn us to mere ascetic or puritannical lives. It was His purpose to allow us all the innocent pleasure in every form of which this "pleasing anxious being" of ours admits.

I do not care whether prohibition does or does not prohibit. If it prohibits, which it does not, then I say it is based upon a totally visionary system of ethics and a totally false philosophy of conduct. If it does not prohibit always it produces the same mildewed harvest of lawlessness, of official corruption, and of crime.

I have gotten far away from the Washington police statistics with which I began my remarks. Sometimes it is pretty difficult to chain one's thoughts and even more difficult to chain one's strongest sentiments down to statistics. But after all, the two most completely unanswerable charges in the indictment of prohibition by the antiprohibitionists are found in the constant manner in which arrests for drunkenness in the United States have mounted year by year since the enactment of the Volstead Act, and in the fact that since then deaths from alcoholism in the United States have also from year to year steadily increased.

My attention was called a few days ago, in reading one of the Baltimore newspapers, to the fact that in one of the years preceding the enactment of the Volstead law there were only four deaths from alcoholism in the city of Baltimore. Last year there were 122.

Mr. TYDINGS. Mr. President, will my colleague yield?

Mr. BRUCE. Certainly.

Mr. TYDINGS. In line with what I said a moment ago, that is just another expression of the error man is making when he tries to substitute his plan for God's plan.

Mr. BRUCE. Absolutely so.

Mr. CARAWAY. Mr. President, I did not know we were going to settle any of God's plans in the Senate.

Mr. BRUCE. No; God forbid!

Mr. CARAWAY. I think He has forbidden it, and so the two Senators from Maryland could well leave any of God's plans out of the discussion of prohibition.

Mr. BRUCE. Not at all!

Mr. CARAWAY. We know that every man has a right to express his own opinion and to entertain it.

Mr. TYDINGS. We have not that right.

Mr. BRUCE. The Senator from Arkansas is denying it to us now.

Mr. CARAWAY. Well, Mr. President——

Mr. BRUCE. Just a moment, please.

Mr. CARAWAY. Does not the Senator yield to me?

Mr. BRUCE. If the Senator wants to interrupt me to ask a question, certainly, but if the Senator wants to declare that I am a profane, sacrilegious, godless Senator, of course I——

Mr. CARAWAY. The Senator takes exception?

Mr. BRUCE. Naturally I would not feel disposed to yield for that purpose. [Laughter.]

Mr. CARAWAY. That was farthest from my mind. But I have never yet been quite able to agree that that thing which has caused more sorrow, has filled more jails, has put more men on the scaffold, has made more women widows and more children beggars in the street was an instrumentality of God to work out a righteous cause. I have never yet been able to understand why any gentleman, who knows that he himself ought to stay sober and does it, insists that everybody else ought to get drunk. With all due deference to my friend—and there is certainly no one I admire more—I just can not agree with him in that particular theory, because he is the finest example of sobriety and propriety of high intelligence and all those things for which we admire the gentleman, but he seems to resent that the rest of us want to be just like him and stay sober.

Mr. BRUCE. No; the Senator is mistaken——

Mr. CARAWAY. In which statement?

Mr. BRUCE. Of course, I do not mean in the respects in which he has spoken of me in a manner so delightful.

Mr. CARAWAY. I mean everything I said about the Senator. I have for the Senator the most genuine regard, and yet I dissent from his position on this question with all the emphasis of my nature.

Mr. BRUCE. I know it.

Mr. CARAWAY. I do not want the Senator to think that I am being critical.

Mr. BRUCE. Not at all. I often say—how often have I said it?—when somebody takes exception to the fact that the Senator is a little sarcastic, that he has a witty, sarcastic tongue, but has also one of the purest and most affectionate hearts in the world. Everyone who knows him as well as I do knows that this is true.

The Senator should not take a mere modificationist like myself, just an ordinary temperate individual, as an illustration of what is best to be found in point of character in the antiprohibitionist ranks. He might well take some individual who has never touched a drop of liquor in his life. Three or four of the most inflexible, the most inveterate enemies of prohibition whom I know in the world are men between whose lips not one single drop of spirits has ever passed. I read into the RECORD only last Friday a crude poem written by an individual whose lines, when they were laid in my hands, were accompanied by a letter in which the author stated that he had never in his life touched a drop of intoxicating liquor or taken a smoke or a chew of tobacco. He had never done any of those things, but in the bosom of that true man, as upon the surface of a holy altar, lived the pure flame of personal liberty and all that personal liberty signifies to the human spirit.

I will now say to my colleague from Maryland that if he wishes to interrupt me I will be glad to have him do so.

Mr. TYDINGS. Mr. President, I merely wanted to make an observation to show how prohibition legislation has departed from the spirit of religion. Whatever our individual faith may be, we all recognize that the Bible, the word of God, sets up 10 commandments, among them being "Thou shalt not kill." Some time ago Mr. Forbes, the former head of the Veterans' Bureau, was sent to the Atlanta Penitentiary for the misuse of a tremendous sum of money. Following that Mr. Miller has gone there for a like offense. Each of those men went to the penitentiary for only two years, but when it comes to the crime of taking a drink the Congress of the United States has gone on record as approving the punishment of death for a man who drinks illegal liquor. That illustrates the departure that the Senate and House of Representatives have made from the real philosophy of real religion as applied to prohibition in comparison with other crimes. I do not see how any man can say that we have followed the philosophy of God when we go to the extent of killing people because they take a drink of liquor, and no real Christian will go that far.

Mr. BRUCE. Mr. President, the junior Senator from Maryland was not here when on one occasion in response to a direct challenge from me a fanatical Member of this body, whose name I do not see fit to mention, on my asking him whether he was in favor of capital punishment for a violation of the Volstead Act promptly replied, "I am." Now, what are we to do with a brainpan like that?

You all remember, of course, the individual in Michigan, who under some kind of Baumes Act is now in prison for life for a violation of a prohibition statute. I am glad that the junior Senator from Maryland made the reference that he did to the Deity, who is the Father of all our virtues and infirmities, who made us what we are, and clothed us with our warm integument of pulsating flesh, and made our bodies the seat of the delightful, joyous appetites and sensations which create us human beings rather than disembodied spirits. If I think that there is innocent pleasure, within proper limits, to be found in a glass of wine, it is my Maker and not another who has implanted in me the propensity which leads me to believe that. All He asks is that I do not abuse it. He asks of me that as He asks of me that I lead a chaste life in my social relationships, that I avoid gluttony, and that I keep down all the unruly impulses of appetite or passion in my nature.

My colleague from the State of Maryland has inserted into the CONGRESSIONAL RECORD what God, through lips that He lit with hallowed fire, has said about drink. Nowhere, in my judgment—and I say it with the utmost measure of reverence—is the wisdom of the Creator more strikingly manifested than in His attitude toward drink, as evidence in the Scriptures. Yes, He tells us that "wine is a mocker and strong drink raging," and so they are when indulged to excess. He warns us that we must ever be upon our guard against them; but in the Scriptures there is no final word that denies to us the use of wine. Some thought that it was a reproach to our Savior that He came into the world eating and drinking. Neither He nor His Father thought so. Over and over again in the Scriptures are to be found reflections and sentiments expressive of the innocent, legitimate pleasure than is derivable from the moderate and reasonable use of wine.

Indeed, in one place the Scriptures make the vine ask whether it should leave its wine which cheereth God and man. And in another place they speak of the wine that maketh glad the heart of man. And in still another place they break out: "A man hath no better thing under the sun than to eat, and to drink, and to be merry." My colleague from Maryland was quite right when he said that the use of wine, within proper restrictions, is a thing that receives the divine approval itself. In one breath God admonishes us that we must be moderate in the gratification of our appetites, and in another He lets us know that when we are so there is no reason why that gratification should be withheld from us.

My friend—and he is my friend, my dear friend—the Senator from Arkansas [Mr. CARAWAY] spoke about drink as if it were associated with the only physical propensity of ours that ever works moral shipwreck; but because a very small percentage of human society, not so much from the strength of drink as from their own weakness, can not drink except excessively, is that any reason why I who have drunk wine for years, without ever drinking more at the most than a glass or so of it, should

not continue to enjoy the innocent pleasure that I have found in it? Are we to renounce the primal tie between man and woman, which is the source of some of the purest, tenderest, and most exalted of human emotions, because at times illicit love leads to misery and moral disaster and even to dusty death? The fundamental vice in prohibition consists in the fact that it is a violent infraction of nature, and such infractions of nature never fail to breed back to lawlessness and vice.

This thing of treating man as if he were nothing better than the bondsman of harsh disciplinary statutes, instead of the normal being that he is, is a thing that never fails to be condemned by human experience.

I have perhaps said too much; but this may be the only opportunity that I shall have to say anything on the subject of prohibition before the presidential candidates of the two great national parties shall be selected.

What I have said at least voices my profoundest convictions.

The matter submitted by Mr. TYDINGS is as follows:

GENESIS

*Chapter 9*

20. And Noah began to be an husbandman, and he planted a vineyard:

21. And he drank of the wine and was drunken; and he was uncovered within his tent.

*Chapter 19*

32. Come, let us make our father drink wine, and we will lie with him, that we may preserve seed of our father.

33. And they made their father drink wine that night; and the firstborn went in, and lay with her father; and he perceived not when she lay down, nor when she arose.

34. And it came to pass on the morrow, that the firstborn said unto the younger, Behold, I lay yesternight with my father: let us make him drink wine this night also; and go thou in, and lie with him, that we may preserve seed of our father.

35. And they made their father drink wine that night also: and the younger arose, and lay with him; and he perceived not when she lay down, nor when she arose.

*Chapter 27*

25. And he said, Bring it near to me, and I will eat of my son's venison, that my soul may bless thee. And he brought it near to him, and he did eat: and he brought him wine, and he drank.

28. Therefore God give thee of the dew of heaven, and the fatness of the earth, and plenty of corn and wine.

LEVITICUS

*Chapter 10*

9. Do not drink wine nor strong drink, thou, nor thy sons with thee, when ye go into the tabernacle of the congregation, lest ye die: it shall be a statute for ever throughout your generations.

*Chapter 23*

13. And the meat offering thereof shall be two tenth deals of fine flour mingled with oil, an offering made by fire unto the Lord for a sweet savour: and the drink offering thereof shall be of wine, the fourth part of an hin.

NUMBERS

*Chapter 6*

3. He shall separate himself from wine and strong drink, and shall drink no vinegar of wine, or vinegar of strong drink, neither shall he drink any liquor of grapes, nor eat moist grapes, or dried.

20. And the priest shall wave them for a wave offering before the Lord: this is holy for the priest, with the wave breast and heave shoulder: and after that the Nazarite may drink wine.

*Chapter 15*

5. And the fourth part of an hin of wine for a drink offering shalt thou prepare with the burnt offering or sacrifice, for one lamb.

7. And for a drink offering thou shalt offer the third part of an hin of wine, for a sweet savour unto the Lord.

10. And thou shalt bring for a drink offering half an hin of wine, for an offering made by fire, of a sweet savour unto the Lord.

*Chapter 28*

14. And their drink offerings shall be half an hin of wine unto a bullock, and the third part of an hin unto a ram, and a fourth part of an hin unto a lamb: this is the burnt offering of every month throughout the months of the year.

DEUTERONOMY

*Chapter 7*

13. And he will love thee, and bless thee, and multiply thee: he will also bless the fruit of thy womb, and the fruit of thy land, thy corn, and thy wine, and thine oil, the increase of thy kine, and the flocks of thy sheep, in the land which he sware unto thy fathers to give thee.

*Chapter 11*

14. That I will give you the rain of your land in his due season, the first rain and the latter rain, that thou mayest gather in thy corn, and thy wine, and thine oil.

*Chapter 12*

17. Thou mayest not eat within thy gates the tithe of thy corn, or of thy wine, or of thy oil, or the firstlings of thy herds or of thy flock, nor any of thy vows which thou vowest, nor thy freewill offerings, or heave offering of thine hand:

*Chapter 14*

23. And thou shalt eat before the Lord thy God, in the place which he shall choose to place his name there, the tithe of thy corn, of thy wine, and of thine oil, and the firstlings of thy herds and of thy flocks; that thou mayest learn to fear the Lord thy God always.

26. And thou shalt bestow that money for whatsoever thy soul lusteth after, for oxen, or for sheep, or for wine, or for strong drink, or for whatsoever thy soul desireth: and thou shalt eat there before the Lord thy God, and thou shalt rejoice, thou, and thine household.

*Chapter 15*

14. Thou shalt furnish him liberally out of thy flock, and out of thy floor, and out of thy winepress: of that wherewith the Lord thy God hath blessed thee thou shalt give unto him.

*Chapter 16*

13. Thou shalt observe the feast of tabernacles seven days, after that thou hast gathered in thy corn and thy wine:

*Chapter 18*

4. The firstfruit also of thy corn, of thy wine, and of thine oil, and the first of the fleece of thy sheep, shalt thou give him.

*Chapter 28*

39. Thou shalt plant vineyards, and dress them, but shalt neither drink of the wine, nor gather the grapes; for the worms shall eat them.

51. And he shall eat the fruit of thy cattle, and the fruit of thy land, until thou be destroyed: which also shall not leave thee either corn, wine, or oil, or the increase of thy kine, or flocks of thy sheep, until he have destroyed thee.

*Chapter 29*

6. Ye have not eaten bread, neither have ye drunk wine or strong drink: that ye might know that I am the Lord your God.

*Chapter 32*

14. Butter of kine, and milk of sheep, with fat of lambs, and rams of the breed of Bashan, and goats, with the fat of kidneys of wheat; and thou didst drink the pure blood of the grape.

33. Their wine is the poison of dragons, and the cruel venom of asps.

38. Which did eat the fat of their sacrifices, and drank the wine of their drink offerings? let them rise up and help you, and be your protection.

*Chapter 33*

28. Israel then shall dwell in safety alone: the fountain of Jacob shall be upon a land of corn and wine; also his heavens shall drop down dew.

JOSHUA

*Chapter 9*

13. And these bottles of wine, which we filled, were new; and, behold, they be rent: and these our garments and our shoes are become old by reason of the very long journey.

JUDGES

*Chapter 9*

13. And the vine said unto them, Should I leave my wine, which cheereth God and man, and go to be promoted over the trees?

27. And they went out into the fields, and gathered their vineyards, and trode the grapes, and made merry, and went into the house of their god, and did eat and drink, and cursed Abimelech.

*Chapter 13*

4. Now therefore beware, I pray thee, and drink not wine nor strong drink, and eat not any unclean thing:

7. But he said unto me, Behold, thou shalt conceive, and bear a son; and now drink no wine nor strong drink, neither eat any unclean thing; for the child shall be a Nazarite to God from the womb to the day of his death.

14. She may not eat of anything that cometh of the vine, neither let her drink wine or strong drink, nor eat any unclean thing: all that I commanded her let her observe.

*Chapter 19*

19. Yet there is both straw and provender for our asses; and there is bread and wine also for me, and for thy handmaid, and for the young man which is with thy servants: there is no want of anything.

RUTH

*Chapter 3*

7. And when Boaz had eaten and drunk, and his heart was merry, he went to lie down at the end of the heap of corn: and she came softly, and uncovered his feet, and laid her down.

I SAMUEL

*Chapter 1*

14. And Eli said unto her, How long wilt thou be drunken? Put away thy wine from thee.

15. And Hannah answered and said, No, my lord, I am a woman of a sorrowful spirit; I have drunk neither wine nor strong drink, but have poured out my soul before the Lord.

24. And when she had weaned him, she took him up with her, with three bullocks, and one ephah of flour, and a bottle of wine, and brought him unto the house of the Lord in Shiloh: and the child was young.

*Chapter 10*

3. Then thou shalt go forward from thence, and thou shalt come to the plain of Tabor, and there shall meet thee three men going up to God to Bethel, one carrying three kids, and another carrying three loaves of bread, and another carrying a bottle of wine:

*Chapter 16*

20. And Jesse took an ass laden with bread, and a bottle of wine, and a kid, and sent them by David his son unto Saul.

*Chapter 25*

18. Then Abigail made haste, and took two hundred loaves, and two bottles of wine, and five sheep ready dressed, and five measures of parched corn, and an hundred clusters of raisins, and two hundred cakes of figs, and laid them on asses.

36. And Abigail came to Nabal; and, behold, he held a feast in his house, like the feast of a king; and Nabal's heart was merry within him, for he was very drunken; wherefore she told him nothing, less or more, until the morning light.

37. But it came to pass in the morning, when the wine was gone out of Nabal, and his wife had told him these things, that his heart died within him, and he became as a stone.

II SAMUEL

*Chapter 6*

19. And he dealt among all the people, even among the whole multitude of Israel, as well to the women as men, to every one a cake of bread, and a good piece of flesh, and a flagon of wine. So all the people departed every one to his house.

*Chapter 11*

13. And when David had called him, he did eat and drink before him; and he made him drunk: and at even he went out to lie on his bed with the servants of his lord, but went not down to his house.

*Chapter 13*

28. Now Absalom had commanded his servants, saying, Mark ye now when Amnon's heart is merry with wine, and when I say unto you, Smite Amnon then kill him, fear not: have not I commanded you? be courageous, and be valiant.

*Chapter 16*

1. And when David was a little past the top of the hill, behold, Ziba the servant of Mephibosheth met him, with a couple of asses saddled, and upon them two hundred loaves of bread, and an hundred bunches of raisins, and an hundred of summer fruits, and a bottle of wine.

2. And the king said unto Ziba, What meanest thou by these? And Ziba said, The asses be for the king's household to ride on; and the bread and summer fruit for the young men to eat; and the wine, that such as be faint in the wilderness may drink.

I KINGS

*Chapter 4*

20. Judah and Israel were many, as the sand which is by the sea in multitude, eating and drinking, and making merry.

II KINGS

*Chapter 18*

32. Until I come and take you away to a land like your own land, a land of corn and wine, a land of bread and vineyards, a land of oil olive and of honey, that ye may live and not die: and hearken not unto Hezekiah, when he persuadeth you, saying, The Lord will deliver us.

I CHRONICLES

*Chapter 9*

29. Some of them also were appointed to oversee the vessels, and all the instruments of the sanctuary, and the fine flour, and the wine and the oil, and the frankincense, and the spices.

*Chapter 12*

39. And there they were with David three days, eating and drinking: for their brethren had prepared for them.

40. Moreover they that were nigh them, even unto Issachar and Zebulun and Baphtali, brought bread on asses, and on oxen, and meat, meal, cakes of figs, and bunches of raisins, and wine, and oil, and oxen, and sheep abundantly: for there was joy in Israel.

*Chapter 16*

3. And he dealt to every one of Israel, both man and woman, to every one a loaf of bread and a good piece of flesh, and a flagon of wine.

*Chapter 27*

27. And over the vineyards was Shimei and Ramathite: over the increase of the vineyards for the wine cellars was Zabdi the Shiphmite:

II CHRONICLES

*Chapter 2*

10. And, behold, I will give to thy servants, the hewers that cut timber, twenty thousand measures of beaten wheat, and twenty thousand measures of barley, and twenty thousand baths of wine, and twenty thousand baths of oil.

15. Now therefore the wheat, and the barley, the oil, and the wine, which my lord hath spoken of, let him send unto his servants:

*Chapter 11*

11. And he fortified the strong holds, and put captains in them, and store of victual, and of oil and wine.

*Chapter 31*

5. And as soon as the commandment came abroad, the children of Israel brought in abundance the first fruits of corn, wine, and oil, and honey, and of all the increase of the field; and the tithe of all things brought they in abundantly.

*Chapter 32*

28. Storehouses also for the increase of corn, and wine, and oil; and stalls for all manner of beasts, and cotes for flocks.

EZRA

*Chapter 6*

9. And that which they have need of, both young bullocks, and rams, and lambs, for the burnt offerings of the God of Heaven, wheat, salt, wine, and oil, according to the appointment of the priests which are at Jerusalem, let it be given them day by day without fail:

*Chapter 7*

22. Unto an hundred talents of silver, and to an hundred measures of wheat, and to an hundred baths of wine, and to an hundred baths of oil, and salt without prescribing how much.

NEHEMIAH

*Chapter 2*

1. And it came to pass in the month Nisan, in the twentieth year of Artaxerxes the king, that wine was before him: and I took up the wine, and gave it unto the king; Now I had not been beforetime sad in his presence.

*Chapter 5*

11. Restore, I pray you, to them, even this day, their lands, their vineyards, their oliveyards, and their houses, also the hundredth part of the money, and of the corn, the wine, and the oil, that ye exact of them.

15. But the former governors that had been before me were chargeable unto the people, and had taken of them bread and wine, beside forty shekels of silver; yea, even their servants bare rule over the people: but so did not I, because of the fear of God.

18. Now that which was prepared for me daily was one ox and six choice sheep; also fowls were prepared for me, and once in ten days store of all sorts of wine: yet for all this required not I the bread of the governor, because the bondage was heavy upon this people.

*Chapter 10*

37. And that we should bring the first fruits of our dough, and our offerings, and the fruit of all manner of trees, of wine and of oil, unto the priests, to the chambers of the house of our God; and the tithes of our ground unto the Levites, that the same Levites might have the tithes in all the cities of our tillage.

39. For the children of Israel and the children of Levi shall bring the offering of the corn, of the new wine, and the oil, unto the chambers, where are the vessels of the sanctuary, and the priests that minister, and the porters, and the singers: and we will not forsake the house of our God.

*Chapter 13*

5. And he had prepared for him a great chamber, where aforetime they laid the meat offerings, the frankincense, and the vessels, and the tithes of the corn, the new wine, and the oil, which was commanded to be given to the Levites, and the singers, and the porters; and the offerings of the priests.

12. Then brought all Judah the tithe of the corn and the new wine and the oil unto the treasuries.

15. In those days saw I in Judah some treading wine presses on the sabbath, and bringing in sheaves, and lading asses; as also wine, grapes, and figs, and all manner of burdens, which they brought into Jerusalem on the Sabbath day; and I testified against them in the day wherein they sold victuals.

ESTHER

*Chapter 1*

7. And they gave them drink in vessels of gold (the vessels being diverse one from another), and royal wine in abundance, according to the state of the king.

10. On the seventh day, when the heart of the king was merry with wine, he commanded Mehuman, Biztha, Harbona, Bigtha, and Abagtha, Zethar and Carcas, the seven chamberlains that served in the presence of Ahasuerus the king.

*Chapter 5*

6. And the king said unto Esther at the banquet of wine, What is thy petition? and it shall be granted thee: and with is thy request? even to the half of the kingdom it shall be performed.

*Chapter 7*

2. And the king said again unto Esther on the second day at the banquet of wine, What is thy petition, Queen Esther? and it shall be granted thee: and what is thy request? and it shall be performed, even to the half of the kingdom.

7. And the king arising from the banquet of wine in his wrath went into the palace garden: and Haman stood up to make request for his life to Esther the queen; for he saw that there was evil determined against him by the king.

8. Then the king returned out of the palace garden into the place of the banquet of wine; and Haman was fallen upon the bed whereon Esther was. Then said the king, Will he force the queen also before me in the house? As the word went out of the king's mouth, they covered Haman's face.

JOB

*Chapter 1*

13. And there was a day when his sons and daughters were eating and drinking wine in their eldest brother's house.

18. While he was yet speaking, there came also another, and said, Thy sons and thy daughters were eating and drinking wine in their eldest brother's house:

*Chapter 32*

19. Behold my belly is as wine which hath no vent; it is ready to burst like new bottles.

PSALMS

*Chapter 4*

7. Thou hast put gladness in my heart, more than in the time that their corn and their wine increased.

*Chapter 60*

3. Thou hast shewed thy people hard things: thou hast made us to drink the wine of astonishment.

*Chapter 75*

8. For in the hand of the Lord there is a cup, and the wine is red; it is full of mixture; and he poureth out of the same: but the dregs thereof, all the wicked of the earth shall wring them out, and drink them.

*Chapter 78*

65. Then the Lord awaked as one out of sleep, and like a mighty man that shouteth by reason of wine.

*Chapter 104*

15. And wine that maketh glad the heart of man, and oil to make his face to shine, and bread which strengtheneth man's heart.

PROVERBS

*Chapter 3*

10. So shall thy barns be filled with plenty, and thy presses shall burst out with new wine.

*Chapter 4*

17. For they that eat the bread of wickedness, and drink the wine of violence.

*Chapter 9*

2. She hath killed her beasts; she hath mingled her wine; she hath also furnished her table.

5. Come, eat of my bread, and drink of the wine which I have mingled.

*Chapter 20*

1. Wine is a mocker, strong drink is raging: and whosoever is deceived thereby is not wise.

*Chapter 21*

17. He that loveth pleasure shall be a poor man: he that loveth wine and oil shall not be rich.

*Chapter 23*

20. Be not among winebibbers; among riotous eaters of flesh.

30. They that tarry long at the wine; they that go to seek mixed wine.

31. Look not thou upon the wine when it is red, when it giveth his colour in the cup, when it moveth itself aright.

*Chapter 31*

4. It is not for kings, O Lemuel, it is not for kings to drink wine; nor for princes strong drink.

6. Give strong drink unto him that is ready to perish, and wine unto those that be of heavy hearts.

7. Let him drink, and forget his poverty, and remember his misery no more.

ECCLESIASTES

*Chapter 2*

3. I sought in mine heart to give myself unto wine, yet acquainting mine heart with wisdom; and to lay hold on folly, till I might see what was that good for the sons of men, which they should do under the heaven all the days of their life.

24. There is nothing better for a man, than that he should eat and drink, and that he should make his soul enjoy good in his labour. This also I saw, that it was from the hand of God.

*Chapter 8*

15. Then I commended mirth, because a man hath no better thing under the sun, than to eat, and to drink, and to be merry: for that shall abide with him of his labour the days of his life, which God giveth him under the sun.

*Chapter 9*

7. Go thy way, eat thy bread with joy, and drink thy wine with a merry heart; for God now accepteth thy works.

*Chapter 10*

19. A feast is made for laughter, and wine maketh merry: but money answereth all things:

SONG OF SOLOMON

*Chapter 1*

2. Let him kiss me with the kisses of his mouth: for thy love is better than wine.

4. Draw me, we will run after thee: the king hath brought me into his chambers: we will be glad and rejoice in thee, we will remember thy love more than wine: the upright love thee.

*Chapter 4*

10. How fair is thy love, my sister, my spouse! how much better is thy love than wine! and the smell of thine ointments than all spices!

*Chapter 5*

1. I am come into my garden my sister, my spouse: I have gathered my myrrh with my spice; I have eaten my honeycomb with my honey; I have drunk my wine with my mild: eat, O friends; drink, yea, drink abundantly, O beloved.

*Chapter 7*

9. And the roof of thy mouth like the best wine for my beloved, that goeth down sweetly, causing the lips of those that are asleep to speak.

*Chapter 8*

2. I would lead thee, and bring thee into my mother's house, who would instruct me: I would cause thee to drink of spiced wine of the juice of my pomegranate.

ISAIAH

*Chapter 1*

22. Thy silver is become dross, thy wine mixed with water.

*Chapter 5*

11. Woe unto them that rise up early in the morning, that they may follow strong drink; that continue until night, till wine inflame them!

12. And the harp, and the viol, the tabret, and pipe, and wine, are in their feasts: but they regard not the work of the Lord, neither consider the operation of his hands.

22. Woe unto them that are mighty to drink wine, and men of strength to mingle strong drink:

*Chapter 16*

10. And the gladness is taken away, and joy out of the plentiful field; and in the vineyards there shall be no singing, neither shall there be shouting: the treaders shall tread out no wine in their presses; I have made their vintage shouting to cease.

*Chapter 24*

7. The new wine mourneth, the vine languisheth, all the merryhearted do sigh.

9. They shall not drink wine with a song; strong drink shall be bitter to them that drink it.

11. There is a crying for wine in the streets; all joy is darkened, the mirth of the land is gone.

*Chapter 25*

6. And in this mountain shall the Lord of hosts make unto all people a feast of fat things, a feast of wines on the lees well refined.

*Chapter 27*

2. In that day sing ye unto her, A vineyard of red wine.

*Chapter 28*

1. Woe to the crown of pride, to the drunkards of Ephraim, whose glorious beauty is a fading flower, which are on the head of the fat valleys of them that are overcome with wine!

7. But they also have erred through wine, and through strong drink are out of the way; the priest and the prophet have erred through strong drink, they are swallowed up of wine, they are out of the way through strong drink; they err in vision, they stumble in judgment.

*Chapter 29*

9. Stay yourselves, and wonder: cry ye out, and cry: they are drunken, but not with wine; they stagger, but not with strong drink.

*Chapter 36*

17. Until I come and take you away to a land like your own land, a land of corn and wine, a land of bread and vineyards.

*Chapter 49*

26. And I will feed them that oppress thee with their own flesh; and they shall be drunken with their own blood, as with sweet wine: and all flesh shall know that I the Lord am thy Saviour and thy Redeemer, the mighty One of Jacob.

*Chapter 51*

21. Therefore hear now this, thou afflicted, and drunken, but not with wine:

*Chapter 55*

1. Ho, every one that thirsteth, come ye to the waters, and he that hath no money; come ye, buy, and eat; yea, come, buy wine and milk without money and without price.

*Chapter 56*

12. Come ye, say they, I will fetch wine, and we will fill ourselves with strong drink; and to-morrow shall be as this day, and much more abundant.

*Chapter 62*

8. The Lord hath sworn by his right hand, and by the arm of his strength, Surely I will no more give thy corn to be meat for thine enemies; and the sons of the strangers shall not drink thy wine, for the which thou hast laboured:

*Chapter 65*

8. Thus saith the Lord, As the new wine is found in the cluster, and one saith, Destroy it not, for a blessing is in it: so will I do for my servants sakes, that I may not destroy them all.

JEREMIAH

*Chapter 13*

12. Therefore thou shalt speak unto them this word: Thou saith the Lord God of Israel, Every bottle shall be filled with wine: and they shall say unto thee, Do we not certainly know that every bottle shall be filled with wine?

*Chapter 23*

9. Mine heart within me is broken because of the prophets; all my bones shake; I am like a drunken man, and like a man whom wine hath overcome, because of the Lord, and because of the words of his holiness.

*Chapter 25*

15. For thus saith the Lord God of Israel unto me; Take the wine cup of this fury at my hand, and cause all the nations, to whom I send thee, to drink it.

*Chapter 31*

12. Therefore they shall come and sing in the height of Zion, and shall flow together to the goodness of the Lord, for wheat, and for wine, and for oil, and for the young of the flock and of the herd: and their soul shall be as a watered garden; and they shall not sorrow any more at all.

*Chapter 35*

2. Go unto the house of the Rechabites, and speak unto them, and bring them into the house of the Lord, into one of the chambers, and give them wine to drink.

5. And I set before the sons of the house of the Rechabites pots full of wine, and cups, and I said unto them, Drink ye wine.

6. But they said, We will drink no wine: For Jonadab the son of Rechab our father commanded us, saying, Ye shall drink no wine, neither ye, nor your sons for ever:

8. Thus have we obeyed the voice of Jonadab the son of Rechab our father in all that he hath charged us, to drink no wine all our days, we, our wives, our sons, nor our daughters;

14. The words of Jonadab the son of Rechab, that he commanded his sons not to drink wine, are performed; for unto this day they drink none, but obey their father's commandment: notwithstanding I have spoken unto you, rising early and speaking; but ye harkened not unto me.

*Chapter 40*

10. As for me, behold, I will dwell at Mizpah, to serve the Chaldeans, which will come unto us: but ye, gather ye wine, and summer fruits, and oil, and put them in your vessels, and dwell in your cities that ye have taken.

12. Even all the Jews returned out of all places whither they were driven, and came to the land of Judah, to Gedaliah unto Mizpah, and gathered wine and summer fruits very much.

*Chapter 48*

33. And the joy and gladness is taken from the plentiful field, and from the land of Moab; and I have caused wine to fail from the wine-presses: none shall tread with shouting; their shouting shall be no shouting.

*Chapter 51*

7. Babylon hath been a golden cup in the Lord's hand, that made all the earth drunken: the nations have drunken of her wine; therefore the nations are mad.

LAMENTATIONS

*Chapter 2*

12. They say to their mothers, Where is corn and wine? when they swooned as the wounded in the streets of the city, when their soul was poured out into their mothers' bosom.

EZEKIEL

*Chapter 27*

18. Damascus was thy merchant in the multitude of the wares of thy making, for the multitude of all riches; in the wine of Helbon, and white wool.

*Chapter 44*

21. Neither shall any priest drink wine, when they enter into the innercourt.

DANIEL

*Chapter 1*

5. And the king appointed them a daily provision of the king's meat, and of the wine which he drank: so nourishing them three years, that at the end thereof they might stand before the king.

8. But Daniel purposed in his heart that he would not defile himself with the portion of the king's meat, nor with the wine which he drank: therefore he requested of the prince of the eunuchs that he might not defile himself.

16. Thus Melzar took away the portion of their meat, and the wine that they should drink; and gave them pulse.

*Chapter 5*

1. Belshazzar the king made a great feast to a thousand of his lords, and drank wine before the thousand.

2. Belshazzar, whiles he tasted the wine, commanded to bring the golden and silver vessels which his father Nebuchadnezzar had taken out of the temple which was in Jerusalem; that the king, and his princes, his wives, and his concubines, might drink therein.

4. They drank wine, and praised the gods of gold, and of silver, of brass, of iron, of wood, and of stone.

23. But hast lifted up thyself against the Lord of heaven; and they have brought the vessels of his house before thee, and thou, and thy lords, thy wives, and thy concubines, have drunk wine in them; and thou hast praised the gods of silver, and gold, of brass, iron, wood, and stone, which see not, nor hear, nor know; and the God in whose hand thy breath is, and whose are all thy ways, hast thou not glorified:

*Chapter 10*

3. I ate no pleasant bread, neither came flesh nor wine in my mouth, neither did I anoint myself at all, till three whole weeks were fulfilled.

HOSEA

*Chapter 2*

8. For she did not know that I gave her corn, and wine, and oil, and multiplied her silver and gold, which they prepared for Baal.

9. Therefore, will I return, and take away my corn in the time thereof, and my wine in the season thereof, and will recover my wool and my flax given to cover her nakedness.

22. And the earth shall hear the corn, and the wine, and the oil; and they shall hear Jezreel.

*Chapter 3*

1. Then said the Lord unto me, Go yet, love a woman beloved of her friend, yet an adulteress, according to the love of the Lord toward the children of Israel, who look to other gods, and love flagrons of wine.

*Chapter 4*

11. Whoredom and wine and new wine take away the heart.

*Chapter 7*

5. In the day of our king the prices have made him sick with bottles of wine; he stretched out his hand with scorners.

14. And they have not cried unto me with their heart, when they howled upon their beds; they assemble themselves for corn and wine, and they rebel against me.

*Chapter 9*

2. The floor and the winepress shall not feed them, and the new wine shall fail in her.

4. They shall not offer wine offerings to the Lord, neither shall they be pleasing unto him: their sacrifices shall be unto them as the bread of mourners; all that eat thereof shall be polluted: for their bread for their soul shall not come into the house of the Lord.

*Chapter 14*

7. They that dwell under his shadow shall return; they shall revive as the corn, and grow as the vine: the scent thereof shall be as the wine of Lebanon.

JOEL

*Chapter 1*

5. Awake, ye drunkards, and weep; and howl, all ye drinkers of wine, because of the new wine: for it is cut off from your mouth.

10. The field is wasted, the land mourneth; for the corn is wasted: the new wine is dried up, the oil languisheth.

*Chapter 2*

19. Yea, the Lord will answer and say unto his people, Behold, I will send you corn, and wine, and oil, and ye shall be satisfied therewith: and I will no more make you a reproach among the heathen:

24. And the floors shall be full of wheat, and the fats shall overflow with wine and oil.

*Chapter 3*

3. And they have cast lots of my people; and have given a boy for an harlot, and sold a girl for wine, that they might drink.

18. And it shall come to pass in that day, that the mountains shall drop down new wine, and the hills shall flow with milk, and all the rivers of Judah shall flow with waters, and a fountain shall come forth of the house of the Lord, and shall water the valley of Shittim.

AMOS

*Chapter 2*

8. And they lay themselves down upon clothes laid to pledge by every altar, and they drink the wine of the condemned in the house of their god.

12. But ye gave the Nazarites wine to drink; and commanded the prophets, saying, Prophecy not.

*Chapter 5*

11. Forasmuch therefore as your treading is upon the poor, and ye take from him burdens of wheat: ye have built houses of hewn stone, but ye shall not dwell in them; ye have planted pleasant vineyards, but ye shall not drink wine of them.

*Chapter 6*

6. That drink wine in bowls, and anoint themselves with the chief ointments: but they are not grieved for the affliction of Joseph.

*Chapter 9*

13. Behold, the days come, saith the Lord, that the plowman shall overtake the reaper, and the treader of grapes him that soweth seed; sweet wine, and all the hills shall melt.

14. And I will bring again the captivity of my people of Israel, and they shall build the waste cities, and inhabit them; and they shall plant vineyards, and drink the wine thereof; they shall also make gardens, and eat the fruit of them.

MICAH

*Chapter 2*

11. If a man walking in the spirit and falsehood do lie, saying, I will prophesy unto thee of wine and of strong drink; he shall even be the prophet of this people.

*Chapter 6*

15. Thou shalt sow, but thou shalt not reap; thou shalt tread the olives, but thou shalt not anoint thee with oil; and sweet wine, but shall not drink wine.

HABAKKUK

*Chapter 2*

5. Yea also, because he transgresseth by wine, he is a proud man, neither keepeth at home, who enlargeth his desire as hell, and is as death, and cannot be satisfied, but gathereth unto him all nations, and heapeth unto him all people.

15. Woe unto him that giveth his neighbor drink, that puttest thy bottle to him, and makest him drunken also, that thou mayest look on their nakedness!

ZEPHANIAH

*Chapter 1*

13. Therefore their goods shall become a booty, and their houses a desolation: they shall also build houses, but not inhabit them; and they shall plant vineyards, but not drink the wine thereof.

HAGGAI

*Chapter 1*

And I called for a drought upon the land, and upon the mountains, and upon the corn, and upon the new wine, and upon the oil, and upon that which the ground bringeth forth, and upon men, and upon cattle, and upon all the labour of the hands.

ZECHARIAH

*Chapter 9*

15. The Lord of hosts shall defend them; and they shall devour, and subdue with sling stones; and they shall drink, and make a noise as through wine; and they shall be filled like bowls, and as the corners of the altar.

17. For how great is his goodness, and how great is his beauty: corn shall make the young men cheerful, and new wine the maids.

*Chapter 10*

7. And they of Ephraim shall be like a mighty man, and their heart shall rejoice as through wine: yea, their children shall see it, and be glad; their heart shall rejoice in the Lord.

MATTHEW

*Chapter 9*

17. Neither do men put new wine into old bottles: else the bottles break, and the wine runneth out, and the bottles perish; but they put new wine into new bottles, and both are preserved.

*Chapter 11*

19. The Son of man came eating and drinking, and they say, Behold a man gluttonous, and a winebibber, a friend of publicans and sinners. But wisdom is justified of her children.

*Chapter 26*

29. But I say unto you, I will not drink henceforth of this fruit of the vine, until that day when I drink it new with you in my Father's kingdom.

MARK

*Chapter 2*

22. And no man putteth new wine into old bottles: else the new wine doth burst the bottles, and the wine is spilled, and the bottles will be marred: but new wine must be put into new bottles.

*Chapter 14*

25. Verily I say unto you, I will drink no more of the fruit of the vine, until that day that I drink it new in the kingdom of God.

*Chapter 15*

23. And they gave him to drink wine mingled with myrrh: but he received it not.

LUKE

*Chapter 1*

15. For he shall be great in the sight of the Lord, and shall drink neither wine nor strong drink; and he shall be filled with the Holy Ghost, even from his mother's womb.

*Chapter 5*

37. And no man putteth new wine into old bottles; else the new wine will burst the bottles, and be spilled, and the bottles shall perish.

38. But new wine must be put into new bottles; and both are preserved.

39. No man also having drunk old wine straightway desireth new: for he saith, The old is better.

*Chapter 7*

33. For John the Baptist came neither eating bread nor drinking wine; and ye say, He hath a devil.

34. The Son of man is come eating and drinking; and ye say, Behold a gluttonous man, and a winebibber a friend of publicans and sinners!

*Chapter 10*

34. And went to him, and bound up his wounds, pouring in oil and wine, and set him on his own beast, and brought him to an inn, and took care of him.

*Chapter 22*

18. For I say unto you, I will not drink of the fruit of the wine, until the kingdom of God shall come.

JOHN

*Chapter 2*

3. And when they wanted wine, the mother of Jesus saith unto him, They have no wine.

9. When the ruler of the feast had tasted the water that was made wine, and knew not whence it was: (but the servants which drew the water knew;) the governor of the feast called the bridegroom,

10. And saith unto him, Every man at the beginning doth set forth good wine; and when men have well drunk, then that which is worse: but thou hast kept the good wine until now.

*Chapter 4*

46. So Jesus came again into Cana of Galilee where he made the water wine. And there was a certain nobleman whose son was sick at Capernaum.

ACTS

*Chapter 2*

13. Others mocking said, These men are full of new wine.

ROMANS

*Chapter 14*

21. It is good neither to eat flesh, nor to drink wine, nor any thing whereby thy brother stumbleth, or is offended, or is made weak.

EPHESIANS

*Chapter 5*

18. And be not drunk with wine, wherein is excess; but be filled with the Spirit;

I TIMOTHY

*Chapter 3*

3. Not given to wine, no striker, not greedy of filthy lucre; but patient, not a brawler, not covetous;

8. Likewise must the deacons be grave, not doubletongued, not given to much wine, not greedy of filthy lucre;

*Chapter 5*

23. Drink no longer water, but use a little wine for thy stomach's sake and thine often infirmities.

TITUS

*Chapter 1*

7. For a bishop must be blameless, as the steward of God; not self-willed, not soon angry, not given to wine, no striker, not given to filthy lucre;

*Chapter 2*

3. The aged woman likewise, that they be in behaviour as becometh holiness, not false accusers, not given to much wine, teachers of good things;

I PETER

*Chapter 4*

3. For the time past of our life may suffice as to have wrought the will of the Gentiles, when we walked in lasciviousness, lusts, excess of wine, revellings, banquetings, and abominable idolatries:

REVELATION

*Chapter 6*

6. And I heard a voice in the midst of the four beasts say, A measure of wheat for a penny, and three measures of barley for a penny; and see thou hurt not the oil and the wine.

*Chapter 14*

8. And there followed another angel, saying, Babylon is fallen, is fallen, that great city, because she made all nations drink of the wine of the wrath of her fornication.

10. The same shall drink of the wine of the wrath of God, which is poured out without mixture into the cup of his indignation; and he shall be tormented with fire and brimstone in the presence of the holy angels, and in the presence of the Lamb:

19. And the angel thrust in his sickle into the earth, and gathered the vine of the earth, and cast it into the great winepress of the wrath of God.

20. And the winepress was trodden without the city, and blood came out of the winepress, even unto the horse bridles, by the space of a thousand and six hundred furlongs.

*Chapter 16*

19. And the great city was divided into three parts, and the cities of the nations fell: and great Babylon came in remembrance before God, to give unto her the cup of the wine of the fierceness of his wrath.

*Chapter 17*

2. With whom the kings of the earth have committed fornication, and the inhabitants of the earth have been made drunk with the wine of her fornication.

*Chapter 18*

3. For all nations have drunk of the wine of the wrath of her fornication, and the kings of the earth have committed fornication with her, and the merchants of the earth are waxed rich through the abundance of her delicacies.

13. And cinnamon, and odours, and ointments, and frankincense, and wine, and oil, and fine flour, and wheat, and chariots, and salves, and souls of men.

*Chapter 19*

15. And out of his mouth goeth a sharp sword, that with it he should smite the nations: and he shall rule them with a rod of iron: and he treadeth the winepress of the fierceness and wrath of Almighty God.

Mr. SHEPPARD. Mr. President, the Senator from Maryland [Mr. BRUCE] has repeated all the old arguments against prohibition—arguments which were repudiated by the American people when they adopted prohibition; first, when they adopted it in more than a majority of the States, and then when they made it a part of the American Constitution.

The practical question before us is this: Is the enforcement work of prohibition officials in the United States effective?

Take the figures for the last fiscal year, the year ending June 30, 1927, as given us by the National Commissioner of Prohibition, Dr. J. M. Doran. He tells us in his annual report that prohibition agents made 64,986 arrests during the year ending June 30, 1927, and seized 7,139 automobiles, valued at $3,529,296.70, and 353 boats, valued at $316,323; that as a result of the work of such agents 51,945 prohibition cases against individuals were handled in the Federal courts; that 36,546 persons were convicted, of which number 11,818 received jail sentences; that the courts imposed sentences aggregating 4,477 years and fines amounting to $5,775,225.48. I have not the figures for State prosecutions and convictions.

It may fairly be said that a law is being enforced if the great majority of the people obey it and if a great majority of the indictments and captures of its violators result in convictions.

Prohibition in the United States fulfills both these conditions. The fact that arrests for drunkenness have increased does not mean that drunkenness is increasing. It is a well-known fact that some decades ago, before the last great movement for prohibition began—the movement beginning with its adoption first by precincts and counties, and then by States, and then by the Nation as a whole—drinking was practically universal and drunkenness in various stages quite general. Comparatively few arrests were made for drunkenness, and those only in instances where intoxication was very pronounced.

Again, Mr. President, it is unfair to take the year 1920 as a basis of comparison and calculation in estimating whether there has been an increase in drunkenness under national prohibition. In the year 1920—the year in whose beginning nation-wide prohibition was adopted—the lawless liquor element was not organized to meet the new situation. The supplies purchased in anticipation of a long dry spell had not been exhausted. The methods of redistilling denatured alcohol had not been devised. Conditions then were radically different from what they are to-day. Naturally there was a lull in the activity of the liquor traffic, and naturally there was an abnormal falling off in consumption of liquor during 1920. The liquor traffic was in a stage of transition between a lawful status and an unlawful status. Naturally it required something like the entire compass of a year to adapt itself to the new conditions and to begin another career of law violation, exemplifying the same lawless spirit that had always characterized it in the past.

Much ado has been made over the number of dismissals of officials from the Federal Prohibition Service since nation-wide prohibition began, in an effort to demonstrate what some persons have been pleased to term "widespread corruption among these prohibition officials." What are the facts?

Approximately 15,000 different persons were employed in the Federal prohibition service from the beginning of national prohibition in 1920 to October 1, 1927.

Of these 15,000 prohibition officials, 29 were dismissed in that period of nearly seven years for false statements on application for appointment, or less than one-fifth of 1 per cent.

Of these 15,000 prohibition officials, 158 were dismissed in that period of nearly seven years for extortion, bribery, or soliciting money, or a little more than 1 per cent.

Of these 15,000 prohibition officials, 90 were dismissed in that period of nearly seven years for falsification of expense accounts, or a little more than one-half of 1 per cent.

Of these 15,000 prohibition officials, 81 were dismissed in that period of nearly seven years for collusion and conspiracy, including conspiracy to violate the national prohibition act, to extort bribes from violators, to defraud the United States Government, and so forth, or a little more than one-half of 1 per cent.

Of these 15,000 prohibition officials, 61 were dismissed in that period of nearly seven years for illegal disposition of liquor and other property, or a little less than one-half of 1 per cent.

Of these 15,000 prohibition officials, 6 were dismissed in that period of nearly seven years for embezzlement, or about one-twenty-fifth of 1 per cent.

Of these 15,000 prohibition officials, 101 were dismissed in that period of nearly seven years for causes listed in the records of the Prohibition Unit under "dereliction of duty," such causes as failure to report violations of the national prohibition act, leaving guard duty without permission, and so forth, or about two-thirds of 1 per cent.

Of these 15,000 prohibition officials, 8 were dismissed in that period of nearly seven years for robbery of warehouses, or about one-eighteenth of 1 per cent.

Of these 15,000 prohibition officials, 300 were dismissed in that period of nearly seven years for intoxication and misconduct, the latter term covering immorality, assault, arrest for speeding, gambling, fighting, creating disturbance, and so forth, or 2 per cent.

Of these 15,000 prohibition officials, 8 were dismissed in that period of nearly seven years for violation of the national prohibition act, or about one-eighteenth of 1 per cent.

Of these 15,000 prohibition officials, 17 were dismissed in that period of nearly seven years for disclosing confidential information, or a little more than one-eighth of 1 per cent.

Of these 15,000 prohibition officials, 196 were dismissed in that period of nearly seven years for unsatisfactory service and insubordination, or about 1½ per cent.

Of these 15,000 prohibition officials, 8 were dismissed in that period of nearly seven years for acceptance of gratuities, or about one-eighteenth of 1 per cent.

Twenty-two were dismissed for submission of false reports, or a little less than one-sixth of 1 per cent.

Thirteen were dismissed for theft, or a little less than one-tenth of 1 per cent.

Six were dismissed for contempt of court, or about one twenty-fifth of 1 per cent.

Nine were dismissed for assault, or a little more than one-sixteenth of 1 per cent.

Five were dismissed for perjury or subornation of perjury, or one-thirtieth of 1 per cent.

Five were dismissed for political activity, or one-thirtieth of 1 per cent.

Seven were dismissed in that period for misuse of firearms, or about one twenty-first of 1 per cent.

One was dismissed for failure to file income-tax returns, or one one-hundred-and-fiftieth of 1 per cent.

Three were dismissed for former criminal record, or one-fiftieth of 1 per cent.

One was dismissed for false pretenses—that is, issuing worthless checks—or one one-hundred-and-fiftieth of 1 per cent.

I have taken these figures, except the percentages, from the records of the Prohibition Unit. The percentages represent my own calculations.

These figures do not include the narcotic division but apply only to prohibition workers. They show a total number of dismissals for all causes among the prohibition forces of 1,135 out of about 15,000 employees through a period of seven years, or about 8 per cent, an average of but little more than 1 per cent a year.

So the charges of wholesale corruption and crime among prohibition officials are not borne out by these figures.

From January 16, 1920, the date on which nation-wide prohibition began, to December 1, 1927, national prohibition officers made more than 400,000 arrests of violators of prohibition laws, many of them criminals of the most dangerous character. The antiprohibitionists have told us much about the murderous tendencies of the prohibition-enforcement officials. In clashes between the prohibition officials and criminals about 125 persons whom they were attempting to arrest have been killed during these seven years, and about 50 prohibition officials have been killed. Of those death cases brought about by some action of the prohibition officials, 74 presented facts so clearly exonerating the officers that no prosecution was made; and yet a magazine article in the East has been based upon the contention that among these prohibition officials were many murderers!

In 29 of these cases there were trials and acquittals of the prohibition officials.

In two cases both parties to the encounter were killed.

One case was dismissed on account of the death of the defendant.

In five cases there were convictions of the officers involved. One of those convictions was on an indictment for second-degree murder and resulted in a sentence of three years in the penitentiary. Another was for manslaughter on the part of an officer in Massachusetts, the governor commuting the sentence after part of it had been served.

Another was for assault and battery, presumably with intent to murder, resulting in a sentence of six months to three years in the penitentiary. The case was appealed with what result I do not know. The fourth conviction was for involuntary manslaughter, resulting in a fine of $100 and costs. An appeal was taken, with the result as yet undetermined. The fifth conviction was on a plea of guilty to a charge of involuntary manslaughter, and the sentence was for one year to life. It did not involve the prohibition act. It grew out of the death of a person whose car was struck by a car driven by the prohibition official.

Ten cases were pending in the courts on December 1, 1927, and the outcome is not yet known. In one of these a trial and acquittal have occurred since that time.

In seven cases the Prohibition Unit has no record as to disposition. One of these grew out of the deaths of two persons in a launch which collided with a launch driven by a prohibition official. In a few of these cases more than one official took part.

Considering the more than 400,000 arrests by prohibition enforcement officials of the outlaws who make or vend illicit liquor, many of them desperate, vicious, murderous to the last degree, it is remarkable that there have been so comparatively few fatalities. Especially is this true when it is recalled that these criminals have killed nearly 50 prohibition officials while the latter were endeavoring to enforce the prohibition laws.

The figures I have given do not include the narcotic enforcement officers.

The Senator from Maryland sends a message from the Senate Chamber to the wets throughout the United States. He tells them to be of good cheer, that everything is going their way.

Mr. President, everything goes the antiprohibition way between election days. Everything goes the prohibition way on election days. With such a condition prohibitionists are entirely contented.

They tell us of references in the Bible to intoxicating liquor. There is a clear distinction observable throughout that Sacred Book between fermented and unfermented drinks. The former it unsparingly condemns. The Bible itself finds one of its strongest foundations in the Ten Commandments, most of which are prohibitions, beginning with the prohibitory words "Thou shalt not." When God said, "Thou shalt not kill" He said also in effect, contemplating the various forms of the destruction of man by man, "Thou shalt not tolerate a traffic in a poison which kills."

## PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

On April 21, 1928:

S. 2752. An act to amend section 80 of the Judicial Code to create a new judicial district in the State of Indiana, and for other purposes.

On April 23, 1928:

S. 754. An act for the relief of certain Porto Rican taxpayers;

S. 2858. An act to authorize the use of certain public lands by the town of Parco, Wyo., for a public aviation field;

S. 3194. An act to establish the Bear River migratory-bird refuge;

S. 3224. An act to extend the provisions of the forest exchange act, approved March 20, 1922 (42 Stat. 465), to the Crater National Forest, in the State of Oregon;

S. 3225. An act to enlarge the boundaries of the Crater National Forest; and

S. J. Res. 72. Joint resolution to grant permission for the erection of a memorial statue of Cardinal Gibbons.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11577) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DICKINSON of Iowa, Mr. WASON, Mr. SUMMERS of Washington, Mr. BUCHANAN, and Mr. SANDLIN were appointed managers on the part of the House at the conference.

## AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY. I ask the Chair to lay before the Senate the action of the House of Representatives on the agricultural appropriation bill.

The PRESIDING OFFICER (Mr. BLEASE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11577) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McNARY. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McNARY, Mr. JONES, Mr. KEYES, Mr. OVERMAN, and Mr. HARRIS conferees on the part of the Senate.

CONSTRUCTION OF VESSELS BY TRANSOCEANIC CORPORATION (S. DOC. NO. 87)

The PRESIDING OFFICER laid before the Senate a communication from the chairman of the United States Shipping Board, transmitting, in response to Senate Resolution 125 of January 27, 1928 (submitted by Mr. BINGHAM), a report relative to the proposal of the Transoceanic Corporation in connection with the construction of fast passenger vessels, which was referred to the Committee on Commerce and ordered to be printed with illustrations.

ONA HARRINGTON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2126) to provide for compensation for Ona Harrington for injuries received in an airplane accident, which was, on page 1, line 5, after the word "appropriated," to insert "and in full settlement against the Government."

Mr. DENEEN. I move that the Senate concur in the House amendment.

The motion was agreed to.

APPROPRIATIONS FOR LEGISLATIVE BRANCH

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12875) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes.

The PRESIDING OFFICER. The clerk will read the bill for action on the amendments of the committee.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the subhead "Office of the Vice President," on page 2, line 5, after the figures "$4,200," to strike out "assistant"; and in the same line, after the figures "$2,080," to insert "assistant," so as to read:

Salaries: Secretary to the Vice President, $4,200; clerk, $2,080; assistant clerk, $1,940; assistant clerk, $1,830; in all, $10,050.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Secretary," on page 2, line 16, after the words "Journal clerk," to strike out "$4,200" and insert "$4,500"; in the same line, after the figures "$3,150," to insert "chief bookkeeper, $3,000"; in line 18, after the words "printing clerk," to strike out "$3,000" and insert "$3,150"; in line 19, after the words "file clerk," to strike out "chief bookkeeper"; in line 24, after the figures "$1,770," to strike out "assistant keeper of stationery, $2,360" and insert "two assistant keepers of stationery, at $1,800 each"; on page 3, line 2, after the words "assistant in library" to strike out "$1,520" and insert "$1,800"; in line 3, after the word "laborers," to strike out "four" and insert "one, $1,350, three"; in the same line, after the word "each," to strike out "two at $1,010 each" and insert "one, $1,010"; and in line 5, after the words "in all," to strike out "$102,620" and insert "$103,910," so as to make the paragraph read:

Salaries: Secretary of the Senate, including compensation as disbursing officer of salaries of Senators and of contingent fund of the Senate, $6,500; assistant secretary, Henry M. Rose, $4,500; chief clerk, who shall perform the duties of reading clerk, $5,500; financial clerk, $5,000; principal clerk, $3,420; assistant financial clerk, $4,200; minute and Journal clerk, $4,500; legislative clerk, $3,150; chief bookkeeper, $3,000; librarian, $3,000; enrolling clerk, $3,150; printing clerk, $3,150; executive clerk, $2,890; file clerk, and assistant Journal clerk, at $2,880 each; first assistant librarian, and keeper of stationery, $2,780 each; assistant librarian, $2,150; skilled laborer, $1,520; clerks—three at $2,880 each, one at $2,590, one at $2,460, one at $2,100, one at $1,800, one at $1,770; two assistant keepers of stationery, at $1,800 each; assistant in stationery room, $1,520; messenger in library, $1,310; special officer, $2,150; assistant in library, $1,800; laborers—one at $1,350, three at $1,140 each, one at $1,010, one in stationery room at $1,440; in all, $103,910.

Mr. WARREN. Mr. President, I send to the desk an amendment to the amendment.

The PRESIDING OFFICER. The clerk will read.

The CHIEF CLERK. On page 2, line 23, in the items for clerks in the office of the Secretary of the Senate, strike out "one at $2,100" and insert "two at $2,100 each."

The amendment to the amendment was agreed to.

Mr. WARREN. I ask the Senate to reject the first amendment of the committee, on page 3, line 3.

The PRESIDING OFFICER. Without objection, the amendment is disagreed to.

Mr. WARREN. I move to strike out "four" and insert in lieu thereof "two at $1,350 each, two."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the subhead "Committee employees," on page 3, line 25, after the words "assistant clerk," to strike out "$2,570" and insert "$2,750," so as to read:

Claims: Clerk, $3,300; assistant clerk, $2,750; assistant clerk, $2,360; two assistant clerks, at $1,830 each.

The amendment was agreed to.

The next amendment was, on page 4, line 17, after the word "at," to strike out "$2,360" and insert "$3,000," so as to read:

Finance: * * * two experts (one for the majority and one for the minority) at $3,000 each.

The amendment was agreed to.

The next amendment was, on page 5, line 5, after the words "assistant clerk," to strike out "$1,940" and insert "$2,150," so as to read:

Irrigation and reclamation: Clerk, $3,300; assistant clerk, $2,150; assistant clerk, $1,830; additional clerk, $1,520.

The amendment was agreed to.

The next amendment was, on page 5, line 13, after the figures "$2,590," to insert "assistant clerk, $2,400"; and in line 14, after the figures "$1,940," to strike out "three" and insert "two," so as to read:

Military Affairs: Clerk, $3,300; assistant clerk, $2,590; assistant clerk, $2,400; additional clerk, $1,940; two assistant clerks, at $1,830 each.

The amendment was agreed to.

The next amendment was, on page 6, line 16, after the words "assistant clerk," where it occurs the first time, to strike out "$1,940" and insert "$2,150," so as to read:

Territories and Insular Possessions: Clerk, $3,300; assistant clerk, $2,150; assistant clerk, $1,830; additional clerk, $1,520.

The amendment was agreed to.

The next amendment was, on page 6, line 17, to change the total appropriation for clerks and messengers to Senate committees from $380,940 to $383,390.

The amendment was agreed to.

Mr. KING. Mr. President, I want to ask the Senator from Wyoming a question. I see on pages 3, 4, 5, and 6 a large number of increases in the number of clerks. In view of the fact that we shall soon adjourn and Congress will not be in session until next December, and that when it meets then it will continue in session only until the 4th of the following March, I was wondering what the necessity was for this large increase in the number of clerks.

Mr. WARREN. There have been some changes back and forth, but the total increase in the bill is less, I think, than $8,000.

Mr. CURTIS. There is no increase in the number of clerks.

Mr. WARREN. One or two are taken out of those provided for in resolutions, but it makes no difference in the amount.

Mr. CURTIS. Clerks who have heretofore been authorized in resolution, who have been paid out of the contingent fund, have been placed in the bill.

Mr. KING. May I say to the Senator that a number of the clerks provided for in resolutions were only temporary, and it was understood that they were for some temporary purpose?

Mr. WARREN. There are some of those left. The ones to whom I have alluded are those put on temporarily to take others' places, and they are wanted permanently, so we put them in the bill rather than have them taken care of in resolutions.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper," on page 7, line 7, after the figures "$6,500" to strike out "Assistant Doorkeeper, $4,200; Acting Assistant Doorkeeper, $4,200," and insert "two Assistant Sergeants at Arms, at $4,500 each," so as to read:

Salaries: Sergeant at Arms and Doorkeeper, $6,500; two Assistant Sergeants at Arms, at $4,500 each.

The amendment was agreed to.

The next amendment was, on page 7, at the end of line 12, to change the compensation of the messenger at the card door from $2,400 to $2,580.

The amendment was agreed to.

Mr. WARREN. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 7, line 15, strike out "$3,600" and insert in lieu thereof $4,000."

The amendment was agreed to.

The next amendment was, on page 7, line 20, to change the compensation of the laborer in charge of private passage from $1,340 to $1,440.

The amendment was agreed to.

The next amendment was, on page 7, at the end of line 23, to change the compensation of the chief telephone operator, from $2,040 to $2,160.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I offer the following amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 8, line 3, strike out "$1,240" and insert in lieu thereof "$1,500."

The amendment was agreed to.

The next amendment was, on page 8, at the end of line 6, to change the total appropriation for the office of Sergeant at Arms and Doorkeeper from $206,245.30 to $209,155.30.

The amendment was agreed to.

Mr. WARREN. I offer another amendment.

The PRESIDING OFFICER. The Senator from Wyoming offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 8, line 13, strike out "eight" and insert in lieu thereof "seven."

The amendment was agreed to.

The next amendment was, under the subhead "Folding room," on page 8, line 16, after the word "foreman," to strike out "$1,940" and insert "$2,160"; in the same line, after the word "assistant," to strike out "$1,730" and insert "$1,940"; and at the end of line 18 to strike out "$22,340" and insert "$22,770," so as to read:

Salaries: Foreman, $2,160; assistant, $1,940; clerk, $1,520; folders—7 at $1,310 each, 7 at $1,140 each; in all, $22,770.

The amendment was agreed to.

Mr. WARREN. Mr. President, I offer a committee amendment which was overlooked.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 9, line 3, strike out "$10,000" and insert in lieu thereof "$13,000."

The amendment was agreed to.

The next amendment was, on page 9, line 5, to increase the appropriation for driving, maintenance, and operation of an automobile for the Vice President from $3,500 to $4,000.

The amendment was agreed to.

The next amendment was, on page 9, at the end of line 24, to strike out "$150,000" and insert "$250,000," so as to read:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, $250,000.

The amendment was agreed to.

The next amendment was, on page 10, line 2, to change the item for reporting the debates and proceedings of the Senate from "$50,844" to "$55,340."

The amendment was agreed to.

The next amendment was, on page 10, at the end of line 9, to strike out "$35,000" and insert "$40,000," so as to read:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under the supervision of the Committee on Rules, United States Senate, $40,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Architect of the Capitol," on page 23, line 3, after the word "Capitol," to strike out "$6,000" and insert "$7,500"; and at the end of line 8 to strike out "$31,052.80" and insert "$32,552.80," so as to read:

Salaries: Architect of the Capitol, $7,500; chief clerk, $3,150; civil engineer, $2,770; two clerks, at $1,840 each; compensation to disbursing clerk, $1,000; laborers—one at $1,104, two at $1,010 each, two at $950 each; forewoman of charwomen, $760; 21 charwomen, at $412.80 each; in all, $32,552.80.

The amendment was agreed to.

The next amendment was, under the subhead "Capitol Buildings and Grounds," on page 23, after line 21, to insert:

Senate wing reconstruction: To rearrange and reconstruct the Senate wing of the Capitol in accordance with the report of the Architect of the Capitol contained in Senate Document No. 161, Sixty-eighth Congress, second session, with such alterations as the Senate Committee on Rules may from time to time approve, to be immediately available and to remain available until June 30, 1930, $500,000, to be expended by the Architect of the Capitol, under the direction and supervision of the said Committee on Rules.

Mr. KING. Mr. President, I would like to ask whether that plan has been fully approved, whether it has been adopted, or whether this is just an authorization of an appropriation which will be provided for later?

Mr. WARREN. Of course, the committee had before it the plans a month or two ago. They have been discussed, not only for a month or two but for a long time. Of course, this is a rather unusual item, because it is a large amount, and there is nobody to whom we may send it for indorsement except the Senate itself. So nothing has been done toward getting an estimate from the Budget Bureau for this.

Mr. KING. Mr. President, I do not like to object to this appropriation, but I confess I have some misgivings as to this plan and about having it adopted. I am sure very few Senators have given any consideration to the matter, or any consideration to the cost. Undoubtedly there were some reasons impelling the committee to make the recommendation, but for myself I do not feel liking voting for it with the limited information which is now available.

Mr. COPELAND. Mr. President, I can well share the feelings of the Senator from Utah, except for the fact that this has been very well considered. Let me review the history.

In the Sixty-eighth Congress I presented a resolution asking for an examination of the Senate Chamber and the drawing of plans with reference to a more livable place. That resolution was adopted in the Sixty-eighth Congress, and Carrere & Hastings, the architects who drew the plans for the Senate Office Building and House Office Building and who have drawn the plans for various changes in the Capitol Building, famous architects, drew plans.

Those plans were submitted to various architects to see how much it would cost to carry them out. Mr. Hastings came before the committee, and I have before me a report of the extensive hearing held when Mr. Hastings and other architects appeared. It was demonstrated to the satisfaction of the committee that this work could be done, according to the statement of Mr. Hastings, for $450,000. To be on the safe side we adopted a round figure of $500,000. The work is to be carried out under the direction of the Committee on Rules.

What is to be accomplished? In 12 years 36 Senafors have died in office, and most of the men who have died have been Senators who have spent much of their time in this Chamber. There is no Senator here to-day who spends more time in the Chamber attending to his duties than does the Senator from Utah. Unfortunately, the very men who spend most of their time here are the ones most likely to suffer because of physical conditions which are existent.

The plan provides for carrying this Chamber out to the north wall of the Capitol. It will be interesting to the Senator from Utah and other Senators who have not studied it to know that that was the original plan. The Chamber was originally to have gone to the north wall. The contracts were let and the foundations were in and when the building was completed to this story, a change was decided upon, and it was determined to make a thermos bottle out of the Chamber instead of a livable place. The present plan will make a semicircular chamber, and at the north wall there will be no galleries provided for in the plan, but there will be three noble windows, which will reach from the floor to the ceiling, 20 feet wide. There will be 60 feet of glass reaching from the floor to the ceiling, looking out to the north sky.

Mr. President, I hope the amendment will be adopted and the work done. Since I have been a Member of this body I have been sorry I am a doctor. I can not help appraising the health of the men in this Chamber. I have prophesied to myself almost without failure the deaths that would occur. It saddens me now when I look into the faces of men here to see how health is melting from them and, with each session of the Senate, how they break down physically.

I say to my friend from Utah and to every other Senator that there is no more important thing that can be done than

to change this impossible place into a livable place. We have gone far enough in our investigations to know that we have a sensible plan. Mr. Hastings has consulted with many of the great architects of the country, and we are told that when this plan is modified we will have the finest legislative chamber in the world from the artistic and architectural standpoint and also from the standpoint of health.

I do not think I need to say more. I have bothered Senators collectively and individually about this matter ever since I have been in the Senate. Here we have it before us. We have it in our hands to convert this Chamber into a livable place. The press representatives in the press gallery now have 2,100 square feet in their quarters. Under the new plan they will have nearly 3,000 square feet. They will be brought into a livable place, too. All the galleries will be enlarged. There will be more gallery space than we have at the present time, and every part of the Chamber will be a place of health promotion and not one of health detraction as it is at present.

Mr. President, I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 25, line 15, under "Senate Office Building," to strike out "$87,854" and insert in lieu thereof "$89,854."

The amendment was agreed to.

The PRESIDING OFFICER. This concludes the formal committee amendments.

The reading of the bill was concluded.

Mr. WARREN. Mr. President, I send to the desk the following amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, line 19, after the word "Capitol," insert "without compliance with sections 3707 and 3744 of the Revised Statutes of the United States."

The amendment was agreed to.

Mr. WARREN. I ask unanimous consent that the clerks at the desk be authorized to correct the totals in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSES. Mr. President, I offer the following amendment, which I send to the desk.

Mr. WARREN. It is a committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 33, line 25, after the word "pay," insert the following:

And hereafter said leave shall be at the current rate for the regular position at the time leave is granted.

Mr. KING. Mr. President, will the Senator please explain the purpose of the amendment?

Mr. MOSES. It is in order to do away with the great variety of accounting that has to be made for the annual leave of employees of the Government Printing Office because of differing rates at which they are paid, whether night work or during the rush work of the CONGRESSIONAL RECORD when Congress is in session. This is to provide a salaried annual leave basis which shall be considered on the same basis as that of other employees.

Mr. KING. Is it a committee amendment?

Mr. MOSES. Yes; and also the next amendment which I am about to offer.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from New Hampshire.

The amendment was agreed to.

Mr. MOSES. I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 37, line 9, insert the following:

Section 91, chapter 5, title 20 of the Code of Laws of the United States is hereby amended so as to include and apply to the Government Printing Office.

Mr. MOSES. This amendment provides simply that the laboratory of research and experiment of the Government Printing Office shall be made available for the manufactures of paper envelopes and other printing material on exactly the same terms as laboratories and bureaus of research in the other departments of the Government, so that prospective bidders for materials supplied by the Government Printing Office shall have an opportunity to have their materials tested at the laboratory of the Printing Office itself and a report thereon when they submit their bids. It will involve no expense whatever.

Mr. KING. It will not result in a duplication of activities?

Mr. MOSES. No. On the contrary, it will undoubtedly very greatly simplify the work of bidding for materials supplied by the Government Printing Office.

The amendment was agreed to.

Mr. OVERMAN. Mr. President, we have increased the salaries of quite a number of employees, but nowhere have the doorkeepers been taken care of. I send to the desk an amendment to increase the salaries of five doorkeepers, and I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 7, line 11, strike out "$2,150" and insert in lieu thereof "$2,400."

Mr. WARREN. Mr. President, before proceeding further I think I ought to say that we have sent to the desk as committee amendments certain authorizations covering certain matters which have been offered, in order to avoid any possible question as to whether they were or were not in order. Those amendments have been agreed to in the regular order.

The time has come when miscellaneous amendments may be offered. I want it understood, so far as the committee is concerned, that it believes it is doing justice in the amendments which have been presented, especially as to salaries. Of course, we have employees in this Chamber and connected with the Senate in whom we have great confidence and employees whom we love. At various times they get various ideas about what they should have in the matter of increased salaries. It is hard for a Senator to resist the appeals of Senate employees, especially those who may come from his home town, community, or State. But somewhere, some time, somebody has to try to arrange for these things in an orderly way, so that we may be just to all and unjust to none.

There are some points which come up involving the expense of carrying on the business of the Senate outside; but I am speaking now with reference to the salaries of Senate employees in and about the Chamber. Of course, the chairman of the Appropriations Committee is in the hands of the Senate. Anyone who serves on the Committee on Appropriations is likewise in the hands of the Senate. But if each one, without taking into consideration others, undertakes to bring about salary increases indiscriminately, we can readily appreciate what resulting turmoil might and probably would follow. All that the chairman of the committee can do is to state what he believes is proper as decided upon by the full committee. He can only state to the Senate the decisions of the committee, whether right or wrong, and the Senate must settle these questions for itself.

Mr. OVERMAN. Mr. President, I am a member of the Committee on Appropriations. Time and again I have seen increases made here for some favorites and yet all the while these poor fellows are sitting at our doors, year in and year out, drawing very modest salaries. I have sat here this evening and noticed increases made of $4,000, $3,600, $3,300. This amendment of mine involves an increase totaling only about $1,500, and I think it is only just that the Senate should agree to it. These men need the increase and ought to have it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARREN. Mr. President, I must object to such procedure in this instance. Let us have a vote.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Deneen | Kendrick | Ransdell |
| Barkley | Dill | Keyes | Reed, Mo. |
| Bayard | Edge | King | Robinson, Ind. |
| Bingham | Edwards | La Follette | Sackett |
| Black | Fletcher | Locher | Schall |
| Blaine | Frazier | McKellar | Sheppard |
| Blease | Gerry | McLean | Shortridge |
| Bratton | Glass | McMaster | Simmons |
| Brookhart | Gould | McNary | Smith |
| Broussard | Greene | Mayfield | Stephens |
| Bruce | Hale | Metcalf | Swanson |
| Capper | Harris | Moses | Thomas |
| Caraway | Harrison | Norbeck | Tydings |
| Copeland | Hawes | Norris | Tyson |
| Couzens | Hayden | Oddie | Warren |
| Curtis | Heflin | Overman | Waterman |
| Cutting | Johnson | Phipps | Wheeler |
| Dale | Jones | Pittman | |

Mr. JONES. I desire to announce that the Senator from Idaho [Mr. GOODING] and the Senator from West Virginia [Mr. GOFF] are detained on official business in committee.

Mr. NORRIS. I desire to announce that the Senator from North Dakota [Mr. NYE], the senior Senator from Montana [Mr. WALSH], and the junior Senator from New York [Mr. WAGNER] are engaged in official business of the Senate before the Committee on Public Lands.

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from North Carolina

[Mr. OVERMAN]. [Putting the question.] The noes seem to have it.

Mr. HARRISON. Mr. President, I understood that that amendment had been adopted before the call was made for a quorum.

Mr. OVERMAN. I also thought the amendment had been adopted.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. WARREN] called for a quorum.

Mr. HARRIS. I ask that the question may be again put.

Mr. BLAINE. I ask for a division.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 7, line 11, it is proposed to strike out "$2,150" and in lieu thereof to insert "$2,400," so as to read:

Five (acting as assistant doorkeepers, including one for minority) at $2,400 each.

The question being put, on a division the amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole, and is still open to amendment.

Mr. COPELAND. I send forward an amendment to be inserted after line 19, on page 24.

The PRESIDING OFFICER. The amendment proposed by the Senator from New York will be stated.

The CHIEF CLERK. On page 24, after line 19, it is proposed to insert:

without compliance with sections 3709 and 3744 of the Revised Statutes of the United States: *Provided*, That in carrying out the reconstruction and ventilation of the Senate Chamber and House of Representatives, the Architect of the Capitol is authorized, within the appropriation herein made, to enter into such contracts in the open market, to make such expenditures (including expenditures for furniture, material, supplies, equipment, accessories, advertising, travel, and subsistence) and to employ such professional and other assistants without regard to the provisions of section 35 of the public buildings omnibus act, approved June 25, 1910, as amended, as may be approved by such committee.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

The amendment was agreed to.

Mr. PHIPPS. Mr. President, I send to the desk an amendment which I have had heretofore printed. It will be noted that as now submitted I have eliminated two or three words in the original text of the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 21, after line 24, it is proposed to insert:

REIMBURSEMENT FOR EXPENSES OF TRAVEL OF CERTAIN CLERKS

That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to reimburse from the contingent funds of the Senate and of the House, respectively, until otherwise provided for, to one clerk or to one assistant clerk to each Senator and/or Representative, or to one clerk or assistant clerk to each committee of the Senate and to each committee of the House, such amounts as may be necessarily paid by said clerk or assistant clerk for railroad fare, Pullman charges, and similar minor expenses of travel, from Washington, D. C., to the place of residence in the State of the Senator or Representative by whom employed, at the time such trip is made, and return therefrom; said reimbursement being hereby expressly limited to one round trip for each regular, extra, or special session of Congress or of the Senate or House, to and from said place of residence, for not to exceed one said clerk or assistant clerk, by the most direct route of travel, such reimbursement to be claimed on vouchers certified by the respective Senators or Representatives employing said clerk or assistant clerk and approved by the chairman, respectively, of the Committee to Audit and Control the Contingent Expenses of the Senate and/or the Committee on Accounts of the House, that such travel has been actually performed and the expense therefor actually incurred.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THE CALENDAR

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar, beginning where we left off at the last call of the calendar, and that the debate be limited to five minutes under Rule VIII.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first bill in order on the calendar.

PATENTS TO GOVERNMENT OFFICERS AND EMPLOYEES

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6103) to amend an act entitled "An act making appropriations for the sundry civil expenses of the Government for the fiscal year ending June 30, 1884," and for other purposes, which was read, as follows:

*Be it enacted, etc.*, That so much of chapter 143 of the act of Congress approved March 3, 1883 (22 Stat. L. 625), as relates to issue of patents without payment of any fee be, and the same is hereby, amended to read as follows:

"The Commissioner of Patents is authorized to grant, subject to existing law, to any officer, enlisted man, or employee of the Government, except officers and employees of the Patent Office, a patent for any invention of the classes mentioned in section 4886 of the Revised Statutes, without the payment of any fee when the head of the department or independent bureau certifies such invention is used or liable to be used in the public interest: *Provided*, That the applicant in his application shall state that the invention described therein, if patented, may be manufactured and used by or for the Government for governmental purposes without the payment to him of any royalty thereon, which stipulation shall be included in the patent."

Mr. LA FOLLETTE. Mr. President, I ask that the Senator from Rhode Island [Mr. METCALF], who reported the bill, make a brief explanation of its provisions.

Mr. METCALF. Mr. President, this bill simply proposes to allow any officer or employee of the Government to take out a patent without cost, providing he allows the Government to use it. If passed, it would clarify the old law which was enacted in 1883. The passage of the bill is asked for particularly by the Army, and most of the patents which will be covered by it will be used either in the Navy or in the Army.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LEASING OF PUBLIC LANDS FOR AVIATION FIELDS

The bill (S. 3744) to authorize the leasing of public lands for the use of public aviation fields was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized, in his discretion and under such regulations as he may prescribe, to lease for use as a public airport any contiguous public lands, unreserved and unappropriated, not to exceed 640 acres in area, subject to valid rights in such lands under the public land laws.

SEC. 2. Any lease under this act shall be for a period not to exceed 20 years, subject to renewal for like periods upon agreement of the Secretary of the Interior and the lessee. Any such lease shall be subject to the following conditions:

(a) That an annual rental of such sum as the Secretary of the Interior may fix for the use of the lands shall be paid to the United States.

(b) That the lessee shall maintain the lands in such condition, and provide for the furnishing of such facilities, service, fuel, and other supplies, as are necessary to make the lands available for public use as an airport of a rating which may be prescribed by the Secretary of Commerce.

(c) That the lessee shall make reasonable regulations to govern the use of the airport, but such regulations shall take effect only upon approval by the Secretary of Commerce.

(d) That all departments and agencies of the United States operating aircraft (1) shall have free and unrestricted use of the airport, and (2) with the approval of the Secretary of the Interior, shall have the right to erect and install therein such structures and improvements as the heads of such departments and agencies deem advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft.

(e) That whenever the President may deem it necessary for military purposes, the Secretary of War may assume full control of the airport.

SEC. 3. With the consent of the lessee, the Secretary of the Interior is authorized to cancel any lease of public lands for use as public aviation fields or airports, made under law in force upon the date of the approval of this act, and to lease such lands to the lessee upon the conditions prescribed by this act.

SEC. 4. The Secretary of the Interior is hereby authorized, in his discretion and under such rules as he may prescribe, to grant permission for the establishment of beacon lights and other air-navigation facilities, except terminal airports, upon tracts of unreserved and unappropriated public lands of the United States of appropriate size, and may withdraw the lands for such purposes.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PROPOSED NICARAGUAN CANAL

The joint resolution (S. J. Res. 117) authorizing an investigation and survey for a Nicaraguan canal was announced as next in order.

Mr. JOHNSON. I ask that the joint resolution go over.

Mr. EDGE. Mr. President, will the Senator withhold his objection for a moment. I should like to say a few words.

Mr. JOHNSON. I withhold the objection.

Mr. EDGE. Mr. President, I do not intend actually to press the consideration of this measure at this time, because the Senator from Tennessee [Mr. McKELLAR] has proposed an amendment to it; but I wish to call the attention of the Senate to the importance of this measure. It will only take me a few moments to do so.

I consider this joint resolution a very important measure. As its title indicates, it merely provides for a survey for the purpose of ascertaining whether it is practicable as a business proposition to construct a Nicaraguan canal as provided by treaty between the United States and Nicaragua, under which treaty we paid to Nicaragua $3,000,000, as I recall.

The joint resolution also provides that the Army engineers shall make the survey. There is no commission whatever authorized or appointed under the joint resolution, but all the work is to be in the hands of the Army engineers, who shall also ascertain the practicability of enlarging or of increasing the facilities of the Panama Canal.

I am merely taking this time to draw attention to the measure because we all realize that the facilities of the existing canal at Panama are being taxed more and more, and a new canal should be constructed in order to meet the demands of commerce and shipping a few years hence. All reports from the Canal Zone indicate that the facilities of the Panama Canal are rapidly reaching the point of the maximum of its capacity to handle the traffic.

The Senator from Tennessee [Mr. McKELLAR] a few days ago made an address to the Senate in which he advocated the immediate construction of the Nicaraguan canal. I feel that we should have a survey because of the fact that we have not had one for 27 years. In 1901 a survey was made both of the proposed Nicaraguan canal and the Panama Canal, and while, as I recall, the engineers really recommended the construction of the Nicaraguan canal, Congress later decided to construct the canal at Panama, which was done.

It requires from 15 to 20, or perhaps 25 years, to construct a canal of this magnitude. If the Congress will authorize such a survey as is proposed, we will, of course, obviously be that much nearer to securing the information necessary for a decision. I do hope that the joint resolution may soon be passed. It provides for an appropriation of $250,000, which I propose, when the joint resolution shall be considered, to cut down to $150,000, so as to bring the survey up to date, and likewise give Congress the benefit of the advice of the engineers as to the practicability of increasing the Panama Canal. Then it will be in the hands of Congress to decide what, if anything, shall be done.

Mr. JOHNSON. I inquire if the Budget has approved the proposed expenditure.

Mr. EDGE. I may say, in answer to the Senator from California, that the expenditure has been estimated for by the Budget, and has received the absolute and unqualified approval of the Secretary of War, the Secretary of the Navy, and the Secretary of State.

Mr. JOHNSON. Mr. President, I do not want to be in a position of opposition either to the joint resolution which has been presented by the Senator from New Jersey or to the amendment proposed by the Senator from Tennessee, but being very much interested in the Panama Canal and very much interested in an interoceanic canal through Nicaragua, I think that now is a most inappropriate time within the limit of five minutes to decide upon digging a canal across Nicaragua, and I——

Mr. McKELLAR. I hope the Senator will withhold his objection for a moment. I agree with the Senator; I think more time should be allowed than we now have for the consideration of the subject, but I merely wish to call the attention of the Senate to the reasons for the two amendments I have offered.

The PRESIDING OFFICER. Does the Senator from California withhold his objection?

Mr. JOHNSON. I withhold it in order that the Senator from Tennessee may speak.

Mr. McKELLAR. I am not going to take more than a couple of minutes at the outside.

Mr. President, there are several preliminaries that must be carried out before any canal may be dug. I imagine that a new survey is necessary. We already have a perfect survey of the ground, but it was made some time ago; so I see no reason why there should not be another survey, and I think one is necessary. However, we entered into a treaty with Nicaragua under which we have the general right to build a canal through Nicaragua. In that treaty itself it is provided that the President before any steps looking to carrying out the project shall be taken must give notice to the Nicaraguan Government of a desire to construct the canal; and of course that preliminary ought to be taken care of at the same time the survey is made.

Mr. CARAWAY. Mr. President——

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. CARAWAY. Is there any intention of exercising our right within a reasonable time of digging a canal down there?

Mr. McKELLAR. I should think so.

Mr. CARAWAY. What gives the Senator the impression that that right is going to be exercised? Is there any substantial movement to that end on foot?

Mr. McKELLAR. It is very substantial in view of the fact that the Panama Canal in, say, six years will not be able to afford passage to the ships that will be applying to go through it.

Mr. CARAWAY. That is merely a question of necessity. Is there any real movement on foot that we should now undertake to spend a quarter of a million dollars for a survey?

Mr. McKELLAR. I think the test is whether or not these amendments shall be accepted, because if there is any intention of carrying out the project, manifestly the amendments should be adopted, for they provide for the preliminary work, just such work as is called for by a survey.

Mr. CARAWAY. Mr. President, let me ask the Senator a question. If we are going to dig a canal, why not authorize the construction of the canal? Then the surveys would be ordered.

Mr. McKELLAR. I have provided for that in the bill that I have introduced.

Mr. LA FOLLETTE. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The bill will be passed over.

Mr. EDGE. Mr. President, I recognize the fact that this bill can not be discussed under the five-minute rule. I simply wish to give notice that I shall request the committee on order of business to give consideration to placing this bill on their calendar, so that it can be considered in a proper way.

The PRESIDING OFFICER. The Secretary will state the next bill on the calendar.

Mr. McKELLAR subsequently said: Mr. President, when the joint resolution about the Nicaraguan canal was up a few moments ago, I thought I had offered the amendment. The clerk tells me that I did not do so. I ask unanimous consent that it may be offered and be pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

OHIO RIVER BRIDGE AT OR NEAR SHAWNEETOWN, ILL.

The bill (H. R. 7184) authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. JONES. Mr. President, I do not know whether it makes any difference or not, but the calendar states that this bill is reported by the Senator from Vermont [Mr. DALE] with an amendment.

The PRESIDING OFFICER. There is not any amendment in the bill.

Mr. JONES. Very well. I just took that statement from the calendar.

BILLS PASSED OVER

The bill (S. 3837) authorizing the West Kentucky Bridge & Transportation Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky., was announced as next in order.

Mr. SACKETT. Mr. President, I should like to ask that that bill go over. There are two bills of that character pending, and the author of this bill is not here.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2097) to provide for the protection of municipal watersheds within the national forests was announced as next in order.

Mr. KING. Mr. President, the able Senator from South Dakota [Mr. NORBECK] is here. This is his bill. It is a very important measure, and I am very much in sympathy with it;

but there is one provision in it that I think is a rather dangerous one, giving too much authority to the President and the Secretary of the Interior to blanket public domain within the forest reserves.

If the Senator will consent that this bill may be passed over—I have not heard of the bill until to-day—until the next calendar day, I shall be very happy to talk to him about it in the meantime, because I am very much in sympathy with the purposes of the bill.

The PRESIDING OFFICER. The bill will be passed over.

LANDS IN FLORIDA

The bill (H. R. 4378) to authorize the Secretary of the Interior to dispose by sale of certain public land in the State of Florida was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 6, after the word "being," to strike out "part of"; in the same line, after the word "numbered," to strike out "1, 2, and 3" and insert "5, 6, 7, and 8"; in line 7, after the figures "32," to strike out "west half northwest quarter and lot No. 1, section 33"; in line 8, after the word "numbered," to strike out "1" and insert "4"; and in line 10, after the words "survey of," to strike out "1847" and insert "1924," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to convey by patent to Alma Laird 127.11 acres, said land being lots Nos. 5, 6, 7, and 8, section 32, and lot No. 4 in section 31, all being in township 2 south, range 17 west of the Tallahassee meridian, according to Government survey of 1924, upon payment by said Alma Laird to the United States of a reasonable appraised value within six months after passage of this act.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 3458) to create the reserve division of the War Department, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 116) to amend section 10 of the act entitled "An act to establish the upper Mississippi River wild life and fish refuge," approved June 7, 1924, was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Oregon [Mr. McNARY] whether, if a narrower limitation were placed upon the joint resolution, it would not be effective? My understanding when we passed the bill a few years ago was that all the lands that were desired for the Mississippi Game Refuge could be acquired for from $1 to $5 an acre. I do not want to object to it if there is a chance of getting the land for $5 an acre; and in view of the promises which were made I should be glad to see the limitation placed in the bill.

Mr. NORBECK. Mr. President, that matter has been carefully considered in the committees, and there has been a great deal of debate on it in the House. I think the facts are well known; but I call the attention of the Senator to the fact that there is a House bill on the Calendar that should be taken up, instead of the Senate bill; and I suggest that we pass over the Senate bill for the time being.

Mr. KING. I hope the Senator will understand that whatever the committee agrees should be done will be acceptable to me.

The PRESIDING OFFICER. The bill will be passed over.

THE LATE NELLIE RICHARDS

The bill (H. R. 7722) authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1624) to authorize the payment of additional compensation to the assistants to the engineer commissioner of the District of Columbia was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1625) to fix the salaries of the members of the Board of Commissioners of the District of Columbia was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

GORGAS MEMORIAL LABORATORY

The bill (H. R. 8128) to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE LATE REGINALD ETHELBERT MYRIE

The bill (H. R. 9569) authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone on February 5, 1921, by a United States Army motor truck was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REV. F. NORTH

The bill (H. R. 12179) to provide for the reimbursement of the Government of Great Britain on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia in 1920 was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE LATE CHANG LIN AND TONG HUAN YAH

The joint resolution (H. J. Res. 145) to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States, was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE LATE JUAN SORIANO

The joint resolution (H. J. Res. 146) to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps, was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE LATE MAX D. KIRJASSOFF

The joint resolution (H. J. Res. 147) for the relief of the estate of the late Max D. Kirjassoff was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

DEPENDENTS OF THE LATE EDWIN TUCKER

The joint resolution (H. J. Res. 148) to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama, was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WILLIAM WISEMAN

The joint resolution (H. J. Res. 149) to authorize an appropriation for the compensation of William Wiseman was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

AREND KAMP AND FRANCIS GORT

The joint resolution (H. J. Res. 150) to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam, was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SUN JUI-CHIN

The joint resolution (H. J. Res. 151) to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

INTERNATIONAL CONGRESS OF ENTOMOLOGY

The joint resolution (H. J. Res. 152) authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928 was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

AMERICAN INTERNATIONAL INSTITUTE FOR THE PROTECTION OF CHILDHOOD

The joint resolution (H. J. Res. 230) to provide for the membership of the United States in the American International Institute for the Protection of Childhood was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CONFERENCE OF CONCILIATION AND ARBITRATION

The joint resolution (H. J. Res. 262) requesting the President to extend to the Republics of America an invitation to attend a Conference of Conciliation and Arbitration to be held at Washington during 1928 or 1929 was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MISSOULA NATIONAL FOREST, MONT.

The bill (H. R. 126) to add certain lands to the Missoula National Forest, Mont., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment, at the end of the bill to insert a new section, as follows:

SEC. 2. The Secretary of the Interior is hereby authorized to consider and allow applications affecting any lands described in this act which were filed prior to April 1, 1926, under the stock-raising homestead act of December 29, 1916 (39 Stat. 862).

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ROSEBUD SIOUX INDIANS, SOUTH DAKOTA

The bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States so much of the tribal funds on deposit therein to the credit of the Rosebud Indians of South Dakota, as may be required to make a $10 per capita payment to the recognized members of the tribe, and to pay or distribute the same under such rules and regulations as he may prescribe.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SIOUX TRIBE OF INDIANS

The bill (H. R. 6862) authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CROW RESERVATION, MONT.

The bill (H. R. 11478) to amend an act to allot lands to children on the Crow Reservation, Mont., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This bill is the unfinished business, and will be passed over.

LEAVE TO EMPLOYEES OF INDIAN SERVICE

The bill (H. R. 11629) to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 9, after the word "hereafter" to strike out "employees" and insert "teachers," so as to make the bill read:

*Be it enacted, etc.*, That the proviso of the act approved August 24, 1912 (37 Stat. L. 519, U. S. Code, title 25, sec. 275), as amended by the act approved August 24, 1922 (42 Stat. L. 829, U. S. Code, title 25, sec. 275), be, and the same is hereby, amended so that the proviso shall read: "*Provided*, That hereafter teachers of the Indian schools and physicians of the Indian Service may be allowed, in addition to annual leave, educational leave not to exceed 30 days per calendar year, or 60 days in every alternate year, for attendance at educational gatherings, conventions, institutions, or training schools, if the interest of the service require, and under such regulations as the Secretary of the Interior may prescribe, and no additional salary or expense on account of this leave of absence shall be incurred."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF TRANSPORTATION ACT OF 1920

The bill (S. 3723) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was announced as next in order.

Mr. KING. Mr. President, I should like to have some explanation regarding this bill.

The PRESIDING OFFICER. In the absence of the author of the bill, it will be passed over.

Mr. KING subsequently said: The Senator from Maryland [Mr. BRUCE] was absent a moment ago when I asked for an explanation in regard to Senate bill 3723, of which he is the author, as I understand.

Mr. BRUCE. I hope that bill will be taken up for consideration.

The PRESIDING OFFICER. Without objection, the Senate will return to Order of Business 820, Senate bill 3723, the Senator from Maryland having returned to the Chamber.

The Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That subdivision (a) of section 209 of the transportation act, 1920, be, and the same is hereby, amended and reenacted so as to read as follows:

"(a) When used in this section—

"The term 'carrier' means (1) a carrier by railroad or partly by railroad and partly by water, whose railroad or system of transportation is under Federal control at the time Federal control terminates, or which has heretofore engaged as a common carrier in general transportation and competed for traffic, or connected, with a railroad at any time under Federal control; and (2) a carrier by water not controlled by any railroad company, or a sleeping-car company, whose system of transportation is under Federal control at the time Federal control terminates, but does not include a street or interurban electric railway not under Federal control at the time Federal control terminates, which has as its principal source of operating revenue urban, suburban, or interurban passenger traffic or sale of power, heat, and light, or both;

"The term 'guaranty period' means the six months beginning March 1, 1920;

"The term 'test period' means the three years ending June 30, 1917; and

"The term 'railway operating income' and other references to accounts of carriers by railroad shall, in the case of a carrier by water not controlled by any railroad company, or of a sleeping-car company, be construed as indicating the appropriate corresponding accounts in the accounting system prescribed by the commission."

SEC. 2. That this act shall be effective from and after February 28, 1920: *Provided*, That the passage of this amendatory act shall in no wise affect any rights or benefits conferred by said subdivision (a) in

said original section 209, nor shall the language used herein be construed to exclude any beneficiary embraced within the terms of said original act.

Mr. KING. Reserving the right to object, I shall be glad to hear an explanation from the Senator.

Mr. BRUCE. Mr. President, during the World War the Government, as we all know, took over each and every system of transportation, consisting of railroads and "owned" or "controlled" systems of coastwise and inland transportation engaged in general transportation. Among the transportation lines that it took over were the lines of the Merchants & Miners' Transportation Co. That company had some 14 ships, 3 tugs, 48 barges, and certain valuable buildings and wharves. Its ships plied between Baltimore and Providence and Boston and also between Baltimore and Savannah and Jacksonville. It was not, however, a transportation line within the literal meaning of section 209 of the Federal transportation act of 1920, which prolonged Federal-control rates for the benefit of carriers for a period of six months by the "guaranty-clause" provisions contained in that act and defined the term "carrier" as meaning a carrier by railroad or partly by railroad and partly by water. In other words, the Merchants & Miners' Transportation Co. was an independent line and unaffiliated with any railroad. Nevertheless, it was taken over by the Government, and when the time came for the relinquishment of Government control it refused to accept relinquishment, although by agreement with the Government it resumed the possession of its property, with the stipulation that it was without prejudice to any of its rights in the premises. Afterwards it filed its claim for compensation under the Federal control act, and the board of referees appointed by the Interstate Commerce Commission found that it was under Federal control until March 1, 1920, and that the attempted relinquishment by the Government was without legal effect. All carriers embraced within section 209 of the transportation act being given the opportunity to file with the Interstate Commerce Commission on or before March 15, 1920, a written statement declaring that they accepted the guaranty provisions of that act, the Merchants & Miners' Transportation Co. filed such a statement. It is to obtain the amount to which it is morally entitled under the guaranty that the pending bill was introduced into the Senate at the instance of the Merchants & Miners' Transportation Co. Manifestly, the failure to include independent steamship lines in section 209 of the transportation act of 1920 was a mere inadvertence, and under the circumstances the Merchants & Miners' Transportation Co. is as justly entitled to the benefits of the "guaranty clause" provided for by World War legislation as if it, when taken over, had been a carrier partly by railroad and partly by water. I trust, therefore, that the bill will be passed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FLETCHER. Mr. President, I infer that it was simply an inadvertence in the language used in the act of 1920 that this line was not included.

Mr. BRUCE. That is it—nothing but an inadvertence.

Mr. FLETCHER. The report so shows.

Mr. BRUCE. That is right.

Mr. FLETCHER. The report says:

> We have limited the effect of the amendment to the one independent water carrier inadvertently excluded. Justice and equity require the enactment of this law to correct the manifest discrimination against this independent water line.

This bill, therefore, is brought in to correct a mere inadvertence.

Mr. BRUCE. And, of course, the letter of the chairman of the Interstate Commerce Commission, Mr. Clark——

The PRESIDING OFFICER. The time of the Senator has expired.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1945) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes, approved July 11, 1916, and for other purposes, was announced as next in order.

Mr. JONES. At the request of the Senator from Connecticut [Mr. BINGHAM], I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3554) to authorize the National Academy of Sciences to investigate the means and methods for affording Federal aid in discovering a cure for cancer, and for other purposes, was announced as next in order.

Mr. CURTIS. At the request of the Senator from Utah [Mr. SMOOT], I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE ACT

The joint resolution (H. J. Res. 200) to amend section 10 of the act entitled "An act to establish the upper Mississippi River wild life and fish refuge," approved June 7, 1924, was considered as in Committee of the Whole.

Mr. McNARY. I move that the House joint resolution be substituted for the Senate joint resolution and that the Senate joint resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, that order will be made.

Mr. BLAINE. After the substitution of the House joint resolution is made, I ask that the joint resolution go over for the time being.

The PRESIDING OFFICER. Under objection, the joint resolution will be passed over.

CLAIMS OF INDIANS OF WASHINGTON

The bill (S. 1480) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred on the Court of Claims, with the right to appeal to the Supreme Court of the United States by either party, as in other cases, notwithstanding the lapse of time or statutes of limitation, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims of the Lower Spokane and the Lower Pend O'Reille or Lower Calispell Tribes or Bands of the State of Washington, or any of said tribes or bands, against the United States arising under or growing out of the original Indian title, claim, or rights of the said Indian tribes and bands, or any of said tribes or bands (with whom no treaty has been made), in, to, or upon the whole or any part of the lands and their appurtenances claimed by said Lower Spokane Tribe or Band of Indians, in the State of Washington, and embraced within the following general descriptions, to wit:

Commencing in the State of Washington on the east and west Government survey township line between townships 24 and 25 north at a point whose longitude is 119° 10′ west; thence east along said township line to the first draw leading and draining into Hawk Creek in Lincoln County, Wash.; thence down the center of said draw to said Hawk Creek and down the center of said Hawk Creek to its conflux with the Columbia River; thence up and along the south and east bank of the Columbia River to the north bank of the Spokane River at its conflux with the Columbia River, which said boundary lines separate the lands of said Lower Spokane Tribe or Band of Indians from those, the several so-called Colville and Okanogan Tribes or Bands of Indians; thence easterly up and along the north bank of the said Spokane River to a north and south line whose longitude is 118° west; thence south along said line to its intersection with the 47th parallel of latitude; thence west along said 47th parallel to a line whose longitude is 119° 10′ west; thence north on said line to the point of beginning, which two latter lines of boundary separate the lands of the said Lower Spokane Tribe or Band of Indians from the lands of the confederated Yakima Indians as defined by the treaty between the United States and said Yakima Indians concluded at Camp Stevens, Walla Walla Valley, Washington Territory, June 9, 1855 (12 U. S. Stat. L. 951, 956); lands in the States of Idaho, Montana, and Washington, claimed by said Lower Calispell or Lower Pend O'Reille Indian Tribe or Band of Indians and embraced within the following description, to wit:

Commencing at a point in the State of Idaho at the 49th parallel latitude on the divide between the waters of the Flat Bow or Kootenai River and those of the Clark Fork River and its tributaries; thence southerly and southeasterly along said summit of the divide, known as the Cabinet Mountain, to the headwaters of Thompsons River in Sanders County, Mont.; thence southerly along the divide between Thompsons River and the tributaries of the Flathead River to the town of Plains, Mont., and continuing southwesterly on a line drawn through St. Regis, Mont., to the summit of the Calispell or Coeur d'Alene Range of the Bitter Root Mountains (which said boundaries separate the original habitat and lands of said Lower Calispell or Lower Pend O'Reille Indians from those of the Cooteney, Upper Pend O'Reille, and Flathead Tribes or Bands of Indians as defined by the treaty between the United States and said last-named tribes or bands of Indians, executed July 16, 1855) (12 Stat. L. 975–979); thence northwesterly along the summit of said Calispell or Coeur d'Alene Range and the divide between the waters of the said Clark Fork and those of the Coeur d'Alene River, and along said course extend to and across the Spokane Plains and continuing in a general northwesterly direction to the divide separating the waters of said Clark Fork River from the Spokane River and its tributaries to the main ridge of the Calispell Mountains in the State of Washington; and thence in a northerly direction, along the summit of

main ridge of said Calispell Mountains, and said course extending to the international boundary line between the Province of British Columbia and the State of Washington; then east along said international boundary line to the point of beginning, which last-named boundaries separate the original habitat and land of said Lower Calispell or Lower Pend O'Reille Indians from those of the Coeur d'Alene, Spokane, Colville, and Lake Tribes or Bands of Indians; which said lands or rights therein or thereto are claimed to have been taken away from said Indian tribes and bands, or some of them, by the United States, recovery therefor in no event to exceed $1.25 per acre; together with all other claims of said tribes or bands of Indians, or any of said tribes or bands, arising under or growing out of fishing rights and privileges held and enjoyed by said tribes and bands, or any of them, in the waters of the Columbia River and its tributaries; or arising or growing out of hunting rights and privileges held and enjoyed by said tribes and bands, or any of them, in common with other Indians in the "common hunting grounds" east of the Rocky Mountains as reserved by and described in the treaty with Blackfoot Indians, October 17, 1855 (11 Stat. L. 657–662), and which are claimed to have been taken away from said tribes and bands, or any of them, by the United States without any treaty or agreement with such Indian claimants therefor and without compensation to them.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petition, subject to amendment, be filed as herein provided in the Court of Claims within five years from the date of the approval of this act, and such suit or suits shall make the said Lower Spokane and Lower Calispell or Lower Pend O'Reille Indian Tribes or Bands of Washington, or any of said tribes or bands, party or parties plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Indians approved in accordance with existing law; and said contract shall be executed in their behalf by a committee or committees selected by said Indians as provided by existing law. Official letters, papers, documents and records, maps, or certified copies thereof may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the prosecution of any suit or suits instituted under this act.

SEC. 3. In said suit or suits the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against the said Indian tribes and bands, or any of them, but any payment or payments which have been made by the United States upon any such claim or claims shall not operate as an estoppel, but may be pleaded as an offset in such suit or suits, as may gratuities, if any, paid to or expended for said Indian tribes and bands or any of them.

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, by any one of said tribes or bands, and in no event to exceed the sum of $25,000 for any one of said tribes or bands of Indians, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits to be paid to the attorney or attorneys employed as herein provided by the said tribes or bands of Indians, or any of said tribes or bands, and the same shall be included in the decree, and shall be paid out of any sum or sums adjudged to be due said tribes or bands, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF TRANSPORTATION ACT, 1920

Mr. BRUCE. Mr. President, I ask unanimous consent that the vote by which Senate bill 3723 was passed be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the bill was ordered to a third reading and was passed is reconsidered.

Mr. BRUCE. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 9, after the word "both," to insert a colon and "*Provided*, That the claim or claims of any carrier to which the benefits of this section are hereby for the first time made available shall be filed with the commission within 60 days from the date of the approval of this amendment, and shall be allowed and paid as otherwise provided in this act, notwithstanding the provisions of any prior statute or administrative rule, or ruling, of limitation."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DETAIL OF ROAD ENGINEERS TO LATIN-AMERICAN REPUBLICS

The bill (S. 1718) to authorize the President to detail engineers of the Bureau of Public Roads of the Department of Agriculture to assist the governments of the Latin-American Republics in highway matters was announced as next in order.

Mr. KING. Mr. President, may I inquire of the Senator from Nevada whether the committee considered all the implications of this bill? I recall that a number of years ago a proposition was made that the engineers of the Reclamation Service be made available for corporations or individuals who owned land privately and desired to reclaim or improve their land. After consideration, it was deemed unwise to pass such legislation, for the reason that a considerable number of the staff would undoubtedly be obtained by private persons—they would pay for them, of course—and it would necessarily increase the number of officials, the personnel, of the Reclamation Service. When they are gotten on the roll, under the civil service, it is difficult to get them off the roll again.

If the President of the United States may detail engineers of the road department to go to Panama, or to the Argentine, or to Brazil, to help build roads there, obviously additional engineers will have to be employed in the road department at home. Those persons who go get additional compensation, they have longevity rating, they are under the civil service, and, though I do not use the term offensively, you are "padding" the rolls, getting more employees upon the rolls in order to help other countries.

I am perfectly willing to help other countries, but I am unwilling to increase the personnel of our Government in order to furnish employees to other countries. If they are cut off the rolls to go to other countries and take their chances, and then take their chances of being reemployed, I have no objection. It does seem to me that the bill in its present form is a little too broad, and in order that we may consider it in all of its implications I ask the Senator to let it go over.

Mr. ODDIE. Mr. President, I will ask the Senator from Utah to withhold his objection for just a moment.

I call the attention of the Senator to the fact that the wording of this provision is identical with that of the provision of the existing law giving authority to the President to detail officers of the Army, Navy, and Marine Corps to assist the Latin-American Republics in military and naval matters. There is a very great demand for this bill, because unless it is passed the road-building program in the Western Hemisphere will be materialy retarded. The road organizations of the country would like to see this legislation passed.

The Bureau of Public Roads has approved it, the Department of Agriculture has approved it, and the Budget has reported that it is not in conflict with the President's policy.

Mr. KING. I have no doubt on earth that the departments would not fail to approve such legislation as this, because it adds to the personnel. I know that the object back of it is entirely meritorious, but I am looking to the future. It would increase the personnel. They would be given longevity rating, they would get retirement pay, and we would be multiplying the expenses of the Government. It does seem to me that we ought to give this further consideration, and I ask that it go over temporarily.

Mr. ODDIE. In answer to the Senator's last statement I will say that the object of the bill is very meritorious. It is bigger than any question such as the Senator from Utah has raised. I will be pleased if he will withdraw his objection.

The PRESIDING OFFICER. Does the Senator withdraw his objection?

Mr. KING. No.

The PRESIDING OFFICER. The bill will be passed over.

RURAL POST ROADS

The bill (S. 3674) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That for the purposes of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the construction and maintenance of the main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations; by the Bureau of Public Roads if on Fed-

eral reservations, and by the respective State highway departments, under agreement with the Secretary of Agriculture, if on any other part of the Federal-aid highway system or on the United States numbered system of highways: *Provided*, That in the allocation of any such funds authorized to be appropriated under this act or any subsequent act, preference shall be given to those projects which are located on the Federal-aid highway system or on the United States numbered system of highways, as the same are now, or may hereafter be designated:

The sum of $3,500,000 for the fiscal year ending June 30, 1929;

The sum of $3,500,000 for the fiscal year ending June 30, 1930;

The sum of $3,500,000 for the fiscal year ending June 30, 1931: *Provided*, That the sums hereby authorized shall be in addition to any other sums authorized or appropriated for roads, and shall be allocated to the States having more than 5 per cent of their area in lands hereinabove referred to, and said sums shall be apportioned among said States in the proportion that said lands in each of said States is to the total area of said lands in the States eligible under the provisions of this act, and no contribution from the States shall be required in the expenditure thereof.

SEC. 2. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

W. H. TALBERT

The bill (S. 1645) for reimbursement of W. H. Talbert was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay W. H. Talbert, out of any money in the Treasury not otherwise appropriated, as reimbursement, the sum of $135 for money expended for repair of automobile wrecked in service of the Indian Department in transporting Indian children from one school to another.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ROADS AT THE PRESIDIO, SAN FRANCISCO, CALIF.

The bill (H. R. 9047) to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif., was considered as in Committee of the Whole.

Mr. KING. Mr. President, I would like to ask the Senator from California whether in the appropriation bill which was passed a few weeks ago, carrying several hundred millions for the Army, there was not an appropriation made for these roads in the Presidio?

Mr. JOHNSON. No. This is $47,000 asked by the War Department and absolutely essential for the roads in the Presidio at San Francisco.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PHILIPPINE CONSTABULARY SERVICE

The bill (S. 3463) to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That in determining the pay period and rights of retirement in the case of officers of the Regular Army, active duty performed as an officer of the Philippine Constabulary shall be credited to the same extent as service under a Regular Army commission or other active duty recognized under the provisions of section 127a of the national defense act of June 3, 1916, as amended by the act of June 4, 1920.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM M. SHERMAN

The bill (S. 162) to change the military record of William M. Sherman was considered as in Committee of the Whole. The bill had been reported by the Committee on Military Affairs with an amendment on page 1. The committee proposes, on page 1, to strike out all after the enacting clause and to insert the following:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, or their dependents, William M. Sherman, who served as a private of Troop A, Eighth Regiment United States Cavalry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said organization on the 7th day of March, 1901: *Provided*, That no bounty, pension, pay, or other emoluments shall accrue prior to the passage of this act.

Mr. KING. Mr. President, I would like to have an explanation of this from the Senator from Florida.

Mr. FLETCHER. Mr. President, this man enlisted and deserted shortly after he enlisted; he was court-martialed and dishonorably discharged. He enlisted twice after that and was honorably discharged both times. He was granted a pardon for his first dishonorable discharge for desertion. He was pardoned by the President, but that does not correct the record, and this is to correct the record. He enlisted twice after the first discharge, and both times his record was marked good. Having been pardoned for the first offense by the President, the committee felt that he was entitled to this relief. I think it is a meritorious case.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of William M. Sherman."

ACOMA PUEBLO INDIANS

The bill (H. R. 11479) to reserve certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

J. C. PEIXOTTO

The bill (S. 1433) for the relief of J. C. Peixotto was announced as next in order.

Mr. KING. Let that be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GILPIN CONSTRUCTION CO.

The bill (S. 1530) for the relief of Gilpin Construction Co. was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy be, and is hereby, authorized and directed to pay to Gilpin Construction Co., of Astoria, Oreg., $112,990.32, out of any money in the Treasury not otherwise appropriated, and in full settlement of any and all claims against the United States arising out of and/or in connection with Navy Department Bureau of Yards and Docks contract No. 4615, dated February 17, 1923, for the furnishing of all labor and materials and the construction of four timber piers, one timber bulkhead, two brush bulkheads, a railroad track, and for the dredging of the channel and turning basin at the Navy submarine and destroyer base at Astoria, Oreg., and as compensation for any and all services, labor, and materials furnished thereunder or extra thereto.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF HOMESTEAD SETTLERS, MINNESOTA

The bill (H. R. 8487) to adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

A. ROY KNABENSHUE

The bill (S. 3809) conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of Roy A. Knabenshue against the United States for the use or manufacture of an invention of Roy A. Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "Roy A." and insert in lieu thereof "A. Roy," so as to make the bill read:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims and/or the district court of the United States, notwithstanding the lapse of time or the statute of limitations, to hear, examine, adjudicate, and render judgment of the claim of A. Roy Knabenshue, for the use and manufacture by or for the United States without license of the owner thereof or lawful right and infringement thereof of patent described in or covered by Letters Patent No. 858875, issued

by the Patent Office of the United States on the 2d day of July, 1907. From any decision in any suit prosecuted under the authority of this act an appeal may be taken by either party as is provided for by law in other cases.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907."

### ILLINOIS, NORTH DAKOTA, WEST VIRGINIA, MINNESOTA, INDIANA, TEXAS, AND ARKANSAS BRIDGE BILLS

The following bridge bills were severally considered as in Committee of the Whole, reported to the Senate without amendment, ordered to a third reading, read the third time, and passed:

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Wabash River at or near McGregors Ferry in White County, Ill.;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek Kanawha Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing the St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River at or near Weslaco, Tex.; and

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark.

### WHITE RIVER BRIDGE, ARKANSAS

Mr. CARAWAY. Mr. President, in regard to the bill last passed by the Senate, House bill 11583, a bill for this very purpose passed the Senate some days ago. As it went to the House, it possibly differs slightly from this bill, but this one was passed in the House and came to the Senate, and I have no objection to the bill having been passed in this form.

I ask unanimous consent that the Senate bill for the construction of this bridge, which passed the Senate a few days ago, be recalled from the House, because I do not want to have two bills enacted for the same purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

### MISSOURI RIVER BRIDGE, MONTANA

The bill (H. R. 11625) granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River at or near Glasgow, Mont., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

### MISSISSIPPI RIVER BRIDGE

The bill (S. 3862) authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Commerce with amendments, on page 1, to strike out line 9 and down to and including the word "Missouri," in line 10, and to insert in lieu thereof the words "at or near Tiptonville, Tenn." and a comma; and on page 3, line 17, to strike out the word "deprecation" and insert in lieu thereof the word "depreciation," so as to make the bill read:

*Be it enacted, etc.,* That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, J. T. Burnett, his heirs, legal representatives, and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Tiptonville, Tenn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon J. T. Burnett, his heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said J. T. Burnett, his heirs, legal representatives, and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of Tennessee, the State of Missouri, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches and any interest in any real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 15 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been provided, such bridge shall thereafter be maintained and operated free of tolls or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. J. T. Burnett, his heirs, legal representatives, and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Tennessee and Missouri, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property therefor, and the

actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, and at an time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said J. T. Burnett, his heirs, legal representatives, and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to J. T. Burnett, his heirs, legal representatives, and assigns, and any corporation to which, or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn."

### CLAIMS AGAINST THE DISTRICT OF COLUMBIA

The bill (S. 3581) authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia, was announced as next in order.

The bill had been reported by the Committee on the District of Columbia with amendments, on page 1, line 4, to strike out the words "and directed;" and on page 2, to strike out lines 6 to 12 and to insert a new section, as follows:

SEC. 2. No proceeding to cancel a tax assessment, or to recover taxes paid, shall be brought after one year from the date of the decision of a court of last resort holding void the law under which the tax was levied or paid.

So as to make the bill read:

*Be it enacted, etc.,* That the Commissioners of the District of Columbia be, and they hereby are, empowered to settle, in their discretion, claims and suits, either at law or in equity, against the District of Columbia whenever the cause of action—

(a) Arises out of the negligence or wrongful act, either of commission or omission, of any officer or employee of the District of Columbia for whose negligence or acts the District of Columbia is prima facie liable to respond in damages.

(b) Arises out of the existence of facts and circumstances which place the claim or suit within the doctrines and principles of law decided by the courts of the District of Columbia or by the Supreme Court of the United States to be controlling in the District of Columbia.

SEC. 2. No proceeding to cancel a tax assessment, or to recover taxes paid, shall be brought after one year from the date of the decision of a court of last resort holding void the law under which the tax was levied or paid.

SEC. 3. No settlement of any claim or cause of action herein authorized to be made by the Commissioners of the District of Columbia shall in any event exceed the sum of $5,000, and all settlements entered into by the Commissioners of the District of Columbia acting under the terms and provisions of this act shall be presented to the Congress, together with a brief statement of the nature of the claim or suit, the amount claimed, and the amount of the settlement, with a summary of the evidence and circumstances under which the settlement was made. Appropriations for the payment of such settlements are hereby authorized, payment thereof to be made in the same manner as are other expenditures for the District of Columbia.

SEC. 4. This act shall take effect from and after its passage, but nothing herein contained shall be construed as prohibiting the Commissioners of the District of Columbia from proceeding according to the terms and provisions hereof to settle any claim or suit pending at the time of the enactment hereof, irrespective of the date of presentation of the claim to the Commissioners of the District of Columbia or the date of the filing of the suit.

The amendments were agreed to.

Mr. BLAINE. Mr. President, I do not ask that this bill go over permanently, but I would like to have it go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

### CAPT. WILL H. GORDON

The bill (S. 2821) for the relief of Capt. Will H. Gordon was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Capt. Will H. Gordon, of Plattsburg Barracks, N. Y., the sum of $472, in full compensation for stoppage against pay of said Capt. Will H. Gordon, covering the loss of 20 pistols for which he was held pecuniarily responsible in accordance with investigation and recommendation of the inspector general.

Mr. KING. Mr. President, I would like to have an explanation from the Senator from Alabama.

Mr. BLACK. Mr. President, this man was a captain in the Army who left his station under orders of his superior officer. He was instructed exactly how his property should be safeguarded. Those instructions were carried out. He caused the doors to be locked and barred, but a burglary occurred while he was gone under instruction from his superior officer. A guard had been left in the camp.

The burglar obtained some pistols worth about $470. Those pistols were charged up to Captain Gordon. The board examined and went into the facts, and held, as I believe, correctly, from the evidence, that the captain had done everything possible that a man could do to safeguard the property. However, the survey went up to an officer, I believe, in Washington, who, without giving any reason in the world that I can find, in the record or elsewhere, set aside the finding of the board of survey and charged this loss to the officer.

Under all the facts and the evidence, the man had taken every precaution which any officer could or should have taken. I therefore did not think, and the committee did not think, he should be charged with this $470.

Mr. KING. Under the Army Regulations, as I understand them, he would have had the right to carry the matter to the Secretary of War. It seems to me it is rather a dangerous precedent for Congress, in the face of an adverse recommendation before the highest tribunal, so to speak, has been reached, to ignore the decision and take it out of the hands of the War Department. If the matter had gone to the ultimate source of authority and they had affirmed the decision and the committee still felt that an injustice had been done, then it seems to me the appeal to Congress would have been more persuasive and more valid.

Mr. BLACK. We did not go completely into the question of appeal. Whether he could have gone any further or not I do not know. I do not think that the Government should be put to any more expense with reference to this charge, which should not have been made against this officer. He did everything he could do. He guarded, he even nailed up the windows and locked the doors, and after he had done that his commanding officer came around to inspect and held that the place was properly guarded. Under those circumstances I can not see any reason or justification, and neither could the committee, in charging the officer with something which was completely beyond his control.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### CLAIMS AGAINST THE DISTRICT OF COLUMBIA

Mr. BLAINE. Mr. President, Calendar No. 848 was passed over temporarily. I ask unanimous consent that we may recur to it.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed consideration of the bill (S. 3581) authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, which had been agreed to.

Mr. BLAINE. I ask that the bill be put upon its passage.

Mr. KING. I desire to offer a further amendment. On page 2, line 5, strike out "$5,000" and insert "$3,000."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 20, strike out "$5,000" and insert in lieu thereof "$3,000," so as to make the bill read:

*Be it enacted, etc.,* That the Commissioners of the District of Columbia be, and they hereby are, empowered to settle, in their discretion,

claims and suits, either at law or in equity, against the District of Columbia whenever the cause of action—

(a) Arises out of the negligence or wrongful act, either of commission or omission, of any officer or employee of the District of Columbia for whose negligence or acts the District of Columbia is prima facie liable to respond in damages.

(b) Arises out of the existence of facts and circumstances which place the claim or suit within the doctrines and principles of law decided by the courts of the District of Columbia or by the Supreme Court of the United States to be controlling in the District of Columbia.

SEC. 2. No proceeding to cancel a tax assessment, or to recover taxes paid, shall be brought after one year from the date of the decision of a court of last resort holding void the law under which the tax was levied or paid.

SEC. 3. No settlement of any claim or cause of action herein authorized to be made by the Commissioners of the District of Columbia shall in any event exceed the sum of $3,000 and all settlements entered into by the Commissioners of the District of Columbia acting under the terms and provisions of this act shall be presented to the Congress, together with a brief statement of the nature of the claim or suit, the amount claimed, and the amount of the settlement, with a summary of the evidence and circumstances under which the settlement was made. Appropriations for the payment of such settlements are hereby authorized, payment thereof to be made in the same manner as are other expenditures for the District of Columbia.

SEC. 4. This act shall take effect from and after its passage, but nothing herein contained shall be construed as prohibiting the Commissioners of the District of Columbia from proceeding according to the terms and provisions hereof to settle any claim or suit pending at the time of the enactment hereof, irrespective of the date of presentation of the claim to the Commissioners of the District of Columbia or the date of the filing of the suit.

Mr. KING. I would like to see how this would operate for a year or two, and then if we desire to increase the limit so that the commissioners may settle for larger amounts, Congress can very quickly act. In the settlement of War Department cases the limit is $500. I am unwilling, of course, to fix so low a limit. I suggest $3,000 be inserted instead of $5,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Utah.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1294) to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce was announced as next in order.

Mr. COPELAND. Mr. President, I am objecting to the immediate consideration of the bill, because I have not yet firmly established in the minds of Senators how certain people feel about its provisions. Some complaints have come to me about it. I have had some correspondence with gentlemen who are interested in it. I ask that it go over to-day and the next time the calendar is called I shall attempt to elucidate how my people feel about it.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1762) granting consent to the city and county of San Francisco, State of California, its successors and assigns, to construct, maintain, and operate a bridge across the Bay of San Francisco from Rincon Hill to a point near the South Mole of San Antonio Estuary, in the county of Alameda, in said State, was announced as next in order.

Mr. METCALF. Over.

The PRESIDING OFFICER. The bill will be passed over.

PUBLIC MARKET, DISTRICT OF COLUMBIA

The joint resolution (S. J. Res. 50) providing that the Secretary of Agriculture be directed to give notice that on and after January 1, 1929, the Government will cease to maintain a public market on Pennsylvania Avenue between Seventh and Ninth Streets NW., was considered as in Committee of the Whole and was read, as follows:

*Resolved, etc.*, That the Secretary of Agriculture be, and he is hereby, directed to give notice that on and after January 1, 1929, the Government will cease to maintain a public market on Pennsylvania Avenue between Seventh and Ninth Streets NW. The land now occupied by the Center Market shall, after the date above specified, be available for the construction thereon of public buildings of the Government.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SURVEY OF OYSTER BEDS, FLORIDA

The bill (S. 1458) providing for a survey of the natural oyster beds in the waters within the State of Florida was considered as in Committee of the Whole. The bill had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and insert the following:

That the Secretary of Commerce be, and he is hereby, directed to have made a survey of the natural oyster beds and barren bottoms contiguous thereto in waters within the State of Florida, and to conduct investigations and experiments for the purpose of increasing oyster production therein, and to make and publish reports of the results of such surveys and investigations. That for such purpose the Coast and Geodetic Survey and the Bureau of Fisheries be, and are hereby, directed to expend, under the direction of the Secretary of Commerce, a sum not exceeding $25,000, which said sum is hereby authorized to be appropriated for the purpose of said investigation, including employment of personnel at the seat of government and elsewhere, rental of office and laboratory quarters, purchase or hire and/or operation and maintenance of boats and floating equipment, and purchase of scientific apparatus and supplies as may be necessary for the carrying out of this act.

Mr. EDGE. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. Certainly.

Mr. EDGE. Is this a matter entirely within Federal jurisdiction? We are interested in similar conditions in New Jersey, and I am asking for information.

Mr. FLETCHER. These waters are entirely within the jurisdiction of the Federal Government. This is the exact amendment that was submitted by the Commissioner of the Bureau of Fisheries. Instead of an original bill, we have reported it as an amendment by inserting the entire proposition which he recommended.

Mr. EDGE. What does it provide? Does it provide for the investigation of waters that have not heretofore been planted with oyster seed?

Mr. FLETCHER. Yes; and a survey in cooperation with the Bureau of Fisheries in ascertaining the location of the beds. It is quite an important industry.

Mr. EDGE. I realize the importance of the industry and I am simply asking for information, thinking it might be useful in my section of the country.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 391) to regulate the use of the Capitol Building and Grounds was announced as next in order.

Mr. DILL. Over.

The PRESIDING OFFICER. The bill will be passed over.

BRIDGE ACROSS LAKE CHAMPLAIN, N. Y.

The bill (H. R. 10643) authorizing the Gulf Coast Properties (Inc.), its successors and assigns, to construct, maintain, and operate a bridge across Lake Champlain at or near Rouses Point, N. Y., was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That in order to facilitate interestate commerce, improve the Postal Service, and provide for military and other purposes, the Gulf Coast Properties (Inc.), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain at a point suitable to the interests of navigation, between a point at or near Rouses Point, N. Y., and a point at or near Windmill Point, Vt., or near Alburg, Vt., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act: *Provided*, That such bridge shall not be so located as to interfere with the landings and the cable used for the operation of the existing ferry between Rouses Point and Alburg.

SEC. 2. There is hereby conferred upon Gulf Coast Properties (Inc.), its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the pro-

ceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Gulf Coast Properties (Inc.), its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of New York, the State of Vermont, any public agency or political subdivision of either of such States within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. The Gulf Coast Properties (Inc.), its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of New York and Vermont a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Gulf Coast Properties (Inc.), its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Gulf Coast Properties (Inc.), its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. COPELAND subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 855. It seems that my colleague the junior Senator from New York [Mr. WAGNER], who is engaged in an important committee meeting and can not be here this afternoon, desires to have the bill passed over. I was not advised of that until just at this moment. I ask that we may return to the bill, that the votes by which it was ordered to a third reading and passed may be reconsidered, and the bill be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DALE. Mr. President, may I ask what was the request of the Senator from New York?

The PRESIDING OFFICER. The Senator from New York asks that House bill 10643 be restored to the calendar.

Mr. DALE. I would like to have the Senator explain the purpose of his request.

Mr. COPELAND. I have just this minute been advised that my colleague the junior Senator from New York [Mr. WAGNER] desires to be here when the bill is considered. He is engaged in an important committee hearing this afternoon and can not be present. Out of courtesy to him I have asked that we return to the bill and have it put back on the calendar. Personally I have no objection at all, but my colleague is interested for some reason and the only courteous thing I could see is to have it returned to the calendar in order that he may be present when it is considered.

Mr. DALE. On the other hand, Vermont people are very much interested in getting the bill through. Only this afternoon word was sent to me from the other House that they are anxious to get the bill through. I do not like to be put in the position of consenting to have it put back on the calendar.

Mr. COPELAND. Let me ask the Presiding Officer a question: How long would I have to bring the bill back if it should stand now as passed?

The PRESIDING OFFICER. Two calendar days after today.

Mr. COPELAND. I think I shall have to move to reconsider——

Mr. DALE. The Senator from New York does not need to move to reconsider, because, of course, I will grant his request; but I hope it will not be delayed much longer.

Mr. COPELAND. I am assured that my colleague will be here to-morrow, and at some time during the day I shall be glad to join with the Senator from Vermont in asking for its immediate consideration. There will be no delay so far as I am concerned.

Mr. DALE. Very well.

The PRESIDING OFFICER. Without objection, the votes by which the bill was ordered to a third reading and passed are reconsidered, and the bill will be restored to its place on the calendar.

### BILL PASSED OVER

The bill (S. 3919) awarding a gold medal to Lincoln Ellsworth was announced as next in order.

Mr. COPELAND. Mr. President, the Senator from Connecticut [Mr. BINGHAM] is interested in the bill. I would not care to have it passed in his absence. Therefore I ask that it go over without prejudice.

The PRESIDING OFFICER. The bill will be passed over.

### PENSIONS AND INCREASE OF PENSIONS

The bill (H. R. 10159) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, will the Senator let the bill go over until the next time the calendar is called?

Mr. NORBECK. Yes. This is a general pension increase for widows. The Senator from Utah has asked that this go over because he has not had an opportunity to examine it. I think that is a perfectly reasonable request. But the Senator from Utah asked that same thing two or three weeks ago with reference to another bill on the calendar. I ask that the other bill be taken up at this time. It is a small bill and provides specific pensions for the Regular Establishment, involving about 300 men and small increases.

Mr. KING. I have no objection.

The PRESIDING OFFICER. On objection, House bill 10159 will be passed over. Is there objection to the request of the Senator from South Dakota for the present consideration of Calendar 738?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10141) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, which had been reported from the Committee on Pensions with amendments.

Mr. KING. Mr. President, may I ask the Senator from South Dakota if the provisions in the bill change in any way existing

law which limits the pensionable status to widows who have been married since 1905?

Mr. NORBECK. No; there is no change in that particular.

Mr. WALSH of Massachusetts. Mr. President, may I inquire if this is the bill which increases the pensions of widows from $30 to $50?

Mr. NORBECK. That is the bill which the Senator from Utah has asked to have passed over, and it has gone over.

Mr. WALSH of Massachusetts. It does not change the age limit and provide for pensions for widows married since 1905?

Mr. NORBECK. It does not change the marriage date; no. The Senator from Utah has asked that that bill go over and we are now considering House bill 10141.

Mr. WALSH of Massachusetts. I favor this bill and urge favorable action during the present session. There is general approval of this increase to widows throughout the country. Many widows in destitute circumstances will be greatly benefited by this increase.

Mr. DILL. Mr. President, may I say that in the meantime I hope the Senator from Utah will investigate the bill which was passed over, because a great many of the widows will not be here much longer to have what is to be allowed them.

Mr. NORBECK. I fully agree with the Senator.

The PRESIDING OFFICER. The first amendment of the Committee on Pensions will be stated.

The first amendment of the Committee on Pensions was, on page 2, after line 2, to strike out:

The name of William Q. Cooper, late of Fifth Battery, Iowa Volunteer Light Artillery, war with Spain, and pay him a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to strike out:

The name of Ernest W. Raper, late of Company H, Seventh Regiment Ohio Volunteer Infantry, war with Spain, and pay him a pension at the rate of $6 per month.

The amendment was agreed to.

The next amendment was, on page 3, after line 2, to strike out:

The name of Daniel B. Jones, late of band, Sixth Regiment United States Cavalry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 3, after line 6, to strike out:

The name of Paulinus G. Huhn, late of Company M, Thirteenth Regiment Minnesota Volunteer Infantry, war with Spain, and pay him a pension at the rate of $72 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 3, after line 22, to strike out:

The name of Vonny A. McClaren, late of Battery C, Ninth Regiment United States Field Artillery, Regular Establishment, and pay him a pension at the rate of $12 per month.

The amendment was agreed to.

The next amendment was, on page 4, after line 9, to strike out:

The name of Mary Elseser, former widow of Valentine Steil, late of Battery C, First Regiment United States Artillery, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 4, after line 13, to strike out:

The name of Emma R. Walters, widow of Charles R. Walters, late of Company D, Second Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 6, after line 18, to strike out:

The name of Charles W. Paul, late of Company I, Eighth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $72 per month in lieu of that he is now receiving: *Provided*, That the increased rate shall not be paid to him for any period he is an inmate of a State or National soldiers' home.

The amendment was agreed to.

The next amendment was, on page 7, line 15, after the words "rate of," to strike out "$25" and insert "$20," so as to read:

The name of Sarah E. Bascomb, widow of Herbert C. Bascomb, late of Company B, Nineteenth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 8, after line 10, to strike out:

The name of Charles Sabins, late of Sixth Battery, Iowa Volunteer Light Artillery, war with Spain, and pay him a pension at the rate of $15 per month.

The amendment was agreed to.

The next amendment was, on page 12, after line 22, to strike out:

The name of Olympia T. Meena, widow of Stratios Meena, late of the United States Navy, Regular Establishment, and pay her a pension at the rate of $20 per month, with $6 per month additional on account of the sailor's children under 16 years of age, in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 16, after line 15, to strike out:

The name of Charles W. Anderson, late of Company H, Signal Corps, United States Army, Regular Establishment, and pay him a pension at the rate of $90 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 17, after line 10, to strike out:

The name of Elsie M. Hayes, widow of Perley B. Hayes, late of Troop C, Second Regiment Rhode Island National Guard Cavalry, border defense, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 18, line 9, after the words "rate of," to strike out "$12" and insert "$20," so as to read:

The name of Rutherford B. H. Blazer, late of Company G, First Regiment Ohio Volunteer Infantry, war with Spain, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 19, line 23, after the words "rate of," to strike out "$75" and insert "$50," so as to read:

The name of Kate Coffee McDougal, widow of Charles J. McDougal, late commander, United States Navy, Regular Establishment, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 20, line 20, after the words "rate of," to strike out "$6" and insert "$12," so as to read:

The name of Harry H. Davis, late of Company K, Third Regiment Missouri Volunteer Infantry, and Signal Corps, United States Army, war with Spain, and pay him a pension at the rate of $12 per month.

The amendment was agreed to.

The next amendment was, on page 21, after line 13, to strike out:

The name of John E. Quinn, late of Company B, First Regiment Nevada Volunteer Infantry, war with Spain, and pay him a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 21, after line 16, to strike out:

The name of John Prater, late of Company K, Nineteenth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 22, after line 22, to strike out:

The name of Edith L. Quick, widow of John Henry Quick, late of the United States Marine Corps, war with Spain, and pay her a pension at the rate of $50 per month in lieu of the compensation that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 23, after line 21, to insert:

The name of James W. Ashby, late of Troop I, Twelfth Regiment United States Cavalry, and pay him a pension at the rate of $6 per month.

The name of Arthur E. Wilcox, late of Company K, Forty-first Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Nicholas Muccino, late of One hundred and sixty-seventh Company, United States Coast Artillery Corps, and pay him a pension at the rate of $8 per month.

The name of Max Blank, late of Company B, Sixteenth Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Patrick Flynn, late of the United States Navy, war with Spain, and pay him a pension at the rate of $20 per month.

The name of Katie M. Gale, widow of John N. Gale, late of Company C, Third Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Christopher S. Alvord, late of Company D, Fourth Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Forrest W. Luro, dependent and helpless son of Henry W. Luro, late of Company A, First Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Maud D. Davis, widow of Armory H. Davis, late of the United States Navy, and pay her a pension at the rate of $20 per month.

The name of John B. Crowell, late of Company G, Third Regiment New York Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of James Corcoran, alias John Lee, late of Battery F, Second Regiment United States Artillery, and pay him a pension at the rate of $6 per month.

The name of Stephen Crotty, late of Battery I, Second Regiment United States Artillery, and pay him a pension at the rate of $20 per month.

The name of Edwin Duner, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of William H. Comerford, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of John Donahue, late of the United States Navy, and pay him a pension at the rate of $6 per month.

The name of Ellen H. Sharp, widow of Frederick D. Sharp, late of Company E, Twentieth Regiment United States Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Irvin O. Carson, late of Troop I, Fifth Regiment United States Cavalry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Marion Thacker, late of Troop K, Fourth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month in lieu of that he is now receiving.

The name of Mary E. Dalgarn, widow of Francis E. Dalgarn, late of Company B, Fourth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Thomas Kinney, late of Company E, First Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Louis N. White, late of Troop F, Seventh Regiment United States Cavalry, and pay him a pension at the rate of $6 per month.

The name of John F. Conrad, late of Company B, First Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Jennie Springsted, widow of George E. Springsted, late of General Service, United States Army, and pay her a pension at the rate of $12 per month.

The name of Emilio Du Bois, late of the Ninety-first Observation Squadron, Air Service, United States Army, and pay him a pension at the rate of $6 per month.

The name of Royce E. Marshall, late of Battery B, First Artillery Indiana National Guard, and pay him a pension at the rate of $10 per month.

The name of Grace E. Avery, widow of Lieut. Commander Frank Brewster Avery, United States Navy, and pay her a pension at the rate of $30 per month.

The name of Daniel F. Shaser, late of Captain Packwood's Washington Volunteers, Nez Perce outbreak, and pay him a pension at the rate of $30 per month.

The name of Mary Larson, widow of John Larson, late of the United States Navy, and pay her a pension at the rate of $12 per month.

The name of Arthur S. Pattison, late of the United States Navy, and pay him a pension at the rate of $20 per month.

The name of Sarah M. Brown, mother of Evert L. Brown, late of the Coast Artillery, school detachment, United States Army, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Abe Erlich, late of Company I, Third Regiment United States Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Teresita Weitz, widow of Charles C. Weitz, alias Conroy C. Sexton, late of the United States Marine Corps, and Company E, Nineteenth United States Infantry, and pay her a pension at the rate of $12 per month, and $6 for each minor child until they attain the age of 16 years.

The name of Catarino Armijo, late of Company A, First Regiment New Mexico National Guard Infantry, and pay him a pension at the rate of $12 per month.

The name of John Mosley, late first lieutenant Company A, Barbour County (Kans.) State Militia, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving, to commence February 17, 1927.

The name of Mary Isabel Lockard, dependent mother of Addison E. Stainbrook, late of Company E, Forty-fourth Regiment United States Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of William A. Lipscomb, late of Company C, Fortieth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Aaron Schollars, teamster, Quartermaster Department, and pay him a pension at the rate of $20 per month.

The name of William S. Randall, late of Capt. D. B. Randall's Company B, Second Regiment Idaho Volunteers, and pay him a pension at the rate of $20 per month.

The name of William L. Curry, late scout in the United States Army, Nez Perce Indian war, and pay him a pension at the rate of $30 per month.

The name of George W. Peck, late of Company F, Capt. H. J. Maxon's company, Third Regiment Idaho Volunteer Infantry, and pay him a pension at the rate of $30 per month.

The name of Andrew J. Stewart, late of the Quartermaster Department as civilian employee against Indians, and pay him a pension at the rate of $30 per month.

The name of Evelyn Fjeldsted, helpless daughter of James P. Fjeldsted, alias Jans Fieldsted, late of Capt. C. Madsen's company, Utah Militia Infantry, Black Hawk war, and pay her a pension at the rate of $20 per month.

The name of Frank H. Winter, late of Company B, First Battalion Nevada Infantry, and pay him a pension at the rate of $20 per month.

The name of Joseph J. Ivie, late of Capt. Henry McArthur's company, Utah Volunteers, and pay him a pension at the rate of $20 per month.

The name of William J. Williams, late of Companies K and G, Third Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Alice Baker, widow of Norvel H. Baker, late first lieutenant Troop E, Second Regiment United States Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Ross A. Hetrick, late of Battery C, Fifty-fifth United States Coast Artillery, and pay him a pension at the rate of $17 per month.

The name of Seth Seaton Ward, cadet of West Point Military Academy, and pay him a pension at the rate of $30 per month.

The name of Margaret Fondersmith, widow of James Fondersmith, late of Companies H and C, Eighteenth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Fred Erton, late of Company B, Twenty-ninth Regiment United States Infantry, and pay him a pension at the rate of $24 per month.

The name of Nannie M. Hixson, dependent mother of Virgil C. Hixson, late of Company C, Twentieth Regiment United States Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Joseph Baker, who served as Indian scout, United States Army, and pay him a pension at the rate of $50 per month.

The name of William Lentz, late of Company E, One hundred and fifty-eighth Regiment Indiana Infantry, and Company M, Nineteenth United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Elma W. Brett, widow of Brig. Gen. Lloyd M. Brett, late of the United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Jirah I. Allen, late a scout in the United States Army, Indian war, and pay him a pension at the rate of $20 per month.

The name of Ella M. Beckett, contract nurse, Medical Department, United States Army, during the Spanish-American War, and pay her a pension at the rate of $30 per month.

The name of Joseph J. Johnson, late of Company B, Thirty-third Regiment United States Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Effie I. Disney, widow of William Disney, late of the United States Navy, and pay her a pension at the rate of $30 per month.

The name of Anna M. Sherman, former widow of Ira C. Mansfield, alias James Greer, late of Troop G, Sixth United States Cavalry, and pay her a pension at the rate of $30 per month.

The name of Albert A. Hill, United States Navy, and pay him a pension at the rate of $12 per month.

The name of George M. Parker, late of Tenth Company, United States Signal Corps, and pay him a pension at the rate of $20 per month.

The name of Alice B. Gordon, widow of Thomas E. Gordon, alias Edwin T. Gordon, late of the United States Navy, and pay her a pension at the rate of $12 per month.

The name of Glenn Wisely, late of Company G, Third Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Ida B. Davis, dependent mother of Jesse W. Davis, late of Troop A, Twelfth Regiment United States Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John L. Baxter, late a scout with the United States Army, Bannock Indian war, and pay him a pension at the rate of $20 per month, to commence March 4, 1927.

The name of Harrison H. Bradford, late of Company H, First Regiment Louisiana Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Frank H. Wilson, alias Henry Wencel, late of the United States Navy, and pay him a pension at the rate of $17 per month.

The name of Richard L. Gaffney, late of Company K, First Regiment Ohio Volunteer Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Fred W. Fox, late of Company H, Fourth Regiment United States Infantry, and pay him a pension at the rate of $20 per month.

The name of Reuben J. Reals, late of Company F, First Battalion Wyoming Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of George Cuts-Half, late of Troop L, Third Regiment United States Cavalry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Margaret P. Long, dependent mother of Willie Long, late of Troop A, Sixth Regiment United States Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Adam H. Kramer, late of the United States Navy, and pay him a pension at the rate of $20 per month.

The name of George Frye, alias Walter Davison, late of the United States Marine Corps, and pay him a pension at the rate of $12 per month.

The name of Charles H. Sills, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $24 per month.

The name of Thomas Miller, alias James W. Huston, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of Nora Ownby, widow of Robert Ownby, late of Capt. J. F. Blank's Company F, First Regiment New Mexico Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Gustave C. Barth, late of the United States Navy, war with Spain, and pay him a pension at the rate of $20 per month.

The name of Bessie B. H. Cotten, widow of Lyman A. Cotten, late captain United States Navy, for the restoration of the minor, John H. Cotten, named to the roll, from February 17, 1927, and pay her an additional pension at the rate of $4 per month.

The name of Sherman Detwiler, late of Troop G, First United States Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Chesley K. Sims, late of Capt. W. H. Biggerstaff's company, Payette Guards, Idaho Volunteers, and pay him a pension at the rate of $20 per month.

The name of Charles A. McComb, late of Company G, Twentieth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Nelson E. Bucknam, alias Nelson Buckman, late of the United States Navy, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Horace V. Andrews, late of Company C, Tenth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of William C. Milliner, late of Company H, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Marion M. Gray, widow of Hawthorne C. Gray, late a captain attached to the Air Corps, United States Army, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving: *Provided*, That in the event of the death or remarriage of said Marion M. Gray, the names of William Hawthorne Gray, Richard M. Gray, and Gordon J. Gray, minor children of said Hawthorne C. Gray and Marion M. Gray, shall be placed on the pension roll at the same rates as provided including the widow's rate from and after the date of the death or remarriage of said Marion M. Gray, and until they severally shall arrive at the age of 16 years.

The name of Emma L. Meyer, widow of Henry O. Meyer, late of Company K, First Regiment Washington Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Samuel Dorman, for service rendered in Indian wars in Meeker County, Minn., and pay him a pension at the rate of $20 per month.

The name of Adeline E. Myrick, widow of Frank C. Myrick, late scout under General Sibley during the Indian outbreak in the year 1862, and pay her a pension at the rate of $30 per month.

The name of Anne C. H. Howze, widow of Robert L. Howze, late major general, United States Army, and pay her a pension at the rate of $75 per month in lieu of that she is now receiving.

The name of Sanford S. Martin, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of William S. Contell, late of Hospital Corps, United States Army, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Frank Schwartz, late of Company H, Third Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $20 per month.

The name of Catherine Shea, dependent mother of Jeremiah Shea, late of Company D, Fifteenth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

The name of Andrew Brown, late of Company H, Seventh Regiment United States Infantry, and Company G, Fourth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of George Kinley, dependent minor child of Roy Kindley, now known as Kinley, late of Company I, Fifth Regiment United States Infantry, and pay him a pension at the rate of $12 per month until he attains the age of 16 years.

The name of Mary W. Osterhaus, widow of Rear Admiral Hugo Osterhaus, late of the United States Navy, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Charles L. Heintze, late of Company G, First Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Edward R. Baker, late of Company B, First Battery, United States Engineers, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of John Shuler, late of One hundred and first Company, United States Coast Artillery, and pay him a pension at the rate of $12 per month.

The name of Atison L. Southard, late of Company L, Seventeenth Regiment United States Infantry, and pay him a pension at the rate of $20 per month.

The name of Ursula S. G. Cleaver, widow of Samuel R. Cleaver, late of Company G, Thirty-fourth Regiment United States Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Mary R. Dickman, widow of Joseph T. Dickman, late major general, United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Sarah E. Kiplinger, widow of John Kiplinger, late of Company D, Sixth Regiment United States Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Jacob J. King, late of Company H, Second Regiment North Carolina Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Alfred Barker, late of Company K, Eighteenth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $17 per month.

The name of David Fisher, late of Company A, Second Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Wilbur B. Swafford, late of Company E, Fifty-second Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month.

The name of Mary E. Bennett, widow of Frank M. Bennett, late a captain, United States Navy, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Christina K. Earle, widow of Harvey R. Earle, alias Harvey C. Whitney, late of Company K, Twenty-first Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Humphrey J. Roberts, late of Company F, Twentieth Regiment Minnesota Home Guard Militia, and pay him a pension at the rate of $20 per month.

The name of Joseph Gilley, late of Company F, Twentieth Regiment Minnesota Home Guard Militia, and pay him a pension at the rate of $20 per month.

The name of James D. Price, late of Company F, Twentieth Regiment Minnesota Home Guard Militia, and pay him a pension at the rate of $20 per month.

The name of Bascom Prater, late of Company E, Second Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $8 per month.

The name of George W. King, late of Troop D, Fifteenth Regiment United States Cavalry, and One hundred and third Company, Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Jane Barry, dependent mother of Joseph E. Barry, late of Troop D, First Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $20 per month.

The name of Elizabeth Swormstedt, widow of Calvin C. Swormstedt, alias James E. Stanley, late of One hundred and twenty-fourth Company, United States Coast Artillery, and pay her a pension at the rate of $12 per month, and $2 per month for each minor child until they attain the age of 16 years.

The name of William J. Carter, late of Company D, First Regiment South Carolina Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of James T. Carl, late of Capt. Cyrus M. Ricker's Company A, Barbour County (Kans.) State Militia, and pay him a pension at the rate of $20 per month.

The name of Neal Whaley, late of Company E, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

The name of Pearl McKinley, widow of Russell A. McKinley, late of Troop C, Second Regiment United States Cavalry, and pay her a pension at the rate of $30 per month and $6 per month each for two minor children until they attain the age of 16 years.

The name of Edward L. Schmiedemann, late of Company B, First Regiment Nebraska National Guard Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Gustav Wulff, late of Company D, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $17 per month.

The name of Milous Day, late of Company D, First Regiment of Capital Guards, Kentucky Infantry, and pay him a pension at the rate of $50 per month.

The name of Samuel H. Anderson, late an employee of the Quartermaster Department in the Yellowstone expedition, and pay him a pension at the rate of $20 per month.

The name of Antoine Claymore, late a scout in the Government military service under the command of David S. Stanley, in 1872, and pay him a pension at the rate of $20 per month.

The name of George R. Odle, late of Capt. D. B. Randall's company, Idaho Volunteers, Nez Perce Indian War, and pay him a pension at the rate of $20 per month.

The name of Herman Martin, late of Nineteenth Company, Coast Artillery Corps; One hundred and seventieth Company, Coast Artillery Corps; and Company D, Eighteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Catherine Foly, mother of Michael J. Hoy, late of the United States Navy, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Daisy Jinks, widow of Richard Jinks, late of Company I, Sixth United States Infantry, and Company D, Sixteenth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

The name of Mary Two-Eagle, widow of Two-Eagle, late of Company D, Indian Scouts, United States Army, and pay her a pension at the rate of $30 per month.

The name of Green L. Collins, late of Company A, First Regiment Georgia Volunteer Infantry, and pay him a pension at the rate of $30 per month.

The name of Patrick Staton, late of Company D, Third Regiment United States Infantry, and pay him a pension at the rate of $17 per month.

The name of John J. Hughes, late of Company M, Eleventh Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of William Franklin DeSpain, late of Capt. Emmet Wilson's company, Oregon Volunteers, Bannock war, 1878, and pay him a pension at the rate of $20 per month.

The name of James W. Allen, late of Capt. F. C. Sells's company, Oregon Volunteers, in 1878, and pay him a pension at the rate of $20 per month.

The name of Julia Fuller, remarried widow of Mathias Connors, late of Troop M, Fifth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

The name of Luna E. W. Allen, widow of Heber H. Allen, late of Company H, One hundred and sixty-first Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of James L. Huston, late of Troop I, Seventh Regiment United States Cavalry, and pay him a pension at the rate of $12 per month.

The name of Francis H. Kearney, late of Capt. Emmert Wilson's company, Second Regiment Oregon Volunteers, Bannock war, 1878, and pay him a pension at the rate of $20 per month.

The name of Charles A. Packwood, late of Captain Painter's company, Washington Volunteers, Bannock war, 1878, and pay him a pension at the rate of $20 per month.

The name of Hubert L. Bassett, late of Capt. Narcissus A. Connoyer's company, Oregon Volunteers, Bannock war, 1878, and pay him a pension at the rate of $20 per month.

The name of Sarah R. Bates, widow of Joseph W. Bates, late of Capt. F. C. Sells's company, Oregon Volunteer Infantry, Bannock war, 1878, and pay her a pension at the rate of $20 per month.

The name of Charles E. Finch, late of Capt. Emmet Wilson's company, Oregon Volunteers, Bannock war, 1878, and pay him a pension at the rate of $20 per month.

The name of Sarah Kimball, dependent mother of John W. Froman, late of Company D, Second Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

The name of Marie B. Granger, widow of Ralph S. Granger, late colonel United States Army, retired, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Patrick M. Shea, late of the United States Marine Corps, war with Spain, and pay him a pension at the rate of $20 per month.

The name of Wallace Barkman, dependent father of Ralph Barkman, ordinary seaman, United States Navy, killed by explosion on United States ship *Charleston,* and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Lowell T. Newlon, late of Battery A, First Regiment Illinois Light Artillery, and pay him a pension at the rate of $20 per month.

The name of Herbert A. Maloney, late of Company B, First Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Lowell A. Chamberlin, late of Troop B, First Regiment United States Volunteer Cavalry, war with Spain, and pay him a pension at the rate of $30 per month.

The name of Rosanna Sanders, dependent mother of Henry Sanders, late of Company K, Eighteenth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

Mr. WALSH of Massachusetts. Mr. President, will the Senator state how many pensioners are affected by the bill?

Mr. NORBECK. It carries about 300 men. These are not Civil War pensions.

Mr. WALSH of Massachusetts. Is it one of the omnibus bills, so called?

Mr. NORBECK. Yes; one of the small ones. It covers the Regular Establishment and Spanish War. The Civil War pensions are not covered in this bill.

Mr. WALSH of Massachusetts. I hope it will pass.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### AMENDMENT OF SEAMEN'S ACT

The bill (S. 2945) relating to the payment of advanced wages and allotments in respect of seamen on foreign vessels and making further provision for carrying out the purposes of the seamen's act, approved March 4, 1915, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.,* That the first paragraph of paragraph (e) of section 10 of the act entitled "An act to remove certain burdens on the American merchant marine and encourage the American foreign-carrying trade, and for other purposes," approved June 26, 1884, as amended, is further amended, to read as follows:

"(e) This section shall apply to payments of advance wages and allotments, in respect of seamen on foreign vessels, whether made within or without the United States or territory subject to the jurisdiction thereof, as well as to payments of advance wages and allotments in respect of seamen upon vessels of the United States; except that no criminal penalty under this section shall be imposed for a violation of this section in respect of a seaman upon a foreign vessel if such violation occurs outside the United States and territory subject to the jurisdiction thereof. The courts of the United States shall be open to seamen for suits for payment of wages, irrespective of whether the wages were earned upon a vessel of the United States or a foreign vessel, or within or without the United States or territory subject to the jurisdiction thereof, and in any such suit the provisions of this section shall be applicable. Any master, owner, consignee, or agent of any foreign vessel who violates the provisions of this section within the United States or territory subject to the jurisdiction thereof shall be liable to the same penalty to which the master, owner, or agent of a vessel of the United States would be liable for a similar violation."

Mr. KING. Mr. President, may I have an explanation of the bill? I make the request because I have received a letter from a seaman who thought it was not quite broad enough. I am not familiar with the matter.

Mr. LA FOLLETTE. Mr. President, the bill has been very carefully considered by the committee, may I say to the Senator from Utah. It is merely designed to make effective the equalization features of the so-called La Follette Seamen's Act, which have been frustrated by the decisions of the Supreme Court, which have not made the payment of advanced wages made by foreign vessels outside of territorial waters of the United States illegal in the deduction of the advanced wages of seamen. Therefore, when seamen enter the ports of the United States they do not have sufficient money coming to them to enable them to take advantage of the right to quit the vessel at a safe harbor.

The La Follette Act attempted to make that possible in order to equalize the wages between American shipping and foreign shipping. After the decision of the Supreme Court another attempt was made in the Jones Act to meet the decision, but apparently it did not satisfy the Supreme Court of the United States in being sufficiently specific. Therefore, after careful consideration, the committee reported this bill in a further attempt to make this specific equalization in the La Follette Act workable and thereby tend to equalize the wages as between foreign shipping and shipping flying the flag of the United States.

Mr. KING. May I inquire of the Senator whether Mr. Furuseth has approved of the bill?

Mr. LA FOLLETTE. So far as I know, Mr. Furuseth is in favor of the passage of this bill; in fact, I know that he is.

Mr. KING. Then, so am I.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC HEALTH SERVICE

The bill (H. R. 11026) to provide for the coordination of the public-health activities of the Government, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. JONES. Mr. President, I hope the junior Senator from Utah will not ask to have that bill go over. It has been very carefully considered by the House of Representatives, by the House committee, and has also been very carefully considered by the Committee on Commerce of the Senate; also by physicians and by the Senator's colleague the senior Senator from Utah [Mr. SMOOT]. The amendments that have been made by the Senate committee are entirely satisfactory to the Senator's colleague. His colleague has told me that he would like to have the bill passed. I therefore hope the junior Senator from Utah will withdraw his objection to the consideration of the bill. I think its passage would be in the interest of economy, efficiency, and for the benefit of the service.

Mr. KING. Mr. President, I should like to make an inquiry of the Senator from Washington. Recalling the several bills that were brought to our attention a number of years ago dealing with the Public Health Service, and which sought, of course, to add to the personnel and to increase the salaries, does this bill propose to enlarge the personnel and to make any increase in compensation?

Mr. JONES. There are some increases, but, on the whole, my understanding of the bill is that there is no substantial, if any, increase in compensation and practically there is no increase in the number of employees.

I wish to say that those are some of the questions that the Senator's colleague looked into very carefully, and his colleague told me that with the amendments which are now proposed to the bill he was entirely satisfied with the bill and would like to see it passed.

Mr. FLETCHER. Mr. President, may I say that the bill will promote cooperation in the service, which will make for efficiency.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments.

The first amendment was, in section 2, page 2, line 7, after the words "Hygienic Laboratory," to insert "in the District of Columbia"; and in line 9, after the word "facilities," to insert the word "therein," so as to read:

(b) The Secretary of the Treasury is authorized to establish such additional divisions in the Hygienic Laboratory in the District of Columbia as he deems necessary to provide agencies for the solution of public-health problems, and facilities therein for the coordination of research by public health and pharmaceutical officials and scientists and for demonstrations of sanitary methods and appliances.

The amendment was agreed to.

The next was in section 4, page 3, line 20, after the word "date," to insert "but no service shall be counted since that date except active commissioned service: *Provided*, That under the provisions of section 4 (a) (2), not more than 110 appointments shall be made, not more than 6 appointments shall be in grades above that of surgeon, and no appointment shall be in a grade above that of medical director," so as to read:

(2) Any sanitary engineer, medical, dental, or other scientific officer, or pharmacist engaged on comparable duties, in the Public Health Service upon the date of passage of this act, except commissioned officers of the regular corps, after examination by a board of officers convened by the Surgeon General of the Public Health Service, and upon the recommendation of such board and the Surgeon General, may be appointed to any grade specified by such board and approved by the Surgeon General, having due regard to the salary received by such officer at the time of such appointment; and in computing longevity pay and pay period the service of any officer appointed under the provisions of this paragraph who was in the Public Health Service on June 30, 1922, shall be counted in the same manner as provided for regular commissioned officers in the Public Health Service on that date, but no service shall be counted since that date except active commissioned service: *Provided*, That under the provisions of section 4 (a) (2), not more than 110 appointments shall be made, not more than 6 appointments shall be in grades above that of surgeon, and no appointment shall be in a grade above that of medical director.

The amendment was agreed to.

The next amendment was, on page 4, line 13, after the words "Surgeon General," to insert the following proviso:

*Provided*, That not more than three such appointments shall be made under the provisions of section 4 (a) (3) in any one fiscal year.

The amendment was agreed to.

The next amendment was, on page 4, after line 15, to insert:

(4) Any person commissioned in the regular corps of the Public Health Service under the provisions of this act of an age greater than 45 years, if placed on waiting orders for disability incurred in line of duty, shall receive pay at the rate of 4 per cent of active pay for each complete year of service in the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, or Public Health Service, the total to be not more than 75 per cent.

The amendment was agreed to.

The next amendment was, on page 4, line 25, after the word "shall," to strike out the words "designate the grades of" and to insert the words "prescribe appropriate titles for," so as to read:

(b) The Surgeon General of the Public Health Service shall prescribe appropriate titles for commissioned officers of the Public Health Service other than medical officers, corresponding to the grades of medical officers.

The amendment was agreed to.

The next amendment was, on page 5, line 4, after the word "officers," to insert "of the regular corps"; in line 5, after the word "Service," to strike out the words "shall be promoted"; in line 6, after the word "examination," to insert the words "under regulations approved by the President, shall be promoted" and to strike out the words "as now provided by law for commissioned medical officers of the Public Health Service"; and in line 10, after the word "except," to strike out the words "that for" and to insert the word "that," so as to read:

(c) Hereafter commissioned officers of the regular corps of the Public Health Service, after examination under regulations approved by the President, shall be promoted according to the same length of service as officers of corresponding grades of the Medical Corps of the Army; except that—

The amendment was agreed to.

The next amendment was, on page 5, at the beginning of line 11, to insert "(1) For," so as to make the clause read:

(1) For purposes of future promotion any person whose original appointment in the regular corps is in a grade above that of assistant surgeon shall be considered as having had on the date of appointment service equal to that of the junior officer of the grade to which appointed.

The amendment was agreed to.

The next amendment was, on page 5, after line 15, to insert:

(2) Pharmacists shall not be promoted above the grade of passed assistant surgeon.

The amendment was agreed to.

The next amendment was, on page 5, at the beginning of line 18, to insert "(d)"; in line 21, after the word "and," to strike out "if selected from the commissioned officers of the regular corps," so as to read:

(d) The Surgeon General of the Public Health Service shall hereafter be entitled to the same pay and allowances as the Surgeon General of the Army; and he shall, upon the expiration of his commission,

if not reappointed as Surgeon General, revert to the grade and number in the regular corps that he would have occupied had he not served as Surgeon General.

The amendment was agreed to.

The next amendment was, on page 5, line 25, after the words "Surgeon General," to insert the following proviso:

*Provided*, That the term of service of the Surgeon General of the Public Health Service shall be for four years unless sooner relieved and returned to the grade and number in the regular corps that he occupied previous to his appointment as Surgeon General: *And provided further*, That no person who has served for a period of eight years either before or after the passage of this act shall be eligible for reappointment as Surgeon General.

The amendment was agreed to.

The next amendment was on page 6, at the beginning of line 9, to strike out (d) and insert (e).

The amendment was agreed to.

The next amendment was on page 6, line 12, at the beginning of the line, to strike out (e) and insert (f).

The amendment was agreed to.

The next amendment was on page 6, after line 14, to insert:

(g) The term "scientific officers" as used in this act shall not be held to include clerical or administrative personnel.

The amendment was agreed to.

The next amendment was in section 6, page 6, at the end of line 25, to strike out the article "a" and insert "one"; on page 7, line 1, after the word "superintendent," to insert the words "one assistant superintendent, and such chief nurses"; and in line 2, after the word "and," to strike out the words "such other," so as to make the section read:

SEC. 6. There is hereby established in the Public Health Service, a nurse corps, which shall consist of one superintendent, one assistant superintendent, and such chief nurses and nurses as the Secretary of the Treasury may deem necessary. The members of the nurse corps shall be entitled to receive the same pay and allowances as members of the Nurse Corps of the Army.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### INTER-AMERICAN HIGHWAY ON WESTERN HEMISPHERE

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 259) authorizing assistance in the construction of an inter-American highway on the Western Hemisphere, which was read, as follows:

Whereas the Sixth International Conference of American States, at Habana, Cuba, resolved as follows:

"To recommend to the Pan American Congress of Highways, which will meet at Rio de Janeiro in July of the present year, the consideration and adoption of agreements that will be conducive to the construction of a longitudinal communication highway to traverse the continent, taking into consideration and deciding all questions relative to studies, route, branch connections, technical and economical cooperation of the different countries, and other matters included in the determination of this problem.

"The Pan American Union is intrusted with the compilation of information and the preparation of projects which will serve to give effect to this resolution, submitting this material in due time to the Pan American Congress of Highways."

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Government of the United States should manifest the utmost interest in the purposes of the aforesaid resolution, and that in order to promote the speedy realization of these purposes and objects the President is requested to direct the several agencies of the Government, and they are hereby authorized, to lend such cooperation and assistance as may be feasible and appropriate with a view to having the matter thoroughly considered by the approaching conference; and he is further requested to advise Congress of any conclusions reached and any action which may be suggested by the conference.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

### EXPANSION OF PUBLIC WORKS DURING UNEMPLOYMENT

The bill (S. 2475) to create a prosperity reserve and to stabilize industry and employment by the expansion of public works during periods of unemployment and industrial depression was announced as next in order.

Mr. KING. Let that bill go over.

Mr. JONES. Mr. President, I hope the Senator from Utah will look into that bill quite carefully. It is a very important bill and I think it is a rather desirable one.

Mr. KING. I shall be very glad to look into the bill.

Mr. JONES. I will say to the Senator from Utah that the understanding of the committee is that when the bill shall be considered we shall ask the Senate to disagree to the amendments which have been proposed.

Mr. WALSH of Massachusetts. Mr. President, is not this the bill in which many people are interested who are seeking some relief for the unemployment situation?

Mr. JONES. It is a bill to prevent unemployment conditions or to alleviate them if they shall threaten.

Mr. WALSH of Massachusetts. It is proposed to do so by the expansion of public works during periods of unemployment and industrial depression by carrying forward the Government building program?

Mr. JONES. Yes.

Mr. WALSH of Massachusetts. I have received a large number of letters favoring the bill, and from the examination I have been able to give the measure it seems to me to be sound legislation. I hope the Senator from Washington will press the measure. It is, in my opinion, a constructive measure, generally supported by students of the important problem of relieving the hardships and economic losses caused by unemployment.

Mr. JONES. I shall try to do so. As I have stated, I think it is a very important measure, and I hope that when we call the calendar next time we may be able to secure its passage.

Mr. COPELAND. Mr. President, I am sure, since the bill provides merely for carrying forward building projects which are already in view, that it will be possible to pass it. If we are facing a serious unemployment situation in this country, and if there are projects which we want to put into operation at some time soon, it would seem the part of good sense to do that work now. I hope the Senate will very shortly take action upon the bill.

Mr. WALSH of Massachusetts. I ask unanimous consent to have certain letters approving this measure which I have received printed in the RECORD. They also will help to confirm what I have heretofore asserted about the seriousness of the present unemployment situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

BOSTON TYPOGRAPHICAL UNION, NO. 13,
*Boston, Mass., March 9, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

DEAR SIR: Official and unofficial surveys of unemployment in this country tend to show existence of a deplorable condition among the workers. Modern civilization has failed to equalize the burdens men must bear but trade unions and other agencies have helped to alleviate some of these burdens. The greatest curse of modern industry is unemployment. During these acute times this organization is of the opinion that the Government of this great Republic should use every endeavor to mitigate the lot of the unemployed.

The Jones bill, S. 2475, is now before your honorable body. This bill would help to stabilize industry and give immediate help to the unemployed. Experience gained by its administration would help to solve the unemployment problem.

You are respectfully requested to give this bill your immediate and careful consideration, to the end that this needful legislation may be enacted as early as possible.

Respectfully yours,

JOHN O. BATTIS, *Secretary-Treasurer.*

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KENDALL MILL, INC.,
*Boston, Mass., March 10, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

DEAR SIR: Unemployment is becoming sufficiently widespread at the present time to cause a good deal of hardship and suffering. In my opinion a helpful measure toward stabilizing industry and employment is provided in the Jones bill, S. 2475, authorizing the appropriation of an additional $150,000,000 as a "prosperity reserve" to increase public construction at times when private industry is slack. My purpose in writing to you at this time is to put before you my approval of this bill and to urge your support of it.

Very truly yours,

HENRY P. KENDALL.

THE MEMORIAL HOSPITAL,
*Worcester, Mass., March 8, 1928.*

DAVID I. WALSH,
*Senator from Massachusetts,*
*Washington, D. C.*

MY DEAR SENATOR: As administrator of a hospital of over 200 beds serving chiefly the poor and middle classes I am finding much unemployment at present.

Anything you can do to speed the adoption of Senate bill 2475 for "prosperity reserve" would be much appreciated by me and others who are obliged to extend credit to these persons now out of work. To me this is a most important measure.

Thanking you for anything you may do, I am,

Very truly yours,

LUCIA L. JAQUITH.

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BAY STATE MILLING CO.,
*Boston, Mass., March 5, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR WALSH: The problem of unemployment is becoming so acute, the possibility of its becoming still more serious, and the prospect of early noteworthy improvement so improbable that Federal legislation such as proposed by the Jones bill, S. 2475, is deserving of early passage and enactment.

The country appears to be confronted by a problem that will be difficult to solve for a long period, as it would seem to rest mainly upon the operation of high-speed, mass production, which has been the guiding principle of American industry in nearly all lines since the World War.

This has resulted in a very great dislocation of labor, because the production per man employed has increased far beyond domestic consumptive capacity, or our ability to sell abroad.

As you know, here in New England the situation is further complicated by the changes in feminine fashion, the enormously reduced use of textiles for women's apparel, the reduced wear and tear of shoes owing to the greatly increased use of the automobile, and now the fad of young men going hatless is rapidly increasing.

The result is the highest percentage of unemployment known for many years.

But for the restriction of immigration during the past several years the situation to-day would be perilous. As it is, it will take a long time to make such readjustment of employment as will bring about a normal opportunity for the wage earner.

For this reason, I trust that the above bill will meet with your hearty support.

Yours very truly,

BERNARD J. ROTHWELL.

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BROOKLINE, MASS., *March 8, 1928.*

Senator DAVID I. WALSH,
*Senate Office Building, Washington, D. C.*

MY DEAR SIR: As you well know, there is a terrible amount of unemployment now prevalent in the country. I understand that a bill authorizing an appropriation of an additional $150,000,000 as a "prosperity reserve" to increase public construction at times such as these is about to be reported in Congress. May I urge your support of the same?

Very truly yours,

ELIZABETH G. EVANS.

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BOSTON, MASS., *March 5, 1928.*

Senator DAVID I. WALSH,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR WALSH: Mr. Filene has asked me to write you that he believes the long-range planning of public works is very desirable and that he would urge the early adoption of the Jones bill (S. 2475) for a "prosperity reserve" to help stabilize industry and employment.

Sincerely yours,

JOHNSON HEYWOOD.

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BOSTON, MASS., *March 13, 1928.*

Senator DAVID I. WALSH,
*Washington, D. C.*

DEAR MR. WALSH: I strongly urge you to support the early adoption of the Jones bill, S. 2475, for a "prosperity reserve" to help stabilize industry and employment.

Yours sincerely,

ALICE P. TAPLEY.

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NEWTON, MASS., *March 5, 1928.*

Senator DAVID WALSH.

DEAR SIR: I write to urge your favorable consideration of the Jones bill, S. 2475, providing for public construction during times of unemployment—in my view a crucially important measure.

Truly yours,

MARY W. CALKINS.

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WINCHESTER, MASS., *March 9, 1928.*

Senator DAVID I. WALSH.

DEAR SIR: In this time of widespread unemployment I am writing to urge you to support the Jones bill, S. 2475, to help stabilize industry and employment.

Yours truly,

NATALIE JEWETT.

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NEWBURYPORT, MASS., *March 15, 1928.*

Hon. DAVID I. WALSH,
*United States Senate.*

DEAR SENATOR WALSH: I was very glad indeed to read that your unemployment resolution had been passed, and I am now writing to say that the American Association of Labor Legislation is asking its members to urge their Senators to work for the adoption of Senate bill 2475—the Jones bill—which I understand provides for an appropriation of $150,000,000 as a prosperity reserve to increase public construction when industry is slack. This seems a modest sum to spend in keeping families together, to keep them housed and fed, when we can so glibly talk of spending much more on warships to destroy lives! I have seen so much of the anguish caused by unemployment that this effort to prepare to meet it, at least in part, appeals to me as a statesmanlike move, and I sincerely hope the bill will have your support.

Yours sincerely,

ANNE WITHINGTON.

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MOUNT HOLYOKE COLLEGE,
OFFICE OF THE PRESIDENT,
*South Hadley, Mass., March 6, 1928.*

Senator DAVID I. WALSH,
*Washington, D. C.*

MY DEAR SENATOR WALSH: The Jones bill, S. 2475, for a "proposed reserve" to help stabilize industry and employment I hope appeals to you as a wise measure of relief.

Believe me,

Very sincerely yours,

MARY E. WOOLLEY.

Mr. JONES. I hope when the calendar shall be next called we may be able to act on this bill.

## REGISTRATION OF MAIL MATTER

The bill (H. R. 11279) authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That section 3927 of the Revised Statutes of the United States (sec. 384, title 39, U. S. C.), as amended by section 209 of the act of February 28, 1925 (43 Stat. L. 1058), be, and the same is hereby, amended further to read as follows:

"Mail matter shall be registered on the application of the party posting the same, and the fees chargeable therefor, in addition to the regular postage, shall be, in all cases, prepaid as follows:

"For registry indemnity not exceeding $50, 15 cents.

"For registry indemnity exceeding $50 and not exceeding $100, 20 cents.

"For registry indemnity exceeding $100 and not exceeding $200, 30 cents.

"For registry indemnity exceeding $200 and not exceeding $300, 40 cents.

"For registry indemnity exceeding $300 and not exceeding $400, 50 cents.

"For registry indemnity exceeding $400 and not exceeding $500, 60 cents.

"For registry indemnity exceeding $500 and not exceeding $600, 70 cents.

"For registry indemnity exceeding $600 and not exceeding $700, 80 cents.

"For registry indemnity exceeding $700 and not exceeding $800, 90 cents.

"For registry indemnity exceeding $800 and not exceeding $1,000, $1.

"All such fees shall be accounted for in such manner as the Postmaster General shall direct."

SEC. 2. That the provision of section 3 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1885, and for other purposes," approved July 5, 1884 (23 Stat. L. 158, sec. 321, title 39, U. S.

C.), with respect to the registration and official matter of the executive departments, is hereby amended by adding the following paragraph, as follows:

"*Provided further,* That any official domestic letter or parcel to be registered by any executive department or bureau thereof, or independent Government institution, located at Washington, D. C., or by the Public Printer, which requires registration may be registered without the payment of any registry fee."

SEC. 3. The act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and the act of March 3, 1903 (32 Stat. L. 1174, sec. 381, title 39, U. S. C.), fixing such indemnity at not exceeding $100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337, sec. 383, title 39, U. S. C.), making appropriations for the service of the Post Office Department and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, are amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed $1,000 for any one registered piece, or the actual value thereof when that is less than $1,000, and for which no other compensation or reimbursement to the loser has been made, the amount of such indemnity to be fixed by the Postmaster General."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

KATIE CASSIDAY

The bill (H. R. 4126) authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land was considered as in Committee of the Whole. It directs the Secretary of the Interior to issue a patent to Katie Cassiday for Great Falls desert-land entry 054131, embracing lots 3 and 6, and the southeast quarter northwest quarter section 7, township 26 north, range 43 east, principal meridian.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CROP PREDICTIONS

The bill (S. 3845) to prohibit predictions with respect to cotton or grain prices in any report, bulletin, or other publication issued by any department or other establishment in the executive branch of the Government, was announced as next in order.

Mr. METCALF. I ask that that bill go over.

Mr. HEFLIN. I ask that the amendments reported by the committee may be stated.

The PRESIDING OFFICER. The Chair understood the Senator from Rhode Island to ask that the bill go over.

Mr. HEFLIN. Mr. President, I hope that that request will be withdrawn. The bill has been reported by the committee with amendments, and I do not think there will be any objection to it.

Mr. METCALF. I have not had an opportunity to study the bill as I should like to do, and I prefer that it should go over at this time.

Mr. SMITH. Mr. President, I should like to state in this connection that this bill is very simple. It merely prohibits a practice by the Department of Agriculture which has proven very disastrous. All the bill does is to prohibit price forecasting in reference to certain standard agricultural commodities, and it is my opinion that it is a bill that should be passed at the very earliest moment for the protection of those who produce our crops.

Mr. HEFLIN. Mr. President, I should like to say further to the Senator from Rhode Island that we provided in the agricultural appropriation bill that crop price predictions should not be made any longer, and during the debate it was suggested to me by other Senators that legislation ought to be enacted providing a penalty for violating that provision. So this bill is in keeping with the suggestion that was made during the course of the debate when the agricultural appropriation bill was under consideration. I prepared this bill in order to provide a penalty for doing that which the law as now written in the agricultural appropriation bill prohibits, and I hope the Senator will withdraw his objection.

Mr. METCALF. I will have to object to the bill at the present time, but later, after I have had an opportunity to study it further, I may have no objection to it.

The PRESIDING OFFICER. The bill will be passed over.

Mr. DILL. Mr. President, before the bill goes over I note that the amendment proposes to strike out all reference to grain. I think that this bill ought to apply to grain. I do not believe predictions as to prices ought to be made regarding grain any more than with regard to cotton.

Mr. HEFLIN. Mr. President, I will say to the Senator from Washington that I agreed to strike out grain because some of the Senators from the grain-growing States felt that they should like to have grain out for the present, at least, until they could investigate the situation and see just what sort of predictions are being made regarding grain. For that reason, I was willing that the provision in regard to grain should come out of the bill at this time. After the Senators interested have studied the question they can offer a bill applying to grain exactly like this or in such form as they desire, and I will cheerfully support it.

Mr. DILL. I happen to represent a grain-growing State myself, and I, for one, do not see any reason why reference to the forecasting of grain prices should be left out of the bill.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

Mr. SMITH. Mr. President, before the next bill shall be called, I wish to state that, in view of what has been disclosed by an investigation that has been conducted in reference to this question, I think the Senator from Rhode Island and every other Senator on this floor will readily agree that not only should we pass legislation of this kind but that we should attach to it a penalty that will deter any officer or employee in any of the Government departments from attempting to forecast the prices of agricultural commodities. I think when the Senator reads the evidence which has been gathered and realizes what that evidence means, he will withdraw any possible objection and have no desire to study the bill further.

The PRESIDING OFFICER. Under objection of the Senator from Rhode Island, the bill will be passed over.

ERADICATION OF EUROPEAN CORN BORER

The bill (H. R. 12632) to provide for the eradication or control of the European corn borer was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.,* That to enable the Secretary of Agriculture to apply such methods of eradication or control of the European corn borer over such area or areas as in his judgment may be necessary, including the employment of persons and means in the District of Columbia and elsewhere and all other necessary expenses, the sum of $7,000,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes: *Provided,* That no part of the appropriation herein authorized shall be expended for the purchase of new machinery unless the Secretary of Agriculture deems such expenditure necessary by reason of an emergency, and in such case an amount not to exceed 1 per cent may be so expended: *Provided further,* That an amount not to exceed 9 per cent of the appropriation herein authorized may be expended for the employment of persons and means in the District of Columbia and elsewhere and all other necessary expenses other than necessary expenses for farm clean-up incidental to such eradication or control: *Provided further,* That in the discretion of the Secretary of Agriculture no expenditure shall be made hereunder until the States wherein the European corn borer exists shall have provided necessary regulatory legislation and until a sum or sums adequate to State cooperation shall have been appropriated, subscribed, or contributed by States, county, or local authorities or individuals or organizations: *Provided further,* That expenditures from the appropriation herein authorized for any necessary farm clean-up incidental to such eradication or control shall include only such as are, in the judgment of the Secretary of Agriculture, additional to those normal and usual in farm operations, and shall not exceed 90 per cent: *Provided further,* That no part of the appropriation herein authorized shall be used to pay the cost or value of corn or other farm crops or other property injured or destroyed: *And provided further,* That the Secretary of Agriculture may receive, and shall cover into the Treasury as miscellaneous receipts, any and all moneys authorized by the law of any State to be paid to the United States out of amounts assessed against and collected from any owner of premises who refuses or neglects to carry out State-control requirements when such moneys represent expenditures made on such premises by the United States under the provisions of this act.

Mr. DILL. Mr. President, I thought we had been appropriating for the eradication of the corn borer.

Mr. KING. We appropriated $10,000,000 for that purpose last year.

Mr. McNARY. Mr. President, the assumption is quite correct. Last year, in order to meet an emergency on account of the rapid spread of the destructive European corn borer, Congress passed an appropriation of $10,000,000, all of which, save about $1,000,000, has been expended in order to carry forward this very excellent and necessary work.

This bill was passed by the House carrying an appropriation of $7,000,000; it is now here for consideration. The purpose is to control and stop the invasion of this worm into the South and West and other portions of the country which are now free of it.

Mr. DILL. I may say to the Senator that there has been no such trouble in my State, but I happen to know something about the activities of the representatives of the Department of Agriculture in other States where I visited during the past summer. I know that there was serious objection to the way this whole matter was handled. I am not going to object to this bill, but I think the Department of Agriculture should use more care than it did last year in going into regions where the corn borer has never appeared, where the farmers have never asked that representatives of the department be sent, and where they were looked upon as a nuisance; in fact, where they were driven out by shotguns in certain sections.

Mr. COPELAND. Mr. President, I think it is always true that quarantine measures are disagreeable; yet, after all, while I know nothing about the corn borer, I realize that sometimes it has even been necessary to employ shotguns to enforce a quarantine.

Mr. DILL. In the case to which I referred the shotguns were used to drive the agents away.

Mr. COPELAND. There are always objections to methods which must be employed to enforce quarantines, but that is the way we are going to preserve our crops and our flocks. In my section of the country we used to have large numbers of chestnut trees. On my farm I had 130 such trees, some of them 3 feet in diameter. They have now all gone, having been destroyed by disease brought in from Europe. If we are to save our plants and shrubs and trees and crops, we have got to do it by effective quarantine methods. So, while I know nothing about this measure, I can quite understand its importance.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ENFORCEMENT OF PLANT QUARANTINE ACT

The bill (H. R. 484) to amend section 10 of the plant quarantine act approved August 20, 1912, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That section 10 of the plant quarantine act, approved August 20, 1912 (37 Stat. L. 315), as amended by the act of March 4, 1917 (39 Stat. L. 1165), be, and the same is hereby, amended by adding at the end thereof the following:

"That any employee of the Department of Agriculture, authorized by the Secretary of Agriculture to enforce the provisions of this act and furnished with and wearing a suitable badge for identification, who has probable cause to believe that any person coming into the United States, or any vehicle, receptacle, boat, ship, or vessel, coming from any country or countries or moving interstate, possesses, carries, or contains any nursery stock, plants, plant products, or other articles the entry or movement of which in interstate or foreign commerce is prohibited or restricted by the provisions of this act, or by any quarantine or order of the Secretary of Agriculture issued or promulgated pursuant thereto, shall have power to stop and, without warrant, to inspect, search, and examine such person, vehicle, receptacle, boat, ship, or vessel, and to seize, destroy, or otherwise dispose of such nursery stock, plants, plant products, or other articles found to be moving or to have been moved in interstate commerce or to have been brought into the United States in violation of this act or of such quarantine or order."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MAJESTIC HOTEL AND LIEUT. R. T. CRONAU

The bill (H. R. 4068) for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army, was considered as in Committee of the Whole. It directs the Comptroller General of the United States to allow from the appropriation for general expenses of the Bureau of Agricultural Economics, Department of Agriculture, for the fiscal year 1925, $226.55, due the Majestic Hotel, Lake Charles, La., for lodging and subsistence of Lieut. R. T. Cronau and Staff Sergt. W. O. Womack, United States Army, during their assignment in September and October, 1924, to make aerial photographs of areas of rice fields in connection with crop estimates by the Bureau of Agricultural Economics of the Department of Agriculture; and to allow to Lieut. R. T. Cronau reimbursement of amounts expended by him for subsistence and travel of himself and Staff Sergt. W. O. Womack in proceeding by air in connection with such assignment to and from Kelly Field, Tex., to Lake Charles, La.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 11074) to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6685) to regulate the employment of minors within the District of Columbia was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COPELAND. Mr. President, I hope the Senator who made the objection will permit the bill to be considered on its merits.

Mr. KING. I have no objection to its being considered when we have time to offer amendments. I ask that it go over now.

The PRESIDING OFFICER. The bill will be passed over.

ROLETTE COUNTY, N. DAK.

The bill (S. 2042) for the relief of Rolette County, N. Dak., was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay to the county of Rolette, State of North Dakota, $16,102.29, as reimbursement for expenses incurred by such county in caring for indigent Indians from July 1, 1926, to October 7, 1927, inclusive.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN SCHOOL, TURTLE MOUNTAIN INDIAN RESERVATION, N. DAK.

The bill (S. 3501) to provide for the construction of a boarding school for Indian children at Belcourt, in the Turtle Mountain Indian Reservation, State of North Dakota, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to provide for the construction and equipment, at a cost not to exceed $230,425, of a school plant at Belcourt, in the Turtle Mountain Indian Reservation, State of North Dakota, to be used as a boarding school for Indian children. Such school plant shall comprise all buildings and equipment necessary properly to house and care for 150 children.

SEC. 2. There is hereby authorized to be appropriated the sum of $230,425, or so much thereof as may be necessary, to carry out the provisions of this act.

Mr. KING. Mr. President, I note that this bill authorizes an appropriation of $230,425. Is that to be reimbursable?

Mr. FRAZIER. No; it is not. These Indians have no funds out of which it can be made reimbursable. In this Turtle Mountain Indian Reservation there are two hundred and thirty and some Indian children of school age who are not in school, because no school is provided for them.

Mr. KING. To what tribe do they belong?

Mr. FRAZIER. They are a mixture—partly Sioux and partly mixed bloods.

Mr. KING. Have they no reservation of their own?

Mr. FRAZIER. They have a reservation consisting of two congressional townships, 6 by 12 miles. There are about 1,600 wards of the Government, and about 1,800 patent-in-fee Indians.

Mr. KING. Have there been no school facilities afforded in the past by the Government for any of these children?

Mr. FRAZIER. They have sent some of them to other schools around—one down at Bismarck, one at Wahpeton, and one at Minnewaukan, N. Dak., and some of them outside the State—but there has been no provision for schools in the State to take care of them. There are not school facilities to take care of them. Some of these Indian children attend day schools, district schools, but there are not enough of those to take care of them.

Mr. KING. The Senator knows that I am very much interested in the preservation and civilization and welfare of the Indians; and in view of the fact that a resolution has recently been passed creating a committee to make full investigation in regard to Indian matters and the best methods of civilizing, improving, and caring for the Indians, I was wondering whether it might not be wise, before making any large appropriations, to await the report of that committee.

Mr. LA FOLLETTE. Mr. President, will the Senator from North Dakota yield?

Mr. FRAZIER. I yield.

Mr. LA FOLLETTE. May I say to the Senator from Utah that the committee held a hearing upon this measure. We had before us the district attorney of Rolette County, and the committee went into the details of the situation very carefully;

and this really is somewhat of an emergency situation. These are patent-in-fee Indians, largely, and since 1913 the county have been burdened with relief work, which they have carried on very magnificently and very generously; but they have practically reached the limit of their resources, and the result is that no further school facilities can be provided. There are over 250 children of school age who have not any provision whatsoever for educational facilities; and the committee felt that it was the duty of the Government to step in and relieve this situation, and provide school facilities for these children.

Mr. CARAWAY. May I ask the Senator from North Dakota what provision has been made for maintaining the school after the building is constructed?

Mr. FRAZIER. This will include equipment. Of course, that would have to come through the Indian Office. I do not think there is any question about that part of it.

Mr. CARAWAY. Where would the Indian Office get the funds?

Mr. FRAZIER. Out of the direct appropriation of Indian money carried in the Indian appropriation bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BRIDGE ACROSS PERDIDO BAY, FLA. AND ALA.

The bill (S. 3990) granting the consent of Congress to the boards of county commissioners of the counties of Escambia, Fla., and Baldwin, Ala., their successors and assigns, to construct, maintain, and operate, or to cause to be constructed, maintained, and operated, under franchises granted by them, a toll bridge across Perdido Bay, in the States of Florida and Alabama, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Commerce with amendments, on page 2, line 3, after the word "operate," to strike out "or to cause to be constructed, maintained, and operated, under franchises granted by them"; in line 5, after the word "Bay," to insert "at a point suitable to the interests of navigation"; in line 7, before the word "Point," to strike out "Innerarity" and insert "Inerarity"; in line 9, before the word "Act" where it first occurs, to insert "provisions of the"; in line 17, after the word "conveyed," to strike out "or to whom the franchise to construct, maintain, or operate said bridge may be granted by said boards of commissioners"; in line 20, after the word "acquire," to strike out "such rights or such franchise" and insert "the same"; in line 22, after the words "the same as," to strike out "freely" and insert "fully"; and in line 23, after the word "conferred," to strike out "hereby" and insert "herein," so as to make the bill read:

*Be it enacted, etc.*, That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes the consent of Congress is hereby granted to the boards of county commissioners of the counties of Escambia, Fla., and Baldwin, Ala., their successors and assigns, to construct, maintain, and operate a toll bridge across Perdido Bay, at a point suitable to the interests of navigation, extending from a point at or near Inerarity Point, in Escambia County, Fla., to a point on the mainland in Baldwin County, Ala., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to sell, assign, transfer, convey, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said boards of county commissioners, their successors and assigns, and any corporation to which or person to whom such rights, powers, and privileges may be sold, assigned, transferred, or conveyed, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such person or corporation.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill granting the consent of Congress to the boards of county commissioners of the counties of Escambia, Fla., and Baldwin, Ala., their successors and assigns, to construct, maintain, and operate a toll bridge across Perdido Bay in the States of Florida and Alabama."

BILL PASSED OVER

The bill (S. 4013) authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky., was announced as next in order.

Mr. SACKETT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

OLD FEDERAL BUILDING, DULUTH, MINN.

The bill (S. 2340) to transfer to the city of Duluth, Minn., the old Federal building, together with the site thereof, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That upon completion of the new Federal building authorized to be erected under the provisions of the act of March 2, 1907, in the city of Duluth, Minn., the Secretary of the Treasury is hereby authorized to transfer to the city of Duluth, Minn., the old Federal building, together with the site thereof, at such price and on such terms as he deems to be reasonable, and to convey such property to the city of Duluth by the usual quitclaim deed and deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CITY OF DULUTH, MINN.

The joint resolution (S. J. Res. 119) granting an easement to the city of Duluth, Minn., was considered as in Committee of the Whole and was read, as follows:

*Resolved, etc.*, That in carrying into effect existing legislation providing for the granting of an easement to the city of Duluth, Minn., for the use of lots 81 and 83, in block 20, in exchange for the conveyance to the United States in fee simple of lots 86 and 88 in such block 20, as an addition to the new Federal building site in said city, the Secretary of the Treasury is hereby authorized, in his discretion, to accept a title to said lots 86 and 88, in block 20, subject to the reservation of all iron ore and other valuable minerals in and upon said land, with the right to explore for, mine and remove the same, required by section 638 of the General Statutes of Minnesota of 1923.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CARL J. REID DUSSOME

The bill (S. 2076) authorizing the enrollment of Carl J. Reid Dussome as a Kiowa Indian and directing issuance of trust patents to him to certain lands of the Kiowa Indian Reservation, Okla., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with amendments, on page 1, line 4, after the word "directed," to strike out "to enroll Carl J. Reid Dussome, intermarried in the Kiowa Tribe of Indians, who was regularly adopted by the tribal council of aforesaid tribe previous to June 1, 1909, and"; and on page 2, line 4, after the word "*Provided*," to strike out "That this shall be in lieu of an allotment: *Provided further*, That this enrollment and allotment shall be made only upon the express condition that the said Carl J. Reid Dussome shall relinquish all the rights and privileges which he acquired by reason of his enrollment as a member of the Chippewa or Sioux Tribes of Indians" and to insert "That this shall be in lieu of all claims to any allotment of land or money settlement in lieu of an allotment," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent containing the usual restrictions against alienation inserted in other trust patents to Indians on the Kiowa Reservation, covering the northwest quarter section 23, township 6, range 16 west, Indian meridian, known as the Rainy Mountain school reserve, in Kiowa County, Okla., to the said Carl J. Reid Dussome, who has heretofore received no allotment of land from any source: *Provided*, That this shall be in lieu of all claims to any allotment of land or money settlement in lieu of an allotment.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the allotment of Carl J. Reid Dussome as a Kiowa Indian, and directing issuance of trust patent to him to certain lands of the Kiowa Indian Reservation, Okla."

COMPENSATION FOR INJURY TO EMPLOYEES IN THE DISTRICT OF COLUMBIA

The bill (S. 3565) to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with amendments, on page 1, line 8, after the word "Columbia," to insert "irrespective of the place where the injury or death occurs"; and on page 2, line 7, after the word "commerce," to strike out "and" and insert "or," so as to make the bill read:

*Be it enacted, etc.*, That the provisions of the act entitled "longshoremen's and harbor workers' compensation act," approved March 4, 1927, including all amendments that may hereafter be made thereto, shall apply in respect to the injury or death of an employee of an employer carrying on any employment in the District of Columbia, irrespective of the place where the injury or death occurs; except that in applying such provisions the term "employer" shall be held to mean every person carrying on any employment in the District of Columbia, and the term "employee" shall be held to mean every employee of any such person.

SEC. 2. This act shall not apply in respect to the injury or death of (1) a master or member of a crew of any vessel; (2) an employee of a common carrier by railroad when engaged in interstate or foreign commerce or commerce solely within the District of Columbia; (3) an employee subject to the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended; and (4) an employee engaged in agriculture, domestic service, or any employment that is casual and not in the usual course of the trade, business, occupation, or profession of the employer.

SEC. 3. This act shall take effect July 1, 1928.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN OREGON FOR INDIAN USE

The bill (S. 4036) to authorize the Secretary of War to transfer the control of certain land in Oregon to the Secretary of the Interior was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of War be, and he is hereby, authorized to transfer to the control of the Secretary of the Interior, for the use and benefit of certain Indians now using and occupying the land as a fishing-camp site, an irregular-shaped tract of land covering approximately 8.23 acres, comprising that portion of the lands of the United States located in lots 1 and 2, section 20, township 2 north, range 15 east, Willamette meridian, Oregon, originally acquired as a right of way for a projected boat railway in connection with the improvements of The Dalles-Celilo section of the Columbia River.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN CALIFORNIA FOR INDIAN USE

The bill (S. 3503) to authorize the Secretary of the Interior to purchase certain lots in the city of Needles, San Bernardino County, Calif., for Indian use, and authorizing an appropriation of funds therefor was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to purchase a certain tract of land, embracing 337 lots, within an area identified as the Denair addition to the city of Needles, Calif.: *Provided*, That the said lots when purchased shall be made available as home sites for homeless Indians residing in the city of Needles, Calif., and such other Indians as the Secretary of the Interior may see fit to settle thereon, the title when acquired to be taken in the name of the United States: *Provided further*, That the sum of $8,425 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the purchase of the lots herein referred to.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, does the Senator from New Hampshire expect to take that bill up and pass it under the five-minute rule?

Mr. MOSES. I should like to, but I have an opinion that there are many Senators who will want to discuss it for a greater length of time than five minutes.

Mr. KING. That is my understanding. I think the Senator had better let it go over until other Senators are here.

Mr. MOSES. In view of the persuasive manner in which the Senator from Utah speaks to the Senator from New Hampshire, the latter feels that he must yield to the Senator from Utah.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McKELLAR. Mr. President, may I say to the Senator from Utah that this is substantially the same bill that was passed by the Senate overwhelmingly at the last session. There is nothing new about it.

Mr. MOSES. No, Mr. President.

Mr. McKELLAR. Well, is it substantially the same.

Mr. MOSES. Oh, no.

Mr. FLETCHER. The Senator from Tennessee has amendments to it.

Mr. McKELLAR. They have been included in the bill.

Mr. MOSES. No; we did not get to the bill in the last Congress. I will say to the Senator from Tennessee that we never got to it. The sentiment of the Senate was for it overwhelmingly. I think that is conclusive. But what happened? Was the bill objected to?

Mr. McNARY. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MOSES. Mr. President, I should like to ask the junior Senator from Utah if it is possible to come to some agreement as to a time when we may take up this bill and consider it. It is a most important measure. It deals with a subject matter which has been before Congress now for nearly five years, upon which nothing but makeshift legislation was had. I think that the interests involved in the measure, and the great number of people who are affected by it, should lead the Senate to give it consideration.

Mr. KING. I agree entirely with the Senator, and I shall be glad to have that done if we can get time to-morrow, or at the earliest possible moment.

Mr. McNARY. I call for the regular order.

Mr. McKELLAR. Could we not take it up in the morning hour to-morrow, if we adjourn?

Mr. MOSES. Then I give notice that at the first opportunity during the morning hour I shall move to take up this bill.

Mr. KING. The Senator will find no objection on my part.

The PRESIDING OFFICER. The bill will be passed over.

ALLEY IN SQUARE 1083, DISTRICT OF COLUMBIA

The bill (S. 3771) vacating the alley between lots 16 and 17, square 1083, District of Columbia, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted etc.*, That the Commissioners of the District of Columbia be, and they are hereby, authorized to close, vacate, and abandon so much of the 15-foot public alley in square 1083 as lies between lots 16 and 17; same to revert in equal proportions to the abutting lots.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ST. FRANCIS DE SALES CHURCH

The bill (S. 3903) to provide for the reinterment of bodies now interred in the grounds of St. Francis de Sales Church in the District of Columbia was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That Michael J. Curley, Roman Catholic Archbishop of Baltimore, a corporation sole under the laws of the State of Maryland, be, and he is hereby, authorized and empowered, under such regulations as the Commissioners of the District of Columbia may prescribe, to transfer the bodies interred in the grounds of the St. Francis de Sales Church in the District of Columbia, known as parcel 155/1, to some other suitable cemetery, or cemeteries, within the District of Columbia. Further interments in such grounds shall be prohibited from and after the passage of this act; and the proprietors thereof are authorized to use the same for any legal purposes they may deem proper, subject to such proceedings in eminent domain as may have been or shall hereafter be taken.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REARRANGEMENT AND RECONSTRUCTION OF SENATE WING OF CAPITOL

The bill (S. 814) to rearrange and reconstruct the Senate wing of the Capitol was announced as next in order.

Mr. METCALF. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COPELAND. Mr. President, what happened to Senate bill 814?

The PRESIDING OFFICER. Objection was made, and the bill was passed over.

Mr. COPELAND. I hope nobody objected to that bill. That is what we have just put in the legislative appropriation bill.

The PRESIDING OFFICER. Some Senator very distinctly objected. The Chair does not know who it was.

Mr. METCALF. Mr. President, I objected to the consideration of that bill. I should like to see the plans.

The PRESIDING OFFICER. The Senator from Rhode Island objected, and the bill went over.

Mr. METCALF. I think putting large windows in the north end of the Senate wing will spoil the outside looks of the building. I think the matter ought to be studied from an architectural point of view.

Mr. MOSES. Mr. President, has the Senator had an opportunity to study the document which has been published dealing with that subject?

Mr. METCALF. I happened to see it last year. I do not know whether any changes have been made since then or not.

Mr. MOSES. I do not understand that there have been any changes in the essential features of the plans. The Senator from New York is much more familiar with the plans than I am.

Mr. COPELAND. The plans are exactly the same, I may say to the Senator from Rhode Island.

Mr. MOSES. The money has already been appropriated for it.

Mr. COPELAND. I am very anxious to have the bill passed, so that if by any chance anything should happen to the appropriation bill in the House, this bill will have become the law.

Mr. METCALF. Let it go over to-day.

The PRESIDING OFFICER. The bill will be passed over, under objection.

### INDIANS RESIDING IN STATE OF OREGON

The bill (S. 2139) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims to hear and determine any claims, whether legal or equitable, which may be had against the United States by the following Indian tribes, namely: The Alsea, Siletz, Tillamook, Coquill, Tootootney, Coos Bay, Umpqua, Siuslaw, Calapuya, Clackamas, Cow Creek, Lackmiut, Marys River, Molala, Nestucca, Rogue River, Santiam, Shasta, Tumwater, Wapato, Yamhill, Chinook, and other bands or tribes of Indians known as the Grand Ronde Indians, residing west of the Cascade Mountains in the State of Oregon. If it is found that any sum of money is rightfully owing from the United States to any of the above-mentioned Indian tribes, the court shall render final judgment therefor against the United States and in favor of the proper Indian tribe or tribes, and either party shall have the right of appeal to the Supreme Court of the United States in the manner provided in sections 242 and 243 of the Judicial Code.

The Court of Claims shall advance the cause or causes upon its dockets for hearing, and shall have jurisdiction notwithstanding lapse of time or statute of limitations. The suit or suits instituted hereunder shall be presented by petition of any such Indian tribe or tribes as plaintiff against the United States as defendant, and the petition may be verified by the attorney or attorneys employed by such Indian tribe or tribes upon information and belief as to the facts therein alleged, and no other verification shall be necessary.

The attorney or attorneys for such Indian tribes shall be paid such fee as the Court of Claims may find reasonable, the same to be approved by the Secretary of the Interior, but in no case shall the fee decreed by the Court of Claims be in excess of the amount stipulated in the contract of employment, nor amount to more than 10 per cent of the recovery, if any, to which any such Indian tribes shall be entitled. The sum or sums recovered for such Indian tribes shall be disbursed under the supervision of the Secretary of the Interior to the parties entitled thereto in the manner prescribed by the Court of Claims.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### CHIPPEWA INDIANS OF MINNESOTA

The bill (H. R. 10360) to confer additional jurisdiction upon the Court of Claims under an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," approved May 14, 1926, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with amendments, on page 2, line 6, after the word "funds," to strike out "or other property"; and in line 8, after the word "Minnesota," to insert "and if the court shall so determine and said funds are found inadequate, then the unsatisfied portion of said judgment shall be paid by the United States, but in no event shall any part of the land of the Red Lake Reservation be used in any way in payment thereof," so as to make the bill read:

*Be it enacted, etc.*, That in case No. H-76 heretofore filed in the Court of Claims under and in pursuance of an act of Congress entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," approved May 14, 1926 (44 Stat. L. 555), wherein the Chippewa Indians of Minnesota are parties plaintiff and the United States is party defendant, if the Court of Claims shall determine that the said Chippewa Indians are entitled to recover a judgment against the United States upon the cause of action therein set forth, the said court shall further determine whether such judgment, or any part thereof, shall be paid by the United States out of funds held by the United States in trust for the Red Lake Band of Chippewa Indians of Minnesota, and if the court shall so determine and said funds are found inadequate, then the unsatisfied portion of said judgment shall be paid by the United States, but in no event shall any part of the land of the Red Lake Reservation be used in any way in payment thereof, and the said Red Lake Band of Chippewa Indians is hereby authorized, on the approval of this act, to appear in said suit by their attorneys employed in accordance with the provisions of existing law, and defend their rights in the matter.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### MAKAH RESERVATION, WASH.

The bill (S. 2538) for the construction of a road across the Makah Reservation to Neah Bay, Wash., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 11, after the words "sum of," to strike out "$50,000" and insert "$30,000," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Interior, in his administration of Indian Affairs, is hereby authorized to survey and build a road, inclusive of the necessary bridges, from the Sekiu River westerly to Neah Bay in the Makah Indian Reservation, to connect the Neah Bay Indian Agency with the trunk highway of Clallam County, Wash., a distance of approximately 5 miles in length, and there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $30,000.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### ERADICATION OF PINK BOLLWORM

The joint resolution (S. J. Res. 129) to provide for eradication of pink bollworm and authorizing an appropriation therefor was considered as in Committee of the Whole.

The joint resolution had been reported from the Committee on Agriculture and Forestry with amendments:

The first amendment was, on page 3, line 14, after the word "*Provided*," to insert "That no part of the funds herein authorized to be appropriated shall be available for compensation in connection with the establishment of a noncotton zone in any county unless and until the live pink bollworm is found within such county or within a radius of 5 miles thereof: *Provided further*," so as to read:

Whereas a very serious emergency has arisen by reason of an outbreak of the pink bollworm involving some seven counties in the western extension of cotton in Texas which threatens one of the primary industries of the Nation and demands immediate action; and

Whereas there are only two possible means of meeting this situation, one by regulating the movement of cotton and cottonseed from the newly infested counties with the idea of preventing long-distance spread through the agency of such products, and the other to declare and enforce noncotton zones as to such areas with the idea of the immediate eradication of the pest, with the object of saving the cotton crop of the Nation from general invasion and future enormous annual losses; and

Whereas regulation does not eradicate nor does it prevent spread except as to districts so completely isolated from other cotton as to eliminate the possibility of the natural spread of the pest, and, therefore, the regulation of these new areas in contact with continuous cotton cultivation will necessarily permit the natural and probably very wide spread of this pest yearly, and will amount, therefore, to giving up the battle to save Texas and the rest of the Cotton Belt from general and probably wide invasion by the pink bollworm, accompanied by annual and greatly increasing costs of such regulation; and

Whereas the only known means of eradication is by the establishment of noncotton zones for one or two years—a method which has a long record of successes, but which may become impossible as to such west Texas areas on account of natural spread and mounting costs if postponed; and

Whereas the losses due to such ones must fall primarily and heavily upon a small group of farmers, and inasmuch as these losses are in the interest of the cotton crop of the Nation, compensation of such farmers for actual and necessary losses due to the enforced nonproduction of cotton would seem to be fully warranted; and

Whereas the cost of the establishment of such noncotton zones in these new areas will be necessarily very large on account of the considerable cotton acreage involved—some 360,000 acres—costs which are in the interest of the entire Cotton Belt; and

Whereas the State of Texas has now no funds available for such compensation of farmers and its legislature is not now in session and will not normally come in session for another year, and, further, the securing of such funds by the State would involve new legislation and new taxation very unlikely to be obtained in view of the amount involved, and the fact, as indicated, that such expenditure would be for the protection of the entire Cotton Belt: Therefore be it

*Resolved, etc.*, That when any State shall have enacted legislation and taken measures, including the establishment and enforcement of noncotton zones, adequate, in the opinion of the Secretary of Agriculture, to eradicate the pink bollworm in any area thereof actually infested, or threatened, by such pest, the said Secretary, under regulations to be prescribed by him, is authorized to pay, out of $5,000,000 hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in cooperation with the proper authorities of the State concerned in compensating any farmer for his actual and necessary loss due to the enforced nonproduction of cotton within said zones: *Provided*, That no part of the funds herein authorized to be appropriated shall be available for compensation in connection with the establishment of a noncotton zone in any county unless and until the live pink bollworm is found within such county or within a radius of 5 miles thereof: *Provided further*, That such loss as to noncotton zones established by the State of Texas shall be determined as provided in existing statutes of that State, and similarly by similar statutes which may later be provided by other States concerned, and that in estimating such loss due account shall be taken of the value of other crops which may be produced on said land, so that the loss shall not exceed the difference in return to the farmer from cotton over such other crops: *Provided further*, That such determination of actual and necessary loss shall be subject to the review and approval of the Secretary of Agriculture: *And provided further*, That no reimbursement shall be made with respect to any farmer who has not complied in good faith with all of the quarantine and control regulations prescribed by said Secretary of Agriculture and such State relative to the pink bollworm.

The amendment was agreed to.

Mr. KING. Mr. President, I should like the Senator from Louisiana [Mr. RANSDELL] to explain just how far this bill will go. I am told that the purpose is to go to individuals who have cotton fields and pay them for not farming. Not satisfied with making an appropriation to exterminate the boll weevil or pink bollworm, or whatever the pest may be, the plan is to pay farmers whatever may be determined upon by the Government agent a certain amount per acre for not farming. I should like to know to what extent they are going and whether our policy is to pay every person who may not farm because of some pest.

I know that in my State many of the lands have been nonproductive because of the white fly that destroys our beet crop. Thousands of acres of the finest alfalfa were destroyed by the weevil. Are we going to go to farmers and tell them, "If you will not farm, we will pay you for it. We will pay you so much an acre for your alfalfa land and so much for your cotton land and so much for your apple orchards, where you cease to produce"?

I am perfectly willing to make appropriations for the extermination of the pest; but it is a novel proposition that we must pay people for not farming.

Mr. RANSDELL. Mr. President, I thank the Senator for stating that he is willing to pay for exterminating the pest. That is exactly what we propose to do, Mr. President and Senators.

The Agricultural Department has determined, after a very elaborate study, that the only way in which this pest, the pink bollworm, can be exterminated, is to cease planting cotton in the affected area for about two years. Sometimes they kill them in one year; sometimes they are obliged to carry on the fight for two years. I have never heard of it being done more than two years. You just stop planting the crop that is affected, in the affected area, for that length of time, and all the worms die, all the eggs die, and the insect is put out of business absolutely.

That is not an experiment, I will say to the Senate, because some years ago we had a small outbreak of the same insect in southeastern Texas and southwestern Louisiana, and this method of fighting it was tried, and tried successfully. That was in 1917, 1918, and 1919, the insect was destroyed; the Government has been watching it with great care ever since, and there has been no return of it.

What has happened in other countries? In India, in Egypt, in parts of Africa, in Brazil, in Mexico, everywhere else on earth except so far as the scientists are able to find in this limited portion of the United States, in Texas and Louisiana, the insect has continued to grow and grow, and has destroyed enormous values of property. In Egypt the crop is damaged at least one-fourth every year. In Brazil the crop is damaged to the extent of $27,000,000 a year, and Brazil is not one of the great cotton-growing countries of the world. The destruction of this pest is almost incalculable, and all the scientists agree you can absolutely eradicate it, not check it, but eradicate it, by pursuing this method. I hope there will be no objection, and that the joint resolution will pass.

Mr. JONES. Under the measure is the Government to pay the man for not putting in his crop?

Mr. RANSDELL. Yes.

Mr. JONES. How do they determine whom to pay?

Mr. RANSDELL. The farmers stop planting a crop of cotton in the particular area for a limited time, and the Government department, in cooperation with the State departments, determines what the loss to the individual has been on account of shutting him off, preventing him from planting the crop during that time. He is allowed to plant anything else, and he is expected to make all he can out of the ground, but if the crop he does plant produces less than the crop he would have been willing to plant and would have planted, in cotton, then he is paid the difference. It is only for this one year.

Mr. JONES. Do they try to find out whether he has been industrious or not?

Mr. RANSDELL. I think they do the best they can.

Mr. JONES. It is a very peculiar procedure, I may state.

Mr. KING. Mr. President, may I ask the Senator, if this is so destructive, why would the man want to plant, and if he did plant, if it is so destructive as the Senator indicates, he would raise nothing, so his damage would be less; yet you propose to pay him for the profits which he would have made. How are you going to determine that he would have a profit, when you say that if he planted he would not reap, because of the destructive characteristics of this pest?

Mr. RANSDELL. I did not say he would not have reaped profits. I say that the insect grows, and in a very few years it practically destroys everything, but for the first year or two it is not very destructive. Yet it has to be stopped. If it is not stopped, the lint is carried, and the insect spreads over the entire area of the country where the plant grows.

Mr. BRUCE. Mr. President, has this measure received the approval of the Secretary of Agriculture?

Mr. RANSDELL. The absolute, unqualified approval of the Secretary of Agriculture, and of the Committee on Agriculture. The chairman of the committee is in the Chamber. The joint resolution is unanimously reported upon by the Secretary of Agriculture and by the committee.

Mr. BRUCE. Then it has my approval.

The PRESIDING OFFICER. The question is on agreeing to the second amendment, which will be stated.

The CHIEF CLERK. On page 4, to add at the end of the bill the following:

*And provided further*, That the appropriation herein authorized shall be available only for compensation for the crop of 1928, unless the State in which any noncotton zone is established shall thereafter appropriate and pay a sum in each year equal to the amount expended in such State by the United States under this authorization.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

## LONGSHOREMEN'S COMPENSATION ACT

The bill (H. R. 12320) to amend the longshoremen's and harbor workers' compensation act was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHRISTINE BRENZINGER

The bill (H. R. 5297) for the relief of Christine Brenzinger was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, after line 10, to insert a new section, as follows:

SEC. 2. That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered or advances made in connection with said claim. Any person or persons violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ANTON ANDERSON

The bill (H. R. 2654) for the relief of Anton Anderson was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THOMAS HUGGINS

The bill (H. R. 2657) for the relief of Thomas Huggins was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, after line 9, to insert a new section, as follows:

SEC. 2. That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered or advances made in connection with said claim. Any person or persons violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF THE STATE OF FLORIDA

The bill (S. 3917) for the relief of the State of Florida, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check numbered 1567677, drawn August 22, 1927, in favor of "State treasurer of Florida" for $11,789.53 and lost, stolen, or miscarried in the mails.

Mr. CARAWAY. Mr. President, I would like to ask the Senator from Florida a question. A bill of like character passed for the relief of North Carolina, and it seems to get no consideration in the House. A House bill for the relief of North Carolina is now pending in the Senate Committee on the Judiciary. I think it is the purpose of the Committee on the Judiciary, if I do not misinterpret its purpose, to amend that bill and to put on it provisions for all the States that are entitled to this relief. Would the Senator rather have his bill passed, or would he rather have it put on that bill?

Mr. FLETCHER. I would rather have this passed, and then we can deal with the omnibus bill a little later.

Mr. CARAWAY. I have no objection.

Mr. FLETCHER. The Senator understands that this is to relieve the State of paying a premium on an indemnity bond where a check was lost.

Mr. CARAWAY. I beg the Senator's pardon. I thought it was another bill.

Mr. FLETCHER. I think this is a different matter.

Mr. CARAWAY. Yes; this is a different matter.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

DR. JOHN MACK

The bill (H. R. 6367) authorizing the redemption by the United States Treasury of 20 war-savings stamps (series of 1918) now held by Dr. John Mack, of Omaha, Nebr., was announced as next in order.

The PRESIDING OFFICER. The adverse report on the bill is agreed to, and the bill will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 3089) to increase the efficiency of the Military Establishment, and for other purposes, was announced as next in order.

SEVERAL SENATORS Over.

The PRESIDING OFFICER. The bill will be passed over.

WILLIAM H. CHAMBLISS

The bill (S. 2274) for the relief of William H. Chambliss, was announced as next in order.

Mr. KING. I find no report with this bill. I am informed that it has not been received from the Printing Office. Let the bill go over until we get the report.

The PRESIDING OFFICER. The bill will be passed over.

HOME FOR AGED AND INFIRM, DISTRICT OF COLUMBIA

The bill (S. 4170) to authorize plans for a hospital at the Home for Aged and Infirm in the District of Columbia, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Commissioners of the District of Columbia are authorized and directed to have the municipal architect prepare plans, specifications, and estimates for a suitable infirmary and hospital for the Home for Aged and Infirm.

SEC. 2. That for such purpose there is hereby authorized to be appropriated the sum of $1,000, or such portion thereof as may be necessary.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WOMAN'S BUREAU, METROPOLITAN POLICE DEPARTMENT, DISTRICT OF COLUMBIA

The bill (S. 4174) to establish a woman's bureau in the Metropolitan Police Department of the District of Columbia, and for other purposes, was announced as next in order.

Mr. KING. Let that go over. I want to file a minority report.

The PRESIDING OFFICER. The bill will be passed over.

JOINT-STOCK LAND BANKS

The bill (S. 4039) to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, was announced as next in order.

Mr. KING. Let that go over.

Mr. SACKETT. Mr. President, will not the Senator withhold his objection a moment?

Mr. KING. I withhold the objection.

Mr. SACKETT. I want to explain the bill. This is an amendment designed by the Federal Reserve Board in order to exempt directorships of joint-stock land banks from the prohibition of the Clayton Act, because they are like mutual-savings banks; they do not loan money except on land, and there can be no restriction of credit. The governors of the board have been before the committee, and the committee was unanimous in asking that this bill go through. It simply removes one of the difficulties that have come up since the Clayton Act was passed and for which there seems to be no particular reason. There is no objection to a director serving on the board of a national bank and a joint-stock land bank. It is really a better thing to have them do so.

Mr. KING. This relates merely to a director serving on the boards of both?

Mr. SACKETT. Absolutely, and to nothing else. It simply puts them in the class of mutual-savings banks.

Mr. KING. I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments, on page 1, line 6, to strike out the words "found in title 15, chapter 1, section 19, United States Code," and to insert on line 8 "(U. S. C., title 15, ch. 1, sec. 19)," so as to make the bill read:

*Be it enacted, etc.*, That the first proviso of the second paragraph of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., title 15, ch. 1, sec. 19), is amended to read as follows:

"*Provided*, That nothing in this section shall apply to mutual-savings banks not having a capital stock represented by shares, to joint-stock land banks organized under the provisions of the Federal farm

loan act, or to other banking institutions which do no commercial banking business."

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GOV. ALFRED E. SMITH

Mr. OVERMAN. Mr. President, I hold in my hand an article from the Atlanta Journal complimentary to my colleague, and also one appearing in the Winston-Salem Morning Journal relative to campaign activities in North Carolina. I ask to have both printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Atlanta (Ga.) Journal]

SENATOR SIMMONS SPEAKS THE MIND OF THE SOUTH

So distinguished a Democrat and so wise a statesman as Senator SIMMONS, of North Carolina, would command a wide hearing on any public issue upon which he saw fit to speak, but especially on one of such moment as his party's nomination of a presidential candidate. He is known for practical insight as well as for staunch convictions, and in his thought on questions of broad consequence he runs true to the mind of the South as a whole as well as to that of his native State. Moreover, he is a national figure, a veteran in the councils of American Democrary, a Senator to whose views all regions listen with respect. Nationally significant, therefore, is his declaration that in his judgment Governor Smith, of New York, will not be nominated for the Presidency and would not be elected even if named. Vigorously denying a report that he was no longer opposed to that candidate, but regarded his nomination at Houston as "inevitable," Senator SIMMONS issues this emphatic statement:

"My convictions upon the subject are so profound that I know of no circumstances under which I would change my attitude toward the candidacy of Mr. Smith. Early in this campaign I made public a statement in which I declared my opposition to Mr. Smith and stated I was opposed to him because I believed his nomination would be unfortunate for the party in the country at large, and especially dangerous to Democratic harmony and supremacy in the South. I have not changed my views. I am as much opposed to Mr. Smith as I have ever been. Indeed, later developments have strengthened my conviction that his nomination would be disastrous to the Democratic Party. The intimation that I thought that the nomination of Mr. Smith certain is also utterly erroneous. On the contrary, I do not believe either that Mr. Smith will be nominated or that he could or would be elected if nominated."

This, we say, is significant nationally because it voices the belief prevailing in that part of the country which is the oldest, the staunchest, and in many respects the most important stronghold of the Democratic Party. The South as a whole subscribes heartily to Senator SIMMONS's view and honors him for the vigor with which he avows it. Not unmindful of the services the New York Governor has rendered his own Commonwealth and freely crediting him with the qualities he there has displayed, the rank and file of southern Democrats think, nevertheless, that his nomination for the Presidency of the United States would be extremely ill advised. Nor can this judgment be changed or discounted by propaganda of the eastern press nor by schemes of organized interests who are bent upon breaking down the eighteenth amendment and bringing back the evils which prevailed prior to national prohibition. Southern Democrats are not to be deceived by the ballyhoo of personal press agents and the puppet enthusiasm of hand-picked delegates any more than they are to be stampeded out of their convictions by this or that political flurry 60 days before the Houston convention. They have noted well what Senator SIMMONS points out, that if Governor Smith should be conceded every one of the delegates thus far credited to him he still would have little more than one-third of the number necessary to nominate. A camel might go through the eye of a needle by divesting himself of all impediments, including his hump; but there are certain alliances which never will go through the Houston convention, not if southern Democracy can save the day.

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[The following is from Winston-Salem Morning Journal of April 23, 1928. The Raleigh News and Observer, Josephus Daniels's paper, also printed an exposé of this Smith plan yesterday]

COPY OF FORMULA EXPOSES MACHINE WORKING IN NORTH CAROLINA—JOHN DAWSON LEADER FOR TAMMANY; "BOB" EDWARDS, OF WAYNE, WAS "CAUTIOUS AND SAGACIOUS" CONTACT MAN; THEY MOVED UP PRECINCT MEETINGS; GUM-SHOE PROGRAM UPSET BY PREMATURE BRAGGING OF LEADERS ABOUT STRENGTH IN STATE

By John A. Livingstone, from the Journal's Washington Bureau

WASHINGTON, April 22.—Carefully laid plans to capture the North Carolina delegation for Gov. Al Smith were formulated in Tammany Hall and sent down for the guidance of the selected group of politicians who have charge of the campaign.

When this selected group met in Raleigh shortly before the meeting of the State Democratic executive committee in March, they had this chart before them and the plans as outlined have been put into operation. These plans call for an organization along these lines:

1. A cautious and sagacious man informed in State politics to visit each congressional district to confer with two men from such district.

2. Selection of three appropriate county leaders in each county in their district by those two district leaders.

3. These three county leaders are to arrange to have their friends present at the precinct meetings to see that the proper men are selected for the county conventions.

4. With the personnel of the country conventions the next step, of course, is the carefully arranged selection of Smith delegates to the State convention.

5. The two district men are to call a conference with at least one from each county in their district to agree upon the delegates to the national convention.

Former Sheriff "Bob" Edwards, of Wayne County, has been the contact man for the Smith headquarters in Raleigh, but in accordance with the carefully veiled plans the leaders in the Smith campaign did not remove the cloak of secrecy until after the Presidential candidate arrived in the State. He is well qualified for the rôle of "cautious, experienced, and sagacious man informed in State politics."

Even while some of the leaders in the Smith campaign were loudly proclaiming from the housetops that they recognized there was no chance to send a Smith delegation to Houston, these carefully veiled plans were being put into operation in the State.

These plans for capturing the State are evidently the same that have been used effectively in other States.

The plans outlined were upon the assumption that the precinct meetings would be held in April, but decision to postpone the convention in June made changes necessary only as to time. In every other respect the organization plan is as good for one month as another.

In only one respect was there threat of upsetting these plans. That was State Chairman Brummitt's idea of having the precinct meetings on the same day as the June primary. That would have put a bombshell into the Smith camp by upsetting the mudsill of the organization plan. Therefore it was incumbent upon Smith leaders to get that changed.

Under the leadership of former State Chairman John Dawson they succeeded in getting the precinct meetings moved up a week, which would give a better opportunity to capture the precinct meetings through lack of interest on the part of opponents.

Some enthusiastic Smith leader in the State could not keep the good news from Tammany Hall, and the word was sent that the State could be swung to Smith. The news was published in the New York World. In more conservative Tammany Hall circles, North Carolina has been put down as a doubtful State.

Perusal of the Tammany plans for capturing the State reveal that indifference of opponents certainly would open the way for capture of both county, district, and State conventions.

The remarkable feature of this organization plan is the lack of any indication anywhere that it is a Smith plan. There is not even the semblance of allusion to Smith, New York, or anything else to indicate its purpose. It accounts for the gum-shoe campaign carried on in North Carolina for months.

Nothing is to be left to chance though, as every feature of it fits in with every other feature. It represents the quintessence of political organization wisdom. The most striking feature of it is that it is designed solely to be carried out by local talent. Nothing is left to chance, but it is simplified to the extent that few mistakes could be made.

It is the simplicity of art. It is the boiled-down experience of years of successful political organization work by Tammany Hall.

Memorandum of the Smith organization plan for North Carolina, as outlined by Tammany Hall and put into operation in the State, follows:

"1. A cautious and experienced and sagacious man informed in State politics should be obtained to go to each congressional district in the State as early as possible and there confer with two men from such congressional district. These two men should meet the man so visiting the congressional district, and, in the first conference, there should be no one present except the three unless after the conference begins the three should agree on calling one or more particular persons.

"2. These two conferees from each congressional district must be men well informed upon the politics of their district and who are prepared to receive and understand the information and suggestions to be given them by the visitor covering the State. The visitor will suggest to the district men as follows:

"That the two district men immediately select from each county in their district three appropriate county leaders who are prepared to act with discretion and to act quickly, and then that the two district men will confer as quickly as possible with these three county men, each conference to be limited to the two district men and the three county men from one county; that is, only the five in this conference, it being

the purpose that the two district men will hold separate conference for each county in their district at such time and place as may be selected by the two district men, and not necessarily in the county under consideration.

"3. After three men from each county are thus thoroughly informed as to their duties and efforts they shall at once arrange to have their friends present at each precinct meeting, meeting apt to be in April, and these friends at each precinct meeting shall choose the proper delegates to the county convention apt to be one week after the precinct meeting.

"4. With the personnel of the county conventions carefully arranged and chosen as hereinbefore indicated proper delegates can be selected to go from each county to the State convention, and it must be made certain that such delegates will actually attend the State convention.

"5. Immediately following the county conventions the two district men, as hereinbefore mentioned, should call a meeting of at least one man from each county in their district, and together they should, if possible, agree upon the delegates which their district will choose to go to the national convention, so that in the district caucus at Raleigh, which is usually held at 10 o'clock on the day of the State convention, there will be no confusion or difficulty about naming the delegates agreed upon to the national convention.

"The putting into actual effect of the above-mentioned plan depends in the main upon the following:

"(a) That the man to visit the 10 congressional districts and confer with the two district men shall be the man for the place.

"(b) That the two district men shall be not only the proper men to handle their district, but shall also be men who will agree to give a little time to this work and see that it is carried out.

"(c) The two district men must stay constantly in touch with the three county men in their district and see that the three county men organize the precinct meetings and send the proper delegates to the county conventions.

"(d) The country conventions must choose proper delegates to the State convention.

"(e) There must be an understanding as far as possible by each county as to who will be chosen delegates from the State convention to the national convention. This can be carried out as suggested in paragraph 5."

### IN DEFENSE OF PIFFLE

Mr. COPELAND. Mr. President, I hold in my hand a short article from the pen of my friend, Bruno Lessing, in the April 23, 1928, issue of the New York American. This is on a very important subject, "In defense of piffle," and I ask unanimous consent that it may be printed in the body of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

SOMETHING TO THINK ABOUT

By Bruno Lessing

IN DEFENSE OF PIFFLE

Senator WALSH of Montana publicly rebuked Senator ROBINSON of Indiana for having indulged in loose talk.

"The whole thing," said the gentleman from Montana, "seems to me of such character that it might be described in the language of the street as 'piffle.'"

Isn't it rather cruel to thrust such a good and honest word as "piffle" out into the street? True, it was once a homeless wanderer. But Rudyard Kipling took it to his bosom and, even in the supplement of Webster's Dictionary, you find it admitted to good society and respectable homes.

Piffle now wears good clothes, a wrist watch, and spats, goes to most of the plays and belongs to many clubs.

Senator WALSH'S reflections upon the ancestry of Piffle were rather ungracious. It was also a breach of senatorial courtesy. Piffle is one of the oldest Members of the United States Senate. He has always been popular, both with Democrats and Republicans.

Whenever a Senator makes a speech merely for home consumption Piffle stands at his side and coaches him. He has even been known to climb on a Senator's back and whisper the whole speech into his ear. And once in a while he edits the whole CONGRESSIONAL RECORD.

In the realm of society he is so popular that few of the select circles could get along without him. He is the principal speaker at every public banquet and usually helps the other speakers to prepare their speeches.

The younger generation adore him. He attends all their games and gatherings and plays a prominent part in them. Even in the secret and sacred meetings of lovers he is often present—a welcome companion.

Married couples love to have him for dinner because he supplies most of the conversation.

But friend Piffle's activities extend far beyond those social fields. He plays frequently a leading part in what we commonly call "world movements." He is the president and in some cases the whole board of directors of many organizations and associations of men and women who, with the kindest hearts and the best intentions, have undertaken to change human nature.

He plays a great part in the literature of to-day. In fact, he writes a great deal of it himself. He has directed many moving pictures and written all the titles.

It would take far greater space than is at this writer's command to do justice to the part which Piffle plays in our modern life. But the writer's purpose is accomplished if Senator WALSH will admit the error of his attitude. He will be satisfied if the Senator will get up in the Senate and say:

"I regret that I did injustice to Piffle. That estimable gentleman who inspired the speech of my colleague from Indiana is not a denizen of the streets but moves in the highest society." (Copyright, 1928, King Features Syndicate (Inc.).)

### GOV. ALFRED E. SMITH—LETTER OF HON. ROBERT L. OWEN

Mr. BLACK. I ask unanimous consent to have printed in the RECORD an article appearing in the Winston-Salem (N. C.) Journal, containing a letter from former Senator Robert L. Owen to Senator SIMMONS, of North Carolina.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OWEN BACKING SENATOR SIMMONS—OKLAHOMA SENATOR TELLS TAR HEEL TO KEEP UP GOOD FIGHT—TAMMANY HISTORY—RECALLS TREACHERIES OF NEW YORK POLITICIANS

In a ringing letter of commendation Senator Robert L. Owen, of Oklahoma, for 18 years a Member of the United States Senate, takes his stand by the side of Senator SIMMONS in the fight against Al Smith and Tammany Hall. The Journal last night received from Senator Owen a copy of letter he has written to Senator SIMMONS. His letter follows:

WASHINGTON, D. C., *April 21, 1928.*

Hon. F. M. SIMMONS,
*New Bern, N. C.*

MY DEAR SENATOR SIMMONS: The public press announces that Governor Smith, of New York, is visiting North Carolina and that his visit is at once followed by an assault on your leadership in that State.

You and Senator OVERMAN are the oldest Democratic United States Senators and the only ones who were in the Senate when I entered it in 1907. For 18 years, side by side, I fought with you in the Senate of the United States for the welfare of the country and the honor of the Democracy. I know your courage, your knowledge, your wisdom, your attachment to the Democracy, and it is painful to me to see you assailed because you have warned the Democracy against the nomination of Governor Smith.

As I organized the Democratic Party in Indian Territory in 1892, was its first Democratic national committeeman, was its first United States Senator, was three times elected to the Senate, and was twice supported by my State for the presidential nomination, I trust my Democracy will not be questioned when I join you and defend your position in opposing the nomination of Governor Smith and defend you against the assaults of those who now support the candidate of Tammany.

I can not possibly forget that it was Tammany who fought Samuel J. Tilden, a great, brave, and honest Democrat; yet he was nominated and received a majority popular vote, the views of Tammany to the contrary notwithstanding. Indeed, except he had been opposed to Tammany's machine rule and system of commercialized politics and the Tammany leaders who represented everything else but Jeffersonian Democracy, Tilden could not have received the confidence of the country nor the popular vote.

It should be remembered, my dear Senator, that the Tammany tiger fought that great Democrat, Grover Clevelend, "tooth and nail," yet that very fact established Grover Cleveland in the confidence of America and made the country love him for the enemies he had made, and he was three times nominated by the Democratic Party; three times he received the popular vote; and twice he was elected President of the United States.

It will be remembered that it was Tammany's warriors who assisted Mark Hanna to defeat the great Democrat, William J. Bryan, every time he was nominated by the Democratic Party. Three times Bryan was opposed by Tammany men who claimed to be Democrats but still, in spite of Tammany's opposition, Bryan was greatly beloved by the progressive Democracy of America.

When the great Democrat, Woodrow Wilson, was a candidate, Tammany Hall fought him, and the leaders of Tammany were hostile to Wilson during his administration, yet Woodrow Wilson was twice nominated and twice elected in spite of the opposition and lack of fidelity of the forces governed by the Tammany group.

No man who has thoughtfully studied the records of the election returns of 1920 and 1924 need have any doubt that it was the forces affiliated with Tammany that betrayed James M. Cox and John W. Davis, the Democratic nominees for the Presidency, or that Tammany elected Alfred E. Smith as Governor of New York in 1924 as a consequence of such bipartisan intrigue, as is well known to informed men.

Who was it behind the "Al and Cal" or "Cal and Al" campaign against John W. Davis if it was not the bipartisan machine forces of Tammany and Coolidge leaders?

And who is it now that is so lavishly financing the campaign of Governor Smith in the 48 States? Can there be any doubt that it must be the plutocratic associates with whom the Tammany warriors have heretofore affiliated and collaborated? Were not these the same forces substantially who opposed Tilden and Cleveland and Bryan and Cox and Davis?

Did not the representatives of Tammany in the Congress of the United States support Joe Cannon, the mouthpiece of plutocracy, when he was deposed by Democrats and progressive Republicans from his position as czar of the House of Representatives?

Has Tammany really reformed in its organized machine rule methods of commercialized politics? Have they really discontinued their practices which have enriched such men as Tweed and Croker and Murphy? It is possible that the disciples of Thomas Jefferson, of Tilden and Cleveland and Bryan and Wilson will follow the leadership of Tammany and put Tammany in the White House.

Does Tammany imagine that by organizing 48 States by Tammany methods and alert intrigue, by Johnny-on-the-spot methods at precinct caucuses and selecting in advance and secretly key men in 2,500 counties and financing the national campaign and controlling State conventions by such processes, while the people, the trusting people, are inattentive and preoccupied, that it can nominate and seize the Presidency of the United States?

It seems obvious that since 1920 a determined group have been steadily advancing the nomination of Governor Smith, writing books and magazine articles, filling the press with propaganda. It is entirely clear that these processes can make and have made a substantial impression on the plastic minds of many who are like Will Rogers in that "all they know is what they see in the papers." This is sufficient to catch the band-wagon group and the camp followers who are looking for political provender. But it is not enough to overcome in America the profound opposition to Tammany and its methods of organized, commercialized politics. It is not enough to satisfy the country who recognize in Tammany the most highly organized political foe to the national policy of prohibition. It is not enough to satisfy the country with the nullification of the eighteenth amendment by Tammany under the leadership of Gov. Alfred E. Smith, who having sworn to support the Constitution, permits the wholesale, flagrant violation of this law in thousands of speak-easies available to every American who visits New York and who with his own eyes can see this national scandal.

I have no wish to speak in disparagement or to speak lightly of the charming personality of Governor Smith as painted by the New York press, but I am of opinion that Governor Smith is not a person, but that he is an institution representing Tammany and the New York plutocracy affiliated with Tammany in this high enterprise of leading the national Democracy.

Governor Smith is a sachem of Tammany Hall, the most powerful man in the governing group of 13 sachems. He has been in the service of Tammany since his youth, which has developed him, advanced him, and now is trying to make the country believe that he is qualified to lead the unselfish sons of Jeffersonian Democracy.

With Governor Smith and Mr. Coolidge, or an adequate substitute for Mr. Coolidge as the nominee, the American people will face a situation where it matters but little to the plutocracy who is elected, and the demoralization of the Democratic Party will be complete.

Tammany's constituency is as America's great port very naturally overwhelmingly of foreign origin, with foreign ideals, more or less, favoring wide-open immigration, favoring the repeal of the eighteenth amendment, and its nullification until repealed, supporting boss rule, accepting its charities and its employment, and Governor Smith is doubtless their choice and represents their views, but North Carolina and Oklahoma and the American people west of the State of New York, certainly, are opposed to opening the gates any wider to foreign immigration, are opposed to the repeal of the eighteenth amendment, are opposed to boss rule, and are opposed to Tammany leadership.

America is not bankrupt for Jeffersonian leadership, but true Jeffersonian Democrats are not disposed to use Tammany methods in procuring a nomination for the Presidency. North Carolina has Governor McLean, a splendid upstanding Democrat, and worthy of the post of honor, it has the former great Secretary of the Navy, Josephus Daniels, who is worthy and well qualified, Georgia has a splendid man in Senator GEORGE, Tennessee has one of the ablest men in America in CORDELL HULL, Mississippi has the gallant Senator HARRISON, Indiana has a worthy candidate in Woollen, Ohio has the popular Donahay, with his high character and great worth, Texas has its splendid young Governor, Dan Moody, Arkansas has the able, experienced, and worthy Senator ROBINSON, Democratic leader of the United States Senate, Colorado has Huston Thompson, a particularly fine man, seven years on the Federal Trade Commission, California has McAdoo, with his great experience and splendid intellect, and many other States have men worthy to be offered to the national Democracy as leaders of Jeffersonian Democracy.

The real question before America to-day is whether the voice of the plutocracy or the voice of 50 men who happen to be handling billions of property in the conduct of national enterprises shall have control over and smother and extinguish the high principles of Jeffersonian Democracy.

Regardless of possible party stupidity the American Democracy which thinks in terms of the good of all the people, of the good of the rich and the poor—of the good of the very rich and of the very poor—of the learned and the unlearned—which thinks in terms of human brotherhood, free from all malice and full of benevolence, will survive.

If Tammany by intrigue succeeds in seizing the leadership of the Democratic Party it is my opinion that there will emerge from the wreck a Jeffersonian party which will neither ask nor give quarter to the invisible government of a few powerful men which now sits enthroned behind the ostensible Government in Washington.

The gigantic wealth of America owes its existence to the freedom, the opportunities, and the protection of an enlightened and benevolent democracy. The overwhelming majority of the people in America believe in the doctrines of Jefferson and in the Golden Rule, in equal rights to all and special privileges to none, and do not believe in the Hamilton doctrine of organized selfishness which seeks and uses the powers of government for private profit.

With affectionate regard, I am, very faithfully yours,

ROBERT L. OWEN.

### EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

### RECESS

Mr. CURTIS. I move that the Senate take a recess until noon to-morrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until to-morrow, Wednesday, April 25, 1928, at 12 o'clock meridian.

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## NOMINATIONS

*Executive nominations received by the Senate April 24 (legislative day of April 20), 1928*

### TREASURER OF THE UNITED STATES

H. Theodore Tate, of Tennessee, to be Treasurer of the United States in place of Frank White, resigned.

### SURVEYOR OF CUSTOMS

John H. Cunningham, of Westminster, Md., to be surveyor of customs in customs collection district No. 13, with headquarters at Baltimore, Md. (Reappointment.)

### COLLECTOR OF CUSTOMS

Manuel B. Otero, of Albuquerque, N. Mex., to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex., in place of Thomas P. Gable, whose term of office will expire June 30, 1928.

### ATTORNEY GENERAL OF PORTO RICO

James R. Beverley, of Texas, to be attorney general of Porto Rico.

### PROMOTIONS IN THE NAVY

Lieut. Herbert B. Knowles to be a lieutenant commander in the Navy from the 25th day of August, 1927.

Lieut. Stanwix G. Mayfield, jr., to be a lieutenant commander in the Navy from the 27th day of November, 1927.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 3d day of June, 1927:

Clement R. Baume.
Henry T. Wray.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June, 1927:

Louis D. Sharp, jr.
Charles M. E. Hoffman.
Edward P. Creehan.

Passed Asst. Surg. Frederick W. Muller to be a surgeon in the Navy, with the rank of lieutenant commander, from the 2d day of June, 1927.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 3d day of December, 1927:

| | |
|---|---|
| Charles G. Crumbaker, jr. | John K. Chisholm. |
| Arthur L. Sullivan. | Stanley B. McCune. |
| Henry L. Greenough. | Chastine A. Murray. |

## POSTMASTERS

### ARKANSAS

John W. Reed to be postmaster at Plumerville, Ark., in place of J. W. Reed. Incumbent's commission expires April 26, 1928.

Roy Hill to be postmaster at Strong, Ark., in place of J. W. Honeycut. Incumbent's commission expired December 19, 1927.

### DELAWARE

William H. Evans to be postmaster at Newark, Del., in place of W. H. Evans. Incumbent's commission expires April 26, 1928.

### FLORIDA

James A. Zipperer to be postmaster at Madison, Fla., in place of J. A. Zipperer. Incumbent's commission expires April 26, 1928.

### GEORGIA

Vera H. Cummings to be postmaster at Warthen, Ga., in place of T. W. Cobb, deceased.

### ILLINOIS

Louis A. Luetgert to be postmaster at Elmhurst, Ill., in place of L. A. Luetgert. Incumbent's commission expired January 10, 1927.

William R. Fletcher to be postmaster at Joliet, Ill., in place of H. H. Bolton. Incumbent's commission expired December 19, 1925.

Harold E. Ward to be postmaster at Sterling, Ill., in place of H. H. Ward. Incumbent's commission expires April 26, 1928.

Ira D. Lakin to be postmaster at Vandalia, Ill., in place of Harry Mabry, deceased.

### INDIANA

Harley O. Poor to be postmaster at Etna Green, Ind., in place of W. A. Hatfield, resigned.

### IOWA

Claude M. Sullivan to be postmaster at Cherokee, Iowa, in place of C. M. Sullivan. Incumbent's commission expires April 28, 1928.

Orpha M. Bloomer to be postmaster at Havelock, Iowa, in place of O. M. Bloomer. Incumbent's commission expires April 28, 1928.

Wilbert W. Clover to be postmaster at Lohrville, Iowa, in place of W. W. Clover. Incumbent's commission expires April 28, 1928.

Loys E. Couch to be postmaster at Newell, Iowa, in place of L. E. Couch. Incumbent's commission expires April 26, 1928.

### KANSAS

Myron Johnson to be postmaster at Oakley, Kans., in place of Myron Johnson. Incumbent's commission expires April 25, 1928.

### KENTUCKY

James A. Hargan to be postmaster at Camp Knox, Ky., in place of J. A. Hargan. Incumbent's commission expired January 17, 1928.

Sam H. Fisher to be postmaster at McRoberts, Ky., in place of S. H. Fisher. Incumbent's commission expired March 1, 1928.

Edward B. Ray to be postmaster at Canmer, Ky. Office became presidential July 1, 1927.

### MAINE

Ralph A. Bessey to be postmaster at Canton, Me., in place of D. A. Bisbee, removed.

### MINNESOTA

Albert J. Schroeder to be postmaster at Holdingford, Minn., in place of A. J. Schroeder. Incumbent's commission expired December 19, 1927.

### MISSISSIPPI

John B. Going to be postmaster at Calhoun City, Miss., in place of J. J. Hiller, deceased.

### MISSOURI

John M. Mathes to be postmaster at Aurora, Mo., in place of M. B. Gardner. Incumbent's commission expired January 17, 1926.

Charles F. McKay to be postmaster at Knox City, Mo., in place of C. F. McKay. Incumbent's commission expired January 28, 1928.

Edward F. Walden to be postmaster at Morehouse, Mo., in place of E. F. Walden. Incumbent's commission expired January 14, 1928.

Frank L. Mertsheimer to be postmaster at Pleasant Hill, Mo., in place of J. F. Hooley. Incumbent's commission expired January 15, 1928.

### NEBRASKA

Milton R. Cox to be postmaster at Arapahoe, Nebr., in place of M. R. Cox. Incumbent's commission expires April 25, 1928.

Arvid S. Samuelson to be postmaster at Axtell, Nebr., in place of A. S. Samuelson. Incumbent's commission expires April 25, 1928.

Walter G. Mangold to be postmaster at Bennington, Nebr., in place of W. G. Mangold. Incumbent's commission expires April 28, 1928.

Robert J. Boyd to be postmaster at Trenton, Nebr., in place of R. J. Boyd. Incumbent's commission expired April 3, 1928.

### NEW HAMPSHIRE

Fred W. Smith to be postmaster at North Woodstock, N. H., in place of F. W. Smith. Incumbent's commission expired January 30, 1927.

### NEW JERSEY

Raymond Johnson to be postmaster at Riverside, N. J., in place of L. C. Pine. Incumbent's commission expired January 31, 1928.

G. Raymond Beck to be postmaster at Roebling, N. J., in place of G. R. Beck. Incumbent's commission expires April 25, 1928.

Alfred T. Kent to be postmaster at Summit, N. J., in place of A. T. Kent. Incumbent's commission expired April 15, 1928.

William M. Matthews to be postmaster at Berlin, N. J., in place of F. D. Matteson, deceased.

### NORTH CAROLINA

Annie L. Stanton to be postmaster at Stantonburg, N. C., in place of A. L. Stanton. Incumbent's commission expires April 28, 1928.

### OHIO

Michael J. Meek to be postmaster at McDonald, Ohio, in place of M. J. Meek. Incumbent's commission expires April 28, 1928.

Harry L. McClarran to be postmaster at Wooster, Ohio, in place of H. L. McClarran. Incumbent's commission expires April 25, 1928.

### PENNSYLVANIA

Gertrude Klinefelter to be postmaster at Jonestown, Pa., in place of Gertrude Klinefelter. Incumbent's commission expires April 26, 1928.

Albert A. Campbell to be postmaster at Zelienople, Pa., in place of V. F. Eichholtz. Incumbent's commission expired January 22, 1928.

### SOUTH DAKOTA

Floyd Twamley to be postmaster at Alexandria, S. Dak., in place of Floyd Twamley. Incumbent's commission expires April 26, 1928.

Philip S. Feldmeyer to be postmaster at Garden City, S. Dak., in place of P. S. Feldmeyer. Incumbent's commission expired August 30, 1926.

Clarence Mork to be postmaster at Pierpont, S. Dak., in place of Clarence Mork. Incumbent's commission expired November 22, 1925.

John W. Rydell to be postmaster at Rosholt, S. Dak., in place of J. W. Rydell. Incumbent's commission expired December 18, 1927.

Carl O. Steen to be postmaster at Veblen, S. Dak., in place of C. O. Steen. Incumbent's commission expired April 21, 1928.

### TENNESSEE

James F. Toney, jr., to be postmaster at Erwin, Tenn., in place of J. F. Toney, jr. Incumbent's commission expired April 22, 1928.

Alice L. Needham to be postmaster at Trimble, Tenn., in place of A. L. Needham. Incumbent's commission expired April 22, 1928.

### TEXAS

Sol D. Smith to be postmaster at Granbury, Tex., in place of S. D. Smith. Incumbent's commission expires April 28, 1928.

Olive Raoul to be postmaster at Gustine, Tex., in place of Olive Raoul. Incumbent's commission expired April 3, 1928.

Daniel B. Gilmore to be postmaster at McGregor, Tex., in place of D. B. Gilmore. Incumbent's commission expired February 8, 1927.

Duane B. Scarborough to be postmaster at Oakwood, Tex., in place of D. B. Scarborough. Incumbent's commission expires April 28, 1928.

Thomas B. Higgins to be postmaster at Reagan, Tex., in place of T. B. Higgins. Incumbent's commission expires April 28, 1928.

Jesse L. Holcomb to be postmaster at Seminary Hill, Tex., in place of H. L. Cullender. Incumbent's commission expired December 19, 1927.

Clarence V. McMahan to be postmaster at Waco, Tex., in place of C. V. McMahan. Incumbent's commission expires April 28, 1928.

Homer H. Turner to be postmaster at Rockdale, Tex., in place of E. I. Wade, deceased.

Alice Pipes to be postmaster at White Deer, Tex., in place of Harry Wheeler, resigned.

UTAH

Edward J. Young, jr., to be postmaster at Vernal, Utah, in place of E. J. Young, jr. Incumbent's commission expired April 15, 1928.

VIRGINIA

Elroy Shelor to be postmaster at Meadows of Dan, Va., in place of Elroy Shelor. Incumbent's commission expired February 8, 1928.

Hansbrough Hannah to be postmaster at Natural Bridge, Va. Office became presidential July 1, 1927.

Richard F. Hicks to be postmaster at Schuyler, Va., in place of A. E. Coppe, resigned.

WISCONSIN

George L. Harrington to be postmaster at Elkhorn, Wis., in place of S. C. Goff. Incumbent's commission expired January 7, 1928.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 24 (legislative day of April 20), 1928*

SURVEYOR OF CUSTOMS

John H. Cunningham to be surveyor of customs, district No. 13, Baltimore, Md.

POSTMASTERS

CALIFORNIA

Curtis C. Maltman, El Monte.
Harry H. Chapman, Hornbrook.
Mary S. Rutherford, Truckee.

COLORADO

Charles E. Baer, Steamboat Springs.

KANSAS

Anna Smith, Moundridge.

MASSACHUSETTS

John R. Walsh, Topsfield.

MISSISSIPPI

James C. Ellis, Bucatunna.

MISSOURI

Henry P. Hughes, Everton.

NEBRASKA

Charles McCray, Merriman.

WISCONSIN

Ernest P. G. Schlerf, Oshkosh.

# HOUSE OF REPRESENTATIVES

## TUESDAY, *April 24, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, faithful guide, in the quiet of these moments may our relationship be solemnized. The language of our breath is "Holy, holy, holy!" Forbid that we should ever take Thy name in vain, the only name in heaven and earth. Clothe us with the garment of strength without the sense of toil and with the spirit of service without the sense of hardship. Dwell in all our hearts, so there shall be a union of might and weakness, of day and night, and then our human frailties shall be blessed with power divine. Lift up our whole country and strengthen it in peace and concord. O sun of righteousness, arise with healing in Thy beams, for there are so many waiting for Thy touch. When the day closes, turn weariness into relaxation and give the blessing of rest. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate disagrees to the amendment of the House of Representatives to the bill (S. 1648) entitled "An act for the relief of Oliver C. Macey and Marguerite Macey," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOWELL, Mr. NYE, and Mr. BAYARD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3808. An act to authorize the construction of a temporary railroad bridge across Bogue Chitto River at or near a point in township 5 south, range 13 east, St. Helena meridian, St. Tammany Parish, La.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was presented to the House of Representatives by Mr. Latta, one of his secretaries, who also announced that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 11, 1928:

H. R. 328. An act to relieve the Territory of Alaska from the necessity of filing bonds or security in legal proceedings in which such Territory is interested;

H. R. 343. An act to amend section 128, subdivision (b), paragraph 1, of the Judicial Code as amended February 13, 1925, relating to appeals from district courts;

H. R. 359. An act authorizing the presentation of the iron gates in West Executive Avenue between the grounds of the State, War, and Navy Building and the White House to the Ohio State Archæological and Historical Society for the memorial gateways into the Spiegel Grove State Park;

H. R. 5075. An act for the relief of W. J. Bryson;

H. R. 5923. An act for the relief of the Sanitarium Co., of Portland, Oreg.;

H. R. 6993. An act authorizing the Secretary of the Interior to sell and patent certain lands in Louisiana and Mississippi;

H. R. 7463. An act amending an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";

H. R. 8725. An act to amend section 224 of the Judicial Code; and

H. R. 10483. An act to revise the boundary of a portion of the Hawaii National Park on the island of Hawaii in the Territory of Hawaii.

On April 12, 1928:

H. R. 333. An act authorizing the sale of certain lands near Seward, Alaska, for use in connection with the Jesse Lee Home;

H. R. 465. An act to authorize the city of Oklahoma City, Okla., to sell certain public squares situated therein;

H. R. 1997. An act for the relief of Clifford J. Turner;

H. R. 4125. An act for the relief of Holger M. Trandum; and

H. R. 11579. An act relating to investigation of new uses of cotton;

On April 13, 1928:

H. R. 3315. An act for the relief of Charles A. Black, alias Angus Black;

H. R. 5545. An act granting certain lands to the State of California;

H. R. 8499. An act for the relief of Arthur C. Lueder;

H. R. 9118. An act for the relief of William C. Braasch; and

H. R. 10563. An act extending the provisions of the recreational act of June 14, 1926 (44 Stat. L. 741), to former Oregon & California Railroad and Coos Bay Wagon Road grant lands in the State of Oregon.

On April 16, 1928:

H. R. 405. An act providing for horticultural experiment and demonstration work in the southern Great Plains area;

H. R. 5590. An act to authorize appropriations for construction of culverts and trestles in connection with the camp railroad at Camp McClellan, Ala.;

H. R. 5817. An act to provide for the paving of the Government road extending from St. Elmo, Tenn., to Rossville, Ga.; and

H. R. 9829. An act to extend the provisions of the act of Congress approved March 20, 1922, entitled "An act to consolidate national forest lands."

On April 18, 1928:

H. R. 10884. An act to amend the act entitled "An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods, concluded on the 24th day of February, 1925," approved May 22, 1926.

On April 19, 1928:

H. R. 4702. An act for the relief of Benjamin S. McHenry, alias Henry Benjamin;

H. R. 7191. An act to authorize the Secretary of Commerce to convey certain land in Cook County, Ill., to the Chicago & West-

ern Indiana Railroad Co., its successors or assigns, under certain conditions;

H. R. 7908. An act to authorize the granting of leave to veterans of the Spanish-American War to attend the annual convention of the United Spanish War Veterans and auxiliary in Habana, Cuba, in 1928; and

H. R. 10540. An act to credit retired commissioned officers of the Coast Guard with active duty during the World War performed since retirement.

On April 20, 1928:

H. R. 3510. An act to authorize the President, by and with the advice and consent of the Senate, to appoint Capt. George E. Kraul a captain of Infantry, with rank from July 1, 1920;

H. R. 5687. An act authorizing and directing the Secretary of the Interior to sell certain public lands to the Cabazon Water Co., issue patent therefor, and for other purposes;

H. R. 5721. An act authorizing J. C. Norris, as mayor of the city of Augusta, Ky., his successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at Augusta, Ky.;

H. R. 6360. An act for the relief of Edward S. Lathrop;

H. R. 8650. An act for the relief of C. S. Winans;

H. R. 10564. An act to authorize the Secretary of War to grant and convey to the county of Warren a perpetual easement for public highway purposes over and upon a portion of the Vicksburg National Military Park, in the State of Mississippi;

H. R. 10932. An act for the relief of the widows of certain Foreign Service officers; and

H. J. Res. 118. Joint resolution authorizing the Secretary of War to award a duplicate Congressional Medal of Honor to Lieut. Col. William J. Sperry.

On April 21, 1928:

H. R. 242. An act to amend section 90 of the national defense act, as amended, so as to authorize employment of additional civilian caretakers for National Guard organizations, under certain circumstances, in lieu of enlisted caretakers heretofore authorized;

H. R. 350. An act to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N. J.;

H. R. 475. An act to permit taxation of lands of homestead and desert-land entrymen under the reclamation act;

H. R. 1530. An act for the relief of William F. Wheeler;

H. R. 1970. An act for the relief of Dennis W. Scott;

H. R. 2294. An act for the relief George H. Gilbert;

H. R. 6431. An act for the relief of Lewis H. Easterly;

H. R. 7011. An act to detach Okfuskee County from the northern judicial district of the State of Oklahoma and attach the same to the eastern judicial district of said State;

H. R. 8309. An act to amend an act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," approved February 24, 1923;

H. R. 8915. An act to provide for the detention of fugitives apprehended in the District of Columbia;

H. R. 8983. An act for the relief of William G. Beaty, deceased;

H. R. 9365. An act to legalize a bridge across the St. Francis River at Marked Tree, in the county of Poinsett, Ark.;

H. R. 9483. An act to provide for the acquisition of rights of way through the lands of the Pueblo Indians of New Mexico; and

H. R. 9830. An act authorizing the Great Falls Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near the Great Falls.

On April 23, 1928:

H. R. 431. An act to authorize the payment of certain taxes to Okanogan County, in the State of Washington, and for other purposes;

H. R. 852. An act authorizing the issuance of a certain patent;

H. R. 1588. An act for the relief of Louis H. Harmon;

H. R. 6990. An act to authorize appropriations for construction at the Pacific Branch, Soldiers' Home, Los Angeles County, Calif., and for other purposes;

H. R. 7223. An act to add certain lands to the Gunnison National Forest, Colo.;

H. R. 7518. An act for the relief of the Farmers National Bank of Danville, Ky.;

H. R. 8651. An act for the relief of Lynn W. Franklin;

H. R. 8724. An act granting certain lands to the city of Mendon, Utah, to protect the watershed of the water-supply system of said city;

H. R. 8733. An act granting certain lands to the city of Bountiful, Utah, to protect the watershed of the water-supply system of said city;

H. R. 8734. An act granting certain lands to the city of Centerville, Utah, to protect the watershed of the water-supply system of said city;

H. R. 9902. An act for the relief of James A. DeLoach;

H. R. 11203. An act granting the consent of Congress to the counties to Telfair and Coffee to construct, maintain, and operate a free highway bridge across the Ocmulgee River at or near the present Jacksonville ferry in Telfair and Coffee Counties, Ga.;

H. R. 11762. An act to authorize an appropriation to complete construction at Fort Wadsworth, N. Y.; and

H. R. 11887. An act authorizing the Interstate Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Nebraska City, Nebr.

On April 24, 1928:

H. R. 11404. An act authorizing the Port Huron, Sarnia, Point Edward International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.

### FLOOD CONTROL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that I may proceed for not more than five minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Speaker and gentlemen, yesterday afternoon I introduced an amendment to the flood control bill which provided that when southern Illinois and southeastern Missouri and New Orleans assumed the responsibility of relieving the Government of any damages by reason of the work of construction which the Government was about to enter upon, then the work would proceed under the bill which we are considering. The House rejected this amendment.

Since then I have talked with the President, who says he will not insist upon the conditions laid down in the amendment which I proposed to the committee, and therefore I want to state to the House, in all good conscience, I have no valid reason that I know of for voting against the bill, and I propose to vote for it. [Applause.]

### DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. DICKINSON of Iowa. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11577) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DICKINSON of Iowa, WASON, SUMMERS of Washington, BUCHANAN, and SANDLIN.

### ADDRESS OF HON. J. WILL TAYLOR, OF TENNESSEE

Mr. BROWNING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered over the radio last evening here in Washington by my colleague, the gentleman from Tennessee, Hon. J. WILL TAYLOR, on the subject of immigration.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BROWNING. Mr. Speaker, under leave granted me to extend my remarks I submit the speech delivered on last evening, April 23, over station WTFF, of Washington, by my colleague, Hon. J. WILL TAYLOR, Member of Congress from the second Tennessee district. Mr. TAYLOR is ranking majority member of the Immigration Committee of the House, and has been on that committee for 10 years. He has made a thorough, intelligent, and devoted study of this all-important American question. His position is sound and patriotic.

The address is as follows:

### IMMIGRATION

My friends of the air, at the outset please permit me to acknowledge my appreciation to my good friend and former colleague, Hon. Charles I. Stengle, of New York, for the high privilege of speaking to you who may be listening in this evening on a subject to which I have devoted a large part of my legislative career, and a subject which is of vital importance to every man, woman, and child in America as well as to their posterity—the subject of foreign immigration. During the past 10 years as a member of the Immigration Committee of the House of Representatives I have had a rare opportunity to study this great problem first hand, as well as the privilege to participate in the efforts that have been made during that period to solve it.

In my judgment the proposition that confronts every citizen, and particularly every man in public life, is how the course of to-day's events can be the better molded to insure the peace and perpetuity of this great country and the marvelously designed republican form of government which has contributed so much to the happiness, comfort, and prosperity of us all. Every patriotic American wants to do what he can to help keep the Stars and Stripes aloft, to maintain unsullied the honor and integrity of the Nation with its wonderful institutions, and above all to preserve our country in material and spiritual health to the end that the benefits and blessings of free government may be transmitted in undiminished vigor to generations to come.

The dominant question is how can we best preserve and perpetuate this America of ours?

There are a number of things that we can do, but as I contemplate the panorama of social and economic problems which even to-day after many years of consideration remain unsolved; and as I recall the various policies of government which have challenged discussion throughout our history, I become more and more convinced that the keystone of American perpetuity—the most signal and important single achievement of American statesmanship in recent years are those legislative enactments providing for restriction and selection in the immigration of aliens.

When our country was young, when farms were exchanged for a hunting knife or a flint-rock rifle, when our natural resources called to the world for development, it was natural that we should welcome people from all corners of the earth to come and help us build a new nation. At that time we could not with practicality impose conditions or qualifications on those who were disposed to cast their lot among us. But now the situation has changed. To-day we have no free lands to allot. We have no surplus of natural resources for development. We have no under-manned industries. These United States which counted only a few millions of hardy pioneers along the Atlantic seaboard now number 115,000,000 souls scattered from coast to coast, from the Arctic Circle to the islands of the seas. Our lands have been occupied. Hamlets have become villages, towns have grown into cities, and our great metropolitan centers now number their inhabitants by the millions. The problem of to-day is to find room and occupation, housing facilities, food, clothing, entertainment, equipment, education, and transportation for this teeming, busy population.

With this tremendous growth in numbers have come changes in every industry known to the genius and ingenuity of man. A century ago the steam engine began to displace the power of hand and horse, water and wind. The steam engine still has its function, but only in the past generation we have noted the development of the internal-combustion engine and the electric motor. To-day the employment of electricity is rapidly superseding man power and transforming automatically the lives of the people. It would be presumptuous for me to recount to you the myriad articles that are made by electricity or the part that electric power plays in industry.

What is the significance of this marvelous growth of machine power, and what will be its consequences?

For one thing, of course, it means comforts and luxuries for all of us such as our sires and our grandsires in their wildest vagaries never dreamed. But in another aspect, it means the most momentous readjustments and transformations in the lives of all who labor. Machinery has taken the place of human hands in every avenue of industry. We are told that in the great steel mills there are mechanical devices to-day which do the work for which it was formerly necessary to employ as many as 200 men. Machines do not eat. They wear no apparel. They do not require homes, or household goods, rest and recreation, or doctors, or movie shows. They produce but they do not consume, and from that source springs one of our greatest difficulties.

This is the social and economic condition which your representatives in Congress began to sense nearly a generation ago. As a matter of fact, at the very beginning of our Government and intermittently since there has from time to time arisen complaint against the admission of foreign people. But it was only toward the close of the nineteenth century, when foreigners began to come to our shores at the rate of nearly a half million a year, and when modern machinery began to make itself felt in industry that the necessity for some protection to the working people of the United States became apparent and imperative.

From 1890 to 1900 more than three and one-half million aliens were landed on our shores, and from 1901 to 1910 the total alien influx was approximately nine millions. In 1914, and again in 1917, President Wilson vetoed new exclusion bills, each containing a "literacy test" and the hordes from abroad continued to jam our ports demanding admittance. Of course, during the great World War immigration from continental Europe was necessarily greatly curtailed; but at the close of the struggle, due to chaotic conditions in Europe, the tide of immigration to America was renewed with increased volume and momentum.

The great steamship companies of the world began to vie with each other in commercial rivalry to see which could deliver the greatest number from abroad regardless of their qualifications for American citizenship. It soon became obvious to everybody that unless something was done to arrest this terrible tide that America would soon become the dumping ground and the melting pot for the offcast of all Europe. Under the leadership of the late Representative John L. Burnett, of Alabama, then chairman of the Committee on Immigration of the House, we had already passed the act of 1917, which undertook to bar the indigent, the criminal, the insane, the diseased, the illiterate, and the anarchistic classes, but this would not begin to stem the tide. The temporary quota law of 1921 was thereupon enacted, but it proved to be a mere stop-gap. It was imperfect from an administrative standpoint, contained many exceptions and exemptions, and was susceptible to all sorts of easy evasions. The inevitable result was that within two years following its enactment the tide of immigration began to mount again. In the year before it became effective the gross admissions exceeded 800,000. In the first year of its operation they were reduced to 300,000. The second year they crossed the half million mark, and in the third year they went over 700,000.

Patriotic organizations throughout the country many of which for years previous had been agitating this question became still more active and insistent, and more tenaciously besieged and besought Congress to take some drastic step to save America from this great menace. Conspicuous among those organizations was the Junior Order United American Mechanics. In a speech delivered in the House of Representatives on April 8, 1924, I took occasion to call public attention to the magnificent work performed by this splendid order in awakening the public conscience of America to the dangers of unrestricted foreign immigration. I said then, and I repeat to-night, that for the patriotic and unselfish service which this stalwart organization has rendered to the cause of Americanism it has earned and will deserve, and undoubtedly will receive the everlasting gratitude of the American people. Largely as result of this agitation the 1921 temporary quota was perfected by the enactment of what is now known as the Johnson-Reed Immigration Act, which became effective July 1, 1924. This act is based upon a 2 per cent quota of the foreign-born population of the United States, according to the census of 1890, and admits of an aggregate quota of only 164,667. It possesses a sentimental appeal, inasmuch as the largest quotas are from the countries of northern and western Europe, from which most of our ancestors came.

While taking a just pride in the progress that has been made in the solution of our immigration question, those directly responsible therefor admit that the good work has not yet been finished. They expect, however, to continue the fight until Old Glory and our free institutions are amply safeguarded against any baleful influence from abroad.

I should feel indeed derelict in my duty if, in passing, I did not pay just tribute to the Republican Congress which passed the immigration act of 1924, to the leaders, Representative ALBERT JOHNSON, of Washington, and Senator DAVID REED, of Pennsylvania, who sponsored it, and to our great President, Calvin Coolidge, who made it a law by his signature.

In conclusion, my friends of the air, I submit that our immigration legislation was born largely of the spirit of that celebrated poem written by Aldrich, which, in my judgment, is most apropos at this time:

"O Liberty, white goddess, is it well
To leave the gates ungarded? On thy breast
Fold sorrow's children; soothe the hearts of fate.
Lift the downtrodden, but with hand of steel
Stay those who to thy sacred portals come
To waste the gifts of freedom. Have a care
Lest from thy brow the clustered stars be torn
And trampled in the dust. For so of old
The thronging Goth and vandal trampled Rome,
And where the temples of the Cæsars stood
The lean wolf, unmolested, made her lair."

## EQUALIZATION FEES

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of equalization fees.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD. Mr. Speaker, I reintroduced in the House to-day the McNary farm relief bill as it passed the Senate, with proposed changes as to the equalization fee, so that in case of tobacco no fee could be levied on the sale or transportation of leaf tobacco, but, if at all, only on the sale or transportation of cigarettes, cigars, and smoking tobacco, and as to livestock and grain so as not to be on the transportation except "in wholesale or carload lots by common carrier for delivery in interstate commerce."

My new bill would also repeal all Federal taxes or licenses now of force on tobacco in all forms whatsoever.

I am reintroducing the Senate bill with these changes, not because I favor the Senate bill in its entirety, but in order to suggest these amendments in an effort to make less offensive and burdensome the greatly criticized equalization fee as to tobacco, livestock, and grain.

The equalization fee in the provisions of the Senate bill as to other commodities is in splendid shape, if there is to be any equalization fee at all.

I seek to repeal all other taxes on tobaccos in any form. If this is done I am confident there will never be need for an equalization fee in behalf of the farmers greater than is now actually levied on tobaccos as a tax for general purposes. I purposely left chewing tobacco out of the list on which an equalization fee might be levied, as this form of tobacco has been taxed ever since the Civil War, and in all fairness should now be relieved of all tax burdens.

PRESENTATION OF MEMORIALS AND RESOLUTIONS

Mr. SEARS of Nebraska. Mr. Speaker, I ask unanimous consent to present about 50 memorials and resolutions from chambers of commerce of various cities in Nebraska in reference to flood control and the conserving of the waters of certain rivers near their source.

The SPEAKER. The gentleman does not need the consent of the House to present the resolutions.

WILLAMETTE AND COLUMBIA RIVER CHANNEL PROJECT

Mr. KORELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Columbia River Channel and to include therein some quotations from the hearings before the committee considering the project.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. KORELL. Mr. Speaker and Members of the House, it is frequently stated that the demands for transportation facilities are regulated largely, if not entirely, by the productive capacity of the farms, factories, forests, and mines of the various communities and sections of the United States. Whenever local production exceeds the immediate consumptive needs of a particular community or section there is a necessity for the quick exportation of the excess in order to avoid the curtailment of production, financial depression, unemployment, and all the disastrous consequences that inevitably follow in the wake of these highly undesirable conditions.

It appears idle to add to this statement any mention of the fact that a shortage in local production must be made up by importing sufficient of the deficient commodities to take care of local consumptive needs. Accordingly, if the cost of exportation should become so high that it will prevent local producers from competing successfully in distant and foreign markets local production will be retarded as effectively as if the excess production could not be moved at all. On the other hand, when the cost of importation becomes unreasonable local purchases decline and the trade of distant communities and sections falls off. Obviously, therefore, every extra charge that is added to the cost of transportation is a serious and actual menace to both producer and consumer. Moreover, freight rates have a direct bearing upon the cost of living in the United States and are reflected in the general prosperity and welfare of our country. In view of the ever present and vitally important need of having adequate transportation facilities everywhere in the United States to meet the reasonable and varying requirements of the different communities and sections of the country, I believe that a few words, at this time and in this connection, about the Willamette and Columbia River channel project, which has been recommended by the Board of Army Engineers and received the approval of the House Committee on Rivers and Harbors will be timely and appropriate. Before commenting upon the details of this particular project however, I will ask for your indulgence to a few brief remarks about the importance of river and harbor work generally throughout the United States.

On account of the broad expanse of our country, the great distance between its various communities and sections and the vast oceans which lie on either side and between us and the great foreign markets of the world, the problem of establishing and maintaining adequate transportation facilities throughout the United States to handle our domestic and foreign commerce has taken on a national aspect and has made the subject of transportation a great and absorbing national problem. It is a public matter of paramount interest to the American people, and one that has received, and must continue to receive, the most careful attention and study by Congress. I am delighted to see the interest that has been manifested by the present session in several of the most important phases of transportation, particularly in the acquisition and maintenance of an adequate merchant marine.

Much progress has been made to date in the development of various methods of transportation by land, air, and water. In the lifetime of many now living the continent on which we live has been spanned with hoops of steel rails over which the commerce of the Nation moves daily with speed and reasonable economy. During recent years hard-surface roads have been constructed in practically every State in the Union. Good intrastate market roads are to be found almost everywhere. The Government is now engaged in building a wonderful network of main highways to connect up with the principal State and county roads all over the United States. Again, at the present time several Government departments are occupied with the work of laying out and establishing air-mail routes. Passenger, mail, and express are now being carried from city to city on the wings of the wind. Lindbergh and other daring aviators have opened the eyes of America to the possibilities of aerial transportation. Both land and air transportation have been liberally encouraged and generously supported by Congress. Before the combined progress of rail, motor, and airplane transportation the distances on our continent are being rapidly reduced and time greatly conserved.

Notwithstanding the unprecedented progress of rail, motor, and airplane transportation methods which are steadily bringing the remote communities and sections of our wonderful country into closer, more intimate, and cordial relations with each other there are certain inherent limitations in each of these methods which make for the establishment of minimum charges below which freight rates can not drop and savings can not be effected on the cost of transportation. It is also impossible to handle our rapidly growing foreign commerce by any one of these methods. The lowest freight rates must be attained and the maximum savings in the cost of transportation effected through the further development and enlargement of our water-borne commerce. Ships have been and will continue to be the only practical means by which we can carry our exports abroad. These considerations account for the renewed interest in shipping and river and harbor development work. They are also the explanation of the agitation for an American merchant marine during recent sessions of Congress.

Since the construction of the Panama Canal and particularly since the conclusion of the World War, the opportunity for greater reductions in freight rates through the further development and increase of our water-borne commerce has become more and more apparent to the American people. The idea of increasing our national prosperity through saving on the cost of transportation is now generally accepted and may at this time be said to be definitely established. The extent of the development that has already been made in our intercoastal trade through the Panama Canal has been remarkable. To meet the constantly increasing demands that are being made upon them, the steamship lines engaged in carrying this class of commerce are racing at this very minute with each other in an effort to build larger and faster ships. On the other hand the great maritime nations of the world are seeking to capture our foreign trade with speedier and larger vessels which foreign-labor conditions and lower construction costs have so far enabled them to build abroad more rapidly and economically than American capital has been able to build them in the United States. One of the committees of this House recently conducted extended hearings to determine the most satisfactory way to overcome this disparity and to assist in establishing and maintaining an adequate merchant marine flying the American flag. The results of the committee's study and conclusions are now before the House in the form of a well drafted and constructive bill. Incidentally I am glad to see the press of the country give the favorable notices that it has to this very meritorious piece of legislation.

As a consequence of the tremendous savings that are being effected through the rapid growth and expansion of our water-borne commerce, both coastwise and foreign, reflected in the race that is now going on between intercoastal and foreign steamship owners to construct larger and faster vessels, many of our major seaports require deeper and wider channels to accommodate the tonnage that is clearing from them. There is a need to standardize the channel dimensions of all our major seaports so that the larger size ships may enter and clear from them without unreasonable delay or excessive costs. This need is somewhat analogous to that which existed a few years ago for standardizing the rails and rolling-stock equipment of our various railroads. It will not avail the ship operators of either

the Atlantic and Gulf States to build larger and faster vessels to meet the increasing demands of our intercoastal trade if their ships when built will not be able to enter the Pacific coast seaports. The same thing is true with regard to ships of the Pacific ports sailing for Atlantic and Gulf ports. Manifestly this necessity requires a certain uniformity in the width and depth of river channels leading to and from the seaports.

One of the major Pacific coast ports that has experienced large increases to its tonnage by the development of intercoastal shipping and the extension of our foreign trade, principally with the Orient, is the port of Portland, situated on the Columbia River about 100 miles inland from the Pacific Ocean and serving a territory of approximately 259,000 square miles, with about 4,500,000 people. Like many other major seaports the commerce of this particular port has outgrown its present channel dimensions considerably, and there is an imperative need for deepening and widening its channel. I, therefore, take this occasion to bring to your attention an extended statement that I recently made before the Rivers and Harbors Committee of the House, urging the committee's adoption of the recommendation of the Board of Army Engineers for the immediate improvement of the Willamette and Columbia River Channel from Portland to the Pacific Ocean.

The statement is quite comprehensive, and I appreciate the opportunity that has been accorded me of being able to extend it in the RECORD to supplement and accompany my present remarks on the subject under discussion. For convenience I have inserted several tables to which references were made in the course of making my statement. I have also made one or two corrections of figures. I trust that you will favor me by reading this statement at your leisure and that the merits of the Willamette and Columbia River project will commend it to your favorable consideration when the rivers and harbors bill shall come before you for your vote. I also appreciate your indulgence of my remarks at this time.

The statement is as follows:

STATEMENT OF HON. FRANKLIN F. KORELL, REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

The CHAIRMAN. Mr. KORELL, some of the members have not been there, and if you will take the pointer and show the committee what part of these two rivers are to be improved, and on what terms under this report, then we will start off with our basis.

* * * * * * *

The CHAIRMAN. Take your own method and your own way, but, as it seems to me, the things that the committee will be interested in are these: First, do the vessels which will carry your traffic need 35 feet; second, is your commerce dense enough so that you need additional width; and, third, are your banks being stabilized there so that your maintenance charges are likely to be lessened, and will this improvement help to stabilize the banks by the excavation of the material and placing it in the form of these dikes which they have been using for stabilizing there?

Mr. KORELL. I will touch on all those matters as I proceed. I will mention some other matters as I go along, so that the record may be complete should anyone wish to inquire about facts that may not appear in the committee's report.

PORTLAND—A RIVER PORT

The port of Portland is situated at the confluence of the Willamette and Columbia Rivers. It is as I have just pointed out to you—a little over 100 miles inland from the Pacific Ocean. It occupies a geographical position somewhat analogous to such major ports as Hamburg, which is 80 miles from the mouth of the Elbe; London, which is 60 miles up the Thames from the North Sea; New Orleans, which is 90 miles above the junction of the Mississippi with the Gulf of Mexico, and Philadelphia, which is 90 miles from the point where the waters of the Delaware River and Bay merge with the waters of the Atlantic Ocean. It is the only fresh-water harbor on the Pacific coast. A list of famous river ports would not be complete unless it includes such ports as Liverpool on the Mersey, Glasgow on the Clyde, Buenos Aires on the Plata, Shanghai on the Yangtze, Havre on the Seine, and Rotterdam on the Rhine. New York on the Hudson is perhaps the most famous of all river ports. The history of all these great shipping centers shows that their elevation as ports is due to the fact that they are at the head of ship navigation on rivers that drain great basins. Judging from comparisons, there is no reason why Portland should not become the equal and even exceed the shipping of many of these important ports. It possesses all of their natural advantages. The mouth of the Columbia River is 610 miles north of San Francisco Harbor and 160 miles south of the Straits of Juan de Fuca.

The port of Portland is reached at the present time by the Willamette and Columbia River Channels, which the Government assists in maintaining 30 feet deep and 300 feet wide. It is for the purpose of urging your adoption of the recommendation of the Board of Army Engineers for the improvement, or perhaps I might more properly state, the completion of plans for the deepening and widening of these two channels that the Oregon delegation has requested and obtained the privilege of appearing before you this morning. Before I proceed further I want to express our thanks for your favor in indulging us with the courtesy of an early hearing. I am confident that you will give our project your very careful consideration and that such consideration can not do otherwise than commend it to you.

RECOMMENDATION OF ARMY ENGINEERS

Briefly summarized, the recommendation of the Board of Army Engineers, approved by the War Department, is that the present channels of the Willamette and Columbia Rivers should be deepened to a depth of 35 feet and widened to a depth of 500 feet for their entire length. The recommendation is accompanied by a report, signed by Maj. Gen. Edgar Jadwin, Chief of Army Engineers. I have a copy of this report at hand and will read a few excerpts from it:

"A large and important commerce has developed on the Columbia and lower Willamette Rivers, due in great measure to the efforts of Portland and the expenditure by that locality of some $25,000,000 on channel improvement and on construction of terminal facilities.

"The extent of this cooperation demonstrates the belief of the people of Portland in the future of their port and indicates the energy and earnestness with which they may be expected to work in the future for further growth and expansion of business."

Mr. MCDUFFIE. You say you spent $25,000,000 on channel improvement and terminals. What percentage was spent for the channel improvement?

Mr. KORELL. Approximately $10,000,000 for channel improvement work, and approximately $15,000,000 for harbor improvement facilities. The figures furnished to me by the ports engineer are as follows:

| | |
|---|---|
| On river entrance | $475,000.00 |
| Dredging and similar work | 10,510,912.35 |
| For other purposes incidental to above | 5,166,333.53 |
| Public docks | 10,000,000.00 |
| Total | 26,152,245.88 |

The Government expenditures are:

| | |
|---|---|
| Amount expended on all projects to June 30, 1927, after deducting receipts from sales, etc., amounting to $81,025.24: | |
| New work | $3,550,332.97 |
| Maintenance | 6,232,629.49 |
| Net total expended | 9,782,962.46 |
| Total appropriations and contributions to June 30, 1927 | 10,223,343.06 |

The CHAIRMAN. They have, as you will remember, Congressman MCDUFFIE, what was two years ago the largest dredge in the world, as I understood.

Mr. KORELL. That is a fact.

The CHAIRMAN. That worked just below Portland.

Mr. KORELL (reading):

"The utilization which is being made of existing channels is shown by the size of vessels now entering the port. The number drawing 28 feet and over was 196 in 1926, while in 1924 it was only 72."

The CHAIRMAN. How many of these were oil tankers and how many carriers of other cargo?

Mr. KORELL. I think practically all of those were carriers of cargo other than oil tankers, but the engineer, General Deakyne, is here, and if he doesn't have the figures you have asked for I can present them to the committee later on. I don't have the exact number now.

LARGE VESSELS CLEAR PORT

The CHAIRMAN. What percentage of the commerce, which I understand to be 7,000,000 tons, was carried in vessels above 28-foot draft, and what percentage in vessels of less draft?

Mr. KORELL. I do not carry those figures in my mind.

* * * * * * *

The CHAIRMAN. Here is the statement in the annual report, part 2, page 855:

*Trips and drafts of vessels*

OCEAN GOING

| Draft (feet) | Inbound— | | | | Outbound— | | | |
|---|---|---|---|---|---|---|---|---|
| | Steamers | Motor vessels | Sailing | Barges | Steamers | Motor vessels | Sailing | Barges |
| 31 to 32 | | | | | 2 | | | |
| 30 to 31 | 1 | | | | 5 | | | |
| 29 to 30 | 3 | 2 | | | 14 | 1 | | |
| 28 to 29 | 39 | 6 | | | 24 | 3 | | |
| 27 to 28 | 34 | 2 | | | 54 | 6 | | |
| 26 to 27 | 45 | 7 | | | 73 | 9 | | |
| 25 to 26 | 34 | 11 | | | 80 | 13 | 1 | |
| 20 to 25 | 294 | 60 | | 4 | 510 | 77 | 2 | |
| 15 to 20 | 888 | 65 | 6 | | 674 | 48 | 5 | 3 |
| 10 to 15 | 238 | 17 | 2 | | 143 | 12 | | 1 |
| Total | 1,576 | 170 | 8 | 4 | 1,579 | 169 | 8 | 4 |

Mr. McDUFFIE. That is for the year 1926. Then, according to that statement, they do not have a vessel drawing over 32 feet.

The CHAIRMAN. There was no vessel above 31 feet inbound, and only two vessels outbound.

Mr. CARTER. How much water is there now?

The CHAIRMAN. Thirty feet.

Mr. CARTER. Then how could you expect them to have vessels over 30-foot draft?

The CHAIRMAN. This only has a bearing, Congressman CARTER, on the question asked, which is whether the vessels, not alone those that are there now, but those that come in, would need that added depth.

Mr. MORGAN. I assume there is a very heavy current on the river and it silts very rapidly.

The CHAIRMAN. The river silts very rapidly. It is very difficult of maintenance.

Mr. HOUSTON. Mr. Chairman, have you any data as to the vessels drawing over 32 feet operating in and out of the Pacific ports?

The CHAIRMAN. Yes; I think we can get that very easily. All we have to do is to look at San Francisco and Los Angeles.

Mr. McDUFFIE. There were five vessels that draw over 30 feet, and two, 31 feet to 32 feet. They have an 8-foot tide at the mouth and about 3 feet at Portland.

Mr. CARTER. And a 30-foot channel would give them only 33 feet. Of course that is a very difficult channel, with 33 feet of water. It is difficult to navigate, drawing 32 feet.

Mr. KORELL. I have the exact figures, taken from the report of the Chief of Engineers of the United States Army for 1927. It shows a total of 469 of the larger-sized vessels entering and clearing from the port.

The CHAIRMAN. What page?

Mr. KORELL. Page 1673.

The CHAIRMAN. Of volume 2?

Mr. KORELL. Of volume 1. They were divided as follows: Eight vessels of 30 feet to 32 feet; 20 vessels 29 to 30 feet; 168 vessels of 27 feet to 29 feet; 273 vessels of 25 feet to 27 feet.

The CHAIRMAN. Now, this is pretty important, and which you do not state: "About 65 per cent of the total commerce moved in vessels which require the full project depth." I think that statement on pages 1672 and 1673 shows the situation. I don't know exactly how to reconcile that, however, with the statement at the top of page 855, General Deakyne.

Mr. McDUFFIE. Mr. Chairman, that probably would depend upon the construction of the language there, "using the full project depth." What in their opinion would be a vessel using the full project depth?

Mr. CARTER. A vessel drawing 30 feet or more.

Mr. MORGAN. Well, it does not because the river silts pretty badly there.

General DEAKYNE. They have had floods up there, and when the water comes down it silts so badly that the full depth is not available until a little dredging is done.

The CHAIRMAN. That is not what I am calling attention to. I can not reconcile the two statements, the one at page 855 of volume 2, which purports to give the trips and depth and draft of vessels and which would show almost no vessels of the larger size, and a statement at pages 1672–1673 of volume 1, which shows that practically all of the commerce was carried in vessels of the deeper draft. How do you reconcile those two?

General DEAKYNE. On page 855 it shows seven vessels outbound drawing between 30 and 32 feet. That compares with eight vessels on page 1673. One inbound would make the eight.

The CHAIRMAN. Well, it may be that those will add up to that. They don't seem to, though.

General DEAKYNE. Then, you have 5 inbound and 15 outbound from 29 feet to 30 feet, and that adds up 20, which is the same as is given on page 1673.

Mr. McDUFFIE. General, what makes the difference in the number between the inbound and the outbound vessels? Of course, the inbound went out. They probably didn't stay there.

The CHAIRMAN. Wouldn't it mean this: Aren't there other ports, and isn't that it? Aren't there other ports on these two rivers besides Portland? There is another port up there on the Williamette, isn't there?

General DEAKYNE. Well, there is Vancouver, but it doesn't have a deep channel.

The CHAIRMAN. I thought those vessels might clear from another port than Portland.

Mr. HAWLEY. A great many clear at St. Helens and Longview, which are below Portland about 25 and 35 miles.

Mr. MORGAN. These grain elevators are down below, aren't they?

Mr. HAWLEY. St. Helens and Longview are lumber shipping ports?

The CHAIRMAN. Would that be included in the Portland statistics, these lumber ports and St. Helens, or are they above?

General DEAKYNE. On the next page is a report on the Williamette River ports other than Portland.

The CHAIRMAN. Well, I think we have clarified it pretty well.

Mr. McDUFFIE. What is the population of Portland?

Mr. KORELL. About 354,000, according to local estimate; not the official census.

Mr. McDUFFIE. Have you got a large shipbuilding industry there?

Mr. KORELL. There has been——

Mr. McDUFFIE. I note you have two very large dry docks, one 10,000 and the other 15,000.

Mr. KORELL. There has been a very considerable amount of shipbuilding there; and, in fact, there is some shipbuilding going on there now. The Government recently let a contract for the construction of three lighthouse vessels, and then there are a number of plants that are making parts—boilers and other equipment for vessels.

Mr. McDUFFIE. Are these shipbuilding plants employed most of the time?

Mr. KORELL. They have been active until recently, but I believe that these three Government vessels are the only ones upon which new construction work is being done at the present time.

The CHAIRMAN. Are they commercial or naval vessels?

Mr. KORELL. They are lighthouse vessels.

Mr. HOUSTON. You have trebled your population, haven't you, in 25 years?

Mr. KORELL. The city is growing by leaps and bounds.

Mr. HOUSTON. My recollection is that about 25 years ago the population was about 90,000 inhabitants.

Mr. McDUFFIE. The shipbuilding business is about on its last legs all over the country.

The CHAIRMAN. What we have in mind is, if this project is acted on favorably it comes before the House, and the natural inquiry on the part of Members is going to be just exactly what I have directed your attention to, to show this added depth is necessary on account of the kind of vessels which will come if you have it, and, second, that the added width is necessary on account either of the density of traffic or because of conditions peculiar to the stream which you can describe. Those two things are your issues?

MAINTENANCE OF ENLARGED CHANNEL

Mr. KORELL. I will take up both of them as I proceed. I was reading from the report of General Deakyne when the interrogations started, and I will continue reading just one or two further excerpts from the report:

"The total traffic in ocean carriers in 1926 was more than 1,000,000 tons greater than in 1925, the increase being wholly in the foreign trade.

"From a study of the advantages of a channel of greater depth than that now provided, the district engineer estimates that about $400,000 per annum might be saved in transportation charges."

The CHAIRMAN. Right there, how much will the added maintenance cost be over the present depth? You ought to have the two together, and then you will show what that means in net results.

Mr. KORELL. It is $365,000, including the carrying charges. Three hundred and ten thousand dollars is the actual annual maintenance charge.

The CHAIRMAN. About the interest charge. The difference between the estimated savings and the maintenance charge is how much?

Mr. KORELL. The project, as I will show a little later on, will amortize itself at the rate of about $245,000 a year.

The excerpts I have just quoted from the report of General Jadwin are pertinent. They are in themselves a strong argument for your favorable consideration of the board's recommendation. However, in view of the importance of the project that is before you to the people of Portland and of Oregon and of the Northwest, I would like to say a few words in amplification of the statements of General Jadwin before I attempt to confine myself strictly to the specific questions mentioned by the chairman. First, I want to stress the fact that the producing territory served by the port of Portland is now and for some time past has been supplying a tonnage that entitles it to a better channel to the Pacific Ocean than the present Willamette and Columbia River channels. In other words, I want to emphasize the proposition that we are not asking that the future be unduly anticipated, but merely that the existing needs be reasonably met.

PRODUCING AREA AND PORT FACILITIES

The Columbia River, which forms the boundary between the States of Oregon and Washington, extends its tributaries into the States of Idaho, Montana, and British Columbia. It is the only estuary that pierces the great mountain barriers, separating the inland empire, an area of approximately 259,000 square miles lying east of the mountains from the Pacific Ocean. It is navigable for approximately 300 miles above the city of Portland. The Snake River, its eastern tributary, is navigable for a distance of at least an additional 100 miles. The population of the Columbia River Basin is conservatively estimated to be 4,281,816 people.

The CHAIRMAN. Do you state in your statement how much, if any, commerce comes from east of Portland and through the Snake River or the Columbia or the Willamette? Have you any figures on that?

Mr. KORELL. Practically all the tonnage comes from the territory east of the Willamette River except the lumber, and that clears from the port of Portland. The logs are rafted up the river and cut up

by Portland sawmills. The Willamette River drains the area south of the Columbia.

The CHAIRMAN. In other words, the statement that these streams extend beyond the mountain barrier is important if you have any commerce, and it should be connected up with that?

Mr. KORELL. Yes, sir; I have some figures of the extent of that commerce, and will quote them in a few moments.

The Willamette River, the southern tributary of the Columbia, flows through the world's richest agricultural section. It pours its waters into the Columbia about 99 miles from the sea. The mean range of tide at this point is 2½ feet. That at the mouth of the Columbia is 7½ feet. The city of Portland is the natural gateway of outlet for the products of the Columbia River Basin area. Commerce moves to it from all parts of the inland empire, down the river or on rails, which follow water-level grades.

The port of Portland, which handles all of the commerce moving to the city of Portland, contains 29 miles of harbor frontage. It has 6½ miles of dock, four large municipal terminals completely equipped with the most modern facilities for handling tonnage; also, four powerful dredges, two floating dry docks, a turning basin, and repair plants. There are several shipbuilding yards on the Willamette River. One of these recently received, as I stated in answer to a question a few minutes ago, a contract for the construction of three Government vessels. Fifty-six coastwise and oceanic steamer lines and six railways carry the rapidly growing commerce of the port to all points in the United States and the world's foreign markets.

Mr. MCDUFFIE. Did you say there were 56 steamship lines?

Mr. KORELL. Yes, 56 steamship lines. I can give you the names if you wish them.

Mr. MCDUFFIE. You need not mind about that. It seemed quite a large number.

Mr. KORELL. In addition to its various other activities, the port of Portland operates a municipal towage service and a traffic bureau. These activities have been of inestimable value in fostering the growth of the city's water-borne commerce.

TONNAGE OF PORT

Some idea of the volume and nature of the shipping now being done by the port of Portland may be gained by the citation of some recent figures compiled by the port's engineer and the Portland Chamber of Commerce; $277,568,000 was spent for cargoes leaving the port in 1927; $14,000,000 was spent during the same period for services to ships; 1,687 vessels cleared the port in 1927. I have already given you the number and dimensions of the vessels drawing over 25 feet. The volume of tonnage for 1925 was 5,235,882 tons. For 1926 it was 6,310,459 tons, a gain of over 100,000 tons. The tonnage for 1927, while not at hand, was in excess of all previous years. More wheat was shipped during the eight months of the fiscal year than was shipped during the entire year preceding it. Figures just issued by the Department of Commerce show that the exports of merchandise from Oregon during July, August, and September of 1927, had an aggregate value of $27,249,901. The corresponding period for 1926 was $23,378,876, a difference of $3,846,025. The latest figures (U. S. Shipping Board report D. S. No. 296) put the State in twelfth place as an exporter.

*Comparative statement of Portland's water-borne commerce for the calendar years of 1925 and 1926 as noted in volume 2, page 857, Report of the Chief of Engineers, United States Army, 1927*

| Foreign | Tons | Value |
|---|---|---|
| 1925 | | |
| Inbound | 122,126 | $14,125,085 |
| Outbound | 814,568 | 31,851,530 |
| Domestic | 3,085,319 | 195,575,414 |
| Internal river | 3,748,805 | 49,746,558 |
| Total | 7,770,818 | 291,298,587 |
| 1926 | | |
| Inbound | 124,615 | 12,973,297 |
| Outbound | 1,661,940 | 72,379,842 |
| Domestic | 3,047,559 | 196,987,517 |
| Internal river | 3,244,459 | 47,647,763 |
| Total | 8,078,553 | 329,988,419 |

Portland produces more of the products that it transports than any other port in the United States. This means the world. One-third of all the standing timber in the United States is in the State of Oregon, of which the city of Portland is the outstanding center. The United States is the owner of a very considerable portion of the standing timber. Sixteen per cent of all the grain in the United States is grown in the Northwest. Pulpwood, mohair, flax, fruits, and vegetables are other products produced in large quantities for many basic industries. The agricultural products of the Columbia River Basin are valued at approximately $700,000,000 a year. Over 58 per cent of all these products are shipped by boat via the port of Portland.

Great as the figures I have cited may appear, they are small compared to what they will be when the millions of acres of land in the inland empire area now being brought under cultivation by the United States are made productive by irrigation. As the Columbia Basin is settled and developed the products of its mines and forests and farms will grow into a steadily increasing volume of traffic of exports through the port of Portland and down the Willamette and Columbia Rivers to the Pacific Ocean.

PRESENT CHANNEL INADEQUATE FOR EXPANDING COMMERCE

While the commerce of the port of Portland has been steadily increasing, faster and larger ships have been entering and clearing from it. As the size and speed of the ships have increased the need of a deeper and wider channel has grown. The present 30-foot channel, with its width of 300 feet, is not adequate to accommodate vessels entering and clearing the port drawing 28 feet and over. In this connection, I again call your attention to the fact that the report of General Jadwin states that vessels of this character have increased from 72 in 1924 to 196 in 1926. It appears idle to say to the committee that there must be sufficient clearance under the keels of these larger ships to assure their safe passage to and from the port of Portland, that allowance should be made for their clearing the rocks, snags, and sinker logs, which are washed along the river bottoms by winter and summer freshets. Twenty-eight feet is the limit that can venture into a 30-foot channel. Even vessels of this draft must move cautiously. Due consideration must also be given to their squat or the water depression of the two rivers. (With reference to squat, the *President* type of boats used by the Dollar Steamship Co., having a 32-foot draft, develop a squat of 2 feet and 9 inches at 10 knots. An additional 2 feet is required for effective control in steering those vessels.) I assume that the committee is aware that it is a fact that ships have a deeper draft when moving through fresh water than when moving through salt water. Again, a width of 300 feet does not permit of reasonable steerage speed for vessels drawing 28 feet and over. Ships can not pass with safety in such narrow limits. This is especially true in the Willamette and Columbia Rivers, where large log rafts are encountered almost daily. I have taken the following table of project channel dimensions of various harbors from the report of the Chief of Engineers, United States Army, 1925:

*Project channel dimensions, various harbors*

[From report of Chief of Engineers, United States Army, 1925]

| | Project depth | Width |
|---|---|---|
| | *Feet* | *Feet* |
| Boston, Mass | 35–40 | 900–1,500 |
| New York: | | |
| Ambrose Channel | 40 | 2,000 |
| Bay Ridge-Red Hook | 40 | 1,200 |
| Bayside-Sidney | 30 | 1,000 |
| East River to navy yard | 40 | 1,000 |
| East River above navy yard | 35 | 550–1,600 |
| Hudson River, Ellis Island to Hoboken | 40 | 800 |
| New Haven, Conn | 20 | 400–1,200 |
| Bridgeport, Conn | 22 | 500–1,500 |
| Philadelphia, Delaware River, and Bay | 35 | 800–1,200 |
| Baltimore, Chesapeake Bay and Patapsco River | 35 | 600–1,000 |
| Norfolk, Va.: | | |
| Hampton Roads to Elizabeth River | 40 | 750 |
| Up Elizabeth River 12 miles | 40 | 450 |
| Newport News, Va., Hampton Roads up James River | 35 | 600 |
| Charleston, S. C., bay and river channel | 40 | 1,000 |
| Savannah, Ga., Savannah River, etc | 30 | 500 |
| Jacksonville, Fla., St. Johns River | 30 | 300–600 |
| Mobile, Ala., Mobile River, etc | 30 | 300–450 |
| New Orleans, La., Southwest Pass, Mississippi River | 35 | 1,000 |
| San Diego, Calif | 35 | 570 |
| | 35 | 900 |
| Los Angeles: | | |
| Outer Harbor | 35 | 1,200 |
| Inner Harbor | 35 | 1,000 |
| San Francisco, bar channel only | 40 | 2,000 |
| Tacoma, city waterway | 29 | 500 |
| Seattle Harbor, east and west waterways | 34 | 750 |

The CHAIRMAN. Which direction are these log rafts moving? Where are they moving from?

Mr. KORELL. Some move up to the city of Portland to be cut up into lumber in sawmills located there; some move from places along the Columbia River, where logs are shot down various chutes or discharged from logging trains into the river and made up into rafts, and then taken out the mouth of the Columbia and towed by boats to other ports.

The CHAIRMAN. What I am trying to develop is this: Whether these log rafts are encountered for the entire distance that it is proposed to deepen to 35 feet or not?

Mr. KORELL. That is a fact; they are encountered not only in the Columbia but in the Willamette River.

The CHAIRMAN. And is that all lumber country? Is that all lumber country, the entire length of this river, so that they are liable to have these rafts come down into the river?

Mr. KORELL. Yes, sir.

The CHAIRMAN. On both sides?

Mr. KORELL. On both sides, and that is also true, as I have stated, to an extent in the Willamette River. (There are 395,000,000,000 feet of

standing timber in Oregon and 282,000,000,000 of standing timber in Washington.)

To maintain the Willamette and Columbia River channels at their present insufficient depth and width will be to exclude the more modern as well as the faster and larger ships from entering and clearing from the port of Portland. This will mean slowing up the movement of traffic and increased freight rates. If the present channel dimensions remain, the producers of the Columbia River Basin will be compelled to stand an unjust burden. As stated by General Jadwin in his report to Congress, about $609,000 a year can be saved if the channel is deepened and widened. If this amount can be saved, is it just or fair to compel the producers to continue paying it?

The CHAIRMAN. Just a minute. Those are not the figures you have given us?

Mr. KORELL. Those are the figures given in General Jadwin's report.

The CHAIRMAN. That is gross, isn't it? That is not net?

Mr. KORELL. That is the total savings in the way of saving on freight.

The CHAIRMAN. Transportation charges. That is the gross saving. What I would like to have you figure out right in that connection is, taking into account the increased maintenance, how much the net saving will be.

Mr. KORELL. It will be upward of $200,000 a year. I will submit the exact figures to you in just a minute. I have them here.

The CHAIRMAN. All right.

Mr. KORELL. The available statistics show that the tonnage of the port is increasing at the rate of about 100 per cent every five years. Accordingly, the saving each year from the enlarged channels will increase at approximately the same ratio.

I quote the following extract from the report of General Jadwin on this subject:

"The advantages of a channel depth greater than that provided by the existing project are discussed in detail by the district engineer. The higher value package freight traffic necessitates more rapid and regular movements. Such business is now handled at Pacific ports principally by combination passenger and cargo steamers and by fast freighters operating on regular schedules. Such craft now in service have drafts when fully loaded of from about 30 feet to 32 feet 9 inches. Vessels of this type are unable to enter the Portland trade on account of inadequate channel depths. The district engineer is of the opinion that the use of such vessels in the Portland trade would result in increased tonnage of high-grade imports and an increase of all export business. Such a traffic, together with savings resulting from the use of deeper draft carriers in the oil trade, elimination of delays due to groundings and waiting for favorable conditions to navigate the channel, would result in savings estimated at about $609,000 per annum. The gradual increase in business of the Northwest and increasing trade with the Orient would still further increase the savings from an enlarged channel."

It is essential to the development of the Columbia River Basin and the prosperity of the entire Northwest that an adequate channel be maintained to permit the quick and economical movement of the products moved to and shipped from the port of Portland. So long as there is an excessive cost in moving such products to the consumers' markets that cost will continue to be reflected and borne by the producers of the inland empire. The delegation believes that the producers of the Columbia River Basin are justified in asking the Government to be placed upon a parity with the producers of other sections. The report of General Jadwin and the recommendation of the Board of Army Engineers recognizes the equity and the necessity of the proposed project. Before I leave this subject I would like to call the attention of the committee to the importance of the development of the Columbia River as a means of transporting supplies in time of war. This is perhaps pertinent to the inquiry—as the War Department exercises jurisdiction over rivers and harbors in the United States.

PROJECT AID TO NATIONAL DEFENSE

In writing about the military advantages of connecting the Great Lakes with the Hudson River and the Atlantic seaboard, under date of March 8, 1926, Secretary of War Davis wrote as follows:

"In general, inland waterways are of military value as a supplement to rail and highway transportation. War frequently makes increased demands on railroads even when these are not located in the theater of operations. Delay caused by congestion of transportation facilities may have a decisive military effect. The availability of waterways to relieve railways at the time of their peak loads is a great military asset."

Needless to say, the argument advanced by the Secretary of War in regard to the particular project mentioned in his letter is applicable with equal force to the project under consideration by the committee at this hearing.

Again, the tendency is constantly toward larger and faster vessels. On this point I quote the following from the report of H. M. Laurie, economist, Bureau of Operations, United States Shipping Board, under date of March 4, 1928:

"The failure of the American merchant marine to carry the major portion of the foreign trade of the United States since 1920, in accordance with the national policy in the merchant marine act of 1920, is due largely to the failure of the Government in providing for the expansion and speedier service necessary to keep pace with the Nation's rapidly increasing foreign trade and to meet the competition of faster foreign-built merchant vessels. And thus, the surrender of the carriage of the foreign trade of the United States by American to foreign-flag ships becomes more complete."

Also the following from the same authority:

"The more active development of our river, lake, and canal systems has been followed by increased water transportation. The existing great need for the cheapest transportation on bulk commodities should expedite the more comprehensive development of our waterway system and that branch of the American merchant marine engaged in transportation on our rivers, lakes, and canals should show an accelerated development."

Of course, it is apparent from all that has been said that if the Atlantic and Gulf ports desire to ship products in vessels suitable to the expeditious and economical handling of their commerce to the Northwest through the port of Portland, the channel from the Pacific Ocean to the port of Portland will naturally have to be enlarged to a depth and width that will accommodate their larger and swifter vessels.

IMPROVEMENT FEASIBLE AND ECONOMICAL

The next thing that I want to call to the attention of the committee is the fact that the deepening and widening of the channel is feasible and obtainable at a relatively small cost to the Government. The only thing that will be necessary to do in order to get the additional depth and width will be to do slightly more dredging than is now being done and to build a few extra wing dams. There is no rock to be cut or embankments to be constructed. The report on the cost and character of the extra work shows that to secure a channel 35 feet deep and 500 feet wide in the Columbia River, it will cost only $1,336,000, with $310,000 annually for increased maintenance, making the total annual carrying charges but $365,000. I believe that I have already given you these figures. Accordingly, considered from the standpoint of an investment the difference between the estimated yearly savings and the annual carrying charges for the larger channels will amortize the original outlay at the rate of approximately $244,000 a year. The differences in cost between an adequate channel as recommended by the board and urged by the delegation and channels of smaller dimensions are shown by a table of the estimated costs of providing channels 30, 32, and 35 feet deep and from 400 to 500 feet wide set out on page 3 of General Jadwin's report. For convenience, I have detached it and will leave a copy on the table for the committee.

| | Channel— | | | |
|---|---|---|---|---|
| | 30 by 400 feet | 30 by 500 feet | 32 by 500 feet | 35 by 500 feet |
| Willamette River (entire cost to be borne by port of Portland): | | | | |
| Original cost | $170,000 | $236,000 | $347,000 | $748,000 |
| Maintenance | 125,000 | 175,000 | 275,000 | 425,000 |
| Columbia River (entire cost to be borne by the United States): | | | | |
| Total cost if depth is same above and below Tongue Point— | | | | |
| Original cost | 85,440 | 163,550 | 605,600 | 1,366,300 |
| Maintenance | 374,000 | 408,000 | 510,000 | 685,000 |
| Total cost if depth below Tongue Point is 1 foot greater— | | | | |
| Original cost | 88,600 | 170,200 | 638,100 | 1,412,200 |
| Maintenance | 376,000 | 412,000 | 520,000 | 700,000 |

Another point that I desire to bring to your attention as forcibly as I possibly can is that the proposed project is not a new one. It is not an impulsive or unreasoned gesture. It is the product of a steady, consistent development accompanied by years of thought and investigation. The first survey for a 35-foot channel, 500 feet wide, appears in House Document 1009 of the Sixty-sixth Congress. This survey shows that the engineers estimated about seven years ago that 21,000,000 yards of material would have to be moved from the bed of the Columbia below the mouth of the Willamette and 13,347,000 yards in the Willamette in order to secure adequate depth and width for the safe navigation of vessels entering and clearing from the port of Portland. The survey upon which the present recommendation was made is authorized by an act of Congress passed on March 3, 1925. The survey was completed by the United States district engineer in charge at Portland. It was forwarded to the division engineer on September 24, 1926. The report which accompanied the transmission of the survey shows that the amount of dredging to be done in the Columbia River below the mouth of the Willamette is 13,000,000 yards, as against the original estimate of 21,000,000, and that that to be done in the Willamette is 6,600,000 yards, as against the previous report of 13,347,000 yards. The diking required to obtain the additional depth and width is such as would be needed to assure the maintenance of the existing channels at smaller dimensions.

RIVER APPROACHING STABILIZATION

Both the recommendation and the report which accompanies it contain detailed statements showing how the figures of costs and maintenance were calculated. I will not stop to go over these—I have already commented upon them to a sufficient extent—but I will call the committee's attention to paragraph 12 of the recommendation of the board, which in substance stated that the Columbia River Channel is fast approaching a condition of stabilization; that good results have been obtained from the permeable dikes placed in the rivers to reduce the necessary annual dredging; that an estimate made shortly after the 1927 freshet showed that about 1,000,000 cubic yards of material had been scoured out of the channels by the dikes since the survey of 1926; that it will cost $385,000 to construct dikes for a 32-foot depth and but $453,000 for a 35-foot depth, making a difference of only $68,000. From experience with the existing project it appears reasonable to expect that the extra contraction works will, after a few years, reduce the annual maintenance dredging.

EXTENT OF LOCAL COOPERATION

The committee has no doubt observed that the recommendations of the Board of Army Engineers specifies certain conditions; namely, that the port of Portland shall assist in the work of improving and maintaining the channel of the Columbia River as required under the terms of the existing project, also to be responsible for obtaining and maintaining a channel of equivalent dimensions in the Willamette River. With reference to these conditions I want to say that they are not only such as the port of Portland is willing to meet, but, in fact, has already in part met.

The Willamette River channel has always been kept to a depth of 35 feet during the past 8 or 10 years. I am not going to take up time enumerating the many particulars in which the people of Portland have cooperated with the Government in channel work during the past. I will content myself with merely saying at this time and in this connection that Portland has been a partner with the Government on channel work for many years and that its record for cooperation has still to be equaled by any other port in the United States. The city has, as I stated at the outset, expended over $10,000,000 for deepening and widening the channels to the sea and $15,000,000 in providing docks and port facilities. To date its total expenditures have equaled if not exceeded the total expenditures of the Government on the Columbia River and channel work.

You may be interested in knowing that at one time when work on one of the Columbia River jetties, which is approximately 100 miles from Portland, was suspended owing to lack of sufficient funds to continue with its construction, Portland voluntarily, of its own accord and on its own initiative, contributed approximately a half million dollars to enable the work on that strictly Federal project to proceed. Indeed, the first money that was actually spent for improving the river channels was $350,000 donated by the people of Portland.

Again, every dredge that the Government has placed in the Columbia River has been matched by an equally powerful dredge of the port of Portland. The city has, as your chairman has already remarked, the greatest dredge in the world in the river. Our local engineer designed it. Again, the port actually has loaned its dredges to the Government without charge, except operating costs. There has been no dodging of local responsibility in connection with river and harbor work I can assure you; moreover, there never will be any. On this Congress can absolutely depend. The city recognizes the vital necessity of maintaining its port, not only for its own future prosperity, which is bound up in the improvement and enlargement of its facilities for handling its growing water-borne commerce, but for the advantage of the people of the inland empire and the entire Northwest, who, as I have endeavored to point out to you, must to a large extent depend on Portland shipping. I suppose the committee has heard that Portland capital recently purchased 11 Government-owned vessels to add to the present shipping facilities of the port. This is additional and up-to-the-minute evidence of local pride and faith.

WILL DEVELOP NORTHWEST

As I mentioned before, the recommendation of the Board of Army Engineers does not advance a new idea. Similar recommendations have been made by other officials and boards in the past. The resident engineer recommended the proposed depth and width in his report to the division engineer on December 1, 1919. In fact, the gradual deepening and widening of the channel to conform with the present recommendations of the board was visioned in the very earliest plans for the development of commerce on the Columbia and Willamette Rivers. The time is now at hand when the completion of the plans must be hastened. If they are not, a large section of the country will continue to be unduly handicapped and its natural and necessary development unfairly retarded.

In conclusion, I want to say that I have faith in the committee's ability to recognize the justice and need for giving Portland and the people of the Columbia River Basin an adequate channel for carrying their products to the Pacific Ocean, to expedite the settlement and development of the inland empire, and to add materially to the prosperity and greatness of a great section of a great Nation.

I again thank you for granting the Oregon delegation this very early and much-appreciated opportunity to be heard upon such a vitally important matter as that which it has been the delegation's privilege and my pleasure to present to you in part.

The CHAIRMAN. Let me make this suggestion, Mr. Korell. The real questions here are the questions I have propounded to you, and if you have anything further to say on that, we will be glad to hear it. We are convinced of the fact that Portland is a large city, has a very rich surrounding country which produces a great commerce. We are convinced that the improvement to the extent that is necessary to foster that commerce is desirable. All we want is just this: Are the facilities—are the vessels which would carry that trade, if we give them this added depth, such as would draw the increased depth, and, second, is it necessary on account of the rafts and the frequency of the passage of vessels to have the increased width? Those are the two questions I would like to have answered.

ADDITIONAL WIDTH AND DEPTH NEEDED

Mr. MCDUFFIE. May I ask how wide these rafts are that are towed up and down this stream?

Mr. KORELL. They vary in size. I have seen rafts there that are probably 100 to 150 feet wide. Some of the largest log rafts in the world are made up in the Columbia River and towed up and down the river and out the mouth of the river to distant ports.

Mr. MCDUFFIE. A little over half of the tonnage of that port, or two-thirds of it, is timber or timber products, isn't it?

Mr. KORELL. No; I have called attention to the fact that we are shipping——

Mr. MCDUFFIE. I notice the figures here give wood and paper.

Mr. KORELL. I have called attention to the fact that we are shipping grain; we are shipping pulp for paper; we are shipping all kinds of agricultural products, and we are shipping flax, salmon, and wool. I think that we stand as one of the outstanding ports in the world in the shipment of all these classes of products.

Mr. MCDUFFIE. Of course, your timber is a very valuable product, but the figures here seem to show that your domestic wood and paper was over a million and a half, and the internal commerce, that stuff handled up and down the river there, was three million or more, so that makes quite a large percentage of the total.

Mr. KORELL. On page 854 of the report of the Chief of Engineers of the United States Army for 1927 you will find a detailed statement of the character and quantity of the tonnage shipped.

*Columbia and lower Willamette Rivers, below Vancouver, Wash., and Portland, Oreg.*

SUMMARY

| Classes of commodities | Foreign | | | |
|---|---|---|---|---|
| | Imports | | Exports | |
| | Tons | Value | Tons | Value |
| Animals and animal products | 2,029 | $205,950 | 5,932 | $1,627,400 |
| Vegetable food products | 60,720 | 7,612,061 | 1,152,893 | 64,490,071 |
| Other vegetable products | 559 | 356,725 | 839 | 209,038 |
| Textiles | 8,375 | 2,201,330 | 149 | 33,823 |
| Wood and paper | 5,864 | 400,373 | 997,417 | 14,618,742 |
| Nonmetallic minerals | 21,706 | 744,255 | 798 | 97,356 |
| Ores, metals, and manufactures of | 20,421 | 508,284 | 27,397 | 1,073,977 |
| Machinery and vehicles | | | 366 | 261,480 |
| Chemicals | 6,112 | 245,479 | 541 | 270,500 |
| Unclassified | 3,568 | 892,000 | 552 | 176,640 |
| Total | 129,354 | 13,166,457 | 2,186,884 | 82,859,027 |

| Classes of commodities | Domestic | | | | Total | |
|---|---|---|---|---|---|---|
| | Coastwise | | Internal [1] | | | |
| | Tons | Value | Tons | Value | Tons | Value |
| Animals and animal products | 42,145 | $12,058,675 | 10,214 | $2,669,668 | 60,320 | $16,561,693 |
| Vegetable food products | 364,078 | 43,964,333 | 67,059 | 3,307,986 | 1,644,750 | 119,374,451 |
| Other vegetable products | 10,221 | 8,855,715 | 20 | 10,000 | 11,639 | 9,431,478 |
| Textiles | 32,002 | 24,046,424 | 95 | 63,650 | 40,621 | 26,345,227 |
| Wood and paper | 1,356,870 | 37,123,996 | 3,102,226 | 40,161,615 | 5,462,377 | 92,304,726 |
| Nonmetallic minerals | 1,906,342 | 43,935,258 | 1,429,827 | 4,379,311 | 3,358,673 | 49,156,180 |
| Ores, metals, and manufactures of | 168,248 | 20,377,814 | 19,228 | 4,551,145 | 235,294 | 26,511,220 |
| Machinery and vehicles | 26,359 | 12,823,220 | 3,989 | 1,600,700 | 30,714 | 14,685,400 |
| Chemicals | 35,328 | 10,074,557 | 1,973 | 59,190 | 43,954 | 10,649,726 |
| Unclassified | 38,852 | 5,854,403 | 35,367 | 3,536,700 | 78,339 | 10,459,743 |
| Total | 3,980,445 | 219,114,395 | 4,669,998 | 60,339,965 | 10,966,681 | 375,479,844 |

[1] The internal traffic includes 2,324,075 tons of rafted logs and piling valued at $18,563,030. It also includes 141,311 tons of hogged wood valued at $32,502 and 48,741 tons of stone valued at $58,489, used in connection with works of river and harbor improvement.

General ferry traffic: Five ferries carried 388,987 automobiles and vehicles.

Mr. McDUFFIE. Yes; I was just reading from that.

The CHAIRMAN. A question in my mind on those tables is this; what are your timber products classified under?

Mr. McDUFFIE. Wood and paper. Is there much current in that stream from Portland down to the mouth?

Mr. KORELL. There is quite a little current, and the current, I might say, has been quite a valuable agency in scouring out the channel. It is utilized for this purpose by the construction of wing dams along the river which narrow the channel and speed up the current thus scouring the bottom of the river at places where sand and gravel would accumulate.

Mr. McDUFFIE. Is the Columbia River very tortuous, with a lot of crooks in it, or bends or sharp turns, or is it an ordinary straight stream?

Mr. KORELL. This map on the wall will indicate to the committee the course and flow of the stream. You will see by the map that there are quite a number of bends.

Mr. MORGAN. They are not very sharp bends, are they? I rode up and down the river, and my recollection is that they are not very sharp.

Mr. KORRELL. They are not particularly sharp, but you can see from that map that they are there.

The CHAIRMAN. You can get a better idea of that from the general map.

Mr. McDUFFIE. The general craft pass each other in a 300-foot channel; especially when the tide is running one way or another they might find it difficult to navigate.

The CHAIRMAN. What do you call it, General Deakyne? Do you call it a fairly straight stream, or is it a stream that has more than the average number and sharper than the usual bends?

General DEAKYNE. I would say it was a stream with fairly sharp bends compared to the Delaware River, for instance. Philadelphia is about the same distance from the sea as Portland. I think the Columbia has much sharper bends than the Delaware.

The CHAIRMAN. And more of them?

General DEAKYNE. And more of them; yes.

The CHAIRMAN. Mr. Korell, let me ask you this: Here is a trade of which we have heard quite a little lately, in lumber and timber from the Pacific coast to points on the Gulf and on the Atlantic. Now, that, to be economical, will probably be carried in vessels which will go to the harbors and into the rivers on the Gulf on the Atlantic coast, and make straight delivery, we will say, from Portland to places like Albany, N. Y. What is the draft of vessels which are engaged now in that trade?

Mr. KORELL. They are the largest size vessel. They are vessels that carry passengers, in addition to tonnage, for a great part. We have one or more lines now that run from the port of Philadelphia on a regular schedule.

The CHAIRMAN. Mixed passengers and cargo or straight cargo?

Mr. KORELL. I think they take some passengers, but I wouldn't want to go on record as to that.

Mr. McDUFFIE. Is that the Luckenbach Line?

Mr. KORELL. No; that is the Columbia-Pacific (Quaker) Line. That line, or the same capital that just purchased 11 Government vessels to add to its fleet.

Mr. McDUFFIE. Coastwise or foreign trade?

Mr. KORELL. For both coastwise and foreign trade.

The CHAIRMAN. Well, now, which is growing more rapidly of your outbound traffic, your timber and lumber or your other exportable products?

Mr. KORELL. Our higher-value package freight. That is referred to here in the report as growing to such an extent that there is about $609,000 a year lost because of the fact that all of that class of business has to be diverted by rail to other ports that can receive ships of an adequate draft and speed to handle that class of commerce. This excessive freight charge is an economic waste.

The CHAIRMAN. Well, isn't your greatest volume of tonnage for the future in your forests?

Mr. KORELL. There is a tremendous volume of tonnage there, but this area which is referred to as the Inland Empire and the back country which we drain produces wheat and agricultural products that increase in volume yearly. I call your attention to the fact that the value of that at the present time amounts to about $700,000,000 a year.

The CHAIRMAN. We had testimony in the matter of Gulf ports. My recollection is that what we are giving them there is 27 feet, and they are sending redwood direct from the Pacific coast to the Gulf ports in, as I understand it, whole vessel loads. I assume that that will be true very soon of all the distributing centers on the Atlantic as well as on the Gulf.

Mr. KORELL. Of course, the chairman has in mind that redwood is a very light wood, much lighter, in fact, than the pine, spruce, and fir woods, and generally that class of woods that grow in our forests; and, further, that there is a squat or water depression when a vessel moves in fresh water that requires a deeper draft or deeper channel than when it is operating in salt water, which has more buoyancy. I don't know whether I am correct in my figures, but I have been informed that it will draw from 1½ to 2 or 3 feet more, all depending, of course, on the size and speed of the ship, if it moves in clear water than when it is merely standing still or moving in salt water.

OTHER PORTS FAVOR PROJECT

The CHAIRMAN. We are looking in the East, I will say to you frankly, to getting our lumber from your coast in full cargo shipments, and we think that we will have to depend on it. It is a matter of necessity, and we think the cheapest way it can come is by water, and I see the need of the improvement of our waterways in the East in order to receive and distribute that lumber. We think the problem is a combined problem between the two coasts and the Gulf coast. It seems to me, with lumber being exhausted as it is in the South, and a supply that is inexhaustible on the Pacific coast, we on the Atlantic coast must look away up as far as Chicago, at least, to transportation by water and distribution by water of lumber.

In Detroit they are figuring they can save $9 a thousand, at least, over the rail haul to Detroit by transportation by water.

Mr. MANSFIELD. That would go by the Erie Canal?

The CHAIRMAN. I don't know. We are going to need waterways for the distribution of that lumber, and all I am suggesting to these gentlemen on the Pacific coast is that you are just as much interested in providing waterways which will carry your lumber for distribution in the original cargo, the original vessel, to the great consuming centers in the North—and that is where it is, in the northeast part of this country—as you are in deepening the waters right on your own coast. It means just as much to you in dollars and cents. You are going to save just as much at the one end as you are at the other. You are going to get just half the benefit if, when you get to New York or Albany, you have to stop and can not distribute any farther.

Mr. HAWLEY. Mr. Chairman, we have always recognized that. We have supported projects on the Atlantic for that very purpose, marketing our lumber.

The CHAIRMAN. It seems to me we ought to recognize that fact. If you haven't anything more, Mr. KORELL, we will hear Congressman HAWLEY, and then we will hear General Deakyne for a few minutes and adjourn.

Mr. HOUSTON. Mr. Chairman, there is just one thought that occurs to me. Have you any trans-Pacific trade out there?

Mr. KORELL. Yes; we have considerable.

Mr. HOUSTON. And what railroad facilities does the port afford?

Mr. KORELL. I mentioned in my statement that we have six lines that are feeding the port of Portland at the present time, and all of those railroads, I might say, run down grade through different sections of this basin, passing over the only water-level routes that exist out there.

FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3740, the flood control bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LEHLBACH in the chair.

The CHAIRMAN. The Clerk will read the pending amendment.

The Clerk read as follows:

Page 4, strike out all of the paragraph beginning with the word "Just," in line 23, down to and including the word "paid," in line 12 on page 5, and insert the following:

"The United States shall provide flowage rights for destructive flood waters that will pass by reason of diversion from the main channel of the Mississippi River, and shall control, confine, and regulate such diversion."

The CHAIRMAN. The question is on the amendment.

Mr. TILSON. Mr. Chairman, I have an amendment to offer by way of a substitute.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Connecticut.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 5, after line 12, strike out the pending amendment and insert as a substitute therefor the following: "Any property taken by the United States for the purpose of carrying out the terms of this act for which compensation is required by the Constitution of the United States shall be paid for by the United States."

Mr. TILSON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. TILSON. Mr. Chairman, as it will take me all of the time allotted to make my statement, I trust that Members will not interrupt me.

Mr. Chairman, I first wish to thank the members of the Flood Control Committee for the long, painstaking though strenuous efforts they have made in trying to bring to us a bill that will be acceptable. I also wish to thank those members of that committee who have met some of the rest of us in informal conferences for a fine spirit of cooperation and a willingness to help get as good a bill as possible. I wish to thank them for this spirit, because it is in such spirit I think we get the best legislation. Anything I may say here I hope will be considered in full accord with that spirit, for that is my only purpose in offering this amendment.

Mr. Chairman, local contribution is the accepted principle upon which this work has been done heretofore, and in that so-called stump speech that was incorporated in section 2 we reiterated that principle. But we proceed to deviate from it at once, and I think for good reasons, in order to meet the expense of doing the construction work.

There is one principle of local contribution, however, that I think should never under any circumstances be deviated from, which is that the land upon which the improvement is made, the ground upon which the levee works are constructed, should be furnished by the State or locality in which these works are situated. Mr. Chairman, to deviate from this policy might introduce a new principle into the liability that may arise by reason of anything that may occur after the completion of these works.

What is the problem here? It has been accepted in this bill that local authorities shall furnish the levee sites, even though they are new levees, for the main stem of the river. We come now to the question—and it is the crux of the whole question—who shall furnish the land for these flood ways. We ought to have an understanding as to what the flood ways are. In the first place the flood ways do not run over the mountains or the tops of ridges. They are for the most part natural flood ways where the water has been going down from time immemorial. We are simply making a plan by which along these natural flood ways the new flood hereafter is to be confined.

What is going to happen to the rest of the country? Outside of these levees there will be protection that these lands have never had. Inside of these leveps—mark this—inside of the levees, unless there is a flood substantially equal to the 1927 flood, those who are inside between the new flood-way levees will be in just as good a situation as they have ever been. We are not going to pour destructive floods down these flood ways, except when there are such floods that would overflow the territory were there no additional levees there. Of course, if the river is confined in some other place the flood may be somewhat greater in volume after it tops the levee at the proposed height, but up to the time it tops the existing levee there is no water going down there that has not gone down there before. So we are not doing such a tremendous damage after all. We are, in fact, furnishing protected land behind the levees for a great reclamation scheme, and I hope it turns out so that they may have hundreds of thousands of acres there that have been valueless before but which will be highly valuable after this work is done. For one, I am glad that the lands there are owned by large corporations, because the same corporations that own the floor of the flood way will probably own on both sides of the levees, and if they do receive damages to the land in the flood way they will receive compensating benefits for the reclaimed land on either side.

Suppose a flood should come down these flood ways; it is not coming without notice. If, for instance, flocks are being grazed within the flood way, there will be plenty of time to remove them, and if anybody within the flood way continues to live in the little houses down through that part of the country they will have plenty of time to remove themselves and their belongings behind the levees. So that there is no danger of anybody being drowned by a sudden flood turned down through the spillways or flood ways.

But I must pass to the next point, because this is the nub of the question. The amendment of the gentleman from Illinois [Mr. REID] as offered yesterday and printed in the RECORD proposes that the United States shall provide lands for rights of way over which destructive flood waters shall pass by reason of the diversion from the main channel of the Mississippi, and for levees along such diversions, flood ways, and spillways, and any needed lands and easements—and this lets in the railroads again. Do not think for a moment that because we cut out section 4 that we cut the railroads out. They are in this amendment.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. COX. The gentleman is reading the amendment that was proposed yesterday and was printed in the RECORD this morning, and not the one that was offered this morning.

Mr. TILSON. Yes; I am reading the one that is in the RECORD that the gentleman from Illinois [Mr. REID] offered yesterday.

Mr. COX. But that is not the amendment that was offered a few moments ago.

Mr. TILSON. I am at least showing what was originally proposed. As I understand the amendment that was just read from the Clerk's desk, it is that we shall simply buy the flowage rights in advance. Why should we buy flowage rights? Why should we not stand on the constitutional right which every citizen has to receive just compensation if his property is taken for a public use? In the amendment that I have offered it is stated, in effect, that in case private property is taken in the constitutional sense, the United States assumes the responsibility for it. How can anyone suffer if his constitutional rights are preserved and these are buttressed by an assumption of the obligation by the United States in case his property is taken within the meaning of the Constitution?

We have reached the crucial point in this bill. In my opinion, any provision for buying flowage rights, easements, or anything else relating to land, in advance that requires the United States to condemn or purchase something now that may not be needed for 10 or 12 years, or never, will be dangerous to the bill itself. I hope that we may arrive at a bill which will be acceptable and one that we need not be ashamed of hereafter, a bill that will not open the doors of the Treasury to raids upon it.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. FREAR. And in addition to the question of flowage rights it requires the rights of way for the levees to be purchased by the Government, notwithstanding that the levee rights on the Mississippi River are to be furnished by the locality.

Mr. TILSON. In the pending amendment direct reference to rights of way is stricken out.

Mr. FREAR. No; it is in there. I leave that to the chairman.

Mr. TILSON. I am afraid the gentleman is correct and that the words "flowage rights" will include a lot of things. My point is just here: The amendment that I have offered gives everyone ample protection, as he is protected under the Constitution, and fixes the obligation of the United States for such damage as may accrue under the Constitution. Why should we not be satisfied with this? Why is it not enough to protect any citizen of the United States? I think it is, and that when we go beyond this and propose to buy lands, easements, or flowage rights in advance we enter upon dangerous ground. We should try to get away from the word "buy" if we can in this connection. There is danger in this bill if under it we start out to buy a lot of land, easements, or flowage rights, and since the Constitution takes care of the situation there is no necessity for affirmatively conferring different or additional rights to those guaranteed in the Constitution.

I hope my amendment will be accepted as it is, and, if accepted, then, in my judgment, it will be possible to iron out all of the other differences in this bill. So long as it requires the United States to buy lands, easements, or flowage rights I fear that the bill may fail to be acceptable to enough of us to finally pass it. [Applause.]

Mr. DENISON. And the gentleman's amendment merely gives the property owners their constitutional rights?

Mr. TILSON. And fixes the obligation to pay upon the United States. It does not attempt to unload upon any levee district or any State or anybody else, but provides that any compensation anyone is entitled to under the Constitution shall be paid by the United States.

Mr. REID of Illinois. Mr. Chairman, I told you the first day that we agreed to everything that the President's representatives said they wanted except turning destructive flood waters down upon innocent people, and I stand to-day reiterating that same proposition. The only relief provided by the amendment that the gentleman from Connecticut [Mr. TILSON] proposes would give to a man after his property has been destroyed by the destructive flood, or probably some of his kin have been drowned, would be to say to him, "You go to the United States courts, start a lawsuit, and at the end of 5 or 10 years, perhaps, you will be thrown out, and then you will be able to come to Congress and be sent to the Court of Claims, and after fussing around there for a year or two you will be

forgotten." If that is the kind of Government we have, then we better have a change in the form if not in the administration of it. You do not know what you do when you try to turn this water on the people and leave them to their constitutional rights. At the present time these are not natural flood ways.

Mr. TILSON. Is it not true that in time past there has been water running down from the channel and is running now?

Mr. REID of Illinois. The water running down from the channel now is not in a flood way. It does not come within your category. The spillway is through the New Madrid flood way. When you make them that, you are simply enlarging a place where the destructive waters go now. It is untrue.

Mr. TILSON. The New Madrid and the Bonnet Carre are not in this at all.

Mr. REID of Illinois. The amendment I have offered is to the effect that no water shall be turned from the main channel of the Mississippi River until the United States acquires the flowage rights, and when they do divert it from the main channel, they begin there and regulate it.

What can be fairer than that? The people of Louisiana and Missouri are not asking you to do that. Would you want it sent over your front yard? It is of no benefit to the people hundreds of miles away. Yet you turn this water down on them and say, "Go to the Constitution" as the ark of the covenant.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. REID of Illinois. Yes.

Mr. BURTNESS. The flowage rights are stricken out?

Mr. REID of Illinois. Yes.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield?

Mr. REID of Illinois. Yes.

Mr. BLACK of New York. In cases where you condemn the flowage rights it would be considered whether the water had passed over that area before in assessing the damages?

Mr. REID of Illinois. Yes. If there was water running through there now it would not be of any value. Yet the gentleman from Connecticut says they are trying to get money for the flood way now. That is not correct.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. REID of Illinois. Yes.

Mr. MOORE of Virginia. Is not this the difference between the amendment offered by the gentleman from Connecticut and your amendment: That you provide that when the Government acquires the flowage rights the Government shall then pay for them, while the amendment of the gentleman from Connecticut provides that the persons affected may secure compensation by legal proceedings if they can?

Mr. REID of Illinois. We are not going to turn the water down on those people if the flowage rights are furnished—turn the water down on those innocent and helpless people. That is the iniquity of the proposition.

Mr. MOORE of Virginia. The Government is to take the flowage rights, and the people affected are to do the best they can to secure compensation?

Mr. REID of Illinois. Yes. General Jadwin said he would turn the water down on those people and let them take their chances.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. COX. Mr. Chairman and members of the committee, I desire to make a brief explanation of the amendment that has been offered by the chairman of the committee, and also to make reply to the argument of the gentleman proposing an amendment to the amendment.

I invite your careful attention to the amendment that the gentleman from Illinois has proposed. You will find from reading it that it does not undertake to commit the Government to purchase a single foot of land in any of the diversion ways or flood ways. It does not propose, and does not mean, that the Government shall acquire flowage rights for all of the land within the flood ways. It simply means that where the turning in of this additional water inundating land not heretofore subject to overflow, the Government shall acquire flowage rights thereto.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield at that point?

Mr. COX. Yes.

Mr. GRIFFIN. Is there any way of approximating the comparative value of the flowage rights, as you designate them, and the actual purchase in fee simple of the bed of the diversion?

Mr. COX. I am not in a position to state to the gentleman the difference in the cost of flowage rights and the actual title to the land.

Mr. GRIFFIN. If the gentleman will permit me——

Mr. COX. Will not the gentleman ask me that question a little later on?

Mr. GRIFFIN. To keep to the context I would like to ask it at this point. The purchase of flowage rights in advance would amount to an agreement between the Government and the owners that the Government might have the permission to turn the stream into the bed, between the levees into the channel area?

Mr. COX. I do not understand that there is any question as to the right of the Government to turn the water in. The amendment simply proposes that when the land is flooded that has not heretofore been subject to flood, the Government may acquire flowage rights.

Mr. GRIFFIN. You refer the effect of the flowage rights on the land and the value to be determined?

Mr. COX. Yes. Gentlemen, allow me to call your attention to the amendment proposed by the gentleman from Connecticut [Mr. TILSON] to the amendment offered by the gentleman from Illinois [Mr. REID]. His position is that the Government ought not to be required to acquire any interest in the flood ways except that which may be made necessary as the result of the actual taking of the land. Let me say to you, gentlemen, that amendment does not mean that if the Government turns water into these flood ways and floods land which has not been heretofore subject to the waters there is any obligation on the Government to make compensation.

I want to say to you, my colleagues, that the whole question revolves around the meaning of the word "taking." The courts have held time and time again——

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COX. Mr. Chairman, may I have 10 minutes more?

The CHAIRMAN. In there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. The Supreme Court held in the case of Bedford against the United States that—

> Damages to lands by flooding as the result of revetments erected by the United States along the banks of the Mississippi River to prevent erosion of the banks from natural causes are consequential and do not constitute a taking of the land flooded within the meaning of the fifth amendment to the Federal Constitution.

That is the case of Bedford *v.* United States (192 U. S. 217). In another case the court held that—

> No action will lie for damages consequent upon the erection of public improvements, although the result of such erection may impair the value of property by rendering ingress and egress thereto more difficult. It is axiomatic that private rights are always subservient to the public good.
>
> To constitute a taking of private property such as is inhibited by the fifth amendment unless just compensation is made, it must be shown that the owner thereof has been wholly deprived of the use of same. If it has been merely injured or its use impaired, there is no taking such as is contemplated by said amendment.

Mr. LAGUARDIA. What is the citation?

Mr. COX. That is Transportation Co. *v.* United States (99 U. S. 635). Again, in Mills *v.* United States (46 Fed. 738), the court said:

> No action can be maintained against the United States to recover damages in the nature of a trespass, whether proximate or consequential, because such action would sound in tort, and therefore without the jurisdiction of the court.
>
> Where the Government of the United States by the construction of a dam, or other public works, so floods lands belonging to an individual as to totally destroy its value, there is a taking of private property within the scope of the fifth amendment.

That is United States *v.* Lynath (188 U. S. 445).

> Permanent overflow is a "taking" within the meaning of the constitutional provision.
>
> A destruction of private property for public purposes may as well be a taking as would be an appropriation for the same end.

Now, here is the meaning of this amendment: The Government may come in and turn all of these waters into these flood ways, which will result in damage to the owner of the property, and yet because the lands are not perpetually flooded and therefore their value not totally destroyed, there is no taking on the part of the Government within the meaning of the fifth amendment.

Mr. SNELL. Will the gentleman yield?

Mr. COX. Yes.

Mr. SNELL. I am not a lawyer, and I do not understand all of this, but I can understand some things. Is it the gentleman's

position that if the Federal Government turns the water in here that then it would not be liable for damages under the provisions of the Constitution?

Mr. COX. No, sir; it would not be liable for damages. That is the fixed and settled law, and no one familiar with the rulings of the Supreme Court will contend to the contrary. In other words, under this amendment the Government might, through the turning in of these flood waters, in a period of 5 or 10 years do tremendous damage to the property affected as a result of the flood; and yet under the Constitution there is no taking of the land, and therefore no right of action on the part of the owner as against the Government.

Now, as to the amendment proposed by the gentleman from Illinois, the amendment that the gentleman from Illinois offers simply means this: That where lands are flooded the Government shall provide flowage rights thereto, and that is all it means. The amendment does not propose that the Government shall buy a foot of land except——

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. COX. Except such lands the value of which is perpetually destroyed by the Government, and that simply means that the Government does not commit itself by this proposal to buy anything except the land for levee rights of way. There may be a difference of opinion as between many of you and myself as to that, but I take the position that the construction of a levee will constitute a taking in the sense that the value of the property will be totally and permanently destroyed and, therefore, under the law there will be a necessity on the part of the Government to pay for it. And that is the same meaning of the Tilson amendment. If the Tilson amendment is passed, the Government is only required to pay for that which it takes, and under his amendment, though he contends to the contrary, as I understand it, there would be a taking of the rights of way for levees and, therefore, an obligation upon the Government to pay.

Mr. BURTNESS. Will the gentleman yield

Mr. COX. Yes.

Mr. BURTNESS. Can the gentleman give us any estimate at all as to what the flowage rights will be worth as compared with the actual value of the land?

Mr. COX. I am sorry I can not.

Mr. BURTNESS. Will they be worth one-third or one-half more?

Mr. COX. I am sorry I can not give the gentleman that information.

Mr. BRITTEN. Would not that depend entirely on the local conditions?

Mr. COX. Of course.

Mr. BLACK of New York. Will the gentleman yield?

Mr. COX. Yes.

Mr. BLACK of New York. Does the gentleman understand from the decisions he has just read that there could be any damage to an owner, part of whose property was taken, for consequential damages to the remainder of the land?

Mr. COX. There might be, and the courts have so held, but in this case the Reid amendment is a fair proposal. It is a liberal concession on the part of the committee and is an effort on the part of the committee to meet the objections urged to the section as it was originally drawn, which we all concede was bad and should not be legislated into law.

Mr. SNELL. Will the gentleman yield?

Mr. COX. Yes.

Mr. SNELL. Then does the gentleman understand it will be necessary for the Federal Government to provide these flowage rights under the amendment offered by the gentleman from Illinois?

Mr. COX. It would never be necessary for the Federal Government to provide flowage rights until it had been determined that it would be necessary to have such rights.

Mr. SNELL. Then, it is not necessary that they procure those rights immediately?

Mr. COX. No, sir; and the Reid amendment does not mean that the Government must procure rights to all of the property within the flood ways. There is a lot of territory that is included within these rights of way along the flood ways that will not be flooded.

Mr. SNELL. And no one knows how much of that land we would need?

Mr. COX. No one knows.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. FREAR. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Mr. Chairman, ladies, and gentlemen of the committee, there ought to be no difference between us personally and we ought to be willing to extend to every one who is here and who speaks on the subject the same courtesy, and I am sure you are so disposed. I do not think there is any disposition to misrepresent, but I wish to explain to you, gentlemen, the situation in which you find yourselves by the presentation of this (Reid) amendment at the last moment.

Yesterday you had another amendment to substitute on this section; to-day this amendment comes in, and a good lawyer tells you what the law is in his judgment. He is prepared with authorities. Are you going to pass upon that now, when in ordinary court proceedings you would ask that both sides be presented and the law discussed?

This is a clever amendment, as clever as anything can be offered, as clever as sending this bill over to the Senate and letting them bring it back with a unanimous report in order to influence the House.

This is an amendment to require the United States to purchase all the flowage rights. The question has been asked by my friend the gentleman from Illinois [Mr. BRITTEN] and others, What will the flowage rights be? Suppose you owned land down there, what would you be willing to do? You would say, "I am going to have all I can get." This would be natural. What will this amendment do? You say, "I will not sell the flowage rights; you can condemn them," and then you have got your local jury just the same. If the Government wants to buy the property and it asks how much it will be, it will be told, "Buy my property at my price. You can not compel me to take less."

You have the very same proposition here you have had throughout the bill. This is not a question of ownership of land, because the United States is to transfer back, under the old proposition, to the States whatever land title it has.

In addition, under this Reid amendment, while you have provided in the bill that the rights of the levees on the main river are to be purchased by the localities, you will not get these rights in this case on the flood ways as you will on the main river. The Government has got to pay for the levee rights under this amendment and also the flowage rights which may make up the full value of the property.

"The United States shall provide flowage rights for destructive floods that will pass by reason of diversion from the main channel of the Mississippi River and shall control, confine, and regulate such streams." This is the language proposed, and the chairman of the committee says, "Are you going to throw these waters down there through the flood way to drown these people?" Yes; that is what you are going to do unless they get away. Do not mistake that. There is not a particle of distinction whether you buy the flowage rights, whether you condemn them, or whether you leave them to their rights of action, so far as drowning the people is concerned. The flood ways will be dangerous places in time of great floods. They are to be used for that purpose.

These diversions are for the purpose of allowing the waters to escape down the flood way, and no one is going to drown, because they will have plenty of time to get behind the levees if they so desire, and they are living there with full knowledge of the danger in time of floods.

The purpose of the amendment is to require the Government to bring action against 7,500 people who are the owners of the property or else the Government has got to buy flowage rights, which does not make any difference in principle or expense.

Mr. COX. The gentleman assumes by that statement that they are all robbers.

Mr. FREAR. Simply because you have got to buy the property they are not robbers. Who is going to give it? No man is going to give it if he owns the property unless it should be some one like my distinguished friend, who, like myself, would possibly be generous.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. FREAR. Not for just a moment. When one man interrupts a speaker it is the nature of all of us to want to jump in with inquiries, but let me continue with my statement, please.

Seven thousand five hundred owners are to be sued by the Government unless they pay the money or unless they agree to give transfers otherwise. Is not that right?

The measure of damages no man can tell. It may be $100,000,000 or it may be $200,000,000 or over. If we accept the

authority of Mr. Blake, who says much of the land is worth $100 an acre, it may cost the full amount of $200,000,000.

Mr. COX. I am sure it is not the judgment of the gentleman that the land is worth anything like $100, or $20 an acre for flowage rights.

Mr. FREAR. I do not want to interrupt the gentleman, but I do not care to yield any more.

The situation is just this, gentlemen: Under this amendment, which has been offered by the chairman at this last moment without any thought of presenting it to any of us yesterday, it is not in the nature of a compromise, because it does not compromise one single thing in the purchase of land but takes in the whole proposition. The Government does not want this land, and it is exactly the same proposition you have had before you throughout.

Now, are you going to accept it? You are shrewd enough to see into this proposal, just as well as my clever friend, and I do not blame him if he can get it through as an amendment; but, as I have stated, this will require lawsuits against every landowner unless you can buy these rights, and you are sure to have such a situation.

Now, this is the same objection that has been urged in the past.

The gentleman from Connecticut [Mr. TILSON], who is the Republican leader, has another proposition, the administration proposal we are supporting, and remember that this water has overflowed through these flood ways before—not all the time; but it is an old flood way, all of them necessarily are, and it is to be used now for this diversion maybe not over once in 10 years. No man can tell what the damages are going to be now, but if he has any damage he can proceed against the Government. My friend says he has looked up the law and has the decisions here. The Attorney General, as I understand it, wrote this provision. I will be corrected by the leader [Mr. TILSON] if I am wrong. The Attorney General wrote that provision, did he not?

Mr. TILSON. I understand the Attorney General passed on it.

Mr. COX. I know the gentleman who offered it will agree with me on my interpretation.

Mr. FREAR. Now, Mr. Chairman, with all due deference to the able gentleman from Georgia—and he is able—I will accept at this time for the protection of the Government the opinion of the Attorney General of the United States in such an important matter.

Now, if there are no damages, as the gentleman from Georgia says, that can be collected against the Government of the United States, I say they ought to have damages. I agree with him in that. He says it is a question of law. I do not want to put the question as a matter of law; but if they do have damages, I am willing to support any provision in subsequent legislation to give them an immediate right to show their damages in court, so that they may collect such damages without delay. I do not care how you do it. I do not want them to be delayed. But at this time on the single and unsupported statement of one lawyer against another, I say it is a dangerous thing to give away all the Government's rights without knowing where we stand.

That is practically all that I wish to present.

Mr. COX. Will the gentleman yield now?

Mr. FREAR. I will.

Mr. COX. May I ask the gentleman if he understands the amendment to be contrary to the statement I made?

Mr. FREAR. The measure drawn by the Attorney General—as I understand the law, and I may be mistaken, and so may the gentleman from Georgia—that in case of unusual damage different from what they have suffered in the past they can bring their claims against the United States and the Government is responsible.

Mr. COX. The gentleman does not mean to say that the Attorney General has rendered any such opinion?

Mr. FREAR. No; this measure, as I understand, was drawn by the Attorney General. Why do you wish to purchase flood rights without knowing what the rights are and what the expense will be?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REID of Illinois. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and the amendment thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate upon the pending amendments close in 10 minutes. Is there objection?

Mr. TILSON. Mr. Chairman, reserving the right to object, this is a crucial point in the bill, and does not the gentleman think that it would be well to allow a little more debate upon the amendments?

Mr. REID of Illinois. I am willing to grant that. If anybody wants to speak upon it say so, and I will extend the time.

Mr. FULBRIGHT. Mr. Chairman, reserving the right to object, I happen to represent the district in southeastern Missouri that is affected by the flood way that is under discussion. I have tried to get recognition time after time.

Mr. REID of Illinois. How much time does the gentleman want on this amendment?

Mr. FULBRIGHT. I want 10 minutes.

Mr. REID of Illinois. Very well, Mr. Chairman; I modify my request and ask unanimous consent that all debate upon this amendment and the amendment to it close in 30 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate upon the pending amendments close in 30 minutes. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Chairman, both amendments proposed in this case will protect the rights of the property owners. The only question involved is whether the Government will be protected. The Attorney General has passed upon the amendment presented by the gentleman from Connecticut [Mr. TILSON], and holds that the property owner will have a right of recovery under the amendment. So as to that amendment we have the property owner protected. It is clear that under the other amendment the property owner would also be protected. Let us take the two methods of protection and see whether the Government is protected under both. Under the methods proposed by the gentleman from Illinois [Mr. REID], we attempt to fix for all time the damage caused by the flowage rights. Is it possible to do that? Do we not enter upon a realm of infinite speculation? The times when the floods come, the frequency of recurrence of floods, the extent of the floods, are all involved in that question. Can you in any way settle that question with fair definiteness, so as to determine the amount of damages sustained by the property owner? Of course, you can not. Of course, that is utterly impossible. Of course, it is a mere matter of speculation and guess upon every one of these questions as to how often the floods will come, what the magnitude of the floods will be, and what the extent of the damage suffered by the property owner will be. Are you going to guess? Every man who is a lawyer, who has ever had any experience in condemnations, knows that you guess in favor of the property owner to the extent of at lease five to ten times the value of the actual damage. I have acquired a right of way for a railroad, and I know what the result is, and every lawyer here will agree with me.

Let us take the other side. Let us suppose for a moment what is not the case, that the property owner is not protected, and he does not have, as the gentleman from Georgia [Mr. Cox] says he has not, the right to come here for damages. Is not all this discussion upon the basis that the property owner shall be reimbursed for the actual damage that he sustained? Is there any doubt that if an amendment is needed to the law to give that actual effect, that the Congress will be ready to send him to the courts to determine what the actual damage is that he has sustained? Should he have any more damage than he has actually sustained? You can not in advance estimate, you can not do anything except guess what the damage will be, but, when once the damage has been sustained, you will know what it is, and the property owner will be held down to at least approximately what the actual damage has been. Is not the property owner fully, fairly, adequately, and completely protected by that method, and will not that be certain and definite?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FULBRIGHT. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FULBRIGHT. Mr. Chairman, ladies and gentlemen of the committee, in the first place, I want to vouch for the honor of the citizenship of Missouri, and I resent the reflections that have been made on the integrity of the citizens of southeast Missouri. There are not in the State of Missouri, so far as I know, or anywhere else in the alluvial valley of the Mississippi, any bands of hijackers or marauders who are seeking to fleece the Government and make a raid upon the Treasury. We have a great question confronting us. Southeastern Missouri has felt the effects of a calamity such as she has never experienced before. In addition to the Mississippi deluge, the St. Francis Basin nine times in succession in 1927 was overflowed. In that section of the State there has been cre-

ated one of the greatest drainage systems in the United States if not in the world. The people of this community have obligated themselves in excess of $50,000,000 in the construction of this drainage system, and they can not bear additional burdens. The amendment offered by the gentleman from Connecticut [Mr. TILSON] would deny to those people the right to any damages that the Government might cause as a result of attempting to control the flood waters of the Mississippi River through the New Madrid flood way. What is the situation? These canals that have been dug at great expense to southeastern Missouri will be obstructed by the so-called New Madrid flood way. This flood way is not provided for the purpose of protecting southeast Missouri. The damage sustained to southeast Missouri would be in excess of the benefits received as a result of this flood way, and you seek to make the people of southeast Missouri bear the burden of a project that is intended to protect some other section of the Mississippi Valley. It is unfair, it is unjust, and the people of my district will never submit to that kind of a proposition.

Not only that, but the lands proposed to be taken for a flood way in southeast Missouri are not waste lands, as some gentlemen would infer. They include some of the best farm lands in the Mississippi Valley; lands which have been in cultivation perhaps for a hundred years, owned by small landowners, not by lumber companies or timber speculators. Sixty per cent of this land is owned by small farmers who have invested the savings of a lifetime in these improvements. This is the land you undertake to make into a flood way in southeast Missouri.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield there?

Mr. FULBRIGHT. Yes.

Mr. LAGUARDIA. It has been conceded all the way through that that land is very valuable and highly cultivated land.

Mr. FULBRIGHT. That is not true with respect to all of it, but it is true of southeast Missouri.

Mr. LAGUARDIA. We concede that.

Mr. FULBRIGHT. But you want to take that land without the payment of a dollar to the people who own it and make it into a flood way. I say the people of the United States are not in favor of that kind of practice.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. FULBRIGHT. Yes.

Mr. WILLIAMSON. My understanding of this proposed flood way is that the flood way will never be used at any time except when the water goes over the levees that would be built. It might not be used more than once in 10 or 15 years.

Mr. FULBRIGHT. In one county alone more than 1,000 homes and other buildings were destroyed or damaged by the 1927 flood; 1,000 homes damaged or washed away.

Mr. NELSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FULBRIGHT. Yes.

Mr. NELSON of Missouri. In answer to the statement of the gentleman from South Dakota [Mr. WILLIAMSON], may I say it is proposed to cut down the present levee 5 feet and build another levee 5 miles back. This would result in flooding the lands intervening.

Mr. FULBRIGHT. We constructed in southeast Missouri a drainage system that has cost the people an enormous amount of money. The Federal Government has not contributed to that project. Engineers tell me that if this flood-way project goes through, it will cost the drainage districts in this flood-way section from one to five million dollars. A great per cent of New Madrid County and Mississippi County would be included in the new flood way.

This is valuable property. We are not asking for a flood way. We are not asking to sell any land or sell anything. We are not making prices on our property. I am told by competent engineers—by practically every engineer I have talked with, and whom I have heard express themselves on this matter, except General Jadwin—that the proposed new flood way is not a protection to Cairo, and some other method should be adopted by which Cairo would be protected. But the men who attempt to amend this bill undertake to take from southeast Missouri perhaps 200,000 acres of valuable farm lands for a flood way, not for our benefit but for the protection of Cairo, and ask us to pay the damage. We resent that action. We are opposed to it.

I want to say, in the language of the gentleman from Illinois [Mr. MADDEN] yesterday, when he said he would finally vote against the flood bill if certain amendments were not in it, if you undertake to take from southeast Missouri these valuable lands without contribution, I will vote against the proposition, and I voice the sentiment of the people of my district.

We want flood control. We are interested in it. We want to see Cairo protected. We want to see Illinois protected. We want to see the entire Mississippi Valley protected. We do not believe, ladies and gentlemen, that this Congress is going to place the expense upon the people in southeast Missouri who derive no benefit but suffer damage.

That is not all. In the recent flood there was a loss or damage to the people in southeast Missouri, as estimated by the Flood Control Commission, of approximately $8,000,000. As I stated a moment ago, over a thousand buildings were destroyed or materially damaged in one county in the district, and in another over 400 buildings were destroyed. The crops were destroyed, and the $8,000,000 of damages that was estimated does not include the damage to the lands in that section of Missouri.

The problem that exists between Illinois and Missouri is a problem that can not be settled between the States. It is a Federal problem, the burden of which the Federal Government should bear. And do you know, ladies and gentlemen, that after this great flood had taken place in 1927 the eminent men of this country pledged themselves to a comprehensive flood program that would protect us from another such flood as we experienced in 1927. But as the time elapsed they have grown cold. Mr. Hoover, in whom the people of the Mississippi Valley placed the greatest confidence and hope, when it came to the time when he was put to the test he straddled the fence, and we do not know where he is to-day. [Applause.] I am not intimidated by threats of a veto. If this House, the people's forum, has become impotent under the withering blasts of threats and coercion, then Bunker Hill and Yorktown were empty victories, and the blood of the Revolution was spilled in vain. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. FULBRIGHT. I ask unanimous consent for three minutes longer.

The CHAIRMAN. The time has been fixed.

Mr. LAGUARDIA. Mr. Chairman, I agree with the gentleman from Missouri in his objections to the engineering provisions of this bill. But I do not agree with the gentleman from Georgia [Mr. COX] in his opinion as to the effect of the Tilson amendment. The gentleman from Georgia speaks of damages incidental to Government work; in other words, where the property damage was not in contemplation of the project.

But the bill here provides for a comprehensive plan of flood control, and any property found within the path of a flood way or a spillway in this comprehensive plan would naturallly come within the purview of the constitutional provision as to property rights. So that the cases cited by the gentleman from Georgia are not in point.

Mr. REID of Illinois. Will the gentleman yield?

Mr. LAGUARDIA. I have only a few minutes, but I will yield if the gentleman will get me more time.

Mr. REID of Illinois. I will get the gentleman more time. I know he wants to be right. Is there a single phrase in the bill which says it is the duty of the Government to pass water safely from Cape Girardeau to the Gulf of Mexico through flood-control works?

Mr. LAGUARDIA. The bill provides for a comprehensive plan, as submitted by the engineers.

Mr. REID of Illinois. Will the gentleman answer the question?

Mr. LAGUARDIA. I will come to it. In this comprehensive plan you have certain flood ways and spillways definitely mapped out. Now, any property in that spillway or flood way path would be entitled to just compensation under the Tilson amendment and under existing law. In the case of Monongahela Navigation Co. against United States, reported in One hundred and forty-eighth New York, the court said, speaking about the taking of property by the Government under eminent domain and where Congress sought to limit the value of the property by excluding the franchise value:

> The question presented is not whether the United States has the power to condemn and appropriate this property of the Monongahela Co., for that is conceded, but how much it must pay as compensation therefor.

Then, it goes on to say:

> But we need not have recourse to this natural equity, nor is it necessary to look through the Constitution to the affirmations lying behind it in the Declaration of Independence, for, in this fifth amendment, there is stated the exact limitation on the power of the Government to take private property for public uses.

In the case of United States against Great Falls Manufacturing Co., reported in One hundred and twelfth United States, it was held that any property taken by the Government for public use implies the duty of the Government to pay for it.

Such an implication—

Says the syllabus—

being consistent with the constitutional duty of the Government, as well as with common justice, the owner's claim for compensation is one arising out of implied contract.

So that the difficulty suggested by the gentleman from Illinois as to leaving these people with an indefinite remedy and undecided as to what tribunal they should resort to is fully decided in the case of the Great Falls Manufacturing Co., reported in One hundred and twelfth United States. They can treat it as a contract, and they can go directly to the Court of Claims if they so desire.

In the case of United States against Jones, reported in One hundred and ninth United States, it was held that—

there is no reason why the compensation to be made may not be ascertained by any appropriate tribunal capable of estimating the value of the property. There is nothing in the nature of the matter to be determined which calls for the establishment of any special tribunal by the appropriating power.

So that any property that is in direct danger or imminent danger which lies within the path of the spillway or flood way would be fully protected under the provisions of the Tilson amendment.

Mr. REID of Illinois. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. REID of Illinois. The United States Supreme Court, in the case of Jackson against United States, held just the opposite from the statement made by the gentleman from New York. That was a case where they built a levee 1 mile back of another man's house and left it within the confines of the flood way, and in that case the court held that he had no right of action and could get no damages.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. The gentleman from Illinois promised to get me additional time.

Mr. REID of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from New York may proceed for five additional minutes. Is there objection?

There was no objection.

Mr. LAGUARDIA. Now, Mr. Chairman, in the case cited by the gentleman from Illinois, I repeat that the damage was incidental and unexpected. It was not within the contemplation of the project itself, and I say for the third or fourth time that in the case of the bill we are now considering you have a certain definite and specific proposition mapped out in a comprehensive flood relief plan, and that comes clearly within all of the decisions I have cited. And let me say to the gentleman from Illinois that I was not citing my views of the law; I was citing from decisions of the Supreme Court.

Mr. COX. But the gentleman from New York puts an erroneous construction on the decisions referred to.

Mr. FREAR. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. FREAR. I want to ask the gentleman if it is proper, in a state of confusion and disagreement of this kind on the law, that we should adopt a plan of this kind, which may mean $100,000,000 or $200,000,000 in cost to the Government?

Mr. REID of Illinois. Or leave 100,000 people to drown and their heirs go to the courts under such confusion.

Mr. FREAR. They will be drowned under either proposition, as we all know.

Mr. LAGUARDIA. I will say to the gentleman from Illinois and the gentleman from Louisiana, who, I think, suggested that under the Tilson amendment the people would have to run out and look for lawyers, under your plan the lawyers would go out and look for the people.

Mr. REID of Illinois. They would if they were from New York.

Mr. LAGUARDIA. And they will be. I am trying to protect the people of Mississippi Valley from the confidence men of Broadway and the tin horns of Chicago. I said that yesterday.

Mr. BLACK of New York. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLACK of New York. Will the gentleman tell us just what the Reid amendment adds to the rights of property owners as defined by the gentleman in those decisions?

Mr. LAGUARDIA. It broadens the scope, if anything, and will throw the doors wide open.

Mr. MOORE of Virginia. Tell us exactly how that will be done?

Mr. LAGUARDIA. Certainly. You provide specifically for payment or compensation way beyond any direct, actual, and definite damages.

Mr. MOORE of Virginia. Be a little specific and tell us how and how far beyond.

Mr. LAGUARDIA. Why, in this way: You now have your property fully protected under existing law as laid down in a long line of decisions. If there is anything that is protected in this country, and no one knows this better than the gentleman from Virginia, who is a great defender of human rights, it is property. Property is fully protected under the Constitution. You need not add anything to this law to do that, but by writing a specific provision into this law you are going far beyond the law as laid down in these decisions, generous as the decisions have always been to a property right, and you provide for a system of condemnation and local commissioners inviting the opportunity for excessive awards of damages in cases where there may be no actual damages sustained.

Mr. MOORE of Virginia. Yes; but my friend has not told me yet how we throw the doors wider open than the Constitution and the statute which is cited in this section.

Mr. LAGUARDIA. You provide for the condemnation of all this property; you provide for the appointment of local commissioners; and there is no limit to what you can condemn under local influence, under the specific provisions of the bill; while under existing law you must make out a case of material property damage actually sustained, or they are not entitled to compensation.

Mr. MOORE of Virginia. Let me go one step further, and I may say to the gentleman I am talking without any preconception, but am trying to get at the case we have before us. This section itself says nothing about the Constitution, but, of course, we assume that the Constitution will be observed, but it does say that the provisions of sections 5 and 6 of the river and harbor act of July 18, 1918, shall apply.

Mr. LAGUARDIA. Yes.

Mr. MOORE of Virginia. Under that act, unless the Government is able to agree with the landowner in respect of the acquisition of any interest in the land, the flowage rights or otherwise, then there shall be a resort by the Government to condemnation and the Government has the right to take possession of the property at once.

Mr. LAGUARDIA. Then if that is so, why does the gentleman object to the Tilson amendment going into the bill, in lieu of the specific provisions reported by the committee?

Mr. MOORE of Virginia. I will say to the gentleman I am not trying to do anything more than get at his view.

Mr. WILSON of Mississippi. Mr. Chairman, I am not surprised at the argument of the gentleman from New York. The argument of the gentleman from Wisconsin [Mr. FREAR] has many times nauseated me upon this floor, full of inaccuracies and errors.

Mr. FREAR. Will the gentleman point out in what respect?

Mr. WILSON of Mississippi. Oh, yes; talking about land being worth $100 an acre in the valley.

Mr. FREAR. That was the testimony before the committee.

Mr. LAGUARDIA. The gentleman from Missouri [Mr. FULBRIGHT] just said so.

Mr. FULBRIGHT. I beg the gentleman's pardon. The gentleman from Missouri did not make any such statement.

Mr. WILSON of Mississippi. Wait a minute. That is just another inaccurate statement from the side opposing adequate flood-control legislation, and the other gentleman, the one from Iowa, who has sought safety in flight, Mr. KOPP, stated upon this floor not long ago that it was the duty of these people never to have gone to the Mississippi Valley if they did not want to assume this responsibility. Why, the gentleman from Iowa [Mr. KOPP] made the argument upon the floor of this House that the people who went into the Mississippi Valley to reclaim that rich domain knew the dangers incident to the occupancy of the valley, and to use a term of the lawyers, they assumed the risk and ought to abide by the consequences.

The gentleman from Wisconsin [Mr. FREAR] has just said in his argument here in reference to this amendment that the people ought to get away from the levees and get behind them. That argument would not dignify a gentleman in the Dark Ages of the past——

Mr. FREAR. Will the gentleman——

Mr. WILSON of Mississippi. I refuse to yield; sit down.

Mr. FREAR. That was for the protection of human life.

Mr. WILSON of Mississippi. Sit down. That argument would not have dignified a Member of Congress, if there had

been such a governmental organization in the Dark Ages of the past, when one man had no regard or respect for the rights of his fellow citizens.

What do you want to do under this amendment? You want to put a further and an additional responsibility upon the back of our already burdened people in the Mississippi Valley.

Here is a river that we can not build a bridge across without the Nation's consent. You can not float a boat upon its waters without the Nation's consent. You can do nothing in reference to it, because the United States Government says in times when there is no flood, "It is my property and my river."

You have marines down in Nicaragua, whether rightfully or wrongfully, to do what? To protect, you say, the lives and property of American citizens. When there has not been a dollar's worth of property endangered or a human life sacrificed until the marines got there. You have already sacrificed the lives of 24 of these American boys and spent $1,600,000 of the taxpayers' money. You never asked the cost when you sent them. You have them to-day in China, so you say, trying to protect American lives and American property. You had a move in the Sixty-second Congress initiated by the Hon. Herbert Hoover that culminated in taking $70,000,000 out of the Treasury of the United States, sending it as a free-will offering to the famine-stricken people of Russia—more than you ever contributed here in all the history of this great country to the people of the Mississippi Valley to save their property and their lives in your own country. [Applause.]

My people have already spent approximately $300,000,000 in an effort to protect themselves against the Government property—the Mississippi River, owned, and should be controlled by this great Government of ours. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut as a substitute for the amendment of the gentleman from Illinois [Mr. REID].

The question was taken; and on a division (demanded by Mr. TILSON) there were 76 ayes and 119 noes.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Illinois [Mr. REID].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 6, line 10, strike out the words "local interests" and insert in lieu thereof "levee districts."

The amendment was agreed to.

Mr. BLACK of New York. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. BLACK of New York: Page 5, line 23, after the word "final," insert "but in no case shall the damages exceed the market value of such property as of the date of this act, and as if the United States were not to undertake any comprehensive plan of flood relief.

"No awards shall be paid to any person taking title to affected property after the passage of this act, except through a judgment of a court of competent jurisdiction nor to assignees of anticipated awards.

"The Secretary of War shall employ such experts and engineers as to him may seem necessary in the conduct of such condemnation proceedings and benefit proceedings as are provided by this act."

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, we all understand that in nearly all efforts at public improvements there is always liable to be a little larceny; there is always somebody willing to take advantage of the public. But that of itself is not sufficient reason against public improvements. There is a probability in this public work, as in all others, that there may be somebody around who will be low-minded enough to defraud the Government. Of course, there are a great number of general penal statutes that will take care of this after they have been caught. I propose by this amendment to try and protect the Government in the beginning. I realize that we should undertake the flood-control plans even though there may be some collateral fraud.

A large part of the agitation against this great work has been due to the fact that some think that in the condemnation proceedings the Government will have to pay extravagant prices. By this amendment I fix a rule of evidence. I say that the value of the property taken shall be the market value as of the date of the passage of this act, and, further to guard against high speculative damages, I say that when the property is taken its value must be considered as if the Government never thought of putting through any comprehensive flood-relief plan. Lawyers who know anything about condemnation work understand that in measuring the value of property you can take into contemplation any potential utilization of that property. I want this amended so that a man whose property is taken by this plan can not say to the court that if the plan was shifted his property would be three times as valuable. That is the reason I want it understood that the property shall be taken as if there was no great Federal project for a comprehensive flood control.

Mr. DEMPSEY. The gentleman's amendment does not provide anything in respect to rights of way or easements. The gentleman provides only for the title.

Mr. BLACK of New York. The easement would be dependent upon the value of the greater right, the title.

Mr. DEMPSEY. But the gentleman could provide for that in his amendment.

Mr. BLACK of New York. Then, again, I provide that no award shall be paid to anybody who takes title after the passage of this act, or prior to the improvement, nor shall there be awards made to any assignee of awards. That is to meet the objection that comes from the gentleman from New York, [Mr. LAGUARDIA]. He anticipates there will be speculation down there. That happens at every great contemplated public improvement where there are immense parcels of land taken. This would protect the Government against these speculators, by refusing to acknowledge assignments, by refusing to acknowledge titles taken after the passage of the act. Moreover, this would discourage any kind of rigging of the real-estate market after the passage of this act. Titles would not be passing to and fro with the idea of building up a false measure of value, due to sales immediately prior to the improvement. Further, we have done nothing here in this extraordinary proposition to give the Secretary of War competent real-estate experts and engineering help to carry on these improvements.

Generally speaking, I am in favor of this bill. I feel this way about it. At the time of the flood all the country wanted to help the flood sufferers. We all realized that nature is the enemy of the United States in this respect, and not only of the people immediately affected. We can effect no treaty with nature. People of the Mississippi Valley, the people of the interior, of the West, contribute to the Navy, contribute to the East coast and the West coast fortifications, which are for the immediate protection of us who live on the coasts. Nature is just as dangerous an enemy in the case of the Mississippi as any foreign foe may happen to be, and you can effect no treaty with nature. We all understand from the White House to this House, and everywhere else, that this is a national project, and we must treat it as such; but at the same time I think that in the conduct of this proceeding we ought to see to it that those who are not public-minded, that those who would defraud the Government, are discouraged by the bill itself from going into these speculative processes that some of us have in mind, by the adoption of amendments such as I have suggested. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REID of Illinois. Mr. Chairman, the intent may be all right in this amendment, but the way it is worded and the place at which it is to be put into the bill will destroy all of the safeguards the distinguished leaders on this side of the House have tried to keep in the bill. Under the law at the present time, of course, benefits are to be considered. Under this amendment you would have to consider benefits before the improvement was thought of. Consequently benefits would not be taken into consideration. Of course, you could not violate the Constitution and the law and prohibit anybody from being an assignee to any rights, and prevent any payment to that person. It is inconsistent with my idea of ordinary law. As for the Secretary of War needing experts, we have a lot of experts now that know everything about every subject under the sun. It is not necessary to provide in this bill for any new experts, because up to date every question that we have been able to think of in regard to flood control has been answered by the War Department.

Mr. DEMPSEY. Is not the chief objection to the amendment that it deals with titles, and that titles are practically not involved at all, that it is a question of easements and rights?

Mr. REID of Illinois. That may be the chief objection.

Mr. LAGUARDIA. And, of course, as to the matter of benefits, that comes in the measure of damages under the general condemnation law.

Mr. REID of Illinois. That is all. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 5, in line 23, strike out the period after the word "final" and insert the following: "If such award does not exceed 50 per cent of the amount for which said land was locally assessed on January 1, 1928, but if in excess of such an amount the Secretary of War shall submit to Congress a report containing the findings of facts and law of such award, together with all details on which said award is based" and in line 24, after the word "price" insert the following: "Not exceeding 40 per cent of the amount for which said land was locally assessed on January 1, 1928," and strike out the word "for" on line 24 and all of line 25 and on page 6, on line 1, strike out the words "reasonable he" and insert in lieu thereof the words "Secretary of War," so that the same will read, "when the owner of any land, easement, or right of way shall fix a price not exceeding 40 per cent of the amount for which said land was locally assessed on January 1, 1928, the Secretary of War may purchase the same at such price."

Mr. LAGUARDIA. Mr. Chairman, my amendment simply does this. The bill provides that the Secretary of War may purchase at private sale if he deems the price reasonable.

My amendment would limit the Secretary of War to private sale where he can obtain the land as of the assessed valuation of January 1, 1928, plus 40 per cent. That is as to private sale. Now, as to condemnation, gentlemen are familiar with the law laid down in the Monongahela case. We can not limit the price. In that case Congress sought to eliminate the franchise value of the company whose property was taken, and the Supreme Court held that Congress could not do that. I therefore provide that the award on condemnation, if it exceeds the assessed valuation of January 1, 1928, plus 50 per cent, it is not final. When it exceeds the assessed valuation, plus 50 per cent, the Secretary of War submits the findings of facts and law, together with the details on which the findings were based, to Congress. That would put the line upon all these proceedings so that it would be very difficult for excessive awards to be made under the control provided in my amendment. If we should provide that an award should not be beyond a certain amount, under the law as it is to-day it would be declared unconstitutional.

Mr. LOZIER. Does the gentleman know that in my own State they do not have full assessments of property and make up the decreased value by the rate? In States where they have a 40 per cent valuation your amendment would limit the power to purchase to the assessed valuation plus 40 per cent?

Mr. LAGUARDIA. Of the value of the land.

Mr. LOZIER. That would be manifestly unjust in those jurisdictions where they do not have a 100 per cent valuation for assessment purposes, but make up the revenue by increasing the rate, having a high rate or percentage of tax on a low valuation.

Mr. LAGUARDIA. In my city, where we have a tax limit, we naturally raise the assessed value. Will the gentleman offer an amendment to my amendment making it 100 per cent? I will accept it.

Mr. LOZIER. No; because under the law this body can not legislatively limit the amount of assessment that may be taken as damage. The only effect of the amendment of the gentleman from New York is to limit and place the Government in a strait-jacket and prevent it from going beyond a limit.

Mr. LAGUARDIA. My amendment as to private sale does that, but private sale, of course, contemplates agreement on the part of both parties, so that the contention of the gentleman from Missouri does not apply to my amendment.

The other does not limit the Government in any way. It simply requires that before the award is final it shall be submitted to Congress. The gentleman from Illinois has constantly appealed for the weak and needy down in the Mississippi Valley. I want to protect the weak and the needy, and my amendment would give protection to the weak and needy and protect the Government against the wicked and the greedy. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. LAGUARDIA. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 54, noes 76.

So the amendment was rejected.

Mr. BLACK of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK of New York: Page 6, line 1, after the word "price," insert "and such price may be used as evidence in condemnation proceedings affecting similar property."

Mr. BLACK of New York. Mr. Chairman and gentlemen, I am friendly to this legislation and I realize that the great run of men who will be connected with the project are honest, but it has been suggested that there are some who will take advantage of the situation, and I am trying to make this bill as burglar proof as possible. The best evidence available as to the value of the properties affected will be the price paid by the Government to the private owners at these arranged sales, and I would not want to see any judge hold that this price, this best test of the market value, must be ruled out for any technical reason, on the theory that to a certain extent the sale is a forced sale. All I want to do by this amendment is to have the Government offer in evidence, if it cares to do so, as to the value of any property taken the price which the Government paid at private sale to another property owner holding and owning similar property. As I say, it is absolutely the best test of the value; it is nearest to the time of the taking, it is under the best conditions, and no court should be allowed to rule it out as evidence.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. BLACK].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 5, in line 23, strike out the period after the word "final" and insert the following: "if such award does not exceed the amount for which said land was locally assessed on January 1, 1928, plus 100 per cent, but if in excess of such an amount the Secretary of War shall submit to Congress a report containing the findings of facts and law of such award, together with all details on which said award is based"; and in line 24, after the word "price," insert the following: "Not exceeding the amount for which said land was locally assessed on January 1, 1928, plus 80 per cent," and strike out the word "for" on line 24 and all of line 25; and on page 6, on line 1, strike out the words "reasonable he," and insert in lieu thereof the words "Secretary of War," so that same will read, "when the owner of any land, easement, or right of way shall fix a price of the amount for which said land was locally assessed on January 1, 1928, plus 80 per cent, the Secretary of War may purchase the same at such price."

Mr. SCHAFER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Wisconsin rise?

Mr. SCHAFER. Mr. Chairman, I rise in favor of the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. SCHAFER. Mr. Chairman, I believe this amendment more clearly safeguards the pending bill than the one which I suggested yesterday. If we adopt this amendment, we will send word to the country that this Congress has prevented unwarranted raids on the Treasury. The interests of the property holders are safeguarded under this amendment and at the same time the limitations will prevent excessive and unjustifiable payments to those who might desire to raid the Treasury. However, I am frank to say that the speculators who hope to profit excessively by the passage and enactment of this flood relief bill will not look with favor upon this limitation.

If this amendment is adopted I shall be glad to vote for the pending bill as amended. If the amendment is not adopted, I shall be very happy indeed to vote against the bill with a sincere hope that the President of the United States, with whom I do not always agree, will veto it if it goes to him in the form as passed by the House.

This is a very comprehensive, fair, and proper amendment and should be supported particularly by those from the valley States who have been so vehement in their assurances that there is no pork in the bill.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. COOPER of Wisconsin. Does the amendment specifically provide that there shall not be more paid than the assessed value plus 80 per cent?

Mr. LAGUARDIA. Eighty per cent on private sales and 100 per cent under condemnation.

Mr. COOPER of Wisconsin. That seems to be fair.

Mr. ALLGOOD. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Alabama rise?

Mr. ALLGOOD. For the purpose of opposing the amendment.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. ALLGOOD. Mr. Chairman and gentlemen, it seems to me this is a very unfair amendment. It is based upon the 1928 assessment. Just think, gentlemen, what happened in the Mississippi Valley in 1927, think of the millions of dollars of improvements that were washed away and were not placed in the 1928 assessment, and then to ask these people to take the 1928 tax valuation, or even a 100 per cent increase, is wholly unfair to them. It seems to me to be very unfair, and I think those who have put this amendment forward did not think of this feature of it. I have just risen for the purpose of recalling to your mind what took place in the Mississippi Valley in 1927—the destruction of life and property beggar description.

Mr. McSWAIN. Will the gentleman yield?

Mr. ALLGOOD. Yes.

Mr. McSWAIN. Will it render the amendment less obnoxious if the date is fixed as January 1, 1927, or January 1, 1926?

Mr. ALLGOOD. It would make it less obnoxious.

Mr. LaGUARDIA. I will accept that.

Mr. McSWAIN. The gentleman from Alabama says the amendment as proposed is unfair because of the depreciated value of the property in the Mississippi Valley.

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to change my amendment; and wherever it reads "January 1, 1928," make it read "January 1, 1926."

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment in the manner indicated. Is there objection?

There was no objection.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. ALLGOOD. Yes.

Mr. FULBRIGHT. I want to make this suggestion to the gentleman from Alabama who has just spoken, that in southeast Missouri the values of the land in the territory affected by the flood, for the purpose of assessment, were reduced by the State authorities from the very fact that they had sustained such a terrible damage in 1927. In many instances the taxes have been reduced on lands in southeastern Missouri as a result of these floods more than 25 per cent, and in some cases as high as 40 per cent of the value.

Mr. ALLGOOD. The Governor of the State of Louisiana called the legislature in extraordinary session last fall before the taxes became due for the purpose of relieving the taxpayers in that State where their properties had been destroyed or damaged by the floods.

Mr. REID of Illinois. Mr. Chairman, I rise to oppose the amendment for a number of reasons. The basis is not fair and it is not based upon the mover's knowledge of any assessment value in any of the States involved. I am sure the gentleman would not undertake to have the Government buy $20 land and only pay $18, under an illustration that might be seen from the face of it.

But here is the worst part of the amendment. The gentleman wants them to report back to Congress before the Secretary of War buys a piece of property. This is the bad part of the amendment. The amendment provides that if the price is in excess of a price based on the gentleman's amendment, the Secretary of War shall submit to Congress a report containing the findings of fact and law of such award, together with all details on which said award is based.

Mr. LaGUARDIA. That is in the case of condemnation proceedings.

Mr. REID of Illinois. Yes; so that every case you have in court they are going to send to Congress, and we are going to be like the House of Lords of England, where every lawsuit they can not settle satisfactorily to themselves in the lower courts they bring to the House of Lords. They are going to provide for that procedure here. I should not, perhaps, object to that, because I could learn a lot more law than I have learned here to-day.

Mr. LaGUARDIA. Perhaps, the opponents of the bill likewise.

Mr. REID of Illinois. Yes; that is a good idea.

I do not think the amendment is fair, and I think it would endanger the proposition.

Mr. WINGO and Mr. WHITTINGTON rose.

Mr. REID of Illinois. I yield first to the gentleman from Arkansas.

Mr. WINGO. Take the last provision of the amendment which provides for an assessed valuation plus 80 per cent, and I want my friend from Wisconsin to notice this: We will take one State that has a 50 per cent assessment and taking a tract of land worth $20 it would be assessed at $10 an acre. This amendment says the Secretary can pay only the assessed value plus 80 per cent, which would be $18 for land that is admittedly worth at least $20. Of course, the Secretary of War would be barred from buying any of that land, because he would be paying $2 less than the man admits it is worth for taxation purposes, which certainly is not an exorbitant price when it is to his interest to have it assessed as low as possible.

Mr. LaGUARDIA and Mr. DEMPSEY rose.

Mr. REID of Illinois. I yield to the gentleman from Mississippi [Mr. WHITTINGTON] after the gentleman from Arkansas [Mr. WINGO] is through.

Mr. WINGO. Let me finish this statement, if the gentleman will permit. If the gentleman from New York is familiar with tax decisions he will know that there is more than one State where the courts have held that it will take judicial knowledge of the fact that the assessed value is a certain percentage. In one State I know of, which is not in the Mississippi Valley, it is 33⅓ per cent and in another one 20 per cent. There is one State in the Mississippi Valley where the Supreme Court has said it will take judicial knowledge of the fact that the assessed value of the property does not exceed 50 per cent of the actual value. Of course, under the gentleman's amendment, they could not buy that land at all.

Mr. WHITTINGTON. I should like to ask the chairman of the committee a question. Is it not true, Mr. Chairman, that the condemnation provision in the bill here is substantially the language of every condemnation statute for the condemnation of property for rivers and harbors, post offices, and for public works that has been written for the last 100 years?

Mr. REID of Illinois. That is right.

Mr. WHITTINGTON. Is it not also true that the proposed amendment would change the rules of law that have heretofore obtained for condemnation proceedings?

Mr. REID of Illinois. Yes; that is quite true.

Mr. MOORE of Virginia. Let me ask the gentleman this question, if the gentleman will permit.

Mr. REID of Illinois. Certainly.

Mr. MOORE of Virginia. Suppose this amendment should be adopted, what is Congress going to do with these reports that come in here?

Mr. REID of Illinois. The gentleman from New York [Mr. LaGUARDIA] and I are going to look them over. [Laughter.]

Mr. MOORE of Virginia. Does not the gentleman think there would be a flooding of Congress as well as a flooding of the Mississippi River Valley?

Mr. REID of Illinois. There is no question about that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 11, noes 83.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. In an emergency, funds appropriated under authority of this act may be expended for the prosecution of such works for the control of the floods of the Mississippi River as have heretofore been authorized and are not included in the present project; or for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by local interests.

The CHAIRMAN. The gentleman from Illinois [Mr. REID] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REID of Illinois: Page 6, line 22, strike out the words "in an emergency, funds" and insert in lieu thereof the word "Funds."

Page 6, line 23, after the word "of," insert the words "section 1 of."

The amendment was agreed to.

The CHAIRMAN. The gentleman from Illinois offers another amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REID of Illinois: Page 7, line 1, after the word "project," change the semicolon to a comma, strike out the rest of the section, and insert in lieu thereof the following: "including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes, in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on tributaries the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the cost of the works, and maintain them after

completion: *And provided further*, That not more than $10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 7, after the amendment proposed to be inserted at the end of section 6, add a new paragraph, as follows:

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

The amendment was agreed to.

The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 7. That the sum of $5,000,000 is authorized to be appropriated as an emergency fund to be allotted by the Secretary of War on the recommendation of the Chief of Engineers, in rescue work or in the repair or maintenance of any flood-control work on any tributaries of the Mississippi River below Cape Girardeau, Mo., threatened or destroyed by flood.

The Clerk read the following committee amendment:

Page 7, line 10, after the word "river," strike out the words "below Cape Girardeau, Mo."

Mr. FREAR. I would like to ask the gentleman from Illinois what the purpose of this amendment is?

Mr. REID of Illinois. It was called to the attention of the committee by the gentleman from Arkansas [Mr. RAGON] that during the last flood it was impossible to get an engineer down there to do the work.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I want to call attention to the words "an emergency." In the previous section the word "emergency" was stricken out. Does not the gentleman think this word "emergency" should be stricken out and "a" inserted?

Mr. REID of Illinois. I do not think so.

Mr. RAGON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. RAGON: Page 7, line 11, after the word "flood," strike out the period and insert the words "including the flood of 1927."

Mr. RAGON. Mr. Chairman, I do not think there is a man in the House that will object to the amendment I have offered. As I have said on the flood before, I think the district that I represent suffered the greatest amount of permanent irreparable damage by the flood of 1927. The Arkansas River Valley region from Muskogee, Okla., to Pine Bluff, Ark., will not come in the bill you are about to perfect except in this section and in the surveys. The Arkansas River practically ruined that valley last year—one of the richest valleys in our State. The Arkansas River is a navigable stream. Therefore we are precluded from doing anything in the way of obstruction that does not meet the approval of the War Department.

After the overflow had passed away I was called to a little city in my district. Just below there is an area of 50,000 acres of the richest bottom land you can find anywhere.

The river had made great inroads in that rich bottom land, cut out the banks of the river for a distance of a quarter of a mile as perfectly as you could have done it with a steam shovel.

One of the most pathetic sights I ever saw were these farmers, without any engineering experience, trying to build a levee. They had four or five teams, and each team was attached to a railroad slip. They were trying to build up a little levee, and they had it 3 or 4 feet high. One of the men who had it in charge asked if I could not do something toward getting an engineer there who knew his business and who would advise them how to protect their homes and farms.

I went back and wired General Jadwin. He was out of the city, but turned it over to General Deakyne, who referred it back to the Mississippi River Commission. Then Colonel Potter wired me that they did not have an engineer and they did not have a dollar which they could send there and help these people in these dire circumstances.

There they were—thrown wide open to the inroads of every bank-full rise in the Arkansas River.

Now, I have taken up the section that the Flood Control Committee put in the bill. I have taken it up personally with General Jadwin; and while it may be possible that he could furnish engineers and do a little revetment work on the Arkansas River under the present section, he thinks it would be better to make the intention well known and write in the bill "including the flood of 1927."

I have had appeals from three different sections asking the Army engineers to come there on that river and make investigations with reference to the river caving its banks and injuring the levees they have constructed.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. JACOBSTEIN. Is it the gentleman's thought that the language of the committee bill would restrict the use of the money to floods in the future, and not to repair works on account of floods in the past?

Mr. RAGON. I rather think so. The situation is this: The Army engineers went down there, and in one place they said, "We can not do anything with this, although something should be done. The reason we can not do anything with it is because we have not any jurisdiction on this section of the river for the purpose of flood control." They said that they could go in there and handle it from the standpoint of navigation, but that there was no feature of navigation involved, and so when you give them this authority they will be in a position where they can go in there and stop the caving of those banks that eats into the levees which would open the river on from 30,000 to 40,000 acres of land. This is true in several different places in the Arkansas River Valley between Fort Smith and Pine Bluff.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. The project herein authorized shall be prosecuted by the Mississippi River Commission under the direction of the Secretary of War and supervision of the Chief of Engineers and subject to the provisions of this act. It shall perform such functions and through such agencies as they shall designate after consultation and discussion with the president of the commission. For all other purposes the existing laws governing the constitution and activities of the commission shall remain unchanged. The commission shall make inspection trips of such frequency and duration as will enable it to acquire first-hand information as to conditions and problems germane to the matter of flood control within the area of its jurisdiction; and on such trips of inspection ample opportunity for hearings and suggestions shall be afforded persons affected by or interested in such problems. The president of the commission shall be the executive officer thereof and shall have the qualifications now prescribed by law for the Assistant Chief of Engineers, shall have the title brigadier general, Corps of Engineers, and shall have the rank, pay, and allowances of a brigadier general while actually assigned to such duty: *Provided*, That the present incumbent of the office may be appointed a brigadier general of the Army, retired, and shall be eligible for the position of president of the commission if recalled to active service by the President under the provisions of existing law.

With the following committee amendment:

Page 8, after line 11, insert:

"The salary of the president of the Mississippi River Commission shall hereafter be $10,000 per annum, and the salary of the other members of the commission shall hereafter be $7,500 per annum. The official salary of any officer appointed or employed under this act shall be deducted from the amount of salary or compensation provided by or which shall be fixed under the terms of this act."

With the following amendment offered by Mr. REID of Illinois to the committee amendment:

Page 8, line 15, after the word "officer," insert the words "of the United States Army or other branch of the Government."

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Illinois to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment as amended.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 9. The creation of any material obstruction not affirmatively authorized by Congress to the flood-discharge capacity of such portion of the alluvial valley of the Mississippi River below Cape Girardeau as is embraced in the project adopted by section 1 of this act is hereby prohibited, and it shall not be lawful to build or commence the building of any levee or other structure in said portion of the alluvial valley or in any flood way therein that will materially affect the flood flow in said alluvial valley or in any flood way therein unless the work

has been recommended by the Chief of Engineers and authorized by the Secretary of War. Any person or corporation who shall violate any provision of this section is guilty of a misdemeanor, and on conviction shall be punished by a fine not exceeding $2,500 nor less than $500 or by imprisonment (in the case of a natural person) not exceeding one year, or by both such punishments, in the discretion of the court; and the removal of any structures, or parts of structures, erected in violation of this section may be enforced by injunction or other process in the district court of the United States in the district in which such structures may exist, and proceedings to this end may be instituted under the direction of the Attorney General. The provisions of section 17 of the river and harbor act of March 3, 1899, are hereby made applicable to this section.

With the following committee amendment:

Page 8, line 19, after the words "Sec. 9," strike out all of the balance of that page, and all down to and including the words "Attorney General," on page 9, line 15.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 9, line 18, strike out the word "section" and insert the word "act."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Illinois.

The Clerk read as follows:

Amendments by Mr. REID: Page 9, line 16, strike out the word "section" and insert in lieu thereof the word and figures "sections 13, 14, 16, and"; page 9, line 17, after the word "to," insert the words "all lands, waters, easements, and other property and rights acquired or constructed under the provisions of."

The CHAIRMAN. The question is on agreeing to the amendments offered by the gentleman from Illinois.

The amendments were agreed to.

The Clerk read as follows:

SEC. 10. That it is the sense of Congress that the surveys of the Mississippi River and its tributaries, authorized pursuant to House Document No. 308, Sixty-ninth Congress, first session, be prosecuted as speedily as practicable, and the Secretary of War, through the Corps of Engineers, United States Army, is directed to prepare and submit to Congress at the earliest practicable date projects for flood control on all tributary streams (including such of their main tributaries as may be deemed necessary) of the Mississippi River system subject to destructive floods: *Provided*, That before transmitting such reports to Congress the same shall be presented to the board created in section 1 of this act, and its conclusions and recommendations thereon shall be transmitted to Congress by the Secretary of War with his report.

With the following committee amendments:

Page 9, line 21, after the word "to," insert the words "the act of January 21, 1927."

Page 10, line 2, after the word "stream," strike out "(including such of their main tributaries as may be deemed necessary)."

Page 10, line 4, after the word "flood," insert "which projects shall include: The Red River and tributaries, the Yazoo River and tributaries, the White River and tributaries, the St. Francis River and tributaries, the Arkansas River and tributaries, the Ohio River and tributaries, the Missouri River and tributaries, and the Illinois River and tributaries."

Page 10, after line 13, insert the following:

"The sum of $5,000,000 is hereby authorized to be used out of the appropriation herein authorized, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized in this section."

The CHAIRMAN. The question is on agreeing to the committee amendments.

Mr. FREAR. Mr. Chairman, I move to strike out the last word for the purpose of making a brief statement which I think the House is entitled to at this time, in respect to the character of the motion to recommit, which I shall offer if I am recognized as one of the committee. It will be the bill that was offered by Mr. TILSON, the leader on the Republican side, excepting that I shall strike out the provision which was defeated yesterday, offered by the gentleman from Illinois [Mr. MADDEN]. That related to the New Madrid and the Bonnet Carre propositions. That is stricken out. Otherwise it will be the Tilson proposition which will be read from the desk at that time. I do this in advance so that all the Members will understand what the motion to recommit includes.

Mr. NEWTON. Did I understand the gentleman to say that in the motion to recommit there will be included the proposition which was submitted by the gentleman from Illinois [Mr. MADDEN]?

Mr. FREAR. No; that will be eliminated, but all of the other sections will relate to the position taken by the gentleman from Connecticut [Mr. TILSON] as to what is understood to be the agreement with the Attorney General, and that will be the motion that will be offered.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Illinois has offered an amendment, which the Clerk will report.

The Clerk read as follows:

Page 10, line 9, after the word "tributaries," change the colon to a semicolon and insert the following: "and the reports thereon, in addition to the surveys provided by said House Document 308, Sixty-ninth Congress, first session, shall include the effects on the subject of further flood control of the lower Mississippi River to be attained through the control of the flood waters in the drainage basin of the tributaries by the establishment of a reservoir system; the benefits that will accrue to navigation and agriculture from the prevention of erosion and siltage entering the stream; a determination of the capacity of the soils of the district to receive and hold waters from such reservoirs; the prospective income from the disposal of reservoired waters; the extent to which reservoired waters may be made available for public and private uses; and inquiry as to the return flow of waters placed in the soils from reservoirs; and as to their stabilizing effect on stream flow as a means of preventing erosion, siltage, and improving navigation."

The CHAIRMAN. The question is on agreeing to the committee amendment.

Mr. RAGON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Arkansas moves to strike out the last word.

Mr. RAGON. The first part of this section, as you have completed it, provides for flood projects on these different tributaries. Now, is it the committee's idea that these flood projects should be held back until after they have made surveys of the power potentialities, soil analysis, and the reclamation features of this bill, or is it the idea of this committee that these flood-control surveys shall progress independently, and that they will bring in the flood-control projects whether these other surveys are completed or not?

Mr. REID of Illinois. I am not doubtful about it.

Mr. RAGON. I do not believe you intend to have any such idea.

Mr. REID of Illinois. I do not have, and I do not intend to have.

Mr. RAGON. General Jadwin has suggested that perhaps these surveys under the House document mentioned here might require as long as five years, and in some cases 10 years.

Mr. REID of Illinois. It is intended that they shall have five years' protection, and in the meantime that the surveys will be expedited.

Mr. RAGON. Surveys for the flood projects?

Mr. REID of Illinois. For all the flood projects enumerated.

Mr. RAGON. Then it is your purpose, and the purpose of the committee, not to have them report on a flood project before they shall have a report on these other projects in the House document?

Mr. REID of Illinois. The committee's amendment contemplates flood-control projects authorized by this section, which takes in all the Mississippi Valley.

Mr. RAGON. Then I take it that the purpose of the committee is to develop these flood-control projects and bring them in at the earliest possible moment?

Mr. REID of Illinois. What the committee proposes and my notion is that as fast as one survey is completed it should be brought in here and acted upon by Congress. That is my idea.

Mr. RAGON. On the Arkansas it would delay a flood project for five years, if you awaited a report on the other projects.

Mr. REID of Illinois. Everyone has confidence in the President and in the Secretary of War and the engineers.

Mr. RAGON. I think the understanding that we have here ought to help the engineers in carrying out the provisions of the section.

Mr. REID of Illinois. I think the work should go on as fast as possible, and if you put in too many details you delay the progress.

Mr. RAGON. I am keeping details out of it. I would make it strictly a flood-control proposition.

Mr. SHALLENBERGER. So far as this particular point is concerned, this survey has no relation whatever to matters of reservoirs?

Mr. REID of Illinois. Oh, yes.

Mr. SHALLENBERGER. I can not find the word "reservoir" in it.

Mr. REID of Illinois. It is there.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. COOPER of Wisconsin. The amendment contains no reference, apparently no provision, for surveys to determine the possible development of power.

Mr. REID of Illinois. That is provided for in the act of January 21, 1927, referring to power. But this is to expedite the flood control part of the act of January 21, 1927.

Mr. COOPER of Wisconsin. I was interested to learn why everything in the way of survey as to possible power was eliminated.

Mr. REID of Illinois. The act of January 21, 1927, was a power survey act.

Mr. COOPER of Wisconsin. In a great many printed statements that I have read it was suggested that the power interests would not permit a proposition to be enacted for surveys with a view to possible power development.

Mr. REID of Illinois. Nobody has tried to influence the committee in any way in regard to that.

Mr. COOPER of Wisconsin. There has been such a change here and such a careful elimination of reference to possible power development that to me it would look as though possibly some of these accusations were true. Otherwise why this careful omission of everything about power?

Mr. SINCLAIR. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. SINCLAIR. There is a sentence in the amendment which can be construed to mean that it would cover power surveys.

Mr. COOPER of Wisconsin. Will the gentleman read it?

Mr. SINCLAIR. It is in line 21, page 12 of the bill that I have here. It says:

> The prospective income from the disposal of such waters including both agriculture and power; they shall inquire as to the return flow value of waters placed in the soils from reservoirs, as to their stabilizing effect on stream flow as a means of preventing erosion and silting and improving navigation conditions, and shall determine to what extent reservoired waters may be available for municipal and domestic uses and to what extent reimbursive.

It is assumed that that would cover all propositions of reservoirs for power.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BLACK of Texas. Mr. Chairman, may we have the amendment read again?

The CHAIRMAN. Without objection, the amendment will again be read.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Illinois.

The Clerk read as follows:

> Page 10, line 15, after the word "authorized," insert the words "in section 1 of this act."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOWARD of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. HOWARD of Oklahoma: Line 20, page 10, after the word "section" insert "*Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood control on the Mississippi River provided for in this act, and if said surveys made on these tributaries shall disclose any flood-control project which in the judgment of the commission here provided for will be effective in controlling or assisting in controlling the floods on the Mississippi River, the said commission is hereby empowered, with the approval of the President, to include such flood-control projects as a part of the work of controlling floods on the Mississippi River, and there is hereby made available for such purpose or purposes any part of the moneys for flood control on the Mississippi River authorized to be appropriated by this act."

Mr. HOWARD of Oklahoma. Mr. Chairman and gentlemen of the committee, we of the tributaries appreciate very much the section that has been placed in this bill relating to them. We believe it is the most important section in this bill, and I am seeking by my amendment to make this section available, if the commission and the President of the United States shall find them of benefit to the entire people of the Nation.

Now, Mr. Chairman and gentlemen of the committee, there are many of us who yet believe that the control of the tributaries by reservoirs would be the economical and best means of controlling the Mississippi. All the way through the evidence before the Flood Control Committee has run the information that not only would reservoirs be economical but that they will do what is required.

Only yesterday you were shown here that reservoirs on these rivers would have reduced the flood in the Mississippi 17 feet last year and had the flood been reduced in the Mississippi 17 feet you would not have had the flood you are now attempting to take care of. Not only that, Mr. Chairman and gentlemen of the committee, but I am only trying to do in this amendment what we did yesterday when the suggestion of the chairman of this committee was adopted, as found on page 2, line 16, whereby we put it into the power of the President of the United States to select the plans that had been offered by either Jadwin or the Mississippi River Commission. Now, I am by this amendment simply offering the President and that commission another way and another plan to wholly or partly solve this problem, if the commission, in its judgment, reports such a plan to the President and the President approves of that plan. We are not appropriating another cent; we are not mentioning reservoirs in this amendment; we are simply broadening this act in order to give the President the opportunity, if he sees fit, to build a reservoir here or yonder and, perhaps, cut out some expensive spillways.

I want to say to my friends on the Democratic side of the House, if I may, that we hear it said the President may veto this bill if my amendment goes in; they have said that about every amendment that has been put into this bill, but we of the tributaries, who suffer just as much as you do, have voted for your amendments, and we were much surprised yesterday when you turned your backs on your allies. We hope you will not do it to-day. I hope the chairman will accept this amendment and only give us one other opportunity to economically control the floods on the Mississippi and at the same time control them for the people on the tributaries, who are just as much entitled to that control as the people on the lower Mississippi. [Applause.]

Mr. WINGO. Mr. Chairman, I would like to have the attention of the gentleman from Illinois [Mr. REID] and the other members of this committee. Now, gentlemen, we want the members of the Committee on Flood Control, as well as all Members of the House, to notice what this amendment does.

I challenge any man who is opposed to the whole bill to give any reason why he should oppose this amendment. It does not authorize the expenditure of another dollar; it does not authorize the creation of any new project; all on earth it does, gentlemen—and it does not mention reservoirs—is that the surveys which are being made on these tributary projects shall be carried on simultaneously with the principal work. Listen:

> *Provided further*, That the surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act.

Remember, now, that this must not only be recommended by the engineers but must be approved by the President. And if those surveys—do what? If those surveys made on these tributaries—

> shall disclose any flood-control projects which, in the judgment of the commission herein provided for, would be effective in controlling or assisting in controlling floods on the Mississippi River, the said commission is hereby empowered, with the approval of the President, to include such flood-control projects as a part of the work of controlling floods on the Mississippi River.

In other words, what does it do? Gentlemen, you may be against the whole bill and yet you can vote for this amendment, and the committee which reported this bill can vote for it,

because what does it do? It meets the very objection that was brought out in the colloquy between the chairman of the committee [Mr. REID] and my colleague [Mr. RAGON] a while ago. The gentleman from Illinois said that if the amendment he had offered was not definite enough to prevent these long delays he would be willing to accept an amendment which would cover that. This amendment does it.

Let us look at the amendment which has just been adopted by the committee. Turn to page 7031 of the RECORD and I will show you that this amendment is vitally necessary, if you do not want to make the people in those parts of the Red River and the Arkansas River, who stood the major part of the losses of life and of property—if you do not want to make them wait, in the language of the engineers, from 5 to 10 years before we get any report on their projects, then you must adopt this amendment. Turn to the RECORD and I will prove my assertion. Turn to the RECORD, page 7031, and look at the amendment you have just adopted, and to which this amendment is a proviso. It comes in the bill at page 20. Now, listen:

And the reports thereon—

I am reading from the amendment, along about the middle of the first column on page 7031.

And the reports thereon—

What reports? The reports on these tributary projects—

shall include—

What?

shall include the effect on the subject of further flood control of the lower Mississippi River to be attained through the control of the flood waters in the drainage basins of the tributaries by the establishment of a reservoir system; the benefits that will accrue to navigation and agriculture from the prevention of erosion and siltage entering the stream; a determination of the capacity of the soils of the district to receive and hold waters from such reservoirs; the prospective income from the disposal of reservoired waters; the extent to which reservoired waters may be made available for public and private uses; and inquiry as to the return flow of waters placed in the soils from reservoirs; and as to their stabilizing effect on stream flow as a means of preventing erosion, siltage, and improving navigation.

This is to be accomplished through investigations which the Army engineers say will take from 5 to 10 years. Now, you have just adopted an amendment which says to the engineers, "You can not bring in these flood-control projects on the Arkansas and the Red Rivers until you do"—what? "Until you include in them certain data which it will take you years to prepare."

It will take from 5 to 10 years to get it. Gentlemen, it is vital to us on the Arkansas and Red to put in this amendment. Whatever side you are on, whether you are with the President or against the President, you certainly can agree to this proviso going into the bill.

If they are going to have these surveys of the tributary projects, in the name of fairness, ought you not to provide that they carry on the work simultaneously with respect to these projects, and in doing this, if they do find that any of these projects will be effective in assisting in your major project, then the engineers, with the approval of the President, certainly should be authorized to carry on that work and coordinate it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. RAGON. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DENISON. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. DENISON. The gentleman is ordinarily very cautious about entering upon great projects of this kind. Does not the gentleman think it would be unwise for Congress to instruct any of its representatives to enter upon a proposal of this kind without knowing anything about what it is going to cost?

Mr. WINGO. Listen—you do not do that.

Mr. HOWARD of Oklahoma. Did you not do that yesterday?

Mr. DENISON. Oh, no.

Mr. HOWARD of Oklahoma. Yes; you did.

Mr. WINGO. You do not do that under this provision any more than you have already done it, because the authorization goes back to and is limited by the exact provision to the sum you have authorized as part of the original appropriation in section 1 of the bill.

Mr. DENISON. Yes; that is for the surveys, but this amendment will instruct the President, or authorize the President and the Secretary of War, to enter upon this program if they find from this survey that control of the tributaries will aid in the control of the floods, and so forth.

Mr. HOWARD of Oklahoma. Is not that also true with respect to the New Madrid project in which the gentleman is interested?

Mr. DENISON. Suppose the survey should show that the cost would be two or three billion dollars; does not the gentleman think Congress ought to reserve the right to decide at a later date whether we should enter upon the project or not?

Mr. WINGO. My friend, all of us might agree in the abstract to the proposition the gentleman has just laid down. We can suppose any kind of proposition, but with my knowledge of the President of the United States, his whole fight is to do what? To guard against the thing you point out as a possibility, and you tell me that by this amendment I will authorize the President to do something that is the very basis of his opposition to the proposition. I can not conceive of that.

Mr. DENISON. But if we adopt the amendment we instruct him to go ahead with it whether he wants to or not.

Mr. WINGO. Not only have the Army engineers got to approve but they have got to say that it is a necessary part of the work that you authorize them to do upon the Mississippi; and, in addition to this, the President of the United States has got to do it. My friend, I have great admiration for the President of the United States——

Mr. DENISON. I understand——

Mr. WINGO. Let me finish. I have great sympathy with his desire and his sense of responsibility to protect the Treasury against extravagant expenditures. I would not support this amendment until the gentleman from Oklahoma wrote upon the margin in pencil that it had to be approved by the President of the United States.

All on earth I ask you to do, my friends, is not to say positively as you have already done that we on the Arkansas and the Red shall have to wait from 5 to 10 years before Congress will even consider what the engineers may recommend.

We only ask you to say this much. If the engineers find that by going up a little farther on the Arkansas, the Red, the Missouri, the White, the Ohio, and all the others, it will aid and be necessary and effective in the Mississippi River project proper—then if the engineers so find, what is the President of the United States to consider or what will he say? He will say, "If it is not too extravagant, if it is not too expensive, if the engineers are ready, then I will approve it." They can not spend one dollar under this amendment unless the President of the United States O. K'd the finding and directed that it be done.

I have appreciated the difficulties that confront you, but it is a serious thing to those of us on the Arkansas and the Red and some of the other rivers. It is uncontradicted by the record that the major part of the loss of property and of life in Arkansas was outside of the backwaters down there on the Mississippi River. We have gone along and we have tried to be reasonable. We at first thought we ought to be a part of the original project, but when you refused that and said we must survey the tributaries first, then we said, "All right; of course, you have got to have surveys made," but just a moment ago what have you done? You have said that these reports of these surveys shall include certain things which the engineers have told you they can not get under 5 or 10 years, and this means, so far as this bill is concerned, if you do not adopt my amendment the tributaries get absolutely no assurance in this bill. [Applause.]

Mr. SNELL. Mr. Chairman, this is exactly the same proposition, although couched in a little different language, that was before the committee on yesterday. I am not speaking against the adoption of this amendment at this time as a man who is opposed to the reservoir scheme, because I am one of the men in this House who has always believed in the reservoir scheme. However, I am opposed to this amendment at this time, for this reason: It transfers to the President of the United States a larger power than has ever been transferred to him since I have been a Member of Congress or has ever been even suggested, and some of the people who are now proposing this amendment have guarded most earnestly the power of the House at all times in the past, and generally would be the first to object to any such wholesale transfer of power.

This is not a small proposition. This is bigger than the main proposition contained in the bill itself, and here it is proposed to adopt it as a simple amendment without consideration or information. Every investigation that has been made by Army engineers or by private engineers admits that the cost of proper river regulation controlled by a reservoir system will go into billions of dollars.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. SNELL. Not just now. I am not sure that it will not pay, but when these examinations are made and when the recommendations are ready, I want them submitted to this House to let us pass upon them in the usual way. Give them the consideration matters of such importance are entitled to receive. Perhaps the cost will be so out of proportion that Congress would not consider it at all. No man would think of giving such authority to any executive, and I am mighty sure no executive would want it.

Now I yield to the gentleman from Oklahoma.

Mr. HOWARD of Oklahoma. Has the gentleman any record where the private engineers have made an estimate that this will cost billions of dollars?

Mr. SNELL. No; but I know that estimates have been made running into a tremendous sum and the estimates of the Army engineers go over a billion dollars.

The gentleman from Oklahoma said that this was the same power given the President in the early part of the bill. I do not so understand it. We gave power to the commission of which the President is a member or has a member to simply synchronize the conditions between the two plans now before Congress; that is all the power we gave him. We did not give him power to adopt anything new.

Mr. HOWARD of Oklahoma. The gentleman would accept the amendment as to the work going on at the same time the Mississippi flood-control work is going on?

Mr. SNELL. I have no objection to that part of the amendment, but at the same time I am opposed to so amending the bill as to put anyone in the power of pledging the country to a billion-dollar expense without the approval of Congress, and I am a friend of flood control.

Mr. HOWARD of Oklahoma. The reservoirs are not mentioned in my amendment. They might find that spillways would do the work. We can show a place on the Red River where with a spillway of 10 miles they can turn all the water away from the Red River.

Mr. SNELL. The gentleman's amendment authorizes the adoption of any project that this commission and the President may see fit to adopt. It makes no difference what it is if it can aid flood control, and it makes no difference what it costs. There is no doubt but that it may aid in flood control, yet I am opposing the granting authority to adopt a blanket proposition.

Mr. DENISON. I have never heard any doubt by the engineers that it would aid in flood control.

Mr. SNELL. No man knows how far afield it would go and I think it would be a very foolish policy to adopt the amendment at this time. I say to you people who live in the Mississippi River Valley that it is going to be a serious proposition for your flood control if this amendment is adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SNELL. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. WHITTINGTON. The last part of the proposed amendment to which the gentleman objects and which I understand the gentleman from Oklahoma is willing to modify or withdraw is that provision which would make available for construction of any project the entire authorization of this bill; they could authorize the expenditure of $325,000,000 carried in the bill, and more, without a report to Congress?

Mr. SNELL. If they saw fit to do so they could spend every dollar up in Arkansas on the Arkansas River.

Mr. HOWARD of Oklahoma. Could not they spend every dollar of the money on the gentleman's project up in Cairo?

Mr. SNELL. I think not, because this is a definite project, and it is a small amount.

Mr. WHITTINGTON. This bill authorizes the expenditure of $110,000,000 to $150,000,000 in aid of navigation. If this amendment is adopted the $110,000,000 or $150,000,000 that is provided for the aid to navigation could be utilized for reservoirs?

Mr. HOWARD of Oklahoma. The money provided to protect Mississippi by the unnecessary spillways could be expended for reservoirs.

Mr. SNELL. I want to make it clear to the House what you are doing, if you adopt the proposed amendment. You are authorizing and committing the Government to the reservoir proposition without any definite plan whatever. You could not demand that it be brought back here before the money could be expended on that plan. You are voting for a pig in a bag, for nobody knows anything about it at the present time. It would absolutely destroy the purpose of the original bill.

Mr. HOWARD of Oklahoma. Is not the gentleman insisting that we are voting for a pig in a bag upon the whole bill?

Mr. SNELL. Not entirely. I am an earnest supporter of flood control and have been earnestly endeavoring to bring it about. This bill does not wholly meet with my approval, but on the whole it has many good features.

Mr. RAGON. Will the gentleman yield?

Mr. SNELL. I will.

Mr. RAGON. The gentleman would not object to the provision which provides for surveys to commence at the same time the work on the other surveys is begun?

Mr. SNELL. I do not object to that part of the amendment if all the rest is cut out, so far as I am individually concerned, because I am a friend of the general proposition; but I am bitterly opposed to adopting a proposition of that kind without knowing what we are doing. It is important that it should come back to Congress and that Congress should act upon it at that time.

Mr. RAGON. Suppose they should make this survey and it should develop that it was not any more expensive; might it not be a good thing to adopt that?

Mr. SNELL. It might be; but let it come back and be brought before the House and let us definitely discuss it at that time.

Mr. RAGON. That would suit me exactly; but that is not what we have before us.

Mr. SWANK. Mr. Chairman and gentlemen of the committee, on the 5th day of January, 1928, I called your attention to the necessity of enacting legislation on flood control, and stated that this subject and farm relief would be the leading measures for our consideration during this session of Congress. We now have a bill for the control of floods on the Mississippi River and its tributaries before us, and next week we will consider a farm relief bill. If these two bills are enacted into law, this session will go down in history as one of the most important Congresses ever assembled in this country. Nothing is now engaging the attention of the country as are these two bills, and they affect the country as a whole. These bills are not sectional nor political. The Committee on Flood Control has done most important and industrious work in framing a bill for our consideration, and if enacted into law will be of great benefit to our people, and will do much to prevent disastrous floods in the future and the destruction of life and property.

When we consider the fact that the floods last summer in the Mississippi River system affected 31 States of this Union, 41 per cent of the total area of the United States, covered 12,500,000 acres of good land, made 600,000 citizens homeless, and damaged property to the extent of more than $400,000,000, it is time that a solution in the control of these flood waters be found, or at least that the best possible start be made. In addition to this great destruction interstate commerce was interfered with and our mail suspended, and all of these items taken into consideration, it has become a national problem commanding the best attention of our ablest minds.

Mr. Chairman, the report of the Committee on Flood Control shows that in my own State of Oklahoma damage was done by this flood to the extent of more than $20,000,000 on the Arkansas River and its tributaries alone. In addition to this damage we also suffered greatly from the floods on the Red River and its tributaries. The evidence presented to the committee shows that if these flood waters are controlled on the tributaries that it will affect the flow on the Mississippi. If these waters are held back from the Mississippi, it will decrease the floods on that river. It is just as important and necessary to have the floods controlled on these streams, to protect life and property, as it is on the lower Mississippi, and the committee recognizes that fact. In the Sixty-eighth Congress I introduced a bill for a survey on the South Canadian, North Canadian, Cimarron, and other rivers in Oklahoma for flood-control purposes. Provision for these surveys was in the bill that was enacted into law and appoved May 31, 1924. The Arkansas River was also included, and provision for the Red River in Louisiana, Arkansas, Oklahoma, and Texas was included later. This was the beginning, and we now have the opportunity before us for real legislation looking to the control of these floods, and if this bill becomes a law we will afford our people real assistance.

When we study the question and look to the destruction caused on these streams last year, consider the evidence presented to the committee, we must come to the conclusion that the levee system alone will not do the work, but that the headwaters must also be controlled and prevented from entering the Mississippi during flood seasons. This can be accomplished by the use of reservoirs and storage basins in connection with

the other plans. In so far as flood control alone is concerned, I believe the entire cost should be borne by the Federal Government, for it is a Federal question and affects all our citizens. All the money will not be spent in any one year, but sufficient appropriations should be made each year to carry the plans to completion just as speedily as possible. Whatever the entire cost may be, it will be spread out over a number of years.

This bill creates a board consisting of the Secretary of War, the Chief of Engineers, the president of the Mississippi River Commission, and two civil engineers chosen from civil life, to be appointed by the President, by and with the advice and consent of the Senate. The bill provides for work on the Mississippi and provides that all diversion work and outlets constructed shall be built in a manner which will amply protect the adjacent lands as it is protected by levees on the main river. The bill authorizes an appropriation of $325,000,000 and provides that just compensation shall be paid by the United States for all property taken, damaged, or destroyed in carrying out the plan in the bill. Five million dollars is authorized to be appropriated as an emergency fund for rescue work or in repair or maintenance of any flood-control work on any tributaries of the Mississippi River threatened or destroyed by flood. This is an excellent provision of the bill.

The bill provides that projects for flood control on all tributary streams of the Mississippi River system subject to destructive floods shall be prepared and submitted to Congress at the earliest practicable date. Under the terms of the bill these projects shall include the following: The Red River and tributaries, the Arkansas River and tributaries, in addition to tributaries in other States. This provision includes the South Canadian, North Canadian, Cimarron, Washita, and other rivers in Oklahoma, and $5,000,000 is authorized in the bill in addition to the amounts authorized in the rivers and harbors act of January 21, 1927, for the preparation of the flood-control projects authorized in the bill in reference to these tributaries.

The bill provides that the President shall at once proceed to ascertain, through the Secretary of War or other agency, the extent to which floods in the lower Mississippi Valley may be controlled by a reservoir system. Under this provision the agencies shall invite the aid of State engineers, university and technical men, and State officials. These studies shall include the effect on flood control in the lower Mississippi River in the drainage basins of its tributaries by the establishment of a reservoir system, the benefits that will accrue to navigation, agriculture, and power, and kindred questions.

The bill also provides that as soon as the studies of reservoirs shall have been completed and approved by the Secretary of War or other agency, with definite estimates of cost and working data, they shall be reported by the Secretary of War or other agency to the President of the United States, with all related findings and conclusions, and on his order the Secretary of War or other agency shall proceed with the construction of such reservoirs as soon as money is available for such purposes, provided the President concludes that such construction will have a substantial and beneficial influence in the control of floods on the navigable waters of the lower Mississippi Valley, and is economically justifiable. Provision is made that when any reservoir is completed the Secretary of the Interior shall have authority to dispose of any impounded waters, under rules made by him and approved by the President.

Mr. Chairman, the bill provides that aid shall be asked of State engineers and university men, and that is a most excellent provision, for the board will certainly consider recommendations made by such engineers who are just as able as those employed as Army engineers or by any other department of our Government. This aid would not be asked and then disregarded. By this provision, and other provisions in the bill, I feel that we will make a real start by the enactment of this bill into law. Testimony and estimates by competent and reliable engineers were presented to the committee during the hearings on this bill, that showed that 200 reservoirs and storage basins could be constructed in Colorado, New Mexico, Texas, Kansas, and Oklahoma at a cost of $130,000,000, which reservoirs would make the Arkansas and Red Rivers harmless during the flood seasons, and which would prevent this water from flowing into the Mississippi to such an extent as to affect the floods on that river. This would not only relieve the States mentioned but would also greatly assist in controlling the floods on the lower Mississippi.

The committee report says that in the consideration of any comprehensive plan of flood control on the Mississippi River, it is almost elemental to state that regard must be given to the contributory effect of the tributaries. The report says:

> Nor is there any lack of expression on the part of eminent engineers of wide and extensive experience to the effect that an investigation of the flood problem on the Mississippi River, that is limited in scope to the application of suggested works along that river and its contiguous banks, can not be classed as an intelligent and thorough treatment of the subject.

This report further says:

> The ultimate solution of the flood problem of the valley must include as well the possible use of flood-control works on these tributaries at their source or between their source and mouth. In the 1927 flood the tributaries contributed more than three-fourths of the flood waters.

The committee says that it is of the opinion that the floods of the lower Mississippi Valley can be controlled by impounding the headwaters of the tributaries, and that if this can be accomplished at a cost not in excess of other proposed plans, the resulting benefits will be far greater, not only to the lower valley but also to all the territory adjacent to the location of the various reservoirs.

The committee report makes the following statement:

> The engineering profession, including civil and Army, are in accord on the theory that the ideal method of controlling floods is through the use of reservoirs by means of which waters are impounded and controlled in the source streams.

I believe a careful study of the evidence given the Committee on Flood Control during its extensive hearings, will convince any reasonable person that the construction of reservoirs will greatly relieve floods on the Mississippi and that the cost will be a small item when compared to the destruction of life and property by floods in the Mississippi River system. Many times in the past Congress has made large appropriations for the assistance and relief of our people, and let us not adjourn this Congress without an adequate law for relief from these disastrous floods. We should do everything that we possibly can do, that such destruction will never happen again.

As the levee system has failed in the control of these great floods and in the relief of our citizens, let us try spillways and reservoirs in connection with the levee system. Remember that the people in the States affected by the floods on the tributaries are just as much entitled to protection as are those who live upon the Mississippi proper. The legislation should apply to all our people alike and not alone to those of one section. The evidence shows that this plan is feasible and workable. There are changes that I would make in the bill, but this will be a good beginning and amendments can be added later as they become necessary. It is impossible to get everything that each Member of Congress would like to have in the bill, and I believe the plan outlined in the bill now under consideration should be tried. I am interested in the work on the lower Mississippi, and am especially interested in having the tributaries also protected. I hope the bill will soon be passed by both Houses of Congress and that the President will approve the measure, that work may be commenced in the near future for the protection of the people of this country. [Applause.]

Mr. WILLIAM E. HULL. Mr. Chairman, so far I have not said anything with reference to this bill, and I shall confine my remarks now to this point. This bill, so far as it has gone, is a good bill. The amendments that have been put in the bill are satisfactory to the administration.

Mr. FREAR. Just a moment——

Mr. WILLIAM E. HULL. Not you. I am talking about the administration.

Mr. FREAR. Will the gentleman yield?

Mr. WILLIAM E. HULL. No.

Mr. FREAR. That statement is not correct.

Mr. WILLIAM E. HULL. I do not yield. This bill has been amended along lines as has been stated that will meet the approval of the President of the United States. So far we have avoided any loopholes or any amendments that might cause the bill to fail. You people of the South must realize that you are now going toward a proposition that gives you flood control. Reservoirs are a part of flood control. Reservoirs will assist flood control, but the very fact that all of the reservoir part of this bill was taken out because those of us who are interested in flood control realize that if we put it in we would have the bill killed, ought to have some weight with you gentlemen now, and I beg of you men, Republicans as well as Democrats, to kill anything further with reference to any kind of an amendment that has not been acted upon and approved by the committee which has worked so hard to bring this bill on the floor in a proper manner.

I say to the Republicans of the House that I believe, as far as this bill has gone, with the present amendments, that the bill is a good bill. I do not believe that anyone belonging to the Republican Party can afford to vote against the bill, but I am opposed to putting in amendments that will endanger its passage and the signature of the President of the United States. I hope that you will vote this amendment down.

Mr. FREAR. Mr. Chairman, I have never assumed to speak for the administration. I am sure that a gentleman who has not been on the committee, who has not been in sympathy with part of the measure relating to method of acquiring flood ways that we have tried to put through—and I know that Mr. TILSON and the administration have tried to put it through—can not speak for the administration at this time when he says that the administration is in favor of this bill as it stands. We feel that the large proposition in the bill is the question of the purchase of lands. I am not expressing any opinion on this as to the attitude of the administration. Everyone has a right to use his own judgment, but the bill is not satisfactory. I do not believe it is satisfactory to the administration. That is the reason that the motion to recommit will be offered. Otherwise, it would be a useless performance to offer it.

Mr. WINGO. Mr. Chairman, I am going to offer the following substitute for the pending amendment, and I think it can be accepted by all:

*Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act.

That is not what I think we ought to have; but if it is the best we can get, with the present temper of the House, we will take that.

Mr. SNELL. Ask to withdraw the other amendment.

Mr. WINGO. Will the gentleman from Oklahoma accept that substitute?

Mr. HOWARD of Oklahoma. Yes.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to substitute this proposition just read for the pending amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the substitute.

Mr. WHITTINGTON. Mr. Chairman, I ask that the amendment as substituted be reported.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

*Provided further*, That the flood surveys herein provided for shall be made simultaneous with the flood-control work on the Mississippi River provided for in this act.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WINGO. Mr. Chairman, it is thought that this is the best we can get, and we shall have to take it.

Mr. HASTINGS. Mr. Chairman, I want to say just one word further. I believe the amendment of my colleague [Mr. HOWARD] ought to have been adopted by this House. I believe it would strengthen this bill. I believe that it would not incur the displeasure of the President. I think it would strengthen this bill on the final vote in this House, and in the event of the President's disapproval I think it would strengthen the bill then. Other Members on the floor of the House who are friends of flood-control legislation think differently, and in these circumstances, against my judgment, I am willing to yield to them.

We are in a desperate situation up on these tributaries. We have suffered tremendously. A great many Members of this House do not know how much damage we have suffered upon the Arkansas River. We have suffered there, and they have suffered upon the Missouri, and on other tributaries of the Mississippi River almost if not quite as much as those on the lower reaches of the Mississippi River. We have the advice of some of the best civil engineers in the country, and they are of one opinion and agree that the reservoir plan will aid flood control on the lower Mississippi and at the same time it will help us upon the main tributaries, including, of course, the Arkansas River and its contributing streams.

This amendment embodies what we have been asking for. This amendment is what we want. We believe that this work ought to go forward simultaneously. We are trying to offer an additional and supplemental method of flood control. We have been trying for a hundred years the levee system on the lower Mississippi, and it has been inadequate. You are now going to try your levee system and your spillway system. All that my colleague asked for in his amendment was to give to the Board of Engineers and the President of the United States, provided it was acceptable to the President, the right to try out this other method. Suppose that in the investigation that is to be made it is found that flood control on the lower Mississippi can be more adequately and more effectively and more economically obtained by the reservoir plan—all that this amendment does is, if the President approves the project, to provide that it may go forward out of the money authorized to be appropriated in this bill. The substitute amendment helps to the extent that it expedites the work. The original amendment as offered would proceed with each project as and when approved by the President.

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

Mr. HOWARD of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HOWARD of Oklahoma. Mr. Chairman and gentlemen of the House, as explained by my colleague from Oklahoma [Mr. HASTINGS], we have seen fit to accept this substitute, although we do not think it is all that we on the tributaries are entitled to. However, we have accomplished by the offering of this amendment, if you adopt this substitute, a thing the lack of which has handicapped flood control on the tributaries all these years. By forcing those in authority to now, under this amendment, go to work instead of stalling off the people of the tributaries by reason of not having authority and instructions on the subject we have made a very considerable gain in our fight for flood control on the tributaries.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas [Mr. WINGO] to the amendment offered by the gentleman from Illinois [Mr. REID].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. HOWARD of Oklahoma. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 151, noes, 0.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment of the gentleman from Illinois as amended.

The question was taken, and the amendment as amended was agreed to.

Mr. LEAVITT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Montana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LEAVITT: Page 10, after the amendment of Mr. WINGO just adopted, insert as a further provision: "The President shall proceed to ascertain from the Secretary of Agriculture the extent to and manner in which the floods of the Mississippi Valley may be controlled by proper forestry practice."

Mr. LEAVITT. Mr. Chairman, the purpose of this amendment is not to add the expenditure of a single cent under the appropriations provided in this bill. It has this purpose, however, that there shall be written into this measure, which is the greatest and most important flood-control measure ever considered by this Congress, and thus into the national policy, an acceptance of the principle that any flood-control plan to be final and ultimately effective, must include forestry practice at the heads of all streams involved. It adds only one thing, that the President shall proceed to secure information from the Secretary of Agriculture, under whose supervision comes the Forest Service and other agencies having correct and scientific information in regard to the forestry problem, and to coordinate and consider that information in connection with this entire effort to control the floods of the Mississippi River.

We have at the present time the Clarke-McNary law, and the Weeks law, and we have the McSweeney-McNary bill and the McNary-Woodruff bill now in process of enactment; to authorize the appropriations necessary to do this work. But we need to have the problem studied in connection with flood control in order that the steps taken may be most constructive and that they may prove most valuable and effective in connection with the Mississippi River floods, and especially that forestry may be given its proper place in the ultimate plans of all flood control.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Montana.

The question was taken; and on a division (demanded by Mr. DRIVER) there were—ayes 112, noes 22.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 11. That the Secretary of War shall cause the Mississippi River Commission to make an examination and survey of the Mississippi River below Cape Girardeau, Mo., (a) at places where levees have heretofore been constructed on one side of the river and the lands on the opposite side have been thereby subjected to greater overflow, and where, without unreasonably restricting the flood channel, levees can be constructed to reduce the extent of this overflow, and where the construction of such levees is economically justified, and report thereon

to the Congress as soon as practicable with such recommendations as the commission may deem advisable; (b) with a view to determining the estimated effects, if any, upon lands lying between the river and adjacent hills by reason of overflow of such lands caused by the construction of levees at other points along the Mississippi River, and determining the equities of the owners of such lands and the value of the same, and the commission shall report thereon to the Congress as soon as practicable with such recommendation as it may deem advisable: *Provided*, That inasmuch as the Mississippi River Commission made a report on the 26th day of October, 1912, recommending a levee to be built from Tiptonville, Tenn., to the Obion River in Tennessee, the said Mississippi River Commission is authorized to make a resurvey of said proposed levee and a relocation of the same if necessary, and if such levee is found feasible, and is approved by the board created in section 1 of this act, the commission is authorized to build same out of appropriations hereafter to be made.

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REID of Illinois: Page 11, line 22, after the word "act" strike out the words "the commission is authorized to build same," and insert in lieu thereof the words "and by the President, the same shall be built."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. REID of Illinois. Mr. Chairman, section 12, as it originally appeared in the bill, is now unnecessary, the same subject matter being included in the amendment which I put in section 10 in regard to reservoirs. I ask unanimous consent to consider that section as stricken out.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to withdraw the committee amendment incorporating section 12 in the bill. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 12. All laws or parts of laws inconsistent with the above are hereby repealed.

The CHAIRMAN. Without objection the numbers of the sections will be made to conform with the action of the committee.

There was no objection.

The CHAIRMAN. The Chair desires to make a statement. Earlier in the afternoon he was notified of an amendment which was sought to be offered at this point in the bill but the Chair for the moment does not recall who made the suggestion. This is the time to offer the amendment in the event it is desired to do so.

Mr. GREEN. Mr. Chairman, I have an amendment I desire to offer after section 14. That section will be read later on.

The CHAIRMAN. Surely. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 14, after line 4, insert:

"SEC. 14. That the project for the control of floods in the Sacramento River, Calif., adopted by section 2 of the act approved March 1, 1917, entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," is hereby modified in accordance with the report of the California Débris Commission submitted in Senate Document No. 23, Sixty-ninth Congress, first session: *Provided*, That the total amounts contributed by the Federal Government, including the amounts heretofore contributed by it, shall in no event exceed in the aggregate $17,600,000."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Without objection, the correction of the number of the section will be made.

There was no objection.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Florida offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN: On page 14, after line 15, insert a new section, as follows:

"SEC. 15. The sum of $10,000,000 is hereby authorized to be appropriated for the control of floods in the Florida Everglades."

Mr. REID of Illinois. Mr. Chairman, I make a point of order against the amendment.

Mr. GREEN. I will ask the gentleman to reserve his point of order.

Mr. REID of Illinois. Mr. Chairman, I will reserve it.

Mr. GREEN. Mr. Chairman, I would like to say to my colleagues that the State of Florida at its last legislature authorized a bond issue of $20,000,000, and if $10,000,000 is appropriated by the Congress it would bring flood control in the Florida Everglades on a parity with flood control in the Sacramento Valley.

I would like to advise my colleagues that inasmuch as 31 States are benefited by flood control in the Mississippi River, and, as we acknowledge, it is a national problem, and as we are supporting it as such, it seems to me reasonable that we should consider the flood which was in the Florida Everglades only a few months ago. You have read of the destruction of life and property there, and it seems to me it is a problem which should be coped with by our National Government.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. GREEN. I gladly yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to ask the gentleman, and ask some other gentlemen, what the Sacramento River and the Everglades of Florida have to do in a Mississippi River flood control bill?

Mr. GREEN. I will say to the gentleman from New York that the State of California and the State of Florida and other States of the Union contribute to our Government the same as the 31 States in the Mississippi Valley, and I believe we ought to get in on this problem the same as the Mississippi Valley. [Laughter and applause.] I am in favor of this flood control, and I expect to vote for it. It is a national problem and we should treat it as a national problem. Likewise we should treat the Sacramento Valley and the Florida Everglades problem in a national way.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. REID of Illinois. Mr. Chairman, I make the point of order.

The CHAIRMAN. The Chair is ready to rule.

The bill as originally reported to the House dealt solely with the control of floods on the Mississippi River and its tributaries. An amendment was submitted by the committee, incorporated in section 14, for the control of floods on the Sacramento River, Calif. This amendment was clearly subject to a point of order, but no point of order was made, and now it is in the bill.

The bill now contains two similar projects to control floods in two different sections of the country. It is a well-known rule of germaneness that where there are two similar projects, a third project may be added by a germane amendment. For instance, where two Territories are admitted to the Union, an amendment to admit a third Territory is in order. In the same way where authority is given for the construction of buildings in two cities it is perfectly in order to put in an amendment for a building in a third city. For this reason the amendment is in order and the point of order is overruled.

The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on division (demanded by Mr. GREEN), there were—ayes 25, noes 117.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 14, after line 15, add the following as a new section:

"SEC. 14. In every contract or agreement to be made or entered into for the acquisition of land, either by private sale or condemnation, as in this act provided, the provisions contained in section 3741 of the Revised Statutes, being section 22 of title 41 of the United States Code, shall be applicable."

Mr. LAGUARDIA. Mr. Chairman, this simply makes applicable the provisions of the Revised Statutes—section 3741—to all agreements and contracts for the acquisition of land, either by private sale or by condemnation. The provision is very short, being section 22 of title 41 of the United States Code. That is the public contract law. I will read it:

In every contract or agreement to be made or entered into or accepted by or on behalf of the United States, there shall be inserted an express condition that no Member of (or Delegate to) Congress shall be admitted to any share or part of such contract or agreement or to any benefits to arise thereupon.

I am sure no one can object to making the provisions of the Revised Statutes applicable to this law.

Mr. GRIFFIN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GRIFFIN. Would not that provision of law apply in any event?

Mr. LAGUARDIA. No; this is just with respect to public contracts.

Mr. GRIFFIN. Would not that apply without the enactment of this amendment?

Mr. LAGUARDIA. I do not think so, because this is a provision with respect to public contracts, chiefly for the purchase of departmental supplies, and it would not be applicable to this bill. I will say to the gentleman from New York that in order to make the provisions of this section applicable, we ought to insert my amendment in the bill. Surely it will carry out the purpose. I am sure every Member of the House is in sympathy with the provision of the Revised Statutes and that it should be made applicable to this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. REID of Illinois. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule, the previous question is ordered on the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. FREAR rose.

The SPEAKER. For what purpose does the gentleman from Wisconsin rise?

Mr. FREAR. For the purpose of offering a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FREAR. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk began the reading of the motion.

Mr. FREAR. Mr. Speaker, unless the House desires to have the motion read, I will say that it is the same that was offered by the gentleman from Connecticut.

Mr. BANKHEAD. Let the motion be read.

The Clerk continued the reading.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the reading of the motion be dispensed with.

Mr. FREAR. I object.

Mr. BANKHEAD. Mr. Speaker, I interposed an objection thinking that the gentleman from Wisconsin had a specific motion. I did not expect that he was going to have the whole bill read. I think the House would agree to let the gentleman state what his motion involves.

Mr. FREAR. I have already made a brief statement that this was an agreement supposed to have been reached with the Attorney General and the delegation that went to the White House. It differs slightly in some respects from the provisions of the bill. The question of the acquirement of property is the main proposal. It strikes out the Bonnet Carre spillway and the provision in relation to the New Madrid flood way which was discussed and carried by the House last night, so that is not involved.

The SPEAKER. Is there objection?

Mr. GRIFFIN. Mr. Speaker, a parliamentary inquiry. In the event that the unanimous consent is given to dispense with the reading will the motion be printed in the RECORD?

The SPEAKER. It can be printed in the RECORD.

Mr. GRIFFIN. I ask unanimous consent that it be printed.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Is there objection to dispensing with the reading of the motion?

There was no objection.

The following is the motion to recommit:

Mr. FREAR moves to recommit the bill to the Committee on Flood Control with instructions to report the bill back forthwith, and in lieu of S. 3740 insert the following:

"That the project for the flood control of the Mississippi River in its alluvial valley and for its improvement from the Head of Passes to Cape Girardeau, Mo., in accordance with the engineering plan set forth and recommended in the report submitted by the Chief of Engineers to the Secretary of War dated December 1, 1927, and printed in House Document No. 90, Seventieth Congress, first session, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers: *Provided*, That a board to consist of the Chief of Engineers, the president of the Mississippi River Commission, and a civil engineer chosen from civil life to be appointed by the President, by and with the advice and consent of the Senate, whose compensation shall be fixed by the President and be paid out of the appropriations made to carry on this project, is hereby created; and such board is authorized and directed to consider the engineering differences between the adopted project and the plans recommended by the Mississippi River Commission in its special report dated November 28, 1927, and after such study and such further surveys as may be necessary, to recommend to the President such action as they may deem necessary to be taken in respect to such engineering differences, and the decision of the President upon all recommendations or questions submitted to him by such board shall be followed in carrying out the project herein adopted. The board shall not have any power or authority in respect to such project, except as hereinbefore provided. Such project and the changes therein, if any, shall be executed in accordance with the provisions of section 8 of this act: *Provided*, That all diversion works and outlets constructed under the provisions of this act shall be built in a manner and of a character which will fully and amply protect the adjacent lands: *Provided further*, That pending completion of the Cypress Creek or Tensas diversion and flood way the levee along the west bank of the Mississippi River within the diversion and flood way shall be completed and maintained to the 1914 grade and section on any part of the river on such west bank within said diversion and flood way where the levee has not been completed to such grade and section. The sum of not to exceed $20,000,000 is hereby authorized to be appropriated for this purpose.

"All unexpended balances of appropriations heretofore made for prosecuting the work of flood control on the Mississippi River in accordance with the provisions of the Flood Control acts approved March 1, 1917, and March 4, 1923, are hereby made available for expenditure under the provisions of this act excepting section 14.

"SEC. 2. That it is hereby declared to be the sense of Congress that the principle of local contribution toward the cost of flood-control work, which has been incorporated in all previous national legislation on the subject, is sound, as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest. As a full compliance with this principle in view of the great expenditure estimated at approximately $292,000,000, heretofore made by the local interests in the alluvial valley of the Mississippi River for protection against the floods of that river; in view of the extent of national concern in the control of these floods in the interests of national prosperity, the flow of interstate commerce, and the movement of the United States mails; and, in view of the gigantic scale of the project, involving waters of a volume and flowing from a drainage area largely outside the States most affected, and far exceeding those of any other river in the United States, no local contribution to the project herein adopted is required.

"SEC. 3. Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any item of the project until the States or local interests to be benefited and protected have indicated their desire for Federal assistance, by giving assurances satisfactory to the Secretary of War that they will (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees; maintenance includes normally such matters as cutting grass, removal of weeds, local drainage, and minor repairs of main river levees; (b) provide, without cost to the United States, such drainage works as may be necessary, and the rights of way for all levees and other structures as and when the same are required.

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place.

"SEC. 4. Any property taken by the United States for the purpose of carrying out the terms of this act, for which compensation is required by the Constitution of the United States, shall be paid for by the United States.

"The Secretary of War may cause proceedings to be instituted for the acquirement by condemnation of any lands, easements, or rights of way which, in the opinion of the Secretary of War, are needed in

carrying out this project, the said proceedings to be instituted in the United States district court for the district in which the land, easement, or right of way is located. In all such proceedings the court, for the purpose of ascertaining the value of the property and assessing the compensation to be paid, shall appoint three commissioners, whose award, when confirmed by the court, shall be final. When the owner of any land, easement, or right of way shall fix a price for the same which, in the opinion of the Secretary of War is reasonable, he may purchase the same at such price; and the Secretary of War is also authorized to accept donations of lands, easements, and rights of way required for this project. The provisions of sections 5 and 6 of the river and harbor act of July 18, 1918, are hereby made applicable to the acquisition of lands, easements, or rights of way needed for works of flood control: *Provided,* That the title to any land acquired under the provisions of this section, and used in connection with the works authorized by section 1 of this act, shall be turned over without cost to the States or local interests, which shall retain the same for the purposes specified in this act.

"SEC. 5. Subject to the approval of the heads of the several executive departments concerned, the Secretary of War, on the recommendation of the Chief of Engineers, may engage the services and assistance of the Coast and Geodetic Survey, the Geological Survey, or other mapping agencies of the Government, in the preparation of maps required in furtherance of this project, and funds to pay for such services may be allotted from appropriations made under authority of this act.

"SEC. 6. Funds appropriated under authority of section 1 of this act may be expended for the prosecution of such works for the control of the floods of the Mississippi River as have heretofore been authorized and are not included in the present project, including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and the Head of Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided,* That for such work on tributaries, local interests shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the cost of the works, and maintain the works after completion: *Provided further,* That not more than $10,000,000 of the sum authorized in section 1 of this act shall be expended under the provisions of this section.

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by local interests.

"SEC. 7. That the sum of $5,000,000 is authorized to be appropriated as an emergency fund to be allotted by the Secretary of War on the recommendation of the Chief of Engineers in rescue work or in the repair or maintenance of any flood-control work on any tributaries of the Mississippi River threatened or destroyed by flood.

"SEC. 8. The project herein authorized shall be prosecuted by the Mississippi River Commission under the direction of the Secretary of War and supervision of the Chief of Engineers and subject to the provisions of this act. It shall perform such functions and through such agencies as they shall designate after consultation and discussion with the president of the commission. For all other purposes the existing laws governing the constitution and activities of the commission shall remain unchanged. The commission shall make inspection trips of such frequency and duration as will enable it to acquire first-hand information as to conditions and problems germane of the matter of flood control within the area of its jurisdiction; and on such trips of inspection ample opportunity for hearings and suggestions shall be afforded persons affected by or interested in such problems. The president of the commission shall be the executive officer thereof and shall have the qualifications now prescribed by law for the Assistant Chief of Engineers, shall have the title brigadier general, Corps of Engineers, and shall have the rank, pay, and allowances of a brigadier general while actually assigned to such duty: *Provided,* That the present incumbent of the office may be appointed a brigadier general of the Army, retired, and shall be eligible for the position of president of the commission if recalled to active service by the President under the provisions of existing law.

"The salary of the president of the Mississippi River Commission shall hereafter be $10,000 per annum, and the salary of the other members of the commission shall hereafter be $7,500 per annum. The official salary of any officer of the United States Army or other branch of the Government appointed or employed under this act shall be deducted from the amount of salary or compensation provided by, or which shall be fixed under, the terms of this act.

"SEC. 9. The provisions of sections 13, 14, 16, and 17 of the river and harbor act of March 3, 1899, are hereby made applicable to all lands, waters, easements, and other property and rights acquired or constructed under the provision of this act.

"SEC. 10. That it is the sense of Congress that the surveys of the Mississippi River and its tributaries, authorized pursuant to the act of January 21, 1927, House Document No. 308, Sixty-ninth Congress, first session, be prosecuted as speedily as practicable, and the Secretary of War, through the Corps of Engineers, United States Army, is directed to prepare and submit to Congress at the earliest practicable date projects for flood control on all tributary streams of the Mississippi River system subject to destructive floods, which projects shall include: The Red River and tributaries, the Yazoo River and tributaries, the White River and tributaries, the St. Francis River and tributaries, the Arkansas River and tributaries, the Ohio River and tributaries, the Missouri River and tributaries, and the Illinois River and tributaries.

"The sum of $5,000,000 is hereby authorized to be used out of the appropriation authorized in section 1, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized in this section.

"SEC. 11. That the Secretary of War shall cause the Mississippi River Commission to make an examination and survey of the Mississippi River below Cape Girardeau, Mo., (a) at places where levees have heretofore been constructed on one side of the river and the lands on the opposite side have been thereby subjected to greater overflow, and where, without unreasonably restricting the flood channel, levees can be constructed to reduce the extent of this overflow, and where the construction of such levees is economically justified, and report thereon to the Congress as soon as practicable with such recommendations as the commission may deem advisable; (b) with a view to determining the estimated effects, if any, upon lands lying between the river and adjacent hills by reason of overflow of such lands caused by the construction of levees at other points along the Mississippi River, and determining the equities of the owners of such lands and the value of the same, and the commission shall report thereon to the Congress as soon as practicable with such recommendation as it may deem advisable: *Provided,* That inasmuch as the Mississippi River Commission made a report on the 26th day of October, 1912, recommending a levee to be built from Tiptonville, Tenn., to the Obion River in Tennessee, the said Mississippi River Commission is authorized to make a resurvey of said proposed levee and a relocation of the same if necessary, and if such levee is found feasible, and is approved by the board created in section 1 of this act, and by the President, the same shall be built out of appropriations hereafter to be made.

"SEC. 12. All laws or parts of laws inconsistent with the above are hereby repealed.

"SEC. 13. That the project for the control of floods in the Sacramento River, Calif., adopted by section 2 of the act approved March 1, 1917, entitled 'An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes,' is hereby modified in accordance with the report of the California Débris Commission submitted in Senate Document No. 23, Sixty-ninth Congress, first session: *Provided,* That the total amounts contributed by the Federal Government, including the amounts heretofore contributed by it, shall in no event exceed in the aggregate $17,600,000."

The SPEAKER. The question is on the motion of the gentleman from Wisconsin to recommit the bill with instructions.

Mr. FREAR. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 139, nays 206, not voting 87, as follows:

[Roll No. 70]

YEAS—139

| | | | |
|---|---|---|---|
| Ackerman | Fish | Kading | Robinson, Iowa |
| Aldrich | Fitzgerald, Roy G. | Kearns | Rogers |
| Andresen | Fitzgerald, W. T. | Ketcham | Sanders, N. Y. |
| Arentz | Fort | Knutson | Schafer |
| Bacharach | Foss | Kopp | Schneider |
| Bachmann | Frear | Korell | Sears, Nebr. |
| Bacon | Free | Kvale | Seger |
| Barbour | Freeman | LaGuardia | Selvig |
| Beck, Wis. | French | Lampert | Simmons |
| Beedy | Frothingham | Lehlbach | Sinnott |
| Berger | Furlow | Luce | Snell |
| Bowman | Gibson | McLaughlin | Speaks |
| Brand, Ohio | Gifford | McLeod | Sproul, Kans. |
| Brigham | Glynn | MacGregor | Stalker |
| Browne | Goodwin | Maas | Strong, Kans. |
| Burdick | Griffin | Mapes | Summers, Wash. |
| Burton | Hadley | Martin, Mass. | Sweet |
| Carter | Hale | Mead | Taber |
| Chalmers | Hall, Ind. | Merritt | Thurston |
| Chindblom | Hancock | Michaelson | Tilson |
| Christopherson | Hardy | Michener | Timberlake |
| Clague | Hawley | Miller | Underhill |
| Clancy | Hersey | Morehead | Updike |
| Clarke | Hickey | Morgan | Vestal |
| Cole, Iowa | Hoch | Morin | Vincent, Mich. |
| Colton | Hogg | Murphy | Wainwright |
| Cooper, Wis. | Hooper | Nelson, Me. | Wason |
| Cramton | Hope | Nelson, Wis. | Watson |
| Crowther | Houston, Del. | Newton | Welsh, Pa. |
| Davenport | Hudson | Parker | White, Me. |
| Dempsey | Hull, Morton D. | Pratt | Williamson |
| Doutrich | James | Purnell | Winter |
| Elliott | Johnson, Ind. | Ramseyer | Wolverton |
| England | Johnson, S. Dak. | Reece | Zihlman |
| Fenn | Johnson, Wash. | Reed, N. Y. | |

NAYS—206

| | | | |
|---|---|---|---|
| Abernethy | Dickinson, Iowa | Jones | Prall |
| Adkins | Dickinson, Mo. | Kemp | Quin |
| Allen | Dickstein | Kerr | Ragon |
| Allgood | Dominick | Kincheloe | Rainey |
| Almon | Doughton | Kindred | Rankin |
| Arnold | Douglass, Mass. | King | Rathbone |
| Aswell | Dowell | Langley | Rayburn |
| Auf der Heide | Doyle | Lanham | Reed, Ark. |
| Ayres | Drewry | Lankford | Reid, Ill. |
| Bankhead | Driver | Lea | Robsion, Ky. |
| Bell | Edwards | Leavitt | Romjue |
| Black, N. Y. | Englebright | Letts | Rubey |
| Black, Tex. | Eslick | Lindsay | Rutherford |
| Bland | Evans, Mont. | Linthicum | Sanders, Tex. |
| Bloom | Faust | Lowrey | Sandlin |
| Bowling | Fitzpatrick | Lozier | Shallenberger |
| Box | Fletcher | Lyon | Sinclair |
| Boylan | Fulbright | McClintic | Sirovich |
| Brand, Ga. | Fulmer | McDuffie | Somers, N. Y. |
| Briggs | Gambrill | McKeown | Spearing |
| Britten | Garber | McMillan | Sproul, Ill. |
| Browning | Gardner, Ind. | McReynolds | Steagall |
| Buchanan | Garner, Tex. | McSwain | Stedman |
| Buckbee | Garrett, Tenn. | McSweeney | Steele |
| Bulwinkle | Gasque | Madden | Stevenson |
| Burtness | Gilbert | Major, Ill. | Swank |
| Busby | Gregory | Major, Mo. | Swing |
| Byrns | Green | Manlove | Tarver |
| Canfield | Greenwood | Mansfield | Taylor, Colo. |
| Cannon | Guyer | Martin, La. | Taylor, Tenn. |
| Carley | Hall, Ill. | Montague | Thatcher |
| Carss | Hall, N. Dak. | Mooney | Tucker |
| Cartwright | Hammer | Moore, Ky. | Underwood |
| Cellar | Hare | Moore, N. J. | Vinson, Ga. |
| Chapman | Harrison | Moore, Va. | Vinson, Ky. |
| Cochran, Mo. | Hastings | Moorman | Ware |
| Cohen | Haugen | Morrow | Warren |
| Cole, Md. | Hill, Ala. | Nelson, Mo. | Weaver |
| Collier | Hill, Wash. | Niedringhaus | Welch, Calif. |
| Collins | Holaday | Norton, Nebr. | White, Colo. |
| Combs | Howard, Nebr. | Norton, N. J. | Whitehead |
| Connery | Howard, Okla. | O'Brien | Whittington |
| Corning | Huddleston | O'Connell | Williams, Mo. |
| Cox | Hull, Tenn. | O'Connor, La. | Williams, Tex. |
| Crisp | Hull, William E. | O'Connor, N. Y. | Wilson, La. |
| Crosser | Igoe | Oliver, Ala. | Wilson, Miss. |
| Cullen | Irwin | Oliver, N. Y. | Wingo |
| Curry | Jacobstein | Palmisano | Woodrum |
| Davey | Jeffers | Parks | Wright |
| Davis | Johnson, Ill. | Peavey | Yon |
| Denison | Johnson, Okla. | Peery | |
| De Rouen | Johnson, Tex. | Pou | |

NOT VOTING—87

| | | | |
|---|---|---|---|
| Andrew | Deal | Kunz | Stobbs |
| Anthony | Douglas, Ariz. | Kurtz | Strong, Pa. |
| Beck, Pa. | Drane | Larsen | Strother |
| Beers | Dyer | Leatherwood | Sullivan |
| Begg | Eaton | Leech | Sumners, Tex. |
| Blanton | Estep | McFadden | Swick |
| Bohn | Evans, Calif. | Magrady | Tatgenhorst |
| Boies | Fisher | Menges | Temple |
| Bowles | Garrett, Tex. | Milligan | Thompson |
| Bushong | Golder | Monast | Tillman |
| Butler | Goldsborough | Moore, Ohio | Tinkham |
| Campbell | Graham | Oldfield | Treadway |
| Carew | Griest | Palmer | Watres |
| Casey | Hoffman | Perkins | Weller |
| Chase | Hudspeth | Porter | White, Kans. |
| Cochran, Pa. | Hughes | Quayle | Williams, Ill. |
| Connally, Tex. | Jenkins | Ransley | Wood |
| Connolly, Pa. | Kahn | Rowbottom | Woodruff |
| Cooper, Ohio | Kelly | Sabath | Wurzbach |
| Crail | Kendall | Sears, Fla. | Wyant |
| Dallinger | Kent | Shreve | Yates |
| Darrow | Kiess | Smith | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Begg (for) with Mr. Yates (against).
Mr. Cochran of Pennsylvania (for) with Mr. Rowbottom (against).
Mr. Evans of California (for) with Mr. Hughes (against).
Mr. Leech (for) with Mr. Connally of Texas (against).
Mr. Woodruff (for) with Mr. Hudspeth (against).
Mr. Watres (for) with Mr. Fisher (against).
Mr. Bohn (for) with Mr. Sears of Florida (against).
Mr. Cooper of Ohio (for) with Mr. Blanton (against).
Mr. Magrady (for) with Mr. Quayle (against).
Mr. Swick (for) with Mr. Kent (against).
Mr. Anthony (for) with Mr. Sullivan (against).
Mr. Temple (for) with Mr. Larsen (against).
Mr. Perkins (for) with Mr. Kunz (against).
Mr. Treadway (for) with Mr. Carew (against).
Mr. Bowles (for) with Mr. Shreve (against).
Mr. Ransley (for) with Mr. Weller (against).
Mr. Tinkham (for) with Mr. Milligan (against).
Mr. Wood (for) with Mr. Porter (against).
Mr. Kurtz (for) with Mr. Tillman (against).
Mr. Beers (for) with Mr. Oldfield (against).
Mr. Connolly of Pennsylvania (for) with Mr. Drane (against).
Mr. Golder (for) with Mr. Williams of Illinois (against).
Mr. White of Kansas (for) with Mr. Casey (against).
Mr. McFadden (for) with Mr. Garrett of Texas (against).
Mr. Smith (for) with Mr. Sabath (against).
Mr. Leatherwood (for) with Mr. Deal (against).
Mr. Dyer (for) with Mr. Douglas of Arizona (against).
Mr. Griest (for) with Mr. Sumners of Texas (against).

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the passage of the bill.

Mr. REID of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 254, nays 91, not voting 87, as follows:

[Roll No. 71]

YEAS—254

| | | | |
|---|---|---|---|
| Abernethy | Dickinson, Iowa | Jeffers | Rankin |
| Ackerman | Dickinson, Mo. | Johnson, Ill. | Rathbone |
| Adkins | Dickstein | Johnson, Ind. | Rayburn |
| Allen | Dominick | Johnson, Okla. | Reece |
| Allgood | Doughton | Johnson, Tex. | Reed, Ark. |
| Almon | Douglass, Mass. | Johnson, Wash. | Reed, N. Y. |
| Arentz | Doutrich | Kemp | Reid, Ill. |
| Arnold | Dowell | Kerr | Robsion, Ky. |
| Aswell | Doyle | Kincheloe | Romjue |
| Auf der Heide | Drewry | Kindred | Rubey |
| Ayres | Driver | King | Rutherford |
| Bacon | Dyer | Langley | Sanders, N. Y. |
| Bankhead | Edwards | Lanham | Sanders, Tex. |
| Barbour | England | Lankford | Sandlin |
| Beedy | Englebright | Lea | Sinclair |
| Bell | Eslick | Leavitt | Sinnott |
| Black, N. Y. | Evans, Mont. | Letts | Sirovich |
| Black, Tex. | Faust | Lindsay | Snell |
| Bland | Fish | Linthicum | Somers, N. Y. |
| Bloom | Fitzgerald, Roy G. | Lowrey | Speaks |
| Bowling | Fitzgerald, W. T. | Lozier | Spearing |
| Bowman | Fitzpatrick | Lyon | Sproul, Ill. |
| Box | Fletcher | McClintic | Sproul, Kans. |
| Boylan | Free | McDuffie | Stalker |
| Brand, Ga. | Fulbright | McKeown | Steagall |
| Briggs | Fulmer | McMillan | Stedman |
| Brigham | Gambrill | McReynolds | Steele |
| Britten | Garber | McSweeney | Stevenson |
| Browning | Gardner, Ind. | Madden | Summers, Wash. |
| Buchanan | Garner, Tex. | Major, Ill. | Swank |
| Buckbee | Garrett, Tenn. | Major, Mo. | Swing |
| Bulwinkle | Garrett, Tex. | Manlove | Tarver |
| Burtness | Gasque | Mansfield | Tatgenhorst |
| Busby | Gibson | Martin, La. | Taylor, Colo. |
| Byrns | Gilbert | Mead | Taylor, Tenn. |
| Canfield | Gregory | Michaelson | Thatcher |
| Cannon | Green | Miller | Tucker |
| Carley | Greenwood | Montague | Underwood |
| Carss | Griffin | Mooney | Updike |
| Carter | Guyer | Moore, Ky. | Vestal |
| Cartwright | Hadley | Moore, N. J. | Vinson, Ga. |
| Celler | Hall, Ill. | Moore, Va. | Vinson, Ky. |
| Chapman | Hall, Ind. | Moorman | Ware |
| Chindblom | Hall, N. Dak. | Morrow | Warren |
| Cochran, Mo. | Hammer | Murphy | Weaver |
| Cohen | Hare | Nelson, Mo. | Welch, Calif. |
| Cole, Md. | Harrison | Niedringhaus | White, Colo. |
| Collier | Hastings | Norton, N. J. | White, Me. |
| Collins | Haugen | O'Brien | Whitehead |
| Colton | Hickey | O'Connell | Whittington |
| Combs | Hill, Ala. | O'Connor, La. | Williams, Ill. |
| Connery | Hill, Wash. | O'Connor, N. Y. | Williams, Mo. |
| Corning | Hogg | Oliver, Ala. | Williams, Tex. |
| Cox | Holaday | Oliver, N. Y. | Wilson, La. |
| Crisp | Hope | Palmisano | Wilson, Miss. |
| Crosser | Howard, Nebr. | Parks | Wingo |
| Crowther | Howard, Okla. | Peavey | Winter |
| Cullen | Huddleston | Peery | Wolverton |
| Curry | Hull, Morton D. | Pou | Woodrum |
| Davey | Hull, Tenn. | Prall | Wright |
| Davis | Hull, Wm. E. | Purnell | Yon |
| Dempsey | Igoe | Quin | Zihlman |
| Denison | Irwin | Ragon | |
| De Rouen | Jacobstein | Rainey | |

NAYS—91

| | | | |
|---|---|---|---|
| Aldrich | Frear | Korell | Ramseyer |
| Andresen | Freeman | Kvale | Robinson, Iowa |
| Bacharach | French | LaGuardia | Rogers |
| Bachmann | Frothingham | Lampert | Schafer |
| Beck, Wis. | Furlow | Lehlbach | Schneider |
| Berger | Gifford | Luce | Sears, Nebr. |
| Brand, Ohio | Glynn | McLaughlin | Seger |
| Browne | Goodwin | McLeod | Selvig |
| Burdick | Hale | MacGregor | Shallenberger |
| Burton | Hancock | Maas | Simmons |
| Chalmers | Hardy | Mapes | Strong, Kans. |
| Christopherson | Hersey | Martin, Mass. | Sweet |
| Clague | Hoch | Merritt | Taber |
| Clancy | Hooper | Michener | Thurston |
| Clarke | Houston, Del. | Morehead | Tilson |
| Cole, Iowa | Hudson | Morgan | Timberlake |
| Cooper, Wis. | James | Morin | Vincent, Mich. |
| Cramton | Johnson, S. Dak. | Nelson, Me. | Wainwright |
| Davenport | Kading | Nelson, Wis. | Wason |
| Elliott | Kearns | Newton | Watson |
| Fenn | Ketcham | Norton, Nebr. | Welsh, Pa. |
| Fort | Knutson | Parker | Williamson |
| Foss | Kopp | Pratt | |

NOT VOTING—87

| | | | |
|---|---|---|---|
| Andrew | Cochran, Pa. | Goldsborough | Kurtz |
| Anthony | Connally, Tex. | Graham | Larson |
| Beck, Pa. | Connolly, Pa. | Griest | Leatherwood |
| Beers | Cooper, Ohio | Hawley | Leech |
| Begg | Crail | Hoffman | McFadden |
| Blanton | Dallinger | Hudspeth | McSwain |
| Bohn | Darrow | Hughes | Magrady |
| Boies | Deal | Jenkins | Menges |
| Bowles | Douglas, Ariz. | Jones | Milligan |
| Bushong | Drane | Kahn | Monast |
| Butler | Eaton | Kelly | Moore, Ohio |
| Campbell | Estep | Kendall | Oldfield |
| Carew | Evans, Calif. | Kent | Palmer |
| Casey | Fisher | Kiess | Perkins |
| Chase | Golder | Kunz | Porter |

| | | | |
|---|---|---|---|
| Quayle | Stobbs | Thompson | White, Kans. |
| Ransley | Strong, Pa. | Tillman | Wood |
| Rowbottom | Strother | Tinkham | Woodruff |
| Sabath | Sullivan | Treadway | Wurzbach |
| Sears, Fla. | Sumners, Tex. | Underhill | Wyant |
| Shreve | Swick | Watres | Yates |
| Smith | Temple | Weller | |

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. Yates (for) with Mr. Begg (against).
Mr. Rowbottom (for) with Mr. Cochran of Pennsylvania (against).
Mr. Hughes (for) with Mr. Evans of California (against).
Mr. Connally of Texas (for) with Mr. Leech (against).
Mr. Hudspeth (for) with Mr. Woodruff (against).
Mr. Fisher (for) with Mr. Watres (against).
Mr. Sears of Florida (for) with Mr. Bohn (against).
Mr. Blanton (for) with Mr. Cooper of Ohio (against).
Mr. Quayle (for) with Mr. Magrady (against).
Mr. Kent (for) with Mr. Swick (against).
Mr. Sullivan (for) with Mr. Anthony (against).
Mr. Larsen (for) with Mr. Temple (against).
Mr. Kunz (for) with Mr. Perkins (against).
Mr. Carew (for) with Mr. Treadway (against).
Mr. Shreve (for) with Mr. Bowles (against).
Mr. Weller (for) with Mr. Ransley (against).
Mr. Milligan (for) with Mr. Tinkham (against).
Mr. Porter (for) with Mr. Wood (against).
Mr. Tillman (for) with Mr. Kurtz (against).
Mr. Oldfield (for) with Mr. Beers (against).
Mr. Drane (for) with Mr. Connolly of Pennsylvania (against).
Mr. Casey (for) with Mr. Golder (against).
Mr. Sabath (for) with Mr. McFadden (against).
Mr. Deal (for) with Mr. Leatherwood (against).
Mr. Douglas of Arizona (for) with Mr. Griest (against).
Mr. Sumners of Texas (for) with Mr. Eaton (against).

Until further notice:

Mr. Hawley with Mr. McSwain.
Mr. Kiess with Mr. Jones.
Mr. Smith with Mr. Goldsborough.

The result of the vote was announced as above recorded.

On motion of Mr. REED of Illinois, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to speak for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, my colleague, Mr. FISHER, of Tennessee, is absent under the care of a specialist. He is heartily in favor of this bill, and if he were present he would have voted "yea." I ask that he may be granted indefinite leave of absence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### EXTENSION OF REMARKS—FLOOD CONTROL

Mr. LOWREY. Mr. Speaker, it is obligatory that this Congress now enact legislation providing for the control of the floods of the Mississippi River and its tributaries. And the obligation rests upon every Member of this body.

Rivers and harbors, interstate and foreign commerce, and United States mails are all matters of Federal responsibility. The Mississippi and its tributaries is a great inland transportation system which, if controlled and utilized, is an invaluable asset to commerce and internal development in time of peace and one of our very greatest elements of national defense in time of war. If left uncontrolled we may expect it at times to block the transportation of passengers, commodities, and mails, sweep away millions of dollars worth of internal improvements, prevent the growth of that section of our country in which lies the highest possibility of our future greatness, and even take the lives of many of our citizens.

Defense of life and property of the citizen is the highest national obligation. It is the very object for which nations exist. All our resources of men and treasure are pledged to it. If we fail to do this we are unworthy to exist as a nation and unworthy of the respect of other nations. This Congress has no more right to fail to cope with this problem than did the Sixty-fifth Congress to fail to provide for the prosecution of the war in which we were engaged at that time.

There is difference of opinion here about the matter of local contributions. We claim to justify the presence of our marines in Nicaragua and China to-day on this principle of the protection of life and property. And we have not asked that those whose lives and property are being protected bear a special part of the cost. Indeed, we sacrificed billions of dollars of treasure and thousands of lives in the World War, and did not ask that those who personally suffered from German submarines bear a special part of the cost.

The principles and precedents are well established whereby we even spend millions of dollars of Federal money on rivers purely for transportation purposes without asking for local contributions; and on great harbors without asking the cities most directly benefited to bear more than their regular share of the expense.

There is also difference of opinion about the question of provision for the tributaries of the Mississippi. I should say that the unanswerable arguments for control of the Mississippi obtain with equal force for the tributaries. Not only have the people on the tributaries similar dangers and similar rights, but to me it seems unquestionable that the control of the tributaries is an absolute necessity to the effective control of the Mississippi. But other gentlemen have gone fully into this phase of the subject. I shall not take your time. We certainly can not refuse to the people on the tributaries the small request of adequate appropriations for a survey. To do so would be preposterously unjust.

Therefore, Mr. Chairman, by every principle that governs us as a Nation and by every policy that has been followed in legislating on similar matters we should provide amply for the control of the Mississippi River and its tributaries and we should act now. We have no right to fiddle while Rome burns. With thousands of lives and millions of dollars of property constantly exposed to this menace it would be tragic, cruel, and almost criminal for this Congress to adjourn without providing safely and amply against another catastrophe like that of 1927.

Under the permission to extend my remarks, I give here the "SOS to the American Legion," which I have received by mail:

SOS TO EVERY MAN OF THE AMERICAN LEGION

Every man of the American Legion has taken an oath to uphold and defend the Constitution of the United States and to support the welfare of the community, State, and Nation. Hardly a day goes by that his services are not required to perform at least one of these duties which are usually local.

Back in 1917 and 1918 we were called upon to perform a national duty, a duty that took us thousands of miles away from our loved ones, our business, and other interests. We were called upon to make the supreme sacrifice if necessary to perpetuate democracy and crush autocracy. We suffered hardships and deprivations as never before experienced. Billions of dollars were spent for this great cause; thousands of sons and many daughters sacrificed their lives, and millions of loved ones at home suffered irreparable heartaches for those who fought for the love of their country and the principles for which it stands.

Now comes another call, a national call even greater than the one of 1917 and 1918, because this need comes from home. This great country of ours is again in danger. Lives, home, and the health and prosperity of the United States are about to be affected as never before in history. The great Father of Waters, which divides our wonderful country in half and which flows down the greatest and richest valley in the world, has become a source of a grave danger and menace to those who live along its banks as well as those who live in this valley.

We can not afford to let this great old river on one of its spring high-water rampages destroy what required almost centuries to build, to say nothing of the destitution it would bring to tens of thousands of those near and dear to us. The destruction it wrought last spring upon the citizens of this valley was ghastly and horrible. And, fellows, it took place right here in our own beloved United States!

The American Legion of New Orleans appeals to all legionnaires and ex-service men to rally to this national defense. The destruction of life and property and the nonproductivity of this great valley which is bound to occur by the non-Federal control and financing of the Mississippi River will affect our great Nation to its four corners.

Comrades and citizens, this is our country, your country, and my country, and this part of the United States of America is in danger. There has risen a question of mere dollars and cents staked against the lives of our loved ones, the sanctity of the home, and the property of tens of thousands of our citizens. Therefore we should place upon it the most patriotic significance by having our Federal Government issue a gilt-edged bond of protection prompted by even a greater spirit of patriotism than was felt when the first great Liberty loan was floated.

The States along the lower Mississippi River Valley have been practically bankrupt as a result of the destruction wrought by the Father of Waters last spring. If these panic-stricken people are to be taxed for the upkeep of this great body of water which rushes so madly and destructively down its course each spring, we will be obliged to sacrifice all and leave this valley to the vultures of the air to satisfy the whims of a few who say that Uncle Sam is unable to protect the lives and property of those at home, completely forgetting how willingly and forcefully the strong arm of assistance was sent forth across the high seas back in 1918.

We plead with you at once to demand of your representatives in Congress to vote for the Jones flood relief bill, which will place the cost and maintenance of the great levees necessary to keep the Mis-

sissippi River within her banks at all times squarely on the shoulders of the United States Government.

The national convention of the American Legion has indorsed this action, and, comrades, it is our duty to protect the lives and property of the citizens of our country.

(Signed) L. B. SPACH,
*Chairman Flood Relief.*

Mr. HERSEY. Mr. Speaker, two great problems are pending before this Congress, one called the Mississippi flood control bill and the other the McNary-Haugen farm relief bill. I wish to call attention very sharply to these two bills and the acts of their friends, which imperil good legislation.

On the 6th day of December, 1927, the President laid before Congress his annual message, and among other things he said:

FLOOD CONTROL

For many years the Federal Government has been building a system of dikes along the Mississippi River for protection against high water. During the past season the lower States were overcome by a most disastrous flood. Many thousands of square miles were inundated, a great many lives were lost, much livestock was drowned, and a very heavy destruction of property was inflicted upon the inhabitants. The American Red Cross at once went to the relief of the stricken communities. Appeals for contributions have brought in over $17,000,000. The Federal Government has provided services, equipment, and supplies probably amounting to about $7,000,000 more. Between $5,000,000 and $10,000,000 in addition have been provided by local railroads, the States, and their political units. Credits have been arranged by the Farm Loan Board, and three emergency finance corporations with a total capital of $3,000,000 have insured additional resources to the extent of $12,000,000. Through these means the 700,000 people in the flooded areas have been adequately supported. Provision has been made to care for those in need until after the 1st of January.

The Engineer Corps of the Army has contracted to close all breaks in the dike system before the next season of high water. A most thorough and elaborate survey of the whole situation has been made and embodied in a report with recommendations for future flood control, which will be presented to the Congress. The carrying out of their plans will necessarily extend over a series of years. They will call for a raising and strengthening of the dike system, with provision for emergency spillways and improvements for the benefit of navigation.

Under the present law the land adjacent to the dikes has paid one-third of the cost of their construction. This has been a most extraordinary concession from the plan adopted in relation to irrigation, where the general rule has been that the land benefited should bear the entire expense. It is true, of course, that the troublesome waters do not originate on the land to be reclaimed, but it is also true that such waters have a right of way through that section of the country, and the land there is charged with that easement. It is the land of this region that is to be benefited. To say that it is unable to bear any expense of reclamation is the same thing as saying that it is not worth reclaiming. Because of expenses incurred and charges already held against this land, it seems probable that some revision will have to be made concerning the proportion of cost which it should bear. But it is extremely important that it should pay enough so that those requesting improvements will be charged with some responsibility for their cost, and the neighborhoods where works are constructed have a pecuniary interest in preventing waste and extravagance and securing a wise and economical expenditure of public funds.

It is necessary to look upon this emergency as a national disaster. It has been so treated from its inception. Our whole people have provided with great generosity for its relief. Most of the departments of the Federal Government have been engaged in the same effort. The governments of the afflicted areas, both State and municipal, can not be given too high praise for the courageous and helpful way in which they have come to the rescue of the people. If the sources directly chargeable can not meet the demand, the National Government should not fail to provide generous relief. This, however, does not mean restoration.

The Government is not an insurer of its citizens against the hazard of the elements. We shall always have flood and drought, heat and cold, earthquake and wind, lightning and tidal wave, which are all too constant in their afflictions. The Government does not undertake to reimburse its citizens for loss and damage incurred under such circumstances. It is chargeable, however, with the rebuilding of public works and the humanitarian duty of relieving its citizens from distress.

The people in the flooded area and their representatives have approached this problem in the most generous and broad-minded way. They should be met with a like spirit on the part of the National Government. This is all one country. The public needs of each part must be provided for by the public at large. No required relief should be refused. An adequate plan should be adopted to prevent a recurrence of this disaster in order that the people may restore to productivity and comfort their fields and their towns.

Legislation by this Congress should be confined to our principal and most pressing problem, the lower Mississippi, considering tributaries only so far as they materially affect the main flood problem. A definite Federal program relating to our waterways was proposed when the last Congress authorized a comprehensive survey of all the important streams of the country in order to provide for their improvement, including flood control, navigation, power, and irrigation. Other legislation should wait pending a report on this survey. The recognized needs of the Mississippi should not be made a vehicle for carrying other projects. All proposals for development should stand on their own merits. Any other method would result in ill-advised conclusions, great waste of money, and instead of promoting would delay the orderly and certain utilization of our water resources.

On the 8th day of December, 1927, the President sent an additional message to the Congress on flood control, as follows:

*To the Congress of the United States:*

There is submitted herewith a letter from the Hon. Dwight F. Davis, Secretary of War, transmitting with favorable recommendation the report of Maj. Gen. Edgar Jadwin, Chief of Engineers, containing the plan of the Army Engineers for flood control of the Mississippi River in its alluvial valley.

In my message to the two Houses of Congress at the beginning of the first session of the Seventieth Congress, the flood-control problem of the lower Mississippi and the urgent necessity for its solution were outlined. The general duties and responsibilities of the Federal Government in connection therewith were therein discussed.

The total cost of the recommended project is $296,400,000, distributed over a period of 10 years. This large sum is manifestly justified by the necessities of the situation and the benefits that will result. In determining the distribution of the costs there must be considered not only the people of the valley itself, who receive the major portion of the benefits, but also the great mass of taxpayers who suffer less directly from Mississippi River floods and upon whom most of the burden of Federal taxation falls. It is axiomatic that States and other local authorities should supply all land and assume all pecuniary responsibility for damages that may result from the execution of the project. It would be revolutionary for the Federal Government to establish the precedent of buying part of the land upon which to build protective works to increase the value of the remainder. Similarly it would be very unwise for the United States in generously helping a section of the country to render itself liable for consequential damages. The Federal Treasury should bear the portion of the cost of engineering structures for flood control that is justified by the national aspects of the problem and the national benefits. It may even bear 80 per cent of such costs, but substantial local cooperation is essential to avoid waste. The portion this would leave to be borne locally for flood-control structures represents an expenditure of about $3, or 30 cents per year for 10 years for each acre in the alluvial valley to be protected every year from Mississippi River floods. The value per acre, including railroads, towns, cities, and other improvements, is estimated at something over $200. It would seem that the States should share with the Federal Government the burden of assisting the levee districts and individual property owners, especially in view of the fact that the States benefit directly by the increased taxes from land made more valuable by reason of its protection.

The plan transmitted herewith is comprehensive and appeals to me as being adequate in its engineering. I concur in general in the conclusions and recommendations reached in the report, and suggest that appropriate legislation be enacted putting them into effect.

CALVIN COOLIDGE.

THE WHITE HOUSE, *December 8, 1927.*

For many days we have been discussing these two messages. There was formed early in the present session of this Congress a combination or bloc, so called; one is the Mississippi flood-control bloc, composed of Representatives and Senators who reside along the Mississippi River and its tributaries which would be affected by flood-control legislation. The other bloc is the old and familiarly known farm bloc of the Wheat and Corn Belt States that is interested in the passage of the McNary-Haugen farm relief bill, which has met much condemnation in the past outside of these farm-relief States, so called. This combination has assumed formidable proportions. The full proceedings in the flood-relief debates show clearly that this combination has been formed for mutual benefits, political and otherwise.

Evidently the understood agreement is that these blocs would combine and put over the flood control bill, making the whole Nation pay everything in the erection, building, and flood-control protection on the Mississippi River and its tributaries, and then join to put over the McNary-Haugen bill in the same vicious form of the last Congress which called for a veto which was approved by the people throughout the land, except by those interested in putting the Nation into business, Government ownership, and price fixing.

Yesterday these blocs, on the eve of a political election, forced through the Mississippi flood control bill forcing the Govern-

ment to pay all the costs, damages, and expense in the building of the levees and other works under this bill, and thereby ignoring the recommendation of the engineers and the bill of the administration and thereby inviting a veto, which they will most certainly have.

It is one of the weaknesses of our form of government that such blocs and combinations can be formed like the old river and harbor pork-barrel legislation—you vote for my project and I will vote for yours, and thus loot the Treasury of the people and extort from one portion of the country tribute for the protection of the wealthy interests of another portion of the country.

In the flood control bill as passed by the Senate and House it can not be claimed for one moment that there is any evidence whatever that the poor man is going to suffer any damages by the engineers' and the President's plan, but it clearly appears that the large landowners along the Mississippi are going to benefit greatly without a cent of cost to themselves in the way of building these new improvements and protections.

Eighteen millions of charity poured in along the Mississippi Valley has taken care of the poor tenant farmer who does not own the land. The building of the levees and other improvements under the plan of the engineers and the President would greatly benefit those who own the land as well as to protect forever these landowners from future floods, yet in spite of all this, when, however, an opportunity is given to a majority interested in this legislation to attain all they want without regard to the Treasury of the United States or the taxes to be imposed upon the whole people, they will not pay much attention to argument and reason, or to the rest of the country. This is one of the sad things in government at the present time. The old pork-barrel river and harbor matters have been by legislation so restricted that they can not now loot the Treasury. Future legislation must in some way provide against these combinations and blocs in legislation that will coerce representatives and Senators to vote for legislation for particular localities to form combinations under the threat that they must vote them into law or they can not be reelected. God save the United States of America!

Mr. CARTWRIGHT. Mr. Speaker, the destruction wrought last spring upon the citizens of the Mississippi Valley was ghastly and horrible. When we consider the fact that the floods affected 31 States of the Union, 41 per cent of the total area of the United States, covered 12,500,000 acres of good land, made 600,000 citizens homeless, and damaged property to the extent of more than $400,000,000, it is time that a solution for the control of these flood waters be found, or at least the best possible start be made.

In addition to the great destruction, interstate commerce was interfered with and our mail suspended and, all of these items taken into consideration, it has become a national problem. To a certain extent it is an international question. It is the greatest producing region in the world, and every factor which goes to make up the prosperity of the world is seriously affected.

My friends, we should look to flood control in the lower valley, but also to flood prevention, forest and soil conservation, and such other methods as may be found practicable upon the Mississippi and its tributaries. It is just as important and necessary to have floods controlled on tributaries, just as important to protect life and property on tributaries as it is on the seven lower basin States.

In my own State of Oklahoma it has been said that damage was done by this flood to the extent of more than $20,000,000 on the Arkansas River and its tributaries alone. In addition to this damage, we also suffered greatly from floods from the Red River and its tributaries. These two rivers, with their tributaries, such as the Washita, South Canadian, Boggies, Kiamitta, and other streams in Oklahoma, contribute much to these flood waters. It hurts a farmer just as much to have his crops, land, and property destroyed on one of these rivers in Oklahoma as it would if he lived on the Mississippi. Mr. Speaker, I am strong for flood control, and I have waited patiently for the Flood Control Committee to report a bill, and now it is here. I know the members of the committee have worked long and hard in trying to bring us a bill that will be acceptable. But I believe I speak the sentiment of the majority when I say if the plan only touches the pocketbook of Oklahoma and other tributary States there will not be quite so much sympathetic interest in the bill. I believe the Government should undertake a comprehensive survey of the whole Mississippi River with the idea of discovering, and later utilizing, all practicable means of flood control, including reservoir construction, reforestation, deepening of channels, prevention of erosion, and so on.

Since my mind has not undergone many changes on flood control since I made a speech before the State flood-control conference at Tulsa, Okla., on the 15th of last July, I wish to insert it in the RECORD at this place:

FLOOD CONTROL—ADDRESS BY CONGRESSMAN WILBURN CARTWRIGHT BEFORE THE FLOOD-CONTROL CONVENTION AT TULSA, JULY 15, 1927

Ladies and gentlemen, ever since I was a small plowboy I've been in favor of flood control and irrigation. I was first in favor of damming up the branch in order to conserve its waters for swimming-hole purposes. Later, as I followed old Beck down the parching corn rows, stirring the hot dust with a go-devil or a Georgia sweep, and watching the blazing skies for a sign of a cloud that might bring the rain that meant redemption of the corn crop and meed of prosperity to the farm home, I wondered then why the people through some sort of cooperation could not build a system of reservoirs and canals by and through which the floods could be stored and distributed to the parching fields when the rains failed to fall.

It appears now that my dreams are going to come true; that the great Mississippi Valley flood disaster is the wreck from which the greatest flood control, canal, and irrigation system the world has ever dreamed of is going to spring. I hope there will be wisdom, unselfishness, and energy enough to lay out a plan that will comprehend flood control and irrigation from the western slopes of the Alleghenies to the eastern slopes of the Rockies. It may take billions of dollars and many years of time, but in my opinion it will be a paying proposition from every angle and will mean for this Nation leadership of the earth in agriculture, horticulture, commerce, and manufacturing. And it will mean, as I see it, a Nation without famine and want, no matter what pestilences or misfortunes may befall. The time is not 100 years distant when the products of the soil will be more than ever the foundation upon which will rest the prosperity, happiness, contentment, and well-being of the people of this earth.

Automobiles, airships, railways, and other inventions for the advancement, convenience, and happiness of mankind will all be dependent more then than now upon the productiveness of the sil; for out of the soil, after all, come practically all the real necessities for the comfort and happiness of mankind. When the population of this earth becomes so dense that the soil and its productiveness will mean everything to the welfare of the human race, it will then be necessary to make the soil productive in every season whether or not it rains. The agricultural and horticultural world to-day must depend largely upon the seasonable rainfall. Proper flood control, proper water storage, and proper distribution of this stored water will mean bumper crops every year for every section of this Nation. Therefore, my fellow citizens, I am heartily in favor of this Nation, together with the States, solving now and once for all this major problem of this age.

As to what plan or plans are to be followed in this great undertaking, the average citizen does not know, and, in my opinion, should hold an open mind until the experts have somewhere nearly agreed. At any rate, it is my earnest hope that the different States will join wholeheartedly and unselfishly with the National Government in whatever system is decided upon. True, the task is a colossal one and should be approached carefully, unselfishly, and with a determination to solve it thoroughly.

Let me say that I am in favor of Oklahoma joining her flood, storage, and irrigation problem with that of the National Government, and working it out so that the State's great project will dovetail exactly into that of the Nation's. Oklahoma, as I see it, should lay her flood control and irrigation plan broad and deep. She should comprehend every section of the State that it is at all possible to reach. There is no room and no time for cutting corners or becoming niggardly with expenditures and plans. Let our waters be controlled and conserved. Let us prepare to use every drop of extra rainfall possible. Let us harness our rivers and direct them where we will. Let us have both power for commerce, and water for irrigation from these abundant waters. And as we march forward toward the consummation of this great project, let us not forget to keep step with science and progress in the matter of better agriculture and horticulture, and also in the matter of better stock, better poultry, better farms, and better homes. Let us produce in this great Commonwealth empire every necessity and every luxury to satisfy the needs and the tastes of an advancing people.

Oklahoma, properly watered, can live independently within her own boundaries and enjoy practically every luxury in both raiment and food indigenous to the Temperate Zone. This can be done even without inexhaustible resources in mineral deposits, and when we add that into the bargain what more can the most optimistic desire in order to visualize a Commonwealth brimming with prosperity, contentment, and happiness.

And, gentlemen, judging from the success of our great Panama Canal, the colossal Mississippi Valley irrigation project, if properly planned and carried out, should pay for its cost in dollars and cents in a quarter of a century after its completion. Furthermore, it will be the greatest stabilizer, the greatest civilizer, and the greatest educator since the dawn of society. I am for it and behind it with all the powers and energy I can command.

Mr. Speaker, I now ask permission here to insert a letter from my district which gives the farmers' slant on flood control. It is a timely letter and should be carefully considered during the deliberations on this important bill:

COOPERATIVE EXTENSION WORK IN AGRICULTURE
AND HOME ECONOMICS, STATE OF OKLAHOMA,
*McAlester, Okla., March 22, 1928.*

Re farmer method of flood control.

Mr. WILBURN CARTWRIGHT,
*Washington, D. C.*

DEAR MR. CARTWRIGHT: Find inclosed some ideas which we discussed over in part in my office concerning flood control. This to me is the biggest service that could be performed by any Congressman, Senator, or President. Flood water properly controlled at its source would mean millions of dollars of saving in soil and plant food. It would mean more economical production and in turn more substantial agriculture and a higher standard of living on the farm.

It is well known and admitted by all engineers that millions of tons of soil high in plant food and which is really the best soil that we have is going down the Mississippi annually. This soil is a direct loss to the farmers, to farm prosperity, to State prosperity, to county prosperity, and to the prosperity of the entire United States. This means millions of dollars lost in the basin of the Mississippi with nothing gained whatever but resultant losses because of this erosion and excess water at the lower Mississippi Valley. If we should spend millions on the lower Mississippi to control floods, we are still, at the same time, losing millions at its source. This in turn makes a double loss and increases taxes of our National Government. If we spend millions in control at the source, these millions are returned each year in greater and more economical production of crops, in the farmer's ability to pay more and to pay his taxes easier, and in greater economic wealth gained by counties and States.

For every million that we spend at the source, any student of the subject will admit that three million can be gained in return, so there is really no expense whatever to the State or Nation if flood waters are controlled at the source. But, on the other hand, if we control flood waters after they have been formed, when it takes millions of dollars for its control, this money is merely dumped into the sea and the loss is doubled and trebled by the continued loss at the source.

In view of the fact that control of the Mississippi River floods is a much-discussed question now before the Congress of the United States, I wish to present the following:

No harmonious scheme has so far been presented which is acceptable to all interests. No scheme of prevention has so far been advanced, but to the contrary all schemes presented look to control and not to prevention.

The Staple Cotton Review, which is the official organ of the Staple Cotton Cooperative Association, in the December issue states, "We ask only to be relieved of the burden of protecting this portion of America against the flood waters of the Nation. * * * What flood control does and all it does, is to keep the surplus river waters from overflowing the land when the river rises above its banks. * * * We have a right to ask that the Nation protect us from floods which originate in the national domain, and to do this not as a favor but as a national duty at national expense. * * * Flood control is either a national duty or it is not a national duty. There should be no recognition of a policy of halfway duties in national problems. * * * As long as we have to depend upon local contributions for cost of construction, we must necessarily also have to allow local participation or even local contributions for a local spillway which destroys local property by the very means employed to protect property elsewhere. It would never be attempted to require a contribution from people along the lower reaches of the Mississippi toward the construction of reservoirs along the tributaries a thousand miles away. The whole theory of local contribution and dual responsibility is illogical, unsound, and impossible of fair and equitable application whether it is for levees, spillways, or reservoirs, and just as inequitable with one as with the other."

A report prepared for and presented to the Chamber of Commerce of the United States on referendum No. 51 says, in part: "To successfully accomplish the greatest benefit to the greatest number at a justified economic burden, there should be cooperation between the Nation, the State, and the property owner, both in the location of the work, extent of expenditure, use of the water, and the extent of control. * * * History seems to prove that control of the Mississippi River should not be left to any single centralized agency, but in the interests of the commercial developments of the United States which the United States Chamber of Commerce should represent, every interest should be considered, every section be represented, every means be employed, every district with its particular interest be served, and both legislation and administration be so widely distributed as to attain a truly national result. * * * Inevitably the cost of such a project would greatly exceed the total value of the protected properties, would give to a very small local area of the United States a protection without cost, but at a great cost to the remainder of the United States much of which has equal hazard and an equal right to protection."

At the Arkansas-Red River conservation and flood-control convention, in Oklahoma City, November 30, 1927, plans of flood control were discussed. The Army engineers' scheme of control was outlined by Maj. Donald H. Connolly. The impression gained from this discussion was that no scheme of control was worthy of attention, which included territory not immediately adjacent to the flooded area. It seemed to be the opinion of the Army men that flood waters contributed by the State of Oklahoma to the Mississippi River were extremely unlikely to have any effect upon the floods in that river. The contention seemed to be that the flood waters of Oklahoma would reach the Mississippi River long after the flood crest had passed downstream, and therefore could be easily carried by the river without damage. This contention seems rather illogical, in view of the fact that humans have no control over the periods during which floods shall occur. It is quite conceivable that flood waters from Oklahoma or other States could reach the Mississippi at the critical time when the crest of the flood is passing and so increase the crest of the flood waters as to make control well nigh impossible.

I would like to point out here the fact that the opinions of three interests have now been quoted in this letter, and that all are opposed to each other.

An honest-to-goodness dirt farmer attempted to make a speech on the subject at the November convention. This man gave a homely similé to the matter in hand by likening the actions of men in controlling fires to attempts at flood control. He pointed out that usually, as soon as fire appears, every effort is made to stamp it out immediately. We do not wait until one fire starting here, another there, and another yonder have assumed such proportions as to make control doubtful. His plea was that we should attempt flood control in much the same way. It is the opinion of many other farmers in this section that flood control should start at the grass roots. Many farmers in Oklahoma are well acquainted with the beneficial results of erosion control by terracing. There is nothing spectacular in this method; it is largely a matter of hard work; but in the control of erosion it is certainly effective. Erosion control is nothing more or less than flood control applied in a small way on individual farms. The method employed on large areas would undoubtedly be equally effective on a much larger scale.

For a more comprehensive discussion of terracing and its benefits I would refer you to the division of agricultural engineering, Bureau of Public Roads, Washington, D. C.

The National Geographic Magazine, in writing on the subject of the Mississippi floods, made the statement that the floods were actually composed of only 25 per cent of the rainfall of the area. It is an accepted, though unproved, fact that terracing farm lands results in the absorption by the soil of more than 25 per cent additional of the rainfall of the area. The well-worn motto that prevention is better than cure will surely never find better application than in the present issue. The conservation of flood waters in the soil upon which they fall would not only prevent the necessity of control but would add materially to the wealth of the Nation by increased productivity of all farm lands affected. Throughout the Great Plains area soil moisture is the limiting factor of production. By inducing the farmers of this region to conserve the moisture to their own benefit an enormous increase in production per acre per man would eventually result.

I fully realize that the great engineering feats and the great reservoirs that would be formed and the great inland seas that would appear would be wonderful to look at, cost probably a billion dollars, with a loss of thousands of acres of fertile fields, with the lives endangered of all those who live in the valleys below the reservoirs where probably thousands of lives would be snuffed out at any great flood just as they have been by the breaking of the wonderful dam that the city of Los Angeles had built. These feats would be spectacular; they would cost millions of dollars; and they would not in any way justify the expenditure after they had been built.

The farmer method of control is in no way spectacular; each farmer would control his own flood water, where possible, build a pond that would furnish fish the year round, a wonderful source of food supply, no dangerous reservoirs formed, but in turn fertile fields, economic production, and prosperous farmers. If one really stops and thinks about flood control, and sees the benefit that can be derived from controlling it at its source, and then would picture in his mind the disaster and expense that have to be brought about by moving thousands away from the homes they now occupy, flooding the fertile fields of the Mississippi with reservoirs, and in turn endangering the lives of all those who live in these valleys, because these reservoirs are man made and imperfect and little is derived from their presence. In a few years they would be filled by soil deposits and our present danger again arise.

One can hardly conceive of the working of a mind or working of great minds that would choose the latter source; except that they enjoy to do things in a big way and spend millions of dollars of tax money in order to gain a reputation for themselves or their engineering ability. I recommend without any reservation whatever the farmer

method of control, and the man who will sponsor it and who is able to take up this humble banner and carry it through to perfection should in turn be rewarded with the greatest offices that this Nation provides.

County agents and farmers all over the basin are the tools and machinery to work with. All that is needed is leadership and organization. To him who can furnish one or both of these should go the reward for the greatest feat that can be carried on in his age. As to how this can be done is a matter to be worked out probably as a mathematical problem. Personally, I think that the tax-exemption method of a certain per cent of taxes each year on each acre of land terraced and an exemption for each acre-foot of water impounded on the farm would be the correct method of procedure.

Permitting each county to draw on the Federal Government for such taxes as are exempted in the county is a mathematical problem that can probably be worked out in your office. Men who would do spectacular engineering feats will choose the expensive method of flood control. Men who would do a service to humanity and to their Nation without the necessity of reward will choose the flood control at its source.

Respectfully,

E. H. HOUSTON, *County Agent.*

P. S.—I have just read your speech before the House and know how willing and anxious you are to be of service. To me the "farmer method" of flood control is the greatest service that you can render.

I am sending you other articles concerning terracing which will give you an idea as to the interest which it holds in the minds of Oklahoma farmers.

Mr. BRAND of Ohio. Mr. Speaker, the discussion on the floor relative to flood control reveals some facts. The estimates of the value of the land to be used for flood ways by the Government have ranged from $5 to $10 per acre up to as high as $24 per acre.

I understand this land is, of course, in the river bottom and that it is made land for the most part of very great agricultural value, as it represents the cream of the soil washed down by the river and deposited.

As such land is not worth to exceed $24 per acre, there must be a reason, as agricultural land of this kind is worth at least four times that much in any other territory in the United States.

No doubt the reason that it is estimated at not over $24 per acre is because of its danger from flood, and this only goes to prove that if we follow out the provisions of this bill that there is a great area that will be made safe from flood conditions and thereby improved in value many times.

The cities and towns in all of this territory will likewise be affected favorably as to value.

We are therefore by this bill increasing the value of the property of individual citizens without securing any contributions from them, but making the entire Nation pay the entire bill.

We are asked to go to all of the expense toward making this improvement, and we are asked to pay all the damage that results from the improvement, and yet the local property pays nothing.

In Ohio we had a disastrous flood in 1913. Heavy rains and cloudbursts followed each other in March of that year when the ground was frozen and the rivers swelled to enormous sizes, and cities like Dayton and Columbus, Ohio, were entirely covered with water, in many cases up to the second story of the houses, and the water came so swiftly that the people were not warned of the danger, and more lives were lost in this flood in Ohio in 1913 than there were lost in the Mississippi flood of 1927.

The property loss in Ohio was immense, but I am unable to give the figures.

Did the people of Ohio come to the Government of the United States and ask that the Federal Government protect their property at Government expense? They did not.

The people affected by the flood went before the Ohio Legislature and asked them to provide a flood-control commission, with power to levy taxes to cover the expense of flood control. This commission went to work to provide against flood in the future and taxed local property at least $35,000,000 for the improvements that they made.

This commission adopted the reservoir plan, and I would like to point out to the House that a reservoir plan for controlling floods is not a plan which can be used for power generation or for irrigation. The reason is probably clear only to those who will take the trouble to see just how such a flood-control reservoir is built. Perhaps I can make it clear.

A site is selected along the river which can be made into a natural reservoir and a cement wall is put across the river. The remarkable part of the plan is that there is a hole in the cement wall that lets out the capacity of the river all the time and the reservoir is empty all the time except at flood time. This, of course, makes it of no account as a means of producing power or as a means of irrigation.

I am happy to say that since the location of these dams in the flood area of Ohio that we have had no high waters that have not been adequately handled by these reservoirs. They fill up during the flood and cover the country for a mile or more back from the dam in the river and then in a day or two the water has all escaped through the hole in the dam wall.

The point I wish to make is that in Ohio we have met the flood conditions and have paid the bill ourselves, and with that in mind I am not inclined to vote for this bill which puts all the burden on the United States Government and at the same time improves the property affected.

Mr. MORROW. Mr. Speaker, the passage of the Jones-Reid bill for the control of floods upon the Mississippi River and its tributaries is perhaps by far the most important piece of legislation that has passed Congress for many years. The people of the Nation expect this measure to be construed broad enough so that the purposes which caused its passage will be fully carried out. It is committing the Government to a general plan of flood control upon the Mississippi River with a mere gesture as to a survey of the tributaries which really cause the floods upon the lower basin of that river.

There are many features of the bill, placed therein by amendment, which, if carried out, will broaden the terms of the legislation and will tend to solve in the future the problem of destruction by the river. I refer particularly to the question of surveys of the tributaries of the Mississippi, with the view to securing the construction of impounding dams for water storage upon the upper tributaries for the purpose of flood control.

It is stated in the committee report that an investigation of the flood problem on the Mississippi—which is limited in scope to the application of suggested works along the river and its contiguous banks—can not be classed as an intelligent and thorough treatment of the subject. The committee in charge of preparing this bill consisted of some 21 members, representing nearly every one of the States within the basin of the Mississippi; they had before them the testimony of prominent officials and citizens within the flooded areas. That committee saw fit to report that there were other necessary flood-control features to be considered aside from spillways, flowage rights, and levees.

One of the particular features being the plan of storage reservoirs upon the tributaries of the river, this evident need caused the gentleman from Nebraska [Mr. SHALLENBERGER] to introduce an amendment, permitting the construction of reservoirs for impounding of the waters of the Mississippi and its tributaries. The information that floods can be controlled and prevented by such reservoir systems is to be obtained by the President from the Secretary of War, or other agencies of the Government. The amendment failed by only 4 votes of being placed in the bill.

Practically the same amendment was offered by the gentleman from Oklahoma [Mr. HOWARD], and a part of his amendment was adopted in so far as surveys were authorized to be made simultaneously with flood-control work upon the Mississippi River provided for in the act.

It would appear from the attitude of Congress that with more knowledge about this particular feature that the impounding dam or reservoir proposition will be the policy to be followed.

Careful consideration should be given to a paragraph in the report of the Committee on Flood Control. That paragraph states that the ultimate solution of the flood problem of the valley must include also the possible use of flood-control works on these tributaries at their sources, or between the source and the mouth. In the 1927 flood the tributaries contributed more than three-fourths of the flood waters.

It is apparent that if a careful, comprehensive study is made of the reservoir system upon the tributaries of the main stream, and if this water is impounded in reservoirs and used beneficially for reclaiming the arid land and for generating hydroelectricity, the Government need in no instance assume the cost of reservoir construction as a whole.

By proper contract with conservancy districts, formed for that purpose under State authority, the larger if not the entire cost of construction of these impounding dams may be during a term of years repaid to the Government.

If the admissions of those who oppose the reservoir idea are taken to be their absolute honest thought, then the Government is now entering upon an expenditure of perhaps three-fourths of a billion dollars which could have been avoided by the reservoir system. This huge expenditure may be avoided in the future should investigations and data be properly and carefully obtained.

The reservoir system would solve the flood problem of two States which suffer immense damages yearly. The plan should appeal to those in charge of the efforts of the Government to find a correct and broad solution. The States to which I refer are Oklahoma and Arkansas.

From the report of the committee it would appear that it was their opinion that the floods of the lower Mississippi Valley can be controlled by reservoirs at the upper reaches of the tributary sources of the watershed.

The levee system used for nearly half a century has proven inadequate, and the present plan of levees, spillways, and flowage rights may solve the problem for the lower basin of the Mississippi for a period of years. This is accomplished at a huge expense and at a small possible return to the Government; more than a million acres of land are lost for use to the Nation.

The reservoir system must come, and is needed, for many of the States upon the tributaries of the main stream. Such a plan is their only remedy for the solution of the flood-control problem.

Storage reservoirs erected in the Dakotas, Nebraska, Kansas, Colorado, New Mexico, Texas, and Oklahoma will solve the flood situation upon the lower Mississippi and will restore to use millions of acres of agricultural land. Perhaps this land is not needed for the immediate use of the Nation, yet it can be converted into a dairy-producing and beet-culture area. Such dairy products and beet cultivation will not interfere with the present market prices or overproduction. It is only a few years until all our available food-producing land will be so needed. It is further known that this method of utility of waste land can be beneficially employed only by Government assistance and under Government control.

Certainly it is that, under proper Government contracts, this investment by the Government will be repaid.

The committee having in charge the carrying out of the provisions of the bill, should it become a law, must attempt to meet the spirit intended by the legislative bodies. The law must be so interpreted to bring substantial relief to the flooded districts of the Nation. The bill should be so broadly constructed that the menace of future floods may be avoided.

Mr. REED of Arkansas. Mr. Speaker and Members of the House of Representatives, under leave granted, I desire to put in the RECORD some observations upon the major problem before the American people, to wit, that of flood control.

It has been my intention for many weeks to call to the attention of the Members of the House, as well as to the attention of the country, the importance of early legislation along the line of flood control. The reason I have not done so prior to this time is, I have been waiting for those in control of the organization of the House to bring upon the floor of the House, where it could be discussed at length and amendments proposed thereto, a bill for flood control.

In making speeches in my district last fall I told the people that I did really believe that, owing to the fact that the Mississippi River and her tributaries affected more than 40 per cent of the physical area of the United States, that this gigantic problem of flood control would in no way be considered from a partisan, sectional, or narrow standpoint by those in control of the Seventieth Congress or even the President of the United States. It does seem now that I spoke flatteringly of those in control of legislation in the American Congress. We have been in session more than three months and the President of the United States is now insisting upon local contribution from those affected in the flooded areas, notwithstanding the bill on the calendar of the House known as the Reed bill does not ask for local contributions from the people in the local territories.

In my judgment the bill as reported by the Flood Control Committee of the House is the bill that should be passed by the Congress with proper amendments more properly caring for the tributaries in this system of flood control.

The question of local contributions is either right or wrong. I take the position that it is wrong. The argument is advanced that heretofore the people in the flooded areas have made local contributions in attempting to control the Mississippi River and her tributaries. This is true. Two wrongs will not make one right. There never was any justification or equity in the people making local contributions toward controlling the flood waters of the mightiest stream in the world. This river belongs to the United States in the most essentials. You can not sail your boats of commerce or span the stream with bridges without permission of the Federal Government. Its nature makes it essentially a national problem. There is only one Mississippi River in the world.

The people of the Mississippi Valley have heretofore, due to their great energy and their earnest desire to control the waters of this stream, made great sacrifices of their personal assets in making local contributions—indeed, without a murmur—but now in many instances their property and their belongings have been swept away by the floods of the spring of 1927, and they are no longer able to contribute as they have heretofore toward controlling the flood waters of the Mississippi River and her tributaries. It seems to me that this Government of ours, the richest government in the world, instead of still insisting upon local contributions should be really appreciative of the contributions heretofore made that in reality and legally speaking, in my judgment, should not have been made; but those in control of both the legislative and executive branches of our Government should without hesitation be glad at this late hour to assume complete and full control of this mighty project and act accordingly.

I recall that the President of the United States sent the Secretary of Commerce, Mr. Hoover, to visit the flooded areas during the time the flood was on and immediately after the flood had ceased. It was understood by the people of the Mississippi Valley that the Secretary of Commerce was the personal representative of the Chief Executive of this Nation. I certainly think this course of sending a representative to go over the premises was a wise one. It is to be regretted, however, that the President of the United States himself did not go over these premises during the floods or immediately thereafter. I attended, with other Members of Congress from Arkansas, a great gathering of the people in the capital of my State on the statehouse lawn in Little Rock, Ark., this past summer. There were probably 10,000 people present on that occasion. Both of our United States Senators were there, and many other men of distinction. Mr. Secretary Hoover, of course, was the principal guest of the evening. He spoke at great length, and amid the enthusiasm of perhaps every person present, we watched his speech carefully. In that speech the Secretary of Commerce, Mr. Hoover, plainly stated that the Mississippi River and her tributaries were not a local but a national question. He proposed that the Federal Government should and would assume complete control of it in order that the devastation that accompanied the floods of 1927 would never again occur in the history of this Republic. Mr. Hoover did not mention or intimate that the local people would be called upon for any contribution whatsoever.

Now, when the legislation is at hand we find the Secretary of Commerce, Mr. Hoover, either lined up with the President or mum upon the question of local contributions. He is either fishing in Florida or contesting for State delegations for the presidential nomination with favorite sons in Ohio, Indiana, and other States, while those of us who relied upon him are completely disappointed. It reminds one of the old expression, "Where, oh where is Roderick Dhu when one blast from his bugle to-day" would or should mean so much for the people whom he led to believe he would do his utmost to help.

I deem it necessary to put into the RECORD the best data I can get upon the losses that occurred during the last flood in the sixth district of Arkansas, the district I have the honor to represent in this Congress:

ARKANSAS COUNTY

| | |
|---|---|
| 400 houses destroyed and damaged | $320,000 |
| 10 stores destroyed and damaged | 10,000 |
| 400 barns destroyed and damaged | 160,000 |
| 200 other buildings destroyed and damaged | 20,000 |
| Damage to merchandise | 10,000 |
| Damage to farm implements | 3,000 |
| Damage to feed | 3,000 |
| Damage to seed | 2,000 |
| Damage to household goods | 50,000 |
| 10 horses and mules lost | 1,000 |
| 25 cattle lost | 500 |
| 250 hogs lost | 2,500 |
| 350 poultry lost | 175 |
| Cost of replanting | 13,600 |
| Loss of rents on lands not cultivated by reason of overflow | 200,000 |
| Business losses | 250,000 |
| Damage to growing crops | 100,000 |
| Total property damage | 1,145,775 |

CLEVELAND COUNTY

| | |
|---|---|
| 10 houses damaged | 3,000 |
| 3 barns damaged | 600 |
| 2 other buildings destroyed | 600 |
| 20 other buildings damaged | 2,000 |
| Damage to farm implements | 1,000 |
| Damage to feed | 10,000 |
| Damage to seed | 100 |
| Damage to household goods | 500 |
| 10 horses and mules lost | 1,000 |
| 25 cattle lost | 625 |
| 500 hogs lost | 5,000 |
| 50 sheep and goats lost | 100 |
| 500 poultry lost | 500 |
| Cost of replanting | 5,000 |
| Damage to land by washing and spreading of obnoxious grasses | 1,000 |

| | |
|---|---|
| Loss of rents on lands not cultivated by reason of overflow | $500 |
| Business losses | 20,000 |
| Damage to growing cotton crop | 5,000 |
| Damage to private roads and bridges | 1,000 |
| Damage to private ditches and drains | 1,000 |
| Total property damage | 58,525 |

DREW COUNTY

| | |
|---|---|
| 10 horses and mules lost | 1,250 |
| 10 cattle lost | 400 |
| Business losses | 10,000 |
| Total property damage | 11,650 |

DESHA COUNTY

| | |
|---|---|
| 3,000 houses destroyed | 1,500,000 |
| 3,000 houses damaged | 900,000 |
| 35 stores destroyed | 26,250 |
| 165 stores damaged | 82,500 |
| 5 gins destroyed | 50,000 |
| 5 gins damaged | 5,000 |
| 500 barns destroyed | 300,000 |
| 500 barns damaged | 150,000 |
| 6,000 other buildings destroyed | 600,000 |
| Damage to merchandise | 75,000 |
| Damage to baled cotton | 175,000 |
| Damage to farm implements | 20,000 |
| Damage to automobiles | 45,000 |
| Damage to feed | 125,000 |
| Damage to seed | 50,000 |
| Damage to household goods | 1,800,000 |
| 3,000 horses and mules lost | 300,000 |
| 2,800 cattle lost | 56,000 |
| 3,500 hogs lost | 35,000 |
| 350 sheep and goats lost | 1,050 |
| 10,000 poultry lost | 5,000 |
| Cost of replanting | 100,000 |
| Damage to land by washing and spreading of obnoxious grasses | 375,000 |
| Loss of rents on lands not cultivated by reason of overflow | 500,000 |
| Damage to 100 miles of fence | 15,000 |
| Business losses | 1,000,000 |
| Damage to growing cotton crops | 500,000 |
| Damage to other growing crops | 150,000 |
| Damage to private roads and bridges | 50,000 |
| Damage to matured crops | 20,000 |
| Damage to school buildings and equipment | 15,000 |
| Total property damage | 9,025,800 |

GARLAND COUNTY

| | |
|---|---|
| 12 houses destroyed | 7,200 |
| 6 houses damaged | 2,400 |
| 5 stores destroyed | 3,000 |
| 2 stores damaged | 400 |
| 12 barns destroyed | 300 |
| 6 barns damaged | 750 |
| Damage to merchandise | 6,000 |
| Damage to farm implements | 2,500 |
| Damage to feed | 4,000 |
| Damage to household goods | 6,000 |
| 20 horses and mules lost | 2,000 |
| 40 cattle lost | 800 |
| 75 hogs lost | 750 |
| 250 poultry lost | 125 |
| Cost of replanting | 15,000 |
| Damage to land by washing and spreading of obnoxious grasses | 125,000 |
| Loss of rents on lands not cultivated by reason of overflow | 5,000 |
| Damage to 35 miles of fence | 7,000 |
| Business losses | 100,000 |
| Damage to growing cotton crop | 25,000 |
| Damage to other growing crops | 25,000 |
| Damage to private roads and bridges | 1,250 |
| Damage to private ditches and drains | 1,250 |
| Total property damage | 343,425 |

HOT SPRING COUNTY

| | |
|---|---|
| 40 houses damaged | 6,000 |
| 20 barns destroyed | 8,000 |
| 20 barns damaged | 2,000 |
| 75 other buildings destroyed | 3,750 |
| Damage to farm implements | 5,000 |
| Damage to feed | 10,000 |
| 100 horses and mules lost | 10,000 |
| 1,000 cattle lost | 20,000 |
| 1,000 hogs lost | 8,000 |
| Cost of replanting | 15,000 |
| Damage to land by washing and spreading of obnoxious grasses | 150,000 |
| Loss of rents on lands not cultivated by reason of overflow | 90,000 |
| Damage to 40 miles of fence | 2,000 |
| Business losses | 500,000 |
| Damage to growing cotton crop | 400,000 |
| Damage to other growing crops | 50,000 |
| Damage to private roads and bridges | 5,000 |
| Damage to private ditches and drains | 2,000 |
| Total property damage | 1,286,750 |

JEFFERSON COUNTY

| | |
|---|---|
| 10 houses destroyed | 20,000 |
| 500 houses damaged | 15,000 |
| 5 stores destroyed | 7,500 |
| 100 stores damaged | 10,000 |
| 20 gins damaged | 10,000 |
| 5 barns destroyed | 2,500 |
| 50 barns damaged | 2,500 |
| 200 other buildings destroyed | 3,100 |
| 2,000 other buildings | 8,000 |
| Damage to merchandise | 3,000 |
| Damage to baled cotton | $7,500 |
| Damage to oil mills | 5,000 |
| Damage to farm implements | 7,000 |
| Damage to automobiles | 1,000 |
| Damage to feed | 5,000 |
| Damage to seed | 1,000 |
| Damage to household goods | 2,000 |
| 10 horses and mules lost | 1,000 |
| 15 cattle lost | 250 |
| 700 hogs lost | 7,000 |
| 50 sheep and goats lost | 250 |
| 500 poultry lost | 500 |
| Cost of replanting | 15,000 |
| Damage to land by washing and spreading of obnoxious grasses | 25,000 |
| Loss of rents on lands not cultivated by reason of overflow | 50,000 |
| Damage to fences | 4,000 |
| Business losses | 75,000 |
| Damage to growing cotton crop | 50,000 |
| Damage to other growing crops | 10,000 |
| Damage to private roads and bridges | 5,000 |
| Damage to private ditches and drains | 3,000 |
| Damage to matured crops | 2,000 |
| Total property damage | 358,100 |

LINCOLN COUNTY

| | |
|---|---|
| 12 houses destroyed | 15,000 |
| 200 houses damaged | 10,000 |
| 1 store destroyed | 7,000 |
| Damage to merchandise | 5,000 |
| Damage to baled cotton | 2,000 |
| Damage to farm implements | 500 |
| Damage to feed | 10,000 |
| Damage to seed | 3,000 |
| 105 horses and mules lost | 10,500 |
| 200 cattle lost | 2,400 |
| 600 hogs lost | 4,800 |
| 10 sheep and goats lost | 25 |
| 2,500 poultry lost | 1,875 |
| Cost of replanting | 5,000 |
| Damage to land by washing and spreading of obnoxious grasses | 5,000 |
| Loss of rents on lands not cultivated by reason of overflow | 15,000 |
| Damage to 10 miles of fence | 2,000 |
| Business losses | 50,000 |
| Damage to growing cotton crop | 5,000 |
| Damage to other growing crops | 3,000 |
| Total property damage | 156,650 |

LONOKE COUNTY

| | |
|---|---|
| 50 houses damaged | 5,000 |
| 1 barn destroyed | 500 |
| 10 barns damaged | 500 |
| Damage to feed | 10,000 |
| Damage to seed | 4,000 |
| Damage to household goods | 3,500 |
| 2 horses and mules lost | 200 |
| 25 cattle lost | 1,250 |
| 1,500 poultry lost | 1,200 |
| 100 hogs lost | 1,500 |
| Cost of replanting | 75,000 |
| Damage to land by washing and spreading of obnoxious grasses | 50,000 |
| Loss of rents on lands not cultivated by reason of overflow | 50,000 |
| Damage to growing crop | 5,000 |
| Damage to private roads and bridges | 3,500 |
| Damage to private ditches and drains | 50,000 |
| Total property damage | 261,150 |

DALLAS COUNTY

By personal contact, telegrams, and letters I have attempted to get in touch with the situation to ascertain the amount of damages in Dallas County, and from such information available I can state that the damages to this county were more than $40,000.

SALINE COUNTY

By using the same means to ascertain the amount of damages for the county of Saline caused by the flood of 1927 the best estimate I can make is that the damages amount to more than $200,000.

GRANT COUNTY

By using the same information I have used in ascertaining the damages done in the other counties during the flood of 1927 my estimate of the amount of damage for the county of Grant is $50,000.

The total amount of damages, as near as can be ascertained, for the 12 counties embracing the sixth congressional district of Arkansas is $12,937,825.

This gross amount of damage that occurred by reason of the 1927 flood is obtained from the best authorities I can get on the subject. I can state that it is not overestimated, but the converse is probably true.

In addition to the excessive loss of personal property there was much damage done by reason of land being washed away and otherwise injured, and last, but not least, many lives were lost, there being 98 deaths in the State of Arkansas alone by reason of these floods.

I have attended many of the hearings before the Fool Control Committee of the House of Representatives and I can state that I do believe that committee has worked as hard as any committee ever worked and has diligently sought to bring forth a

bill that, if enacted into a law with some amendments more properly caring for the tributaries, would make it physically impossible for these floods to occur again.

I will not attempt to discuss the physical or engineering features of this mighty project, but I do know that the greatest engineering minds of our country are supporting the plan outlined in the House bill.

During the preparation of these observations the House of Representatives has passed, by a vote of 254 for and 91 votes against, Senate bill 3740, known as the Jones bill, with many of the features of the Reid bill being adopted to said Senate bill. While this bill is hardly all that we had hoped would pass the House of Representatives, all matters considered, I think this a good bill. I do believe that when this bill is finally put into operation that it will forever prevent the menace of floods on the Mississippi River and her tributaries.

Of course, this bill is still before the American Congress and will now go to the Senate, where we believe the amendments adopted by the House will be concurred in by the Senate. The author of the bill, Senator JONES, of the State of Washington, has stated in public print that the amendments adopted by the House would, in his judgment, strengthen the bill.

It is still urged by some of the administration's leaders that the President will veto this bill. It is urged that the President will veto the bill because the bill does not provide sufficiently for local contributions, and further because the bill does not provide for the upkeep of certain projects after same have been constructed by the Federal Government. Leaders for the administration state there are other objections on behalf of the President of a similar import.

I do not believe the President of the United States will veto this bill, which will doubtless be before the Congress for many days yet, but when it finally reaches the President's hand I do not believe that the President of this great Republic with the light that will be before him at that time will veto and strike down the relief offered in the bill. As stated, this bill may be far from perfect, but it does embrace the work of those of us who have done the best we could to remedy an evil that is recognized to be the great, gigantic problem of America to-day. It is not necessary to comment upon the necessity for legislation along this line; it is conceded in every part of America. It is not necessary to pick out specific instances where it is the duty of the Government of the United States to go to the relief of the affected territory. Suffice it to say that more than two-thirds of the Members of the House have subscribed their names to a bill that in the main will give protection in the future to our people who so richly deserve it.

Future Congresses will doubtless be called upon and doubtless should be called upon to enact statutes perfecting the plan as outlined in this bill. It was said on the floor of the House that before the plans as outlined in this bill are carried out it will cost the Government more than a billion dollars. To my mind, this is no argument against it. We only have one Mississippi River; it is our river, it is the Federal Government's river, and it is our duty to assume the responsibility.

Since the signing of the Declaration of Independence, as a whole the leaders of thought of this Nation have attempted to study the problems we have with us and to properly analyze and solve them, whether they be problems of war or questions before us in peace time. The passage of this bill and the putting into operation thereof will not require the physical bravery which has actuated our great generals in the past, but it does and will require the expenditure of a vast sum of money and it will require an exemplification of the best engineering thought of the world. No one can state that those charged with the promulgation of this plan have acted hastily. For more than six months the Committee on Flood Control has been taking testimony not only with reference to the damages caused by the flood of 1927 but with a view of finding a plan that will prevent a reoccurrence, or even more, an overflow whereby the slightest damage may occur. Thousands of witnesses have been heard, thousands of dollars expended in an honest endeavor to accumulate data upon which to act. And now that the Congress has acted let our people enter into the operation of this plan whole-heartedly with full confidence in the ability and integrity of those called upon officially to carry out the provisions of this bill.

Mr. GARBER. Mr. Speaker and Members of the House, the States of Oklahoma, Kansas, Texas, New Mexico, and Colorado, members of the Interstate Commission for the Control of the Arkansas and the Red Rivers, have through noted civilian engineers studied the reservoir question with a view of holding back the flood run-off from a sufficient part of the drainage basin to enable the river and its major tributaries to safely pass the remaining storm water.

They started on a theory of holding back the run-off from one-third of the area, but developed their plan to the control of something more than 40 per cent of any possible flood run-off, and of more than 50 per cent of the basin area. So far, no reported storm has ever covered the entire two basins, which comprise nearly one-fourth of the Mississippi Valley.

The civilian engineers' plan was exactly the opposite of the Army engineers' plan, the plan of the civilian engineers being to keep the floods out of the river and the Army plan being to let the floods into the river and there undertake to capture or control them.

The civilian plan resulted in the adoption of approximately 200 sites for reservoirs distributed throughout the drainage basin of the two rivers, keeping on the tributaries and off the main stem of the stream so that no storm on the basin could escape the control.

The surveys being made and the costs being carefully calculated, it developed that complete and assured control of the entire basin of the two rivers could be accomplished by the widely distributed reservoirs at a cost of approximately $100,000,000, which is about half the amount of money suggested by the Army engineers to care for the waters after they reach the so-called alluvial valley.

These two rivers furnished something more than half of the flood of 1927, and had these two rivers been under control the overflow of 1927 would not have occurred and the entire lower country would have been saved.

Considering the area and the character of the country, the length of the rivers, the average annual rainfall, and seasonal conditions, very competent engineers have estimated that the corresponding and equal control of the Missouri River, of three times the area, but much less flood flow, could be handled at about $165,000,000; that the upper Mississippi could be kept within bank limits for $40,000,000, and that the Ohio and tributaries could be completely reservoired to keep it within undestructive bank limits for $250,000,000; so that the total prospective cost of reservoir control by the civilian plan for the entire Mississippi Valley should be somewhere between $500,000,000 and $600,000,000.

A large part of this would be reimbursed in the course of years, the greatest reimbursement being the introduction into the country of dependable bodies of water where water does not exist, as promotive of the pleasures and enjoyments of life, fish and game production, and comfort accessible to people. One who has not lived in the interior has no comprehension of the value of this use. In the very far West, irrigation and tree growing would ultimately—after 20 years or more, which is a short period in governmental life—repay the outlay.

Finally, the regulated flow of these rivers would assure navigation to an extent never before known or enjoyed; would stop the washing out of the river banks and levees by the high floods, make dredging of bars and revetting and riprapping of the banks unnecessary. It is thus shown to be more advisable than the other plans of Mississippi River control.

It is also much cheaper. I know of no civilian engineer who has figured the cost of the Jadwin plan at less than $1,000,000,000, and the more general opinion is $1,500,000,000. Outside of initial money outlay, it takes out of the lower Mississippi Valley 10,000 square miles, or one-third of the valley, and dedicates it to flood ways. It is really turning back to the river for flood use a greater part of the Mississippi Valley than the river would ever overflow if there had never been built a single foot of levees. Stated in the reverse, it means that after having spent $500,000,000 to keep the Mississippi River off of the lower valley it is now proposed to spend over a billion dollars to turn it back into the occupation of more of the valley than it in nature occupied.

The reservoir board of the United States Army did make a report on reservoirs last year after two or three months of conjecture, but without any work. The interstate commission submitted to them its maps, figures, locations, and estimates, both of cost and effect. Some of the members of the board have admitted that the distributed reservoirs would have the effect stated and would cost substantially as estimated, but the reservoir board abandoned on the Arkansas and Red River Basins almost the entire work that has been laboriously and painstakingly done the past eight years, and at an expense of several hundred thousand dollars, and substituted, conjectured, or projected reservoirs across the main stems of the big rivers like the Red, the Arkansas, the Missouri, and the Mississippi, as, for instance, they placed one reservoir across the Mississippi just above Cairo, one across the Missouri just above the confluence of the Mississippi and several others in the main stem of such rivers, to which no civilian engineer yet interviewed has given approval. The effect credited to such reservoirs was

then given as very inadequate to accomplish flood control and the cost as prohibitive.

The work of the Interstate Commission on the Arkansas and Red Rivers was the work of a hundred or more very competent civil engineers, who had spent a lifetime in the practice of their profession. The work has been scrutinized, considered, and discussed by some of the most distinguished engineers in America, and has met the approval of everyone to whom it has been submitted, both as to cost and effect.

Considering the area alone, the cost of the Army plan approximates $1,000 per square mile of the Mississippi Valley. The cost of the Mississippi River plan is approximately $700 per square mile. The cost of the reservoir plan on the Arkansas and the Red Rivers, the two most dangerous rivers of the Mississippi tributaries and furnishing more than half of the 1927 flood, is $360 per square mile. Considered specifically as to the 1927 flood on the Arkansas River, which contributed more than half of the flood and may be said to have done practically all of the damage, the storm area of the 1927 flood would have been controlled under the reservoir plan of the interstate commission at a cost of about $21,000,000. That is to say, $21,000,000 would, put into the reservoirs selected by the engineers for the interstate commission, have prevented the Arkansas flood of 1927, which in turn would have prevented the Mississippi flood of 1927, the destruction of which has been given as from $400,000,000 to $800,000,000.

Charging against the Arkansas only half of the destruction of the 1927 flood, it could have been prevented by reservoirs at one-twentieth of the cost of destruction in that one year.

All these matters were fairly and fully presented to the Army engineers, but were discarded for the suggested plan of buying half of the lower river valley for the river and walling the flood waters off the other half.

In point of time, the Army plan contemplates 10 years before any effect could be had, as the chain is not completed without the last link. Every reservoir installed has immediate effect. The entire Arkansas and Red River Basins, practically one-fourth of the area and actually the dangerous half of the Mississippi flood, could be installed in two years. Nine-tenths of it could be installed the first year after the money was available. Four of the reservoirs are large enough to probably require two years to complete. However, their incompleteness would not impair the effect of the others that could be completed in a year's time. Moreover, a break anywhere in the levee chain on a floodway chain destroys the whole chain. A loss of one reservoir does not interfere with another one.

If the levee system proves insufficient or inadequate, the entire system must be increased to supply the adequacy along the whole length of the levees, 1,800 miles. If the reservoir system proves inadequate, additional reservoirs may be installed without in any way affecting the other works, other than to make them safer, as the civilian engineers stay away from the main stream and control the drainage area, the antithesis of the Army engineers keeping on the main stream and fighting the flood after it has accumulated.

The civilian plan places the reservoirs generally on unused and inexpensive land, where no economic loss is entailed and no expensive improvements must be changed. The Army plan sacrifices the richest of the Mississippi Valley and necessitates changes of railroads, highways, and other improvements, easily figured more than $100,000,000. In other words, the rearrangement of utilities alone under the Army plan exceeds the carefully calculated cost of complete control of the Arkansas and the Red Rivers under the civilian plan.

The interstate commission is prepared to submit what ought to be satisfactory proof that the reservoir plan is the cheapest, quickest, safest, more logical, and most certain of all plans suggested. In addition, it protects the properties in the valley of the river above the alluvial basin, where vastly greater property losses occur and much greater public inconvenience and interruption of commerce occur, and where greater national benefits would be received than from the installation of the Army plan.

EXTENSION OF REMARKS

Mr. REID of Illinois. Mr. Speaker, when I made the request the other day that Members might have five days within which to extend their remarks in the RECORD upon this bill, I made it for five days from that time. I ask unanimous consent to extend that now to five days from to-day.

The SPEAKER. The gentleman from Illinois asks unanimous consent that all Members may have five days from to-day within which to extend their own remarks in the RECORD upon this bill. Is there objection?

There was no objection.

Mr. MAJOR of Illinois. Mr. Speaker, I ask unanimous consent to print in the RECORD in connection with the extension of my remarks upon the bill two newspaper editorials and some letters.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by quoting from newspaper editorials on this bill. Is there objection?

Mr. MADDEN. Mr. Speaker, I insist that any extension of remarks upon this subject shall be the remarks of the individual who makes them, without newspaper clippings or anything.

Mr. LAGUARDIA. How about the law on the subject?

Mr. MADDEN. Well, there is no law on this subject.

Mr. MAJOR of Illinois. What about witnesses who testified before the committee?

Mr. MADDEN. The gentleman means he wants to quote their testimony? I do not think we ought to have the testimony repeated. There have been thousands of pages of it. I think we ought to confine these extensions to the remarks of gentlemen who made them.

The SPEAKER. The gentleman from Illinois objects.

PENSIONS—WITHDRAWAL OF A CONFERENCE REPORT

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to withdraw from the files of the House a conference report which I filed yesterday on the Senate bill 2900.

The SPEAKER. The gentleman from Indiana asks unanimous consent to withdraw from the files of the House a conference report upon the bill referred to. Is there objection?

There was no objection.

PRINTING OF THE BILL

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent that the bill as it passed to-day—that is, including the amendments—be printed in the RECORD.

The SPEAKER. The gentleman asks unanimous consent that the bill be printed in the RECORD as it passed to-day. Is there objection?

There was no objection.

Mr. REID of Illinois. Mr. Speaker, would that include also an order for the printing of the bill otherwise than in the RECORD? If not, I ask that that be done.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bill may be printed as it passed to-day. Is there objection?

There was no objection.

The bill is as follows:

An act (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes

*Be it enacted, etc.*, That the project for the flood control of the Mississippi River in its alluvial valley and for its improvement from the Head of the Passes to Cape Girardeau, Mo., in accordance with the engineering plan set forth and recommended in the report submitted by the Chief of Engineers to the Secretary of War dated December 1, 1927, and printed in House Document No. 90, Seventieth Congress, first session, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers: *Provided*, That a board to consist of the Chief of Engineers, the president of the Mississippi River Commission, and a civil engineer chosen from civil life, to be appointed by the President, by and with the advice and consent of the Senate, whose compensation shall be fixed by the President and be paid out of the appropriations made to carry on this project, is hereby created; and such board is authorized and directed to consider the engineering differences between the adopted project and the plans recommended by the Mississippi River Commission in its special report dated November 28, 1927, and after such study and such further surveys as may be necessary, to recommend to the President such action as it may deem necessary to be taken in respect to such engineering differences, and the decision of the President upon all recommendations or questions submitted to him by such board shall be followed in carrying out the project herein adopted. The board shall not have any power or authority in respect to such project except as hereinbefore provided. Such project and the changes therein, if any, shall be executed in accordance with the provisions of section 8 of this act. Such surveys shall be made between Baton Rouge, La., and Cape Girardeau, Mo., as the board may deem necessary to enable it to ascertain and determine the best method of securing flood relief in addition to levees, before any flood-control works other than levees and revetments are undertaken on that portion of the river: *Provided*, That all diversion works and outlets constructed under the provisions of this act shall be built in a manner and of a character which will fully and amply protect the adjacent lands: *Provided further*, That pending completion of any flood way, spillway, or diversion channel the areas within the same shall be given the same degree of protection as is

afforded by levees on the west side of the river contiguous to the levee at the head of said flood way, but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river. The sum of $325,000,000 is hereby authorized to be appropriated for this purpose.

All unexpended balances of appropriations heretofore made for prosecuting work of flood control on the Mississippi River in accordance with the provisions of the flood control acts approved March 1, 1917, and March 4, 1923, are hereby made available for expenditure under the provisions of this act, except section 13.

SEC. 2. That it is hereby declared to be the sense of Congress that the principle of local contributions toward the cost of flood-control work, which has been incorporated in all previous national legislation on the subject, is sound, as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest. As a full compliance with this principle in view of the great expenditure, estimated at approximately $292,000,000, heretofore made by the local interests in the alluvial valley of the Mississippi River for protection against the floods of that river; in view of the extent of national concern in the control of these floods in the interests of national prosperity, the flow of interstate commerce, and the movement of the United States mails; and, in view of the gigantic scale of the project, involving flood waters of a volume and flowing from a drainage area largely outside the States most affected, and far exceeding those of any other river in the United States, no local contribution to the project herein adopted is required.

SEC. 3. Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any item of the project until the States or levee districts have given assurances satisfactory to the Secretary of War that they will (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees; maintenance includes normally such matters as cutting grass, removal of weeds, local drainage, and minor repairs of main river levees; (b) agree to accept the title to land turned over to them under the provisions of section 4; (c) provide, without cost to the United States, all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place: *Provided, however,* That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct works for the protection of adjacent lands, and that such adjacent lands will be subject to damage by the execution of the general flood-control plan, it shall be the duty of the board herein provided to cause to be acquired on behalf of the United States Government either the absolute ownership of the lands so subjected to overflow, or floodage rights over such land.

SEC. 4. The United States shall provide flowage rights for destructive flood waters that will pass by reason of diversions from the main channel of the Mississippi River and shall control, confine, and regulate such diversions.

The Secretary of War may cause proceedings to be instituted for the acquirement by condemnation of any lands, easements, or rights of way which, in the opinion of the Secretary of War, are needed in carrying out this project, the said proceedings to be instituted in the United States district court for the district in which the land, easement, or right of way is located. In all such proceedings the court, for the purpose of ascertaining the value of the property and assessing the compensation to be paid, shall appoint three commissioners, whose award, when confirmed by the court, shall be final. When the owner of any land, easement, or right of way shall fix a price for the same which, in the opinion of the Secretary of War is reasonable, he may purchase the same at such price; and the Secretary of War is also authorized to accept donations of lands, easements, and rights of way required for this project. The provisions of sections 5 and 6 of the river and harbor act of July 18, 1918, are hereby made applicable to the acquisition of lands, easements, or rights of way needed for works of flood control: *Provided,* That the title to any land acquired under the provisions of this section, and used in connection with the works authorized by this act, shall be turned over without cost to the States or levee districts, which shall retain the same for the purposes specified in this act.

SEC. 5. Subject to the approval of the heads of the several executive departments concerned, the Secretary of War, on the recommendation of the Chief of Engineers, may engage the services and assistance of the Coast and Geodetic Survey, the Geological Survey, or other mapping agencies of the Government, in the preparation of maps required in furtherance of this project, and funds to pay for such services may be allotted from appropriations made under the authority of this act.

SEC. 6. Funds appropriated under authority of section 1 of this act may be expended for the prosecution of such works for the control of the floods of the Mississippi River as have heretofore been authorized and are not included in the present project, including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of the Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided,* That for such work on tributaries the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the cost of the works, and maintain them after completion: *And provided further,* That not more than $10,000,000 of the sum authorized in section 1 of this act shall be expended under the provisions of this section.

In an emergency funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district.

SEC. 7. That the sum of $5,000,000 is authorized to be appropriated as an emergency fund to be allotted by the Secretary of War on the recommendation of the Chief of Engineers, in rescue work or in the repair or maintenance of any flood-control work on any tributaries of the Mississippi River threatened or destroyed by flood, including the flood of 1927.

SEC. 8. The project herein authorized shall be prosecuted by the Mississippi River Commission under the direction of the Secretary of War and supervision of the Chief of Engineers and subject to the provisions of this act. It shall perform such functions and through such agencies as they shall designate after consultation and discussion with the president of the commission. For all other purposes the existing laws governing the constitution and activities of the commission shall remain unchanged. The commission shall make inspection trips of such frequency and duration as will enable it to acquire first-hand information as to conditions and problems germane to the matter of flood control within the area of its jurisdiction; and on such trips of inspection ample opportunity for hearings and suggestions shall be afforded persons affected by or interested in such problems. The president of the commission shall be the executive officer thereof and shall have the qualifications now prescribed by law for the Assistant Chief of Engineers, shall have the title brigadier general, Corps of Engineers, and shall have the rank, pay, and allowances of a brigadier general while actually assigned to such duty: *Provided,* That the present incumbent of the office may be appointed a brigadier general of the Army, retired, and shall be eligible for the position of president of the commission if recalled to active service by the President under the provisions of existing law.

The salary of the president of the Mississippi River Commission shall hereafter be $10,000 per annum, and the salary of the other members of the commission shall hereafter be $7,500 per annum. The official salary of any officer of the United States Army or other branch of the Government appointed or employed under this act shall be deducted from the amount of salary or compensation provided by, or which shall be fixed under, the terms of this act.

SEC. 9. The provisions of sections 13, 14, 16, and 17, of the river and harbor act of March 3, 1899, are hereby made applicable to all lands, waters, easements, and other property and rights acquired or constructed under the provisions of this act.

SEC. 10. That it is the sense of Congress that the surveys of the Mississippi River and its tributaries, authorized pursuant to the act of January 21, 1927, and House Document No. 308, Sixty-ninth Congress, first session, be prosecuted as speedily as practicable, and the Secretary of War, through the Corps of Engineers, United States Army, is directed to prepare and submit to Congress at the earliest practicable date projects for flood control on all tributary streams of the Mississippi River system subject to destructive floods, which projects shall include: The Red River and tributaries, the Yazoo River and tributaries, the White River and tributaries, the St. Francis River and tributaries, the Arkansas River and tributaries, the Ohio River and tributaries, the Missouri River and tributaries, and the Illinois River and tributaries; and the reports thereon, in addition to the surveys provided by said House Document 308, Sixty-ninth Congress, first session, shall include the effect on the subject of further flood control of the lower Mississippi River to be attained through the control of the flood waters in the drainage basins of the tributaries by the establishment of a reservoir system; the benefits that will accrue to navigation and agriculture from the prevention of erosion and siltage entering the stream; a determination of the capacity of the soils of the district to receive and hold waters from such reservoirs; the prospective income from the disposal of reservoired waters; the extent to which reservoired waters may be made available for public and private uses; and inquiry as to the return flow of waters placed in the soils from reservoirs, and as to their stabilizing effect on stream flow as a means of preventing erosion, siltage, and improving navigation: *Provided,* That before transmitting such reports to Congress the same shall be presented to the board

created in section 1 of this act, and its conclusions and recommendations thereon shall be transmitted to Congress by the Secretary of War with his report.

The sum of $5,000,000 is hereby authorized to be used out of the appropriation herein authorized in section 1 of this act, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized in this section: *Provided further,* That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act: *And provided further,* That the President shall proceed to ascertain through the Secretary of Agriculture the extent to and manner in which the floods in the Mississippi Valley may be controlled by proper forestry practice.

SEC. 11. That the Secretary of War shall cause the Mississippi River Commission to make an examination and survey of the Mississippi River below Cape Girardeau, Mo., (a) at places where levees have heretofore been constructed on one side of the river and the lands on the opposite side have been thereby subjected to greater overflow, and where, without unreasonably restricting the flood channel, levees can be constructed to reduce the extent of this overflow, and where the construction of such levees is economically justified, and report thereon to the Congress as soon as practicable with such recommendations as the commission may deem advisable; (b) with a view to determining the estimated effects, if any, upon lands lying between the river and adjacent hills by reason of overflow of such lands caused by the construction of levees at other points along the Mississippi River, and determining the equities of the owners of such lands and the value of the same, and the commission shall report thereon to the Congress as soon as practicable with such recommendation as it may deem advisable: *Provided,* That inasmuch as the Mississippi River Commission made a report on the 26th day of October, 1912, recommending a levee to be built from Tiptonville, Tenn., to the Obion River in Tennessee, the said Mississippi River Commission is authorized to make a resurvey of said proposed levee and a relocation of the same if necessary, and if such levee is found feasible, and is approved by the board created in section 1 of this act, and by the President, the same shall be built out of appropriations hereafter to be made.

SEC. 12. All laws or parts of laws inconsistent with the above are hereby repealed.

SEC. 13. That the project for the control of floods in the Sacramento River, Calif., adopted by section 2 of the act approved March 1, 1917, entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," is hereby modified in accordance with the report of the California Débris Commission submitted in Senate Document No. 23, Sixty-ninth Congress, first session: *Provided,* That the total amounts contributed by the Federal Government, including the amounts heretofore contributed by it, shall in no event exceed in the aggregate $17,600,000.

SEC. 14. In every contract or agreement to be made or entered into for the acquisition of land either by private sale or condemnation as in this act provided, the provisions contained in section 3741 of the Revised Statutes, being section 22 of title 41 of the United States Code, shall be applicable.

MESSAGE FROM THE PRESIDENT—OAKLAND HARBOR, CALIF.

The SPEAKER laid before the House the following message from the President of the United States, which was read:

*To the House of Representatives:*

In compliance with the resolution of the House of Representatives of April 20, 1928 (the Senate concurring), I return herewith H. J. Res. 244, entitled "Joint resolution authorizing a modification of the adopted project for Oakland Harbor, Calif."

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 24, 1928.*

HOUSE CONCURRENT RESOLUTION

Mr. CARTER. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution which I send to the desk and ask to have read.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

House Concurrent Resolution 32

*Resolved by the House of Representatives (the Senate concurring),* That the action of the Speaker of the House of Representatives and of the Vice President in signing the joint resolution (H. J. Res. 244) entitled "A joint resolution authorizing the modification of the adopted project for Oakland Harbor, Calif.," be rescinded, and that in the reenrollment of said joint resolution the word "June" be stricken out and the word "January" be inserted in lieu thereof.

The SPEAKER. Is there objection?

Mr. CHINDBLOM. Reserving the right to object, Mr. Speaker, does the gentleman actually want the former action rescinded? The resolution is back here.

Mr. CARTER. Yes. It has to be signed over again, and you have to rescind their action in signing.

The SPEAKER. Is there objection?

Mr. CHINDBLOM. Mr. Speaker, I withdraw my reservation.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

ORDER OF BUSINESS

Mr. BANKHEAD. May I ask the gentleman from Connecticut [Mr. TILSON] if it is the understanding that Calendar Wednesday will function to-morrow and the Committee on the Merchant Marine and Fisheries will have the call?

Mr. TILSON. There has heretofore been some unwillingness to dispense with business in order on Calendar Wednesday. At this point in the session I think that I should not ask that Calendar Wednesday be dispensed with to-morrow unless the committee most directly concerned requests it. This has not been done in this case.

Mr. BANKHEAD. Then that means that there will be Calendar Wednesday to-morrow?

Mr. TILSON. So far as I know, that is the program.

Mr. HASTINGS. May I ask if the McNary-Haugen bill will be taken up to-morrow?

Mr. TILSON. I might ask unanimous consent to consider to-morrow a rule for the consideration of the McNary-Haugen bill, so that we could begin on Thursday morning with the bill itself.

Mr. BANKHEAD. Why not ask for that now?

Mr. RAMSEYER. I think that nothing can be gained by mapping out a program here to-day like that.

Mr. TILSON. If there is objection, Mr. Speaker, of course, I shall withdraw the request.

Mr. GARNER of Texas. I understand the policy of Congress is that in case there is no objection to dispensing with Calendar Wednesday it will be dispensed with.

Mr. TILSON. There have been occasions when committees concerned have asked for it to be dispensed with by a two-thirds vote.

Mr. GARNER of Texas. I do not know of any more important bill to consider in the House than the McNary-Haugen bill.

Mr. TILSON. To-morrow, if two-thirds should insist that we do so, it would be done. I would not ask now without the request of the committee next on the calendar.

Mr. GARRETT of Tennessee. With respect to the McNary-Haugen bill, I understand it is desired by the committee to have some change made in the rule. I do not know just what it is, but I understood that a meeting of the Committee on Rules would be called for to-morrow morning.

Mr. TILSON. To change the rule?

Mr. GARRETT of Tennessee. Yes.

Mr. TILSON. I have heard nothing of what the gentleman states.

Mr. WHITE of Maine. Mr. Speaker, the Committee on the Merchant Marine and Fisheries has three bills ready to present to-morrow. If it is the desire of the House to act on a rule making the farm relief bill in order, I would be willing to give way. We have three bills, and I think we could dispose of them within a reasonably short time.

Mr. MADDEN. What three bills?

Mr. WHITE of Maine. One establishing a steamboat-inspection office in the State of Washington.

Mr. MADDEN. Why an extra steamboat-inspection office?

Mr. WHITE of Maine. I think that will appear when the bill is taken up and discussion had of it. The Committee on the Merchant Marine and Fisheries was satisfied not only of the propriety but of the necessity for it, and has so reported to the House.

Now, there is another bill that ought not to take a long time unless many Members desire to talk upon it. That is a bill extending the thanks of Congress to the officers and crews of various ships that have saved life at sea under very extraordinary conditions and circumstances of heroism.

The third bill authorizes and directs the Bureau of Fisheries to study ways and means of protecting fish from irrigation and reclamation projects in the West. It appears that at the present time millions upon millions of edible fish are drawn from the lakes and headwaters of streams down into these irrigation ditches and when the water is let out these fish are entirely lost. We regard it as a conservation measure of real importance.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Maine. Yes. I think these bills might be passed with reasonable discussion, or they might take considerable time.

Mr. CRAMTON. Have the authorities of the Reclamation Service had a chance to be heard on the last bill? Have the Interior Department authorities had any chance to be heard on it?

Mr. JOHNSON of Washington. I believe not; but hearings have been had, and the bill has been reported by agreement with the Budget.

Mr. CRAMTON. Can the gentleman give the number of that bill?

Mr. WHITE of Maine. At the moment I can not give the number of the bill. The reclamation officers were not before the committee.

Mr. LAGUARDIA. It is not the bill which creates new fisheries in various States?

Mr. WHITE of Maine. Oh, no; it simply asks the Bureau of Fisheries to study ways and means for preventing this great destruction of fish.

Mr. CRAMTON. Then it is only a preliminary study?

Mr. WHITE of Maine. That is what it is.

Mr. CRAMTON. Of course, if it is only a preliminary study, I am not likely to object.

Mr. WHITE of Maine. It would be perfectly agreeable to our committee to have the rule on the farm bill taken up when we have completed these three bills, and if it is the desire of the House to do that to-morrow we will expedite, just as rapidly as we can, the consideration of these bills.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted—

To Mr. DOUGLAS of Arizona, at the request of Mr. LANHAM, for two days, on account of illness.

To Mr. TAYLOR of Tennessee, for one week, to attend State convention in Tennessee.

BUILDING FOR PERMANENCY AND ULTIMATE SUCCESS IN POLITICS

Mr. HAMMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by me on November 11, 1927, to the Democratic Club of High Point, N. C.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HAMMER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me November 11, 1927, to the Democratic Club, of High Point, N. C.:

It is said that years ago an obnoxious bill was brought up before a legislature in Illinois with orders from the party in control that it must be passed. The franchises carried in the bill would make piles of money for certain great and powerful interests that had been liberal in their campaign contributions to the political party which had triumphed in the preceding election.

The story goes that in the assembly there was a fine, clean young lawyer who was deeply concerned about the stand he should take in the matter. He said to a friend: "I am up against it. I know this bill is bad. You know it. Everybody knows it. I can not maintain my self-respect and vote the way they demand. If I do not vote for it, they say I'm through. Some of the men in charge of the bill are my friends. They have stood by me, and I ought to stand by them. What shall I do?" His friend said, "Why don't you talk to Roger Sullivan and get his advice?" The young man went to Sullivan and was advised to vote as his conscience should dictate. The arguments which that young man presented were the strongest ones made against the bill. It was defeated, and many prophesied his political death. Instead of being killed off, however, he went on up higher and is now a distinguished judge of the highest court in one of our large Western States.

Everywhere wise party leaders who build for permanency are on the lookout for candidates of integrity and uprightness who are able to command the respect of the public. They do not want weak men, mentally or morally unfit, for that type is known to develop such enormous appetites that they eventually eat up the party. Leaders are seeking power more than money. They are anxious to have a good government in order to maintain their power. They know that they can not lead long unless they seek out the best men for public office.

When a government is not good it is not always the fault of the party organizations. Much of the responsibility rests with the eminently respectable people who are so good that they fear contamination from engaging in an effort to nominate and elect the best men. That class of people think themselves too good to attend ward meetings or to run for office or do anything in the open. Sometimes they contribute money for campaign purposes and then refuse to attend the primaries or vote in the elections. It takes both money and time to run an organization. It is the duty of every citizen to take a hand in his own Government.

Politics and politicians are no worse and no better than business and the average business man. It is true that we find now and then, and here and there, some graft and dishonesty in politics. That also happens in business. We hear much about corruption in politics and little about the wrong conduct of business because our politicians are in the limelight and when anything goes wrong there is a great noise and many investigations. That makes some people say that all political life is dirty and that decent people should stay out of politics. As a matter of fact, politicians lead exceptionally clean lives; first, because they want to; and, secondly, because they have to, for the searchlights of the public are continually turned upon their every movement.

Those people who are too good to take any hand in seeing how they are governed seldom let their leaders hear from them, or have the benefit of their advice, unless they want something for themselves or want to back a reform against a leader. About two-thirds of such reform movements are saintly efforts of the "outs" to get in. The other third would not be necessary if the reformers would do their duty as citizens in the first place and take a proper interest in their party organizations. Every now and then some fellow comes along and talks about cleaning up and making things decent. He cries out long and loud against what he is pleased to call "peanut" politics.

A man who cries out against the existing order should take an inventory of his own physiognomy and see if he is any better than the politicians he derides and condemns. If he should decide that he is a finer breed, he should look for a few others of like thought and establish a new government of his own creation.

An able politician tries to play fair in his appointments for the good of his constituents and for the preservation of his own political future. Of course he will choose his friends rather than his enemies. He can not hope to accomplish the best and most desirable results unless his policies are executed by those who are friendly to him and to his cause. Politics is but human nature—sordid as human nature is sordid and good as human nature is good. It has bad in it and it has good in it. If we would have the good, we must choose wisely our leaders.

POLITICAL LEADERS HUMAN

Plainly our political leaders are as human as are the balance of us. Suppose, however, that we had no good leaders and no real guidance of our party organization, what sort of candidates would be selected? The loud speakers, the makers of the biggest noise and the most extravagant promises, would float to the top. All people everywhere need wise, intelligent leadership, for without leadership there must come decay and death. Responsibility rests to a great extent in the selection and guidance of proper leadership. Those elected to office should, on the other hand, think first, of course, of the public interest and, second, of the party and its leadership. This is a good, sound Democratic doctrine that has been preached and expounded from Jefferson to Wilson.

Sometimes people become indifferent and need shaking up. Such was the case when Roosevelt disciplined his party.

With many the most popular indoor sport is criticizing public men and their acts. As a rule such critics know so little of public affairs that they just act on a general clean-up principle and take a stand against whoever happens to be doing something.

Of course, criticism by the opposition is proper and permissible. Their dissatisfaction prevents stagnation and often is most healthy and useful in preventing misconduct by public officials, but the first principle of intelligent, constructive criticism is that the critic should have a general knowledge of the conditions against which his remarks are directed. "I am a dissatisfied Democrat," Claude Kitchen used to say. So am I. Contentment is stagnation and death.

If we are discontented with what we have and want better schools, better roads, better streets, or better public officials, we should realize that all of these things cost money and that taxes must necessarily be increased if we are to obtain and enjoy these benefits. We should not seek to turn out a set of local public officials for getting what we ask for at an increased cost unless waste or extravagance is found in the getting of these benefits. Some one has truthfully said that most officials are damned if they do and damned if they don't, and have to spend so much time figuring the strength of the pros and cons of the damns that the wonder is that they can find time for proper service to the public.

We try to persuade ourselves that this is a government by law, while in truth it is a government of human beings by human beings who, through wise leadership, are seeking to conserve the rights and advance the interests of the majority.

We talk about statesmen elsewhere being superior to the home product, while in truth and in fact we have as a rule better statesmen than the other nations. After the Spanish-American War we freed Cuba and paid $20,000,000 for the Philippines. After the World War Wilson doggedly refused to take any of the spoils offered us—for instance, Armenia and a few odds and ends of protectorates. The European statesmen were so impressed with our generosity that they thought up a plan to secure the inclusion of their war debts among our gifts. Our Foreign

Service has a habit, or has had until quite recently, of telling the truth and keeping its promises.

As a matter of fact politics is on a higher plane in America than in any other country on earth, and that is the case also with our business affairs. We have some plain, everyday cheating, but our generally high standard of business is recognized throughout the civilized world. The purchase of votes has never been respectable anywhere, and it is coming to be considered more and more disreputable, except in Pennsylvania and Illinois.

People who complain about politics should, if they mean what they say, get into politics and stay there and clean up. They should keep inside and help make politics better rather than stay on the outside making ugly faces and calling names.

THE DIRECT PRIMARY

The establishment of the direct primary was a protest against government that did not represent the will of all of the people. The popular demand for direct nominations has been adopted by most of the States. Forty-five have accepted the direct primary, and no State so adopting has ever been known to abandon the plan entirely.

Under the old convention system the people became disgusted with boss and ring rule. The wrongful, selfish power of the bosses has been greatly reduced by the direct-primary plan. More voters now attend the primaries. A primary can not be bought or stampeded, and dark horses can not be put forward to blind the people or split the vote.

The primary has to a great extent purified and elevated politics and in a measure restored government to the people in those offices included in its provisions. The old-time political machine has very generally been crushed, and where it does still exist the corruption and iniquities are being exposed.

It is not the direct primary but newspaper abuse and vilification and misrepresentation that in most instances keep the best type of candidate out of office. The amount of money expended in all the States except Pennsylvania and Illinois in 1926 was small. In these two States adequate laws had not been adopted limiting expenditures.

Where abuses have been found to exist under direct primaries they have been quickly exposed and punished—a thing impossible under the caucus and convention system. The convention system is best adapted to the control of an "invisible government" of the industrial-political magnates. Where States or counties are controlled by one party the reason for the direct primary is of the greatest importance. About half the States are one-party States. The direct primary is of great value and convenience to women, because few women care to attend precinct meetings and political conventions. To condemn the direct primary because all voters do not participate is like condemning universal suffrage because all who are eligible do not vote.

The direct primary is not a cure-all and it does not bring the millenium, but it does relieve many of the evils of former days, and it is a real school of political education for the so-called "common people." Active work by the rank and file is encouraged. The direct primary makes it easier for the ordinary voter to exert his influence in nominating the best choice of the people. It also enables each voter to be instrumental in defeating a conspicuously unfit person who makes a howl about indecency and corrupt politics and does not take a stand for definite policies and a constructive platform. This is the type that plays to the galleries and splits and straddles to suit the crowd to which he looks for support. This is also the type that deals in platitudes and generalities. They are for proper tariff and farm relief legislation, but do not say what kind of farm relief or tariff.

WHAT THE FUTURE OF THE COUNTRY DEPENDS UPON

The future of this country does not depend so much upon the young men who are trained in military camps to fight on short notice as upon the young men who are trained in their political party camps to take an active interest in politics from the standpoint of public needs and to be as fearless and brave in politics as they would be on the battle fields. Future wars could be averted and avoided if our men could be trained to prevent the causes and beginnings of war.

Main Street would have more influence at the Nation's Capitol than Wall Street if Main Street were only organized. The common people are like a horse in that they do not know and do not exert their strength. If they did, they would all pull together for the common good and not be guided by weak reins in the hands of selfish and unscrupulous leaders.

Let Main Street take the active hand it should in every political campaign in an effort to nominate to office the best men in each party, and then Main Street and not Wall Street will direct the policies of our Government and perpetuate the principles that were fostered and promulgated by its founders.

We should teach more practical politics and not merely the fundamental principles of government without any teaching of the practical procedures of government. We should quit teaching and preaching that all party government is bad, because it is not. We should make our nominations with a view to obtaining the best results in the direct or legalized primary.

We all agree that this is a great country, a country beyond all others in its opportunities and advantages. It is said that a country or organization is but a lengthened shadow of the individuals who compose it. That being true, let us realize and admit that this country of ours should be run by right-thinking human beings. Let us get into the running of it ourselves and see that the lengthened shadow is cast by men who stand squarely for the greatest good to the greatest number. Let all good men interest themselves not alone in studying the theory of government but also in finding out how to put their theories into practice. The philosophy of to-day is a doing philosophy. a philosophy of activity. Let us make a practical application of the principles for which we stand. We can do this by interesting ourselves in the party organization and participating actively in its primaries.

The next primary in this State will be held on Saturday, June 2, 1928. In order to perpetuate Democratic control we should attend the primaries and induce others to do so, for thus only by concerted effort can we hope to nominate and retain our most highly qualified candidates in public office.

WHAT WE SHOULD DO IN THE NEXT CAMPAIGN

Democrats should get behind a definite, constructive, progressive program. We never had a better opportunity than we have now to win a clean-cut victory; that is, if we will only act with wisdom and all pull together.

We should go into the next campaign upon a platform about which all Democrats and all other people of progressive ideas can rally. We should not listen to the beneficiaries of the Republican Party who creep into our party councils. They are trouble breeders, seeking always to inject issues that will divide the Democrats. I do not want Republicans and so-called "independents" to name our candidates and write our platform. I do not want to see them doing the things that we can and should do for ourselves.

We have a sacred duty to perform. Never did the great mass of common people in America need our party as it does to-day. With business failures more numerous than ever before, with agriculture paralyzed, bank failures increasing in an alarming degree, millions out of work, and the Government completely controlled and dominated by the ultra rich, it would be a national calamity for Democrats to divide over minor issues or fail to unite on major questions.

THE RECORD OF THE HARDING-COOLIDGE ADMINISTRATION

The record of the Harding-Coolidge administration is the issue upon which our next campaign should be waged—upon it we can not fail. Let our slogan be, "Thou shalt not steal."

The revelations of corruption in Indiana official circles are rivaled only by the saturnalia of corruption and scandalous misuse of power which began with the advent of the Republican Party following the splendid record of the Wilson administration. When Harding was elected the protective interests swarmed in the corridors of the Capitol, and they are still swarming there. Official corruption is the greatest danger that the American Nation is facing to-day. Witness the scandalous disclosures of the Walsh and Reed committees. One of the chief maneuvers of the Coolidge administration is to set up a shout of "Bolshevism" when an embarrassing situation arises. The commandment "Thou shalt not steal" was given to us by Moses and not by a bolshevist. Unfortunately it is a law that has been forgotten by the party which is in power at the present time.

WHAT THE REAL ISSUE SHOULD BE

Yes; the real issue in the next campaign should be the overthrow of the old Republican guard, through which the invisible government is exercising the powers of the people for its own private gain. Their method is to tax the masses for the profit of a favored few. Their prohibitive protective-tariff schedules which shelter private monopoly bring about an increased cost of the prime necessities of life. The poor man has to suffer to fill the coffers of the rich.

The low estate into which the personnel of the Federal Trade Commission has fallen, dominated and conducted as it is against the interest of those it was originally intended to protect, is to be regretted. It has to a large extent lost its usefulness. We must force the Interstate Commerce Commission to be more considerate of the people's interest in fixing passenger and freight rates. We must make the Federal-reserve banking system serve the people and function as it did originally and as it was intended to do by Wilson and by Owen and Glass and the rest of the Democratic Congress who gave us the Federal reserve act. Instead of serving the people, it is being used to bankrupt the people for the benefit of those against whom it was originally directed. It was intended to prevent the invisible empires of greed from feasting and fattening upon ill-gotten gains.

We should give adequate relief to agriculture, flood control, and tax reduction, and we should make it possible for the great masses to have a breathing spell of equal opportunity with the favored interests. The farm bill is requested by agriculture as an experiment, at least, although it may not be entirely a certainty that it is workable. The great industrial enterprises and manufacturers in the East are highly favored; and why should not the farmers receive the same favors, for we can not now pull down the Chinese Wall of protection?

Another one of our jobs should be to make visible the invisible and lay bare their nefarious designs and iniquitous accomplishments. It is the Jeffersonian principles that we must follow and not the practices of Harding and Coolidge.

"If everybody tried to have his own way in all things, nobody would have his way in anything," is a statement that could never be more truly made than at the present time. We will lose the great issues by disputing over small matters, and then end by losing all. Against us will be all who have grown rich, and are growing richer through favoritism, and all special privilege hunters, the great forces which buy elections in States like Illinois and Pennsylvania.

While the Democrats do not desire and can not afford to make war on honest capital, it must be remembered and kept steadily in view that this Government was established for men and not for dollars. Corruption and favoritism walked in and took control on March 4, 1921, and have been in the saddle from that day until this. The scaly hand with long, bony fingers reached into the Navy, the Interior, and the Justice Departments and corrupted high officials.

The first act of Coolidge was to indorse Harding's administration. Harding appointed and Coolidge continued H. M. Daugherty as Attorney General until overpowering public sentiment drove him from office. President Coolidge never lifted a hand, ignoring the demand of the Senate that he compel the resignation of Attorney General Daugherty and Secretary of the Navy Denby. President Coolidge publicly defended and justified those men. He even certified to the integrity of his disreputable Cabinet member, Daugherty, but he finally had to back down under the glare of public indignation.

The Credit Mobilier and star-route scandal of the Grant administration are to me no comparison with the iniquities of the Teapot Dome and Elk Hill oil scandals, with Fall, Sinclair, Doheny, and Will Hays up to their necks, with their hands in graft and corruption.

Mellon and money have been the star of hope of this administration. Nine million dollars were saved to Mellon in individual taxes under his first proposed bill for reduction of revenue after he had disposed of his Overholt distillery holdings for $15,000,000. Mr. Mellon, it is stated on good authority, raised $2,000,000 to be used in the Pennsylvania Republican primary campaign two years ago. He said the expenditures for corrupting the electors in Pennsylvania were as justified as subscriptions or contributions to churches.

This administration settled with England at 3 per cent for the first three years and 3½ per cent thereafter. The difference in the rate of interest paid for money loaned to Great Britain by the United States and that which Great Britain has paid in return is $25,747,000. The difference in the amount of interest compounded throughout the 66 years in which Great Britain has to pay is $22,000,000,000. The Italian debt was settled at 21 cents on the dollar, thus escaping payment of $1,612,000,000. Mellon and others offered to settle for less than 50 cents on the dollar. This would mean a saving to France of an enormous and almost inconceivable amount, not considering compound interest. The annual interest and charge which must be paid by our taxpayers for the money on that part of the debt thus transferred from European countries to America is $105,617,000.

Morgan and his henchmen acquired many million dollars' worth of European securities at a large discount and then demanded cancellation of the debts due us by European countries for the loan of money which was borrowed in America at the usual rate of 6 per cent. Shall we stand idly by and permit our taxpayers to be robbed in this manner while the forces of darkness and iniquity grow fat upon the spoils?

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 11577) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCNARY, Mr. JONES, Mr. KEYES, Mr. OVERMAN, and Mr. HARRIS to be the conferees on the part of the Senate.

### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1181. An act authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended.

### BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, a bill of the House of the following title:

H. R. 11020. An act validating certain applications for and entries of public lands.

### ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 25, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Wednesday, April 25, 1928, as reported to the floor leader by clerks of the several committees:

### COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10.30 a. m.)

Authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building (H. R. 13171).

### COMMITTEE ON MINES AND MINING

(10 a. m.)

Authorizing an appropriation for the encouragement and benefit of the International Petroleum Exposition Corporation, of Tulsa, Okla. (H. R. 13150).

Authorizing an appropriation for development of potash jointly by the United States Geological Survey of the Department of the Interior and the Bureau of Mines of the Department of Commerce by improved methods of recovering potash from deposits in the United States (H. R. 496).

### COMMITTEE ON THE JUDICIARY—SUBCOMMITTEE NO. 1

(10 a. m.)

To provide for the procedure in the trial of certain criminal cases by the district courts of the United States (H. R. 10639).

### COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

A meeting to consider bill before the committee concerning promotion and retirement.

### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress, as expressed in sections 201 and 500 of the transportation act," approved June 3, 1924 (H. R. 10710).

### COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To provide legal-tender money without interest secured by community noninterest-bearing 25-year bonds for public improvements, market roads, employment of unemployed, building homes for, and financing through community banks organized under State laws, its citizens, farmers, merchants, manufacturers, partnerships, corporations, trusts, or trustees, and for community needs of the United States (H. R. 12288).

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. S. 1609. An act recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Cameronia*, and for other purposes; with amendment (Rept. No. 1371). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 457. A bill to create a board of local inspectors, Steamboat Inspection Service, at Hoquiam, Wash.; without amendment (Rept. No. 1372). Referred to the Committee of the Whole House on the state of the Union.

Mr. STALKER: Committee on the District of Columbia. H. R. 10073. A bill to change the name of Railroad Avenue between Nichols Avenue and Massachusetts Avenue; with amendment (Rept. No. 1373). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McLEOD: Committee on the District of Columbia. S. 2511. An act to change the name of St. Vincent's Orphan Asy-

lum and amend the act entitled "An act to amend an act entitled 'An act to incorporate St. Vincent's Orphan Asylum, in the District of Columbia,' approved February 25, 1831"; without amendment (Rept. No. 1374). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 973) for the relief of estate of Katherine Heinric (Charles Grieser and others, executors), and the same was referred to the Committee on Ways and Means.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANKFORD: A bill (H. R. 13291) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. SPEARING: A bill (H. R. 13292) to extend the time for completing the construction of a bridge across the Mississippi River near and above the city of New Orleans, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNE: A bill (H. R. 13293) to amend sections 21 and 24 of the act of October 15, 1914 (secs. 386 and 389 of title 28 of the Code of Laws of the United States of America), relating to trial by jury in cases of indirect criminal contempts; to the Committee on the Judiciary.

By Mr. EVANS of Montana (by request): A bill (H. R. 13294) to provide for the payment to members of the Flathead Indian Tribe who have received patents in fee of their several shares of the equity of the tribal property; to the Committee on Indian Affairs.

Mr. HOWARD of Oklahoma: A bill (H. R. 13295) to provide for improvement of the Pawnee Indian School, Pawnee, Okla.; to the Committee on Indian Affairs.

By Mr. MORIN: A bill (H. R. 13296) to authorize the adjustment and settlement of claims for armory-drill pay; to the Committee on Military Affairs.

By Mr. LINTHICUM: A bill (H. R. 13297) to establish an experimental station and bass and trout hatchery in the State of Maryland; to the Committee on the Merchant Marine and Fisheries.

By Mr. NIEDRINGHAUS: A bill (H. R. 13298) authorizing J. H. Haley, his successor and assigns—or his heirs, legal representatives, and assigns—to construct, maintain, and operate a bridge across the Missouri River at or near a point where Olive Street Road, St. Louis County, Mo., if extended west would intersect the Missouri River; to the Committee on Interstate and Foreign Commerce.

By Mr. McKEOWN: Joint resolution (H. J. Res. 285) for the relief of the Iowa Tribe of Indians; to the Committee on Indian Affairs.

By Mr. RAMSEYER: Resolution (H. Res. 176) for the consideration of S. 3555, an act to establish a Federal farm board to aid in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERGER: A bill (H. R. 13299) for the relief of Eustace Reynolds; to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 13300) for the relief of Capt. J. O. Faria; to the Committee on Claims.

By Mr. BULWINKLE: A bill (H. R. 13301) for the relief of R. A. Mayer; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 13302) granting a pension to the survivors of the Jeanette relief expedition; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 13303) for the relief of Clyde Smith; to the Committee on Military Affairs.

By Mr. DICKINSON of Missouri: A bill (H. R. 13304) granting an increase of pension to Belle F. Shideler; to the Committee on Invalid Pensions.

By Mr. DOUGLASS of Massachusetts: A bill (H. R. 13305) for the relief of Charles Ghisoni; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 13306) to authorize the appointment of Technical Sergt. Tom Bowen as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. GOLDER: A bill (H. R. 13307) granting a pension to Mary A. Fitzpatrick; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 13308) granting an increase of pension to Rachel McKinney; to the Committee on Invalid Pensions.

By Mr. RUTHERFORD: A bill (H. R. 13309) granting a pension to William D. Pearson; to the Committee on Pensions.

By Mr. SANDERS of New York: A bill (H. R. 13310) for the relief of the Palmer Fish Co.; to the Committee on Claims.

By Mr. SPROUL of Kansas: A bill (H. R. 13311) granting an increase of pension to Mary A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13312) granting a pension to Catherine Bloom; to the Committee on Pensions.

Also, a bill (H. R. 13313) for the relief of Mrs. W. H. DeLong-Wheeler; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 13314) granting a pension to Drusey Owens; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13315) granting a pension to Charlie Sparks; to the Committee on Pensions.

By Mr. WHITE of Maine: A bill (H. R. 13316) granting an increase of pension to Hollis J. Ellingwood; to the Committee on Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7169. Petition of board of directors of the American Society of Civil Engineers, Washington, D. C., commending the President with reference to progress for control of the Mississippi River floods; to the Committee on Flood Control.

7170. Petition of Montana Stockgrowers' Association, Montana, relative to American beef for American Army and Navy, and extending consideration to inland abattoirs; to the Committee on Military Affairs.

7171. By Mr. BOYLAN: Petition of New York branch of National Custom Service Association of Employees, favoring House bill 13143, to adjust the salaries of custom employees; to the Committee on the Civil Service.

7172. By Mr. ESTEP: Resolution by the Chamber of Commerce, of Pittsburgh, Pa., urging defeat of Senate bill 2407 and House bill 470; to the Committee on Foreign Affairs.

7173. By Mr. HOPE: Petition signed by residents of Liberal, Kans., protesting against the passage of House bill 78 and other Sunday legislation; to the Committee on the District of Columbia.

7174. By Mr. HUDSON: Petition of citizens of Flint, Mich., urging consideration of national flood control and the adoption of such laws as will insure the impounding of unrestricted waters and thus effectively eliminate the annual danger so destructive to life, health, and property, and at the same time safeguarding the rights and interests of our citizens; to the Committee on Flood Control.

7175. By Mr. JOHNSON of Texas: Petition of George O. McMillan, president Westminster College, Tehuacana, Tex., opposing Senate bill 1752, to prevent printing of return address on stamped envelopes by the Post Office Department; to the Committee on the Post Office and Post Roads.

7176. By Mr. KADING: Petition signed by Civil War veterans, widows, and dependents residing in in Sheboygan, Wis., and vicinity, urging that immediate steps be taken to bring to a vote a Civil War pension bill for veterans and widows of veterans; to the Committee on Invalid Pensions.

7177. By Mr. LINDSAY: Petition of Anchor Club, New York Post Office, praying that the Lehlbach retirement bill with its amendments be brought out of committee and enacted into law at this session of Congress; to the Committee on the Civil Service.

7178. Also, petition of Paper Cutters, Binding Machine Operators, and Embossers' Protective Union, No. 119, New York City, urging favorable action on the Griest postal bill; to the Committee on the Post Office and Post Roads.

7179. Also, petition of Mailers' Union, No. 6, New York City, urging favorable action on the Griest postal bill; to the Committee on the Post Office and Post Roads.

7180. Also, petition of Bindery Women's Union, New York City, urging support of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7181. Also, petition of Allied Printing Trades Council of Greater New York, composed of 21 affiliated organizations, urging support of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7182. Also, petition of National Customs Service Association, signed by 41 citizens of Brooklyn, N. Y., urging speedy passage of House bill 13143, providing for an adjustment of salaries paid to customs employees; to the Committee on Ways and Means.

7183. By Mr. McSWEENEY: Papers in support of House bill 13261, granting a pension to Jennie Messer; to the Committee on Invalid Pensions.

7184. By Mr. MORROW: Petition of citizens of Fort Bayard, N. Mex., indorsing House bill 5477, to extend presumptive limit for tubercular veterans to September 1, 1928; to the Committee on World War Veterans' Legislation.

7185. By Mr. O'CONNELL: Petition of the Anchor Club, New York Post Office, appealing for the consideration of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7186. By Mr. QUAYLE: Petition of United States Customs Inspector's Association of the Port of New York, favoring the passage of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7187. Also, petition of Anchor Club, New York Post Office, favoring the passage of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7188. By Mr. McREYNOLDS: Petition of 118 adult citizens of Ooltewah, Hamilton County, Tenn., protesting against the passage of the Lankford Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7189. By Mr. SEARS of Nebraska: Petition of civic and commercial organizations and municipalities of Nebraska, indorsing source, tributaries, flood control, and retention of flood waters in areas in which they originate; to the Committee on Flood Control.

7190. By Mr. STALKER: Petition of sundry citizens of Bath, N. Y., urging the enactment of legislation for an increase in pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7191. Also, petition of sundry citizens of Watkins Glen, N. Y., urging the enactment of legislation for an increase in pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

## SENATE

### WEDNESDAY, *April 25, 1928*

*(Legislative day of Friday, April 20, 1928)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had adopted a concurrent resolution (H. Con. Res. 32) providing that the action of the Speaker of the House and the Vice President in signing the joint resolution (H. J. Res. 244) authorizing the modification of the adopted project for Oakland Harbor, Calif., be rescinded, etc.

The message also announced that the House had passed the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

#### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1181) authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended, and it was signed by the Vice President.

#### PRINTING OF FLOOD CONTROL BILL

Mr. JONES subsequently said: Senate bill 3740, the flood control bill, has come from the House with quite a number of amendments. I ask unanimous consent that the bill may be printed with the House amendments numbered.

The PRESIDING OFFICER (Mr. McNARY in the chair). Without objection, it is so ordered.

#### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edge | Kendrick | Sackett |
| Barkley | Edwards | Keyes | Schall |
| Bayard | Fess | King | Sheppard |
| Bingham | Fletcher | La Follette | Shortridge |
| Black | Frazier | Locher | Simmons |
| Blaine | George | McKellar | Smith |
| Blease | Gerry | McMaster | Smoot |
| Borah | Gillett | McNary | Steck |
| Bratton | Goff | Mayfield | Stephens |
| Brookhart | Gooding | Metcalf | Swanson |
| Broussard | Gould | Moses | Thomas |
| Bruce | Greene | Norbeck | Tydings |
| Capper | Hale | Norris | Tyson |
| Caraway | Harris | Nye | Wagner |
| Copeland | Harrison | Oddie | Walsh, Mass. |
| Couzens | Hawes | Overman | Walsh, Mont. |
| Curtis | Hayden | Phipps | Warren |
| Cutting | Heflin | Pittman | Waterman |
| Dale | Howell | Ransdell | Wheeler |
| Deneen | Johnson | Reed, Pa. | |
| Dill | Jones | Robinson, Ind. | |

Mr. CARAWAY. I desire to announce that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate because of illness.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

#### CORRECTION OF ERROR IN ENROLLMENT

The VICE PRESIDENT laid before the Senate the following concurrent resolution (H. Con. Res. 32) of the House of Representatives, which was read:

*Resolved by the House of Representatives (the Senate concurring)*, That the action of the Speaker of the House of Representatives and the Vice President in signing the joint resolution (H. J. Res. 244) authorizing the modification of the adopted project for Oakland Harbor, Calif., be rescinded and that in the enrollment of said joint resolution the word "June" be stricken out and the word "January" be inserted in lieu thereof.

Mr. CURTIS. I ask that the Senate concur in the resolution.

The concurrent resolution was considered by unanimous consent and agreed to.

#### MARTHA A. HAUCH

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1368) to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch, which was to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $2,000 to Martha A. Hauch, formerly a nurse in the service of the United States Army, who contracted tuberculosis while on duty at Walter Reed General Hospital from September 16, 1922, to August 22, 1924; and that said Martha A. Hauch shall be admitted to such Army hospital as may be directed by the Surgeon General of the United States Army for necessary care and treatment.

Mr. SWANSON. I move that the Senate concur in the House amendment.

The motion was agreed to.

#### PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by the Chamber of Commerce, of Casper, Wyo., favoring the establishment and maintenance of a mining experiment station at Laramie, Wyo., which was referred to the Committee on Mines and Mining.

He also presented a letter in the nature of a memorial from John J. Spriggs, of Lander, Wyo., remonstrating against the passage of Senate bill 1752, the so-called Oddie bill, to regulate the manufacture and sale of stamped envelopes, which was referred to the Committee on Post Offices and Post Roads.

Mr. BRUCE presented a petition of sundry citizens of Baltimore, Md., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. COPELAND presented a petition of sundry citizens of Brooklyn, N. Y., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. ASHURST presented a resolution adopted by Morgan McDermott Post, No. 7, the American Legion, of Tucson, Ariz., relative to the so-called Swing-Johnson bill, which was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas it has come to the notice of Morgan McDermott Post, No. 7, the American Legion, Tucson, Ariz., that the proponents of the Swing-Johnson bill are urging the passage of a bill to construct a dam in the Colorado River; and

Whereas it has been reported to the members of this post that the representatives of this post and other posts of the department of Arizona failed and neglected to vote against a resolution approving and indorsing the passage of said Swing-Johnson bill: Now, therefore, be it

*Resolved by the Morgan McDermott Post, No. 7, the American Legion, Tucson, Ariz.,* (1) That said action of the national convention be, and the same is hereby, disapproved and disaffirmed as not expressing the actual view and opinion of members of the American Legion.

2. That any and all action purporting to have been taken by representatives of the department of Arizona, the American Legion, approving and indorsing the passage of said Swing-Johnson bill be, and the same is hereby, repudiated and disapproved for the reason that such action does not and did not represent the views and opinions of the members of this post.

MERTON MARTENSON,
*Post Commander.*
CLAUDE SMITH,
LESLEY B. ALLEN,
JOHN C. HAYNES,
*Representative Committee.*

Mr. WALSH of Massachusetts presented numerous petitions signed by sundry members of the International Institute for Foreign-Speaking Peoples, of New Bedford, Mass., and Los Angeles, Calif.; the Young Women's Christian Association of Austin, Tex., Erie, Pa., Providence, R. I., Orange, N. J., and Bayonne, N. J.; also the Logan County Welfare Department, Logan, W. Va.; the Bethany Evangelical Church, and the Grand Avenue Congregational Church Men's Club, both of Milwaukee, Wis.; praying for the passage of Senate Joint Resolution 122, providing for the reunion of families of alien declarants, which were referred to the Committee on Immigration.

IMPORTATION OF SHOES FROM CZECHOSLOVAKIA

Mr. WALSH of Massachusetts. I have had some correspondence of particular public interest with relation to imports of shoes in recent months.

I ask that the letter from the Massachusetts manufacturer who called the subject to my attention because of the effect of imports from Czechoslovakia upon the business of domestic manufacturers of certain types of women's and misses' shoes, the report and table of the United States Tariff Commission prepared in reply to my request, and a letter and analysis by myself upon the subject be printed in the CONGRESSIONAL RECORD and referred to the Finance Committee.

There being no objection, the matter was referred to the Finance Committee and ordered to be printed in the RECORD, as follows:

WRIGHT-GOREVITZ-MCNAMARA CO.,
*Haverhill, Mass., April 3, 1928.*

United States Senator DAVID I. WALSH,
*Washington, D. C.*

MY DEAR SENATOR WALSH: I am inclosing a leaf taken out of the Boot and Shoe Recorder issued March 31, 1928, containing an advertisement issued by the manufacturers of Czechoslovakian Republic.

It might interest you to know that there are enormous amounts of shoes coming in from the Czechoslovakian Republic, penalizing manufacturers here in the States by reason of their low price.

I know how keenly you are interested in the boot and shoe industry and I think perhaps little facts like this you might want to gather together in order to be well versed on the subject of importation of shoes from abroad.

I hope I have not bothered you by this little item, likely to be of interest to you.

With kind personal regards and best wishes, I remain.

Very truly yours,

R. V. MCNAMARA, *Secretary.*

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WRIGHT-GOREVITZ-MCNAMARA CO.,
*Haverhill, Mass., April 5, 1928.*

Senator DAVID I. WALSH,
*Senator from Massachusetts, Washington, D. C.*

MY DEAR SENATOR: Following my recent letter regarding the importation of shoes into the United States I have just one more clipping that I am inclosing to you that I am going to bother you with.

This is a little article regarding the importation of shoes from Europe consigned to the Nugent's Department Store, of St. Louis, Mo.—one of the best stores in the Middle West. You will notice the price that they are selling these shoes at, namely $3.98, with all widths and sizes. Shoes like these, as outlined by them in their advertisement, made in our factory under labor conditions that are wholesome, would cost the Nugent Co. $4.25. These shoes would be obliged to retail at a profit to Nugent at $7 a pair.

There has been in years gone by a great prejudice against European shoes because of the fact that the lasts were antiquated. To-day, it might interest you to know that their lasts are as much Americanized as our own here in the States. They have available in their factories the same machinery, furnished by the United Shoe Machinery Co., that we have. The help are taught by American superintendents, who are placed in these factories to give the shoes the American touch.

I know how greatly interested you are in the subject of unemployment in New England. It might interest you to know that this is the dullest period that we have ever had since the inception of this business at this period of the year. We have always had a very busy spring, because this seems to be a time when there is a great demand for women's shoes, prior to the Easter season. In our factory, employing over 400 people, I can say that I doubt if we have 50 people employed here to-day. I am not going to lay all of this unemployment to the fact Czechoslovakia is importing shoes into this country in enormous quantities, but it is a fact that on summer shoes, sandal effect, these people are producing shoes that we can not compete with. The sandal business that we always received prior to summer is now going to European manufacturers.

It does seem to me that it should be the concern of the Government to levy such a tax upon importation of shoes from these cheap European labor centers as to produce more employment for the people in the United States.

I know that I am bothering you much more than I have a right to, but I have always felt free to write you, because I always receive such courteous attention from you. I thought this information that I am giving you might be of interest to you.

Trusting to have the pleasure of seeing you soon, and with the writer's kind and personal regards, I remain

Very truly yours,

R. V. MCNAMARA.

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UNITED STATES TARIFF COMMISSION,
*Washington, April 19, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR WALSH: Receipt is acknowledged of your letter of April 5, inclosing a letter from the Wright-Gorevitz-McNamara Co., with respect to the importation of shoes from Czechoslovakia.

In answer to your request for information regarding the imports of shoes from that country there is attached a table showing, for the years 1926, 1927, and for January and February, 1928, the total imports of shoes from all countries and the imports of shoes from Czechoslovakia.

The shoe imports from Czechoslovakia are mainly specialties, and in the last few years have consisted largely of a light shoe or sandal of the McKay type, the uppers made of narrow strips of leather, braided. This type of shoe has been popular in the United States for the last two summers, and has to some extent replaced the domestic white fabric shoe. This type of shoe being all leather is imported free of duty.

Inasmuch as manufacturers in Haverhill specialize in women's and misses' shoes, sandals, and slippers, it is probable that they feel the competition from Czechoslovakian imports more keenly than other shoe-manufacturing centers.

The communication from the Wright-Gorevitz-McNamara Co., with its inclosure, are returned herewith.

Sincerely yours,

THOMAS O. MARVIN, *Chairman.*

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UNITED STATES SENATE,
*April 23, 1928.*

Mr. RAYMOND V. MCNAMARA,
*Secretary Wright-Gorevitz-McNamara Co.,*
*93–99 Essex Street, Haverhill, Mass.*

MY DEAR MR. MCNAMARA: Since receiving your letters in reference to the importation of certain classes of women's shoes and sandals from Czechoslovakia in competition with the class of women's shoes made in Haverhill, Mass., I have conferred with the United States Tariff Commission and have obtained an interesting report from them.

Inclosed you will find a letter from the chairman of the United States Tariff Commission explaining the table which was prepared at my request and also calling attention to the fact that importations from Czechoslovakia are mainly specialties. He states, however, that "inasmuch as manufacturers in Haverhill specialize in women's and misses' shoes, sandals, and slippers, it is probable that they feel the competition from Czechoslovakian imports more keenly than other shoe manufacturing centers."

The table that accompanied this report I myself analyzed and am inclosing a copy herewith for your information.

Naturally, you will be interested in knowing what can be done to check this flow of imports from Czechoslovakia and thereby retain the market for women's and misses' shoes for domestic manufacturers.

A tariff bill providing for a sufficiently high tariff duty upon these particular kinds of specialties in women's and misses' shoes and slippers could alone result in checking imports. Such a bill must, under our Constitution, originate in the House of Representatives. It is very unlikely that any favorable action could be expected during the present session on such a measure, as it was practically agreed earlier in the

session by the administration leaders not to pass any tariff bills during the present session.

If anything further occurs to you that I can do to be helpful to the manufacturers of Haverhill, you will, of course, call upon me. In the meantime I shall keep in touch with the flow of imports and let you know whether the sharp increase in recent months is continuing.

Sincerely yours,

DAVID I. WALSH.

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ANALYSIS OF SHOE IMPORT TABLE

By United States Senator DAVID I. WALSH

The table prepared by the United States Tariff Commission shows the number of pairs of shoes both free and dutiable imported for the year 1926–27 and January and February, 1928, from all countries. All shoes and slippers made of leather are duty free.

The percentage of imports of shoes is small compared with the production and consumption in America. It is estimated that 343,605,905 pairs of shoes were made last year in America. The total imports of about 3,000,000 pairs of shoes in 1927 is less than 1 per cent of the domestic production. The table also contains the number of pairs of shoes imported from Czechoslovakia, and it is to be noted that Czechoslovakian imports have steadily grown and that there was imported from that country in January and February of this year 50 per cent of all shoes imported, as compared with about 10 per cent of the shoes imported in 1926 and 25 per cent in 1927.

Practically the entire increase in imports from Czechoslovakia have been women's and misses' shoes and slippers. The number of pairs of women's and misses' shoes have increased from an average of 10,000 pairs a month in 1926 to an average of 120,000 pairs of shoes a month in the early part of 1928.

Another striking feature of this statement is that Czechoslovakia sent to America 70 per cent of all the women's and misses' shoes imported and 74 per cent of all sandals imported. In 1926 Czechoslovakia's percentage of imports of all shoes shipped to America was 11 per cent and in the early months of 1928 her total imports of all shoes was 48 per cent, showing that that country is doing one-half the entire import shoe business with America.

While the volume of all imports when compared with domestic production is exceedingly small, yet as pointed out in the letter from the United States Tariff Commission the imports affect the business of the shoe manufacturers of Haverhill, which is largely devoted to specialties in women's and misses' shoes.

The United States Tariff Commission also inform me that the exports of shoes has varied little, averaging between six and seven million pairs in recent years. Figures for recent months, however, show a considerable falling off, in the last three months amounting to 50,000 pairs less than a year ago.

BOOTS AND SHOES

*United States imports for consumption of boots and shoes from all countries compared with imports of boots and shoes from Czechoslovakia to the United States*

| | 1926 | | | | | 1927 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pairs | Value | Value per pair | Per cent of increase (+) or decrease (−) over previous year | | Pairs | Value | Value per pair | Per cent of increase (+) or decrease (−) over previous year | |
| | | | | Pairs | Value | | | | Pairs | Value |
| Total imports—free | 1,448,358 | $3,702,801 | $2.55 | 44.67 | 44.39 | 1,940,030 | $5,607,728 | $2.89 | 33.95 | 51.45 |
| Total imports—dutiable | 919,844 | 332,844 | .36 | 5.63 | −3.76 | 1,061,800 | 309,086 | .29 | 15.43 | −7.14 |
| Total | 2,368,202 | 4,035,645 | 1.53 | 19.86 | 38.67 | 3,001,830 | 5,916,814 | 1.97 | 26.76 | 46.61 |
| Totals by shoe classifications: | | | | | | | | | | |
| Men's and boys'—free | 241,385 | 1,150,487 | 4.76 | −22.30 | −7.17 | 306,473 | 1,562,270 | 5.09 | 26.96 | 35.79 |
| Women's and misses'—do | 506,041 | 1,913,627 | 3.78 | 85.41 | 87.35 | 982,127 | 3,235,213 | 3.29 | 94.08 | 69.06 |
| Children's—do | 332,163 | 322,237 | .97 | 43.37 | 90.78 | 188,987 | 402,323 | 2.12 | −43.10 | 24.85 |
| Slippers—do | 368,469 | 316,187 | .86 | 104.28 | 141.57 | 462,443 | 407,922 | .88 | 25.50 | 29.01 |
| Other—do | 300 | 263 | .87 | −94.56 | −93.06 | | | | | |
| Uppers of fabrics—dutiable | 919,844 | 332,844 | .36 | −5.63 | −3.76 | 1,061,800 | 309,086 | .29 | 15.43 | −7.14 |
| Total | 2,368,202 | 4,035,645 | 1.53 | 19.86 | 38.67 | 3,001,830 | 5,916,814 | 1.97 | 26.76 | 46.61 |
| From Czechoslovakia: | | | | | | | | | | |
| Men's and boys'—do | 11,681 | 25,290 | 2.16 | 95.55 | 142.45 | 10,329 | 24,568 | 2.37 | −11.57 | −2.85 |
| Women's and misses'—do | 129,293 | 311,522 | 2.40 | | | 521,875 | 1,182,790 | 2.26 | 303.64 | 279.68 |
| Children's—do | 33,288 | 23,570 | .71 | | | 15,794 | 32,178 | 2.03 | −52.55 | 36.52 |
| Slippers—do | 100,247 | 101,949 | 1.01 | 279.40 | 238.87 | 179,258 | 203,215 | 1.13 | 78.82 | 99.33 |
| Uppers of fabrics—dutiable | 3,997 | 1,853 | .46 | −54.45 | −69.83 | 11,196 | 4,383 | .39 | 180.11 | 136.54 |
| Total, free and dutiable | 278,506 | 464,184 | 1.66 | 124.04 | 151.09 | 738,452 | 1,447,134 | 1.95 | 165.15 | 211.76 |
| Percentage which imports from Czechoslovakia are of total imports | 11.76 | 11.50 | | | | 24.60 | 24.46 | | | |
| Men's and boys' | 4.84 | 2.20 | | | | 3.37 | 1.57 | | | |
| Women's and misses' | 25.55 | 16.28 | | | | 53.13 | 36.56 | | | |
| Children's | 10.02 | 7.31 | | | | 8.36 | 8.00 | | | |
| Slippers | 27.21 | 32.24 | | | | 38.76 | 49.82 | | | |
| Uppers of fabrics | .43 | .56 | | | | 1.05 | 1.42 | | | |

| | 1928 (January and February)[1] | | | | |
|---|---|---|---|---|---|
| | Pairs | Value | Value per pair | Per cent of increase (+) or decrease (−) over previous year | |
| | | | | Pairs | Value |
| Total imports—free | 513,007 | $1,411,435 | $2.75 | 63.94 | 72.19 |
| Total imports—dutiable | 110,226 | 21,043 | .19 | −13.24 | −42.08 |
| Total | 623,233 | 1,432,478 | 2.29 | 41.65 | 67.34 |
| Total by shoe classifications: | | | | | |
| Men's and boys'—free | 42,077 | 219,878 | 5.22 | 32.47 | 21.73 |
| Women's and misses'—do | 336,375 | 968,702 | 2.87 | 189.46 | 109.42 |
| Children's—do | 63,340 | 140,974 | 2.22 | 103.03 | 95.73 |
| Slippers—do | 71,215 | 81,881 | 1.14 | −46.76 | −21.68 |
| Other—do | 110,226 | 21,043 | .19 | −13.24 | −42.08 |
| Total | 623,233 | 1,432,478 | 2.30 | 41.65 | 67.34 |

[1] Figures for January and February, 1928, have been compared with similar period in 1927.

BOOTS AND SHOES—continued

*United States imports for consumption of boots and shoes from all countries compared with imports of boots and shoes from Czechoslovakia to the United States*—Continued

| | 1928 (January and February) | | | | |
|---|---|---|---|---|---|
| | Pairs | Value | Value per pair | Per cent of increase (+) or decrease (−) over previous year | |
| | | | | Pairs | Value |
| From Czechoslovakia: | | | | | |
| Men's and boys'—free | 2,880 | $5,463 | $1.89 | 452.78 | 388.64 |
| Women's and misses'—do | 235,594 | 529,288 | 2.24 | 478.83 | 468.83 |
| Children's—do | 11,160 | 16,889 | 1.51 | 1,622.22 | 2,796.91 |
| Slippers—do | 52,786 | 60,485 | 1.14 | 42.92 | 80.92 |
| Uppers of fabrics—dutiable | 640 | 388 | .60 | −83.88 | 62.84 |
| Total, free and dutiable | 303,060 | 612,513 | 2.02 | 266.13 | 373.99 |
| Percentage which imports from Czechoslovakia are of total imports | 48.63 | 42.76 | | | |
| Men's and boys' | 6.84 | 2.48 | | | |
| Women's and misses' | 70.04 | 54.64 | | | |
| Children's | 17.62 | 11.98 | | | |
| Slippers | 74.12 | 73.87 | | | |
| Uppers of fabrics | .58 | 1.84 | | | |

*Domestic production of shoes*

| | |
|---|---|
| Total pairs of shoes manufactured in United States in 1927 | 343,605,905 |
| Men's | 95,328,098 |
| Boys' and youths' | 24,229,296 |
| Women's | 116,258,866 |
| Misses' and children's | 39,649,961 |
| All others | 68,139,684 |

*Domestic exports, boots and shoes, 1927 and 1928*

NUMBER OF PAIRS

| | Men's and boys' | Women's | Children's | Slippers | Athletic, etc. | Total pairs |
|---|---|---|---|---|---|---|
| 1927 | | | | | | |
| January | 261,060 | 160,086 | 69,827 | 16,499 | 5,003 | 512,475 |
| February | 170,839 | 145,472 | 80,428 | 6,633 | 5,081 | 408,453 |
| March | 252,225 | 185,687 | 121,046 | 10,384 | 7,210 | 576,552 |
| April | 270,521 | 185,469 | 139,071 | 21,296 | 10,095 | 626,452 |
| May | 250,669 | 186,058 | 149,702 | 20,612 | 5,318 | 612,359 |
| June | 260,794 | 196,303 | 134,318 | 17,630 | 5,361 | 614,406 |
| July | 194,527 | 167,757 | 93,579 | 30,265 | 8,568 | 494,696 |
| August | 147,626 | 120,392 | 68,798 | 28,380 | 8,533 | 373,729 |
| September | 130,355 | 121,924 | 59,849 | 21,909 | 3,064 | 337,101 |
| October | 158,213 | 135,361 | 82,371 | 44,695 | 5,639 | 426,279 |
| November | 182,186 | 165,798 | 85,119 | 45,350 | 4,356 | 482,809 |
| December | 196,005 | 130,061 | 55,371 | 26,221 | 5,391 | 413,049 |
| Total | 2,475,020 | 1,900,368 | 1,139,479 | 289,874 | 73,619 | 5,878,360 |
| 1928 | | | | | | |
| January | 252,225 | 185,687 | 121,046 | 10,384 | 7,210 | 576,552 |
| February | 129,350 | 136,080 | 37,275 | 14,105 | 2,783 | 319,593 |
| March | 223,269 | 100,934 | 83,617 | 22,166 | 6,634 | 436,620 |

REPORTS OF COMMITTEES

Mr. BINGHAM, from the Committee on Military Affairs, to which was referred the bill (H. R. 8963) for the relief of Richard H. Beier, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

Mr. ODDIE, from the Committee on Naval Affairs, to which was referred the bill (S. 2802) to provide for the appointment of five midshipmen each year at large by the Vice President of the United States, reported it with amendments and submitted a report (No. 886) thereon.

Mr. REED of Pennsylvania, from the Committee on Military Affairs, to which was referred the bill (H. R. 11134) to authorize appropriations for construction at military posts, and for other purposes, reported it with amendments and submitted a report (No. 892) thereon.

Mr. BRATTON, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3874) authorizing appropriations of funds for construction of a highway from Red Lodge, Mont., to the boundary of the Yellowstone National Park near Cooke City, Mont., reported it without amendment and submitted a report (No. 885), thereon.

Mr. TYDINGS, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5746) to authorize the appraisal of certain Government property, and for other purposes, reported it without amendment and submitted a report (No. 887) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 5465) to amend section 1571 of the Revised Statutes to permit officers of the Navy to count duty on airships as sea duty (Rept. No. 888); and

A bill (H. R. 5531) to amend the provisions contained in the act approved August 29, 1916, relating to the assignment to duty of certain officers of the United States Navy as fleet and squadron engineers (Rept. No. 889).

Mr. HALE also, from the Committee on Naval Affairs, to which was referred the concurrent resolution (S. Con. Res. 11) to investigate the problem of the control of aircraft for seacoast defense, reported it with an amendment and submitted a report (No. 890) thereon.

Mr. METCALF, from the Committee on Naval Affairs, to which was referred the bill (H. R. 21) to provide for date of precedence of certain officers of the staff corps of the Navy, reported it without amendment and submitted a report (No. 891) thereon.

Mr. WATERMAN, from the Committee on Naval Affairs, to which was referred the bill (H. R. 10276) providing for sundry matters affecting the naval service, reported it without amendment and submitted a report (No. 894) thereon.

Mr. CARAWAY, from the Committee on the Judiciary, to which was referred the bill (S. 4179) to amend the corrupt practices act by extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States, and for other purposes, reported it without amendment and submitted a report (No. 895) thereon.

HARRY C. BRADLEY

Mr. CARAWAY. From the Committee on Claims I report back favorably with an amendment the bill (S. 433) for the relief of Harry C. Bradley and I submit a report (No. 884) thereon. I call the attention of the senior Senator from New Mexico [Mr. BRATTON] to the bill.

Mr. BRATTON. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The amendment was to strike out all after the enacting clause and in lieu thereof to insert:

That in the administration of the employees' compensation act of September 7, 1916, as amended by the act of February 12, 1927, the Employees' Compensation Commission is authorized and directed, in connection with any application which has been or may be filed by Harry C. Bradley, now a clerk in the United States land office at Las Cruces, N. Mex., to consider that he contracted tuberculosis in the service of the United States.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. ROY KNABENSHUE

Mr. BAYARD. On the 21st instant the House passed House bill 11764 conferring jurisdiction upon the Court of Claims or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention, and so forth. Yesterday afternoon the Senate passed an iden-

tical bill (S. 3809). From the Committee on Claims I report back House bill 11764 without amendment, and I submit a report (No. 893) thereon. I ask for the immediate consideration of the House bill.

Mr. KING. Let it be read.

The bill (H. R. 11764) conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907, was read.

Mr. OVERMAN. It seems to me that this is unusual.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The Chair will state to the Senator from North Carolina that a Senate bill in identical terms was passed by the Senate yesterday.

Mr. KING. Let me make an inquiry in line with the suggestion made by the Senator from North Carolina. My understanding is that the Court of Claims finds the facts and then an appropriation by Congress is required.

Mr. BAYARD. That is always the case. The Court of Claims finds the facts and determines the amount.

Mr. KING. Does it render judgment?

Mr. BAYARD. It renders judgment; but the judgment is of no value until an appropriation is made.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. BAYARD. I move that Senate bill 3809 be recalled from the House.

The PRESIDING OFFICER. Without objection, that order will be entered.

### MISSOURI RIVER BRIDGE BETWEEN COUNCIL BLUFFS, IOWA, AND OMAHA, NEBR.

Mr. DALE. From the Committee on Commerce, I report back favorably without amendment the bill (S. 3693) authorizing the city of Council Bluffs, Iowa, and the city of Omaha, Nebr., or either of them, to construct, maintain, and operate a free highway bridge across the Missouri River between Council Bluffs, Iowa, and Omaha, Nebr., and I submit a report (No. 896) thereon. I call the attention of the junior Senator from Nebraska [Mr. HOWELL] to the bill.

Mr. HOWELL. I ask unanimous consent for the immediate consideration of the bill. It is a bridge bill in the usual form.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

*Be it enacted, etc.*, That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the city of Council Bluffs, a municipal corporation of the State of Iowa, and the city of Omaha, a municipal corporation of the State of Nebraska, or either of them, are hereby authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, between Council Bluffs, Iowa, and Omaha, Nebr., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. There are hereby conferred upon the city of Council Bluffs and the city of Omaha, or either of them, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### ENROLLED BILL PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the enrolled bill (S. 1181) authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended.

### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYSON:

A bill (S. 4205) granting an increase of pension to Amanda C. Manners (with accompanying papers); to the Committee on Pensions.

By Mr. HEFLIN:

A bill (S. 4206) authorizing the Director of the Census to collect and publish certain additional cotton statistics; to the Committee on Agriculture and Forestry.

By Mr. GEORGE:

A bill (S. 4207) to authorize the reappointment of George Edwin Penton as second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 4208) for the relief of Henry Stanley Wood; to the Committee on Finance.

By Mr. CUTTING:

A bill (S. 4209) to amend the World War veterans' act, 1924; to the Committee on Finance.

By Mr. BLAINE:

A bill (S. 4210) to amend the World War veterans' act, 1924; to the Committee on Finance.

By Mr. NORBECK:

A bill (S. 4211) to amend section 5153 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

By Mr. JOHNSON:

A bill (S. 4212) for the relief of John Davidson; to the Committee on Naval Affairs.

A bill (S. 4213) for the relief of James E. O'Donnell; and

A bill (S. 4214) to confer jurisdiction on the Court of Claims to ascertain the damage by the United States to real property of the Mack Copper Co., a corporation and to render judgment therefor as herein provided; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 4215) granting an increase of pension to Lillian P. Dowdney; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 4216) to authorize the adjustment and settlement of claims for armory drill pay;

A bill (S. 4217) to authorize the removal of the Aqueduct Bridge crossing the Potomac River from Georgetown, D. C., to Rosslyn, Va.; and

A bill (S. 4218) to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther Von Huenefeld, James C. FitzMaurice, and Hermann Koehl; to the Committee on Military Affairs.

A bill (S. 4219) granting an increase of pension to Julia A. Elwell (with an accompanying paper); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4220) granting an increase of pension to Rebecca A. Buschbaum (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 4221) for the relief of John Martin; to the Committee on Military Affairs.

A bill (S. 4222) to authorize the creation of Indian trust estates, and for other purposes; to the Committee on Indian Affairs.

By Mr. McKELLAR:

A bill (S. 4223) to erect a monument to the memory of Gen. William Campbell in Smythe County, Va.; to the Committee on the Library.

By Mr. DALE:

A bill (S. 4224) granting a pension to Sarah C. Morse (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 137) prohibiting the maintenance of marines or troops in Nicaragua after February 1, 1929, except for certain purposes; to the Committee on Foreign Relations.

### AMENDMENTS TO BOULDER DAM BILL

Mr. PHIPPS submitted three amendments intended to be proposed by him to Senate bill 728, the so-called Boulder Dam bill, which were ordered to lie on the table and to be printed.

### MUSCLE SHOALS DAM NO. 2

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Mr. J. L. Meeks, publisher of the Florence Times-News, of Florence,

Ala., relative to the Government power facilities at Muscle Shoals Dam No. 2.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FLORENCE TIMES-NEWS,
*Florence, Ala., April 21, 1928.*

Senator KENNETH MCKELLAR,
*Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: It appears that the Alabama Power Co. is attempting to bottle up the Government power facilities at Muscle Shoals Dam No. 2, according to recent maneuvers, and therefore we believe that it is highly important that you should be informed of the situation before the present term of Congress is consigned to history with the record written again that this branch of our Government is unable to settle a business proposition of this character.

Attached to this letter you will find an article which appeared in this week's issue of the Florence Herald, a newspaper which has not been especially antagonistic to the power company, setting forth plans of the company for the extension of their lines into the eastern and northeastern section of Lauderdale County. There is also attached copy of a rough map of the county upon which are marked this and other proposed developments of the power company on the north side of the Tennessee River. On the south side of the river, the company already owns all transmission facilities and rights of way, as well as the line from Gorgas into the heart of the Government's projects here.

At the western edge of the county you will note the site of the proposed dam near Bear Creek, and markings from that point toward Florence denoting rights of way. All necessary land on both sides of the river near Bear Creek have already been purchased by the Alabama Power Co., and practically all the rights of way for transmission lines eastward have also been purchased on both sides of the river. These purchases are reported to aggregate more than half a million dollars.

You will note markings denoting rights of way from Dam No. 2 northward through St. Florian to the Tennessee line. It is reported that by this the power company intends to connect with the Tennessee Power Co., although it is understood that no authority has been granted for this purpose by the Alabama Public Service Commission.

You will also note the route marked, denoting the proposed extension referred to in the Florence Herald, which goes eastward to Killen and Rogersville and loops back to St. Florian.

These lines appear to encircle almost completely the Government's plants for generating power at Muscle Shoals, and would, no doubt, interfere seriously with any effort in the future for distribution of power, either in the adjacent region or at a distance by any other company than the Alabama Power Co., or by the Government.

The article in the Florence Herald states that the Alabama Power Co. expects to have the line into East Lauderdale completed by fall, in time to furnish power to the cotton gins; therefore it appears that if Congress fails to take some sort of definite action before adjournment in June there will be new difficulties presented when the question comes up again for consideration. It does not appear reasonable that this latest proposed extension of the Alabama Power Co. lines could be undertaken because of any possibility of direct profits from the sale of electricity, either now or for many, many years in the future; therefore we must assume that the undertaking is merely another maneuver in their fight to secure Muscle Shoals for selfish gain.

If the Government is faced with such maneuvers by an unscrupulous industry, would it not be better for Congress to enact an amended Morin bill with a view toward altering it at future sessions as necessity or experience may dictate, rather than to permit this 10-year-old debate to be made even more complicated by the strategy of the power company?

Very respectfully,

J. L. MEEKS,
*Publisher the Florence Times-News.*

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ROGERSVILLE MAY HAVE ELECTRIC SERVICE SOON—OTHER COMMUNITIES WOULD ALSO BE SERVED

Contingent only upon the granting of a franchise by the authorities of Rogersville, one of the most important developments of recent years in Lauderdale County is assured through the extension of electric service to all communities and persons desiring it along the Lee Highway between Florence and Rogersville.

The installation of a transmission line to serve this section of the county is projected by the Alabama Power Co., and it is hoped to have it in operation by September 1, in time to serve a number of cotton gins which desire to operate by electric power this fall, as well as other prospective customers.

According to definite plans which have been worked out, the main line would serve persons in the vicinity of Shoals Creek bridge, in Killen, Center Star, Cross Roads, and Rogersville, as well as all farmers along the highway who desire light or power, or both.

After the main line is in operation it is expected that branch lines would later be constructed to St. Florian, Anderson, and Lexington, as well as intermediate communities and farm homes, so that within a comparatively short time a network of electric lines would traverse a large portion of the eastern end of the county.

Those receiving service would be granted the same rates as have been established by the public service commission for other customers similarly situated throughout Alabama, who now number several thousand and are rapidly increasing.

At a mass meeting in Rogersville on Monday night, the large number of citizens present voted almost unanimously in favor of granting the franchise sought, and the matter will probably be acted upon by the city authorities soon.

Progressive citizens of the various communities included in the plan are said to be enthusiastic over the prospect of securing this modern facility at reasonable rates. Enough prospective customers are already in sight to warrant the building of the line in case the Rogersville franchise can be obtained, as now seems assured.

Customers would have the benefit of a 24-hour service, as efficient in every respect as is enjoyed by the larger communities of the State, thus having brought to their homes and places of business all the comforts, conveniences, and economies which modern electric service affords.

It is believed that all those interested in securing these benefits will gladly cooperate with the power people in their efforts to promptly provide dependable electric service, which is now considered indispensable in a progressive community.—(From the Florence (Ala.) Herald, weekly, Friday, April 20.)

LETTER OF CHARLES B. BREWER

Mr. BLACK. Mr. President, several days ago the Senator from Pennsylvania [Mr. REED] referred to a charge made by some person about Liberty bonds, and the person to whom he referred was a citizen of Alabama. He has written a letter to me explaining the circumstances of the Liberty bonds being issued by the Secretary of the Treasury, and I desire to have the letter inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

WASHINGTON, D. C., *April 21, 1928.*

Hon. HUGO L. BLACK,
*United States Senate, Washington, D. C.*

Subject: Correction of RECORD regarding Liberty bonds.

MY DEAR SENATOR: Would you be kind enough to have correction made to the CONGRESSIONAL RECORD of March 22, 1928, page 5152, concerning certain statements made in the Senate by Senator REED of Pennsylvania relative to the investigation of fraudulent practices in Liberty bonds, which statements were largely the same as Mr. Andrew W. Mellon's when testifying as to his connection with the Hays-Sinclair bonds in the oil scandal.

There is no question as to the results of the investigation being entirely contrary to oft-repeated statements concerning it. It was covered not only by one but by two majority reports by four of the five members of the select committee of Congress, all members of the Banking and Currency Committee. (It is report No. 1635, Sixty-eighth Congress, second session, and appears also in CONGRESSIONAL RECORD, pages 5578–5586, daily; and 5536–5544, bound volume.)

One of the majority reports was signed by Congressmen KING, Illinois; STEAGALL, Alabama; STEVENSON, South Carolina; dated March 2, 1925. (One Republican and two Democrats.)

The other, a unanimous report of the subcommittee, "was submitted and approved January 7, 1925," by "a subcommittee consisting of Mr. MCFADDEN, Mr. KING, and Mr. STEAGALL," as stated in last paragraph of report of March 2, and printed with it as Exhibit A, because of a "statement" by Mr. MCFADDEN. (Two Republicans and one Democrat.)

* * * * * * *

Senator REED of Pennsylvania referred to "charges of some person that Liberty bonds had been issued in duplicate," and stated:

"It was proven, as we all remember, that * * * there had been no overissue. The whole thing was cleared up I think to everybody's satisfaction.

"The only guilt in issuing Liberty bonds during the war had been on the part of the numbering machines which every once in a while slipped its gears and made duplicate numbers."

* * * * * * *

It is a fact well known to all who saw the duplicates, including many Members of Congress and the Senate, that identical numbers on practically all the pairs of bonds found duplicated were printed from different fonts of type. One bond would bear numerals of long, thin type, and its duplicate would have fat, squatty type. The proportion of duplicates occasioned by the slipping of the numbering machines were "negligible and inconsequential," said both Mr. MCFADDEN's unanimous reports and Mr. KING's majority report.

Both these reports also stated:

"Duplicate bonds amounting to 2,314 pairs, and duplicate coupons amounting to 4,698 pairs, ranging in denominations from $50 to $10,000, have been redeemed to July 1, 1924. * * * The statement as to coupons includes only one for each bond.

"Some of the duplications have resulted from error and some from fraud.

"The extent of the duplications is also uncertain from the record as far as it has gone, and an important part of the work by which duplication is detected was stopped by the Treasury July, 1924." (Par. 1, both reports.)

Both Mr. MCFADDEN'S and Mr. KING'S reports referred to Mr. Mellon's letter to the President on duplicate bonds as "incomplete," "contradictory," and "evasive," and continued: "The main part of the proof offered to show the duplication resulted from error was demolished by the committee discovering within the Treasury Department many of the very bonds which the Secretary's report" [Mr. Mellon's] "claimed had never been printed." (Par. 3, Mr. MCFADDEN'S subcommittee report.)

When the Treasury's defense relative to the slipping of the numbering machines was exploded by recovering some of the duplicate bonds which had not been destroyed (as most of them had been and were being when President Harding stopped such destruction), and these recovered bonds showed that type of entirely different character had been used in the numbering, the Treasury then set up a new defense. This defense was that errors had been made by printing incorrect numbers, and claimed this was proven by the fact that many bonds which should have appeared in the sequence of numbers had never been surrendered. This defense was called the "allocation" of numbers. Regarding this, Mr. MCFADDEN'S subcommittee report stated:

"The committee discovered some of these 'allocated' bonds, which had been paid, had been in the Treasury for four years at the time the Secretary's report of April 26, 1924, told the President" [President Coolidge] "they did not exist." (Par. 3, Mr. MCFADDEN'S subcommittee report.)

Continuing, Mr. MCFADDEN'S subcommittee report stated:

"The committee also discovered that other such bonds are continuing to appear and are being paid. 4. The possibility of a proper balance of the books is precluded by matters shown by the Treasury records."

On the same subject Mr. KING'S majority report stated:

"This allocation of set-off numbers is merely a guess, and that it is totally unreliable is rendered patent by the subsequent appearance of the bonds with those very numbers and their payment by the Treasurer. We can not escape the conclusion that there is a considerable duplication in bonds (not merely numbers) and that the whole public debt should be audited." (Par. 3.)

Continuing, later, in the same paragraph, Mr. KING'S majority report states:

"The fact that many of the bonds are destroyed, making it impossible to tell which were honest and which were spurious when duplicate numbers are presented, emphasizes the importance of the issue as to destruction of the bonds."

Mr. MCFADDEN'S subcommittee report as to destroying the bonds states "destruction of bonds was prosecuted in haste and that destruction records are not dependable.

"7. That the bonds were destroyed in violation of law, of regulations, and of presidential order, and the best evidence of duplication thus removed."

Mr. KING'S majority report uses the identical words, except for "prosecuted" the word "conducted" is used and the word "best" is omitted, making it read, "and the evidence of duplication thus removed."

On the subject of destruction, Mr. KING'S majority report sets out a letter to Mr. Mellon from President Harding, as follows:

DECEMBER 19, 1921.

MY DEAR MR. SECRETARY: I talked with you this morning over the telephone about suspending the destruction of bonds which have been exchanged for new ones, etc., and was greatly pleased to have your assurance that this destruction would be permanently suspended. I think this administration ought to take that course as the surest means of self-defense.

"These bonds will not require any very extended storage space, and we will have a very valuable refutation of neglect on the part of this administration if these exchanged securities and other questionable cancellations are preserved for future reference and inspection.

"I trust you will make the order a very explicit one and allow no variation therefrom."

Very sincerely,

WARREN G. HARDING.

The SECRETARY OF THE TREASURY,
*Washington, D. C.:*

Mr. KING'S majority report, signed by himself, Congressman STEAGALL, and Congressman STEVENSON, after setting forth the above letter, continued thus:

"Notwithstanding this letter, destruction was continued until President Harding again, in April, 1922, demanded that it be stopped, when destruction was finally stopped."

The report was then continued by setting forth a portion of a letter of April 26, 1924, written by Mr. Mellon to President Coolidge, as follows:

"It is true that during the latter part of June, 1921, Mr. Brewer personally called on the Secretary of the Treasury and urgently suggested, among other things, that destruction be suspended. There were not at that time, however, any orders or instructions of any kind from the President on the subject of destruction, and the Secretary of the Treasury did not agree with Mr. Brewer that destruction should be stopped, nor did he issue any instructions himself."

Immediately following the quotation of this letter Mr. KING'S majority report continues:

"After June, 1921, there were about $10,000,000,000 worth of securities destroyed." (Paragraph 10, majority report.)

Mr. MCFADDEN'S subcommittee report, commenting on such destruction, states:

"Authority to destroy bonds was repealed in 1919.

"Since then any such destruction was in violation of the United States Criminal Code." (Paragraph 12, subcommittee report.)

Mr. KING'S majority report sets forth the law in detail showing, unless express authority of Congress was obtained, no right existed to destroy bonds, money, etc., and added:

"The criminal law also prohibits it." (Paragraph 10, majority report.)

The majority report then set out the penalties of fine and imprisonment and, in case of an officer in charge, quoted the provision that such officer "shall, moreover, forfeit his office and be forever afterwards disqualified from holding any office under the Government of the United States." (Paragraph 10, majority report.)

There were two of the members of the subcommittee who were lawyers and the three members signing the majority report were also lawyers (two of them the same). Both the majority report and subcommittee report referred to a lengthy defense set up by Mr. Mellon in a 200-page printed book, which he styled his "letter" to the President, which he sent broadcast to thousands of banks and others over the country. Among the abusive language which he employed he set up the same defense made by him before Senator NYE'S hearing on the "oil scandal" (as reported by the New York Times of March 14, 1928, but not carried by the local press).

It was also the same defense which Senator REED of Pennsylvania set forth in the CONGRESSIONAL RECORD of March 22, 1928.

This defense, as well as all the other contents of the 200-page "letter" of Mr. Mellon, and also as well as his annual report and other reports by him and his Undersecretary, was given "most careful consideration," both by Mr. MCFADDEN'S subcommittee and by Mr. KING'S majority committee (preamble of each report) and is the particular report which Mr. MCFADDEN'S subcommittee styled as "incomplete, contradictory, and evasive," as recited earlier herein.

With this defense and Mr. Mellon's other defenses before them, and relying not on what "some person" charged, as stated by Senator REED of Pennsylvania, both the subcommittee of Mr. MCFADDEN and majority committee of Mr. KING, relying on "its examination of Treasury reports and records and the testimony of Treasury officials and employees," stated: "Your committee finds that * * *." And after a careful analysis of their findings regarding duplicate bonds and abuses in the buying and selling of Liberty bonds and reporting indicated losses of $24,000,000, $28,000,000, and $60,000,000 the reports were summarized thus—

"16. The committee has stated herein that the evidence discloses:

"1. That there has been duplication of bonds, some fraudulent, the proportion not yet determined;

"2. That the report of the Treasury relative thereto is incomplete, contradictory, and evasive; and proof it offered to show innocent error was demolished;

"3. That records have been falsified; extent of same unknown;

"4. That indifference to duplications has been prevalent;

"5. That legal remedies have been neglected in the payment of duplicates;

"6. That destruction of bonds was prosecuted in haste and that destruction records are not dependable;

"7. That the bonds were destroyed in violation of law, of regulations, and of presidential order, and the best evidence of duplication thus removed;

"8. That under a theory of economy; evidence, not destroyed, has been rendered useless and the Government thus deprived of its main safeguard against future fraud;

"9. That the will of Congress has been overridden by connivance in the repurchase and sale of millions of dollars of bonds;

"10. That questionable methods were employed in handling these funds;

"11. That substantial, actual losses to the Government has resulted; and

"12. That the extent of these losses has been rendered uncertain by failure of records to agree." (Par. 16, Mr. MCFADDEN'S subcommittee report; also par. 13, Mr. KING'S majority report, except for a word here and there.)

The committee appealed in vain to be allowed to complete its investigation, ascertain the extent of losses and recover them. Its head

was cut off two days after it made its report. It is quite clear, however, the question was not "cleared up," as Senator REED of Pennsylvania states, "to everybody's satisfaction."

I know it to be a fact that it was not to the satisfaction of those signing the report so freely quoted herein.

There was a fifth member of the committee, Representative STRONG of Kansas. He did not agree either with the majority report of Congressmen KING, STEAGALL, and STEVENSON or with the unanimous subcommittee report approved by Congressmen MCFADDEN, the chairman, KING, and STEAGALL in a short "Statement of Mr. STRONG," made at the time.

* * * * * * *

WHAT HAPPENED TO THE "PROSECUTOR"

After 29 years of service, begun under Mr. Secretary Herbert in the Cleveland administration, including an Executive reinstatement by President Roosevelt, solely on my past record ending with chief draftsman of construction, Navy; after promotion to "attorney for the United States," under President Wilson's administration; after two years' service on this very investigation, directly under the personal supervision of President Harding; after reinstatement at the personal direction of President Coolidge as-of-the-next-morning following a "discharge" by Harry M. Daugherty in an attempt to stop the investigation: after continuing the investigation as personally ordered by President Coolidge and serving as counsel to the Congressional Bond Committee as personally directed by Mr. Justice Stone, then Attorney General; after all this, I was deprived of my position in violation of the principles of the civil service laws (under which status I came) to hush up this scandal.

There had never been a charge against my record. My sole offense was that a matter, of which I had never heard and which came to the Department of Justice from the outside in the regular way, which I was directed by the acting Attorney General to pursue, was pursued and was not smothered when it led into channels with power to bring pressure to stop it.

A duly constituted committee of Congress said I was right—that these charges from the outside which I reported as true, were true. It went further; it said that the Treasury records were falsified to prevent the truth from being discovered.

Through the tyranical exercise of power by Andrew W. Mellon over the Department of Justice, over which he is supposed to have nothing to do, I was removed after refusing a direct offer of a continuance of my position if I would use my influence with the Congressional Bond Committee to have their report suppressed. The offer came from one who has demonstrated his ability to have made it good.

Since, with this administration, might makes right, the action may be right.

In his annoyance at the condemnation of the congressional committee, Mr. Mellon spread defamatory matter about the writer the length and breadth of the land with the evident purpose, of course, of detracting attention from the findings of the committee. Redress for this was refused by the courts, which upheld the doctrine that a high official may say whate'er he will, even knowing at the time that what he says is both false and malicious if he first incorporate it in an official letter.

That being the law, I also bow to it.

But certainly as a citizen, if there be a vestige of liberty left, I should not be required to see the official organ of the Congress spread upon its pages statements entirely contrary to the findings of the only authorized agency which Congress directed to look into the matter—the select bond committee (pursuant to H. Res. 231, 68th Cong., 2d sess.).

Very respectfully,

CHAS. B. BREWER.

## NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE, as modified.

Mr. BRATTON. Mr. President, the President is the Commander in Chief of the Army and Navy of the United States. He is made so by section 2 of Article XI of the Constitution. In that capacity he is vested with certain powers and is authorized to perform certain official acts. I think that under that constitutional authority, coupled with the established precedents, he has the power, in the absence of any action on the part of the Congress, to cause the armed forces of the United States to be landed upon foreign soil for temporary purposes in cases of emergency, but only to insure temporary protection to nationals with respect to their lives and property. The exercise of this power has the sanction of well-recognized rules of international law as well as the Monroe doctrine. So long as the power is exercised in this guarded manner there can be no criticism. No other course would conform to the safety of the lives and property of our nationals or the nationals of other countries who are entitled to protection under the Monroe doctrine as we have declared and interpreted it. That is not aggressive warfare. It is merely the exercise of the necessary steps to protect nationals against danger occasioned by the lack of stability on the part of the domestic government.

The power to declare war is expressly vested in the Congress. It is thus vested by section 8 of Article I of the Constitution. These two functions are entirely separated and dissociated from each other. There should be little or no difficulty in distinguishing them. Under the solemn language of the Constitution active and continued warfare can be waged by our country in no other way. To do so under the guise of protecting life and property in an emergency situation is to abort the Constitution. It is subversive of our form of government. Any such departure from the plain language of the Constitution will never meet with the approval of the American people. They demand government under constitutional authority, not despite it.

With these general statements of recognized principles, I address myself to the several pending amendments having to do with our present situation in Nicaragua. I did not approve landing the marines there. I thought our action was unwise, unjust, and not sustained by the facts when measured by precedents or authority. It was my firm belief that no emergency existed sufficient to demand such action on our part. I believed then and now that neither life nor property was jeopardized sufficiently to warrant that action. I express my emphatic disapproval of the action thus taken. Neither do I desire to be understood as condoning what has gone before. I do not do so. But, Mr. President, the marines were sent there. They have remained there for many months. It is the present and future with which the proposed amendments to the pending appropriation bill deal—not the past. After the marines thus were landed an understanding, called the Stimson agreement, was entered into. The two parties in Nicaragua, the Conservatives and the Liberals, as well as the United States were parties thereto. It was a tri-party compact. It provided that the marines should be kept in Nicaragua until the election is held in October for the purpose of seeing that the election is conducted fairly and honestly. That agreement provided that upon the strength of our obligation to maintain the marines there, thus affording protection, the two contending factions should cease waging war upon each other; that they should surrender their arms, blades of battle, and implements of war. This was done, with the exception of a small remnant of soldiers. It may be said that practically all of the armed forces ceased to spill the blood of their countrymen and turned their efforts to peaceful pursuits.

They relied upon our good faith. They believed that we would perform our part of the compact. They transposed themselves from armed forces to unarmed citizens. They have been lulled into a state of unpreparedness for conflict with each other or facilities with which to protect themselves against armed attack by our assurance that armed forces of the United States will be retained and maintained there until after the next election is held. To withdraw the marines prior to that time would amount to a breach of the agreement, and would subject the Liberals to an immediate attack, which, in my judgment, would approach the proportions of a massacre. Should we do that, and an attack with bloodshed should follow, we could not escape guilt in the forum of good conscience or public opinion. The blood of those people would be upon our hands. It may be said that there was a lack of authority for the Stimson agreement. I agree with the statement. I do not believe authority for the execution of that agreement or the assurances thereby given did exist. I think there was a total lack of it. Be that as it may, those purporting to represent the Government of the United States assumed to enter into it, and the two contending forces in Nicaragua acted and relied upon that agreement.

Mr. KING. Mr. President, will the Senator suffer an interruption?

Mr. BRATTON. Gladly.

Mr. KING. The Senator stated a few moments ago, as I understood him, that without the continued intervention of the United States and the presence of our marines in Nicaragua the Liberal forces might be attacked by Sandino and bloodshed would result.

Is it the view of the Senator that Sandino would attack the Liberal elements—known as the Sacasa party? Is it not a fact that the Liberals and the sentiment of the country are with Sandino, and that whatever remnants of the Sacasa or Liberal organization now exist sympathize with him, and would assist him if they could, and that instead of his attacking the Liberals he would protect them?

Mr. BRATTON. Perhaps I did not make myself clear, at least to the Senator from Utah. I do not want to leave the

impression that Sandino would attack the Liberals, but that the Conservatives would do so; in other words, that the struggle between the Conservatives on the one hand and the Liberals on the other would be immediately resumed if our forces were withdrawn and the assurances given in the so-called Stimson agreement likewise were annulled. That is what I had in mind.

Mr. KING. Will the Senator suffer another interruption?

Mr. BRATTON. Yes, Mr. President.

Mr. KING. Does not the Senator believe that the overwhelming majority of the people of Nicaragua are Liberals, and that they refuse to join the so-called Conservatives, the Diaz régime; and, that if we should withdraw our forces, and an internal conflict should result, that the Conservatives would be more in danger than the Liberals, owing to the fact that they are in the minority?

Mr. BRATTON. Mr. President, regardless of that, I hold to the view that if the marines are withdrawn the two factions in Nicaragua will resume waging war upon each other; that the blood of citizens of that country will be spilled. It is wholly immaterial to me whether the Liberals or the Conservatives suffer by the struggle.

The result will be a resumption of war between the two struggling forces there, and the spilling of blood. It is to obviate that that I believe the marines should be continued there until after the election is held, as the Stimson agreement provides.

Mr. KING. One further suggestion, if the Senator will permit me.

Mr. BRATTON. Yes, Mr. President.

Mr. KING. I think that most of the so-called revolutions in South and Central America and in the Caribbean Islands were quite unimportant, and scarcely disturbed the life or pursuits of most of the people; they were rather opera bouffe performances, and the loss of life was inconsequential. During the discussion reference has been made to the "revolutions" which have taken place in Haiti. It is true there has been domestic strife and various Haitian "revolutions," but the military forces of the United States killed more Haitians in one year than were killed during 40 years of Haitian rule. American intervention in Haiti resulted in armed conflicts; that is, war, during which between 2,500 and 3,500 inhabitants of Haiti were killed. The conflicts among the Nicaraguans do not result in great loss of life; the occupying American forces have carried on war against the people of that country, and life and property has been destroyed.

Mr. BRATTON. Continuing, Mr. President: Regardless of whether there was technical authority for the execution of what we now call the Stimson agreement it was entered into by those who assumed to act on behalf of our Government, and practically all elements in Nicaragua relied upon that agreement and upon our assurances given thereby.

They were moved to change their position in faith of the guaranties given by us. They assumed that the authority existed. Acting upon that assumption and belief, they stacked arms; guns ceased to fire; the sacrifice of life stopped; and war between two struggling elements ended. If we were now to say that because strict authority on the part of those who acted for us did not exist, and consequently we will go no further in carrying out the agreement, we would place ourselves in the position of allowing technicality to prevail over an obligation we can not escape. Yes, Mr. President, it would amount to permitting a narrow technicality to control us to the utter disregard of the lives and property of those people who acted in full good faith, relying upon us. We must not fail them now.

Mr. President, because of these considerations I think the marines should be retained in Nicaragua until after the election is held or the time for it has passed. Nothing short of that will constitute performance of the agreement on our part. But when that is done, it is my belief that our armed forces should be withdrawn with all reasonable dispatch. They will have no proper place there afterwards.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from California?

Mr. BRATTON. I do, Mr. President.

Mr. SHORTRIDGE. I understood the Senator to state that he thinks we should withdraw our forces from Nicaragua as of a certain future date. If American citizens shall as of that time be there, and be in possession of lawfully acquired property, does the Senator claim that this Government should extend no protection to them, but should suffer them to be robbed, and perhaps their lives taken? Is that the position which the Senator, an American Senator, takes?

Mr. BRATTON. By no means, Mr. President.

Mr. SHORTRIDGE. What is the Senator's position, then, with regard to the duty of this Government to guard and protect its citizens who have gone lawfully into a friendly nation and lawfully acquired property there?

Mr. BRATTON. Obviously, Mr. President, the distinguished Senator from California—for whom I entertain the highest respect—did not hear the opening part of my remarks. I said then that it is not only the right but the plain duty of our Government, under well-recognized principles of international law, to protect our nationals in their lives and property against dangers occasioned by a lack of stability on the part of local governments; that if such a situation should arise in Nicaragua after the election is held in October—a situation where our nationals are subjected to danger, either as to their lives or property—it will be the plain duty of our Government to protect them, even to the extent of landing armed forces there; but I also said that I did not believe those facts existed when our marines were sent there originally. I said that I did not believe that a careful examination of the facts would disclose that our nationals were jeopardized, either as to their lives or as to their property, sufficiently to justify sending the marines there originally, but that they are there, and that since they went there an agreement was entered into, commonly referred to as the Stimson agreement, which gave the two forces certain assurance that we would retain the marines there until after the election is held, and that I believe they should be kept there in order that our obligations enjoined under the terms of that agreement are performed. That after that I think they should be withdrawn. I agree with the Senator, however, that if changed conditions should come about jeopardizing or endangering our nationals either as to their lives or their property, clearly it would be the duty of our Government to protect them even to the extent of landing the armed forces there.

Mr. SHORTRIDGE. Due to confusion in the Chamber, I see that I misunderstood the Senator's position. I understand now the position he takes with respect to certain phases of this matter. With some of the propositions stated by the Senator from New Mexico I heartily agree.

Mr. BRATTON. I assume that the Senator and I are in perfect accord with regard to the principles discussed, but perhaps we disagree as to their application to the particular facts existing in Nicaragua.

Mr. SHORTRIDGE. That turns upon what the facts are.

Mr. BRATTON. Yes.

Mr. SHORTRIDGE. I merely observe, if the Senator will pardon me, that I claim, and I think I can sustain the claim, that everything the President has done was warranted by the facts, and fully justified under accepted rules and principles of law. The precedents in this country fully justified and justify him. Acquiescence on the part of Congress in acts done by former Presidents amount to an approval of and fully justified President Coolidge, as matter of law, based upon the facts of any order he, as Commander in Chief, has issued or caused to be issued in respect of Nicaragua. The doctrine or rule of law as to "congressional acquiescence" is set out and applied in the case of United States against Midwest Oil Co., Two hundred and thirty-sixth United States at page 450 and following.

Mr. BRATTON. Mr. President, the point at which the Senator from California and I part company is the application of the principles upon which we agree to the facts in Nicaragua.

Mr. PITTMAN. Mr. President——

Mr. BRATTON. I yield to the Senator from Nevada.

Mr. PITTMAN. I am in entire accord with the statements made by the Senator from New Mexico; but at this point I wish to call attention to the amendment, wherein it states that—

> In the case of * * * the immediate danger of such attacks, at any time, * * * the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

That would allow the President of the United States on February 2 or February 1 to retain in Nicaragua sufficient forces to meet such threatened attacks at the points where the attacks were threatened.

Mr. BRATTON. Undoubtedly, Mr. President. The amendment of the Senator from Wisconsin, as amended by the Senator from Nevada, does and will authorize the President to meet any emergency such as the Senator from California referred to a few moments ago.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BRATTON. I yield to the Senator from New York.

Mr. COPELAND. May I ask the Senator what he thinks should be the attitude of the United States in a situation like this, assuming that it is true?

The Associated Press this morning says:

George Marshall, of New York, assistant manager of the La Luz y Los Angeles mine, seized last week by Sandino and his followers, was reported to have been killed by the rebels.

What is to be the attitude of the United States under these circumstances? I hope I may have the attention of the chairman of the Foreign Relations Committee to this matter. I am very much disturbed by what has happened in Nicaragua, where a citizen of my State is reported as having been killed by Sandino. What are we going to do about this, may I ask of the Senator from Idaho, by the courtesy of the Senator from New Mexico?

Mr. BRATTON. Yes, Mr. President; I willingly extend the courtesy.

Mr. BORAH. Mr. President, I regret to say that, owing to the fact that I was conversing with a colleague, I did not hear the Senator's statement.

Mr. COPELAND. May I say that I am very much disturbed over an Associated Press dispatch, which I assume to be a statement of the truth, that—

George Marshall, of New York, assistant manager of the La Luz y Los Angeles mine, seized last week by Sandino and his followers, was reported to have been killed by the rebels.

Now, what are we going to do about a matter of that sort? What can we do about it?

Mr. BORAH. Of course, I know of nothing we can do to remedy that which has happened; but it is that class of things which necessitates action upon the part of the President to protect life and property in countries where those things happen.

Mr. COPELAND. It is perfectly clear to me, if the Senator will bear with me for a moment, that it must be mawkish sentimentality on our part if we seek to bring back the marines when there is such a situation in Nicaragua that a citizen of the United States engaged in a legitimate occupation should be taken out and murdered by the rebels. I think this is a bad time for us to be talking about taking the marines out of Nicaragua, when such a murderous attack as this can be made upon a citizen of the United States. I want to see the long arm of Uncle Sam reach out and give relief to an American citizen wherever he is in the world, provided he is there upon a legitimate errand and performing a useful function.

Mr. BORAH. Mr. President, I do not understand that anyone contends that it is not within the authority and the duty of the President to protect the lives and property of our nationals when threatened in a foreign country. I do not understand that anyone contends against that proposition. I am sure I do not. It is undoubtedly his duty, and he undoubtedly has the authority, if necessary, to use the armed forces to protect the lives and property of our nationals when endangered in a foreign country. This controversy arises over the limitations of power upon the part of the President. Within what limits may he exercise that power and beyond what limits is it necessary to ask the authority of Congress?

Mr. COPELAND. Mr. President, will the Senator yield for just a moment?

Mr. BRATTON. Yes, Mr. President.

Mr. COPELAND. I am sorry to interrupt the Senator.

Mr. BRATTON. Not at all.

Mr. COPELAND. I was opposed to the President sending the marines to Nicaragua; but, within his rights, he did send them there. Now, Mr. President, there is a situation there that demands the strong hand of our Government to deal with, when an American citizen is murdered, and I do not think it is seemly for us to be talking about taking the marines out of there, or stopping our work of intervention, so long as a situation such as that recorded by this message can happen in that country. It shows, certainly, that instead of talking now about taking the marines out by the 1st of February we should be indicating to the rebels there that we are going to keep the marines there until the life of every American citizen is guaranteed against such a murderous attack as this.

Mr. KING. Mr. President, will the Senator yield?

Mr. BRATTON. I yield to the Senator from Utah.

Mr. KING. The Senator from New York has employed the word "rebels" in the interruptions with which he has punctuated the speech of the Senator from New Mexico. I am curious to know why he employs that word. A short time ago Sacasa, who is now receiving, it is claimed, the support of the United States, was a "rebel," and was so denominated by persons in our executive department. Sandino is opposing armed intervention by the United States, and denies the right of our country to send military forces to control his country and take charge of the elections therein. Because he opposes a foreign power the Senator from New York calls him a "rebel." Many persons who have inaugurated or participated in revolutions have been called "rebels," but when their revolutionary movements were crowned with success they were eulogized as patriots, and the pages of history point to them as heroic figures and the founders of states and empires. Washington and Sam Adams and Hancock and Patrick Henry were proclaimed "rebels" by Lord North and George the Third. We now honor them for the successful revolution which they inaugurated and the Republic which they helped to establish. It is a pertinent question to ask, Why are we sending thousands of marines to Nicaragua and employing many of our naval vessels to supply them with food and munitions of war? Why are we pursuing Sandino and his followers through jungles and mountains and forests? Why are we destroying the homes of some of the inhabitants of Nicaragua and carrying terror to thousands of helpless women and children? Why are we sending American boys to that far-off country where they are exposed to dangers seen and unseen, to climatic conditions which sap their vitality and undermine their health, and to the opposition of Nicaraguans who believe that their country is being invaded and their liberties jeopardized?

Senators who have defended the policy which calls for the continuance of our marines in Nicaragua admit that the United States had no right to send its military forces to Nicaragua, and that the so-called Stimson agreement which is the pretext for continuing marines in that country was made without authority and imposes no binding or legal obligation upon the United States. They say, however, that having made the mistake of landing marines in Nicaragua, and the executive department having made the blunder of supporting the wrong faction, there is a moral obligation resting upon the United States to keep the agreement signed by Mr. Stimson and representatives of one of the factions in Nicaragua. In other words, the United States was not justified in sending military forces to Nicaragua and the State Department had no authority to make the Stimson agreement, but having made it, this Government must keep military forces in Nicaragua for an indefinite period and at great cost to the taxpayers of the United States and carry on war against all persons in Nicaragua who resist or attempt to oppose the occupation of their country by the armed forces of the United States. Whether our military operations in Nicaragua are called "war" or intervention or any other name, our Government is sending its war vessels into the harbors of Nicaragua and has landed thousands of its marines upon the soil of that country. The military forces of our Government are carrying on military operations against military forces drawn from the inhabitants of that country.

The American armed forces are seeking to destroy the opposing forces, and yet it is said it is not war, and that we are only preparing for an election in that country. Any election held under the control of a foreign power and under the supervision of foreign military forces will have no binding or lasting results. It will provoke resentments and lead to future domestic discord and fratricidal strife. The claim will be made that it was not a fair election. It was not a Nicaraguan election; and undoubtedly many within the party which may win will feel bitter towards the United States because of its military operations and its military control of the election. After the election is held the unrest which will follow will lead to demands that the United States continue to occupy Nicaraguan ports with its war vessels and Nicaraguan territory with its marines. It will be claimed that if the marines are withdrawn, there will be domestic conflicts which will menace the lives and property of American citizens. Thus pretexts will be found to continue our marines in that country and to impose to a greater or less degree the will of the United States upon any government there established whether de facto or de jure.

Mr. President, if the Senator from New Mexico will pardon me for further trespassing upon his time, may I observe that I was not clear as to the idea which he meant to convey concerning the duty of the United States to send military forces into every country where an American can be found regardless of internal conditions there existing or civil war there being carried on.

American citizens, when they go into other countries, must expect to meet the vicissitudes resulting from civil war or revolutionary strife. Of course, under international law the United States has the right to protect its nationals upon land or upon sea, at home or abroad. That does not mean, however, that war must be waged against a country in which an American citizen may have lost his life or his property. Many foreigners have been killed within this Republic, but the countries to which these unfortunate persons owed allegiance did not declare war upon the United States or send armed forces to land upon our shores. Senators will recall that a number of years

ago in the western part of the United States several score Chinese were killed by American citizens. The Government of China made representations to the United States, and my recollection is that an indemnity was paid; if not, it should have been paid. In our own Civil War there were foreigners in the border States whose property was taken both by the North and the South. Property belonging to Americans was also taken and claims have been presented to Congress and appropriations have been made to cover the same. In Sherman's march through the South, property was destroyed and the country laid waste. American citizens, when there is domestic insurrection or civil war, may suffer as the nationals of the country in which the conflict is waged. During the administration of President Taft there were between fifty and seventy thousand American citizens in Mexico.

American investments in Mexico totaled a billion and a half dollars. Several hundred Americans were killed upon Mexican soil, and property of the value of tens of millions of dollars was confiscated or destroyed. A portion of this property was seized by the military forces of the Government. Much of it was taken by revolutionary forces. The United States did not declare war upon Mexico or send our naval vessels and our armed forces to protect their lives and property. Upon the contrary, President Taft issued a proclamation advising American citizens to depart from Mexico. The nationals of Mexico likewise suffered. Many noncombatants were killed and their property seized or destroyed. For a number of years the tide of revolution flowed over Mexico. Diaz was driven out. Madero came to power, but he was destroyed. Huerta became the head of the Government, but he was overthrown. We did not intervene either to preserve peace in Mexico or save the lives of Americans or to "enforce the Monroe doctrine." I may add that the Monroe doctrine, in my opinion, was not involved.

It is true that foreigners from other countries suffered injuries, some were killed, and a portion of their property was seized or destroyed. To declare that it is the duty of the United States under all circumstances to send armed forces into every country where an American is injured or killed or his property taken is to state a proposition which needs important modifications. Neither precedents nor international law justify such a proposition. Of course governments must be solicitous for the welfare of their citizens, and the executive department of our Government, as well as the legislative department, must use all proper means to maintain the honor and dignity of this Republic and defend the lives and property of its citizens.

Mr. BORAH and Mr. COPELAND addressed the Chair.

Mr. BRATTON. I yield to the Senator from Idaho, who rose first; then I will yield to the Senator from New York.

Mr. BORAH. Mr. President, the situation as depicted by the Senator from New York and the conditions of which he speaks, and the situation referred to by the Senator from Utah are two entirely different propositions, to my mind. Of course, if there is a revolution going on in a country the incidents of that revolution will necessarily be visited upon all who come in contact with it. But if the facts have been reported correctly to the Senator from New York this was merely a deliberate, individual murder, which has no relevancy to those injuries incident to a conflict between opposing armed forces.

Mr. BRATTON. Now I yield to the Senator from New York.

Mr. COPELAND. I can not conceive how any Senator can split hairs over what we call these men. The Senator from Utah found fault with me because I referred to them as "rebels." I did that because that is what the article said they were, rebels. But I do not care whether you call Sandino and his groups rebels or patriots, or what name you give them; an American citizen has been murdered, and I say that it is the duty of this Government to find out why that situation can be created anywhere on the face of the earth, I do not care whether it is in Nicaragua or where it is.

I am not discussing property rights. If these mines were in the way of military operations, perhaps it would have been well for the owners to get out of the way. But here was an American citizen, who was not there engaged in some military undertaking, who was not there fomenting some rebellion; he was there in the pursuit of his calling, and he had a right to be there. I contend that it is the business of the United States to find out why it is that anywhere on the face of the earth an American citizen engaged in a lawful enterprise should be killed in his tracks.

Mr. BRUCE. Mr. President, if the Senator from New Mexico will yield, I would like to remind the Senate that one of the most popular things in the history of the United States was the act of that commander of one of our battleships who, when a naturalized American citizen of Hungarian origin, Martin Koszta, was impressed by an Austrian ship of war, cleared the decks of his American ship for action, and made a demand for the surrender of that prisoner to him, which demand was duly honored. There is an illustration of this great Government of ours, with all its power and prestige, being prepared to bring its whole armed force to bear even upon a mere individual in a situation of that kind.

It was only yesterday that the New York Times contained a reference to that incident, one of the truly glorious incidents in the history of our land.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. BRATTON. I yield to the Senator.

Mr. NORRIS. I think Senators should not get excited over the dispatches that have been published in the papers this morning and yesterday morning, and insist on keeping the Army somewhere to protect Americans on account of those particular dispatches. They happen to come just at the time when this question is before the Senate, and when one reads the dispatches I believe he can not resist the conclusion that probably they come just at this opportune time, with perhaps the idea of influencing the action of the Senate. They state that "It is said such and such has happened," or "It has been reported that such and such has happened," and the information, according to yesterday's morning paper, is that Mr. Fletcher has brought this information to the United States. He is in Washington, or was yesterday. It is from his report that the information comes. The article shows on its face that Mr. Fletcher is president of one of these mines, the La Luz mine, down there.

I have before me here the testimony taken before a subcommittee of the Foreign Relations Committee some time not so very long ago, in which a man by the name of Moffat was testifying. He refers to this mine, and says it was a blanket concession, as he called it, which the Nicaraguans considered very iniquitous. I know nothing about it; it may be a good or a bad concession, but that is something which ought to be considered.

We ought to consider also that there has not been anything definite. I would like to call upon the chairman of the Foreign Relations Committee to get his committee together and let Mr. Fletcher be called before the committee—I presume he is still in the city—and let him testify as to this incident. There he can be examined and questioned. I do not believe we ought to get excited now, because this mine was taken by the Sandino forces, and a man killed in the taking of it, and insist that for that reason we either ought to send or that we ought to keep our Army in Nicaragua. It is an incident that is likely to happen in any insurrection or any war.

A few years ago 11 Italians were murdered in New Orleans. I have a distinct recollection that only a year or two ago over in Persia an American citizen was murdered in cold blood, as I remember it. I think we took some action here to give his widow a pension, or something, on account of it. No one suggested that we should send our Army over to Persia, but the Government of the United States investigated the matter, and I think the Persian Government paid compensation on account of that occurrence. They could not restore the life; that was gone. There was not even an insurrection in Persia at that time. That man was simply murdered, as far as I remember, in absolutely cold blood, without any cause whatever, by a bandit. That is to be regretted, of course, but I do not believe we ought to take a thing of that kind into consideration to the extent of sending the Army. It is perfectly proper to investigate the alleged murder that took place, and that is spoken of in the paper. One way to investigate the matter, it seems to me, is to put Mr. Fletcher on the witness stand and get the facts from him. We probably can not get them accurately from a newspaper report; it may be perfectly accurate and it may not. There are a good many things in the report itself that indicate that there is a great deal of doubt about it, because, as one can see by reading it, many times it makes no positive statement. It says it is alleged that such and such happened, or it is reported that this has taken place.

I would like to call the attention of the Senator from New York to the fact that in Nicaragua, where Sandino is contending against the American forces, it is perfectly natural he should take a mine if he could. We take their villages, we burn their houses, we kill their people. We have killed a good many who were not in the Nicaraguan Army, not in Sandino's forces. It is part of a war. I am not speaking of that in a complaining sense. Assuming that we are doing what we ought to do down there—as far as I know they have not done anything they have not a right to do—we must concede the same

thing to the opposition. They take possession of a mine. If they get gold there, they take it. If they get cattle or any other kind of property there, they naturally take it. That is what civilized countries do. It is what we always do, what any army always does. If, outside of all that, there is a murder of an American citizen there, it ought to be properly investigated, and probably will be.

Mr. KING. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. KING. I might suggest to the Senator from Nebraska that we took some eight or nine hundred million dollars of property in the United States belonging to Germans and Austrians when we entered the World War. Those persons came here under a treaty, and made their investments under the sanction of a solemn treaty and yet we took their property, and we have much of it yet.

Mr. NORRIS. If we carried out the program that is outlined in the remarks of the Senator from New York we would have to have a standing army of 25,000,000 men scattered all over the civilized world. It has not been so very long ago that 17 Chinamen were killed, I think, in Los Angeles or San Francisco—some place on the Pacific coast, I have forgotten where. They were citizens of China. We did not expect that the Chinese Army would invade us on account of that. I do not know whether we have ever made compensation to the relatives of those people for that or not. If we went to war every time somebody was killed, the whole world would be in war all the time. It is not international law, there is no government that follows that principle, and we should not expect the governments that we are fighting to follow it.

Mr. PITTMAN. Mr. President, I should like to ask the Senator from Nebraska a question.

Mr. BRATTON. I am going to yield to the Senator from Nevada, but I take occasion to express the hope that I may proceed with my speech.

Mr. PITTMAN. The very reason I have been desirous of asking this question is for the purpose of relieving the Senator from extraneous discussion. I think the Senator from New Mexico has a very ably prepared speech. I simply want to ask the question of any Senator if the President has not the same power to act with regard to the condition stated by the Senator from New York; that is, the murder or the attack down there, or whatever it was—whether this resolution passes or not, has he not exactly the same authority that exists without the amendment or with the amendment?

Mr. EDGE. Then, why the amendment?

Mr. PITTMAN. The amendment gives power to protect American citizens under the Constitution. The reason for the amendment is that it is dealing with an entirely different subject than that referred to by the Senator from New York. The amendment is simply condemning the President of the United States for entering into an agreement.

Mr. BORAH. No, the amendment does not do anything of the sort.

Mr. PITTMAN. I contend that it does.

Mr. BORAH. No; the amendment does not condemn anything. It simply announces the policy for the future.

Mr. PITTMAN. The policy announced is absolutely a contradiction of the policy that has been followed, and if that is not a condemnation of what has been done, what is it? If the Senate states that principle even in a policy of nonintervention in the domestic affairs of a foreign nation, if that is our policy and there has been an actual interference theretofore, it is a condemnation of that policy. But with the amendment recognizing the constitutional authority of the President to protect citizens of the United States against attack or threatened attack, he will have just the same power if the amendment is adopted as if it is not adopted, to protect American citizens or to do anything else that he had the constitutional right to do before the amendment was agreed to. Therefore, the argument in every particular case is entirely immaterial to the argument the Senator from New Mexico is advancing.

Mr. COPELAND. Mr. President, will the Senator from New Mexico yield to me?

Mr. BRATTON. I yield.

Mr. COPELAND. I think that I know no braver man than the Senator from Nebraska, but he is too frightened about propaganda. He thinks that propaganda stalks the earth like some great giant and now has the idea that Mr. Fletcher has created some propaganda and put out this message. There may not be a word of truth in it, and I hope there is not, but this message is an Associated Press dispatch and it is very short. I ask that the clerk may read it.

The PRESIDING OFFICER (Mr. McNARY in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

MANAGUA, NICARAGUA, April 24.—George Marshall, of New York, assistant manager of the La Luz y Los Angeles mine, seized last week by Sandino and his followers, was reported to have been killed by the rebels in a radiogram received to-day by Clifford D. Ham, collector general of customs, from W. J. Crampton, collector of customs at Puerto Cabezas.

Crampton reported that the La Luz mine was robbed of $1,300 in cash and merchandise and livestock amounting to $8,700.

General Jiron, a rebel chief, is now in immediate charge of the mine. With 150 men, mounted on mules, he arrived last week in the Pis Pis mining region from the direction of Matagalpa. Jiron is said to have received orders to cut off the American manager of the mine. Harry P. Amphlett, who is now absent from the mine, having gone down the Prinzapolka River before the arrival of Sandino's men.

While near Matagalpa, Sandino is stated to have publicly made threats that he was going to kill all Americans because of the presence of the marines, who he called invaders, but would not harm other nationals.

The Bonanza mine, north of La Luz, also is reported to have been robbed.

The American Legation this afternoon had received no further details from the Atlantic coast.

Mr. COPELAND. The point I want to make is that if Mr. Fletcher is engaged in propaganda, he has subsidized or bribed or utilized the Associated Press, because the date line of that message is Nicaragua.

Mr. NORRIS. I have not accused him of engaging in propaganda. The Senator from New York is entirely mistaken about it. I have before me the newspaper article to which I had reference, appearing in the Washington morning Herald of April 24. I am not going to burden the Senate with reading it, because I have stated the substance of it, but it does say all the way through rather indefinitely that "it is said" this and that happened, and gives Mr. Fletcher, who it says is in the city of Washington and president of this company, as authority for the statement. The newspaper draws a great many of those conclusions, and not Mr. Fletcher.

I have not even insinuated that Mr. Fletcher is in any way in error or wrong about anything, but we only have a second-hand report, a sort of hearsay that comes from him. What I asked was that the Senator from Idaho [Mr. BORAH] call the Foreign Relations Committee together and subpœna Mr. Fletcher while he is here and put him on the stand. So far as I know, he is a perfectly reliable and perfectly honest man. I know nothing about him whatever. But the article that I have referred to gives Mr. Fletcher as authority. There would not be anything wrong about our calling him and getting the information first hand.

Mr. COPELAND. I hope that will be done, but I want the Senator from Nebraska to understand that I am not talking about the article from which he quoted. I have been referring to an Associated Press dispatch which I clipped from the morning Post, and it is dated Nicaragua. It is not sent out from Washington. It is sent out from Nicaragua.

Mr. NORRIS. But it is giving a report. It does not state in so many words that this actually happened. It is giving merely a report. It may be when we get into it that we will find this man, probably murdered, might not have been killed by the Sandino men, and, on the other hand, it may have been done by Sandino men. He might have been killed, and not murdered, when they were attempting to take his property, a perfectly natural thing. He might have been defending it, and in order to get that mine, the property they wanted to carry on the armed expeditionary work, he might have been killed. He may have killed a dozen Nicaraguans, for that matter. On the strength of that kind of report the Senator from New York would put us in war.

Mr. COPELAND. I am sure the Senator from Nebraska is as anxious as I am to find out the facts. If he has a way of finding out whether this is true or not, I shall be glad to have him put that plan in operation; but we must find out why an American citizen was killed in cold blood down in Nicaragua.

Mr. HEFLIN. Mr. President, will the Senator allow me to ask him a question?

The PRESIDING OFFICER. The Chair must make the observation that when the Senator yields for more than a question, under the rule he loses the floor.

Mr. BRATTON. I express the hope that I may be permitted to proceed.

Mr. HEFLIN. I shall not interrupt the Senator.

Mr. BRATTON. Mr. President, at the time of the interruption by the discussion, which I have enjoyed very much, I had proceeded to the point of saying that because of the agreement

entered into upon which the various elements in Nicaragua relied, the agreement providing that we should retain armed forces of the United States in that country until after the election is held in order that the election may be conducted fairly, we should retain them there until that time, and that anything short of that would amount to a breach of contract or act of bad faith on our part.

To retain them there will be unjustifiable and will constitute a transgression of international law, as well as our obligation and plain duty not to interfere in the internal or domestic affairs of that Republic. We can not afford to do that. We must scrupulously respect the integrity of other nations. We must pursue a policy of strict noninterference with the internal affairs of all countries, so long as action on our part is not necessitated in order to protect our nationals concerning their lives and property. Our duty to so protect them is plain and beyond dispute. To go beyond that is equally plain as constituting a violation of our proper restraints under the clear mandate of international law. Any other course, Mr. President, would run afoul with our preachments ever since we became a government.

The proposed amendment of the Senator from Wisconsin [Mr. BLAINE] is not confined to Nicaragua. It purports to deal with our armed forces in any nation on earth. It provides that no part of the money appropriated in the act we are now considering shall be used to defray the expenses incurred in connection with the acts of hostility against a friendly nation, or any belligerent intervention in the affairs of any foreign nation, unless war has been declared by the Congress or unless a state of war actually exists under recognized principles of international law.

That proposal is as wide and as broad as the earth itself. It is not concrete in any sense, but is strictly in the abstract. This language seems to be vulnerable because it merely declares the well-recognized provisions of existing law. We never should commit any act of hostility against a friendly foreign nation, or be guilty of belligerently intervening in the affairs of a foreign nation, or intervening in the domestic affairs of any foreign nation, unless and until war has been declared by the Congress in the constitutional manner or when a state of war actually exists under recognized principles of international law. We never should commit either of these acts under any circumstances short of a declaration of war by the Congress in the constitutional way, unless a state of war, as recognized by principles of international law actually exists. This is so regardless of any declaration we may make in this bill or elsewhere. It emanates from the clear mandate of international law as understood and applied throughout our national existence. It requires no language of the Congress to make that true. It is true already. So, Mr. President, the amendment is merely declaratory of our plain duty under existing law. There is no occasion for such a broad declaration of that which already is the law. It would be merely cumulative in character and can serve no useful purpose. It would be purely superfluous. Again, if the amendment is adopted in this language, who will determine whether either of such conditions obtains in our relation with another nation?

Who will say, when we shall land our forces upon the soil of some other country, whether it constitutes intervention wrongfully and unlawfully in the domestic affairs of the country concerned? Yet these are the three things which are embodied in the original amendment proposed by the Senator from Wisconsin. We are declaring a principle which has existed since our existence began and nothing more. I hold that there is no occasion for a broad declaration in the abstract of that which already exists and which is recognized by everybody.

The same may be said of the amendment of the Senator from Nevada [Mr. PITTMAN] in this language:

> *Provided*, That such limitation shall not apply in the case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks, at any time when the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

The President of the United States, in his capacity as Commander in Chief of the Army and Navy, possesses that right already, independent of any action that we may take. So that, under my view of the amendment, the provisions proposed by the Senator from Wisconsin are merely declaratory of existing principles of international law. The proviso thereto proposed by the Senator from Nevada likewise is merely declaratory or cumulative of existing law.

I recur, Mr. President. If the amendment of the Senator from Wisconsin, as proposed to be modified by the language of the Senator from Nevada, is adopted in this language, who will determine which status exists—that is, whether sending our forces to some other country constitutes an infraction of the restrictions imposed by the language brought forward by the Senator from Wisconsin, which is denounced, or whether it falls within the saving clause advanced by the Senator from Nevada? It might be held by some that the landing of armed forces in Nicaragua or any other country constitutes an act of hostility against a friendly nation. It might be thought by others that that act did nothing of the kind, but, on the contrary, constituted the protection of American citizens against unlawful attacks and against immediate danger of unlawful attacks. Are we willing to leave that to some subordinate officer of the executive department of the Government? Are we prepared to leave to the Comptroller General to determine what a given state of facts constitutes; whether a violation of the denouncements contained in the amendment proposed by the Senator from Wisconsin, or within the saving clause proposed by the Senator from Nevada?

The objection I make to the amendment is that it is too broad and is simply declaratory of that which already exists, and, in its finality, must vest a decision to some one other than the Congress or the President of the United States. In my judgment, the duty to decide that question would rest with the Comptroller General; I doubt whether any Member of this body is prepared to give his consent to that situation. I repeat, what official or tribunal will decide whether a given act constitutes an act of hostility against a friendly nation, or belligerent intervention on our part against a friendly nation, or intervention by us in the domestic affairs of a foreign nation, or whether it constitutes protection of life and property of nationals against attacks or dangers? If the former payment is denounced and denied, if the latter payment is authorized and approved, are we willing to leave that important matter to some disbursing officer?

A more serious objection to the amendment, it seems to me, Mr. President, is that to vote for its passage necessarily assumes that there is danger of our pursuing an unlawful course in dealing with nations generally, and consequently there is need to place such restrictions in the appropriation act. Such a presumption should not receive our indulgence. We should presume that the other coordinate branches of the Government will perform their duties in a lawful manner. This presumption always should be indulged toward all officials, from the highest to the lowest. The amendment is not directed at our relations with other nations generally, but at the retention of marines in Nicaragua. Whatever amendment is written into the bill should be narrow and apply specifically to Nicaragua. If that is done there will be no possibility of contravening any of our treaty obligations. This is the matter referred to by the Senator from Idaho, the chairman of the Committee on Foreign Relations. The matter thus brought to the attention of the Senate is worthy of the serious consideration of every Senator.

That is one serious objection to the amendment of the Senator from Wisconsin. Being general in terms, and not concrete in its purview, it easily is conceivable that it might contravene some treaty provision; but if any amendment that is written in this bill conforms to the purpose of those who advance legislation along that line—that is, to bring about a withdrawal of the marines from Nicaragua—there is no danger of violating any of our treaty obligations.

For that reason, Mr. President, I think the amendment of the Senator from Wisconsin should be rejected.

I now address myself briefly to the amendment proposed by the Senator from Alabama [Mr. HEFLIN]. Even at the expense of repeating myself I did not approve of sending the marines to Nicaragua; but, in view of the things which have happened, I believe they should be retained there until a reasonable time after the October election is held. The amendment proposed by the Senator from Alabama will not permit that course to be pursued. The appropriation bill will become effective July 1, 1928. The marines could not be kept in Nicaragua after that date if his amendment should prevail. If adopted the President thus would be compelled to withdraw them before the election is held, and thereby break faith with the two elements in Nicaragua. The evils which might follow that course already have been stated in résumé form. I shall not repeat nor elaborate upon them. I am unable to gain my consent to travel that route.

I think the amendment of the Senator from Alabama is good in the sense that it is concrete in form. It treats specifically with the Nicaraguan situation. It does not permit of its application to any other situation, and could not restrict the Executive in dealing with other countries, should the necessity to do that arise, while the amendment of the Senator from

Wisconsin would apply to any other country with the same effectiveness with which it applies to Nicaragua. If the amendment of the Senator from Alabama were postponed in time, so that it would not take effect until some time after the election is held, it would be relieved of the defect which I am now endeavoring to point out. It then would be incomplete, because new conditions might arise in Nicaragua during the life of the appropriation bill which would make it both expedient and necessary to send armed forces there for the sole purpose of protecting nationals under international law or the Monroe doctrine. In such circumstances the President would be restricted if the amendment should be valid, because no money would be available to defray the expenses of such a plain duty on the part of our Government.

Let us assume that after the present appropriation bill takes effect, either before or after the election is held in October, a new situation should come about in Nicaragua that would enjoin upon us the plain obligation of protecting nationals either as to their lives or property. The amendment of the Senator from Alabama would make it impossible for our country to discharge that plain duty, because there would be no money with which to defray the expenses necessarily incurred in the performance of that duty and the discharge of that obligation. But the amendment proposed by the Senator from Tennessee [Mr. McKELLAR], to which I now address myself, which will be offered as a substitute for the amendment of the Senator from Wisconsin, meets each of these objections. It is limited to Nicaragua. Under no concept could it apply to any other country. It is not abstract. It is concrete. It provides that after the 1st of February, 1929, subsequent to the date on which the election is to be held in that country, none of the appropriations made in the act shall be used for maintaining the marines there. It also provides that the restrictions thus imposed shall not apply in case the President may send the armed forces there temporarily to protect life and property under either international law or the Monroe doctrine, if the Congress is not in session, with the further provision that in such event the President shall call the Congress into session and make a report of conditions.

This amendment will allow us to carry out our agreement made with the Nicaraguans. It will permit us to perform that agreement in the strictest sense. It will allow the marines to remain there a reasonable time after the election is held. In fact, it will permit them to remain there until after the duly elected officers have qualified and assumed the discharge of their respective official duties.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from California?

Mr. BRATTON. I yield to the Senator from California.

Mr. SHORTRIDGE. Does that amendment anticipate and provide for a condition which may then exist?

Mr. BRATTON. Yes, Mr. President; the amendment as proposed by the Senator from Tennessee [Mr. McKELLAR], drafted after much thought, reads in this language. I read the entire amendment in order that the Senator from California may get the purport of the observations I intend to make:

*Provided,* That no part of the appropriations made in this act shall be used for the purpose of maintaining marines or troops in the Republic of Nicaragua on and after February 1, 1929, unless specifically authorized by the Congress; and

*Provided further,* That in the event of an emergency the President is authorized to land troops temporarily for the protection of lives and property, under international law or the Monroe doctrine, in which event the President will report to the Congress immediately, if the Congress be then in session, and upon the convening of the Congress if it shall not be in session.

I am going to make a suggestion to the Senator from Tennessee with reference to the language. I think the President has the power to send troops temporarily, even in case of an emergency. I think, therefore, that the amendment in its present verbiage may be construed as attempting to confer a power which the President already has. So in order to meet that I am going to suggest to the Senator from Tennessee that it be amended to read as follows:

*Provided further,* That the restrictions here imposed shall not apply if the President shall land troops temporarily for the protection of lives and property, under international law or the Monroe doctrine—

And so forth.

Mr. SHORTRIDGE. Mr. President, I observe that the proposed amendment recognizes the existence of the Monroe doctrine. Before the Senator closes I should be glad to hear him express his views upon that phase of the matter. I have a very definite view as to the scope and meaning of the Monroe doctrine. Under that doctrine the duty might fall upon us of protecting the lives and the property of other nationals—English, German, French——

Mr. BRATTON. Yes, Mr. President.

Mr. SHORTRIDGE. And that is a duty which we must perform if we live up to and enforce the Monroe doctrine, as I understand it. Wherefore I inquire do these amendments embrace or pay sufficient heed to that doctrine and the duty resting upon us under or according to that doctrine?

Mr. BRATTON. Yes, Mr. President; the proviso to the amendment of the Senator from Tennessee expressly states that the restrictions imposed upon the expenditure of the money contained in the appropriation bill shall not apply in case the President shall land troops temporarily for the protection of lives and property under international law or the Monroe doctrine. It expressly recognizes our obligation under the Monroe doctrine. I join the Senator in the belief that the Monroe doctrine requires that we protect our own nationals when endangered in respect to their lives and property, and also enjoins upon us the duty of protecting the lives and property of other nationals when their respective countries demand it of us, or the right to do so themselves.

Mr. SHORTRIDGE. For, manifestly, if we do not, England or Germany or France or Italy will step in to protect their several citizens or subjects.

Mr. BRATTON. Yes.

Mr. SHORTRIDGE. And we have taken a position against that being done.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. BRATTON. I yield to the Senator from Tennessee.

Mr. McKELLAR. I am convinced that the proposal of the Senator from New Mexico is correct. I agree with him that the language as written in the original amendment might be misconstrued, and I believe that the language which he suggests will prevent any misconstruction, and as it applies only to this case I think it should be accepted. Therefore, Mr. President, I ask unanimous consent at this time, if the Senator will permit me——

The PRESIDING OFFICER. The Chair will say to the Senator that he does not have to obtain unanimous consent; he is privileged to modify his amendment.

Mr. McKELLAR. Then, if I do not have to have unanimous consent, I propose to modify the second proviso so as to incorporate the language suggested by the Senator from New Mexico and strike out the words as suggested by him, so that it will read as follows:

*Provided,* That the restrictions here imposed shall not apply if the President shall land troops temporarily for the protection of lives and property, under international law or the Monroe doctrine, in which event the President will report to the Congress immediately, if the Congress be then in session, and upon the convening of the Congress if it shall not be in session.

Mr. BRATTON. Mr. President, the amendment of the Senator from Tennessee in this form is not open to the suggestion that it is too broad and general or that it may contravene some treaty obligation that we sustain with any other country. It will accomplish what is desired by those who believe that the marines should be withdrawn from Nicaragua within a reasonable time after the election is held. It will permit complete performance of each and every term of the so-called Stimson agreement. It will result in bringing about the end of what some of us believe is an unjustified interference in the domestic affairs of that country. It is not merely declaratory of existing law, because it applies to a specific situation and is a clear mandate to the effect that the payment of money to continue the marines there shall be withheld after a certain date. So, Mr. President, I think it is relieved of the defects inhering in the amendment of the Senator from Wisconsin and the amendment of the Senator from Alabama to which I have addressed myself briefly. It leaves nothing ambiguous or uncertain and accomplishes that which I believe should be done. It does that in the proper fashion and at the earliest allowable time under the circumstances. It corrects what I conceive to be a wholly untenable situation.

Mr. McKELLAR. Mr. President, and may I add that it does not interfere or attempt to interfere in the slightest degree with any constitutional power of the Chief Executive?

Mr. BRATTON. I accept that suggestion, and desire to lay emphasis upon the importance of it, because it should not be

the purpose of the Congress to interfere with the powers, duties, and the obligations resting upon the President. In fact, we should shrink from doing that.

The amendment declares our position upon conditions that now exist in Nicaragua. It declares that we believe, under existing conditions, that the retention of marines there after February 1 of next year is not justified. We ought to be willing to make up our minds and declare ourselves upon existing facts and conditions. At the same time we should refrain from doing that which will restrict the President in dealing with conditions which may arise in the future and which are now unknown to any of us.

Mr. HEFLIN. Mr. President, if the Senator will permit me right there——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Alabama?

Mr. BRATTON. I do.

Mr. HEFLIN. My amendment provides:

That none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility by United States marines in Nicaragua unless and until the President shall obtain from Congress consent to keep them there.

That would not hamper the President at all. If he has a good reason for keeping them there, he ought not to hesitate to come to Congress, if my amendment should be adopted, and tell Congress why he thinks they ought to be kept there, and get the consent of Congress to keep them there.

Mr. BRATTON. That is true, Mr. President, but if the Congress should not be in session, the President would have the right to deal with emergencies, and we should not do anything that would restrict or limit him in the performance of that duty.

Mr. HEFLIN. I would not do that; I would not want to hamper him.

Mr. BRATTON. I am sure the Senator does not intend to do that, but under my view his amendment might operate to do that very thing.

Mr. HEFLIN. I specifically name Nicaragua. I am not laying down a general principle. The marines have been in Nicaragua over a year, and they have been fighting down there, and they are still fighting. They have killed Nicaraguans, and some of the marines have been killed. I am pointing out this specific matter, that the President can not use any of this money in Nicaragua for the purpose of keeping our marines there, unless he comes to Congress now and gets our consent.

Mr. BRATTON. Mr. President, this appropriation act will take effect July 1. If the amendment of the Senator from Alabama shall be adopted, the President will be required to withdraw the marines on or before that date. Under my view, they should be kept there until a reasonable time after the election is held and the amendment of the Senator from Alabama would not permit that to be done. It is upon that ground, and that ground only, that I have undertaken to show that the amendment of the Senator from Alabama is incomplete.

Mr. HEFLIN. The President, of course, would know immediately, when this amendment was adopted, that Congress had laid down this plan. He would immediately know that by the 1st of July he would have to have the marines out, or he would have to get consent in the meantime to keep them there. Then, I take it, if he does want to keep them there, he would immediately come to Congress and say, "You adopted an amendment to an appropriation bill which would interfere with my program, and I wish Congress would give me permission to keep the marines in Nicaragua." Then Congress would certainly do that, if the President had good reason for keeping them there.

Mr. BRATTON. Mr. President, there is an agreement existing; I believe we are compelled to do certain things in order to perform our obligation under it. The adoption of the amendment of the Senator from Alabama would make that impossible. I do not believe we should take that position; I do not believe we should assume an attitude which would require some further act on our part in order to permit the performance of the agreement.

Mr. President, I hold that the amendment of the Senator from Tennessee accomplishes that which should be done. It does it in the proper fashion and at the earliest allowable time under the circumstances. It corrects what I conceive to be a wholly untenable situation. It will result in the withdrawal of the marines not later than February first of next year. To their withdrawal at the very earliest reasonable time after the election is held, I am unalterably committed, because I believe that we can pursue no other course and conform to the principles for which we have declared repeatedly throughout our national existence. We must hold firmly to those principles. We must not depart from them. They have been the bulwark of our safety and will continue to be so, if we adhere strictly to them.

For these reasons it is my hope that the amendment of the Senator from Tennessee, offered as a substitute for the amendment proposed by the Senator from Wisconsin, will prevail, and that we may thereby accomplish what I conceive to be our duty under the agreement, under international law, and under the Monroe doctrine.

Mr. EDGE obtained the floor.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. EDGE. I yield.

Mr. KING. There is an excellent editorial in this morning's issue of New York World entitled "An excellent proposal." It deals with the question which we have been discussing, and particularly refers to the amendment offered by the Senator from Nevada [Mr. PITTMAN] and commends the same. The editorial as a whole indorses the proposition for which the Senator from Nevada was contending. I send it to the desk, and ask that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[Editorial from the New York World, Wednesday, April 25, 1928]

AN EXCELLENT PROPOSAL

The Senate has before it an amendment to the naval appropriations bill which is intended to limit the power of the President to intervene with armed forces in foreign countries. The amendment is sponsored by Senator BLAINE, of Wisconsin. It has been improved during the course of the debate and modified, or, at least, considerably clarified, by a proviso suggested by Senator PITTMAN, of Nevada. The World hopes that the Senate will pass the amendment in its present form.

The amendment prohibits the use of funds after February 1, 1929, to pay for "acts of hostility against a friendly foreign nation, or any belligerent intervention in the affairs of a foreign nation, or any intervention in the domestic affairs of any foreign nation," without the consent of Congress, except "in case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks." As we understand this, it means that the President must either withdraw the troops from Nicaragua by February 1 or come to Congress and obtain authority to keep them there after that date. It amounts to authorization from Congress to carry out the Stimson agreement, conduct the election, see that the new administration is installed on January 1, and remain one month more to give the new administration a chance to settle itself. After that, if there are reasons why the marines should remain longer, the President must explain the reasons to Congress and obtain a vote of authority.

This policy is reasonable and in good faith. With the Pittman proviso, moreover, it empowers the President to take action to protect lives and property against immediate danger. What it accomplishes is to call a halt upon just such indefinite, elaborate, and unauthorized interventions as the President let himself in for in Nicaragua a year ago. It is an eminently proper insistence by the legislative branch of the Government that it be consulted.

There never was any good reason why the President should not have gone to Congress and asked for authority to conduct the elections and to pacify Nicaragua. An enterprise of such magnitude does not under any reasonable interpretation of his constitutional powers fall within the sole prerogative of the President. He is spending the public money which Congress alone has the power to appropriate. He is conducting what may fairly be called a war, although Congress alone has power to declare war. There is no reason why he should be permitted to do this without asking permission of Congress.

There are, to be sure, recent precedents which the administration can point to. President Wilson intervened in Santo Domingo and Haiti without consulting Congress. But only the most partisan supporter of President Wilson would maintain, we believe, that this was a sound precedent or that the policy pursued was well advised. A far better precedent is the action of President Wilson in his two expeditions into Mexico; in both these cases he came before Congress and asked for authority.

The Blaine-Pittman amendment can not cure the condition which produces our entanglements in the Caribbean area. But it does provide that we shall not become too much entangled without full public debate. That is a wise provision, for if all the facts have to be debated and authority has formally to be obtained for enterprises like that in Nicaragua we shall at least know what we are doing.

Mr. EDGE. Mr. President, I will consume only about 10 minutes of the time of the Senate. It appeals to me that the so-called Blaine amendment, and for that matter all the other propositions in the form of amendments, present the same difficulty, in that they would delegate to some authority other than the President the power of making decisions or interpretations of international law or precedents under the Monroe

doctrine. All of them, as I have followed the various discussions and the presentation of revised amendments, lead to the result that the final decision shall be delegated to some other authority than the President of the United States, who, everyone concedes, under the Constitution has full power to negotiate and conduct foreign relations.

It appeals to me that this amendment should be entitled "An amendment to the Constitution of the United States through the channel of an appropriation bill, and for the further purpose of transferring the administration of international law from the President of the United States to the Comptroller General." As I view it, there can be no other interpretation of the terms of any of the proposals.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. McKELLAR. I take it the Senator is now talking about the Blaine amendment, not about the one I have offered, because my amendment makes no restriction whatever on any power of the President.

Mr. EDGE. I must admit that, with the rapid changes of amendments, I am not entirely familiar with the present verbiage of the amendment of the Senator from Tennessee.

Mr. McKELLAR. I assumed the Senator was talking about the Blaine amendment.

Mr. EDGE. I am directing my remarks generally to the so-called Blaine amendment, and the modified form of that amendment offered by the Senator from Nevada [Mr. PITTMAN], and the amendment later offered by the Senator from Nebraska [Mr. NORRIS], which, as I recall it, is confined alone to Nicaragua.

It was stated yesterday that the verbiage of the amendment was simply a reiteration of international law, and as long as the President adhered to that it would be of no effect. Then the question naturally suggests itself, why adopt it, as obviously the Senate can not decide for the President. In fact, as I followed the debate, Senators disclaim any intention of so doing and freely admit this constitutional power rests alone with the President.

But the moment the Comptroller General, supervising the distribution of the funds of the United States, should suddenly decide that the President was trespassing upon one of the 57 varieties of interpretation of international law, he would be informed that, so far as using appropriations are concerned and regardless of the Constitution, he was really not Commander of the Army and the Navy.

It has since been suggested by the Senator from Nevada that if the Comptroller General refused the funds he should be summarily dismissed. So where are we, anyway? According to rumor, the Comptroller General has overruled many departments in many ways, so under the proposal before us our foreign relations will now likewise be referred to this financial autocrat. I say that in the most generous spirit.

Mr. FESS. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. FESS. I may have misunderstood the Senator, but did he speak about dismissing the Comptroller General?

Mr. EDGE. Yes.

Mr. FESS. That makes the situation still more delicate, for the reason that the Comptroller General can not be dismissed except by impeachment.

Mr. EDGE. I simply referred to the suggestion made by the Senator from Nevada [Mr. PITTMAN], who stated, as I recall his colloquy with the Senator from Idaho yesterday, that if the Comptroller General should refuse any of these funds, notwithstanding the mandate of Congress, it would be the duty of the President of the United States to summarily dismiss him.

Mr. FESS. But he could not do it.

Mr. EDGE. I am not suggesting that he can.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. BORAH. In the absence of the Senator from Nevada, it is proper for me to say, I suppose, that his contention is that under the decision of the Supreme Court of the United States in the Oregon case, the President would have the power to dismiss the Comptroller General, notwithstanding the provision with reference to his impeachment.

Mr. FESS. Mr. President, if the Senator from New Jersey will permit me a further interruption——

Mr. EDGE. I yield.

Mr. FESS. That was the one distinctive feature in the creation of the office of Comptroller General, that the man who was to audit the accounts of the executive department should not be subject to the executive department, and it is written in the law that the only way to remove this independent representative, who represents Congress and not the Executive, is by way of impeachment, or by action of the Congress. The President has no power over the Comptroller General, and it was never intended that he should have. That is the very point we tried to reach in the Budget system.

Mr. EDGE. I have no desire or thought to question the statement of the Senator from Ohio further than to suggest, that, if that is a fact—and no doubt it is—then the Comptroller General is an autocrat; that his position is apparently such that he could not be removed. Therefore Senators can readily see the possibility of the Comptroller General absolutely taking charge, so far as disbursing funds is concerned, of the foreign affairs of the United States.

Mr. FESS. Precisely.

Mr. EDGE. Mr. President, by the terms of the Blaine amendment, as I understand it, appropriation for troops will be unavailable unless, in the judgment of this official, American citizens are in danger or their property occupied or at least seriously menaced. I realize through the debate yesterday, there is some difference of opinion as to this authority, but the mere fact that able lawyers in the Senate so differ demonstrates the danger of this astounding proposition.

There is an old saying that an ounce of preventive is worth a pound of cure, and in my judgment the occupation by our troops of a country disturbed by internal dissensions has perhaps prevented many what would otherwise have been serious attacks upon the life and property of our nationals.

I point with absolute approval to the policy of President Woodrow Wilson who kept, as I recall it, about 100 marines in Nicaragua during his two terms, eight years, and not a single uprising occurred in that period. It is generally admitted that the Chamorra revolution would not have happened had the marines not later been withdrawn.

During the debate the question has been frequently asked as to whether Sandino was at the present time threatening American life or American property. I recall particularly the Senator from North Carolina [Mr. SIMMONS], who is not now in the Chamber, made such inquiry. In the debate yesterday it was alleged that such activity on Sandino's part was some time ago.

It is perhaps unnecessary for me to point to the news dispatches in the newspapers of the last 24 hours in which it was alleged that Sandino had during the last few days occupied three American mines and had taken a number of prisoners, several of whom were Americans. And yet some Senators would have the marines withdrawn at once.

No one can correctly take the position that we started an offensive movement against Sandino. The testimony of marine officers taken before the Foreign Relations Committee clearly establishes the fact that no movement whatever was made against Sandino until he had actually occupied American property and threatened American lives.

At this point I ask unanimous consent to insert in the RECORD some extracts from that testimony.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Senator McLEAN. What do you think would have happened if we had acted on the defensive only?

Admal LATIMER. We did act on the defensive only. My orders were that not a shot was to be fired unless our men were attacked. I was in Nicaragua and I had men stationed at as many as a dozen different places from the time we first landed in August until the following April, and there never had been a Nicaraguan even struck by one of our men.

The CHAIRMAN. From what time until what time?

Admiral LATIMER. From August up until the end of March.

Senator ROBINSON. From August, 1926, until March 1927?

Admiral LATIMER. To March, 1927.

The CHAIRMAN. Do you know of any civilians being killed at any time while you were there?

Admiral LATIMER. There were two civilians killed by accident. One boy was killed in Bluefields, monkeying with a gun that should have been unloaded before it was put down; and another civilian was killed in the same way, accidentally. There were no civilians killed, no civilians injured, and no civilians even struck by one of our men until our men were fired on in the neighborhood of Chinandega, just before Mr. Stimson came down.

Senator EDGE. When was that, approximately?

Admiral LATIMER. In April. We were in there from August, 1926, until April 20, 1927, over seven months in that country, policing large areas of it, and, as I say, without firing a hostile shot or without injuring a single Nicaraguan.

Senator McLEAN. After Sandino's unprovoked attack, what would have happened if the United States had assumed the defensive attitude only?

Admiral LATIMER. I gave orders to start after Sandino. I can better preface that with a little history.

Sandino came into the revolution very late. He had only joined Moncada about three months before the disarmament. Sandino was a native-born Nicaraguan who had spent, according to his own statement, some 22 years in Mexico. This, of course, is hearsay, but I believe it is reliable hearsay. He stated that he had been the lieutenant of Pancho Villa in Mexico. He came in across the Honduras border and up the Coco River, separating Honduras from Nicaragua. He had a few men, mostly Hondurans, until he got up to the vicinity of Jinotega, and he recruited several hundred men and joined Moncada, I think, within a month of the time of the disarmament.

He agreed prior to the disarmament—he with the other generals agreed—to lay down their arms, and he gave his word to Moncada that he would lay down his arms.

Senator EDGE. This was approximately what time?

Admiral LATIMER. I can give you the date by reference. May 11 was the date of the disarmament, and then this was about May 9 that Sandino left Moncada and started out up toward the northeastward with about 150 men who had their arms. He went up near Jinotega, which is about 12 miles to the north of Matagalpa.

At Matagalpa we had a force of men at that time. I gave orders that Sandino was not to be disturbed; that we would first try to persuade him to lay down his arms.

General Moncada agreed to go up to Jinotega and see Sandino and point out to him how harmful it was to Nicaragua to undertake to continue what was merely banditry, and he got Sandino's father, who lives in Managua, to go with him.

They went up to Matagalpa and sent an emissary out with a safe conduct for Sandino to come in, asking him to come in to talk with his father and Moncada.

The CHAIRMAN. Allow me to interrupt you there. Who is his father, and what is his relation to the country?

Admiral LATIMER. His father is simply a peasant.

The CHAIRMAN. He is not active in this?

Admiral LATIMER. No; he just lives in the country. But his father was willing to go up and use his influence with his son.

Secretary WILBUR. Moncada, of course, was his superior officer—supposed to be.

The CHAIRMAN. Yes.

Admiral LATIMER. When this emissary returned he said Sandino would come in to Matagalpa to see them the next afternoon. It developed later that as soon as the emissary got started toward Matagalpa, Sandino and his force started for the Honduran border, with the idea of crossing into Honduras. The situation in Honduras—on the east coast of Honduras—was somewhat unsettled, and there were reports of uprisings from time to time, so that the Nicaraguan Government notified the Honduran Government of Sandino's movements, and I understand they sent troops down to catch Sandino if he started across the border. Anyhow, he was turned back. He let all of his married men that were with him go back to their homes. He retained at that time only about 40 men.

Senator EDGE. How do you know that, that he had only 40 men?

Admiral LATIMER. I know that from native sources, from people up there, from the Nicaraguan intelligence system, and from my own intelligence system; it is judgment of my opinion, based on all the information I could get.

In that country news travels surprisingly rapidly, because it is passed along by word of mouth, and after one gets enough reports from different sources, and divides the reports by four or five, one gets pretty close to a fair estimate.

He stopped at one of the small towns and arrested and took into custody the manager of a German business house, a German, and a Nicaraguan, the superintendent of a Nicaraguan firm, and held them for ransom.

Then I thought, as the Nicaraguans had no arms left with which they could preserve order in their country, that it would be about time that we started after Sandino. He had been given every opportunity to lay down his arms.

He went to one of our mines a little further to the eastward and looted that mine.

Senator GILLETT. Is that the Butters?

Admiral LATIMER. No; it is the La Luz mine, I think.

Captain KIMMEL. That is there [indicating on map].

Admiral LATIMER. It is an American-owned mine; not a very large mine; not a very large company.

Then I gave orders that the force which we had at Ocotal should go after Sandino.

By that time the rainy season was on.

Senator EDGE. Had the owner of this mine reported the occupancy of this property to you?

Admiral LATIMER. Oh, yes; not only reported it but sent loud cries for help.

Senator MCLEAN. Who owned it?

Admiral LATIMER. I do not know. It is a company called the La Luz and something company.

Senator MCLEAN. Is it an American company?

Admiral LATIMER. An American company; it is American property.

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Senator MCLEAN. When Sandino took possession of this mine, what was done?

Admiral LATIMER. He took all of their dynamite and all their supplies and anything that would prove useful to him, or valuable.

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The CHAIRMAN. How did he recruit his force? Did they volunteer, or did he draft them, as it were?

Admiral LATIMER. I think his were probably volunteers, because as I told you, there are plenty of men up on that border that are willing to join anybody that will promise them a profitable adventure, whether looting, stealing, murdering, or anything of that sort.

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The CHAIRMAN. How were Sandino's men armed? How well were they armed, and with what?

General LEJEUNE. They were armed with rifles and machine guns.

The CHAIRMAN. Were these rifles and machine guns arms that were in their possession and which they had refused to give up?

General LEJEUNE. The general opinion among our officers in Nicaragua is that the arms that Sandino has had, the bulk of them, anyway, are arms that were not turned in at the time of the Stimson agreement. Of course, a great many arms were turned in. My recollection is that there were 13,000 rifles turned in by both sides. And then they always hide arms. These men are not well organized and are not under very good discipline, and they always have a way of hiding arms.

Senator EDGE. This attack on the garrison there was absolutely unprovoked?

General LEJEUNE. Unprovoked and without any warning.

Senator EDGE. Up to that time had our marines engaged in any combat of any kind with Sandino's men?

General LEJEUNE. Not with Sandino's men, no, sir; but at La Paz Centro, on the railway, some little time before that, the town was attacked by a band of marauders, and the town was being looted. They were all in this town; and there was a detachment of marines encamped about a mile away. They were there for the purpose of securing order. Captain Buchanan, who was in command of the detachment, took a platoon into the town. It was about 2 o'clock in the morning. He marched into the town. He got word from the inhabitants that they were being robbed and they were fearful of their lives.

Senator EDGE. The inhabitants sent for him?

General LEJEUNE. They sent for him, and Captain Buchanan took these men in there, and he and one of his men were killed, Private Jackson, from Chicago, and Captain Buchanan. This occurred before the Ocotal fight and had nothing to do with Sandino.

Senator HARRISON. How many of these bandits were there?

General LEJEUNE. In La Paz Centro it was estimated that there were about 200. Buchanan did a very gallant thing. He went right into that town in the dead of night, and the town was full of these people. They were looting the stores and houses; and he was killed by a shot from a window.

Senator HARRISON. How many men did he have when he went in there?

General LEJEUNE. About 40 men when he went in there.

Senator EDGE. How do you reach the conclusion that these bandits at that time had no connection with Sandino, General?

General LEJEUNE. It was a local force; the men around that general vicinity.

Senator EDGE. Had they done similar marauding before?

General LEJEUNE. Oh, yes. That was after the arms had been surrendered, so that you see some of them in addition to Sandino did not surrender their arms.

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Senator SWANSON. Do you not know anything about how he expects to try to get control, whether by legitimate methods or to organize any real stable government there? What is your idea about that?

General LEJEUNE. I can not say what he expects to do. I might state right here that while I was in Nicaragua, after a conference with Admiral Sellers, who was in command of the special service squadron, and General Feland, Admiral Sellers wrote him a letter. The admiral initiated that. The letter was very carefully prepared. It pointed out to him that the United States was determined to bring about a state of peace in Nicaragua; that it had agreed to do so, and the fact that it was in earnest was indicated by the reinforcements that were sent down there, and by Admiral Sellers coming with his ships to Corinto, and by the Commandant of the Marine Corps going down there; that the United States had no ulterior motive, and that its only desire was to do something for the good of the people, to allow the people to live in security in their own homes and go about their daily avocations in peace and quiet, and it wanted to hold and had promised to hold a free and fair election under American supervision in November; and that it was perfectly useless for him to make a further struggle; that any further struggle was simply increasing the amount of blood that would be shed. The letter appealed to him on the ground of humanity to come in and surrender his arms, and offered him amnesty in the same terms that had been given to Moncada's force last spring.

Senator ROBINSON. Did you have any reply to that?

General LEJEUNE. Up to the time I left there had been no reply. I saw in the paper this morning that they had gotten a reply.

Senator ROBINSON. Did you know that that was delivered to him?

General LEJEUNE. We dropped several copies of it by airplane to groups of his forces. The airplanes flew over several villages where we knew his people were, and put out a white flag and dropped this message. The people hid when the planes appeared, but when the message was dropped their curiosity got the best of them and they all ran out to pick it up, so that we feel certain that he got a copy of it.

Then another copy of it was sent to him by a man who had been one of his followers, a man by the name of Lobo, who had been arrested and was confined in Managua. He returned and reported that he had given the letter to a reliable man who promised to deliver it to Sandino. He was personally afraid to go to Sandino.

The CHAIRMAN. You have no official knowledge of an answer?

General LEJEUNE. No, sir; we have no official knowledge of it. An Associated Press correspondent came to me yesterday afternoon and said they had gotten a dispatch from Managua that an answer had been received, and asked me about it, and I told him we had no information on the subject.

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Senator MCLEAN. What do you think would happen if we should retire from there?

General LEJEUNE. There would be a tremendous lot of killing and looting and robbing. There is nothing there but us to stabilize the country.

Senator ROBINSON. Is he able to supply his force except by looting?

General LEJEUNE. There is a lot of coffee in that country—that is a coffee country—and he seized a lot of coffee last summer and took it into Honduras—and sold it, and bought supplies with it, and ammunition. You see, dealing in arms and ammunition in those countries except Nicaragua is an everyday business. There is no restriction on it and everybody buys arms that wants to buy them. Also, he probably receives money from some people in those countries.

Senator SWANSON. Have you ever received any proclamations, letters, or speeches made, showing his ultimate purpose in this revolution?

General LEJEUNE. Yes. He calls his force "the wild beasts of the mountains," and uses terms of that kind, I suppose, to stimulate the morale of his followers, and he talks in high-sounding terms about organizing a government. I can not see for myself what his objective is, other than to induce us to leave there; and then he having an organized force and nobody else having any, he could make it very uncomfortable for the Nicaraguan people.

Senator SHIPSTEAD. How many people are there in Ocotal?

General LEJEUNE. About 2,000. That is the normal population. It is about 1,500, probably, now.

Senator SHIPSTEAD. How many whites are there?

General LEJEUNE. No Americans. These people of west Nicaragua are of mixed Spanish and Indian blood, and some of them have very little or no Indian blood, while some have a large proportion of Indian blood. They are proud of their Indian blood.

I want to say about them that they are a very attractive race of people, very kindly, very courteous, very hospitable, very generous, and very proud. They have many good qualities. The relations between them and our men are remarkably good.

Senator SWANSON. Is Sandino a Spaniard of pure blood?

General LEJEUNE. He is of mixed blood. He has Indian blood in his veins. His father and mother live near Managua.

Senator SWANSON. It has been stated in publications in this country that those in Nicaragua who are not disposed to have an election are helping Sandino to prevent it. Have you found any indications of the truth of that statement?

General LEJEUNE. I found indications that they were opposing the electoral law that had passed the Senate, the law they call the McCoy electoral law. The Senate passed it unanimously, and it went to the House and they amended it. The amendment is practically a new law. The original proposition was that the elections should be held under the control and supervision of the United States, while the amendment provides that it should be held under the observation of the United States; a very considerable difference.

Senator SWANSON. Is the impression in Nicaragua that no election could be held until Sandino is absolutely suppressed?

General LEJEUNE. You can not hold an election in any part of the country where he is operating, of course.

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General LEJEUNE. It was impressed on our men in Nicaragua that their mission was to establish peace in Nicaragua and to gain and keep the good will of the people, and it is really remarkable the evidences that are everywhere existing of the fact that they have successfully carried out this policy of good will as a part of their mission. Everywhere I went I noticed how friendly the people were to the marines and how friendly the marines were to them. The marine officers and Nicaraguan officials there were also on friendly terms, and I do not believe there is any case in recent history where a force of this size has lived in a foreign country without martial law, without military commissions, without provost courts, without control of the inhabitants, and has not had serious friction and trouble.

Senator MOSES. What percentage, do you think, of the population feels any hostility toward the activities of the American forces in Nicaragua?

General LEJEUNE. I think it is practically limited to Sandino and to the people with him.

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Mr. EDGE. Still the marines should not be in Nicaragua, and the President's future decisions should be controlled by the Comptroller General. Either we scrap entirely what has been the recognized constitutional responsibility and duty of the President or we will not deliberately interpose this type of interference.

Mr. President, if this amendment is to pass, then I think, in all justness and fairness, there should be a section added giving full notice to the American citizens now residing or in business in Nicaragua, and, for that matter, in any other country where disturbances frequently occur, to the effect that the American Government has ceased protecting them, and that the advice of the Senate of the United States, at least, is that they should at once abandon their homes and business interests and return to the United States.

Certainly, if the responsibility of their protection is to be parceled around between Congress and the Comptroller General, their future interests can not but be seriously jeopardized. Of course, we must realize that the Blaine amendment is not confined to Nicaragua. In its terms it would cover China, Haiti, or any other country. I am not sufficiently informed to attempt to even give an opinion as to the effect in these countries, but from the suggestions already discussed, it raises most serious questions.

I note under the terms of the substitute amendment offered by the Senator from Nebraska [Mr. NORRIS] he proposes to confine this senatorial ultimatum to Nicaragua. The words "or unless a state of war actually exists under recognized principles of international law" appearing in the Blaine amendment have been eliminated. I assume this to mean that the President's authority to send troops to Nicaragua would be still further limited, and that if there did exist "a state of war under recognized principles of international law" the President, nevertheless, would be denied the authority of using any appropriation for the purpose unless Congress declared war on some of the belligerents, or unless it was clearly established that there have been physical attacks upon American citizens or their property, or that there is immediate danger of such attacks. Again, the question arises whether the Comptroller General or the President is to decide this situation.

As far as I can ascertain, never before has a President of the United States been restricted through an appropriation bill in the matter of exercising his best judgment in dealing with foreign affairs. Why is it necessary for his benefit to repeat international law? He undoubtedly understands its limitations as well as we, and the assumption that he has overstepped his authority is a matter of impeachment, not legislative direction.

Further, I can not conceive how Senators who opposed the Blaine amendment, when it provided December 25 as the arbitrary date of withdrawal of the marines can find justification to support it as of February 1. The only difference seems to be a difference of five weeks, whatever that means. Surely, if it was unwise to adopt it presenting one arbitrary date, it is equally unwise to accept another. Just because the language of the amendment has been slightly changed, in my judgment it in no way alters the situation. If history repeats itself, any announced arbitrary date for the removal of the United States marines will be a signal for a revolution in Nicaragua.

It has been generally prophesied the Liberals at the next election would win, which would mean the selection of General Moncada as President. Might not this contemplated action of arbitrarily setting a date of withdrawal have some influence upon the voters at the election? I do not know, but it certainly would be disturbing to the people of Nicaragua, I repeat, in view of past history. Frankly, this amendment, to me, presents a combination of near absurdity and great danger.

The traditions of more than a century are to be reversed. For myself, I prefer to run all the risks that would follow a demonstration of confidence in the Chief Executive, whoever he may be, than to transfer clearly defined powers and prerogatives either to Congress or to the disbursing agency of the Government.

Mr. FESS. Mr. President, I had not intended saying anything whatever upon the matter which has been discussed now for a week. I think as it goes along the subject becomes more or less confused. I recognize two sides to the question, especially that phase of it which deals with the United States using efforts to stabilize conditions in another country. I

think it is a rather serious question as to just how far we should go. I am of the opinion, however, that there is general agreement on all sides that if the marines are to be recalled they should not be recalled prior to the election which is to be held in Nicaragua. So far as I know there is no effort on either side of the dispute toward that end.

Mr. President, General Moncada, who made the agreement with General Stimson, would be the one man who could speak for the Liberal Party in Nicaragua, I should think, if there was any man in the country who could so speak. He was a party to the agreement; he was at the time the general commanding the Liberal army; he is the one who was himself concerned in the Liberal progress, and, as was generally conceded, would be the candidate of that party for President. General Moncada submitted his views on the question about the landing of the marines in Nicaragua in a contributed article over his signature, which was printed in The Outlook, published in New York. That article was inserted in the RECORD in January of this year. Reading portions of the statement of General Moncada, we find this statement:

Certainly Nicaraguan Liberals everywhere have approved unanimously the arrangements of Tipitapa and are grateful for the efforts of General Stimson toward peace. At first there was surprise and hesitation; but sober thought brought faith in the promises of the personal representative of President Coolidge, considering that they involve the honor of the whole Nation founded by George Washington.

There is a general statement that the agreement was unanimously commended by the Liberals of Nicaragua. Further on General Moncada said:

The worth of the election in Nicaragua depends now on the manner in which the arrangements of Tipitapa are carried out. If they are carried out honestly, as I believe they will be, due to President Coolidge's word, the elections will be made with entire equity.

Then, further on, General Moncada said:

We want the independence and sovereignty of our country, and the more we want it, the better government we will build, granted we may live under the ægis of peace and labor. The watchful eye of the United States can be no better employed than in this noble cause. The very Monroe doctrine compels the United States in that direction, for that doctrine postulates for the New World the fullest realization of republicanism and democracy. Because we have had no peace, because our national income diminishes or is used up by war, and the fields lie uncultivated, our great duty is to do away with war. Any sacrifice is small to achieve this objective.

Those are not my words nor the words of a Senator in this body arguing on one side or the other. Those are the words of General Moncada, commanding general of the Liberal army, at the very time the discussion was being carried on. He further continued:

Our country needs a profound peace. If bad government continues to prevail in Nicaragua, if Liberals and Conservatives persist in warring for power, obeying personal ambitions, no nation will be found to extend a friendly hand to us or to treat with us.

Capital is a great necessity in Nicaragua for the development of the country's progress. We have neither railroads nor highways. We are out of communication with the civilized world. The construction of the railway to the Atlantic coast is very urgent to bring us nearer to the United States and to Europe. We need more American capital, and it is our first duty to seek it here, for we are obliged to do it by the close relationship that binds together the countries of America for their mutual defense.

The interest of the United States in the affairs of the Caribbean Sea is a vital interest. If it renounce the vigilance of that sea and its bordering countries, it places its very life in jeopardy, or, at least, exposes itself to terrible responsibilities and wars. This interest of the United States is equally beneficial to our countries, for they are thus defended from all aggression of powers foreign to the continent. In this all the countries of America share a common interest and a common destiny.

Opinion, I am told—

This is very suggestive. It is rather prophetic in President Moncada writing this article prior to the opening of this year—

Opinion, I am told, is divided in the United States as to the policy that has been followed by the Department of State. We Nicaraguans think that we have acquired an explicit right and that the United States has bound itself to an explicit duty. We Liberals fought to place our country once more under the full authority of the constitution. In exchange for peace and free elections we constitutionalists agreed to disarm, and we who signed the agreement have lived up to our duty. If a few armed bands—

He specially refers to Sandino, although not mentioning him:

If a few armed bands remain active in the north of Nicaragua, that is a natural consequence of our civil wars. After these promises it must be established in full justice that if the Monroe doctrine is to be abrogated that must not be done before the United States has discharged its duty as to the 1928 elections in Nicaragua, which should be rendered impartial by its influence. Let every Nicaraguan citizen, without distinction of color or political creed, vote freely, and let power pass into the hands of the representatives of a true national majority. When it comes that day will witness the birth of true democracy in Nicaragua, the first day of genuine republican life—an occasion of rejoicing for all sincere patriots.

Those that accuse the State Department of supporting President Diaz in obedience to the pressure of bankers and for mean reasons of internal and foreign policies fail in logic when they attack the agreements of Tipitapa and the supervision of the next election by the marines. They know that, upon the premature withdrawal of the marines, power would remain with Diaz or Chamorro, and constitutionalists would lose all hope of liberty and democracy. This would be a tremendous injustice.

Here is another very prophetic suggestion coming at the opening of this year, long before the Habana conference was in session:

There is talk to the effect that a move will be made at the next Pan American Congress against interference by the United States in the affairs of Nicaragua and other Caribbean countries. If it is accepted by the Washington Government, we Nicaraguans will demand that it be put into effect after January, 1929—that is, after North American mediation has effected an entirely fair election in Nicaragua. I may add that my opinion on the Monroe doctrine and the need for the influence of the politically advanced nations on the politically backward ones is firmly rooted in deep conviction.

Mr. President, those are the words of General Moncada, who was in a position to speak for the people known as the Liberal element in Nicaragua. No words could be stronger. The statement leaves absolutely no doubt as to what is our duty from his standpoint. Were I to say this, or were Senators here on the floor to speak thus, there would be some question as to motives, but there can be no question as to the motives of General Moncada.

Mr. President, if we were to discuss here, and if we had before us in a succinct manner, the question of how far the United States should go in establishing stability in a country outside of our borders, and no other question was involved, I would be at sea as to just how far we should go. It has been a question of more or less dispute in my mind. It has been at times a question of how far we should have gone in Cuba. I recognize that our position in Cuba was largely due to our peace of mind as a Nation, which was constantly being disturbed by different movements of revolution or rebellion in Cuba, and then certain types of citizens in America going over into Cuba for personal aggrandizement. The question of just how far we should have gone has always been one of dispute.

There has been some dispute as to how far we should have gone in Haiti. So far as I am personally concerned, I think we have done the right thing there. I would not be in favor of coming out of Haiti until stability there is established, if for no other reason that for the maintenance of the Monroe doctrine. The same thing might be said in San Domingo, although we have been out of there for some time.

Mr. President, in 1914, when President Wilson ordered the marines landed at Vera Cruz, I was a Member of the House. On the Republican side there was a furious outbreak, a regular storm, when that occurrence took place. President Wilson was charged with taking steps to make war without authority from Congress, and he was denounced on the floor of that body just as President Coolidge has been chastised in the present instance on the floor of this body. Some of the men who were then Members of the House, who are now denouncing President Coolidge, were then the strongest defenders of the policy of President Wilson. I could take the time to read those speeches if it were worth while, but it is not worth while, and I am not going to use the time of the Senate in that way. I had absolutely no sympathy with the attacks on President Wilson, although I did not belong to his side of the political contest. I think that President Wilson was wholly justified in his procedure under the circumstances in the protection of American life and property, as well as in the maintenance of peace between this country and Mexico.

When Villa was touring all Mexico, in the leadership of a banditti, and President Wilson sent a punitive expedition, under the leadership of General Pershing, to hunt him out, there was

the most bitter criticism on the part of some political partisans against the President. I never felt there was any foundation for that criticism. I believe it was of a more or less partisan character. When it comes to foreign relations, no matter how bitter or intense or keen our differences here may be, they ought not to be allowed to show themselves in matters of relationship between our country and other countries. That is why I deplore the presentation of this question at this time.

Here is an agreement under which we rest and we are bound to carry it out. Whether wise or otherwise, it is our duty to go on. I think it is wise. That agreement is to supervise the elections. When that is done, if conditions will permit, without doubt the marines will be brought home. But who is here capable of saying what will be the conditions immediately after that election? Where is the man who can look into the future and tell which seed will grow and which will not, and say that at a certain time, no matter what happens, we are going to bring the marines out of Nicaragua or out of any other place?

The mere fact that on an appropriation bill we are attempting to interfere with the President's efforts to protect American life and property by stating that on a fixed date after an election in Nicaragua we are going to bring our marines out, leads me to believe that there is no one announcement that might be such a stimulus for untoward conduct in that country. It is unwise, in my judgment, in the extreme. If after the election the matter is brought up, and the question is to be threshed out as an international question as to how far we should go in matters of this kind, then it would seem to me entirely proper for us to discuss it, free of any possibility of in any way embarrassing the foreign relations of the country. To do it at this stage, however, under the threat that if it is not done we are going to prevent the passage of an appropriation bill, is in the first place unwise as legislation, and certainly as international policy it is about the acme of unwisdom.

When the matter passes over until after October, if it comes up in the regular order in the form of a resolution, I shall welcome and not oppose an inquiry into the question of just what is the meaning of the Monroe doctrine, and how far we can go in stabilizing conditions in any country, and as to what should be the proper course for us to take. I shall welcome a study of that subject in the light of the facts. But so far as protecting American lives is concerned, and so far as offering protection to American property goes, I want my country to maintain her honor in making every American feel that wherever he is, if he has a right to be there, he is protected by the authority of the Nation. Anything less than that, in my judgment, would be extremely dishonorable as a nation, and futile so far as our citizens are concerned.

So what I am hoping may be done is for us not to act upon a subject of this sort preceding this election that we must go on and carry out, but permit this appropriation bill to pass, with the understanding that after the election, in the next Congress, this matter can be brought up in a regular way; and if it is our business to define the Monroe doctrine, and to fix the limits to which the President as an Executive can go, then it is a perfectly proper procedure. It is not so, however, as I see it, at this time; and for that reason I am not going to support any of these amendments that have been proposed.

Mr. NORRIS. Mr. President, the Senator from Ohio [Mr. FESS] and several other Senators have had considerable to say about trying to put a limitation on an appropriation bill, and that it would be much better to legislate in the regular way.

With that contention I agree. I would much rather we were not handicapped as we are here by trying to do something on an appropriation bill; but if we are going to do anything, if we are going to give an expression of congressional opinion on what the President is doing in Nicaragua, this is the only opportunity that has ever been presented to us during this session of Congress.

Whatever we put on will not be anything that will last beyond the fiscal year for which the appropriation is made, I admit. It will not be permanent legislation; but it will, I think, fairly give an opportunity to Congress to express its opinion upon what the President has done.

As a matter of fact, Mr. President, the pending amendment, in my judgment, confined as we are to limitations on an appropriation bill, in substance says to the President, "Congress does not agree with you, Mr. President, in the use of the Army in Nicaragua. We do not agree with what you have been doing; but, inasmuch as you have made a contract down there, we are going to permit you to go on and do just what you started out to do and use the money of the country just as you have been doing until the 1st of February. After that we expect you to cease. We expect you then to follow the line, as far as this appropriation goes, at least, that Congress has really outlined."

It is not a condemnation of anybody. I think everybody will concede that the President has a right to his opinions. He may be as conscientious as we are; but, as I look at it, the President ought to have laid the matter before Congress in an official message asking us to legislate on the subject, and we ought to have legislated. So that we are presented as a matter of parliamentary predicament with this condition: Either we must express our opinion on an appropriation bill or otherwise we will not be able to express it at all.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield; yes.

Mr. KING. As I understood the Senator's statement a moment ago, I want to express, with his permission, my dissent from it.

I interpret this amendment which has been offered by the Senator from Wisconsin and the amendment offered by the Senator from Tennessee not only as limitations upon the appropriation bill, but in voting, if I shall vote, for either of them, I intend to express my disapproval of the course of the President of the United States in sending our marines to Nicaragua and keeping them there as has been done, and particularly in entering into the so-called Stimson agreement, which, according to the view of eminent Senators, imposes a moral obligation upon the United States, an obligation even to go to war or to engage in war, if not a legal obligation upon our part.

I disapprove of the course of the administration in dealing with the Nicaraguan question. I disapprove of the Stimson agreement. I think it is unjustifiable. Whether or not an obligation has been created which morally we should carry out presents a different question; but I did not want to assent to the proposition, if I understood the Senator correctly, that the course which we take in supporting these amendments is not a criticism and a disapproval of the course of the administration in Nicaragua.

Mr. NORRIS. I do not disagree with what the Senator has just stated. I think the adoption of the pending amendment is a clear expression of Congress that we do not agree with the President in the making of the so-called Stimson agreement. I have not any doubt about that. We may differ as to how severely we ought to criticize the administration in regard to it, but the amendment does disagree with the President on what he has been doing in Nicaragua. I think I stated it that way. I intended to.

Mr. KING. Mr. President I apologize to the Senator if I misinterpreted him; but I understood him as I have stated.

Mr. NORRIS. The Senator may have interpreted me correctly, and I may not have expressed myself plainly. But, Mr. President, I have not heard anyone yet say in this debate, as I recall it—and I have heard most of it, but not all—that he believed the President had authority to make the Stimson agreement. Personally, I have not any doubt whatever on the question. It was an illegal agreement. There is no legality to it. There is no authority anywhere for it. I tried to make myself plain on that matter before when I addressed the Senate. There is no authority whatever coming from the Congress of the United States or from the Nicaraguan Congress. The President gets his authority, if he has any whatever, from the request or the agreement, whichever way you want to put it, of the Diaz régime in Nicaragua.

Personally, I think the Diaz régime are wrongfully in office. They represent us. We are really making an agreement with ourselves, contrary to the laws of Congress and the Constitution of the United States, and contrary to the laws of Nicaragua, without any sanction from the Nicaraguan Congress. I do not believe there is much disagreement with that proposition.

Some Senators, however—I do not entirely agree with them, but they probably constitute a majority of the Senate—feel that notwithstanding the illegality of that agreement the President has made it, and it is our duty now to carry it out.

I think a majority of the Senate feel that way. I doubt that myself, because if he has disarmed both sides, as the Stimson letter said he was going to do, I think it would be all right to get out, and they would be in better shape down there, perhaps, than they would have been before he disarmed them, because neither side would have any arms.

That, however, is perhaps not a practical question now. It is conceded, I think, that a majority of the Senate feel that since this agreement has been made it ought to be carried out; and so, out of respect for that opinion, these amendments to this appropriation bill have been drafted with that in view. They all permit the President to remain and do what he started to do until after the election, until after the new government is

installed; and this particular amendment puts it one month after they have been installed, so as to clear it of any doubt.

A great deal has been said—and that was the principal reason why I took the floor now—by Senators in this debate to the effect that if we adopt one of these amendments we are really giving to the Comptroller General the authority to pass on this instead of the President. I have great respect for the Senators who have made that argument, but I can not agree with them. To me it seems perfectly plain that in that respect the adoption of any of the amendments will not change the conditions one iota. I can conceive how the Comptroller General might step in and say, "I will pass on the question of whether you have overstepped the limits, Mr. President, and act accordingly." He can do that now. He can do that just the same if we adopt no amendment. The Comptroller General could say now, when any of these expenses come up for allowance, "Why, the Government of the United States has done what it has no right to do under the laws of the country or under international law, and therefore I will not approve these expenses." He can do that to-day, and if we adopt any of these suggested amendments he will be able to do the same thing then.

I do not anticipate that he is going to do it. I do not anticipate that he is going to question the decision of the President. I do not think he will do that now. I do not think he will do it if we adopt any of these amendments.

In other words, on that point it seems to me, whether we legislate or whether we do not, that we have not cleared the matter of the possibility of such a thing happening, and we can not clear it of the possibility of such a thing happening. It is a physical impossibility to do it.

I understand that the Senator from New Jersey [Mr. EDGE] has argued that to-day. I was called out and did not hear all that he said, but in talking with him I learn that that is one of the points he made. He fears that if we adopt this amendment we are going to give to the Comptroller General the authority to say whether under this amendment the President has exceeded his authority or whether he has not.

Mr. EDGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. NORRIS. Yes.

Mr. EDGE. If the Senator is correct in his construction—I will not discuss the legal interpretation—what is the use of the amendment? In other words, as I followed the Senator, he contends that the Comptroller General to-day can stop the disbursement of any money spent illegally. No doubt that is so. Then why say so again and simply repeat law already existing?

Mr. NORRIS. We are saying so in these amendments out of respect for Senators like the Senator from New Jersey and others who want us to say so, as I understand.

Take the Pittman amendment, now, which has been put on the Blaine amendment to modify it. That is one of the complaints against it now; and yet it was put on to satisfy Senators who believe as the Senator from New Jersey does. I am not questioning their sincerity, but the point I want to make is that you can not escape from that dilemma. It exists to-day.

Suppose one of these bills for carrying munitions down to Nicaragua came before the Comptroller General for allowance, and the Comptroller General said, "Why, the President had not any authority to do what he has been doing. I do not think he had, and therefore I will not allow it. Under international law and the laws of Congress he can not show authority for what he is doing down there." The Comptroller General has not done that. I do not anticipate that he will. I do not anticipate that he will question now the discretion that the President possesses, and I do not understand that he will if we adopt this amendment.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. NORRIS. I do.

Mr. EDGE. Right there is the point. I repeat, what can possibly be the object of the amendment, when the Senator—one of the proponents of one of the amendments, at least—frankly says that he does not believe it will change the situation in the slightest degree?

Mr. NORRIS. I am speaking of the action of the Comptroller General. It will not control that. I do not think we can pass any law on earth but that there is a possibility of the Comptroller General coming in and saying, "Why, this is illegal. I will not allow it." We can not get away from that. We must always legislate with the idea that the executive officials who carry out the legislation of Congress may, rightly or wrongly, say that we have overstepped our authority, even though as a matter of fact it might be conceded by a fair judge that we had not done so.

So I do not see any point in that. It seems to me that Senators are worrying about something that, if it is a cause of worry, they ought to have been worrying about all this time, ever since we have done anything in Nicaragua. All of that might have occurred.

I have been told that a point of order is going to be made against the amendment as it now stands.

I am rather inclined to think, myself, that as the amendment stands a point of order perhaps is good, technically speaking, and perhaps will be sustained; but I should like to remind Senators who are going to make the point of order, who are saying to us to begin with, "You must not do anything on this appropriation bill," to which we respond, "Under the rules of the Senate we have to do nothing and say nothing, or we have to do it this way," that they are answering their own argument, it seems to me. If Senators feel that way, why not have an agreement that we will open this bill and permit legislation to take place on the bill?

I have talked with the chairman of the Foreign Relations Committee, who has a statement prepared that I think he would be glad to put on this bill. I think it is a fine statement of the law that exists, and would, if adopted, express the judgment of Congress; but it is subject to a point of order. I shall not object to it. Those of us who want any of these amendments will make no objection to that. The same Senators will object to that who, after they have cut us down to the narrow point of simply putting on a limitation, say, "Why, you must not do that, either, because it is on an appropriation bill."

Mr. WARREN. Mr. President, will the Senator yield for a question?

Mr. NORRIS. Yes.

Mr. WARREN. Why not refrain from putting that or any other matter in appropriation bills contrary to our rules? And why not, instead, take it up independently as a resolution, pass it here, pass it in the House, and thus cover the ground?

Mr. NORRIS. All right. Let us agree, then, that we will not object to an amendment on this bill because it is legislation. If Senators, who are trying to be technical, will do that, I think they will clear the surface at once, and we will get a comprehensive statement here, coming probably from the chairman of the Committee on Foreign Relations. I should be glad to do that.

Mr. WARREN. Speaking of being technical, is it not the duty of the Committee on Appropriations to obey the rules which its members, and the Senator from Nebraska and other Senators, have made, to keep legislation out of appropriation bills?

Mr. NORRIS. Mr. President, the Senator must remember that I am not criticizing, and I will not criticize, anybody for making a point against this amendment, or any other amendment, that is legislation. I am not objecting to anyone enforcing the rules. I have always gone on the theory that I would not object to whatever a Senator was entitled to, whatever the rules permitted, even though it hurt ever so bad. But I want Senators to understand that those who are complaining that we are trying to get an amendment on an appropriation bill are themselves preventing us from doing what they say ought to be done; that is, have a comprehensive proposition adopted by Congress.

I remind Senators that if any of these amendments go out on a point of order, we will have to vote on amendments not subject to a point of order. It is not difficult to draw such an amendment, although it would leave out some things I would like to have in the amendment. If we are compelled to be more technical, and to resort to technicalities, we will at least have to vote on an amendment that is not contrary to the rules of the Senate, that would be a pure limitation, and nothing else, but would curtail the power of Congress somewhat to express an opinion, which I think even the President would be glad to have us express if we are not in agreement with him.

## FEDERAL FARM LOAN BANK, COLUMBIA, S. C.

Mr. BLEASE. Mr. President, a few days ago I introduced a resolution in the Senate asking that the farm loan bank at Columbia, S. C., be examined into by the Banking and Currency Committee of the Senate.

Yesterday I received some South Carolina papers which I wish to call to the attention of the Senate. First, however, I call attention to a letter I received, dated April 21, as follows:

APRIL 21, 1928.

DEAR SENATOR BLEASE: Illness prevented me from thanking you earlier for your telegram of April 10, concerning your attempt to secure printing of my farm loan relief report. My information was that you

were to appear that morning before the committee. As I thought opportunity might then arise to use parts of that memorandum in your argument, I took the liberty of telegraphing.

Senator NORBECK wrote me later that your resolution had been referred to the Federal Farm Loan Board itself for recommendation. This course appears to me as preposterous as referring the Fall case to Sinclair for settlement! It appears to me that only throwing the matter into the presidential campaign will arouse sufficient interest to gain support for such a resolution. I have been asked by the campaign headquarters of one Democratic candidate to prepare a plank and memoranda. These have been in their hands for a week. If you can see your way to secure the adoption of such a plank, I believe that no matter which party wins a real clean-up might be had later.

Sincerely,

——— ———.

The Senator from South Dakota [Mr. NORBECK] is the chairman of the Committee on Banking and Currency of the Senate.

An article in the Columbia Record, Columbia, S. C., April 20, reads:

FARM LOAN HEAD, COLUMBIA VISITOR, SEES BETTERMENT—EUGENE MEYER ON VISIT TO FEDERAL LAND BANK IN COLUMBIA—MEETS DIRECTORS HERE—SILENT AS TO BLEASE CHARGES; BOARD MAKES INVESTIGATION

Agricultural conditions are on the mend and land values may be expected to increase with the betterment of the whole economic situation is the opinion of Eugene Meyer, of Washington, Chairman of the Federal Farm Loan Board, in Columbia to-day to meet with the directors of the Federal Land Bank of Columbia.

Mr. Meyer is accompanied by Floyd R. Harrison, member of the board, and is making his first visit to Federal land banks in the Southern States. Before returning to Washington, Mr. Meyer and Mr. Harrison will pay official visits to the system banks in New Orleans, Houston, St. Louis, and Louisville.

The Farm Loan Board has supervision of the 12 Government owned and operated banks throughout the agricultural sections of the United States. The system was established in 1918 to assist farmers in obtaining funds at reasonable rates of interest to market their crops.

Mr. Meyer was silent in regard to the investigation of the Federal land banks proposed in the Senate by COLE L. BLEASE, junior South Carolina Senator.

"The board is conducting an investigation of the charges."

The Greenville News, published in the upper part of South Carolina, on April 21 carried exactly the same telegram, which I shall not read, but I ask to have the article from that paper printed in the RECORD.

The PRESIDING OFFICER (Mr. MCNARY in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Greenville News, Greenville, S. C., Saturday, April 21, 1928]

MEYER SAYS INVESTIGATION IS BEING MADE IN COLUMBIA BANK—HEAD OF FARM LOAN BOARD INSISTS FARM CONDITIONS ARE GETTING BETTER

COLUMBIA, April 20.—Agricultural conditions throughout the country are improving, and land values may be expected to increase with the betterment of the whole economic situation in the Nation, said Eugene Meyer, of Washington, chairman of the Federal Farm Loan Board, in Columbia to-day to meet with the directors of the Columbia land bank.

ON INSPECTION TOUR

Mr. Meyer is accompanied by Floyd R. Harrison, member of the board, and making his first visit to Federal land banks in the Southern States. Before returning to Washington, Mr. Meyer and Mr. Harrison will pay official visits to the system banks in New Orleans, Houston, St. Louis, and Louisville.

The Farm Loan Board has supervision of the 12 Government owned and operated banks throughout the agricultural sections of the United States.

TALK OF INQUIRY

Regarding the investigation proposed by Senator COLE L. BLEASE in the Senate, Mr. Meyer had no comment to make, except to say:

"The board is conducting an investigation of the charges."

Mr. BLEASE. Mr. President, it seems to me very strange, when a set of men are accused on this floor openly of being thieves, of absolutely stealing through the Federal Farm Loan Bank of Columbia, S. C., that the chairman of the Committee on Banking and Currency of the Senate should refer the investigation of that matter to the very people who are accused of being particeps criminis to this theft, and helping to conceal from the public the very thievery that is being charged by the resolution which is before the Senate.

Yet here is Meyer himself, the chairman of the board, giving out an interview in the city of Columbia to the effect that he is there investigating this situation, and here is a letter from a highly responsible and respectable citizen saying that Mr. NORBECK, the chairman of the Committee on Banking and Currency of the Senate, wrote them that the matter had been referred to Meyer, the man who, as I have said, is supposed to be protecting and helping these people down there in that situation.

I do not care to take up the time of the Senate in reading other proofs that I have here, but I am going to ask that a letter from Harmonsburg, Pa., dated April 11, 1928, from Mr. Xeno W. Putnam, secretary and treasurer of the third National Farm Loan Association in Pennsylvania, and a letter from my secretary to him and his reply to me, be published as a part of my remarks; also an article appearing in the Sunday New York Times of April 22, 1928; also an article submitted in behalf of the American Farmer. I ask that these be printed with my remarks in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HARMONSBURG, PA., *April 11, 1928.*

Hon. COLE L. BLEASE,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I have been reading your remarks on the floor of the Senate regarding certain farm-loan matters with great interest, as they appear in the CONGRESSIONAL RECORD. Have just written Senator DENEEN urging a favorable consideration of Resolution 167; have also written all of the other members of the Committee to Audit and Control the Contingent Expenses of the Senate briefly asking their support.

In reading over the various hearings given in the past to farm-loan matters, and also in my own experience with them, I have found these farm-loan fellows depending almost wholly upon two things for vindication:

First. They deny all charges and stamp their denial with their official authority, and so make the complaints and charges of mere farmers inconsequential by comparison.

Second. Instead of meeting specific charges with specific evidence, they almost always resort to more or less indirect personal disparity—this man ran against one of our officers for some office; that one tried for an appointment which he did not receive; this complainant had trouble with our department over some of his own accounts; that one got delinquent in his payments; another one had a political earache where he ought to have had the gout. These and not evidence you will find occupying pages upon pages of their "defense" in the hearings or in letters to Members and others; and far too often their subterfuge has worked. It would seem that a good many men who ought to know better allow themselves to be talked away from the main issue in just this way. I suppose they must forget that the real test of any administration or of any system comes when there is some clashing of interests.

The News and Courier editorial, reproduced in the CONGRESSIONAL RECORD for April 2, brings out a striking similarity between certain of your own experiences as an investigator of the farm-loan records and one of mine. They quote Farm Loan Commissioner Meyer as saying that "the Department of Justice had investigated the situation and had found nothing to indicate that the Columbia Bank or its officers were involved in any irregularities." At about the same time, however, the Department of Justice was refusing to let an outsider (yourself) see those reassuring records.

Back in 1925 the Farm Loan Board wrote an inquisitive Member of Congress that "in order to satisfy him (myself) we had a special examination made of the National Farm Loan Association, of which he is a member. The examination disclosed nothing wrong with the accounts of the association and afforded no basis whatever for Mr. Putnam's numerous complaints." At the same time or shortly before they were refusing to let an outsider (myself) see those reassuring records, and are still refusing, although the defaulting local official who is being protected by this secrecy will be protected by the statutes of limitation within a very few months. If Farm Loan Commissioner Meyer denies my statement, ask V. R. McHale, his chief examiner. If he also denies it, I'll send you certified copies of his own letters and official figures proving what I have said, proving by figures which the Farm Loan Board possess that there was a defalcation and that the board made repeated attempts through their accounting department to conceal it; that after five years of controversy they were compelled last July to disclose a secreted bank account, in a bank that has never before nor since carried one dollar of farm loan or association accounts excepting this one which, until last July, they had concealed since November 3, 1922.

Whether these farm-loan people should be measured for stripes or whether they also carry among their concealed paraphernalia golden harps and folded wings the farmers and stockholders and bondholders have a right to know the facts, and if anyone is afraid or ashamed or unwilling to have them know facts it is all the more urgent that facts be known.

That is what farmers all over this country are talking among themselves, whether they write their Congressmen about it or not. They want facts, the truth, more light, and they are not caring specially whom it hits or whom it misses. If these men in the bureaus and departments are afraid of facts and the truth and more light, we want

Congress to help us force them to give it. Surely Congress should not be afraid.

As the farmers understand it, Senate Resolution 167 is intended to do this very thing; that is why we want it; and we do not feel that we are asking an unreasonable thing of Congress when we ask of it the chance to know what these men who have been put over us against our will are doing with our fellow farmers, our banking system, and our money.

We have found out that you are not afraid to have the truth brought out; we have faith in Congress to believe enough Senators are not afraid to turn on the light. If any of them are, some of us are watching and hoping that their fears and the cause of them will be brought to the surface. We know that among the farmers themselves a subtile intimidation that has been rather hard to locate even though we know of its presence has done a great deal in the past toward the silencing of complaints.

Trusting that Senate Resolution 167 will by its passage give us the honest facts about our own banking system which any honest business ought to court, and knowing in advance that you are going to do your best to give us that chance, I am,

Respectfully,

XENO W. PUTNAM,
*Farmer, farm writer, organizer, and for three years secretary-treasurer of the third N. F. L. Association in Pennsylvania.*

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WASHINGTON, D. C., *April 12, 1928.*

Mr. XENO W. PUTNAM,
*Harmonsburg, Pa.*

MY DEAR MR. PUTNAM: Senator BLEASE has your letter of April 11, and in reply the Senator will thank you to advise him whether you would object to the use of this letter on the floor of the Senate, as he would like to read it and make some comments thereupon.

With all good wishes, and assuring you of the Senator's high esteem, I am,

Very respectfully,

JOHN D. LONG, *Secretary.*

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HARMONSBURG, PA., *April 16, 1928.*

Mr. JOHN D. LONG,
*Secretary to Hon. Cole L. Blease, Washington, D. C.*

MY DEAR MR. LONG: Your letter of the 12th only reached me late Saturday night, owing to my absence. In reply I take pleasure in stating that any use whatever which Senator BLEASE desires to make of my recent letter to him will be entirely agreeable to me.

I have been following the Senator's efforts in the direction of a farm-loan investigation ever since Senate Resolution 159 was first introduced by him, and am, of course, even more interested in the furtherance of Senate Resolution 167. I have no doubt there are several bureaus and departments which need investigating. From personal experience and observation I know that the Farm Loan Bureau does.

With best wishes, and hoping most earnestly for the successful termination of the Senator's fight for the farmers' land banks, I am,

Respectfully,

XENO W. PUTNAM.

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[Article appearing in Sunday New York Times, April 22, 1928]

EXAMPLE OF SOVIETIZATION SEEN IN FARM LOAN SYSTEM—GOVERNMENT OPERATION OF LAND BANKS IS HELD TO BE IN CONTRAVENTION OF AMERICAN PRINCIPLES

To the EDITOR OF THE NEW YORK TIMES:

The letter published in the Times of April 8 and signed "M." was to the point. He maintains that our Government is slowly but surely being sovietized, but he could have cited a more striking illustration.

DIRECT COPY OF RUSSIANIZED SYSTEM

For example, there is the Federal farm-loan system, as operated through the 12 district Federal land banks. Few people realize to what degree this great system of banks has recently been taken over by bureaucrats or the unique precedent established under our form of government, which is a direct copy of that prevailing with disaster in Russia.

This farm-loan system was established by act of Congress, which also provided that the sum of not to exceed $100,000 should be advanced out of the Federal Treasury to capitalize the 12 district land banks, to start the system going, which sum was to be repaid into the Treasury as the farmers made loans and subscribed to and paid for the capital stocks of the banks. The farmers, like stockholders in our national banks, also assumed a double liability of 10 per cent, the amount of their loan. Upon repayment of this $100,000 back into the Treasury the act provided that the banking system should then be turned over to its rightful owners, the farmers.

DEPLORABLE EXAMPLE OF "TOO MUCH GOVERNMENT IN BUSINESS"

This venture was, from the outset, a political experiment. There are many sane bankers who now testify that it is a deplorable example of "too much Government in business." Surely the system, confronted with a great grist of farm-mortgage foreclosures throughout the land, now faces a crisis which is very real.

URGENT NEED OF INVESTIGATION PROPOSED BY SENATOR BLEASE

Senator BLEASE, in making his recent appeal for the fullest investigation of the system, gave the Senate some facts to consider which were a surprise to many. He cited official documents which seem to demonstrate that all is not well; he gave the testimony of many farm-paper editors that their readers were not satisfied with the service, while many farmer-stockholders were most urgent that the banks be investigated in order that conditions which were pictured as pitiable might be remedied.

CONGRESS FAILED TO KEEP FAITH WITH FARMER-OWNERS

Much of this is due directly to the fact that Congress failed to keep faith with the farmer-owners of the banks. Before they were able fully to repay to the Treasury the sum advanced to capitalize the banks Congress passed an amendment to the fundamental act whereby the system was withdrawn from the control of the farmer-owners and vested in political appointees, who were given the widest latitude in the management, even to dictating the forms and rules of farm-loan associations. This in spite of the fact that farmers owned the stock and assumed the liability that safeguarded the entire system.

PRESIDENT WILSON'S STAND

In his first annual message, pressing home the need of a great rural credit system for our farmers, President Wilson said: "The farmers, of course, ask and should be given no special privileges, such as extending to them the credit of the Government itself. What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted, local action in their own behalf in getting the capital they must use."

GOVERNMENT GOES INTO BANKING BUSINESS

But the Federal Government did step right into the operation of the Federal farm-loan system, and is in it to-day, deeper than ever, despite the fact that the 12 district land banks are owned by the farmers. This is contrary to every fundamental principle of our Government.

SENATOR CURTIS OPPOSES MOVE

Senator CHARLES CURTIS, of Kansas, Republican whip of the Senate, said on this: "Would it not be better to let the farmers themselves manage these banks exactly as the law intends? * * * This is the secret of the soundness and success of innumerable borrowers' banks of various kinds, among which failures are rarer than among ordinary banks."

CONGRESS SOVIETIZED THE FARMERS' LAND BANKS

Yet Congress did take the banks out of the hands of their owners, sovietized them, and established a red-tape political administration, which has hopelessly manipulated them along political lines until many advise that a national scandal is now impending.

MANY MORTGAGES FORECLOSED

Wholesale foreclosure of farm mortgages is being carried on and, as J. B. Morman, economist of the Federal Farm Land Board, has well said, "Neither the amortization method of repaying loans nor the beneficent intention of Congress has been able to save the farmers from the fear of foreclosure. The policy which seems to have animated friend and foe alike is to fleece the farmer for all he is worth. Large numbers of farms have been sold under the sheriff's hammer in behalf of land banks as mortgagees. The heartlessness of the money sharks is not unknown to the Federal farm-loan system, for neither the farmer who fails to pay an installment on his loan nor his local association which has indorsed his mortgage can ward off the foreclosure proceedings, as this policy is being mercilessly carried out by both kinds of land banks."

JAMES G. GARVIN.

ASHEVILLE, N. C., *April 17, 1928.*

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[Statement submitted in behalf of an American farmer who had his stock in the Federal land bank stolen by the Harding-Coolidge administration, who now manipulates that which he owns]

FOR STEALING IS STEALING STILL

"In vain we call old notions fudge,
And bend our conscience to our dealing;
The Ten Commandments will not budge,
And stealing will continue stealing."

As the Chinaman would say, "We most humble submit" the above little couplet to the leaders of the Coolidge administration as worthy of a place in the 1928 platform to be adopted at Kansas City, and as humbly suggest that this be given an honor position in their Sinclair-oil, farm-loan, and farm-relief sector. For "confession is good for the soul," and "birds of a feather flock together," as they say out in Indiana!

The Teapot Dome and farm-loan land bank steal are one and the same, both birds of like feather, the latter being less advertised, though

more gigantic, than the former, but thrusting the saber into the very vitals of our American form of government and constituting the most bold piece of highway robbery ever effected by act of any legislative body in the history of the world—the taking away from the thousands of American farmer-owners of the 12 district land banks of their property rights and depriving them of the simple privileges of managing the banks which they now own through purchase of capital-stock shares sold under legal pressure, as per an act of Congress, and assumption of a legal liability as a result of the same process of American law.

When Senator WALSH of Montana pried off the top of the Teapot he said there might have been tea in it once, but the present odor was quite different from tea! And, by the same token, when Senator COLE L. BLEASE, of South Carolina, endeavored to tilt the top of the Farm Loan Board's chest an odor equally offensive was noticeable for some distance, but the worthies (?) were at hand to keep the cover on. This only illustrates how Congress, under the present strange method of doing business, will set up a little, apparently insignificant bureau, and in 10 or 12 years it becomes greater than the parent that conceived and fathered it. We have witnessed in the past six weeks a Farm Loan Bureau that is bigger than the Senate, and which brings to its assistance those other wings of the Government to protect it from an honest and searching investigation of its stewardship—the Department of Justice, the Treasury Department, and the White House. All the power and pressure of the Coolidge administration has been brought into action to stifle every endeavor to learn the simple truth about the operation of the Federal farm-loan system. Senator BORAH, four years ago, in his endeavor to get at the truth, quickly discovered this.

The joke of it all is, "Andy" is chairman of the Farm Loan Board, which explains quite a little. And, don't forget, "Andy" isn't so particular, either. When they took up that gigantic scandalous collection in Pennsylvania to put over the Mellon-Pepper campaign, which smelled almost unto heaven, then it was that "Andy" declared that it was "as pure as a church collection." But it must have been taken up in a different sort of church than you and I are familiar with. Yes; they are different in Pennsylvania. It seems it has also got into their religion as well as into their politics.

### "WHISPERING" BILL OF THE MOVIES

But "Andy" did back up when "Whispering" Bill Hays came along with a block of Sinclair's Teapot Dome Liberties. But "Andy" hasn't thus far revealed any compunctions to holding within his iron grasp millions of dollars' worth of the farmer's Federal land bank capital-stock certificates and voting them as he pleased, although "Andy" is a banker himself and knows full well that the owners of bank-stock certificates are the only ones who can honestly vote the stock under the American plan of doing business.

It is widely proclaimed that "Andy" is keeping his rocking-horse brigade from the hills of Pennsylvania as much uninstructed as they appear unintelligent, and that, at the last second, he intends to swing them to another dark horse at Kansas City who is willing to take the Mellon bit in his teeth and gee and haw as "Andy" orders.

Therefore, we suggest that "Andy" be named a committee of one to arise at the proper moment and move that the four-line verse above be incorporated into the 1928 Republican platform. No man in the United States has had a larger hand in the steal of the farmer's bank stock, and the illegal and forceful retaining of it, depriving the farmer of his rights, than has "Andy." Therefore, "Andy" is just the fellow to demonstrate again that "confession is good for the soul," even if it does injure the pocketbook and pride.

### "QUIET IS THE WORD, BROTHER!"

How many times, in the past eight years, has that sententious sentence passed between cohorts in Washington, but now let "Andy" breathe forth confession. Yes; and it has been quiet all over the United States, so far as the Federal farm-loan system goes, under the present Mellonized political manipulators. It has been too darned quiet most everywhere, with thousands of worthy farmers unable to get their loan applications even considered by the Mellon appointees; with other thousands getting in and receiving an initiation according to the Mellon ritual—high commissions (contrary to the farm loan act), stiff fees to title attorneys who "searched" unnecessarily cumbersome titles for the Mellonized land banks, steep annual surcharges against them after they got in, and sadder still, if they made a failure for a time, giant commissions to the lawyers who foreclosed their loans and who kicked them off their farms. "Quiet is the word, brother!"

### DID NOT TELL FARMER THE TRUTH

The Mellonized efficiency and economical administration of the Federal land-bank system were just as quiet when it came to advising the unsuspecting farmer applicant regarding the true status of the Federal land-banking system, as per the same Mellonized schedule, which calls for legal sale of bank stock to unsuspecting farmers who can not vote it after they have paid for it, because Mellon withholds that privilege unto himself; the legal pressure of assuming a 10 per cent liability in a land-banking system which Mellon and his hirelings completely dominate, permitting the "foolish farmer" to pay the bills Congress refuses to pay, and a general quiet treatment with regard to advising the same farmer that he is getting into a banking system operated even more radical than any which has ever been suggested for Red Russia. Again we repeat, "Quiet is the word, brother!"

### NO STATEMENT OF STEWARDSHIP

The same Mellonized devotees of the 12 Federal land banks likewise were equally quiet in advising unsuspecting farmer applicants that they would not receive a statement of the stewardship of the Mellonized bank appointees that they could read and understand. They did not truthfully declare to these farmers wanting loans that no farmer-owner of any one of the 12 banks has up to this date had a full and a complete statement of the property which they jointly own, but that such enormous holdings as hundreds of thousands and millions of dollars' worth of farm lands which the banks have taken over are now listed on the statements of every land bank, save one, at Spokane, as "hidden assets," whereas, truth should have placed these abandoned farms under the heading of "open liabilities." Again we repeat, "Quiet is the word, brother!"

United States Senator after Senator has endeavored to secure from the Farm Loan Board and from the district land bank serving his district a simple statement of the financial condition of the particular bank, and been handed a fist full of figures which no sane man could assemble as related to a banking institution's operations. The most ambiguous phrases are used, which may mean almost anything or else nearly nothing. "Quiet is the word, brother!"

### BANKERS UNABLE TO UNTANGLE LAND-BANK FIGURES

Recently a commission representing Canadian banking interests visited various parts of the United States in an endeavor to secure something like accurate information regarding the first decade's operation of this gigantic political banking system, as dominated by "Andy," but they returned home without the facts. They reported to their members that it was impossible, with the present system of bookkeeping in vogue, from farm-loan associations through Federal land banks to the Farm Loan Board's Washington office, to secure figures and facts which were either dependable or susceptible to analysis. For example, there is not available figures to show how much the local agents get as their "rake-off" from the farmer securing a loan, or who endeavors to get a loan; and the whole system of record keeping is unfaithful and out of line with any other known system now in vogue in this country. How many farmers who are now in the ranks of the faithful, and how many trying to get in, have been told these essential facts by the Mellonized appointees? "Quiet is the word, brother!"

### PILLAGERS OF COOLIDGE ADMINISTRATION

As the pillagers of the present administration are about to retire, let them join hands in putting the verse into the platform. Any other declaration by a political administration that has thus pervaded justice with a putrid system of political plundering unparalleled in history could not be expected to do less; and, truthfully, how could they honestly do more? "Confession is good for the soul," and "Birds of a feather flock together."

Again we repeat the suggested farm relief, or "relieving the farmer" couplet, proposed as a Republican platform plank:

"In vain we call old notions fudge,
And bend our conscience to our dealing;
The Ten Commandments will not budge,
And stealing will continue stealing."

### GIVE US A REAL INVESTIGATION

If the manipulators of the political Federal farm-loan system, as pillaged under Mellonized methods, were as honest as they would have people believe, they would have absolutely nothing to fear from an honest, unbiased investigation of their administration; and they would not be so quick to come to the rescue of the "weak sisters" in their fold, who, because of shortcomings and inability, are now wrecking a great farm mortgage banking system. The record shows that every endeavor to investigate the Federal farm-loan system, from the first period when Members of the Senate and House, under pressure from farmers "back home," endeavored to get at the truth, they have been frustrated by a political gang as strong and vicious as operated in Chicago by "Bill" Thompson.

For the present silent partners of the farmer, who dominate the workings of the Federal farm-loan system, have erected in the past 10 years one of the most gigantic political machines in the land. Thousands of loan agents, thousands of attorneys who feed off fat commissions when the farmer's loan is passing through, and who needlessly spend many hours "searching" titles, resulting in fat rake-off charges, and who further pillage the farmer when they foreclose his mortgage, as court records prove; a gang of soviet secret police who travel around the country under the guise of farm-loan association examiners, "blackjacking" every individual who really represents the farming interest, and whose action and thoughts run contrary to those of the Mellonized pillage crew; a horde of hangers-on in the 12 district land banks—all these bring pressure and testify before the Banking and

Currency Committee whenever there is pending legislation or a wish for an investigation. "Ward-heeling" politics rules supreme, and the farmer who owns the capital stock in the land banks is not heard by the committees, who base their entire action upon the testimony of outside political hangers-on of the Mellonized banks.

It is now time that the country at large, and the farming industry in particular, enjoy a full, free investigation of the entire land-bank system. Therefore we suggest that the Senate adopt a resolution which will force the respective district land banks to furnish a committee with the names and addresses of the borrowing farmers, whose loans they carry, and that the Senate committee direct a communication to the farmer owners with respect to their wishes in the matter of permitting politicians to further completely dominate the business which these farmers were legally forced to purchase, which they now own, but which, through a trick during the Harding-Coolidge maladministration of the farmers' banks, was turned over to outside politicians to rule.

Let this Senate committee ask the farmer such questions as these: "Are you satisfied with the present management of the land bank in your district?" "What did it cost you to get in?" "Who received the money?" "Were any political or questionable methods adopted by those in charge prior to the granting of your loan?" "Did you know when you were legally forced to purchase and pay for capital stock in your land bank that outside political appointees would operate the bank which you would then own?" Also, "Do you believe that a political banking system is to the best advantage of agriculture, or do you believe that the farmers who now own these banks should have the fullest privileges in the management and operation of the banks, as contemplated in the original farm loan act of 1916?"

Other equally pertinent questions might be asked the farmers who now own the great Federal farm-loan system, but the answer of the nearly 500,000 farmers who are now in the fold, to the above questions, would furnish the basis of a real, honest investigation of what has been done, what should be done, and this type of an investigation could be effected without hamstringing and hog-tying methods which have characterized the alleged investigations of the past, in which Mellonized politicians have contributed the major portion of evidence, and in which the farmers, who are the only ones with any claim, have been stifled or not even permitted to peep. In fact, most of the committee hearings have been held entirely unheralded, and only those in the confidence of the politicians, possessed of the secret password, have been permitted to testify before the committee when such so-called investigation was pending.

Before the country faces a national scandal, and before a great farm-mortgage lending system which, properly administered, may prove of service to farming, has been wrecked by Mellonized politicians is the time for the Senate to act. Millions of dollars' worth of abandoned farm lands are now in the hands of the 12 Federal land banks, not even earning ample funds to pay taxes, not to mention semiannual interest charges or principal sums, so that the bond interest must be paid out of other funds which rightly belong to the farmers who are making good. These farmers, because they succeed, are being penalized under the present management.

Hundreds of millions may be saved by acting now. Surely no Member of the Senate or House can consistently state, after the scandal storm breaks forth, that he did not have ample warning that it had been pending for a long period of time. Individual farmers by the thousand, acting as individuals and through their respective farm organizations, have for five or six years demanded a different deal than has been rendered to farmers under the present management of this system. The Senators and Representatives have had ample warning and should now take note, and, better, take action looking toward a searching investigation of the entire Federal farm-loan system from top to bottom.

Not only should the activities of the 12 district Federal land banks come in for fullest investigation, but the intermediate credit banks, officered by the same staff of officers, and who now draw down fat salaries, out of all proportion received by them prior to their connection with the banks. One land bank now has as its secretary a man who drove a bakery wagon prior to his election to a land-bank office; he received only a few dollars a day salary then, but he now receives a handsome salary aggregating $7,500 per annum. What possible qualification has this man for acting as executive officer in a land bank, handling the farmers' business, and taking action which threatens destruction to the helpless farmer-owners of that bank? Another officer held an insignificant office in the Department of Agriculture when the farm loan act was passed. In fact, he received a mere clerk's pittance—$1,500 per year. Under Mellonized methods he has graduated into a land-bank president and receives $10,000 per annum plus handsome "expenses" to journey about the country. Another man was a floorwalker in a department store; he is now an expert (?) in a land bank at a fat salary—taken from the farmer-owner's surplus. These are only a few of many striking illustrations of the reason why we need a searching investigation of the present plundering of the land banks. The Senate and House should gladly help the farmer-owners of these banks to free themselves from the hobbles which now cloud the skies and which make successful, serviceable operation of the banks hopeless.

BOND SALES STIFLED

The number of farm-loan bonds offered for sale has been so small as to seriously handicap the functioning of the various district land banks. This is due entirely to the present political methods pursued in issuance and offering of these bonds, which comes exclusively under the domination of the Treasury Department, and which has given Mellon the whip hand over the farmer borrower. No bonds have been issued without the all-important Mellon O. K. Investigation will demonstrate to the entire satisfaction of any parties that the present method of handling farm-loan bonds is both unsatisfactory and needlessly expensive.

Under the guise of instituting an agency capable of handling as many Federal land-bank bonds as required to finance the needs of the farmers, a separate unit was organized. This was headed by Charles E. Lobdell, former farm-loan commissioner, and he, through the instrumentality of his own appointees—the presidents of the 12 district Federal land banks—at a secret conference held in Washington, was named fiscal agent of the banks at a salary two and one-half times as large as he ever received as member of the Farm Loan Board, namely, $25,000 per year plus handsome expenses. The farmer-owners of the banks were never given an opportunity to vote upon this expenditure and never have been permitted to speak their minds, yet the money which is devoted to the salary of the agent and the enormous expenditures—a continual monthly drain on the treasury of each of the land banks—comes out of the pocket of the farmers who own these banks. This is listed in the report of the Farm Loan Bureau under the heading of "Extension and publicity." For the month ending February 29, 1928, the figures were stated as follows:

*Expenditures for "extension and publicity"*

| District land bank | January, 1928 | February, 1928 |
|---|---|---|
| Springfield, Mass. | $1,520.48 | $1,450.30 |
| Baltimore, Md. | 864.36 | 627.93 |
| Louisville, Ky. | 86.76 | 433.12 |
| New Orleans, La. | 61.62 | 245.79 |
| St. Louis, Mo. | 4,415.55 | 3,392.34 |
| St. Paul, Minn. | 5.25 | 548.75 |
| Omaha, Nebr. | 675.78 | 993.40 |
| Houston, Tex. | | 427.93 |
| Berkeley, Calif. | 12.91 | 109.44 |
| Spokane, Wash. | 6,927.40 | 7,781.46 |
| Total | 14,570.11 | 16,010.46 |

The bond departments of the 12 district land banks expended during January, 1928, the sum of $2,641.69, and during February, 1928, the sum of $2,526.74. Thus, these items represent expenditures aggregating between $18,000 and $20,000 per month, against the respective farmer-owned bank funds, or an enormous annual expenditure. The claim is made, of course, that an enormous saving is made the banks under the present method of selling these bonds, compared with the former methods employed. Of course, the bonds do sell at a premium, but it is safe to say that a superior method could be developed of handling these bonds, and that a greater volume could be disposed of were the issuance and sale removed from the domination of the Treasury Department. This would insure the system of having sufficient bond money at hand to meet the loan requirements of every worthy farmer, instead of one out of six or eight farmers who apply for loans, as for some time past.

As the conservative Farm Journal, of Philadelphia, and the Farm and Fireside, of New York, have long insisted, the disposal of farm-loan bonds should be separated from the administration of the Treasury and vested in the hands of an independent agency, capable of meeting the urgent needs of the farmer to be served by this system of land banks.

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[Extract from address delivered by George H. Smith, president of the Dominion Mortgage & Investments' Association of Canada, at the annual session]

BRANDS FEDERAL FARM-LOAN PLAN A QUESTIONABLE CLASS LEGISLATIVE ADVANCE TO FARMERS—MENTIONS FAILURES OF THESE BANKS—WHOLESALE FORECLOSURE THREATENS SECURITY OF ENTIRE SYSTEM

Unfortunately rural credits have become a political football due to the unprecedented political situation in which two political parties, neither of which were convinced of the necessity for any such scheme as advocated, or of its practicability, outbid one another in effecting a gigantic farm-mortgage scheme, which has not proven itself a panacea for all the economic ills, and few of those for which it was intended.

The success which it is assumed has attended the Federal land-bank system of the United States is strongly urged as an argument in favor of Canada adopting some such form of loaning money to farmers.

TAX EXEMPTION CONTRARY TO AMERICAN PRINCIPLE

The claim that lower rates of interest are possible is based upon experience in densely populated European countries where conditions are entirely different. The low rates which the Federal farm-loan system

have made available to farmers have been made possible, as you know, by the fact that their funds are obtained from the sale of bonds exempt from all forms of taxation. No one will suggest that funds for loaning in Canada be obtained by reverting to the issue of tax-free bonds, which were deliberately abandoned some years ago. If such a retrograde step were proposed, would the governments of the Dominion and the Provinces be fair enough to enable the presently constituted lending institutions of the country to similarly obtain funds for loaning at lower rates by making free from taxation the securities our land-mortgage companies sell to the public? If not, why not?

NOT PART OF ORIGINAL PLAN

Even in the United States the tax-exemption feature was not a part of the original plan, but was superimposed when it was found that the scheme was not proving successful, and after the country had been committed to it, and also before there was any Federal income tax of importance. The report of the original commission upon which the legislation was based said:

"LAND BANKS WITHOUT GOVERNMENT DOMINION

"It is the opinion of the commission that our American problem of rural credit should be worked out without Government aid.

"One of the great lessons learned in Europe is that in the long run the farmers succeed best when they help themselves. Whenever they become dependent on the government, they keep looking to the government for more aid. It is believed to be a correct general statement that rural credit is on the strongest basis in those countries where it has been developed most completely without government aid.

"Even granting the great importance of agriculture, it is improper for all the people to be taxed in order to assist the prosperity of even a great class like the farming class."

PRESIDENT WILSON CONDEMNED GOVERNMENT OPERATION OF FEDERAL LAND BANK SYSTEM

President Wilson, in his message to Congress, said:

"The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the Government itself. What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted local action in their own behalf in getting the capital they must use. It is to this we should now address ourselves."

A EUROPEANIZED SYSTEM FOR AMERICA WILL NOT SUCCEED—THE COOPERATIVE LOAN ASSOCIATION OF GERMANY AND DENMARK OPERATED QUITE UNLIKE THE FEDERAL FARM LOAN SYSTEM—MAKES FOR STABLE LAND VALUES RATHER THAN UNSATISFACTORY RESULTS OBTAINING IN UNITED STATES AS DIRECT RESULT OF OPERATION OF SUPERPOLITICAL LAND BANKS

Then the example of western Europe is put before us, and we are told that capital is available at 5 per cent. There is a failure to recognize the fact that rates fluctuate there as elsewhere. There have been occasions where in Germany and France money was not obtainable at all, and others in which rates as high as are charged in western Canada, and even higher, had to be paid. There have been other investigators of European conditions whose reports are available. One made in 1924 is by the Agricultural Tribunal of Investigation appointed by the British Government. It says:

"In the first instances, the German Landschaft was a means for meeting the credit requirements of the nobility. The restrictions have gradually been removed, first, in favor of properties of intermediate size, and finally there were admitted to membership all rural properties of not less than 500 thalers in value, the yield of which was such as to insure the economic independence of the owners."

The fact is that in Germany the owners and borrowers are chiefly wealthy landowners, who do not occupy and cultivate the lands but lease them. There a mortgage has a prior position as perhaps nowhere else. There are no weed taxes, no wild land taxes, no hospital or telephone taxes, no seed-grain liens, no hail tax, no irrigation charges, to take priority over the mortgage and perhaps wipe it out. The mortgage is not even subject to ordinary local taxes, which are assumed and paid by the tenant, whose goods are seized and sold if he does not promptly pay them. Foreclosure is a simple and expeditious procedure. And when the mortgagee forecloses the lands have a stable rental value, and there being always a demand for more land than is available, they have also a stable selling value which can be immediately realized. Under conditions such as these, and when a number of these wealthy landlords combine in a cooperative association, pledging the wealth and resources of all, is it surprising that they can obtain money on more favorable terms than the citizens of a Province which has gone to the other extreme and taken from mortgagees even the covenant of the individual owner after it has been voluntarily given? As far as legislation and economic conditions are concerned, it is a "far cry" from Germany or Denmark to America.

FARMERS RESPONSIBLE FOR DEBTS OF NEIGHBORS

The cooperative feature of the rural credits systems of European countries has not been emphasized when those systems have been referred to. Does anyone suggest that this cooperative system be adopted in Canada? I think not. It is too well known that Canadians, and especially the farmers of the prairies, would not for a moment consider making themselves responsible for the indebtedness of their neighbors. The possibility of loss by such action is too thoroughly understood.

UNSATISFACTORY EXPERIENCE OF FEDERAL FARM LOAN SYSTEM IN UNITED STATES SHOULD BE SUFFICIENT WARNING TO CANADA NOT TO DUPLICATE THE ERROR BY ESTABLISHMENT OF SIMILAR SUPERPOLITICAL LOAN BANKS

Let us inquire a little further into what the rural credit system of the United States has done for the American farmer. It has loaned the immense sum of a billion and a half dollars at low rates of interest, but have the beneficial results which were to follow been secured? If we are to take their experience as a guidepost, let us see where it leads. In the years between 1910 and 1920 the farm mortgage indebtedness of the United States increased by 131 per cent. The appraised or reputed values of the land increased in those years by 117 per cent, and then began to decline till in 1923 it exceeded that of 1910 by only 66 per cent. In the meantime the mortgage indebtedness continued to increase very rapidly—much more rapidly than previous to 1920—and in 1923 it was 260 per cent in excess of that of 1910. In 1920 the volume of production was 21 per cent greater than in 1910, and in 1923 17 per cent greater; the increase for these 13 years being not more than normal. The increase in the value of production over 1910 was 63 per cent in 1920 and 54 per cent in 1923. As compared with these figures, the volume of production in Canada in 1920 was 80 per cent in excess of 1910 and continued to increase till in 1923 it was 104 per cent greater than in 1910. Similarly the value of the production of Canada's farms in 1920 exceeded that of 1910 by 274 per cent and in 1923 by 125 per cent. While unfortunately there are no definite statistics of the farm mortgage indebtedness in Canada, from such figures as are available it may be stated that it is almost certainly not more than 50 per cent greater than in 1910, and probably the increase is much less than 50 per cent.

WHOLESALE FORECLOSURE AND THREATENING FARM TENANCY FOLLOW IN WAKE OF POLITICAL BANKING METHODS FOLLOWED BY FEDERAL FARM LOAN POLITICIANS

Already the United States Federal farm loan system has been compelled to resort to foreclosure proceedings in connection with more than 5,000 mortgages to the amount of about $22,000,000, has acquired about 1,400 farms, while about an equal number of cases are pending, and in the sales of lands has sustained considerable losses. A very marked increase in the number of tenant farmers has taken place, concerning which the British Agricultural Tribunal reported:

"The persistent increase in tenant farming is one of the factors in the situation which economists and bankers alike describe as undesirable and even alarming."

An official of the United States Department of Agriculture recently issued the statement that the 12 district Federal land banks had in process of foreclosure more than $5,000,000 of farm-mortgage loans, and that the year 1928 would probably see more than $17,000 000 additional farm loans foreclosed. This is wholesale foreclosure and threatens the very foundation of American agriculture. Does Canada wish a similar political system of banking invoked upon her farmers? I think not.

POLITICAL BANKING A FAILURE WHEREVER TRIED—SOUTH DAKOTA AND MINNESOTA ADD THEIR EXPERIENCE TO THE LIST OF FAILURES AT LIFTING THE FARMER INTO PROSPERITY BY THE FARMER'S BOOTSTRAPS

South Dakota deficit—Long terms abolished: Like our own Provinces of Saskatchewan, Manitoba, and British Columbia, some of the States have also their own systems of rural credit. That of South Dakota was created by legislation passed in 1917, and has issued and outstanding bonds to the amount of $47,500,000 at rates of interest varying from 4¾ per cent to 6 per cent. The latest issue in 1924 bearing 5¼ per cent was sold at par, while a number of others were issued at a discount. The mortgage loans amount to upward of $41,000,000 at from 5½ per cent to 7 per cent, the average being approximately 6 per cent. Up to the close of the system's last fiscal year there exists an ascertained deficit of $3,038,663. A joint committee of the Senate and House appointed to investigate the affairs of the Rural Credit Board made a very exhaustive report in February, 1925, in which it said:

ENORMOUS LOSSES BY STATE LOAN VENTURES

"Of approximately 12,000 loans more than 4,300 are now in default, and 465 are in process of foreclosure. How much loss, if any, there will be depends on what the security is or becomes worth, how the borrowers prosper in the future, and how the land eventually acquired is handled."

Referring to the necessity of providing for interest on the bonds outstanding the report says:

DEFICIT ON BONDS INCREASES ON FORECLOSED FARM LOANS

"It must, however, be remembered in this connection that over one-third of the rural credit mortgage loans are in default, and, therefore, a deficit of interest income has not only developed in the past, but the deficit will continue to increase as the years go on."

(This is one of the gigantic problems now confronting the political manipulators of the Federal farm loan system—how to make millions

of dollars worth of abandoned farms upon which mortgages have been foreclosed, pay even ample return to pay the bond holder interest. This is a tremendous drain upon the profit of the 12 district land banks, which is deducted from the possible participation of the farmer-owners of these banks, who, rather than the political bankers who operate the banks, pay the bill.)

SOUTH DAKOTA QUIT ISSUANCE OF FARM LOAN BONDS

Among the committee's recommendations were:

"That all outstanding bonds be retired as rapidly as consistent with the proper handling of the mortgages and other property already acquired.

"That no new loans be made except from the funds received in payment of the loans already made and for the purpose of the reinvestment of such funds."

The committee added:

LOSSES OVERBALANCE ANY BENEFIT TO THE FARMER BORROWER

"This recommendation is made for the reason that it is the judgment of your committee that any benefits which have come from the rural credit system are overbalanced by the losses present and prospective, and abuses and the complications which have followed the adoption of the system, and that the bonded indebtedness is entirely out of proportion to our assets and other State debt."

STATE GLADLY ADOPTS RECOMMENDATION TO GET OUT OF LOAN BUSINESS

The recommendations made by the committee were adopted and legislation providing for the gradual liquidation of the State's rural credits became effective July 1, 1925. This law abolishes the 30-year amortization plan and prohibits the loaning of money for more than 10 years, and then only for the reinvestment of funds. The issuing of new bonds is prohibited.

MINNESOTA DABBLES WITH GOVERNMENT-OPERATED LAND BANKS WITH LARGE LOSSES

In 1923 the State of Minnesota established a rural credit bureau. In a very short period its operations proved so unsatisfactory that like South Dakota, a committee was appointed by the senate and house of representatives to investigate.

The committee began its investigation on January 30, 1925, and presented a report on March 13, 1925, which disclosed the fact that large losses had already been sustained. The report showed that up to February 1, 1925, the bureau had accepted and closed 6,740 loans aggregating $34,523,400, while an additional 810 loans, amounting to $2,814,700, had been accepted but not yet closed. At the same date 43 loans were either foreclosed or in process of foreclosure, and there were 255 loans which were delinquent by reason of failure to pay installments and interest. On this subject the committee said:

"The number of loans delinquent does not of itself necessarily show the true condition of loans, which on the records of the bureau are not delinquent, for undoubtedly in many cases second mortgages are paying the installments and interest on State's loans.

"How long these second mortgages will continue to do so is a matter solely left to conjecture, and if such payments should cease the committee believes the number of delinquent loans will be substantially increased."

WHY MINNESOTA MADE THE SAD FAILURE AT GOVERNMENT OPERATION OF LAND BANKS

Among other comments, two or three quotations will be found of special interest, as made by the investigating committee:

"It is significant that in several instances the owner of the land not only refused to pay the first installment and interest on the loan but actually, after the loan was made, abandoned the land.

"From the records, furnished from the bureau, is appears that the State's investment in the lands where foreclosures have been completed and where the State has acquired title to the land, subject to the right to redeem, is better than $100,000. These figures are as of February 1, 1925. That there will be substantial loss to the State arising out of these foreclosures there can be no doubt. The margin between the State's investment and the bona fide value of the land is so limited that with a few years' taxes, with the addition of accrued interest, with the cost of foreclosure the margin will be wiped out, and the State then stands in the position of a lender who has loaned to the full value of the land which inevitably leads to loss. * * * What has been said here applies with equal force to the 235 delinquent loans on which foreclosure has not yet been commenced, unless the loans are reinstated.

"The aggregate amount of the delinquent loans, exclusive of those where foreclosure has been completed, is approximately $1,143,000."

FARMERS WERE NOT BENEFITED BY THIS SUPERPOLITICAL SYSTEM OF MAKING FARM LOANS, OF WHICH THE FEDERAL FARM LOAN SYSTEM IS A NATION-WIDE PROTOTYPE POLITICAL BANKING INSTITUTION—THE SAME FAILURE FACES THAT NATIONAL SYSTEM UNLESS QUICKLY HAMPERED AND POLITICIANS REMOVED FROM OFFICE

A supplementary individual report by Senator W. A. Just is worth quoting in full:

"In view of the disclosures made during the investigation of the rural credits bureau, I would like to add this personal supplementary report.

"(1) Less than two years of operation of the bureau has disclosed a large number of delinquencies.

"(2) Much worse conditions can be expected after another period of depression, particularly when we take into consideration that this was a very good year, so far as crops and prices are concerned.

"(3) The payments for the first year would naturally come easier by the close proximity of the help extended than in future years.

"(4) In my opinion, money rates by private interests will be nearly, if not entirely, as cheap as those made by the bureau when conservatively placed.

"(5) As a rule, with some exceptions, of course, the farmers have not been extensively helped.

"(6) No more funds should be available for the bureau for at least two years, if at all, to give us time to see what the conditions are after a lapse of such time."

POLITICAL BANKERS OF FEDERAL FARM LOAN SYSTEM SAW TROUBLE COMING—EVIDENTLY THEY TOOK NO ACTION TO SAVE THE SYSTEM, AS PRESENT LARGE ABANDONED FARM-LAND HOLDINGS TESTIFY

Baneful results foreseen. There were those who foresaw the baneful results of the very extensive additional credits provided in the United States. The president of the Federal land bank in St. Paul said in September, 1919:

"People are growing rich overnight; land is being bought and sold like stocks and bonds on the market exchange. Such land is not bought for farming purposes. Every speculator is interested in unloading as soon as possible so as to pass on the deal before settlement day comes. As to who will become the final owner will depend on the relative financial strength of the holders of the sixth, fifth, fourth, third, second, or first mortgages. In many cases they will break down to the second or first mortgages, and thus the prices will be back to normal again with all the inflations squeezed out. The break will be greater in some localities than in others, according to the degree of inflation. This wave of land speculation is in a way anticipating the future earnings of the land, capitalizing it in the present, and spending the profits now at the expense of the future. When this joy riding is over it will be a sorry day not only for farming interests, but will also affect many other lines of endeavor."

FEDERAL FARM LOAN SYSTEM LOANS TOO HEAVY ON CHEAP LAND—LOANS NO PRUDENT LENDING AGENCY WOULD CONSIDER—MONEY USED FOR UNPRODUCTIVE PURPOSES

Speaking on the same subject, on March 4, 1919, Senator Fordney said:

"Thoughtful and careful people everywhere counsel economy in living and caution about investment in this time of high taxes and inflated prices. * * * The Treasury Department urges us all to save money by thrift stamps and help pay the war debt. * * * The Federal Farm Loan Board takes exactly the opposite view. They urge people to borrow money, to place mortgages on their farms. With the aid of traveling lecturers, Chautauqua speakers, special newspaper writers, and others, farmers are told that Federal farm loan bank mortgages never have to be paid off, or that they pay themselves off. Many are led into borrowing money for land speculation or to invest in automobiles and nonproductive improvements.

"One of the popular phases of these mortgage promoters is: The farmer is learning that the dollar is a thing to be spent and not something to be hoarded. * * * I know that they have loaned money on farms in the country at much above the value of the property, and that the Government will never get the money back. It is a fraud. I know a piece of land that sold for $3 per acre, and the Federal farm loan bank loaned $15 an acre on it, and it would not sell to-day for $5 an acre; and that is the kind of loans they are getting sometimes. * * * The loans made by the Federal farm loan banks are such loans that prudent bankers and money lenders will not make. The Federal farm loan banks are getting such loans as no prudent money lenders will take. Those responsible for the system encouraged the farmer to borrow extensively, being desirous of proving its value by the number of loans and the amount loaned. In some cases, where the borrower was a thrifty farmer, benefit was derived, but in the majority of cases the money so obtained was used for unproductive purposes."

AFTER BITTER SPECTACLE OF FEDERAL FARM LOAN SYSTEM IN UNITED STATES, CANADIAN LEADERS VOTE TO KEEP THEIR COUNTRY OUT OF POLITICAL BANKING

The Canadian Council of Agriculture, representing leading farm organizations of the western Provinces, of the governments of Alberta, Manitoba, and Saskatchewan, and the various mortgage loan associations, as well as the secretaries of these, at a conference held in Winnipeg, adopted the following resolutions after considering the merits and demerits of the Federal farm loan system:

"That governments should refrain from legislation abrogating or diminishing reasonable contractual rights.

"That governments should review carefully all existing or proposed legislation affecting mortgage security, eliminating all that should be

eliminated, having in mind the general welfare of the community, including borrowers and lenders.

"That as it is recognized that lengthy, intricate, and uncertain legal methods in the handling of mortgages are not beneficial to either borrower or lender, such legal methods should be made simple and inexpensive, and land titles and other fees for procedure connected with foreclosure, etc., should be reduced to a cost basis, thus protecting the borrower's equity.

"We believe that if progress is made on these lines and in particular in the direction of a more general recognition of the obligations imposed by reasonable contract, the supply of money for mortgage investment will so increase that the rate of interest will inevitably decline.

"And further, the agricultural representatives at this conference having represented that, in their opinion, there is a real demand for long-term loans on the amortization plan, the mortgage association representatives agree to give full and sympathetic consideration to plans for lending on such basis."

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[Extracts from address by C. M. Bowman, Mutual Life Insurance Co., Canada]

EXPERIENCED FARM LOAN BANKER DECLARED GOVERNMENT LOAN AGENCY UNSOUND AND UNSATISFACTORY IN MEETING FARM NEED

No necessity for government rural credits: I do not believe that there is any necessity for governmental action to meet this demand for intermediate credit and have no hesitation in saying frankly to our friends of the Canadian Council of Agriculture that it is not in the interests of the farmers of western Canada, nor of the country as a whole, to have the Dominion Government undertake the furnishing of this new form of credit. I say this in all frankness and candor because I believe that the Canadian Council of Agriculture will accept this statement in the same spirit in which it is being given. I believe that the loan companies dealing with individual farmers in western Canada can handle this problem far better than any government can. I make this statement because of the experience which the company I have the honor to be connected with has had during the past few years in southern Manitoba, where there has been developed what I look upon as an ideal form of cooperation between a lending company and the individual farmer through the cooperation of our inspectors taking an interest in the problems of the farmer by making a study of prevailing conditions and taking the time to sit down and discuss these problems with the farmer and his wife. Men who were discouraged, unable to see their way clear to continue on the farm, have been encouraged to such an extent that farms that were practically a wilderness of weeds have been converted into clean, productive, self-sustaining farms, and on land which had been abandoned by former owners, leaving the farm overrun with weeds, through the assistance and cooperation of the company's inspectors, tenants have become owners in southern Manitoba.

I want to say to the representatives of the loaning institutions that it is good business to make a close study of the problems of the western farmer to decide whether it is possible for the loaning institutions, through a system of sound, intelligent, and safe cooperation, to grapple with the situation and produce far more satisfactory results than are possible by governmental action in the form of rural credits legislation.

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[Extract from address delivered by A. J. M. Poole, president of the Manitoba United Farmers (Ltd.), one of Canada's strongest farmer-owned cooperative agencies, with thousands of members scattered over Manitoba]

FARM LEADER CONDEMNS UNSOUND POLITICAL BANKING AS HASTY, ILL-ADVISED PROPOSAL

There are in western Canada to-day certain elements who are taking certain positions and advocating certain things that do not augur well for the basis of credit. And in that connection I would like to read you a short paragraph from my presidential address to the United Farmers of Manitoba, delivered last January in our annual convention:

"Realizing also how necessary, as a fundamental requisite to the successful development of agriculture, is the efficiency and availability of necessary credits, we must give serious attention to this problem. Perhaps it is not so much a question of more credit as it is that of the conditions under which the credit necessary is to be had. Manitoba can only be made prosperous by the development, for her people, of our vast natural resources, chief of which is agriculture. The development of these requires that capital be made available. The conditions under which capital is provided must, in addition to protecting the interests of those supplying the credit, be of such a nature as to permit those using it doing so with advantage and profit. Therefore the conditions of credit are a matter requiring the most careful consideration possible. No scheme conceived from a prejudiced point of view for easy money and without regard to all parties concerned should be tolerated. Hasty, ill-advised proposals, not founded on sound principles, though meant only as temporary expedients, react immeasurably against the obtaining of constructive measures. Any suggestion to repudiate a debt honestly incurred, or any failure to recognize the sanctity of contracts, if continued in, must inevitably lead to the absolute destruction of all credit and the creation of a state of chaos in our whole business structure. But rather must we so plan our credit proposals and so conduct our personal and community business that those who extend us credit can have abundant confidence in us. After all, the basis of all credit must be honesty of character, good will, and reasonable security. Approaching the problem in that spirit, much can be done."

I believe in that, and believe that, after all is said and done, perhaps the biggest factor in determining whether I am a successful farmer or not is me, myself. If I am to be a successful farmer with better methods of farming, improving the quality of my wheat so that I will raise the grade of it, the only way for that to be done is for me to do it.

I think we have a good illustration of that in the wheat pool, and in the demand that existed amongst the farmers—and it was pretty general—for a Government wheat board in the years 1920–21.

I never was in favor of a Government wheat board and I spoke against it at our annual convention in 1922, and I said that if we farmers will do this thing ourselves, organize our own cooperative marketing institution, we will be bigger and better citizens for having done it, because we will then have reason to be proud of the fact that we have really done something. On the other hand, if we are asking the Government to do it, we would not be able to say that we had done anything; and I, for one, could not bring myself around to the place where I could go to the Government and ask the Government to do for me what I could and ought to do for myself. And I had another reason. At that time we were drifting toward what you might call putting too much dependence on paternal legislation.

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[Extract from annual report of Dominion Mortgage & Investments Association of Canada]

PRIVATE LEADERSHIP RATHER THAN POLITICAL FOSTERS A SOUND AND PROGRESSIVE AGRICULTURAL FUTURE

Ample credit service: Since confederation a large number of financial organizations in Canada have been in active competition with each other in seeking to place at the disposal of agriculturists such amounts of capital as could be reasonably well secured. The operations of these organizations have extended as the area of settlement widened, and rarely, if ever, have the resources of these organizations failed to meet all demands made upon them, at rates of interest and terms of repayment as favorable as those obtainable in any other part of the world under corresponding conditions.

Largely by the cooperation of these agencies, the settled area of Canada has extended. In no other country of the empire has the State extended to individual farm borrowers less capital, under terms of repayment, than in Canada, nor is there in any other part of the empire more efficient credit service obtainable to the same class of borrowers. This service has been provided by the initiative and enterprise of the country's citizens.

CITES FAILURES OF THE FEDERAL FARM LOAN SYSTEM

Rural progress: The results of this rural credit service in Canada are to-day quite obvious. Rural population has increased more rapidly than in Australia and New Zealand, although State advances on a liberal scale have, for many years, been the rule there. In volume of, as well as per capita production of farm wealth, comparisons are flattering to Canada. But, above all, the financial position of the agriculturist in this country compares most favorably with that of other agriculturists in outlying countries of the empire. The amount of per capita debt and the annual interest or rental to be met in connection therewith are less burdensome in any part of Canada than in any country respecting which information has been procurable. In the United States, following a decade of Federal and State subsidized lending to farmers, the increase of debt and interest charges has been out of all proportion to the increase in volume of production and the ability of borrowers to meet either annual interest, principal, or rental obligations.

FAILURE OF SASKATCHEWAN GOVERNMENT LENDING

In Manitoba, Saskatchewan, and Alberta long-term farm-mortgage lending plans were instituted by the provincial governments to meet the alleged "needs" of the farmer. As the information available to the public respecting the operations of the government farm mortgage-lending schemes is not in sufficient detail to permit of any definite conclusion being formed as to whether or not they are a success, it is the belief, based upon the more extensive operations of institutional lenders, that they have not been satisfactory.

Definite information available as to difficulties in collecting debts due to Provinces by rural borrowers, to which attention is drawn, is as follows:

(a) The abnormal amount of payments in arrears under long-term mortgages held by the Saskatchewan and Manitoba governments.

(b) The large but undetermined losses of the Manitoba rural-credit societies said by Premier Bracken to be already in excess of $650,000 and which will most probably exceed that amount.

POLITICAL BANKING FAILURES NUMEROUS IN UNITED STATES

As in Saskatchewan and Manitoba, there has been a cessation of activity in extending rural credit in the adjoining territory of Minnesota and the Dakotas, where plans were put into effect to meet conditions precisely the same as existing in Canada.

South Dakota: A joint committee of senate and house on February 21, 1925, finds: "Your committee is unanimously of the opinion that it is for the best interests of the State to cease conducting a farm-loan business, except so far as may be necessary to retire the bonds outstanding." After eight years' operation, 1916–1924, mortgages taken amounted to $41,064,211 and for the provision of funds for the purpose bonds totaling $47,500,000 had been sold, the difference between these two amounts being represented chiefly by cash $3,278,616; real estate, $303,857; and deficit, $2,876,993. The deficit, however, is likely to continue to increase annually, as out of 12,000 loans 4,308 are delinquent, although made on a long-term plan at rates of interest "not less than one-half of 1 per cent nor more than 1½ per cent" added to the rate paid on the money borrowed by the State. To the deficit also must be added losses through rural credit funds being deposited in 65 banks now closed. The amount of these deposits (as at February 21, 1925) has not been definitely ascertained because of incomplete records. In explanation of so much cash being kept on deposit, the rural credits board held that it was necessary to do so in order to pay bond interest promptly, as they could not depend upon interest on mortgages being paid promptly. The total payments of bond interest to December 30 last was $10,700,781 and the receipts from mortgage interest $7,354,540, the margin between the receipts and payments of interest having steadily widened during the last four years of the operation of this system.

FEDERAL FARM LOAN SYSTEM LOANS AMOUNT LAND IS WORTH—NOT SAFE MARGIN CONGRESS ESTABLISHED

The handling of the loans foreclosed by the Federal farm loan system in the United States brings to light a striking fact which no devotee of political banking is able to deny, namely, that those banks have, in most instances, been loaning money to farmers based upon near a full value of the farm instead of the safe margin set by Congress. Sales of land have resulted in enormous losses to the system, indicating that the amount of the loans originally made was equal to the full realized value of the land sold.

After securing the maximum advances permitted, many owners then rent the land to tenants, hence the British Agriculture Tribune, in reporting to the Premier, observes:

"The persistent increase in tenant farming is one of the factors in the situation which economists and bankers alike describe as undesirable and even alarming."

In a number of States the State bankers' associations have adopted resolutions, of which the following by the Kansas Bankers' Association is typical:

"*Resolved*, That the growing menace of farm tenanting vitally affects the growth and prosperity of Kansas, and we express a sympathy and interest in a solution that will help to place actual owners on the farms."

In all these State ventures substantial subsidies in one form or another have created burdens devolving upon the taxpayer without—

(a) Reducing the amount of interest paid annually by the farmer borrower.

(b) Assisting the farmer borrower in reducing his debt, or

(c) Improving agricultural conditions or increasing the volume of production.

HANDICAP OF POLITICAL BANKING METHODS CAUSE THOUSANDS OF FARMERS TO LEAVE UNITED STATES TO SECURE LOWER INTEREST RATES IN WESTERN CANADA, WHERE THERE IS NO SUPERPOLITICAL LAND BANK SYSTEM

The part political banking has played in the past few years is becoming so great a handicap that thousands of young farmers have abandoned farms in Northwestern States and emigrated into western Canada, where better loan methods prevail under private administration, is a striking commentary upon the failure of the Federal larm loan system to meet the average demands of agriculture.

Farmers living in certain States close to the Canadian border, under the "liberalized" political system of banking, are able to secure loans which are much less favorable than those offered by the private money-lending agencies of western Canada. This explains why so many farmers have left these States; it also explains why hundreds of farmers secured all the money they could from the Federal farm loan system, abandoned their farms for the political bankers to take over, and went into Canada and started all over again.

STRIKING COMPARISON OF INFERIOR FARM FINANCE SERVICE

The following table, compiled from publications of the Federal Farm Loan Board, with respect to valuation of farm lands, rates of interest, and from authentic information as to land prices in Canada and interest on purchase price, giving a striking though unfavorable side light on the operation of the Federal land banks in assisting farmers to lower interest rates:

*Comparison of amounts of interest on land payments paid in certain border States with those paid in western Canada*

UNITED STATES

| | Farm valuations per 100 acres | First mortgage Farm Loan Board 5 per cent | Second mortgage to vendor 7 per cent | Interest, annual | Annual interest per acre |
|---|---|---|---|---|---|
| Maine | [1] $4,255 | $2,128 | $2,127 | $255 | $2.55 |
| New York | 4,573 | 2,287 | 2,286 | 274 | 2.74 |
| Illinois | 9,828 | 4,914 | 4,914 | 590 | 5.90 |
| North Dakota | 3,210 | 1,605 | 1,605 | 192 | 1.92 |
| Minnesota | 6,484 | 3,242 | 3,242 | 389 | 3.89 |
| Michigan | 4,988 | 2,994 | 2,994 | 359 | 3.59 |
| Montana | 1,816 | 931 | 930 | 112 | 1.12 |
| WESTERN PROVINCES (CANADA) [2] | | | | | |
| Manitoba | [3] $1,500 | $1,500 | | $120 | $1.20 |
| Saskatchewan | 1,250 | 1,250 | | 100 | 1.00 |
| Alberta | 1,000 | 1,000 | | 80 | .80 |

[1] Appendix No. 13, U. S. Report Federal Farm Loan Board, 1924. Average value of all farms on which loans have been made.

[2] Purchase price on 8 per cent basis, the maximum deferred payments are not infrequent on a 6 per cent basis.

[3] Approximate prices at which foreclosed lands are held for sale.

FEDERAL FARM LOAN EXACTS 92 CENTS AN ACRE ADDED TAX

From the above table it will be noted that if a farmer left Saskatchewan to buy 100 acres of land in Dakota he would have to take with him $1,605 in order to take advantage of the Farm Loan Board plan there, a sum that would enable him to-day to buy outright many a farm in the Province he was leaving. If he left without money and sought a farm in North Dakota he would have to give a first mortgage to the Federal Farm Loan Board for $1,605, and a second mortgage to the farmer he displaced, and the interest charges would be $1.92 per acre as compared with $1 per acre if he bought in Saskatchewan.

Nothing need be said as to repayment of principal further than to point out that migration to the United States would mean for the farmer the assumption of treble the amount of principal debt as well as treble the amount of annual interest charges. Higher farm-land taxation in the United States would practically absorb any gain from higher prices procurable there for agricultural products.

As there are a large number of farms in western Canada available at prices which will not at current interest rates require an annual interest charge of more than $1 per acre, the financial burden of the Canadian agriculturist is not nearly so great as that imposed upon the agriculturist in the United States.

GOVERNMENT LOAN AGENCIES HASTEN DAY OF LANDLORDISM AND TENANTISM, WITH ADVERSE CONDITIONS TO AGRICULTURE AND PERMANENT PROSPERITY OF A PEOPLE

Europe is nearly always cited by the devotee of political banking methods as the example after which one should pattern a paternalistic loan agency. This was said to have been the prime move that the United States Congress took when, in 1916, they passed the original Federal farm loan act. However, that act was so patched up as to look quite unfamiliar to the most radical of European thinkers, and failed to render to the farmer owners even the common American privileges of exercising control over the gigantic banking system which their borrowed money went to capitalize. In Europe mortgage security is not secondary to local taxes or to other taxes. The occupier or tenant, as the one utilizing the land, is responsible for the taxes, which are based upon rental value. Generally speaking, the land is not assessed. If taxes are not paid strictly within a limited period the personal and movable property of the occupier is seized. Generally, with the exception of certain parts of France, the land is owned by one person and cultivated by another. Hence taxes for current purposes and for schools are a liability of the tenant.

A large part of the so-called rural credit legislation as existing in Europe was designed to aid the landlords and did not in any respect lighten the burden upon the land tiller or tenant.

The report of the agricultural tribunal of investigation appointed by the British Government rendered this report on German loan agencies:

"In the first instances the German Landschaft was a means for meeting the credit requirements of the nobility. The restrictions have gradually been removed, first in favor of properties of intermediate size, and finally there were admitted to membership all rural properties of not less than 500 thalers in value, the yield of which was such as to insure the economic independence of the owner.

LIGHTENS BURDEN OF THE LANDLORD—INCREASES BURDEN OF ACTUAL TILLER OF THE SOIL

Thus we see how the actual tiller of the soil can not hope to achieve relief, whereas the landlord, who sits back and does not take part in the actual operation of the farm, harvests the fruit which freethinkers

allege would be bestowed upon the farmer. The latter, since tenancy displaced serfdom, has been required to pay in the form of rent the full rental value as determined by demand.

On this point, the agricultural tribunal further comments:

"As it is a mistake to suppose that any governmental measures in the last half century have brought into existence the cultivating and landowning peasantry of Denmark * * * so it is a mistake to suppose that it was ever 'created' by heroic measures in any earlier period. Wherever in Europe peasant proprietorship exists to-day as a large element in the agrarian system, it is but the persistence on the soil, though often in a greatly improved economic and legal position, of the class of cultivators who were settled upon it in the Middle Ages. And this is very clearly the case with Denmark."

If a farm becomes vacant in western Europe there is competition for its occupation and this competition determines the rental value. No matter how low the rate of interest the tiller of the soil is required to pay, the advantage is absorbed in what he agreed to pay as rent. What is paid as rent forms the security which the landlord pledges, together with the land itself, for mortgage loans which form in Europe, as will readily be seen, a much more desirable security than the mortgage in Canada where the land is directly assessable for local taxation.

Prior to the war, interest rates in Europe were lower than they are to-day, particularly in the case of mortgages.

WHOLESALE FORECLOSURE OF FARM MORTGAGES NOW BEING ENACTED BY THE FEDERAL FARM LOAN SYSTEM—THOUSANDS OF FARMERS FORCED OFF THEIR LANDS—HOMELESS AND WITHOUT MONEY, THESE FARMERS FACE A DARK FUTURE

Right now, as is well known, every one of the 12 district land banks is rigidly enforcing wholesale foreclosure of farm mortgages. The piper is indeed paying for his music, after the merry but brief period of political experimenting with banking, but the poor farmer, who entered into this unique system of credit, really pays the bill—not the politicians who manipulate it.

Mr. Xeno W. Putnam, of Harmonsburg, Pa., former secretary-treasurer of the Crawford County National Farm Loan Association, exhibited in the CONGRESSIONAL RECORD, page 4554, March 12, 1928, how these wholesale foreclosures were carried on under a system of extortion by the attorneys of a number of the land banks, who charge enormous commissions for firing the farmers off their land, it being contrary to the farm loan act for any official of a land bank or loan association to charge and accept commissions.

TITLE ATTORNEYS ARE FARM LOAN OFFICIALS

Now that their title attorneys are under fire, certain officials of the Federal farm loan system are endeavoring to side-step responsibility for the acts of these lawyers by the statement that they are "not officially connected with the system."

Let us ponder upon this. These title attorneys were appointed by the various district Federal land banks, usually upon recommendation of the national farm loan associations of the respective communities. These attorneys have passed upon the titles offered as security for more than 400,000 loans made to date; they have acted as legal representatives of the banks of the system in various ways. The Federal Farm Loan Board has authorized the issuance of bonds against the titles which these same attorneys have passed upon.

ACTED UPON ORDERS OF FARM LOAN BOARD

The title attorney, of which Mr. Putnam complains, has foreclosed Federal farm loan mortgages upon the official order of the Federal land bank, usually upon the advice and with the consent of the Farm Loan Board. In view of these facts, if the title attorney be "not officially connected with the system," and if he be not accountable to the provisions of the farm loan act, then there is no official anywhere who can be held responsible under that act.

EASY TO GET IN BUT HARD TO GET OUT

You may read herewith the startling story of how many farmers, in several States, thought they would go get themselves one of those cheap "at cost" farm loans, about which highly paid propagandists had pushed golden promises, to wit, "The mortgage that never comes due," or "The farm loan that pays itself off," etc. Yes; it was easy to get in; it usually is.

Well! These farmers got farm loans "at cost" all right! Some of them faced grim failure, in situations over which they had no control, which is about the most pitiable circumstance known to mortal man—to lose his home roof. In this hour of need, what did these farmers get? They got lawsuits "at cost" done to a nice brown color because the mortgage clauses which they had signed, in the belief they were entering a sort of cooperative heaven, provided that the attorney foreclosing their loans could charge extortionate commissions and fees.

Nevertheless, when these farmers entered the ranks, they were given to understand distinctly that they were getting into a system that permitted of no "commissions, fees, or extortionate charges whatsoever." They were surely made to believe this with all the alluring words glib-tongued artists could sling.

If this thing is permitted to continue, it will only provide another sad spectacle of the established fact that the mutual or alleged cooperative, improperly administered, is cheap to get into, but may be mighty expensive to get out of!

FORECLOSURE FORECASTED BY OFFICIAL OF THE FARM LOAN BUREAU'S OFFICE LONG AGO

The present wholesale foreclosure of farm-mortgage debts by farmer-owned, political-controlled land banks was forecast some time since by James B. Morman, economist of the Federal Farm Loan Bureau of the Treasury Department, who, writing in his popular book, Farm Credits in the United States and Canada, after discussing foreclosure proceedings, as carried on by the land banks, said:

"This is the prospective heritage of children of farmers who have long-term amortized mortgages on their farms."

IS FARM LOAN OF GOVERNMENT AGENCY A PANACEA OR PLAGUE?

That is the question Mr. Morman asks, and it is most illuminating, to say the least, to see how he answers the question, as the following extracts from his book will easily demonstrate:

"The best advice that can be given to farmers is to keep out of debt. The census of 1920 showed that 1,461,306 farm owners had mortgages on their farms; the number of mortgaged farms has undoubtedly greatly increased since.

"What are these debt-burdened farmers to do? To what extent would amortization of their mortgages aid them? Does this plan of repaying loans give farmers larger incomes by reducing the amount of interest they have to pay? If so, what has been this gain to them? To what extent has the amortization plan of paying off mortgages been adopted by money-lending agencies? And, lastly, what are the limitations of this method of paying off debts in protecting borrowers against foreclosure? These questions relate to the financial and social welfare of American farmers.

"By 'amortization' is meant the method of repaying a loan with interest by regular annual or semiannual installments covering a long period of time. An 'installment' includes interest and part of the principal. A borrower, therefore, pays off his debt a little at a time and pays interest only on the unpaid balance of the principal. The amount of an installment is determined by the rate of interest and the number of years for which a loan is granted.

"With a view of cutting down to some extent the amount of interest farmers would have to pay, Congress incorporated in the farm loan act, 1916, the amortization plan of repaying loans. The act provides that loans may run 5 to 40 years, at the option of the borrower. The direct benefit to a borrower in the interest he has to pay is shown in the following comparison of this method with a straight mortgage loan for the same amount, rate of interest, and period of loan:

| | |
|---|---|
| Comparison at end of 34 years: | |
| Under straight-loan plan— | |
| 34 principal payments of $60 each | $2,040.00 |
| Principal unpaid | 1,000.00 |
| | 3,040.00 |
| Under amortization plan— | |
| 34 installments, paying both interest and principal | 2,338.16 |
| Saving | 701.84 |

"During the 34 years that the amortized loan is being repaid, the total amount of money a borrower would pay back on a loan of $1,000 would be $2,338.16, of which $1,338.76 is interest and $1,000 principal. That is to say, a borrower pays in interest alone $338.16 more than the amount of his original debt of $1,000. Therefore the total toll exacted by interest out of the labor and capital of a farmer, if his loan should run the full 34 years, is nearly 134 per cent. The toll exacted by interest from the labor and capital of a farmer on a straight mortgage for 34 years would be 204 per cent. In either case the toll is enormous and a constant drain on a farmer's income.

ANNUAL PAYMENT ON AMORTIZED LOAN IS HEAVIEST

"The annual installment on an amortized loan is always greater than the interest payment on a straight loan. On a $1,000 loan the installment is $70 as compared with $60 paid as interest. This difference ($10) is applied in reducing the principal of a debt; with each succeeding year the amortizement on a debt is a little more until the loan is entirely paid.

"There is, however, a temporary disadvantage in the amortization of a loan because the differential amortizement is always an additional drain on a borrower's income. Neither the installment on an amortized loan nor the amount of interest on a straight mortgage changes during the loan period; for a small loan of $1,000 the difference is only $10; but on loans ranging from $10,000 to $50,000, the difference ranges from $100 to $500 a year, according to the size of the loan. The difference has to be provided every year by a debtor no matter how unfavorable the crop or livestock returns may happen to be from season to season.

LITTLE CONSOLATION TO THE FARMER

"It is not much consolation to a farmer to know that this difference is always the minimum amount applied on his mortgage toward its reduction if it becomes a burden for him to provide the amount which, if unpaid, may lead to the loss of his farm. Under any circumstances this additional amount is an extra drain on his income and possibly explains the inability of so many farmers to meet their installments regularly.

"It is evident from the foregoing that the amortization of farm mortgages is not a panacea for all the ills, actual and imaginary, which affect the welfare of the farmer.

GETTING INTO DEBT ECONOMICALLY?

"Among other things, it was expected that farmers borrowing under the Federal farm-loan system would not only get into debt on an economical basis but would even do so profitably. The principle is enunciated by authority of the Farm Loan Board, as follows:

"'The Federal farm loan act is a law the intention of which is to make it possible for the farmers to make money by borrowing money. Its intention is to place money within reach of the farmer on such terms as to convert the farm mortgage into a source of profit.'

REMARKABLE EXPECTATION OF POLITICAL BANKERS

These are very remarkable expectations, and the question is whether or not they have been realized. It would be rather unusual in the mortgage credit field to have a credit bring to the debtor an increase of income in the face of all the drains on income which have been shown to attach to borrowing money on farm mortgage. The intention may be good, but is it likely to be fulfilled?

CLAIMS BASED UPON MISCONCEPTION OF ECONOMICS

It is undoubtedly based on the provision of the farm loan act which requires that loans shall be for productive purposes. But is not this expectation of a profit from running into debt based upon failure to appreciate the fact that borrowing for productive purposes also means a corresponding burden of expenses, interest, and depreciation of capital equipment during the continuance of a loan?

It is not the difference paid as interest but the debt itself which is the real burden on a farmer. The debt must be paid either by amortization or in a lump sum. This burden, moreover, is intensified with the lapse of time because of capital depreciation, a factor seldom taken into consideration. For, long before 10 years have expired, many forms of capital equipment will have been partially or wholly worn out and the farmer will be no better off as a result of his borrowing unless he has been able to save and set aside annually sufficient to cover the value of depreciation.

On account of the precariousness of agriculture and the present difficulty of a farmer being able to save at all, he may be even worse off financially because he will still be owing nearly 87 per cent of his debt and also be under the necessity of replacing part of his capital equipment in order to continue effective farm operations. It is plain, therefore, that there are grave financial limitations attached to borrowing and repaying a loan under the amortization method so far as providing a farmer with the means of escaping the great burden and danger of debt itself is concerned.

The conclusion is borne out by the result of the operation of the Federal farm loan system. On March 27, 1923, six years had elapsed since the first loan was made under this system. To-day three clearly definite tendencies are noticeable: (1) Many borrowers have already increased their mortgage indebtedness by additional loans when the farm appraisements warranted such an increase; (2) many borrowers have been unable to pay the installments on their loans, and the Federal land banks are carrying a steadily increasing amount of delinquent payments; and (3) many farmers coming in as new borrowers are mortgaging their farms to pay off short-time or personal indebtedness incurred during the past few years as a result of unprofitable farm operations.

FEDERAL FARM LOAN SYSTEM HAS DARK FUTURE AHEAD

These tendencies are plainly discernible in general rural credit conditions throughout the United States, and they are corroborated in the case of thousands of loans made through the Federal farm loan system. They are not very promising for the future of agricultural development. The Secretary of Agriculture has already warned the country of the danger of too easy credit conditions. The danger is in our midst and has not been removed by the amortization of farm mortgage loans. In fact, it is likely that this method has increased rather than decreased the danger. Thousands of farmers have already become delinquent in their installments under the easiest method of repaying farm mortgages yet devised, so that it is evident that interest-bearing debt is one of the greatest dangers to future improvement in agricultural conditions.

FARMERS' DEBTS NOT PROFITABLE

That farmers' debts, in many cases at least, have not proven profitable is evident from the fact that the amortization of loans has not prevented delinquencies in the payment of installments; it is now evident that this method of repaying loans does not prevent the foreclosure of farms. Evidently the amortization of loans does not remove the greatest danger of farm-mortgage debt.

HEARTLESSNESS OF MONEY SHARKS IS NOT UNKNOWN TO MANIPULATORS OF FEDERAL FARM LOAN SYSTEM

Neither the amortization method of repaying loans nor the beneficent intention of Congress has been able to save farmers from the fear of foreclosure. The policy which seems to have animated friend and foe alike is to fleece the farmer for all he is worth. Large numbers of farms have been sold under the sheriff's hammer in behalf of Federal and joint-stock land banks as mortgagees. The heartlessness of money sharks is not unknown to the Federal farm loan system, for neither the farmer who fails to pay an installment on his loan nor his local association which has indorsed his mortgage can ward off the foreclosure proceedings, as this policy is being mercilessly carried out by both kinds of land banks.

SYSTEM HAS NOT RENDERED RELIEF ANTICIPATED

Taking a broad view of agricultural conditions as they have developed during the past few years, it is evident that farm-mortgage credit has not brought such great financial relief to farmers as was anticipated. While some benefits have materialized as a result of the operation of the Federal loan system, the easier opportunities which farmers now have of plunging deeper into debt are increasing their financial difficulties and dangers. Debt can only be paid by farmers getting larger incomes.

Of this be certain: Credit can not enslave a farmer to debt and free him from its shackles at the same time!

HOW FEDERAL FARM LOAN SHACKLES THE FARMER TO DEBT

That this danger is still imminent is evident from a glance at the following table, prepared primarily for the purpose of showing the regular drain on a farmer's income that occurs on long-time amortized loans and the enormous total toll of interest which is taken during the life of a loan:

*Amount of debt, total paid as interest, and semiannual installments on amortized loans*

| Amount of debt | Amount paid as interest on debt | | Semiannual installments | |
|---|---|---|---|---|
| | At 5½ per cent | At 6 per cent | At 5½ per cent | At 6 per cent |
| $1,000 | $1,242.47 | $1,304.23 | $32.50 | $35.00 |
| $2,000 | 2,484.94 | 2,608.35 | 65.00 | 70.00 |
| $3,000 | 3,727.41 | 3,912.56 | 97.50 | 105.00 |
| $4,000 | 4,969.88 | 5,216.71 | 130.00 | 140.00 |
| $5,000 | 6,212.35 | 6,520.90 | 162.50 | 175.00 |
| $6,000 | 7,454.82 | 7,825.09 | 195.00 | 210.00 |
| $7,000 | 8,697.29 | 9,129.27 | 227.50 | 245.00 |
| $8,000 | 9,939.76 | 10,433.50 | 260.00 | 280.00 |
| $9,000 | 11,182.23 | 11,737.63 | 292.50 | 315.00 |
| $10,000 | 12,424.70 | 13,041.86 | 325.00 | 350.00 |
| $15,000 | 18,636.18 | 19,620.93 | 487.50 | 524.57 |
| $20,000 | 24,848.16 | 26,162.26 | 650.00 | 699.42 |
| $25,000 | 31,060.20 | 32,702.00 | 812.50 | 874.23 |

A study of this table will convince the most skeptical that amortization of farm mortgages is not a panacea for the burden of debt.

PAYMENTS BECOME REAL BURDEN TO FARMER

Two things are especially noticeable: (1) That in each case a borrower pays much more as interest than the amount of the debt itself; and (2) that the drain on a borrower's income through the payment of an installment every six months, while not heavy on small loans, becomes a real burden when the debt is large.

From this drain on income there is no possible relief. Though it is lighter in the end than interest on straight mortgage because of the gradual repayment of the debt itself by amortization, nevertheless the drain on a farmer's income is both constant and enormous, which often deprives his family of the necessities of life, keeps him on the rack of perpetual toil and worry, and finally involves him in bankruptcy or foreclosure proceedings. From these possibilities—yea, even probabilities and actualities—long-time amortization of farm mortgage loans does not protect farmers heavily burdened with debt.

DANGERS OF DEBT ARE NOT REMOVED BY POLITICAL BANKING SYSTEM

The dangers attached to debt, then, are not removed by the amortization plan of repaying farm mortgages. Delinquencies in the payment of installments occur the same as in the case of the payment of interest on straight mortgage loans. In fact, for the first few years the danger of delinquencies in amortization payments is even greater than under straight mortgages because of the added increment of debt payment which is included in each installment of an amortized loan.

FARMER NOT RELIEVED OF DANGER OF FORECLOSURE

Nor has the farmer been relieved of the danger of foreclosure, for the nonpayment of installments has led to that unhappy event. Even if a farmer is able to pay his installment regularly, without making any additional payment on the reduction of his debt, the deterioration of

capital equipment, the gradual loss of soil fertility, and the approach of old age which lowers a borrower's efficiency—these and other factors have a tendency to perpetuate a mortgage indefinitely, as it has done in Germany for many generations, and to bind farmer debtors with shackles which have been made easy to forget but exceedingly difficult to remove. This is the prospective heritage of the children of farmers who have long-time amortized mortgages on their farms.

"THE MORTGAGE THAT NEVER COMES DUE!"

How many of the readers of Mr. Morman's reliable work on farm credit will think of that political appointee of the Federal Farm Loan Bureau who invented the heavenly slogan, "The mortgage that never comes due," or that other master thinker who first coined the phrase, "The mortgage that extinguishes itself," and used them widely in getting thousands of farmers into debt "the easy way"?

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[Extracts from article in the Sunday New York Herald-Tribune, April 22, 1928]

HOW THE THEORY WORKS OUT IN RUSSIA

By Elias Tobenkin

(NOTE.—Now that the United States has copied from Russia a method of the Government taking over the 12 district Federal land banks of the Federal farm-loan system, after the thousands of farmers had paid in full the money with which to capitalize these banks, and are now assuming all the liability which safeguards them as stable financial institutions—contrary to the fundamental American principle of safeguarding the interests of the property owner—it should be of wide interest to know how the Russians are making a "go" (?) of their theories, after which the present Federal farm-loan system in our own country is patterned and from whose foreign leaders the present political administrators of the Federal farm-loan system received most of the suggestions to Russianize this sovietized institution.)

SOUNDS LIKE A REPORT OF THE FARM LOAN BOARD

Danton, sentenced to the guillotine with the connivance, in part at any rate, of his friend and rival Robespierre, remarked cynically: "I shall hold the door of the grave open for him; in three months we shall meet again." Trotzki, driven into exile by his erstwhile codictator in the political bureau and other Communist councils, hurled this defi: "To-day's victory of Stalin is but the forerunner of his debacle; his downfall is inevitable."

A STRIKING PARALLEL—HEADED FOR POLITICAL BANKRUPTCY

The Bolshevist volcano, covering one-sixth of the earth's surface, once more is active. His banishment has no more eliminated Trotzki and the "Trotski idea" from Russian politics than death has eliminated the influence of Lenin and the principles he laid down. But it does serve to bring Stalin into sharp relief. With Trotski, in effect, a prisoner in a remote Asiatic Province, and the members of the opposition group he headed jailed or scattered, Stalin is brought face to face with tasks and problems which may either make him one of the great statesmen of modern times or else, as Trotski predicted, bring about his political bankruptcy.

RUSSIA, LIKE UNITED STATES, HAS BATTLE BETWEEN POLITICIANS AND PROPERTY OWNERS

In the persons of these two soviet antagonists two civilizations are struggling for the molding of Russia's future.

Trotski wants Russia made over in accord with the civilization of the Western World. Just as Peter the Great 200 years earlier forced his noblemen to discard their long Russian cloaks in favor of short German jackets and to shave their beards, Trotski would recut every form of national economy in Russia after the standards of western Europe and America. He envisages an industrial Russia, dominated by her cities, her factories, and her workmen. He would pattern the soviet state after the dictums of international Marxism.

Stalin stands both head and feet in Byzantium. A revolutionary of no less caliber than Trotski, he is less of an internationalist. Exiled under the Czar as often as Trotski had been, his banishments never took him abroad for long.

Stalin never completely loses sight of the deep-seated Asiatic roots of the Slav empire. He sees Russia's future, her near future at any rate, as cast primarily in the likeness of her agricultural population, her 90,000,000 peasants. In principle he is no less for a "socialist Russia" than Trotski is. His socialism, however, must be homespun, simple, even vulgarized, if necessary. It must be suitable to the mental acumen of the Russian peasant and flexible enough to blend with the primitive structure of the Russian village.

SOVIETIZING PROCESS

Is the régime sponsored by Stalin bringing to pass in the Soviet Union the Socialist order which the revolution of November, 1917, promised to the Russian workers?

This question has been repeatedly asked by Trotski since the death of Lenin and the gradual ascendancy of Stalin to the absolute dictatorship of the Communist Party. First by innuendo, and then openly, he charged the Stalin régime with not giving sufficient support to the Soviet industrialization program and thus encouraging the ascendancy of the peasantry over the working class.

ARROGANT BUREAUCRATS RULE

He accused Stalin of having permitted the rise of an oppressive and arrogant official and industrial bureaucracy. He assailed vehemently the stifling of the free expressions of opinions within the Communist Party and the moblike hooting down of minorities, even though the men holding such minority opinions were noted revolutionists whose loyalty could never come into question.

Again and again the Communist Party directed Trotski to cease his attacks. On such occasions, according to a leading soviet spokesman, Trotski "demonstrated with his silence." In fact, Trotski's silence on occasions stirred up greater turmoil than his speeches would have done.

The specter of civil war has been raised by both sides in the final phase of the Trotski-Stalin controversy.

IS THIS A M'NARY-HAUGEN PLAN?—ERECTING BARRIERS BETWEEN RURAL PRODUCERS AND CITY CONSUMERS

The issue which in recent months has convulsed the Soviet Government and which Stalin is called upon to face is the cleavage between town and country, between urban and rural population in Russia. The organized workers in the cities have to a considerable degree been drawn into the government's state. The factories have been nationalized. The government has a monopoly of foreign trade and transport; banks and credits are concentrated in its hands; dwellings have been socialized and food is bought and sold on a cooperative basis. The collectivist beginnings in agriculture are not nearly as impressive.

FIRST THE GOVERNMENT TAKES OVER THE FARMER'S BANKS, THEN IT NATIONALIZES HIS LAND

Although the land has been nationalized, the peasant does not feel that he has ceased to be its owner. There is no shortage of land in the Soviet Union; the government can not take it from him and give it to anyone else. The government's experiments in communal farming, begun early in the soviet experiment, have not been particularly successful. Of a total agricultural population of nearly 100,000,000, only about a million and a half are engaged in collective farming. The rest are farming on an individualist, private basis.

THE PEASANT OWNS HIS PLOW!

The peasant owns his plow. If he has a horse or a cow, they are his private property. After he has paid his share of taxes to the government, the products of his labor are his to do with as he pleases. He sells them in the open market. He buys from the government cooperative store if the government store offers him better goods or lower prices. Otherwise he buys from the private merchant, as he did before the revolution.

GOVERNMENT MEDDLING CURTAILS PRODUCTION

In the early stages of the soviet régime the peasant was forbidden to hire labor or to sublet his land. The Soviet Government after a time found that this curtailed production too heavily and the law was changed. The peasant to-day can hire workmen or sublet his land. This establishes virtually three different categories of peasants in the village—the poor peasant, the middle-class peasant, and the rich peasant.

Trotski and the members of his opposition group see in this development a danger to the soviet's experiment in socialism. All the gains that the government's socialist program makes among city workers, they assert, are to a large extent counteracted by the development of a new bourgeoisie in the villages and by the "capitalistic" trend in agriculture.

Stalin and the members of the Soviet Government do not underestimate the threat to socialism presented by the conservatism of Russia's rural masses.

The peasant was no less of a problem in Lenin's day. Shortly before his death Lenin counseled: "Ten or twenty years of correct mutual relations between the proletariat and the peasantry and we will be assured of a permanent victory." Stalin believes that such "correct mutual relations" with the peasantry can be best attained by conciliation, rather than by methods that are aggressive and hostile.

URBAN AND RURAL DIVISION

The chief factor over which the urban and rural populations divide is the sluggish tempo of industry. The peasant pays twice, even three times as much, for manufactured articles as he did prior to the World War. Even at such exorbitant prices these articles are extremely scarce. It was shown recently that 70 per cent of all the manufactured products in the Soviet Union are consumed in the cities and only 30 per cent go to the 90,000,000 peasants.

The reasons for this disproportion and for the sluggish tempo of all manufacturing are well known—old equipment and poor technique in the factories; high overhead expenses and defective distribution; high wages and wasteful use of raw materials. Finally, the most crucial reason of all—want of capital.

PRIVATE CAPITAL AND INITIATIVE SUCCEEDS EVEN IN RUSSIA OVER SUPER-SUBSIDIZED PLANS

Unless, Trotski warns, the soviet's experiments in socialism can be made to pay they will fail. "It is the basic law of history," he says, "that in the end that order of society prevails which assures to mankind a higher standard of existence." So far, he finds, "capitalism is producing goods of better quality at much smaller cost than socialism is producing them." He not only urges the intensification of the industrial processes in Russia, he even calls for the establishment by the soviet of what might be called "superindustrialism."

"We believe," he affirms, "that industrialization is the foundation of socialism."

GOVERNMENT STEPS IN AND "LIVENS UP" FARMING BUSINESS

As set down in the resolution adopted by the fifteenth congress of the communists, Stalin's policy is one of continued moderation. There are to be no startling innovations in the internal conduct of affairs. Existing institutions will be strengthened to cope with irregularities. The peasant cooperatives will be "livened up" and made more attractive to the rural buyers. The experiments in collectivist or communal farming, going on in various parts of the country, will receive government aid and will be otherwise bolstered up.

TRY TO ERADICATE BUREAUCRACY AND SOVIET BANK OFFICIALS

Drastic measures will be applied to eradicate one soviet evil—bureaucracy. Government officials, bank employees, factory superintendents—in brief, all sorts of civil-service personnel will be placed under a strict disciplinary régime. Slovenliness of every kind will be made a social crime. Grafting, whether in money, time, or materials, inattention to complaints and an air of superiority toward the public will entail not only dismissal from the job but prison sentences.

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[Extract from Good Business Magazine]

RUSSIA'S OUTLAW GOLD *v.* AMERICA'S RUSSIANIZED LAND BANKS

Twenty casks of Russian gold now repose in the vaults of two of New York's largest commercial banks—$5,201,000 worth of precious gold. Why is this? Simply because the United States Treasury Department bureaucrats refused to permit the United States mint to touch gold that came from Soviet Russia. "Unclean, unclean! Touch not!" was the word handed out by A. W. Mellon's staff.

MELLON SHOULD RECOGNIZE RUSSIA!

This gold was sent over here by the Russian Soviet Government; but our Government does not recognize the soviet régime—we wonder why. The same Treasury Department, under the guiding hand of Mr. Mellon, whose political-campaign collections in the Pepper contest was "as pure as a church collection," fosters—in fact, dominates—a Sovietized method of financing farmers through the presently constituted Russianized 12 district Federal land banks, which Congress, upon the suggestion of Mr. Mellon and his hirelings, the Farm Loan Board, requested be taken away from their rightful owners, the thousands of farmer stockholders, and turned over to Mr. Mellon and his gang to plunder and manipulate as they might wish—contrary to the American principle of property ownership upon which the Mellon millions were earned. So we repeat, a politician who could be partner in putting such a trick over on the American farmers, actually stealing from them their land-bank system, depriving them of every right to manage that which they now own; such a type politician should have not the slightest compunction in recognition of his close cousin, the Russian Soviet, and should welcome as much gold as the soviet system can gather and send to this country.

WHAT DOES MELLON FEAR?

Is it because the soviets are now letting go of the things that they took away from their rightful owners—the people of Russia—and, having made almost as bitter a failure of government operation of other people's property as Mellon's political appointees have already made of the 12 district Federal land banks—is this the reason Mr. Mellon does not wish to handle any of the Russian gold? Does he somehow fear that the contaminating influence of Soviet gold might inject the germ of independence and freedom into this country, causing politicians who now tightly hang onto the farmer's property to wish to let go and permit the rightful owners to manage their own business?

You will recall, "Andy" did return to "Whispering" Bill Hays those Sinclair bonds. He must have got the habit of handing things back and played the same trick on the Russians! Thousands of farmers whose land-bank stock "Andy" also "chooses to hold as his own" now hope that he will carry this "handing-back" habit to the extent of returning to them their property!

Mr. BLEASE. It does seem to me that this investigation should not have been ordered through Mr. Meyer and his associates. It does seem to me that the Committee on Banking and Currency—and I do not know who they all are, and I do not care—have dodged, either from political cowardice or from pressure from Andrew W. Mellon's office, their duty to report my resolution either favorably or unfavorably to the Senate—I do not care which—because if they send it back with an unfavorable report, if I can get a quorum of the Senate to sit and listen to me for 15 minutes, I will convince them that this investigation should be made, and will reverse their report. I have put into the RECORD in the last two or three weeks enough on this matter to convince anybody in the world that this investigation should have been made.

A resolution similar to mine was offered by the Senator from Texas [Mr. MAYFIELD], and it was reported back to the Senate within a short time, and was unanimously adopted, and a committee was to be appointed to make an investigation of a similar institution in the State of Texas. Yet, when my resolution comes along, Mr. Mellon—and I hope any Senator who is interested in this matter will take pains to-morrow morning to read what Mr. Putnam says about Mr. Andrew W. Mellon, and what he proves about him from the official record as offered to be published here.

The Senator from North Dakota [Mr. NYE], who made some investigation of this matter, has in his hands a similar report made by these parties in reference to this matter, that I have asked and obtained permission to have printed in the RECORD.

I ask Senators in this body to take just a few minutes of their time to glance over these reports, and ask themselves the question whether or not I have asked for something that should be granted, or whether it is a frivolous complaint made by some farmers in South Carolina. I am satisfied that they will reach the conclusion that this committee, instead of bowing to the whip of Andrew Mellon, this ex-distiller and ex-liquor dealer, who holds the power to control the money of this country is his hands, should ask themselves the question whether they should bow to that lash, or whether they should come here like men and give me a report upon this resolution, that the people of my State might know if there is robbery and thievery going on in this bank as charged, or if they should have confidence in it, and continue to deal with it and with those who are in charge of it.

Mr. President, Mr. Mellon knows that the ex-assistant superintendent of the Atlanta Penitentiary who is now in charge of that bank, without any banking experience, will be put in the penitentiary himself, but as one of his henchmen, doing his dirty political work, this committee shields him, and does not allow a report to come here, but sends Meyer, a man not so long ago appointed, to help conceal this thievery and this rascality, to help Mellon with it, and make him the man to investigate whether or not there is stealing going on at which he is conniving—did you ever hear of such a monstrous proposition, appointing one of the accused thieves himself to make the investigation? I am not indulging in wild talk. Here is the proof to show the thievery going on, and how the farmers are being robbed. Yet a Senate committee, under the lash of a boss, refuses to bring a report here and let the whole Senate pass on this matter in a fair and honorable manner.

I dislike to load down the RECORD here with this proof, but I am denied an investigation. I have no other source by which to reach the people, and I shall continue to make out my case and let the people be the jury. No thief has a good opinion of the law when the halter begins to draw. Mellon, Arnold, Meyer, et al.

FARM LOAN RELIEF

Mr. BLEASE. Mr. President, I ask to have printed in the RECORD a report to the American Farm Bureau Federation in four sections, by Gertrude Mathews Shelby, specialist in cooperative credit.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

FARM LOAN REPORT

I

FOREWORD

Three hundred and fifty thousand farmers own the so-called Federal land banks, whose joint assets of $1,200,000,000 constitutes one of the dozen billion-dollar enterprises in the United States. All others are subject to control by their stockholders. No other besides the farmers' is compelled to permit political appointees to run its business and manage its property.

It appears that after 10 years' operation, in protection of actual property rights of present stockholders and to assure future service of loans at lower cost, a review of what has been done both for and to the farmer to date is essential, to the end that pending and future legislation may intelligently be approved or condemned. Guaranties under which farmers purchased stock have been revoked. The Farm Bureau Federation is already on record with resolutions demanding the restoration of stockholders' rights—the right to protect their property and the vast credit machine established to give them untrammeled access

to the money markets of the world. The present review of past and present situations must necessarily begin with consideration of—

THE PURPOSES OF THE FARM LOAN SYSTEM

1. To lower interest. Excessive interest rates and the increasing national mortgage indebtedness caused three Presidents to recommend that farmers' credit needs be met by the establishment of some system by and through which they could help themselves independently of existing agencies. It was not desirable that farmers should be offered governmental crutches, nor that political appointees should fatten on the farmers' institutions. Therefore, cooperative banking was extensively studied, and what purported to be an Americanized form adopted, guaranteeing farmers the right to pool their assets, issue bonds, and by economies effected in the money market and distribution, as well as elimination of unnecessary financial middlemen, to lower their interest as far as possible. No limitation in reduction was set. The law does not state that the banks are supposed to lower interest only to the point where the farm loan rate will regulate that charged by other agencies in the field yet make it possible for them still to continue making profit. The basic construction of this point, that farmers shall lower their own rates as far as the economies and earnings of their own banks warrant, is of utmost importance to the future. Successive farm loan commissioners have held that only a regulatory effect on the interest rate was contemplated by the act.

2. To suit the terms of credit to agriculture. Short term loans, with bonuses, commissions, and frequent renewals cost farmers vast sums annually. Repayment of long-term loans (33 years) on the installment plan, without renewals or other fees, was provided.

3. To provide farmers with their own self-controlled means of financing themselves independently and cooperatively. Local farm-loan associations, the cooperative corner stone of the system, cast the votes of stockholders for directors of the district Federal land bank. Farmers were required to furnish all the capital of the system and guaranteed the right to elect six out of nine directors on each land bank's board. The Government reserved the right to appoint a minority of three directors (to counsel fiscal policy), but governmental control was deliberately avoided and outside capital barred precisely so that no outside influence might ever interfere with agriculture getting the money that it requires and the credit it deserves.

Control over that most important of all functions, sale of the bonds (which convert farm mortgages into an inviting form of security suitable to the investment market), was therefore vested in the boards of the 12 land banks, whose full majority of directors was to be elected by stockholders. Those boards are empowered to issue bonds when they see fit, sell them as they see fit; in short, build and operate their own financial machine. To assure the attractiveness of the bond product, tax exemption was granted farm-loan securities.

BRIEF CAPITULATION OF FARM LOAN STRUCTURE

Ten farmers are requisite to form a farm loan association. The law fixes no maximum in membership or number of associations. There are about 4,600 to-day. Despite the law, the Federal Farm Loan Board has apparently elected a policy which discourages the formation of more associations. Farmers buy stock to 5 per cent of their loans.

Twelve Federal land banks. The original set-up of these banks called for a board of nine directors for each—six elected by stockholders and three appointed by the Federal Farm Loan Board.

One vote is cast for each 20 shares. These shares are not held by farmers but by the association.

The present set-up calls for a board of seven directors—three elected by stockholders.

Four appointed by the Farm Loan Board. The fourth man holding the balance of power is "selected" from three nominated by the associations. This arrangement was improperly interpreted as a "50–50" division of power between political appointees and stockholders. Actually it has proved a disastrous camouflage, a fraud. Presidents and other officers of the banks have "offered themselves" to stockholders as candidates, invariably receiving the appointments from the Federal Farm Loan Board. For 10 years most of the "temporary" officers of the land banks have remained in power.

Federal Farm Loan Board: Originally of five members, now increased to seven. Its functions: To "administer" or "supervise" the system. Actually it manages the banks through appointed directors, the majority of the bank boards. It controls more than 600 field employees, appraisers, assistant appraisers, registrars, examiners of land banks and examiners of farm-loan associations. The complete number of these employees and land-bank employees appears nowhere in the Federal Farm Loan Board report. Civil service does not govern appointments. Therefore the entire list of places, more than 1,500, must be regarded as subject to political influence, or patronage. The Federal board must approve all bond transactions. Although not empowered to do so, from the outset until 1923 the farm-loan commissioner actually made all arrangements.

Several remaining important parts of the farm-loan machine are:

The fiscal agent receiving $25,000 a year from the Federal and intermediate banks for arranging the terms and conditions and houses through which bonds shall be sold. This agent is Charles E. Lobdell, formerly farm-loan commissioner, therefore a political appointee, who indorsed the appointment of most of the appointed land-bank presidents and directors. He was in turn appointed by them fiscal agent at an advance in salary from $10,000 to $25,000. He sells hundreds of millions of securities, and uses a revolving fund of farmers' money in resale operations on the stock market.

Several branch land banks, one in Lexington, Ky. Louisville, close by, has the district land bank.

The Spokane commission, the thirteenth body of the Federal land-bank system, handling estimated assets of the district land bank for Oregon, Washington, Idaho, and Montana, worth between eight and ten millions. This commission is not authorized by the law, but was created by the 12 banks to handle the acquired lands of the Spokane banks. No reports of its independent activities for two years is available, although the 11 other banks have given help from funds otherwise available for dividends for a term of years. Nothing is known concerning the emoluments of the staffs or overhead of the branch banks nor of the Spokane commission.

PERTINENT FACTS TO AID IN COMPREHENDING HISTORY, PRESENT SITUATION, AND LEGISLATION

1. Farmers now own fifty-nine millions' worth of stock. Eight million original stock owned by the Government has been retired; $800,000 remaining can not by the law be adversely affected if stockholders assume control.

2. Behind bonds for $1,200,000,000 stockholders have pledged good farm lands worth twice or three times that amount. Every bank is ultimately responsible for losses of any other. Before bondholders can lose even their profit, stockholders will lose their stock, an amount equal to the stock and the accumulations of all banks. Bondholders can not be adversely affected if stockholders control. No outside interest will suffer.

3. The issue and sale of bonds by the banks and the fiscal agent has declined steadily.

Two hundred and twenty-five millions (round numbers) were sold in 1923.

One hundred and seventy-five millions (round numbers) were sold in 1924.

One hundred and twenty-five millions (round numbers) were sold in 1925.

(Unaccountable delay of issue of Farm Loan Board report makes showing for 1926 unavailable.)

That the market will absorb more securities is certain because the Treasury has disposed of all but four millions of its holdings of these bonds, originally two hundred millions, selling close to one hundred millions in these very years cited.

4. Farmers' demands for funds, approved applications, have been denied in this period. The law anticipated a method of continuous sale of these bonds now issued only periodically.

5. Land banks are not really banks at all, but mortgage concerns. They accept no deposits. They have no demand obligations.

6. Administration of this system has lowered the interest rates on the average between 1½ and 2 per cent, and provided credit on terms suitable to agriculture.

CERTAIN PERTINENT QUESTIONS AND ANSWERS

1. Has this monumental farmer organization satisfactorily fulfilled the principal purpose for which it was organized?

Without cheapening its considerable achievements it can not be said fully to have met its obligations to its farmer-owners nor to agriculture by its mere size, its present reduction of interest, nor merely suiting the terms of credit to farming. Neither does its regulatory effect, which has been roughly estimated to save farmers fifty millions a year, finish the picture

When agriculture, through farmer stockholders, is in independent control of the entire system; when stockholders elect the majority of directors of land banks who should themselves be stockholders; when these stockholders determine the issue and sale of bonds and direct the terms upon which they are sold; when only the real absorptive power of the market of these gilt-edged investments shall limit their issue and sale; and when the interest rate shall actually be lowered as fast as the actual cost of the money and economical conduct of the system shall permit—then this organization will be fulfilling its full purposes.

2. How does the interest rate of our system compare with that of other countries?

It now averages 5½ per cent, the highest in 22 countries. (See Exhibit A, attached.)

3. Does the present system of Federal control through a majority of political appointees guarantee or provide greater advantages, better service, or greater efficiency to agriculture than control by stockholders in their own interest?

By no means disparaging the work, excellent of its type, that has gone into the development of the farm-loan system, it appears that the continued control of this system of political appointees is not likely to provide:

(a) Increased volume of loans at lower interest.

(b) An increased degree of self-government and self-help to farmers.

(c) Real control of the means of access to the money market which constitutes actual independence to the farming industry.

On the contrary, in the light of other sections of this report it would appear that continued control through political appointees has not been so successful as the mere volume of loans and reduction of interest might lead one to suppose. Conditions obtaining in certain land-bank districts, the glossing over of political abuses and even outright defalcation without warranted investigation and prosecution if real facts were ascertained, slowness of service, arbitrary allotment of funds to lend, and many other conditions have given rise to a large volume of repeated complaints. It would even appear dangerous not only to stockholders but to citizens throughout the country, since everyone lives in some land-bank district, to permit the continuance of management of this vast lending power by political employees.

Please consider the above in reviewing the history which follows.

II

INTERPRETATION OF SIGNIFICANT HISTORY FROM THE STANDPOINT OF STOCKHOLDERS' INTERESTS

The farm loan act was passed in 1916 only after bitter and prolonged opposition; by (a) the Farm Mortgage Bankers' Association; (b) the American Bankers' Association; (c) certain high financiers, who held that this remunerative field of private business (and private profit) should never have been invaded by the Government or cooperative pools having Federal sanction plus tax exemption. Because of the pressure of this opinion and possible failure of farmers to take advantage of the plan, the private, profit-making system of joint-stock land banks was authorized, and tax exemption granted their securities. Cooperatives the world round are not taxed because they are in the nature of public services. To establish a competing system of banks operating for profit and to privilege joint-stock securities by tax exemption appears now to men of both Houses in Congress unjustifiable. For farmers who did not desire to go into a cooperative system or wanted loans of size exceeding the loan limit, originally $10,000, abundant private-loan facilities already existed. As the effect of operation of the Federal land banks was immediately to regulate the rates of all farm-loan agencies, no hardship would have been worked on the more prosperous farmers not desiring cooperative liabilities, had the joint-stock banks never been created.

Organization of the Federal banks, and the network of farm-loan associations, from the standpoint of a national utility, was brilliant. From the standpoint of cooperation, it was bad. All healthy cooperatives grow from the bottom up. This was top-down extension. Farmers were never sufficiently instructed in the fact that this was their own system—not the Government's. They were not compelled to take their own initiative. They were advised against making a stockholder the secretary—the key position. Instead of holding elections as soon as the requirements of the law were met, in eight banks within the year the Federal board actually recommended an amendment which, in an indirect way, nullified the will of the law and was the beginning of the permanent political control of these banks.

Condemning "banks controlled by borrowers," the amendment provided that so long as the Treasury should hold any of the two hundred millions of bonds—purchased to keep them out of the way of Liberties—the "temporary" boards should continue to manage the banks.

This amendment, passed in 1918, has been heartily condemned and was clearly unconstitutional.

In the same period a contract was made with part of the "Morgan group" of investment houses, which formed a primary syndicate to distribute and sell farm-loan bonds. Without wholly discounting the alleged patriotic reasons given by members of this banking group for undertaking this sale, it must nevertheless be pointed out that they secured:

(a) Exclusive sale of these bonds for themselves and the secondary syndicate they organized of investment houses in other cities; and that they have maintained these exclusive arrangements over the sale of $1,200,000,000 worth to date.

(b) That they were in position to advise against the continuous offerings of securities contemplated by framers of the law, and recommend periodic offerings of the amounts which they deemed reasonable at such times as they thought it advisable that investors should buy farm-loan securities It has been testified at hearings by members of the early boards that this help was acceptable to the Federal Board. On the resignation of the first commissioner, G. W. Norris, a Philadelphia banker, Judge Lobdell was appointed in his stead. At later hearings he admitted that he had never sold a bond before coming to the Farm Loan Board.

Senator Robert Owen, a leading Democrat, denounced, in a Democratic administration, this method of awarding the bond sale. Owen had been chairman of the Senate Banking and Currency Committee which recommended this act.

W. F. Flannagan, first secretary of the Farm Loan Board, a liberal banker, convinced of the benefits of cooperative credit, repeatedly pointed out to the board various matters in which the board evaded or refrained from fulfilling the provisions of the act. His anxiety covered two main points. He agreed with Owen about the bond sale. He believed farmer stockholders in their associations had been denied justice concerning the right to control and manage their own banks and bond sale. McAdoo gave down an able opinion in support of this latter view. Finding himself out of harmony with the board, Flannagan resigned.

THE RIGHT OF STOCKHOLDERS TO FEDERATE AND SUPPORT THEIR FEDERATION FROM ASSOCIATIONS' FUNDS

Flannagan attempted to inform stockholders of their rights and organize them into a National Union of Farm Loan Associations, each association contributing $10 toward the support of activities eventually to secure restoration of stockholders' control. With his inside knowledge of affairs he was an ideal secretary.

The Federal board spared no effort to break up this National Union. The board demanded that any sum subscribed from funds of the association be promptly restored, in some cases insisting and threatening prosecution under the penal clauses of the act. Nevertheless, unpaid but faithful, Flannagan continued his efforts for farmer stockholders until his death.

THE FIRST MAJOR ATTEMPT BY COMPETING FARM MORTGAGE INTERESTS TO KILL THE SYSTEM

Suit attacking the constitutionality of the farm loan act was brought in Kansas City in 1920. The Supreme Court upheld the act, giving decision in 1921. During this period when agriculture was suffering acute distress the Farm Loan Board shut up shop. Competitors got all this emergency business. During 1921 applications for $296,859,381 were approved. Loans for $73,230,626 were granted by the banks—only 25 per cent of what was needed.

SUIT BY AN ASSOCIATION TO COMPEL ELECTIONS

The Brentwood Farm Loan Association, Elwood Gates, president, later Flannagan's successor as head of the National Union of Associations, sued in the Supreme Court of the District of Columbia to compel the Farm Loan Board to take the necessary steps to enable associations to elect directors in the Berkeley Federal Land Bank. Lester C. Manson entered the lists in defense of farmers at this juncture. He was special investigator in a brilliant investigation of income-tax cases in 1926.

ATTEMPTS TO DESTROY ASSOCIATIONS AND INSTITUTE DIRECT AGENTS

This suit was rendered more imperative by successive bills, to which it appears the Federal Farm Loan Board gave support, which proposed that loans should be made directly through appointed agents, and providing for voluntary dissolution of associations.

Representatives of the board and banks argued that efficiency would be increased and service bettered; that the association was cumbersome, and its secretary often obdurate concerning desires of the banks or the Federal board.

The associations retorted that direct agents would make loans which did not bear the indorsement of any association; that such indorsement, after appraisal of lands by a local committee, was an essential factor in the security behind the bonds. That therefore actual security would be lessened or destroyed. That direct agents upon whom there would be no local check to safeguard the character and distribution of loans, and who would naturally be biddable by the appointive power, would soon constitute an ideal political body. Under these circumstances "any stockholder who did not ask for the voluntary dissolution of his farm-loan association should have his head examined." (Manson.)

The cooperative democratic control of the system would be destroyed forever; chief purpose of the law, self-help, would be defeated; and a situation inimical both to farmers and good government would almost inevitably result. This argument defeated successive bills until 1926. (See Legislation, Section IV.)

FARM LOAN BOARD ADMITS DEFEAT AND PROPOSES COMPROMISE

Before the Brentwood Association's case came to trial the Federal board, admitting defeat, and that some sort of representation must be afforded stockholders, brought Merton L. Corey, counsel to the Omaha bank (paid by stockholders) to Washington, where he spent the winter of 1922–23. He has been said to have written, and at least continuously urged passage of the Strong bill, offering the stockholders right to elect three directors while the Government appointed four. Representations were made by the board in its annual report that the continued sale of bonds rested largely if not entirely on close Government control. Yet every bond sold for six years was purchased with the explicit understanding that these banks were to go into permanent management by stockholders. Certainly, Manson pointed out, "it can not be said that bondholders were induced to purchase these bonds by the fact that these banks were to be managed by political appointees."

Always at the crux of the discussion of stockholders' control appears the pivotal problem: Who shall control the issue and sale of bonds? Arguments follow against removing this from political hands.

Two intermediate credit bills were up in this 1923 session. Supported by the Federal board, by land-bank officials (who appeared to lobby and remained some time about Washington), the Strong bill, betraying stockholders, cheating them of their birthright, was urged until it passed the House. Farm loan officials who advocated it were receiv-

ing a salary and expense money from farmers. Those who testified against it, including Flannagan, Charles E. Lyman, of the National Board of Farm Organizations, and Lester C. Manson gave a great deal of unpaid service. Flannagan died broken-hearted. Lyman's policy on the matter was not appreciated by the organization that employed him and he resigned; Manson spent thousands of his own money, and after the end of the 1923 session retired from the fight. Stockholders lacked any dependable advocate.

The Strong bill in the Senate had not even been discussed. In the last week of the session it was agreed that it had not a chance of consideration. Nor was it ever considered.

SENATE INATTENTION COSTS STOCKHOLDERS RIGHT TO CONTROL AND MANAGE

The three credit bills were referred to a conference committee. In committee the Strong bill was jammed in between the two rural credit measures, with the inconspicuous designation "Title III." At the eleventh-hour session of Congress Senator McLEAN, of Connecticut, reported the conference bill late at night. His synopsis of the compromise measure was totally inadequate, obscuring if not deliberately hiding the fact that the Strong bill, never acted upon by the Senate, was a sweeping revision of the farm loan act depriving stockholders of their guaranteed control of banks then worth three-fourths of a billion, and permanently placing the banks under political management, without even such safeguards as civil service.

New blanket powers were granted under the act.

The loan limit was raised to $25,000.

Two unnecessary new memberships were added to the Federal Farm Loan Board.

The compromise passed without reading, entitled the agricultural credits act, effecting "quasi-confiscation of the property rights of stockholders." Yet by decision of the Supreme Court, stockholders of corporate bodies are entitled to control and manage their own enterprises.

Determination that bond sale arrangements should not be disturbed seems to have gone hand in hand with determination that political appointees should get more and better salaries out of the farmers' banks. Stockholders were helpless to protect themselves. Lobdell resigned and was appointed fiscal agent, the place being made for him by the 12 presidents of the Federal land banks. These presidents' salaries were raised to $9,000, the third raise in seven years, and $1,000 was added for serving as presidents of newly created intermediate credit banks. The fiscal agent's salary was not at this time announced, nor at all until charges made to Senators BORAH and Lodge, involving official acts of the former commissioner, caused BORAH to put in a Senate resolution to secure certain facts about Federal farm loan matters. Corey was immediately appointed a member of the Farm Loan Board.

STOCKHOLDERS PROTEST CONFIRMATION OF COREY—THE SENATE BANKING AND CURRENCY COMMITTEE CONDUCTS AN IMPROMPTU INVESTIGATION

After the death of W. W. Flannagan, M. Elwood Gates, of Brentwood, Calif., managed the National Union of Farm Loan Associations. This organization and several stockholders appeared at their own expense before the Senate committee to protest the confirmation of the new members to the board and to petition for the correction of various abuses in land bank and Federal bureau affairs. (Reference: "Hearings of the Senate Banking and Currency Committee on Nominations to the Farm Loan Board.")

The National Committee for cooperative banks also sent a representative, Gertrude M. Shelby, to whom Mr. Gates gave credentials to act as a representative of the farm loan associations that were members of the National Union.

Corey and Jones had served for months before Congress convened. They were therefore party to actions of the Farm Loan Board which were under question. It was pertinent to their fitness as board members to review these acts.

PRESIDENT HARDING'S COUSIN PREFERS CHARGES AGAINST THE FEDERAL BUREAU

R. H. Coker, a cousin of the late President Harding, employed until the Chief Executive's death as a reviewing appraiser in the bureau, appeared at these hearings to reiterate charges made personally to BORAH and Lodge to the effect that the Federal board maintained a private account in the Franklin National Bank subject to the farm-loan commissioner's check, and that the new fiscal agent, formerly commissioner, was receiving $25,000 a year, paid from that account.

Although acrid aspersions were cast by various individuals indentified with bureaucratic sources concerning Coker's motives, since he had been discharged after President Harding's death, it must, nevertheless, be stated that these principal allegations were upheld.

The representative of the farm-loan associations and the committee for cooperative banks were kindly permitted to cross-question members of the Farm Loan Board at successive hearings of the committee. Facts developed and evidence brought in by the board under compulsion showed that the Franklin National Bank account was derived from a day or two's interest here and there on hundreds of millions of funds (from the sale of bonds) sent from the East to the several land banks. By date this interest was not due the banks; therefore the board set up this account apart from other funds. No books were kept. Vouchers and receipts were missing. Purposes for which the funds had been used were dubious. The amount accounted for by a mere list was $47,000; total accruals were said to have been under $70,000.

SENATOR HOWELL, DECLARING MISAPPLICATION OF FUNDS, ASKED FOR AN ACCOUNTING OF EIGHT HUNDRED AND EIGHTY MILLIONS OF FARM-LOAN FUNDS THAT HAD PASSED THROUGH TREASURY

This minor fund had been detached from the main account without being missed.

Secretary Mellon discovered, when he complied with HOWELL'S Senate resolution, that all the Treasury had in the way of books on nearly a billion of farm-loan moneys was a list of receipts and disbursements. Because these were "private funds" supposedly handled by the Treasury as a mere "accommodation for the banks," this account No. 19189 escaped the strict Treasury rule of monthly audit.

FOR SEVEN YEARS THE MAJOR FARM-LOAN ACCOUNTS HAD NOT BEEN AUDITED AT ALL

The Treasury was obliged to put 10 accountants by day and 10 others by night working in the neighborhood of seven weeks, to compile a record of Treasury transactions that, according to Major Woods, in charge, was not an audit. This account contains much interesting information which the Senate committee did not analyze, nor any later inquirers see, since there were no copies. Accountants employed by stockholders should have studied this in detail and checked by the books maintained by each Federal land bank. It appeared that no central books whatever were kept.

MIXED RESULTS OBTAINED BY HEARING

(a) The fiscal agent and the board commenced to keep books on main funds from this period.

(b) The Secretary of the Treasury ordered the Franklin National Bank account discontinued. The money misapplied, however, was not returned. It could only be obtained by legal process.

(c) Important information was obtained. Nepotism existing was exposed, with some good results.

(d) It was discovered that since the first contract with the Morgan group of investment houses there have been no contracts whatever governing the sale of almost a billion of bonds.

(e) Large funds have been kept on deposit in banks connected with this group. While no damaging testimony was given, the value of control to financiers is illuminated.

(f) The fiscal agent uses land-bank funds on the stock market to sustain the value of bonds in the secondary market. He had used at that time close to a million dollars in such transactions.

(g) Much incidental information; names of men who drew unappropriated expenses and salaries from the private Franklin National account were obtained.

(h) The appointments of Corey and Jones were confirmed.

QUESTIONS RAISED

(a) What does the absence of contracts signify? An exceedingly close relation between the investment firms and the fiscal agent? Exclusive preferential bond-sale arrangements have prevailed from the outset.

(b) Are further advantages derived by banking houses used as depositaries? Lists of such houses should be available.

(c) What warrant in law exists for the use of a revolving fund of farmers' money for speculative manipulation of the bond market, even if such efforts are desirable? If it is considered desirable to continue the fiscal agent's high-paid office, should not the requirements, powers, functions, and salary of such an all-powerful official in determining bond-sale policy for this great system definitely be set in the law itself?

SECOND MAJOR EFFORT OF COMPETITORS TO KILL SYSTEM

In 1924 the farm-mortgage bankers aligned light, water, gas, traction, and insurance companies in a campaign to pass the Green amendment to abolish tax exemption. This was aimed at the Federal land banks, but would have deprived municipalities, schools, and public utilities engaged in public service at cost of their obvious claim to remission of taxes.

During this fight, which came dangerously near success, the existence of the joint-stock land banks was an actual protection to the Federal or farmers' banks. The Treasury favored the amendment. The Federal Farm Loan Board, nominally a Treasury bureau, certainly did not lift a finger to prevent farmers' banks from losing their right of tax exemption, even by a statement concerning the certain effect on the interest rate.

To deprive either branch of the farm-loan system of tax exemption meant that the land banks could not lower interest but must raise it. Eventually that would kill the system. Immediately its regulatory effect would be nullified and the private competitors of the system would gradually reclaim much of the vast business that was lost.

Farm-loan stockholders had no right to spend a cent of association funds to make clear their views. The joint stocks have never suffered any such restriction. The exceedingly able activities of the Joint

Stock Land Banks Association in Washington were largely responsible for the failure to pass the Green amendment, and both branches of the system shared the resulting protection.

FEDERAL LAND-BANK ELECTIONS

Two Senators sent out a questionnaire at this time (BORAH and LA FOLLETTE) and received some 800 replies from stockholders, secretaries, or presidents of farm-loan associations. Immediately on the passage of the intermediate credits act, the Farm Loan Board assembled the bank presidents in Washington. Election methods were discussed, and notices of the election were sent out. The replies to the senatorial questionnaire above referred to in large measure condemned the perpetuation of political control by the Federal board. "The election was a farce," replied a man in the St. Louis bank district. "We nominally were to select four of these directors, one being the director at large—so large by the way that he happens to be the vice president of the Federal bank at St. Paul—the other three being hand-picked favorites of the bank, and, of course, the Farm Loan Board returned the compliment by selecting three good farmers (?) like the president, secretary, and treasurer of the Federal land bank." The "hand-picked" directors were generally all bankers, not stockholders. "Can you tell me," demanded this stockholder, "of any other banking business on earth managed by those not having a cent of money invested in same?"

"As it stands to-day," commented a Montana editor, "the Farm Loan Board is the whole thing. The borrowing farmers (stockholders) are completely disenfranchised."

Unfair elections were complained of in many letters from every district. And stockholders' own money was used to defeat the farmers' candidates and elect the banks', in traveling expenses, wires, long-distance telephones, letters, etc. Appraisers' and other employees' time was devoted to securing results the bank wanted.

COMPLAINTS OF ADMINISTRATION

Since the beginning of the system complaints of importance have repeatedly been sent to the board, to Congressmen and Senators, to banks, and to certain farm journals:

(a) Interest rates too high.

(b) Inadequate service—not enough money found to loan.

(c) Discrimination between applicants or between areas.

(d) Slow and poor service.

(e) Inefficient Federal appraisers.

(f) Unreasonable reduction in amounts granted after conservative local appraisal, sometimes compelling applicants to get supplemental loans from the local bank to clear existing liens, to refund which was the purpose in taking a Federal farm loan.

(g) Undivided profits belonging to stockholders are unduly withheld. The law intended and cooperative practice compels such banks annually to distribute the surplus over and above reserves. Millions have been held under the heading "undivided profits" every year. Stockholders who pay out never get their share. After debating with association representatives whether to allow stockholders book credit or extra dividends from an announced sum of undivided profits, the officers of the banks did neither, according to one of these letters.

(h) Information to which stockholders are entitled is denied by the board and the banks.

(i) Right of stockholders to support a federation out of association funds was denied, and intimidation attempted; in some cases every effort to compel resignation of secretary was used. Threat of holding up applications is reported.

(j) Every farmer in the United States is supposed to be eligible for a loan; yet funds to lend were allotted, regardless of demand, so many to this State or that association. Nevertheless, every applicant pays a fee (at this time $10). When applications can not be satisfied fees improperly assessed are not returned.

(k) Cases were cited of the refusals of small loans. "They cater to the big man and let the little man go unhelped." This is the exact reversal of the intent of the law.

Demand for investigation was made by stockholders.

Senator HOWELL put in a resolution to investigate. It was pocketed.

FARM-LOAN BOARD APPROVES JUNKET ARRANGED FOR MEMBERS OF CONGRESS AT STOCKHOLDERS' EXPENSE

In 1924 members of the House Banking and Currency Committee were invited, at the expense of farmer-stockholders, to "take a swing around the circle." They were royally entertained. They made no report. No action was subsequently suggested upon the vital matter of repealing the unjust sections depriving stockholders of control and management of their own institutions and bond sale.

THE AGRICULTURAL COMMISSION IN 1925 REFRAINED FROM CALLING WITNESSES ON ABUSES OF FARM LOAN ACT

To discharge the responsibility entailed by the foregoing knowledge of the need for protecting stockholders, the secretary of the committee for cooperative banks applied to the commission and submitted the brief required by them before any witness would be heard. The secretary, who formerly had represented also the National Union of Farm Loan Associations, was never allowed an appointment to testify, nor to bring in competent experts.

APPEAL TO WHITE HOUSE THAT PROPERLY QUALIFIED MAN BE APPOINTED TO VACANCY IN 1925

A membership on the board fell vacant. The committee for cooperative banks, through its secretary, urged directly at the White House that at last a man genuinely qualified by knowledge of cooperative banking be appointed to this place. At the same time was pointed out the helpless condition of stockholders; the significant facts turned up in the impromptu investigation of the year before; and a request registered in writing that the White House use its power to clean up the bureau and restore management to the proper place, farmer-owners of the banks.

The Secretary was requested to nominate candidates for the position possessed of proper qualifications, and did so. In due time the committee received assurances from the Assistant Secretary of the Treasury and the White House that farm-loan matters were under investigation. Ultimately, however, the Treasury's interest in farm-loan affairs took quite a different line. The department ignored the farmer-stockholders' plight.

A. C. Williams, of the War Finance Corporation, was appointed to the board. He had no qualification of experience with nonprofit land-mortgage banking. He is said to have been a protégé of Eugene Meyer. This is apparently the point at which Meyer, the present farm-loan commissioner, began to take direct and constant interest in the affairs of the board, although as early as 1921 he was a member of the committee on rural credit in the conference called by President Harding.

SECRETARY MELLON SETS A NEW PRECEDENT

Ex officio chairman of the Federal board, as the Secretary of the Treasury always is, it is not customary for him to attend its meetings in person. Mellon himself did not change this tradition, but sent an Assistant Secretary, Mr. Dewey, to represent him at all board meetings.

Land panic was upon us—State, national, and saving banks were compelled to dispose of their overburden of farm lands; insurance and mortgage companies likewise. Deflation of land values in a large part of the country resulted. The exodus of people from farms became terrifying. The only institution in position to steady the situation, and empowered by law to do so, was the farm-loan system. Land banks are authorized to hold acquired lands five years. The law does not specify that these lands shall be written off before the end of that period.

Yet, instead of recognizing the primary need that all land banks in financial position to do so should hold acquired lands, and that, until the period of financial stringency of agriculture should pass, these banks should be operated with sound leniency, Mr. Dewey presented to the Federal Farm Loan Board a set of stringent rules. They had the appearance of having been mailed, it is said. These Treasury rules would have the effect of compelling the joint-stock banks to charge off acquired lands at a rate which presumably would mean that, to pay dividends, the lands must be dumped on a market that wouldn't absorb them and their value as assets be wiped out. If these banks don't pay dividends they can't sell stock. If they don't sell stock they can't sell bonds. Unless they sell bonds they have no funds to lend.

These rules also required the setting up by these banks of a new reserve account not required by law, which joint stocks found completely unfair, threatening them with a deficit.

JOINT STOCKS IN DISTRESS

After months of debate the Federal Farm Loan Board adopted these rules on November 30, 1925. Immediately the securities of joint-stock banks, which had been selling well, slumped alarmingly. News leaked out that the Farm Loan Board had fallen behind on examinations, that certain banks had suffered from misrepresentations and mismanagement. The Treasury took unprecedented steps. The Farm Loan Board alone had legal authority to conduct examinations of the banks, and objected to the Treasury's proposal to send national bank examiners to help catch up with overdue examinations, on the excellent ground that, since land banks are not banks of deposit and have no demand obligations, examiners familiar with the farm loan act and trained to accurate estimate of land assets were alone fit to do this work. National bank examiners accustomed to provisions in the national banking act could hardly be expected without experience to understand the difference.

Nevertheless, the Treasury sent national bank examiners in December, 1925, without permission of the Federal board, not to all banks, but a picked group. If certain documents filed with the board and congressional committees are even partially true, a congressional investigation would appear to be warranted. The Treasury subsequently sought, and after several trials obtained, certain indictments. The affairs of six or more banks were at first reported to be in terrible condition, although Mr. Dewey himself later testified that every bank in the system was solvent. Yet all joint stocks had practically to cease business for more than a year because of the course pursued by the Treasury.

In June, 1927, the Treasury appointed receivers for two banks on charges of mismanagement. The law sets up two grounds on which a receiver may be appointed—insolvency or default of interest on bonds. Neither condition existed in the case of these banks.

It would appear that banks serving farmers, even when privately owned, are subject to harassments not shared by commercial institutions.

Representatives of the other joint stocks, Mr. Powell and Mr. Selleck, gave testimony worth reading in the hearings concerning certain other charges against this branch of the system, showing that procedures for which land banks were severely criticized by the Treasury were recommended in the printed rules issued by the comptroller for national banks. If six national banks had required special investigation, would the whole national-bank system have been hampered in operation?

The active branch of the system, joint stocks, do not wait for business—they solicit it. This activity rendered the joint-stock branch of the system particularly liable to attack by old-line farm-mortgage interests. It is understood that these groups to-day believe that the row started by those rules, apparently not of Treasury origin, was part of a

THIRD DELIBERATE ATTACK BY COMPETITORS ON THE FARM-LOAN SYSTEM

It is thought by some to have been backed by an important faction within the joint-stock system itself, identified by ownership with certain trust companies and national banks which, while taking advantage of tax exemption under the farm loan act, nevertheless were opposed root and branch to the system. Those who interpret this row this way say that rules which would adversely affect all other land banks than their own might readily have been furnished by this faction to the Treasury with the apparent authority of a disinterested banking organization behind them.

So strong were the representations of the joint stocks to the Federal Farm Loan Board to the effect that fifty-odd banks would be crippled, that the board never enforced those rules of November, 1925. The Treasury was ill pleased. In June, 1926, modified rules were issued under which the joint stocks generally could live.

JOINT STOCKS ENJOY PRIVILEGES DENIED FEDERAL LAND BANKS

The joint stocks were newly required to charge off acquired lands at the rate of 20 per cent a year for five years. They considered this a hardship. Yet lands acquired by Federal land banks have always been charged off 100 per cent immediately upon foreclosure. Lands have not been listed as having any value whatever. This serious discrimination was defended on the ground that, while possibly overconservative, the 100 per cent charge off imposed on Federals was "sound policy." The obvious intent of the act is that these two systems shall be impartially administered.

SUBJUGATION OF THE FEDERAL BOARD TO THE TREASURY WAS THE MOST IMPORTANT ISSUE INVOLVED IN THE JOINT-STOCK ROW

Dewey apparently took the point of view that, although the law gives the Secretary of the Treasury only one vote, the board is only a Treasury bureau; and therefore, like any other department, must accept Treasury dictation. This is not fact. Like the Federal Reserve or the Federal Trade Commission, the Farm Loan Board is empowered with autonomy and independence.

The board demonstrated, in June, 1926, its feeling by excluding Mr. Dewey from its meetings on the ground that the Secretary alone was a member. The term of Cooper, the Farm Loan Commissioner, was almost at an end; Mr. Mellon did not renew Cooper's appointment, but promoted Williams to the commissionership, with the understanding that it was a temporary appointment. And the Treasury prepared legislation, known later as the McLean-McFadden bill, providing for Treasury domination of the banks. The great importance of this is treated later. The legislation failed to pass. The testimony of several members of the board so displeased the Treasury that their resignations occurred. Having failed to achieve by the McLean-McFadden proposal the desired control of the board by the Treasury, the obvious alternative means was utilized; to the memberships vacated the Treasury dictated the appointments, securing a board which would subordinate every consideration to the dictates of Treasury policy.

Eugene Meyer was appointed farm-loan commissioner, after repeated rumors for 18 months that he was to have the place. The other new appointees are war finance subordinates of Meyer, Cooksey, and Harrison. With Williams's and Mellon's votes, no opposition to Treasury policy could be effective. In effect, the farmers' great property is thus completely federalized, although such a result is obviously unjust administration of the law.

NEW ATTEMPT TO ORGANIZE BORROWERS VIOLENTLY OPPOSED BY LAND BANKS AND POLITICAL APPOINTEES

After the adoption of the Farm Bureau's resolutions, Carl Vrooman was appointed head of a national federation of farm-loan borrowers, and the work of organizing the actual members of the system commenced. The officials of various land banks denounced this body, the president of the Texas bank going to the length of writing a vigorous condemnation to associations, warning them to have nothing to do with it. The land banks used publicity resources at their command to check the growth of this perfectly proper federation, charging that Mr. Vrooman was making political capital of the matter, instead of actually taking an intelligent forward step.

III

PRESENT SITUATION

FEDERAL BANKS' REAL-ESTATE ASSETS AND DIVIDENDS

The Federal Farm Loan Board early set up but did not announce an arbitrary and discriminatory policy concerning acquired real estate. Explanation first appears in the 1925 annual report of the board. About 18 months ago notation began to appear on the monthly mimeographed statement of the bank's condition, "All real estate acquired by foreclosure or deed charged off immediately upon acquisition." This meant that lands worth millions in some years (an amount never stated until about 18 months ago, when a new item began to appear—"Less real estate acquired" * * * seven millions or more) was not shown in any way as possession of the system, not valued at a cent as admitted assets. Meanwhile joint-stock banks were allowed to count acquired lands as assets, and are at present only required to write off such holdings at the rate of 20 per cent annually. Had Federals not been handicapped by a charge-off of 100 per cent, stockholders on the farm must have enjoyed greatly increased dividends. Now the handicap is reduced only to 80 per cent.

Furthermore, these actual assets in lands were held in what amounted to secret accounts; and other assets, entered in the financial statements as undivided profits, were held up from year to year—several millions appear in successive statements. Neither of these practices would have been permitted in national banks. The national banking act forbids the keeping of any secret account. If directors do not voluntarily distribute net earnings as dividends in reasonable amount, provision is made that stockholders may apply to the courts to compel such distribution.

Despite the facts that at least two of the Federal banks are known to have been disposing of lands as fast as possible, and that Treasury policy, as expressed in the controversial rules and advices to banks by the board, has dictated that all banks should close out acquired lands as rapidly as possible, the monthly figures for acquired lands have risen steadily month after month, until they stood June 30, 1927, at $14,004,738, practically double the amount of November 30, 1925. This amount was listed neither among assets nor liabilities, but deducted from net earnings in accordance with the charge off of 100 per cent. July 30 this amount had been reduced to $12,000,000, suggesting that Meyer, in power, is pressing for disposal of these assets.

In regard to the subject of acquired lands, it is of the greatest importance that this admittedly huge property of the banks should be safeguarded: (1) By full information about every farm that has been taken in; (2) real and appraised value and loan upon it; (3) by close scrutiny of all transactions by which farms have been disposed of; (4) by amendments to the law which will compel a proper set-up of this real estate account; and (5) removal of discrimination between the Federals and joint stocks in regard to accounting such acquired real estate as assets. In just such discrimination lies a large advantage unfairly enjoyed by joint stocks.

LOCAL SITUATIONS

By 1924 the Spokane Federal Land Bank was heavily overburdened with land. In 1925 delinquencies were such that the bank faced serious trouble. Before default or interest on their bonds occurred—the only condition stated by the act as warranting calling upon other banks for help—the other 11 banks "anticipated the difficulty." They set up without legal authority the Spokane commission. In hearings before the Appropriations Committee is found testimony that the overburden of land amounted to eight or ten millions—whether by appraisal or reappraisal, of what date is not stated. Other banks pledged out of their undivided profits some four million, paying in one million in 1925. No details of the terms of the agreement have yet been furnished and the annual statements of Federal land banks do not usually furnish the highly pertinent facts to stockholders concerning why they have not received full dividends, or upon what basis they will eventually receive dividends from the funds so diverted, assuming that the Spokane Land Bank pays out. It appears that information has deliberately been withheld.

This bank's situation points an important moral. Stockholders of all banks should be assured of information and protection in case of such distress. It should be impossible to hide a secret insolvency, or the terms of agreement by which funds available for dividends are diverted to another bank's use. Stockholders in the distressed bank, which may be unable for many years to pay dividends, should have full facts.

The affairs of the Spokane commission, conducted by three commissioners—one of whom is Willard D. Ellis, of the Berkeley bank—appear to be conducted without sufficient light upon them.

ST. PAUL FEDERAL LAND BANK

Something like a year ago a considerable body of farms held by the banks was dumped at forced sale, some of it going as low, it is said, as $4 an acre. The total price brought by real estate valued close to $1,000,000 was less than $350,000.

This transaction, as well as the Spokane case, indicates the necessity for close scrutiny of all transactions in the disposal of acquired real estate; not merely how much the land brought is necessary to know, but who bought it; what those lands would probably be worth if held the entire five years allowed by law; whether the method of disposal deflated the value of surrounding farm lands; in every particular whether the bank's stockholders have had to accept an unavoidable loss.

Other banks in the system must have suffered heavily from flood losses in 1927. This and the long-continued depression eloquently illustrated by the $14,000,000 of lands the farmer's system had on hand June 30, bespeak the continuing character of this problem and the importance of safeguarding not merely stockholders but all farmers against losses by deflation in land values precipitated by a country-wide policy of dumping any overburden of lands at periods when forced sale on a glutted market means deeper depression for agriculture as a whole.

BERKELEY

A defalcation of some $17,000 or more occurred in the Berkeley Federal Land Bank in June, 1924. Burke, the cashier, confessed to embezzlement. Later he committed suicide. The assistant treasurer of the bank confessed to petty peculations at the time, it is alleged, that Burke's theft was discovered. Later, examiners found that many entries attributed to Burke were in the second man's handwriting. The California Farm Bureau Federation and George H. Sawyer, a stockholder-director of the Berkeley Federal Land Bank, jointly charged that Willard D. Ellis, the president, withheld the information of the assistant treasurer's confession from bank examiners. Discovery of evidence did not result in the assistant treasurer's dismissal. He was retained in bank employ with only slightly limited opportunity for further falsification of the books and only restricted opportunity for further embezzlement. He left in January, 1926.

After delays, hearings were conducted by the Federal board. No steps were taken toward prosecution.

Charges against this president, Ellis, included malfeasance and misapplication of funds: (a) withholding information from stockholders and directors; (b) favoring Utah in the allocation of bank moneys (he is a Utahan); (c) raising the amount of a loan in the absence of the required unanimous approval of the association's officials of the amount; (d) refusing to carry out the orders of the board of directors of the bank; (e) ignoring the requests of local associations; (f) barring directors from access to the bank's records; etc.

It was early in 1927 before the Federal Farm Loan Board gave down its decision whitewashing Mr. Ellis. No steps were taken to interfere with the liberty of the assistant treasurer. The accusation that Mr. Ellis was an abettor of Mr. Shaw implied that if the shielded employee who had confessed to guilt were prosecuted, Mr. Ellis also might have been.

Stockholders in the land banks must rely on prompt and thoroughgoing prosecution of offenders under the penal clauses of the act. That the Farm Loan Board should take two and one-half years to make a decision whether or not to act, and apparently dismiss the charges without specific discussion of each allegation, does not tend to increase the faith of investigators in the competency of that body nor promote belief that the system is even relatively free from political pressures.

The California Farm Bureau Federation renewed these charges in 1927, on the ground that intermediate credit funds and loans had been mismanaged. The charges come before a new commissioner who has opportunity to demonstrate his real interest in justice by conducting clearly impartial hearings.

NATIONAL PROBLEMS

SHALL LOST INDEPENDENCE OF FEDERAL FARM LOAN BOARD BE REGAINED?

Independence of the Farm Loan Board is as important to farmers' banks as the independence of the Federal Reserve Board is to national banks. Formulation of policy should be independent of changing administrations. The handling of immense credit problems should be by specially equipped men who devote their whole time to that and continue in long-term appointments without regard to shifts of Federal administrations; and, finally, in position and empowered to adopt policy not necessarily a unit with Treasury practices.

Subjugation of the Federal board to the Treasury was one of the main issues involved in the joint-stock row. This is vastly important to Federal land banks because:

(a) The farm-loan system has vast possibilities if used as a reserve system for agricultural credit, as the Federal reserve system is used for commercial credits.

(b) Salaries and expenses of the board and land banks and all employees of the farm-loan system are paid for out of land-bank funds, farmers' money. This is a private, not a Federal, bureau, not subject even to Treasury rules of civil service or audit, although nominally connected with the Treasury.

If new appointees who favor subjugation of the Federal Farm Loan Board to the Treasury and the reduction of the board to a mere bureau of that department are confirmed, the complete loss of independence of the board will probably immediately be reflected in a still further loss to the system, even of hope of independence in the operation of the farmers' banks, to the end that interest will be lowered, bond sale controlled, and banks operated by real representatives of stockholders.

Recommendation: That appointees to the Federal board be closely scrutinized and their affiliations and records examined. Those who do not pass muster should be consistently opposed in the Senate. This is a major matter at the present time.

(2) That the autonomy of this board be reestablished by securing an amendment striking out the phrase "a bureau of the Treasury" from the act.

RESTRICT THE FEDERAL BOARD TO SUPERVISION ONLY

Return management to stockholders: Independence of the banks and associations depends on the restriction of the Farm Loan Board to powers of supervision only. The Treasury aptly pointed out at hearings in 1927 that the Farm Loan Board was both managing and supervising; that it was impossible for one body to perform both functions. This is a fundamental truth. The act gave management to stockholders, supervision to the Federal board.

Recommendation: That a complete audit be made of the affairs of the Federal land banks, covering not merely recent transactions but the eight hundred and eighty millions which passed through the Treasury up to May, 1924. Congress may be appealed to to order an investigation and to require strict periodic audit both of Treasury and land-bank accounts and records of the fiscal agent's transactions and expenses of his office. (Specific recommendations later indicate how the Federal board may be restricted to supervision only.)

PREVENT FARMERS' SYSTEM FROM BECOMING AN EXPLOITED SUPERSTATE POLITICAL STRUCTURE SUPPORTED OUT OF FARMERS' FUNDS

Consider the network of associations, averaging about two to a county, over the entire United States; divided between 12 land banks, each covering several States, all under the control of the Federal Farm Loan Board, at present under the Treasury—an ideal machine when manned by political appointees (as it is) for developing a new superstate political system of 12 units, with power to divert from States or areas needed loans; and in command of a huge traveling field force of political appointees upon whose recommendations depend the ability of farmers to secure loans.

This system offers the largest number of appointments not under civil service. Members of the Senate, of both parties, have usually nominated appointees. Appraisers appointed have naturally been assigned to the districts with which they are familiar, usually covering the district of the Senator to whom they are particularly indebted for appointment. These appraisers may never be called on to do favors, but venal legislators could secure a return of favors, if the appraiser proved willing; such as, favoritism in recommending loans in a certain congressional district; a liberal allowance in individual loans; keeping up political fences at no expense to the politician involved. (Appraisers travel at farmers' expense, but stockholders never see the bills and have no power to insist upon economy if they did see them.)

Reports of such occurrence are already current. The land bank is already a political power in numerous districts. The huge power of the millions it annually lends makes Members of Congress in practically every land-bank district take notice. It has power to punish a recalcitrant Senator, without being found out, by refusing him desired patronage, cutting his State short in loans, or instructing these traveling forces to work against this or that man. Similarly it can reward a "good" one.

Federations of secretary-treasurers, most of whom are nonstockholders, have, it is said, on occasion spent stockholders' money with land-bank approval to secure passage of legislation or confirmation of appointees not in stockholders' best interests.

Formerly this was a bipartisan situation. Now, with the Federal board subjugated to the position of a bureau in the Treasury, a single political party—that in power—may utilize all these appointments, for the banks are part of the spoils system. The Treasury now is nominating all appointees.

Recommendation: It is therefore all important that civil service, however deficient a safeguard, be instituted. This may be done without amendment to the law if the President so orders.

Citizens generally should note the inimical possibilities in this situation if one party, or members of both in agreement, sanction or wink at the abuse of lending power or use of farmers' funds to accomplish political results or sustain appointees in power.

FARM LOAN STRUCTURE AND PRACTICES

RECOMMENDATIONS

(a) Voting: Every stockholder should cast one vote. Cooperatives are associations of persons rather than of capital. Instead of the present method of voting of all stock by a secretary-treasurer, who more often than not is not even a stockholder, relieving stockholders of a responsibility that cooperation requires they should personally discharge, the one-man-one-vote plan would encourage participation in land-bank affairs.

This step appears relatively insignificant but is actually important to the responsibile assumption of full control by stockholders.

(b) Stock: Each shareholder should receive actual certificates when he purchases stock in the land bank. These may not be hypothecated nor sold, but actual possession of these securities is important to increasing both sense of property in and responsibility for participation of control in the land bank. Stockholders now receive only receipts; the association holds the shares and the secretary casts one vote for every 20 shares. This constitutes prexy voting, which is noncooperative.

(c) Stockholders only should be secretaries: This is the key position of the association. The man who holds it should have a pocket interest in the association and the land bank. Federations of secretaries now maintained in some districts would become stockholders' federations automatically.

(d) Stockholders only should be eligible to election as directors.

(e) Control of land bank boards should be restored, reducing Government representation to a minority and giving stockholders a clear and full majority of elected directors.

(f) Elections: It would appear desirable to revamp election machinery to permit direct casting of votes locally by stockholders; the safeguarding of the work of land-bank tellers; perhaps by providing for review by stockholders' election committee; the limitation of election expense chargeable to stockholders; stated publicity for stockholder candidates; and provisions concerning the furnishing of lists of names of officers and addresses of all associations in each district. Printed directions to stockholders regarding elections should be sent out.

(g) Cooperative education: The act now provides for the expenditure of moneys, at the discretion of the Federal board, to promote necessary knowledge of cooperation. This has been sparingly availed of in any real sense. District or subdistrict courses might readily be offered to instruct stockholders in the potentialities of cooperative organization for credit of the three particularly needed types: Productive, intermediate, and mortgage; the cooperative spirit might be greatly encouraged.

Secretaries might be offered instruction in farm-loan accounting and business methods which would render them efficient. Without such instruction, able-enough farmers might necessarily stumble along for a considerable period. This is a farmers' enterprise in which their training to self-help requires more than a crutch. Education is essential. Discussion should be promoted, not stifled.

(h) All Federal appointments should go under civil service and a scale of remuneration consistent with both good service and economy.

(i) Except in Territorial or insular possessions branch banks should be abolished. There is no excuse for having a district bank and a branch in the same State. In fact, it would appear that there is no need for expensive branches anywhere.

(j) The membership of the Federal Farm Loan Board should be decreased to five, the original number. Two extra mean unnecessary expense, not only in their own salaries but in assistants, etc. Corey promptly required a subordinate at $7,500, besides other service.

(k) Procedure by which the 12 banks may, if advisable, set up extra bodies like the Spokane commission in anticipation of default, instead of after default as specified in the act, should be authorized by law and duties, responsibilities, and powers defined. Stockholders of all 12 banks should be informed what part of their dividends are devoted to the support of any one or more of the banks in the system requiring assistance.

(l) Information: Two sources of information, the annual report of the Farm Loan Board and the annual statement of each bank, now prove deficient in information to protect stockholders. Reports of financial condition of each bank should contain salient features of the actual conditions and problems of other banks to whose support any actual earnings of other banks of the system must be pledged.

Not merely should full figures be given so that experts employed by farmers would possess all essential information to judge the static condition of their business, but (a) its rate of progression, (b) the basis upon which dividends were declared, (c) expenses of operation and of bond sale, and (d) all items of genuine importance to understanding sources of profit and loss, and essential policies.

RECOMMENDATIONS

(1) That Congress lay down for the Federal Farm Loan Board methods by which, as a Government agency, it can give a model account of its activities; and require that board to provide for all land banks a uniform model report covering all desirable points and such interpretation that such stockholders as are conversant with financial matters would find before them all necessary data.

(2) That an annual statement, not expensively gotten up, be sent to each stockholder, not merely to each association.

(3) That all land-bank monthly bulletins shall go to all stockholders or cease publication. They are now for the most part ballyhoo sheets for their politically appointed managers. Only one of those available appears to contain the right sort of information, and so far as known none go to all stockholders of the district, but only to associations. Their purpose should be cooperative education rather than to strengthen the position of the political land-bank organization. If genuinely cooperative, such a sheet could promote stockholders' meetings which would make for good spirit and acquaintance that would further the election of men of good ability from amongst them.

(4) Publicity through the press and magazines should use all sources, and supply full facts and figures to any willing to help publish discussions of this great agency. The stockholders, rather than the Federal board, should set this policy.

BOND SALE

Recommendation: That with or without stockholder control all arbitrary assumptions concerning bond sales should be tested; for example, that farmers are securing their huge funds at the cheapest market price for money. The bond rate on farm-loan securities is not infrequently 4¾ per cent and never below 4. Would not these tax-exempt securities be tempting to investors, small as well as large, at 4 per cent or lower?

Another arbitrary assumption is that the market will absorb only about one hundred and twenty-five to one hundred and fifty millions of these bonds a year? Is this true? Or is it the preference of the present bond syndicate to offer only this amount?

The needs of agriculture would apparently dictate that every means be tested by which sufficient funds bearing the lowest tempting rate of interest on the bonds be found to lend on all approved applications. A low bond rate means a low rate for farmers.

Continuous marketing would appear advantageous. National banks with trust companies attached sell short-term real estate bonds over their counters. By cultivation of a market for long-term mortgage securities an entirely new type of universal and continuous distribution might be worked out for farm-loan securities. Or former stockholders may market their own securities by setting up a full-fledged fiscal agency which will develop the never-realized anticipation of sale of farm-loan bonds of small denomination to hosts of people rather than big blocks to the rich.

In any case, bond distribution should not be by agreements preferential, exclusive and actually secret, as at present. Contracts should govern sale, and the Farm Loan Board as a Federal agency should furnish a model to corporations by supplying stockholders and bondholders with the facts concerning terms, fees, commissions, and all pertinent data of these important transactions by which the funds to lend farmers are found.

FISCAL AGENT

If stockholders consider a fiscal agent desirable they may properly demand that his duties, powers, and responsibilities be defined by amendment to the act.

Full and direct report should be required in connection with expenses and salary for himself and staff as well as all bond-sale transactions, to stockholders or their elected representatives.

If the secondary market or resale transactions require the use of farmers' land bank funds the act should specifically empower the banks through the fiscal agent to buy and sell securities and safeguard stockholders by the best devisable means.

INTEREST RATE

Farmers, entitled to a sympathetic administration of the farm loan act, may properly insist upon such efficiency of employees and economy of administration, that the interest rate may either be lowered outright, or the same end accomplished by dividends returned if the net earnings warrant, without reference to what may happen to the margin of competitors' profit.

With the greatest land-mortgage system on nonprofit lines in the world we have the highest interest rates. It would appear reasonable that farm organizations and stockholders in the banks insist upon the original construction of the law and the elimination of all unnecessary expense of operation.

LENDING POLICY

This system was started to supply loans, especially to the small farmers whose business was unattractive to regular mortgage concerns because so little could be made upon their business. The raise in the loan limit of Federal banks brings the temptation to favor the large loans which can be written at no greater expense than small loans, excluding many small loans.

If this nonprofit system does not supply small farmers it is acting contrary to principles and assumptions of both law and cooperation.

Recommendation: That new safeguards be set up either by the Federal board or the law to assure that these men get the service it was intended they should have.

INTERMEDIATE CREDIT SYSTEM

Separation of the two sets of banks is clearly indicated. Why? Intermediate credit business clogs the neck of the already jammed farm-loan bottle and renders poorer the mortgage credit service.

Intermediate banks are Government owned. Their securities and their staffs should be subject to such rules as prevail under Treasury regulations. The Government should pay the necessary rents, salaries,

and expenses without asking for estimated apportionment of overhead from political appointees accustomed to assess farmers' Federal banks with nine-tenths of salary and other expenses. Economy in farm-loan overhead will be difficult, if not impossible, to effect so long as the intermediates are housed in land banks and run by the same political employees. Lowered interest rates may follow lowered overhead.

COMPETITION AND OPPOSITION

Organized opposition to both legs of the bifurcated farm-loan system has not only never disappeared but is scarcely less intense to-day than for the last 15 years. From the point of view of certain people the recent troubles of the joint stocks are in the main the result of this opposition.

Dangers take new forms. Predatory interests already discuss means of "developing"—really controlling—agriculture by securing vast areas of land and instituting corporate farming. Corporate farming, if ever instituted, will destroy certain inherent values in farm life and American people. No effort should be spared to prevent the farm-loan system from being used as a means by which detrimental ends may be served. While stockholders may see fit to continue employing investment houses to market securities, they should be independent of the consent or refusal of any group to sell farm-loan bonds. To prevent them from securing access to the market should be impossible. Likewise it should be impossible for any group to obtain control of land banks by the cheap securing of vast quantities of acquired real estate from either branch of the system.

There are two factions within the joint stock land bank system, one allied to big banking interests. The internal fighting in that wing of the system jeopardizes Federal land bank interests to no small extent, even though occasionally joint stocks have actually protected land banks. Field competition is keen between the two branches. Joint stocks are on no ground entitled to tax exemption. Their possession of the privilege endangers the Federal or nonprofit banks' enjoyment of it. Doing business at cost, and presumably serving all comers, whether their business is profitable or not, the cooperatives earn their tax exemption. Rumors of an aggressive campaign on the part of joint stocks to eliminate the Federal banks through securing congressional amendments, lend weight to discussion of the advisability of refunding all joint stock banks' bonds, and terminating the life of this branch of the system.

To the end that Federal land banks may be protected from opposition within or without the system itself, and that abuses of all sorts, only the more obvious of which have been here reviewed, may be corrected, we add the final—

RECOMMENDATION

That Congress be asked to survey the whole farm-loan system with a view to the propriety of eliminating the joint stock land banks and promoting genuine cooperative banking in the Federal land banks through genuine democratic control.

The alternative to actual protection for stockholders by congressional survey and resultant legislation is to demand that the Government, having operated these banks for 10 years without allowing stockholders to protect their own interests as guaranteed, buy out the stockholders of the Federal land banks, voting sixty millions from the Federal Treasury, an amount equal to that authorized for intermediate banks, and operate the two systems thus synchronized under one ownership, under such new safeguards against political exploitation as can be devised.

## IV

LEGISLATION

All pending legislation died with the ending of the last Congress. Measures up the last session and probable new bills of importance in this situation which will be introduced or reintroduced are as follows:

GOOD IN PRINCIPLE

A bill (S. 1036) to permit farm-loan associations to federate to form among themselves State or national unions for advancing the general welfare of all stockholders contributing not in excess of $25 annually to their support from funds of the association. (Senator WALSH of Montana.) This desirable bill has been pending several sessions, but is always killed in committee.

A bill (S. 4048) providing that control of land banks shall be restored to stockholders. Each bank board is reduced to seven directors. Stockholders shall elect six. One shall be appointed by the Farm Loan Board and serve as treasurer at a salary of $7,500 "to represent public interest." Four out of six elected by farmers must be stockholders experienced in farming. No director may act as officer, director, or employee of any other institution or partnership in banking or land-mortgage business. Directors are all to be paid $6,000. The president gets $8,000. This salary covers the intermediate's work also; and one-fourth is to be paid by the Government, three-fourths by the land banks. The main provisions of this bill are admirable; the last provision re salaries should be studied in the light of FRAZIER'S proposal, following. (Senator ASHURST.)

S. 5665: Provides reorganization of the Federal intermediate-bank system, creating a separate Federal intermediate bank bureau in Washington, with a bipartisan board of five members. Each of the 12 intermediate banks is to have a separate board of seven members, "who shall so far as practicable, have the same qualifications and be selected in the same manner and for the same terms as the members of the board of directors for the Federal land banks." Remuneration is to be fixed by the Federal bureau. Employees of the system are not subject to civil service. Loans may not exceed 75 per cent of the market value of warehoused products. Separation of the Federal land banks from the intermediate here proposed is wholly commendable. But the manner of selection of directors of intermediate banks in the same manner as land-bank directors is impossible. Since the Government holds all the stock, the Government will, of course, make all appointments. Employees of the system should positively be subject to civil service, else we shall have a new network of superstate political control through a vast system of paid appointees empowered to lend half a billion or so. (Senator FRAZIER.)

Both BORAH and FLETCHER introduced bills in 1925 or 1926 to reduce the Farm Loan Board to its original number—five. If requested, one or the other would doubtless reintroduce such a bill this coming session.

S. 616: Proposed to extend the rediscount privilege to farm-loan bonds to promote their sale, and for other purposes. If stockholders controlled their own bond sale, they would at once perceive the great value of this privilege. (Senator FLETCHER.)

S. 2001: Provides for the maintenance of a bureau of information by the Federal Farm Loan Board, and for other purposes. This is an idea that might be of value if properly developed.

NOT APPROVED IN PRINCIPLE

S. 4944 (known as the Treasury bill): Proposes to subjugate the Federal Farm Loan Board to the Treasury, transferring from the board to the Secretary of the Treasury fundamental powers of both supervision and management.

(a) The right to examine all land banks, taking over the regular examination forces, but leaving in the board right to make such other examinations as they saw fit. This is divided control of supervision.

(b) Right to impose rules and regulations, over and above stiff requirements of the law, of what shall constitute net earnings. As the law declares that all remaining after 25 per cent of gross earnings is put to reserves, and 5 per cent to suspense, is net earnings, the banks take the point of view that the Treasury proposes to interfere with proper functions of management vested in directorates of the bank in determining disposition of net earnings. After the banks have complied with law they properly hold that the Treasury should not be authorized to pass regulations to compel the setting up of further reserves, nor to interfere with other fiscal policies.

As reported, the Treasury did induce the Federal board so to compel them, an assumption of authority which the Treasury wanted to legalize and exercise itself rather than through the 1926 Federal board. Safeguards of fiscal policy should be adequate. But the law alone should determine what shall constitute net earnings. No supposedly supervising authority should dictate fundamental changes of management in fiscal policy.

Thorough supervision of all land banks is important. Vested in the Federal board by the act, power to examine should certainly not be left in both the board and the Treasury. Divided control means additional expense without compensatory results, and inefficiency arising from confusion.

This bill is wrong in its major assumption that any Federal authority should continue functions both of supervision and management. No bureau can properly exercise both. Management belongs to stockholders, supervision to a Federal bureau.

Other provisions in this bill are also important but not especially pertinent to farmers' Federal banks. (Senator MCLEAN-Congressman MCFADDEN.)

S. 4944 (amendment in the nature of a substitute) (FLETCHER): Does not cure these fundamental errors, and can not therefore be commended. It was compounded as a compromise. It includes, however:

(a) Provisions that farm-loan associations may federate and support their federation out of association funds.

(b) Also a provision that "any officer or employee of a Federal land bank who shall attempt to affect the result of a general election other than by his own vote shall be punished by a fine of $5,000 or by imprisonment not exceeding five years, or both." This may be remarked as the result of political abuses already discernible in the system.

FLETCHER himself protests the principles involved in this bill. "To place their control (the banks') in the hands of the Secretary of the Treasury would be contrary to every fundamental principle on which the system is founded. It would mean the destruction of the cooperative features provided for in the act. It gives one official power of life and death over any bank and the entire system."

Since subjugation of the board has been accomplished through the new appointments it is possible that neither of these bills will reappear.

H. R. 860. A bill permitting the farm loan board to make loans through agents appointed by the board where associations have not been formed or fail properly to serve the needs of the territory is unqualifiedly bad. This bill testifies to the fact that hope of eliminating or superseding associations still lives. (HASTINGS.)

H. R. 9269 passed the House and was pending in the Senate with favorable report when the session closed. It provided:

That every secretary-treasurer of a farm-loan association must be approved by the district land bank board; that the board could adjust compensation of secretaries; and altered (immaterially) the size of the association's board of directors.

This is the important current version of the attempt of political appointees to get rid of "interference" from secretaries—usually stockholders—who do not act with complete subservience to the land bank and Federal boards. Defeated in securing direct agents, finding it probable that the cooperative features of the law will be protected by this proposal, the banks would nevertheless, by the power of vote of association action, gain long-desired control.

While power of vote of any secretary is not so direct as power of appointment, since there is no possibility of associations compelling a reconsideration of a veto, this bill would in effect add 4,600 more paid places to the political patronage of the farm-loan system. Banks could remunerate secretaries as they saw fit, causing the resignation of men of whom they disapproved or rewarding men who served the interests of the political appointees.

If the Ashurst bill or some other restoring control of the land-bank boards to stockholders were to be passed, the sting would be taken out of this bill, although even then the power to adjust compensation would scarcely be needed.

It is probable that this bill, proposed by Representative STEVENSON, of South Carolina, may be revived. STEVENSON was also the inventor, it is said, of the 50-50 plan which deprived stockholders of their rights under the amendments of 1923.

H. R. 7485: Provides for the establishment of further branch land banks; and also that the rate charged to borrowers may be 1½ per cent in excess of the rate borne by the last preceding issue of farm-loan bonds.

The first provision certainly means increased places to be used as patronage and increased overhead.

The second is a raise of 50 per cent in the amount that the land banks may have to spend for salaries, expenses, commissions on bond sale, etc. The law now reads that the interest rate may not exceed 1 per cent—as against 1½ per cent proposed—the rate on the face of the bonds.

H. R. 17402, identical with S. 5832. Provides for the establishment of a Federal investment-bank system to be officered by the Federal land bank officers. These banks are to act as fiscal agents of the United States Government and have power to borrow money, issue and sell debentures, and to buy State and local bonds, issued for the purpose of draining, irrigating, or protecting from overflow land suitable for agriculture.

This investment corporation would be capitalized by the United States to the extent of sixty millions; earnings, if any, revert to the Treasury. Tax exemption is granted.

The proposal is, briefly, that the Government shall help finance local and State improvements by purchasing their securities. From the standpoint of the Federal land banks it is clear that the management of Federal investment banks, in addition to intermediates, would still further clog the small neck of the huge farm-loan bottle. Stockholders in the Federal banks would scarcely find essential mortgage service improved by an added diversion of attention of its board and executives to a new business for which their qualifications are uncertain. This proposal should stand on its own feet, not lean on the overburdened farmers' banks and complicate their administration.

NEW BILLS

Two proposals, the details of which are not yet known, are promised:

(1) The cooperative banking bill by Brookhart, by which the Federal Farm Loan Board, the land banks, and the intermediates are recognized as parts of a reserve system for agriculture, as national banks and the Federal reserve are the primary system for commerce. This measure will doubtless have much to commend it.

(2) A revision of the farm loan act at the hands of the Treasury and, possibly, the Federal Farm Loan Board, is indicated in Mellon's annual Treasury report for 1926. If this bill comes out, it should be closely scrutinized for provisions similar to provisions of the Stevenson amendment, H. R. 9286, the McLean-McFadden bill of last session—if that is not reintroduced—(S. 4944), the McFadden bill, H. R. 7485, and every section should be carefully analyzed. Many things may be done "to tighten up screws" in the system which will prevent stockholders from ever enjoying the best part of the great gift provided by Congress, self-management of their own land-credit system.

EXHIBIT

*Government Land Settlement in Foreign Countries*

[Compiled by Prof. W. W. Long, Clemson Agricultural College, Clemson, S. C., and used in connection with his address on the need of community organization before the conference on reclamation and land settlement, December 14, 1925]

| Countries | Rate of interest | Time given to pay for land or for repaying loan |
|---|---|---|
| | *Per cent* | *Years* |
| Denmark | 3–4 | 65 |
| Italy | 2.5 | 50 |
| Holland | 4.7 | |
| Norway | [1] | |
| Hungary | 4 | 50 |
| Austria | 4–4.5 | 54½ |
| Russia | [2] 4.5 | 55½ |
| Germany | 3.5–4 | 56½ |
| France | 4–4.5 | 75 |
| England | 4 | 50 |
| Ireland | 3.5 | 68 |
| Belgium | 4.5 | 30 |
| Switzerland | 4.5 | 57 |
| New Zealand | 4 | 36½ |
| Victoria, Australia | 4.5 | 36½ |
| New South Wales | 3–5 | 30–40 |
| Other Australian States | 4–5 | 30–40 |
| British and German South Africa | 4 | |
| Chile | 4 | 33 |
| Argentine | 4 | |
| British Columbia | [3] | 36½ |

[1] 3.5 to buy land and 4 to owners.
[2] Principal and interest.
[3] 1 per cent more than the interest on State bonds; 5 per cent at present.

AMENDMENT OF TRANSPORTATION ACT OF 1920

Mr. COPELAND. Mr. President, yesterday the Senate passed Senate bill 3723, a bill to which I had intended to offer an amendment. I give notice now of a motion to reconsider the vote by which that bill was passed, and I move that the House be requested to return it. I have told the Senator from Maryland [Mr. BRUCE] that I shall not stand on technicalities, but will deal with the matter promptly when the bill comes back.

Mr. BRUCE. Mr. President, there is no possible objection, but I would like to have the motion for reconsideration taken up at the earliest possible time. The bill was unanimously passed after being unanimously approved in the committee, and while I have no objection at all to the request of the Senator to make his motion for a reconsideration I would like to have it come up at as early a date as possible because it is getting late in the session and the bill will have to go to the House for action upon it there.

Mr. COPELAND. Would it be proper for me to offer my amendments to the bill at this time?

The PRESIDING OFFICER. The present occupant of the chair understands the Senator from New York is now offering a motion to recall the bill.

Mr. BRUCE. If there is no objection, I would like to have the motion taken up right now and disposed of, if possible, by unanimous consent.

The PRESIDING OFFICER. The bill must first be returned to the Senate from the House before the motion can be considered. All that can be done further at this time is to enter a motion to reconsider, which has been entered.

Mr. BRUCE. That is true, undoubtedly.

Mr. COPELAND. I move that the House be requested to return the bill to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

ERADICATION OF PINK BOLLWORM AND CORN BORER

Mr. KING. Mr. President, yesterday the Senate passed Senate Joint Resolution 129, providing for the eradication of the pink bollworm, and House bill 12632, providing for the eradication or control of the European corn borer. In my opinion those measures need some further consideration in order to protect the Government and to adopt some policy that will not be a very dangerous precedent. I therefore desire to enter a motion to reconsider the votes by which each of those measures was passed.

The PRESIDING OFFICER. The RECORD will show that the motion has been made. Does the Senator desire to have the measures recalled?

Mr. KING. I move that those two measures be recalled from the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2126) to provide for compensation of Ona Harrington for injuries received in an airplane accident, and it was signed by the Vice President.

NAVAL APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, the pending question being on the amendment of Mr. BLAINE, as modified.

Mr. HEFLIN. Mr. President, I would like to inquire just what is the parliamentary status of the Blaine amendment. My understanding is that the Senator from Nevada [Mr. PITTMAN] has offered an amendment to the Blaine amendment, which is now pending, and that the Senator from Tennessee [Mr. MCKELLAR] has offered a substitute for the whole amendment as amended.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The first question will be on the substitute offered by the Senator from Tennessee. After that is disposed of the question will recur on the adoption of the amendment offered by the Senator from Nevada to the amendment of the Senator from Wisconsin.

Mr. HEFLIN. Does the amendment of the Senator from Tennessee cover the whole proposition as a substitute for the Blaine amendment and the Pittman amendment?

The PRESIDING OFFICER. It is a substitute for the entire subject matter, in the opinion of the present occupant of the chair.

Mr. HEFLIN. Then I will wait until a vote is had on the amendment offered by the Senator from Tennessee before I offer an amendment to the other proposition.

Mr. EDGE. Let the amendment offered by the Senator from Tennessee be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 53, after line 17, insert:

*Provided,* That no part of the appropriations made in this act shall be used for the purpose of maintaining marines or troops in the Republic of Nicaragua on and after February 1, 1929, unless specifically authorized by the Congress: *And provided further,* That the restrictions here imposed shall not apply if the President shall land troops temporarily for the protection of lives and property under international law or the Monroe doctrine.

Mr. WALSH of Massachusetts. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edge | Keyes | Schall |
| Barkley | Edwards | King | Sheppard |
| Bayard | Fess | La Follette | Shortridge |
| Bingham | Fletcher | Locher | Simmons |
| Black | Frazier | McKellar | Smith |
| Blaine | George | McMaster | Smoot |
| Blease | Gerry | McNary | Steck |
| Borah | Gillett | Mayfield | Stephens |
| Bratton | Goff | Metcalf | Swanson |
| Brookhart | Gooding | Moses | Thomas |
| Broussard | Gould | Norbeck | Tydings |
| Bruce | Greene | Norris | Tyson |
| Capper | Hale | Nye | Wagner |
| Caraway | Harris | Oddie | Walsh, Mass. |
| Copeland | Hawes | Overman | Walsh, Mont. |
| Couzens | Hayden | Phipps | Warren |
| Curtis | Heflin | Pittman | Waterman |
| Cutting | Howell | Ransdell | Wheeler |
| Dale | Johnson | Reed, Pa. | |
| Deneen | Jones | Robinson, Ind. | |
| Dill | Kendrick | Sackett | |

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. BLAINE], as modified.

Mr. MCKELLAR. Mr. President, the Senator from Wisconsin [Mr. BLAINE] introduced the first amendment which was offered by anyone, and the amendment which I offered has been proposed as a substitute for his amendment. I think probably the amendment of the Senator from Wisconsin ought to be voted on first. I ask unanimous consent to withdraw my amendment, in the nature of a substitute, with the understanding that I may offer it immediately after the Blaine amendment is voted on, unless it should be adopted.

The VICE PRESIDENT. Without objection, the amendment in the nature of a substitute submitted by the Senator from Tennessee is withdrawn. The question is on agreeing to the amendment submitted by the Senator from Wisconsin [Mr. BLAINE], as modified.

Mr. NORRIS. Mr. President, I offer the substitute which I have heretofore submitted in order that it might be printed.

The VICE PRESIDENT. The clerk will read the proposed substitute.

The CHIEF CLERK. On page 53, after line 17, insert the following:

*Provided,* That after February 1, 1929, none of the appropriations made in this act shall be used in Nicaragua to pay any expenses incurred in connection with acts of hostility against that nation, or any belligerent intervention in the affairs of that nation, or any intervention in the domestic affairs of that nation, unless war has been declared by Congress: *Provided further,* That such limitation shall not apply in the case of actual physical attacks upon American citizens or their property, or the immediate danger of such attacks, at any time, when the forces of the United States may be used by the President for strictly protective purposes without the consent of Congress, and appropriations may be used to pay the expenses of such protective action.

The words "acts of hostility" and the words "belligerent intervention" shall include within their meaning the employment of coercion or force in the collection of any pecuniary claim or any claim or right to any grant or concession for or on behalf of any private citizen, copartnership, or corporation of the United States against the Government of Nicaragua, either upon the initiation of the Government of the United States or upon the invitation of any official or other person claiming to be an official of Nicaragua.

Mr. BLAINE. Mr. President, if it is within the rule, I desire to announce that I will accept the substitute proposed by the Senator from Nebraska for the amendment offered by myself.

Mr. BORAH. Mr. President, what is the effect of the acceptance? Does that make the amendment of the Senator from Nebraska the pending question before the Senate?

The VICE PRESIDENT. It does. The amendment of the Senator from Nebraska is, of course, open to amendment.

Mr. BORAH. Mr. President, so far as the principle stated in the amendment is involved, I have no objection to offer; but I am unable to escape the conclusion that by reason of this being an amendment to an appropriation bill we evidently would make the Comptroller General the determining judge of how this policy and this law should be executed. I have investigated the matter, based upon the practice obtaining with reference to such questions, and undoubtedly the President would be compelled to make his showing to the Comptroller General before he could execute this policy. Under those circumstances, I shall vote against the amendment. I am not willing to make the President's power to protect life and property of our citizens dependent upon his being able to satisfy the Comptroller General of the necessity of his doing so.

Mr. NORRIS. Mr. President, I stated a while ago, when there were only a few Senators present, what I wish now to restate in a brief way.

The argument made by the Senator from Idaho has, in substance, been also made by several other Senators. However, I call attention to the proposition, and it seems to me we can not escape from it, that any danger of running up against the Comptroller General exists now just as it would exist if my amendment were agreed to. If we agree to the amendment, the only way in which the Comptroller General could interfere would be to say, "The President has not the power in that limitation on the appropriation bill; in other words, the President has used the Army or the marines or the Navy in Nicaragua contrary to that limitation, and, therefore, I shall refuse to approve this expense, whatever it may be."

On the other hand, suppose we do not adopt this limitation, suppose we say nothing, then the Comptroller General can say, when any item of expenses comes from Nicaragua under the existing conditions, "The President has violated the Constitution of the United States when he incurred these expenses. The President has not complied with the law of Congress. There is no law that gives him permission to do this. What he has done is contrary to international law, and, therefore, I decline to approve it." I can not myself understand that that particular proposition has anything to do with the matter. It exists to the same extent now that it would exist if the amendment were adopted. I do not conceive that the Comptroller General will do anything of this kind, either under existing law or if the amendment is adopted. He will not question the discretion exercised by the President of the United States, without any doubt.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. BROUSSARD. Who will inform the Comptroller General of the condition existing in Nicaragua?

Mr. NORRIS. Who informs the Comptroller General now of what exists in Nicaragua?

Mr. BROUSSARD. I do not think he has any information at all.

Mr. NORRIS. He probably has not and may never have any more.

Mr. BROUSSARD. That is the very question which arises.

Mr. LA FOLLETTE. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. Certainly.

Mr. LA FOLLETTE. I will state that it is my information that the Comptroller General has passed upon the question in an order which he issued on the 15th of September last. In a ruling then issued he passed upon the field allowances of officers engaged in the Nicaraguan expedition, and approved them upon the ground that our forces were in a state of war with Nicaragua.

Mr. NORRIS. I did not know of that decision, but I am very glad to know that the Comptroller General agrees with me in what I have labored so hard to convince the Senate was the condition down there.

Mr. CARAWAY. Perhaps he knows war when he sees it.

Mr. LA FOLLETTE. I merely offer that in vindication of the statement made by the Senator from Nebraska, to the effect that the Comptroller General is forced now to pass upon this question indirectly.

Mr. NORRIS. The principal point I want to make is that, while this is liable to come before the Comptroller General, the adoption of the amendment, as far as I am able to see, does not have anything to do with it. It does not change the condition a particle as far as its liability to come before the Comptroller General is concerned.

Mr. BORAH. Mr. President, the amendment provides:

> That after February 1, 1929, none of the appropriations made in this act shall be used in Nicaragua to pay any expenses incurred in connection with acts of hostility against that nation, or any belligerent intervention in the affairs of that nation.

Now, who is to determine whether they are acts of hostility? The amendment lays down a specific rule, makes a specific condition upon which the appropriation may be utilized. It calls specifically upon the Comptroller General to determine in each particular instance whether the particular conditions specified in the amendment exist. Before the President could act he would undoubtedly, under this provision, have to make a showing to the Comptroller General as to whether the specific facts existing here were in existence at the time he was proposing to utilize the troops.

Mr. NORRIS. Why would he not have to do that now? Would not the President have to go to the Comptroller General if that theory is right and show now affirmatively, which we all know he has not done?

Mr. BORAH. The difference is that there is no specific rule now naming specific conditions upon which appropriations may be used. The President acts under the general authority which he has under the Constitution of the United States to do these things; but here we specifically provide that the appropriation is not available until certain conditions which we name herein are found to exist. This appropriation can not be used except upon certain conditions and those conditions must be determined under this amendment by the Comptroller General.

Mr. NORRIS. Mr. President, the Senator from Idaho says that under existing conditions at the present time the President acts under authority that he now has to use the Army or the Navy. What is to hinder the Comptroller General from saying, "Under the law as it stands now you have no authority to use the Army or the Navy or the marines for this purpose"? In my judgment, the President has not such authority. I suppose, from what the Senator from Wisconsin [Mr. LA FOLLETTE] said, the Comptroller General thought that and had to construe that a condition of war does exist in order to give him the authority.

The President has not gotten any authority from Congress directly, and he can not do anything contrary to law. There must be law under which he acts, whether it is statutory law, international law, or the common law. He must have some law or he can not send his troops down to Nicaragua. He goes on the theory that he is acting under the law right now. But suppose the Comptroller General says, "You are wrong about that. There is no such law that permits you to do it." He could hold him up now just as he could then.

Mr. PITTMAN. Mr. President, there is nothing to take place under the terms of the pending amendment until after the 1st of February next. By that time the election in Nicaragua will have taken place. By that time the new government will have been inaugurated. After February 1 we will assume that there will be some marines in Nicaragua. The question arises, Why are they there? The Comptroller General says, "Why should I authorize the payment of expenses for marines in Nicaragua after the 1st day of February?" The President would reply, "I am keeping a certain number of marines at certain points because I believe there is danger of attacks upon our citizens." Would not that be a sufficient answer? It would be a complete answer, because the amendment itself provides that there is no limitation on the appropriation in such a case.

Mr. BORAH. Does the Senator admit that the President would have to make that showing to the Comptroller General?

Mr. PITTMAN. He would have to make that showing then just as much as he would now, if the Comptroller General insisted.

Mr. BORAH. But does the Senator admit that under the pending amendment he would have to make a showing that the facts exist which justify the expenditure of the appropriation?

Mr. PITTMAN. Certainly not. As I said the other day, the President of the United States would not pay any attention to a question about the constitutional authority. The Comptroller General would not ask it. The Comptroller General, however, has just as much right to-day to inquire as to the facts in determining whether or not he is going to approve an act as legal as he would have after this amendment is agreed to.

Mr. SWANSON. Mr. President, will the Senator yield?

Mr. PITTMAN. Just a second.

This amendment has not anything on earth to do with the Comptroller General. As a matter of fact, you ask what is going to happen after February 1. Nothing is going to happen before that, because there is no limitation on the appropriation prior to that. One of two things is going to happen after February 1. Either the President is going to take the marines out of there, or else he is going to leave them in there. He should not leave them in there unless there is danger of attack upon our citizens. If there is danger of attack upon our citizens he has the constitutional right, irrespective of any amendment, to keep them there; and all that we have done in this proposition is to reaffirm his constitutional right, and say that no limitation shall be placed on it. There is but one excuse after February 1 to keep troops there, and that is the constitutional right he has, and the constitutional right is set up in this very amendment. If he keeps them there after February 1 under his constitutional right to protect American citizens against the danger of an attack, there is no question under any law or under this amendment that can be raised against it.

Mr. SWANSON. Mr. President——

Mr. BORAH. I yield to the Senator.

Mr. SWANSON. If the Senator will permit me a minute, the difference between the condition that would arise if this amendment should be adopted and the condition to-day is this:

We appropriate money for the marines. We appropriate money for the Navy. The only proof that the Navy Department has to make to get this money is that it is used for the marines or for the Navy. If we put this limitation on the marines or on the Navy, further proof will have to be furnished according to the limitations and conditions here imposed. It really makes the Comptroller General pass specifically and clearly on the facts as to whether this money is not spent for the marines, not spent for the Navy—they can not change from the marines to the Navy—but whether it is used for the purposes outlined in the limitation. There can be no doubt about that.

We had this thing all during the war, limitations sought to be put on; and I contended all the time that the foreign policy of this country ought to be settled by the Foreign Relations Committee in the regular way.

When you try to enforce a policy by a limitation on the use of money for certain purposes, you make the Comptroller General the arbiter of your foreign policies, as to whether the limitation is complied with.

If this amendment does not go on the bill, it will be necessary to prove that the money is spent for the marines or for the Navy or for the navy yards, and that is all; but if this limitation is put on, the Comptroller General must determine, and he alone, as to whether the limitations are complied with.

Mr. WHEELER. Mr. President, if I understand correctly the arguments made by the Senator from Virginia and the Senator from Idaho, both of them have stated that they felt that the President of the United States had exceeded his constitutional power in having the marines supervise the election that is about to take place in Nicaragua. I challenge my friend

from Virginia to point out any provision in the Constitution of the United States that gives the President of the United States any authority whatsoever to supervise an election down in Nicaragua. He has no more right to supervise that election than he has a right to supervise an election in Ireland or in China or in Russia or in any other country.

If the President has exceeded his constitutional power, then it seems to me it is not only the right but it is the duty of the Comptroller General at the present time to hold up the approval of the expenditure of money in that manner.

This amendment simply reiterates the President's constitutional power. If he is exceeding it here, then, of course, they should not go ahead and pay out the money for the marines if he keeps them there after February 1 in violation of the provisions of this law, which they themselves say is the same as the constitutional power.

It seems to me that the arguments presented by both of these distinguished Senators do not carry out the idea that they would seem to convey to the Senate; that they do not want the Comptroller General to direct the foreign policy of the United States.

I sincerely hope that the amendment will be agreed to. Frankly, I do not like the idea of bringing up the Nicaraguan matter in this manner; but, as I said the other day, this is the first time that any of the Members of the Senate have had a chance to vote upon any question that had to do with Nicaraguan matters. Resolutions have been introduced and referred to the Foreign Relations Committee asking for an investigation of Nicaraguan affairs; and while the Senator from Virginia says that investigation has been had, the fact of the matter is that the resolutions that were introduced and sent to the Committee on Foreign Relations were never reported out of the committee; never brought back for discussion upon the floor; and the only investigation that was made concerning the matter, as I understand—I may be wrong about it—was that some of the naval officers or the marine officers were called before the committee.

I submit that the President of the United States, in sending the marines to Nicaragua and in making an agreement to supervise the election, exceeded his authority in both instances. It has been stated upon the floor of the Senate, I think by the Senator from Virginia [Mr. SWANSON] as well as the Senator from Idaho [Mr. BORAH], if I recall his statement correctly, that in their judgment the lives of no Americans were in danger down there, and likewise that no American property was in danger down there at the time that they were sent in there.

Last summer, while I was in the Orient, I happened to meet a former general who was, I think, one of the first ones to be sent into Nicaragua, and he told me this rather amusing story. I shall withhold his name for obvious reasons, but he said:

> When we first went down to Nicaragua, we went down there because of the fact that the La Luz y Los Angeles Mining Co. wanted certain concessions from the government that was then in power. They were unable to get them, and for that reason the La Luz y Los Angeles Mining Co.—

Which was a Pittsburgh concern, and for which ex-Secretary Knox was attorney—

> started a revolution. The marines were sent down there, and they wanted to prevent the army of the Government from wiping out the revolutionists, so they wanted to get the marines into the interior. They did not have any excuse to get the marines into the interior, because of the fact that there were no white men and no American property in the interior where they wanted to get them. So they picked up a beach comber, and they took this beach comber into the interior and set him down there, and then took the marines in there for the purpose of protecting this beach comber, and then notified the regular army of the Government and said to them, "You can not shoot in this direction, because if you do here is an American life, and you might accidentally hit him."

He said:

> So the Government's army, the regular army, moved around to another place and started to come down toward the La Luz y Los Angeles mining property; and they again moved the beach comber and said, "Now, you can not shoot in this direction, because if you do you might hit this American who is over here."

So he said that they just constantly took this beach comber and moved him around from place to place until the regular army threw up their hands, and the revolution became successful because of the fact that they were unable to compete with the marines and the movements of this beach comber.

That, if you please, was the starting of our movements down there in Nicaragua.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. WHEELER. Yes.

Mr. SHORTRIDGE. Does the Senator believe that fairy story?

Mr. WHEELER. I not only believe it, but it was told to me by a very responsible citizen who is at the present time connected with the Army of the United States, and I have not any reason in the world to doubt his honesty or his sincerity.

Mr. BORAH. Mr. President, the Senator will not object to giving his name to the Committee on Foreign Relations?

Mr. WHEELER. I shall be very glad to give it to them, and I will say to you that I am quite sure that if you ask for him he would be very glad, indeed, to come before your committee and testify to what took place.

That was the beginning of our movements in Nicaragua; and from that time on we have had the marines in there, off and on, from that day to this. Our whole relations in connection with Nicaragua, in my judgment, have been a disgrace to the United States of America; and the idea of sending somebody down into Nicaragua to supervise an election seems to me preposterous. As somebody has very well said, if we are going to use the marines to supervise elections we should have sent them out to Chicago and had them supervise the last election out there, or we should have even sent them up to Philadelphia and had them supervise the election in the last senatorial race in that great State. We ought to take the beam out of our own eye before we go down and say that these people down here in this little country of Nicaragua are not capable of ruling themselves.

For my part, I want to say that I think the Senate of the United States ought to go on record here and now and say to the country that we do not approve of the actions of the administration in sending marines down there and keeping them there for the purpose of supervising an election, or for chasing down bandits. If we are going to have them chase down bandits, let us have them go out and chase down the bandits out in the city of Chicago.

We have just as much right, I repeat, notwithstanding the statements made on the floor of the Senate, to send them into Ireland, we have just as much right to send them into Germany; we have just as much right to send them into France or Italy as we have to send them into Nicaragua; and I challenge anybody on the floor of the Senate to point out where there is a provision in the Constitution of the United States or the laws of the United States or any treaty of the United States that gives us a right to send them down there.

Mr. BROUSSARD. Mr. President, the Senate has found it necessary to organize proper committees in order to consider in an orderly way the business that is presented before this body. If the President of the United States has violated the Constitution in Nicaragua, this matter should be referred to the Judiciary Committee. On the other hand, we have another committee—the Foreign Relations Committee—to which this very matter was referred. The committee has not refused to act on this matter, but has reported unfavorably a bill which is now on the calendar, so that those who wish to find a pretext for violating the rules of another committee are not correctly stating the facts of the situation. Anybody may at any time ask that this bill which is now on the calendar be taken up.

Some people claim that this is the only way of expressing the wishes and the will of the Senate in this matter. I wish to make this inquiry, because, although I have not attended all of the discussion, I have not heard anybody refer to this particular phase of it:

We know that the officers of the Marine Corps are not in position to consult the Comptroller General when they have orders to go to Nicaragua or to go elsewhere. They must obey these orders. If the Judiciary Committee has failed to function, as some people seem to charge, or if the Foreign Relations Committee has functioned improperly, why should the Marine Corps be called upon to disregard orders and to consult the Comptroller General before they go? Who is to be punished if they are sent there and subsequently the Comptroller General rules that it was in violation of this amendment? These people would be deprived of their pay.

Let us deal with this proposition as we should, discuss it and take it up in its proper place, and not impose it upon this appropriation bill. I do not think we can get satisfactory results in that way. We ought to be advised by the Judiciary Committee on the constitutional question, and we ought to be advised by the Foreign Relations Committee as to these conditions, rather than to refer them in the future to the Comptroller General.

Mr. HEFLIN. Mr. President, I ask to have read as part of my remarks the joint resolution which I send to the desk.

The VICE PRESIDENT. Without objection, the joint resolution will be read.

The Chief Clerk read Senate Joint Resolution 127, introduced by Mr. HEFLIN on April 9 (calendar day, April 12), 1928, as follows:

Senate joint resolution (S. J. Res. 127) requesting the President to withdraw from Nicaragua the armed forces of the United States or obtain authority from Congress to keep them there

Whereas the Government of the United States is founded upon the principle of self-government; and

Whereas it is incumbent upon the constituted authorities of the United States to recognize and respect at all times the right of self-government in other nations; and

Whereas the sending of armed forces of the United States into a neighboring Republic for the purpose of overthrowing a government resulting from the expressed will of the people is wrong, inexcusable, and indefensible; and

Whereas American marines have been in Nicaragua, under the direction of the President, for more than a year, and have engaged in war with natives of Nicaragua, killing citizens of that Republic and having some of their own number killed by Nicaraguan natives; and

Whereas the sending of armed forces into Nicaragua to protect and defend Diaz, the impostor and usurper, and hold him, against the will of the people, in the office of President, to which he was never elected, is an act of imperialistic tyranny, and in injustice to the natives of Nicaragua, who love the principles of self-government well enough to fight and die for them; and

Whereas the Constitution of the United States provides that Congress and Congress alone shall declare war: Therefore be it

*Resolved, etc.*, That the President is hereby requested either immediately to withdraw from Nicaragua the armed forces of the United States or to obtain authority from the Congress to keep them there.

Mr. HEFLIN. Mr. President, I wanted that resolution of mine to appear in the proceedings at this time. I want to say to the able Senator from Louisiana that I have had a resolution pending in the Foreign Relations Committee for many weeks. The committee finally reported it adversely, but the opposition has prevented action upon it by the Senate. I introduced this other resolution, the one just read, later, and no action has been taken upon it by the committee.

Senators, this is a very important matter; this is a history-making period with this body and with the Senators who are participating in this particular discussion. We are face to face with the question as to whether or not we are going to insist upon the right of Congress to declare war. The Constitution positively declares that Congress and Congress alone can declare war. We are face to face with the question as to whether or not we are going to surrender and turn over this constitutional authority to the Chief Executive of the Nation. Senators who are familiar with the history of the governments that have perished know how they went to their death.

The chief executive, the monarch, king, the single head, has taken unto himself every other power he could possibly take. The people's representatives, under one influence and another, have surrendered their powers to him, until finally there is a one-man power, and then the representatives of the people became mere figureheads and rubber stamps; and I regret to say that this country has entered upon that same dangerous and deadly rôle.

We find the Senate divided to-day as to whether or not we are going to throw safeguards around the lives of American boys, and protect them against such useless slaughter as has been going on in Nicaragua, where they have been sent to follow people who slipped out of the United States, who have given up their citizenship, no doubt, many of them, and intend to live in Nicaragua always. They have gone abroad with money they made in the United States and invested it in hazardous situations in Nicaragua.

The people in that country have a right to have a revolution if they want it, and they have been having one. Jefferson laid it down as a fundamental principle that the people have a right to overturn the form of government under which they live and set up another if they want to, and our soldiers have gone down there following these reckless globe-trotters and adventurers, who have gone into Nicaragua and set up business amongst dangerous surroundings.

I get the impression, I can not escape it, that some people are moved more by their desire to protect the financial interests of just such adventurers than they are to protect the lives of these American boys already down there, and those back at home who are liable to be called at any moment to go there.

Senators, Lincoln laid down a great principle when he said, "I put the man above the dollar." We are reversing that doctrine to-day; we are putting the dollar above the man. Some seem to be asking what matters it if these boys are killed? They are protecting some man who, perhaps, has acquired a gold mine in Nicaragua under very questionable circumstances, and who may be holding it by the strong arm of the military power of the United States. What do we care about that? We have not time to investigate those things.

The dollar of the American imperialist has been carried on down the imperialistic road, and we are told that the flag must be carried to it and the boys must go to it, and if they must make that highway run red with their blood, what of it? That if they leave their bones along that road to bleach in the sun, what difference does it make?

As Frank Stanton, of Georgia, said:

> What care we for wrongs and crimes,
> Its dimes and dollars, dollars and dimes.

Has the Senate surrendered and expressed to the imperialists its willingness to enter upon this imperialistic road? Is the Congress, which Jefferson thought would be in an hour like this the saving power of the Nation, now to be sidetracked, surrender its power, or yield to the usurpation of its power, and say, "We do not want to offend the President or to ruffle his feelings. We should not let the Constitution stand between us and the discharge of our partisan obligations to him."

Senators, we have reached a critical point on this question in this country. The position taken by some Senators in this debate has shocked and astounded me. Senators who ought to be standing here fighting to protect these American boys in their right to live are talking about not interfering with the President's power. I would not interfere with his rights and powers, and I am not doing so. I take the position to-day, and I am ready to debate the question with any Senator here, or anybody elsewhere, that the President is overleaping the bounds fixed by the Constitution, is violating the Constitution when he keeps the armed forces of the United States in Nicaragua, engaging in warfare for more than a year, without ever consulting Congress, and asking its authority or consent to keep them there.

What objection have Senators to this amendment of mine? Let me read it. It is short. It does not go into the question of whether we shall stay there and hold this election or not. I hold that we have no right to do that. We have not any more right to do it, as the Senator from Montana [Mr. WHEELER] has said, than we have to go into France, or any other country, intrude ourselves upon the people there and hold an election because some interest in that country may form an alliance with some greedy interest in our country, and therefore make a demand upon our country to send troops over there into another foreign country.

This amendment of mine does not say anything about whether the troops are to remain there or not. It does not say anything about whether the policy is right or not. It does not attempt to lay down a plan for the future, as to what the President may do with the marines. Listen to the reading of it:

> That none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility by United States marines in Nicaragua unless and until the President shall obtain from Congress consent to keep them there.

Senators, what excuse are you going to give to the sovereign power back of you, the voting power of your States, the fathers and mothers of these boys, when they ask you why you were not willing to vote to call upon the President to come to the Congress and the country and tell the Congress why he wanted to keep these marines down yonder, and ask Congress to give him its consent to keep them there?

I have stated before that President Wilson did such a thing; he sent the troops to Tampico and to Vera Cruz, but he asked Congress to approve his course and Congress did so. If Mr. Coolidge has a good, sound reason for keeping the marines in Nicaragua, I dare say Congress would grant its consent for him to do so. Then, what harm can arise from having him come, as the head of the Nation, and consult with the law-making body of the Nation, the war-declaring power of the Nation, and getting its consent that he may keep the marines there? It would show a proper appreciation of the separate and distinct rights and powers of Congress. It would strengthen the President's position; it would satisfy everybody. If Congress should agree with the President, the people generally would say, "Oh, well, Congress has given him its consent, and I guess it is all right to stay down there until after the election."

If Congress should fail to give its consent to keep the marines in Nicaragua any longer under the circumstances, it would show that Congress had the patriotism, the intelligence, and the

courage to hold Congress and the President true to the Constitution of the United States.

Is Congress to be condemned for seeking to obey the Constitution? Here is the attitude some Senators are about to assume, it seems to me, that you are not willing to meet that question, or that you are going to vote for the mildest measure possible that will say, "He can stay there until after the election," and by such action commit Congress to the proposition that it is all right to go into foreign countries with our armed forces and hold elections there.

In voting for my amendment Senators would not have to go on record on that proposition. In voting for my amendment they would not be embarrassing the President. If it embarrasses the President to ask him to go to the lawmaking body of the Nation and get that body's consent to do a thing that will kill American boys in foreign countries, I am ready to embarrass to that extent any President, whether he is a Democrat or a Republican, because I think we should exhibit more concern for the well-being and safety of the American boy.

I think we are putting too low an estimate upon the rights and lives of American boys when we are ready to hurry them into our ships and send them down to Nicaragua by the thousands, put them into the jungles of Nicaragua, have them die with disease and be killed in war down there, the joint financial interests of certain Americans and Diaz. It is a deplorable situation.

The Senator from New York [Mr. COPELAND] this morning was telling us how sad it was that a man named Marshall, an American, had been killed down there. If that is true I am truly sorry. But frankly I would like to have a couple of days to confirm the report that that man has been killed just at this particular time. Senators will pardon me. I have been up here a few years with some of you who have been here for some time, and I have seen these war-scare dispatches in the papers in Washington when some critical hour struck this Capitol and the law-making body. The first dispatch telling us of new troubles in Nicaragua came yesterday morning. Do Senators recall it. In that hurriedly arranged dispatch Sandino's men had just taken into custody a few guards about a mine, but they had not killed anybody. That dispatch coming in here just before a vote is to be had on the Nicaragua question was too tame, but this morning they "have produced the goods." One man, they tell us now, has been killed.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. NORRIS. The dispatches yesterday said that this little band of Sandino's bandits had taken 250 men prisoners. Did it occur to the Senator that there must have been quite a band of them to do that?

Mr. HEFLIN. I thank the Senator for calling my attention to that. Two hundred! I did not think Sandino had more than enough men to make a baseball team. Must have more than 3,000 marines down there now.

Senators, let me give you this suggestion: If these marines who have been sent down there by the hundreds and thousands had been guarding that American property, this little bunch of Sandino's schoolboys could not have taken charge of the mine in question. Let us reason together a moment. Does it not look as if our forces kinder withdrew protection from that mine temporarily just at this particular time? Suppose you were trying this case in a court would not somebody ask, "Where were the marines when this American-owned mine was seized? Why had they left this property unprotected? Is not their neglect of duty responsible for this thing?" They would certainly ask those questions. Then why can not we ask them in this Chamber and in the great court of public opinion, and in the name of the fathers and mothers of America, and the boys in Nicaragua, and those who are yet to go down there to be killed, may I not ask, "Where were the marines?" They are down there, and they will be there, we are told, until the election, to guard the property. Where were they when this mine was taken? Had Sandino fooled them and lured them away, or had they drifted away in order to let something startling happen just before a roll call on this question in the Senate of the United States? Those questions would be asked in a court. Why not ask them here?

I told a Senator yesterday morning that I had read that "timely" dispatch from Nicaragua, and I said "the old war-scare artists are on the job." We were to vote the other night, and we got it to go over until the next day and when, no doubt, somebody communicated with them and told them that the vote had not been had and it would be helpful if something of interest and of a startling nature could appear next morning in the Washington papers. So lo and behold the next morning they had this startling statement the Senator from Nebraska told us about, a little bunch of Sandino's boys capturing 200 Americans. Were they Americans? Does the Senator from Nebraska know?

Mr. NORRIS. They were employees of this mining company.

Mr. HEFLIN. Employees of this mining company?

Mr. NORRIS. The Senator is wrong in the number; it was 250.

Mr. HEFLIN. Two hundred and fifty! It gets worse and worse.

So, Mr. President, it was 250 that they took, but no blood had been shed. This morning, however, they tell us that they have found an American who had been killed. I regret that if it is true, but I want to inquire of the Navy Department. It will probably take a couple of days to verify that, and find for certain just what the truth is. But this quick action on the part of the publicity bureau in Nicaragua in speeding these last two dispatches to Washington just preceding a roll call on the Nicaraguan question, and the prompt results produced right here in the papers at the Capital, remind me of what happened with one of our American negroes in France during the World War. They had them in the trenches, and told them to be very quiet. After sitting there for about four hours and hearing no noise, one of these negroes said, "Where is all dese Germans, anyhow? I don't believe there is any of them around. What's de use sittin' here all housed up and quiet like this?"

They told him he had better be quiet, that the Germans were not far away. He said, "Which way is dey?" They said, "Over this way." He said, "I'd just like to look at 'em. I aint never seen one of 'em." They said, "You put your head up above the surface and they will shoot it off." He said, "No, suh, dey couldn't do dat." They said, "They would shoot your hand off." He said, "I don't believe that." They said, "They would shoot your finger off." He said, "I know dey couldn't do dat." "Well," the men said, "hold your finger up there and see." He stuck his finger up and said, "Come on wid your bullets; come on wid your bullets, you Germans." Bing went one of the bullets, and shot his finger off right at the last joint next to his hand. The negro boy snatched it down and said, "They shore do give you quick service, don't dey?" [Laughter.]

So, Mr. President, that Nicaragua publicity bunch sure did give their hard-pressed friends here quick service. We were just about ready to vote, when something exciting and startling comes rolling in upon us from the Diaz régime in Nicaragua. Two hundred and fifty are held up and taken by, I suppose, three or four of Sandino's men, and are taken prisoners, and they are holding them now, depriving them of their liberty, and looting the mine, all just before we vote.

As the able Senator from New York told us this morning about the killing of this American citizen, I thought about those two American boys who were alive six weeks ago, and who were sent from Quantico, Va., down to Nicaragua, and they were sent out in their airplane, flying low, spying around the rocks on the mountain to see if they could find any rebels or bandits, as we call them, and a frightened buzzard flew up, got tangled with the propeller, broke the blades, and the plane fell and killed both of those fine young American boys. I have not seen any tears shed here over them. God bless them and their loved ones. They were sent down there and they lost their lives in a miserable, unholy, and inexcusable war.

What have we done? We have gone down there where four-fifths of the people of Nicaragua were up in arms against a bastard and bandit government? They were whipping them to a frazzle. They were marching against the capital to drive a usurper and imposter out, to put back their representative in the office of chief executive, when this big Government appeared on the scene, with unfurled flag and drawn sword, smiting the natives hip and thigh, and telling them, "Get back, back, back into the mountains. We have come here to protect Diaz and hold him in office." "What! Against the will of four-fifths of the natives?" "Yes"; and they stood guard over him and held him in that positon. The people of that nation were burning with righteous resentment and indignation against this great Government, this Christian Government of the western world, for drawing its sword and shedding the blood of and killing patriotic natives who are fighting for self-government.

Then what? Diaz said, "I can not last a day unless the American marines stay here and protect me." He told Congressman DRANE, of Florida, "If you withdraw your armed forces they will drive me from power in 24 hours." This Government was there to hold him in power despite the desire and will of the people of Nicaragua.

Then what? We offered to do a very generous act. We said, "Come up here, you Conservative fellows who are in the Diaz army. Stand there, you little group. Come up here, you Liberals"; and up came the frightened and intimidated Liberals, representing four-fifths of the people. "Now we are

going to disarm both of you and we are going to take charge. We are going to hold the national election."

Then what? Sandino and his followers finally said they would not be bound by such a plan and broke away. Then, when the Congress of Nicaragua found what had happened, what did it do?

The Nicaragua Congress stood with Sandino and four-fifths of the natives against Diaz and his little group of so-called Conservatives and the invaders of the United States. Now, let us inquire: "Mr. Diaz, where is your army?" "Out yonder, far removed from the battle line in places of ease and safety." "Are any of your soldiers in danger?" "Oh, no; not one of them." "Are any of your soldiers dying now to protect this bastard government?" Senators, American boys in a foreign land far from home, are fighting against the will of the natives, against the congress of the country, fighting to protect the property of adventurers, spilling the best blood in America, killing our boys in such an unholy cause, and we can not even get Congress to vote to say that the President shall not continue to have them killed in such an unholy cause unless Congress consents for him to do it.

Senators, I appeal to you in the name of the uncounted American dead already in Nicaragua; and I say "uncounted" because I have tried to find out and I do not know yet how many have been killed down there. I appeal to you in the name of the boys living who may yet go there to fight and relieve the army of Diaz so that the men of Diaz may sit back far removed from danger while our boys are ordered to march out on the battle front, shed their blood and give their lives in violation of the time-honored principles and policies of the United States, setting an example that will haunt this Government in the years to come, and stirring up strife in Central and South American republics that will disturb us and injure us in the days yet to be. I call upon the Senate to forget for a moment the plaint of the dollar of the imperialists and come back to the Constitution, back to our own country, and think for a little while of the American boy who is to be a citizen one day, who is entitled to enjoy his life, liberty, and property as a citizen in a Government which was created for and dedicated to the welfare of the citizens.

Mr. CARAWAY. Mr. President, I am conscious that the Senate is impatient, and I apologize to it for taking a moment of its time.

I had hoped that we might not vote upon this amendment for fear whichever side we might espouse, that we would be misunderstood. I do not believe that the President of the United States is disregardful of the Constitution of the country as he sees it. I do not believe that we are in Nicaragua for mercenary purposes. I do not believe that my country is doing consciously an act which brings it into disrepute.

But, on the other hand, I can not agree that the Constitution grants to the administration, whether it be Democratic or Republican, the right to use armed forces to supervise an election in Nicaragua. Therefore I am compelled to vote for this amendment. In so doing I shall be misunderstood.

I am not unmindful, Mr. President, that the discussion, and the vote which is to follow, may encourage those who are in arms in Nicaragua to continue their opposition to the policy to which we have committed ourselves. I am not unmindful that it may cost the lives of some of the marines who are down there now obeying the mandate of the President of the United States. Therefore, if I may be permitted to say it, without offense, I appealed to Senators on each side of the aisle who are most interested in the matter to reach some kind of an agreement by which we may carry over the discussion, and final vote to determine the policy of the Government, to a period beyond the date of the election in Nicaragua. No such agreement could be arrived at. Unfortunate then as it is, disastrous as it may be, certainly unpleasant as it must be, each of us has to face the situation and declare by his vote what he thinks the constitutional right of the President of the United States to be. We can not limit it; we can not enlarge it. We can merely declare our own views with reference to it. We can declare it effectively, of course, by limitations upon the right to expend money, because he who holds the purse strings can control the Government.

I want to be understood that I am not impugning the motives of anyone on either side of the controversy. I am not impugning the motives of the President of these United States, for let me say here, Mr. President, as a partisan—and I am—that upon occasions when partisanship might be permitted to have some leeway I have criticized the President when I thought he ought to be criticized.

I have never, however, in the Senate sought to hamper him in the discharge of his duties as President of the United States, nor have I ever said about him anything that could be truthfully construed as an intimation that I had any doubt of his patriotism. I do not want this vote to be so construed.

Again, I say, I wish we could have escaped the necessity of voting upon these matters at this time, because on whichever side we vote we will be misrepresented. If the amendment be voted down, it will be proclaimed that the Senate of the United States recognizes that the President has the authority of the Constitution and the law for the continuation of the marines in Nicaragua. If the amendment shall prevail, the hostile press will say we have rebuked the administration; that we have declared that we have been engaged in an unlawful enterprise; that the President has been willfully disregardful of constitutional limitations. Therefore, I say, we will be misunderstood whichever way we vote. It is unfortunate that we have to vote. I am compelled, however, to vote my honest conviction. I can find no warrant in the Constitution for the President to supervise an election in Nicaragua, especially where there is no treaty giving us such a right or imposing upon us such an obligation.

I fail to be impressed, however, by the suggestion made that we are compelling the President to submit his foreign policy to a subordinate department of the Government. I do not think any department ought to want to be above the law. I think it is always fortunate when the lines that a department may travel are well marked. The Department of Justice, the War Department, in fact, every department of the Government must finally submit their accounts to this agency which we have created to see that the people's money shall be expended only in accordance with law. I think this one department, though I have never seen the gentleman who presides over it, has been one of our most useful agencies.

I do not think there is any persuasive force in suggesting that the President ought not to be compelled to expend the people's money in accordance with the law and the Constitution. I can not imagine any friend of the Government or any friend of the President of these United States insisting that he ought to be above both the Constitution and the law. To argue that we ought not to make him submit to the agency which we have set up to supervise his expenditures, is to say that we ought not to require him to observe the law or to respect the Constitution. I can not think of a friend of the administration making such an appeal. Therefore I shall vote for the amendment, much as I think the time inopportune.

Mr. BORAH. Mr. President, I am in sympathy with the view expressed by the Senator from Arkansas that, however we may vote upon the pending amendment, that vote will not represent our full views with reference to all the conditions and facts and principles with which we have had to deal. It is impossible by a vote upon a brief amendment to an appropriation bill to express one's views.

Before the vote is taken I desire to give expression to some of the principles which I think are involved. They do not have an immediate bearing upon the amendment, and are not presented for that purpose, but rather as an expression of my view of the principles which ought to obtain in matters of this kind.

First. The Congress alone may declare war—this power is exclusive.

Second. The President is Commander in Chief of the Army and the Navy and enjoys this authority by virtue of the Constitution. He is also directed to faithfully execute the laws of the land. International law is a part of the law of the land.

Third. It is the duty of the Government, when necessity arises, to give protection to life and property of our citizens in foreign countries. The protection to life and property of our citizens in another country does not necessarily constitute war or intervention in the internal affairs of such country.

Fourth. The President is only authorized or justified in employing the armed forces of the United States in foreign countries when actual physical attacks are being made or threatened to the life and property of our nationals or when a condition of lawlessness prevails which endangers life and property. The justification for the exercise of that authority is immediate danger, actual or threatened, and the extent of the authority is protection to such life and property.

Fifth. In case of actual physical attacks upon our citizens or their property, or in case of threatened attacks or great danger thereof, the forces of the United States may be used for protective purposes without the consent of Congress. When, however, the action assumes the aggressive, consisting of taking over the control of territory, to interfere with the affairs of another government, or to engage in conflict with foreign troops, or to determine between two contending forces which is the government, these things can only be constitutionally done under the authorization of Congress.

Sixth. Mr. Cass, as Secretary of State, makes the distinction as follows:

Our naval officers have the right—it is their duty, indeed—to employ the forces under their command not only in self-defense but for the protection of the persons and property of our citizens when exposed to acts of lawless outrage, and this they have done both in China and elsewhere and will do again when necessary. But military expeditions into the Chinese territory can not be undertaken without the authority of the National Legislature.

Seventh. Thomas Jefferson said:

The law of nations makes an integral part of the laws of the land.

Alexander Hamilton said:

The customary law of nations binds the United States.

The Supreme Court of the United States has said:

International law is a part of our laws and must be ascertained and administered by the courts of justice of appropriate jurisdiction.

The President of the United States is charged with the duty of enforcing the laws of the United States. Under international law one nation has the right to use force, if necessary, for the protection of the life and property of its citizens located in another country.

The President is not only therefore justified, but the duty devolves upon him in the enforcement of the law to protect the lives and property of citizens in foreign lands, even if necessary by the employment of armed forces of the United States. But in protecting our citizens in a foreign country the President is limited to defensive acts. Beyond the giving of protection beyond security to life and property of citizens when attacked or threatened he has no power to go without the authority of Congress.

Eighth. In our effort to protect the life and property of our citizens in foreign countries when in danger, that effort should be free from aggression or deliberate interference with the domestic affairs of foreign governments or the people thereof; it should proceed upon a scrupulous regard for the independence and sovereignty and rights of foreign governments and peoples. Our efforts should be that of cooperation and stability, not of aggression and destruction.

Ninth. When our nationals seek investments in foreign countries, or travel abroad, they are under obligation, both by international law and every principle of justice, to submit themselves to the laws, courts, and institutions of that country and abide by and act in accordance with them. And it is only when government itself is unable to function or when such discrimination is practiced or lawlessness prevails as to amount to an attack, or threat of attack, upon life and property that our Government is justified in interference or extending its protection.

Tenth. The assumption of foreign investors that when they go into foreign countries, particularly backward countries, they carry with them as a part of the attributes and rights of citizenship and to be guaranteed and assured to them by their home government, the standards and practices and rules and enlightened principles of their home country, is not only based upon no principle of international law, but is a rank injustice to the taxpayers and citizens who remain at home. The ordinary risks and conditions of those countries they accept when they choose to enter such countries, and with them they must be content so long as they wish to reside or remain in such countries.

Mr. WHEELER. Mr. President, I realize that every Member is anxious to have a vote upon this question; but in view of the fact that the distinguished Senator from Idaho has just quoted from Thomas Jefferson and other illustrious statesmen, I desire to quote from a statesman who I know you will all agree is equally as great as Thomas Jefferson or Alexander Hamilton or Daniel Webster. I am going to read just a few passages from a book entitled "The Monroe Doctrine, an Obsolete Shibboleth," by Professor BINGHAM, in which he states:

Our policy toward the Republics of Central America has undergone a startling development since the beginning of President Roosevelt's administration. In the words of a recent minister to Honduras, our policy has changed "from simple mediation and scrupulous nonintervention, to a policy of active, direct intervention in their internal affairs; and secondly, these interventions have become as startlingly frequent as they have become increasingly embarrassing in character.

"The dangerous trend of such a policy toward an actual intermeddling in the administration of these countries, would seem fairly obvious. Such a result, from every point of view, whether of the United States, of the State immediately affected, or of other Spanish-American States, would be as lamentable as it would appear unnecessary."

Of our armed intervention in Cuba it is scarcely necessary to speak, except to refer in passing to the newspaper story, credited and believed in Cuba, that if American troops are again obliged to intervene in the political life of that country, they will not be withdrawn as has been the practice in the past.

Again, on page 43 the distinguished statesman from Connecticut says:

Personally, I believe that it ought to be an adopted principle of international law that the armed intervention of creditor nations to collect bad debts on behalf of their bankers and bondholders is forbidden. If this principle were clearly understood and accepted, these bankers and underwriters would be far more particular to whom they loaned any great amount of money, and under what conditions. They would not be willing to take the risks which they now take, and many unfortunate financial tangles would never have a beginning. It is natural for a republic which has great undeveloped resources, much optimism, and a disregard of existing human handicaps, to desire to borrow large amounts of money in order to build expensive railroads and carry out desirable public improvements. It is equally natural that capitalists seeking good interest rates and secure investments should depend on the fact that, if the debtor country attempts to default on its national loans, the government of the creditors will intervene with a strong arm. It is natural that the money should be forthcoming, even though a thorough, businesslike, and scientific investigation of the possessions and resources of the borrowing nation might show that the chances of her being able to pay interest, and eventually to return the capital, were highly problematical, and to be reckoned as very high risks.

Millions of dollars of such loans have been made in the past. It is perfectly evident that many of these loans can not be repaid; that the time is coming when the creditor nations will look to us as the policeman, or "elder brother," of the Western Hemisphere, to see to it that the little boys pay for the candy and sweetmeats they have eaten.

Again, Mr. President, he says on page 64:

Surely enough has been said to make it perfectly evident that the leading powers of South America are abundantly able to take care of themselves and are in a position to laugh at the old Monroe doctrine.

If these powers dislike and despise our maintenance of the old Monroe doctrine, it is not difficult to conceive how much more they must resent the new one. The very thought that we, proud in the consciousness of our own self-righteousness, sit here with a smile on our faces and a big stick in our hands, ready to chastise any of the American Republics that do not behave, fairly makes their blood boil. It may be denied that this is our attitude. Grant that it is not; still our neighbors believe that it is, and if we desire to convince them of the contrary, we must definitely and publicly abandon the Monroe doctrine and enunciate a new kind of foreign policy.

The present Monroe doctrine is simply a "petulant and insatiable imperialism," and its development is "a superb, audacious, and mortifying notification to the Latin peoples of the continent" of our strenuous desire either to absorb the small republic or to become the supreme arbiters of their destinies.

Again, the same distinguished statesman, on page 102, says:

At all events, let us face clearly and frankly the fact that the maintenance of the Monroe doctrine is going to cost the United States an immense amount of trouble, money, and men.

As has been repeatedly pointed out in Europe, the Monroe doctrine is as strong as the American Army and Navy, and no stronger.

Carried out to its logical conclusion, it means a policy of suzerainty and interference which will earn us the increasing hatred of our neighbors, the dissatisfaction of Europe, the loss of commercial opportunities, and the forfeiture of time and attention which would much better be given to settling our own difficult internal problems. The continuance of adherence to the Monroe doctrine offers opportunities to scheming statesmen to distract public opinion from the necessity of concentrated attention at home, by arousing mingled feelings of jingoism and self-importance in attempting to correct the errors of our neighbors.

If we persist in maintaining the Monroe doctrine, we shall find that its legitimate, rational, and logical growth will lead us to an increasing number of large expenditures, where American treasure and American blood will be sacrificed in efforts to remove the mote from our neighbor's eye while overlooking the beam in our own.

The character of the people who inhabit the tropical American republics is such, the percentage of Indian blood is so great, the little-understood difficulties of life in those countries are so far-reaching, and the psychological tendencies of the people so different from our own, that opportunities will continually arise which will convince us that our intervention is required if we continue to hold to the tenets of the Monroe doctrine.

It is for us to face the question fairly, and to determine whether it is worth while to continue any longer on a road which leads to such

great expenditures, and which means the loss of international friendships.

It goes on to the same effect.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. WHEELER. Yes, indeed.

Mr. NORRIS. I do not know whether the Senator has been here during all the debate; but, in fairness to the debate which has taken place, which has been of a very high order, I should like to call the attention of the Senator from Montana to the fact that all the argument made in that book, every bit of it, has been completely repudiated and exposed and explained away by the very able speech of the Senator from Connecticut [Mr. BINGHAM] made a few days ago.

Mr. WHEELER. I did not know that he had inserted these paragraphs in the RECORD; and I felt, in view of the fact that other distinguished statesmen have been quoted here and their views given, that it was only fair to the Senate that we should have the quotations from the distinguished professor from Connecticut.

Mr. NORRIS. The Senator now is reading from Professor BINGHAM?

Mr. WHEELER. Yes.

Mr. NORRIS. I want to call his attention to the fact that Senator BINGHAM has completely overthrown the argument of Professor BINGHAM.

Mr. McKELLAR. Mr. President, will the Senator state what the date of that book is?

Mr. WHEELER. It was when he was a professor. It was first printed August, 1913, 1,500 copies; second printing, October, 1913, 1,000 copies; third printing, February, 1915, 750 copies.

Mr. BORAH. Mr. President, in fairness to the Senator from Connecticut, I think it is perfectly apparent that a Senator's judgment is much superior to the judgment of a professor.

Mr. WHEELER. I think the professor's judgment was much superior to that of the Senator.

Mr. BORAH. The Senator does not mean to say that he is in favor of abandoning the Monroe doctrine?

Mr. WHEELER. Oh, no; I do not go as far now as Professor BINGHAM went then.

Mr. NORRIS. The Senator is on his way.

Mr. WHEELER. I may eventually become as radical as Senator BINGHAM was when he was a professor.

On page 108 he continues:

So widespread and malevolent are the agencies now at work throughout Latin America to prejudice the public against the United States we ought to make every effort to have our real feelings known. Our foreign policy must be clearly formulated. We ought to take one road or the other, either to publicly repudiate this outgrown Monroe doctrine, or else accept the logical consequences and hold ourselves responsible for the maintenance of law and order throughout the Latin-American Republics.

On page 110 he states:

If it is necessary to maintain order in some of the weaker and more restless Republics why not let the decision be made, not by ourselves, but by a Congress of leading American powers? If it is found necessary to send armed forces into Central America to quell rebellions that are proving too much for the recognized governments, why not let those forces consist not solely of American marines, but of the marines of Argentina, Brazil, and Chile as well?

So it will be noticed that when the Senator from Connecticut has just returned from a trip through Central and South America he wrote this book absolutely repudiating the Monroe doctrine, stating that it ought to be abandoned entirely; yet I understand to-day that this same distinguished gentleman now takes the position that we not only ought not to abandon the Monroe doctrine but that we ought, as a matter of fact, to send the marines down there into Nicaragua to protect these vicious bankers that he talked about, and their property, and American lives, and that we ought actually to go down there and police their country, and run down bandits for them, and supervise their elections to see to it that their officials really give them a fair election down in that little backward country of Nicaragua.

Mr. President, it has been stated on the floor of the Senate that we owed it to the rest of the countries and to the people of the United States to keep our promises to the country of Nicaragua. I am very anxious indeed to keep the promises that we have made to Nicaragua; but, you know, the trouble is, we have made so many promises to them that I am at a loss to know just which one we ought to keep. I know that some say that it ought to be the last one that we made.

We first made a promise to the people of Nicaragua that when the five-power treaty was ratified we would not recognize anybody who came into power by means of a revolution or a coup d'état. We went back on that promise. I say "we went back on it"—the Senate of the United States did not go back on it, but the administration and the State Department went back on it, because they deliberately recognized Diaz, who came into power in violation of the five-power treaty. He came in there by means of a coup d'état, and was a part and parcel of Chamorro's coup d'état.

Then, secondly, after we recognized Diaz we sent marines down there, and we said—I say "we said"; the administration said—that we were going to be strictly neutral. Every Member of the Senate remembers when the administration, through the "official spokesman" at the White House, said to the press of the country, "We are sending these troops down there, but they are going to remain absolutely neutral." Then they came out and said, "We are sending them down there because we ought to do it under the Monroe doctrine." Then they said, "We are sending them down there because of the fact that we are going to protect lives and property"; and when they found that there were not any American lives and property in danger, then they said, "We are going down there to protect these men from the onslaughts of bolshevism that are coming on." They did not keep the marines neutral, as they had promised them to, but they went out and declared neutral zones from time to time and from time to time, until they actually made it possible, or attempted to make it possible, for the Diaz régime to win out. When even that was not successful, then they went down there and simply demanded that the Liberals lay down their arms, and said that when they did that they would see to it that they had a fair election.

So I say to you that we first promised them that we would not recognize anybody who came into power by reason of a coup d'état. We violated that promise that we made to those people. There is not a question of a doubt about it. Secondly, we promised them that our marines would be absolutely neutral. We violated that promise that we made to them. So when these distinguished statesmen get up here on the floor of the Senate and say, "We are in duty bound to keep our promises," I should like to see us keep our promises, but I should have liked to see the administration keep the first promise that we made, and then I should have liked to see them, if we did not keep the first one, keep the second one that we made.

I think we owe more to the people of the United States than we owe to the people of any of these Central American countries. I think we owe it to the men and women of this country to see to it that American boys are not sent down into Nicaragua or into any other country for the purpose of chasing bandits. I think we owe it to the mothers of this country to see to it that American boys are not sent down there to be slaughtered just because of the fact that somebody wants to protect some foreign investments down there.

You can vote as you please; but I am going to say to you this afternoon that the American people are going to hold you responsible for the vote that you cast here in the Senate this afternoon. They are going to say to you, as the paper said here the other day, and all the papers are going to say, that when you turn down this amendment you are voting to uphold the administration in sending the marines down to Nicaragua in violation of the Constitution of the United States, and that you are putting your stamp of approval upon American marines going in and supervising elections in foreign countries.

Mr. BINGHAM. Mr. President, I shall take only a moment. I think, in fairness to the author of the book from which the Senator from Montana has so fully and freely quoted, that it ought to be said that the book was written before the Great War, at a time when no one believed such a war was possible, and that as soon as possible after the Great War, the very year after the Army was disbanded, the author of that book wrote an essay on the future of the Monroe doctrine, in which he frankly stated that he had been entirely mistaken.

I ask unanimous consent that that article may be printed in connection with the quotation read by the Senator.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

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THE FUTURE OF THE MONROE DOCTRINE[1]

By HIRAM BINGHAM, Litt. D., professor of Latin American History, Yale University

Six years ago I published a little book in which I undertook to show that one of our most popular shibboleths, the Monroe doctrine, had become obsolete. It now becomes my duty to admit that the book was founded upon premises which have turned out to be false.

[1] A paper presented before the American Historical Association at its annual meeting in Cleveland, Ohio, December 30, 1919.

In the first place, I assumed that when we said Monroe doctrine we referred to that presidential message prepared in 1823 by President Monroe under the influence of his able Secretary of State, John Quincy Adams. A great part of that message has become obsolete. The sentence "With the existing colonies or dependencies of any European power, we have not interfered and shall not interfere," became obsolete in 1898 and has had no force since then. The sentences immediately preceding and following it, however, in which Monroe says that we should consider any attempt on the part of the European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and that "we could not view any interposition for the purpose of oppressing * * * or controlling, in any other manner," the destiny of the independent American governments "by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States," are still very much alive and in the future must be extended so as to cover both European and Asiatic powers.

When the American people say they believe in the Monroe doctrine and that it has a future, they do not mean to subscribe to the balanced policy laid down by President Monroe, but rather to the spirit which prompted John Quincy Adams to reject the proposals of Canning and to enunciate the doctrine that the United States proposes to look out for the Western Hemisphere and does not need or care for European interference in so doing. Further than this it hardly needs to be said that the words of the Monroe doctrine have been twisted and turned to mean many different things or that public writers have never been willing to agree as to details.

In the second place, my thesis was based on the supposition that European nations had long since lost their tendency toward despotism and were quite as democratic as many American republics. And that therefore it seemed ridiculous for us to pretend that the Monroe doctrine was a necessary element in our foreign policy.

It is hard to realize to-day what things we regarded as axioms six years ago. Although in my little book I did say "it is conceivable that there may come a day when threatened foreign invasion or racial migration will make it appear advisable for us to reassert the principles of the original doctrine of America for the Americans," I had not the slightest inkling of an idea that one of the great world powers would begin in 1914 to give an exhibition of military despotism such as had not been seen since the days of the Huns and the Vandals. It hardly need be said that anyone who would have ventured to predict that a nation to which we looked for advanced ideas in education, science, and efficiency, which our students of municipal affairs visited in order to study improved social conditions, whose masterly handling of the difficult problems of foreign trade and international exchange won the admiration of our leading business men, and whose ability to promote scientific research for its own sake won the approval of our foremost educators—that such a nation would be capable of turning back the clock 1,000 years, carrying on piracy on a gigantic scale, rejoicing in the murder of women and children, approving the action of naval officers in sinking life boats filled with noncombatants, and breaking at pleasure scores of rules which had been formulated and adopted by the civilized nations of the world—anyone who would have ventured to predict such an event would have been considered to be mentally unbalanced or guilty of the wildest jingoism. Yet these are things which we have actually seen come to pass during the past six years.

In the third place, it was assumed that the stronger powers of South America would naturally be willing to join us in defending the Americas from any possible aggression on the part of the powers of the Old World. Although one of these powers—Brazil—always our best friend among the southern republics, did so join us during the World War, the most important Temperate Zone powers—Argentina and Chile—declined to sacrifice any chances of gain by placing themselves with the Allies, and refused to fight against the enemy of civilization. Furthermore, it is well known that Mexico stood ready to aid our enemy and the enemy of republican institutions as far as she possibly could. The case of Mexico was, perhaps, not surprising in view of her contempt for our citizens and their property.

The attitude of Argentina and Chile, however, was most surprising and unexpected. That Cuba should have been willing to join us immediately shows that our policy of intervention in Cuba whenever interior conditions have made it necessary has made us friends, instead of enemies as so many feared would be the case. On the other hand our unwillingness to intervene effectively in Mexico has made us enemies instead of friends. Furthermore, German influence in Argentina and Chile was sufficiently strong to prevent those Republics from joining the cause of France in her hour of trial.

Viscount Bryce said in summing up the question of South American affinities, the South Americans "have an intellectual affinity for France, for the brightness of her ideas, the gaiety of her spirit, the quality of her sentiment. * * * In South America * * * French influence reigns supreme." Yet the great Temperate Zone republics of South America refused to join us in helping France in her extremity.

In the fourth place, I believed that the great war of the future was to be fought with commercial rather than military weapons. Repeated visits to South America convinced me that Germany was getting tremendous advantage commercially. Her merchant marine was successfully competing with that of England and was keeping ours from raising its head.

The close combination between her bankers, manufacturers, and diplomats was proving a tremendous obstacle to our success. Many of the leading South Americans ridiculed the Monroe doctrine and hated us for supporting it. I felt that it would be greatly to our advantage in the coming commercial struggle to abandon the doctrine and establish a Pan American concert of the powers as had been suggested by Prof. Theodore S. Woolsey in Scribner's Magazine in 1908.

The World War and the events of the last few years have shown that I was mistaken.

The Monroe doctrine, which was becoming obsolete in 1913, is now no longer obsolete but is more firmly held than ever before and has a very definite future sphere of usefulness.

Germany has shown us that human nature has not changed in the possibilities to which it may go in acting on the unregenerate principle that might makes right. Germany has shown us that any foreign policy we may adopt which neglects the possibility of a world power seeking imperial conquest by force of arms is blind and feeble. Our foreign policy for the next generation must be based on lessons learned from what we have seen during the past five years. Germany has taught us many bitter lessons which we as lovers of life, liberty, and the pursuit of happiness would rather not have learned. If we show ourselves unwilling to face these lessons in all their ugly nakedness, if we prefer to obscure them with the smoke of sacrifices to some Utopian goddess of peace without preparedness, our children must suffer the consequences.

No one knows what will come out of present conditions in Russia. We hope for the best but we must prepare for the worst. If such selfish tyrants as Lenine and Trotski succeed in becoming the new czars of that great empire and utilizing its tremendous resources to crush the rule of government "of the people, by the people, and for the people," wherever they can do so, we must be prepared to demonstrate the efficacy of the Monroe doctrine to keep any such tyranny from operating successfully in the Western Hemisphere, no matter what ingenious phrases it may use to deceive lovers of liberty and independence.

* * * * * * *

The nature of the various republics that border on the Caribbean Sea, their proximity to us and to the Panama Canal, and the strategic importance of their ports, so far as our national defense is concerned, make our interests in the Caribbean Sea paramount to all others. The acquisition by Germany, Russia, or Japan of a naval base in the Caribbean is unthinkable. A close alliance between any of the Caribbean republics and one of the great powers of the Eastern Hemisphere could not be tolerated. The need of pursuing a carefully prepared policy of self-preservation has been borne in on us by the acts of Germany. As a people we do not wish to pursue an aggressive policy. At the same time, the fact that only a few months ago one of the greatest nations in the world was pursuing selfish aggrandizement in a thoroughgoing and pitiless manner, unrestrained by any handicaps of human sympathy, makes us realize the importance of looking fearlessly at the Caribbean problem. The condition of the Caribbean republics is such as to cause us grave concern for their welfare and for ours.

If there were more than one world power in the Western Hemisphere or if there were likely to be more than one during the present generation, we should be obliged to look at this problem from a different angle. In the Eastern Hemisphere there are half a dozen world powers. Many of them are constantly rubbing elbows. While it is true that the world is smaller than it was before the days of steamships and airships, nothing that man has done has served to make it as easy to cross the stormy Atlantic as it is to rush an army across a continental frontier. While it is true that the advance of the science of mechanical engineering has shortened the distance across the Pacific Ocean, it has also shortened the distance between Peking and Petrograd. Army motor cars, tanks, and airplanes can be operated successfully over continental boundaries but not across the Atlantic and Pacific Oceans. Everything that makes the world smaller intensifies the problems of the Eastern Hemisphere and of the Western Hemisphere, besides making each more cognizant of the problems of the other. Some writers seem to forget this and to feel that modern invention has overcome the handicap of oceans and the isolation made by stormy seas.

Since we are the only world power in the Western Hemisphere, our duty to ourselves, our desire to preserve our own institutions and our own independence as well as our duty to protect the other powers in this hemisphere against possible aggression on the part of European or Asiatic powers, and to prevent such powers from securing bases from which we or any other American Republic might be successfully attacked, becomes evident. If Argentina, Brazil, and Chile were world powers, the problem would be different. But they are not yet world powers, nor are they likely to become such until they have followed a rough and rugged road and given proof of their faithful adherence

to the cause of liberty as well as of their ability to take their place in world movements. Until such time we must not be accused of selfishness if we deem it our duty to maintain the Monroe doctrine alone against all comers.

It will be agreed that the Panama Canal is one of the most important units in our scheme of national defense. We built it because we saw how long it took the battleship *Oregon* to come from the Pacific to our Atlantic coast, and we desired to be able to use our Navy to protect whichever coast was most seriously threatened. As has been frequently pointed out by the highest naval authorities, to divide our fleet would be disastrous. To divide it and have it kept apart through hostile control of the Panama Canal would be doubly disastrous. Since the Panama Canal is surrounded by the Caribbean Republics, it is obvious that instincts of self-preservation will lead us to keep the Monroe doctrine alive so far as any countries are concerned whose boundaries are near enough to the Panama Canal to permit of their being used successfully as hostile naval bases for operations against the canal.

These are some of the reasons why the people of the United States have decided to stick to the Monroe doctrine and not to regard it as being obsolete. It now remains to be considered what form should be taken by the Monroe doctrine in the future. This is a subject on which everyone is bound to have his own opinions and on which as in the past there will be wide diversity of view.

Some of our people wish to see United States troops employed in any part of the world to prevent injustice and oppression. Some enthusiasts would even be willing to see United States troops employed to prevent aggression against any small Balkan State. Whether these Americans would be equally willing to see British troops employed in Nicaragua to prevent active interference on the part of the United States, whether they would be willing to see French troops used in Haiti to aid the French-speaking citizens of that black Republic in expelling American marines, is another question.

Certainly, the great majority of our people believe that we do not want to see any European or Asiatic troops operating in any part of America. Most of us believe that it would be better not to attempt to enter into acrimonious disputes around the Mediterranean Sea or use our troops for any such purpose. We can do our duty to the world by treating those nations that deserve it with generous consideration both as regards credit and raw material. We can always be counted upon to do what we did in 1917 and come to the armed assistance of France or Italy if Germany or Russia threaten to crush their civilization. But it is hardly feasible for us to consider entering into the rights and wrongs of disputes between the smaller European powers.

On the other hand, it is obvious that we must maintain a most active form of the Monroe doctrine so far as the Caribbean Republics are concerned. In this regard I have come to agree entirely with President Roosevelt's ideas on the Monroe doctrine. "Our attitude in Cuba is sufficient guaranty of our own good faith. We have not the slightest desire to secure any territory at the expense of any of our neighbors." "All that this country desires is to see the neighboring countries stable, orderly, and prosperous." "If every country washed by the Caribbean Sea would follow the program in stable and just civilization which Cuba has shown * * * all questions of interference by this Nation with their affairs would be at an end." "The adherence of the United States to the Monroe doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence to the exercise of an international police power." In these sentences Theodore Roosevelt outlined what I believe to be necessary in the Monroe doctrine of the immediate future.

As a matter of fact, this has been our policy even under an administration that has made much of the phrase "racial self-determination." Nicaragua, Haiti, and Santo Domingo—flagrant cases of chronic wrongdoing and of inability to "act with reasonable efficiency and decency in social and political matters" (Roosevelt's message to the 58th Cong., 3d sess.), unable to guarantee peace to their own citizens, are kept in order by armed men wearing the uniform of the United States.

The history of some of the Caribbean Republics shows that "self-determination" is not necessarily a guaranty of liberty and that the right to rule sometimes leads to the practice of misrule. It seems to be our duty to say both for our own sake and for the sake of the other members of the family of nations that whenever a Carribbean republic makes it impossible for its citizens to enjoy the blessings of peace and to take their part in the work of the world, it must lose temporarily that delightful privilege of self-determination until such time as it will cease to abuse it and learn how to use it. "The privilege of independence creates the responsibility of recognizing certain obligations to the family of nations. If you want to be free to take your part as an independent unit of that family we shall be glad to help you acquire and maintain this freedom, but if you want to be free to hold a continuous revolution, to protect the operations of murderous bandits, to kidnap, and kill foreign engineers who happen to be American citizens, if you want to be free to steal from all those who are weak and defenseless, you must lose that form of freedom."

In other words, we owe it to the progress of the world and to the world's need for its natural resources to see to it that the republics of tropical America behave like citizens of the world rather than like pirates or members of savage head-hunting tribes.

It has been said that the Monroe doctrine is no stronger than our Army and Navy make it. That is partly true. An active Monroe doctrine such as it should be our policy to maintain in the future as regards the Caribbean Sea must be backed up by a sufficiently strong Army and Navy to make it immediately effective in case of necessity. This is the surest way of maintaining peace and prosperity in the Caribbean Sea.

As regards the Temperate Zone republics of South America, we may well maintain a latent Monroe doctrine—a Monroe doctrine whose strength will not depend on our actual Army and Navy, but on our potential military strength when called upon to exercise it.

As soon as Germany saw what our potential Army was going to be on the western front she realized that she could not possibly win and must accept the best possible terms that she could secure.

If we maintain a latent Monroe doctrine so far as concerns the republics of the South Temperate Zone in the Western Hemisphere, we need not have a sufficient military force for immediate action, but we should be ready to say that we would consider any attempt on the part of any Asiatic or European power to form close alliances with that or any other portion of this hemisphere "as dangerous to our peace and safety." Our attitude toward these republics, particularly toward the Governments of Argentine and Chile, should be one of dignified friendship. There is no necessity for us to adopt any air of patronage toward them, nor should we expect them to be grateful to us for maintaining a doctrine which is more to our advantage than to theirs, even though it would be of tremendous importance to them to realize that we should be ready to come to their assistance in case of possible aggression on the part of European or Asiatic powers.

* * * * * * *

Notwithstanding the dismal forebodings of our calamity howlers and the accusations leveled at all those who were willing to have America assume the burdens of war, we have a record that we may be proud of, not only in Cuba but also in France. There has been no demand in this country that Germany should pay us a great indemnity or should reimburse us for our heavy taxes and the dislocation of our normal activities. There has been no thought of securing a share of Germany's colonies. Our actions as well as our words have not shown any desire to profit from our entry into the European war except as we with the rest of the world are benefited by the downfall of the Prussian military caste. Consequently we need not fear to announce that in the future one of our duties to the world for the benefit of all concerned will be the maintenance of a strong Monroe doctrine—latent in temperate America and active in tropical America.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. BLAINE], as modified.

Mr. BLAINE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BROOKHART (when his name was called). I have a pair with the senior Senator from New York [Mr. COPELAND], and in his absence I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. GEORGE (when his name was called). On this question I have a pair with the senior Senator from Connecticut [Mr. MCLEAN]. In his absence, I withhold my vote. If the Senator from Connecticut were present, he would vote "nay," and if I were permitted to vote I would vote "yea."

Mr. NORRIS (when Mr. SHIPSTEAD's name was called). The senior Senator from Minnesota [Mr. SHIPSTEAD] is absent from the Senate on account of illness. He is paired with the Senator from Maryland [Mr. TYDINGS]. If the Senator from Minnesota were present, on this question he would vote "yea."

Mr. SMITH (when his name was called). I have a pair with the senior Senator from Indiana [Mr. WATSON]. In his absence, I withhold my vote.

Mr. MCNARY (when Mr. STEIWER's name was called). My colleague [Mr. STEIWER] has a pair with the junior Senator from Mississippi [Mr. STEPHENS]. If my colleague were present, he would vote "nay" on this question, and if the Senator from Mississippi were present he would vote "yea."

The roll call was concluded.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Oklahoma [Mr. PINE] with the Senator from Mississippi [Mr. HARRISON], and

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL].

Mr. CURTIS. I wish to announce that the Senator from Michigan [Mr. VANDENBERG] is unavoidably detained from the Senate. He is paired on this question with the Senator from West Virginia [Mr. NEELY]. If present, the Senator from Michigan would vote "nay."

Mr. OVERMAN. I desire to announce that my colleague [Mr. SIMMONS] is detained from the Senate on official business.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained on business of the Senate.

Mr. CARAWAY. I desire to announce that my colleague [Mr. ROBINSON of Arkansas] is unavoidably detained from the Senate on account of illness.

Mr. McKELLAR. I announce the unavoidable absence from the Senate of the senior Senator from West Virginia [Mr. NEELY], and that if he were present he would vote "yea." He is paired on this question.

The result was announced—yeas 22, nays 52, as follows:

YEAS—22

| | | | |
|---|---|---|---|
| Barkley | Gerry | Locher | Pittman |
| Black | Harris | McKellar | Sheppard |
| Blaine | Heflin | McMaster | Thomas |
| Caraway | Howell | Mayfield | Wheeler |
| Dill | King | Norris | |
| Frazier | La Follette | Nye | |

NAYS—52

| | | | |
|---|---|---|---|
| Ashurst | Deneen | Johnson | Robinson, Ind. |
| Bayard | Edge | Jones | Sackett |
| Bingham | Edwards | Kendrick | Schall |
| Blease | Fess | Keyes | Shortridge |
| Borah | Fletcher | McNary | Smoot |
| Bratton | Gillett | Metcalf | Steck |
| Broussard | Goff | Moses | Swanson |
| Bruce | Gooding | Norbeck | Tyson |
| Capper | Gould | Oddie | Wagner |
| Couzens | Greene | Overman | Walsh, Mass. |
| Curtis | Hale | Phipps | Walsh, Mont. |
| Cutting | Hawes | Ransdell | Warren |
| Dale | Hayden | Reed, Pa. | Waterman |

NOT VOTING—20

| | | | |
|---|---|---|---|
| Brookhart | Harrison | Robinson, Ark. | Stephens |
| Copeland | McLean | Shipstead | Trammell |
| du Pont | Neely | Simmons | Tydings |
| George | Pine | Smith | Vandenberg |
| Glass | Reed, Mo. | Steiwer | Watson |

So Mr. BLAINE's amendment as modified was rejected.

Mr. McKELLAR. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 53, after line 17, insert the following:

*Provided*, That no part of the appropriations made in this act shall be used for the purpose of maintaining marines or troops in the Republic of Nicaragua on and after February 1, 1929, unless specifically authorized by Congress; and,

*Provided further*, That the restrictions here imposed shall not apply if the President shall land troops temporarily for the protection of lives and property under international law or the Monroe doctrine.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I want to make just a brief statement about the amendment. This amendment, in my judgment, is not subject to the objections which have been raised here in reference to the other amendment. It does not attempt to interfere and does not interfere in any way whatsoever with the constitutional power of the President under international law, or under the Monroe doctrine. I express the hope that the amendment may be adopted.

Mr. BRATTON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BROOKHART (when his name was called). Making the same announcement as before as to my pair, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. GEORGE (when his name was called). Making the same announcement with respect to my pair as before, I withhold my vote.

Mr. NORRIS (when Mr. SHIPSTEAD's name was called). The senior Senator from Minnesota [Mr. SHIPSTEAD] is detained from the Senate on account of illness. If he were present, he would vote "yea."

Mr. SMITH (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I am paired with the senior Senator from Minnesota [Mr. SHIPSTEAD]. I transfer that pair to the junior Senator from Virginia [Mr. GLASS], and vote "nay."

The roll call was concluded.

Mr. CARAWAY. I wish to announce that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained from the Senate on account of illness.

Mr. McNARY. My colleague [Mr. STEIWER] is paired with the junior Senator from Mississippi [Mr. STEPHENS]. If my colleague were present, he would vote "nay," and if the Senator from Mississippi [Mr. STEPHENS] were present he would vote "yea."

Mr. McKELLAR. I desire to announce the unavoidable absence from the Senate of the senior Senator from West Virginia [Mr. NEELY], and that if he were present he would vote "yea." He is paired on this question.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Oklahoma [Mr. PINE] with the Senator from Mississippi [Mr. HARRISON], and

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL].

Mr. CURTIS. I wish to announce that the Senator from Michigan [Mr. VANDENBERG] is unavoidably detained from the Senate. He is paired on this question with the Senator from West Virginia [Mr. NEELY]. If present, the Senator from Michigan would vote "nay."

Mr. OVERMAN. I desire to announce that my colleague [Mr. SIMMONS] is detained from the Senate on official business.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained on business of the Senate.

The result was announced—yeas 20, nays 53, as follows:

YEAS—20

| | | | |
|---|---|---|---|
| Barkley | Frazier | La Follette | Norris |
| Black | Harris | Locher | Nye |
| Blaine | Heflin | McKellar | Sheppard |
| Bratton | Howell | McMaster | Thomas |
| Dill | King | Mayfield | Wheeler |

NAYS—53

| | | | |
|---|---|---|---|
| Ashurst | Edge | Jones | Schall |
| Bayard | Edwards | Kendrick | Shortridge |
| Bingham | Fess | Keyes | Smoot |
| Blease | Fletcher | McNary | Steck |
| Borah | Gerry | Metcalf | Swanson |
| Broussard | Gillett | Moses | Tydings |
| Bruce | Goff | Norbeck | Wagner |
| Capper | Gooding | Oddie | Walsh, Mass. |
| Caraway | Gould | Overman | Walsh, Mont. |
| Couzens | Greene | Phipps | Warren |
| Curtis | Hale | Ransdell | Waterman |
| Cutting | Hawes | Reed, Pa. | |
| Dale | Hayden | Robinson, Ind. | |
| Deneen | Johnson | Sackett | |

NOT VOTING—21

| | | | |
|---|---|---|---|
| Brookhart | McLean | Shipstead | Tyson |
| Copeland | Neely | Simmons | Vandenberg |
| du Pont | Pine | Smith | Watson |
| George | Pittman | Steiwer | |
| Glass | Reed, Mo. | Stephens | |
| Harrison | Robinson, Ark. | Trammell | |

So Mr. McKELLAR's amendment was rejected.

Mr. HEFLIN. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. Add, on page 53, after line 17, the following:

*Provided*, That none of the appropriations made in this act shall be used to pay any expenses incurred in connection with acts of hostility by the United States marines in Nicaragua, unless and until the President shall obtain from Congress its consent to keep them there.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Alabama.

Mr. HEFLIN. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BROOKHART (when his name was called). Making the same announcement as before as to my pair, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. NORRIS (when Mr. SHIPSTEAD's name was called). The senior Senator from Minnesota [Mr. SHIPSTEAD] is detained from the Senate on account of illness. If he were present, he would vote "yea."

Mr. SMITH (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I am paired with the senior Senator from Minnesota [Mr. SHIPSTEAD]. I transfer my pair to the junior Senator from Virginia [Mr. GLASS], and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Oklahoma [Mr. PINE] with the Senator from Mississippi [Mr. HARRISON], and

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL].

Mr. CURTIS. I wish to announce that the Senator from Michigan [Mr. VANDENBERG] is unavoidably detained from the Senate. He is paired on this question with the Senator from West Virginia [Mr. NEELY]. If present, the Senator from Michigan would vote "nay."

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained on business of the Senate.

Mr. McKELLAR. I desire to announce the unavoidable absence from the Senate of the senior Senator from West Virginia [Mr. NEELY], and that if he were present he would vote "yea." He is paired on this question.

Mr. McNARY. My colleague [Mr. STEIWER] is paired with the junior Senator from Mississippi [Mr. STEPHENS]. If my colleague were present on this question he would vote "nay," and if the Senator from Mississippi were present he would vote "yea."

Mr. CARAWAY. I wish to announce that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained from the Senate on account of illness.

The result was announced—yeas 15, nays 60, as follows:

YEAS—15

| | | | |
|---|---|---|---|
| Black | Heflin | McKellar | Sheppard |
| Blaine | Howell | Mayfield | Thomas |
| Dill | King | Norris | Wheeler |
| Frazier | La Follette | Nye | |

NAYS—60

| | | | |
|---|---|---|---|
| Ashurst | Deneen | Johnson | Robinson, Ind. |
| Barkley | Edge | Jones | Sackett |
| Bayard | Edwards | Kendrick | Schall |
| Bingham | Fess | Keyes | Shortridge |
| Blease | Fletcher | McMaster | Simmons |
| Borah | Gerry | McNary | Smoot |
| Bratton | Gillett | Metcalf | Steck |
| Broussard | Goff | Moses | Swanson |
| Bruce | Gooding | Norbeck | Tydings |
| Capper | Gould | Oddie | Tyson |
| Caraway | Greene | Overman | Wagner |
| Couzens | Hale | Phipps | Walsh, Mass. |
| Curtis | Harris | Pittman | Walsh, Mont. |
| Cutting | Hawes | Ransdell | Warren |
| Dale | Hayden | Reed, Pa. | Waterman |

NOT VOTING—19

| | | | |
|---|---|---|---|
| Brookhart | Harrison | Reed, Mo. | Stephens |
| Copeland | Locher | Robinson, Ark. | Trammell |
| du Pont | McLean | Shipstead | Vandenberg |
| George | Neely | Smith | Watson |
| Glass | Pine | Steiwer | |

So Mr. HEFLIN'S amendment was rejected.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole, and open to amendment.

Mr. BARKLEY. Mr. President, I desire to call the attention of the Senate to a matter which is somewhat kindred to the Nicaraguan situation except that it has only proceeded far enough to bring about the introduction of a resolution. The senior Senator from Minnesota (Mr. SHIPSTEAD) has introduced a resolution, which is now pending before the Committee on Foreign Relations, providing for an investigation before that committee of the Government of Cuba. In that resolution it is charged that various acts of misgovernment have been committed in Cuba which, in the opinion of the Senator from Minnesota, require some investigation.

When the United States set Cuba free the Platt amendment provided that under certain circumstances the United States might have the right to intervene. In that amendment it was provided that the constitution of Cuba and a treaty which would subsequently be entered into between that country and ours should provide against Cuba entering into any treaty with any foreign country which in any way affected the rights of the United States. It provided that Cuba should not incur any indebtedness that could not be met out of the current revenues. It provided that under certain circumstances the United States might intervene to assure stability of government and protection of the rights and property, and that Cuba would cede to our country a coaling station.

I do not know what basis the distinguished Senator from Minnesota may have had for the introduction of the resolution calling for an investigation, but it seems to me that it would be peculiarly inopportune now for the Senate or our Government to take any action with respect to Cuba that might give rise to any misapprehension of our friendly attitude toward our relationship with her, especially in view of the fact that at the recent Pan American Conference held in Habana the Government of Cuba was one of the outstanding friends of the United States with respect to the delicate relations which exist between us and some of the countries of Central and South America.

There is $1,500,000,000 of American capital invested in Cuba. This money is invested in all forms of property, including real estate, manufacturing enterprises, railroads, street-car lines, and public utilities of all sorts. It seems to me that if there was any great evidence of misgovernment or a lack of proper protection of the rights of American citizens and their property in Cuba, or any failure on the part of the Cuban Government or the courts of Cuba to guarantee the rights to which we are entitled under the treaty and under her constitution, we would have heard something of it. I am frank to say I have heard no occasion for just criticism on the part of American citizens against the Government of Cuba.

I desire, therefore, to ask the clerk to read a letter which I have received from a distinguished Kentuckian who has spent considerable time in Cuba, and also an editorial from the Philadelphia Record of date April 9, 1928, touching upon the matter which I have just briefly discussed.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

Mr. CURTIS. Mr. President, would not the Senator be willing to have them printed in the RECORD without reading?

Mr. BARKLEY. It will not take long to read them. I would prefer to have them read.

The Chief Clerk read the letter, as follows:

FRANKFORT, KY., *April 20, 1928.*

Hon. ALBEN W. BARKLEY,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I beg to call your attention to the resolution of Senator SHIPSTEAD, of Minnesota, recently referred to the Senate Committee on Foreign Relations, proposing a Senate investigation of charges against the Government and institutions of the Republic of Cuba.

You are familiar with my knowledge of prison conditions and criminal law enforcement in the United States based upon an experience of more than 30 years in industrializing prisons not only in Kentucky but in Illinois, Indiana, Iowa, Wisconsin, Connecticut, Massachusetts, and South Carolina. Having just returned from six months' investigation in Cuba of the prisons, in which I am known as a specialist, I deem it a public duty to register protest against the resolution of the Minnesota Senator, which can be interpreted in Cuba only as an unfriendly act.

In so far as these charges relate to alleged injustices of the Cuban court system and to administration of the Cuban criminal code, as in the days of General Weyler, I can state most positively that they are without justification.

The new national prison on the Isle of Pines is the most complete and modern reformatory institution in the world to-day; it is more humanely conducted than any similar institution in this country, with better discipline, lesser punishments, and larger proportion of criminals reformed and returned to citizenship, with a more effective parole system than in any State institution in this country.

The old prisons in Cuba are maintained with good discipline, cleanliness, and sanitation 100 per cent better than in the United States.

We would be fortunate if our State courts administered justice with the speed, fairness, and efficiency which one sees in the courts of Cuba. Reports of crime waves in the United States shock the sensibilities of our Cuban neighbors. They point to a prison population in Cuba approximately 50 per cent lower per capita than the prison population in such States as New York, Pennsylvania, Minnesota, or Illinois.

Delays in prosecution and laxity in execution of sentences are not known in Cuba.

During six months' sojourn in the island in association with American residents there I heard not a single complaint of the tenor of the Minnesota Senator's resolution in respect to denial of justice to American citizens. On the other hand, I heard from Americans and Cubans general commendation of President Machado and his government.

While it should be obvious to every American citizen that the Senate of the United States can not, as pointed out by the Cuban ambassador to Washington, conduct an investigation on Cuban soil, I am sure that a cordial welcome, safe conduct, a healthful and interesting vacation, and unlimited opportunity of observation await any American, the tourist or statesman, who cares to visit Cuba to see for himself.

Habana offers a surprising contrast to various metropoli of the United States which figure in the headlines as centers of crime. I believe it is no exaggeration to say that Habana is the safest, most sanitary, and satisfactory residential city in the Western Hemisphere.

Very truly yours,

A. D. MARTIN.

The Chief Clerk proceeded to read the editorial.

Mr. BARKLEY. Mr. President, as the letter has been read, it will be entirely satisfactory that the editorial be printed without reading.

Mr. NORRIS. The way the editorial began, I should like to have it read so that we may know what it has to say.

The PRESIDENT pro tempore. The clerk will read the editorial.

The Chief Clerk read the editorial, as follows:

[From the Philadelphia Record, April, 1928]

AN INTERVENTION PLAN THAT CAN WAIT A BIT

As the sole Farmer-Labor representative in the Senate, Mr. SHIPSTEAD enjoys singular freedom of action. While his Republican and Democratic colleagues are entitled and expected to follow the dictates of conscience, they owe a certain deference to their respective groups, and custom requires them to take counsel before urging controversial policies. But the Minnesota statesman can at a moment's notice mobilize himself into a caucus of his party and adopt a program without risking dissent or argument.

In the exercise of this agreeable independence the Senator has just made a proposal which would hardly be adopted offhand by either of the two large organizations. He has introduced a resolution asking the Foreign Relations Committee to "investigate and report whether the property and rights of American citizens resident in Cuba have been and are being fully protected."

His assertion is that "specific charges" have been made by publicists, educators, and other reliable sources" that the present Cuban régime is a virtual dictatorship, which has suppressed freedom of speech and other essential rights; that manipulation of the courts has made justice a farce and the judiciary an instrument of absolutism; that the criminal code is perverted to the uses of oppression and the punishment of legitimate political activity; that there have been partisan deportations, imprisonments, and assassinations; and that Americans, as well as Cubans, have been victimized by seizures of property without due process of law.

These allegations, in view of the historical record, are by no means incredible. Political methods in Latin-American countries are traditionally drastic, and from the time of its creation the Cuban Republic has exemplified at frequent intervals the rigors of partisan conflict. Self-governing since 1902, the country has had periodical uprisings, and each of the half dozen presidential elections has been marked by disorder. At the close of the first administration, under President Palma, there was an insurrection so serious that from September, 1906, to January, 1909, the island was provisionally ruled by the United States. There was a revolt in 1912 and another in 1916, and the election campaigns have been continuously embittered by charges of corruption and outbreaks of violence, despite the adoption of excellent ballot laws under American supervision.

Moreover, the right of the United States to interest itself in these matters is beyond question, since it is embedded in the Cuban constitution. That document provides, by what is known as the Platt amendment:

"The Government of Cuba consents that the United States may exercise the right to intervene for the protection of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the treaty of Paris on the United States."

But despite this status, which is perhaps unique in international relations, enforcement of the rights stated is a matter of extreme gravity, especially so in view of recent expressions of Latin-American sensitiveness regarding intervention, and in view of the whole-hearted support which the Cuban Government gave to the United States at the Habana conference. Even a proposal for investigation is a delicate matter. This is shown by the blunt observation of the Cuban ambassador that the complaints against his Government emanate from radical malcontents, and that in any case the proposed Senate inquiry "could not be carried out on Cuban territory."

It may be assumed, therefore, that the committee will not act precipitately upon the demand of Senator SHIPSTEAD and his unnamed "publicists." For the time being, at least, Nicaragua would seem to furnish adequate employment for our statesmanship in the Caribbean.

Mr. BORAH. Mr. President, I only desire to say that the resolution referred to by the Senator from Kentucky was introduced on the 17th day of April by the Senator from Minnesota [Mr. SHIPSTEAD] and has not yet had the consideration of the committee. I have no doubt the Senate can rely upon the committee when it comes to deal with it, to act with entire respect for the integrity and sovereignty of a friendly nation.

Mr. JOHNSON. Mr. President, it is my duty to offer an amendment to the naval appropriation bill. I do it, sir, with full knowledge of the parliamentary situation, but nevertheless events which have recently transpired in the harbor of San Diego render it essential that, at least, the amendment should be offered and the responsibility rest then where it ought in respect to the matter.

Not long ago the two great carriers which have been constructed for the United States Navy, the *Lexington* and the *Saratoga*, went to San Diego Harbor. There it is that the great airport of America exists. There it is that these two great airplane carriers must take on their burden and load with aircraft. They were able to go through a 1,000-foot channel to the particular point essential, but being ships 800 feet in length they can not turn around in that channel. It is absolutely necessary that there should be a dredging of the channel in order that another naval debacle may not be ours in the near future. I read, sir, just a paragraph from Admiral McKean's report upon the situation.

The contemplated presence of the two airplane carriers on the west coast, together with the urgent need for utilization of an extension of aeronautical facilities here, necessitate a revision of priorities of items for development, and the commandant places as item 1 on the priority list the need for dredging for a 4,000-foot 35-foot deep turning circle, with material deposited on the Marine Corps base, and as item two on the priority list the need for extension of the concrete wharf at the naval air station for berthing these carriers.

I ask as a part of my remarks that a letter from the Secretary of the Navy and the report of the commandant to which I have just referred may be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter and report are as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
*Washington, April 11, 1928.*

Hon. HIRAM W. JOHNSON,
*United States Senate.*

MY DEAR SENATOR: Inclosed herewith is a copy of the report of Rear Admiral McKean on the proposal relating to the Marine Corps flying field, including dredging for a turning basin, requested in your letter of March 30, 1928.

Sincerely yours,

CURTIS D. WILBUR.

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MARCH 13, 1928.

From: Commandant.
To: Chief of Naval Operation, Navy Department, Washington, D. C.
Subject: Nolen plan—Suggested modifications of (turning basin for airplane carriers).
Reference: (a) Your letter Op–23X–SJC QH(16) (San Diego)/N22 (280301) of March 1, 1928.
Inclosures: (A) Marked copy of hydrographic chart No. 5107.
(B) Marked copy of blue print ND11/N1–2(2).
(C) Copy of letter from harbor department, San Diego, Calif., dated March 12, 1928.
(D) Copy of reference (a).

1. The San Diego city authorities, in dredging to fill Lindbergh Field, had planned to dredge about 1,040,000 cubic yards from the area on the north side of the channel opposite the concrete dock at the naval air station, to improve the turning circle for the airplane carriers. The city now plans to dredge an additional 1,080,000 cubic yards from this area, which will give practically a 3,600-foot diameter turning circle 33 feet deep (inclosure (C)). This will make a total of 2,120,000 cubic yards excavated from this area, and will quickly give to the Navy a dredged area in which it will be practicable to turn the U. S. S. *Saratoga*. This turning circle is shown in red on inclosure (A).

2. The commandant desires to express his appreciation of the cooperation of the city of San Diego in so planning this dredging as to meet the immediate needs of the Navy for this service.

3. While a 3,600-foot turning circle 33 feet deep will make it possible for the airplane carriers to proceed to and from the naval air station, the conditions of wind, tide, and navigational interferences, together with the size, draft, and value of these carriers make it most necessary that plans be prepared and funds secured sufficient to dredge a turning circle of at least 4,000 feet diameter, and not less than 35 feet deep. Such a circle is shown in black on inclosure (A). The amount of dredging involved, in addition to that which will be performed by the city, is approximately 4,700,000 cubic yards, and the estimated cost at 20 cents per cubic yard is $940,000.

4. The city also plans to dredge a smaller channel to serve the water front north of the municipal piers. The total dredging by San Diego will approximate 2,500,000 cubic yards, and the city will deposit this material to fill that part of Lindbergh Field lying on municipal property. This area to be filled by the city is shown in red on inclosure (B).

5. The Navy desires to fill immediately that portion of the Marine Corps base now partially filled and lying along the water front in front of the barracks and extending to the east of the barracks to secure a flying field for the marine aviation detachment of the West Coast Expeditionary Force now housed in temporary buildings at North Island. The quantity of fill required for this purpose is approximately 800,000 cubic yards. This would leave about 3,900,000 cubic yards toward filling in that portion of Lindbergh Field lying on naval property. This amount will be sufficient to fill that part of field shown in yellow on

marked print, inclosure (B), and will serve to connect the marine flying field with the municipal flying field, bringing this combined area to elevations suitable for flying purposes. Advantage should, therefore, be taken of the need for this additional dredging required for safe navigation of the airplane carriers to secure the fill required for this most vital flying field.

6. It was the original intention of the operating base to secure the fill required for a landing field from dredging a shoal area in front of the Marine Corps base to below 6 feet so as to render the area available for seaplane operations. Such extension of the seaplane maneuvering area in San Diego Harbor is very important, but is not so immediately vital to fleet needs as is the question of securing a safe turning circle for the airplane carriers. When in the future congestion increases and additional seaplane maneuvering area is imperative, and funds become available for this work, it should be performed, and the material obtained from dredging operations should be deposited to complete the work of filling in the Marine Corps base property lying west of Lindbergh Field and south of the marine flying field, extending this field to the new bulkhead lines recently approved by the War Department.

7. Coincident with the dredging by the Navy and city to secure a 4,000-foot turning circle 35 feet deep, the War Department should be called upon to remove from this main channel, within the turning circle, all shoal areas above 35 feet below mean low water. Some few soundings of 31 and 32 feet are noted in this area. An accurate estimate of the yardage involved can not be made at this time because of the large area and shallow cuts involved and the comparatively few soundings shown on the chart. The cut may vary from 50,000 to 170,000 yards.

8. The commandant earnestly recommends that immediate steps be taken to secure this necessary 4,000-foot turning circle 35 feet deep, now required for safe navigation of the airplane carriers in San Diego bay, in order that they may berth at and utilize the facilities of the naval air station.

9. The contemplated presence of the two airplane carriers on the West coast, together with the urgent need for utilization of an extension of aeronautical facilities here necessitate a revision of priorities of items for development, and the commandant places as item 1 on the priority list the need for dredging for a 4,000-foot 35 feet deep turning circle, with material deposited on the Marine Corps base, and as item 2 on the priority list the need for extension of the concrete wharf at the naval air station for berthing these carriers.

J. S. McKEAN.

Mr. JOHNSON. It is a fact, sir, that this dredging is absolutely necessary. I have a pride in the Navy. Every American may justly have a pride in it. It has a fighting personnel that is not equalled by any on earth. It has a medical unit, and a medical corps, sir, that stands as high as any in all the world. In its technical and scientific departments it rivals any. It fails only occasionally in a manana policy and an inability to administer and to execute where administration and execution may be necessary. This is one of those instances. The situation demands immediate action. The administrators of the Navy Department admit it, but wish to do it some other time. Now is the time. The amendment should be adopted.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 33, after line 6, insert:

Marine flying field and water-front development, San Diego, Calif., $940,000.

Mr. HALE. Mr. President, I realize the ultimate need for the provision covered by the amendment which has been offered by the Senator from California. The great carriers, the *Lexington* and the *Saratoga*, will undoubtedly have to use the harbor of San Diego, and, as the Senator has said, they can not turn around in that harbor under their own steam, but at the present time I understand that they can be turned around by the use of tugs.

In view of the fact that the amendment is new legislation and that it has never been estimated for by the Budget, I must reluctantly make the point of order against it.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. NORRIS. Mr. President, what I am about to say ought to have been said immediately after the Senator from Kentucky [Mr. BARKLEY] had the letter read, but the Senator from California [Mr. JOHNSON] obtained the floor ahead of me, so that I may be a little late.

I desire to inquire, first, who is the author of the letter which the Senator had read?

Mr. BARKLEY. Col. A. D. Martin, of Frankfort, Ky., a very prominent Kentuckian.

Mr. NORRIS. Does he live in Cuba?

Mr. BARKLEY. No; he lives in Frankfort, but travels considerably and has been in Cuba a number of times.

Mr. NORRIS. Is he interested there?

Mr. BARKLEY. I think not.

Mr. NORRIS. He writes such a beautiful letter and at such great length, showing such intimate knowledge of the conditions in Cuba, that it seemed to me he must spend most of his time there.

Mr. BARKLEY. He goes down during the winter very frequently. He has been there during the past winter. If he has any financial interests in Cuba, I know nothing about it.

Mr. NORRIS. Of course he shows a great interest, and a laudable one, in Cuba; but I think the Senator from Kentucky can very safely answer his friend, and might have done so without having his letter read—although I have not a particle of objection to it—and say to him that there is not any danger of the Senate passing the Shipstead resolution.

I know nothing whatever about it. I never knew there was such a resolution until it was called to my attention by that letter, but I have a copy of it now before me. It proposes to direct the Senate Committee on Foreign Relations, acting through a subcommittee or otherwise, to investigate and report to the Senate whether the property rights of American citizens residents in Cuba, and so forth, have been and are being protected.

The Senator from Kentucky, especially in view of the action of the Senate to-day, can safely write to his correspondent that under the amended Constitution of the United States the Senate has no jurisdiction over such matters. It has surrendered its right, and we have amended the Constitution and given to the Executive the sole authority to look after persons and property in foreign countries.

The Senator can safely say to his correspondent, however, that there is not any doubt now but that the executive department will fully protect him if he has any property in Cuba; that these arrangements are carried on, it is true, in secret; that even the Senate or the House does not know what is being done; that the subject is being looked after quietly and effectively and secretly by the Department of State; and that the Army and the Navy and the marines are ready at a moment's notice to take care of the property rights of anybody in Cuba.

So the correspondent of the Senator from Kentucky is perhaps unnecessarily alarmed about conditions down in Cuba; but he has taken the wrong course to get any action on the matter. He has supposed that Congress should have something to say about it, and so has the Senator from Minnesota; but he will certainly find out before very long, if he has not already been told by telephone, that the Senate of the United States has nothing to do with foreign relations; that that subject is in the hands of the executive department, and that through the secret channels best known to the Secret Service of the United States they will amply protect the property and the lives of American citizens in Cuba; that the entire naval force of the United States will be brought out, if necessary, to see that that protection is given; and if the Department of State finds upon the secret investigation which it makes, and the secret representations which may be made to it, that there is something wrong down in Cuba, and that it can best be remedied by putting men out of office who are in office in Cuba, our marines will be directed to hold an election down in Cuba, and they will see that the right people get in office.

I think there is no doubt but that the Senator's correspondent has been properly answered by the Senate; and perhaps when he reads the result of this vote he will be able to sleep without any difficulty, and slumber without any interruption.

Mr. BARKLEY. Does not the Senator from Nebraska think it is rather commendable, and ought to be made a matter of note and public record, that there is at least one American citizen who travels and who is concerned about affairs in South and Central America who does not desire his Government to intervene in his own behalf or in behalf of other American citizens?

Mr. NORRIS. Yes; I think it is very commendable.

Mr. WHEELER. But the Senator ought to inform him that the Senate of the United States, by its action this afternoon, has abdicated in favor of a dictator in the White House.

Mr. BORAH. Mr. President, between those who want to come out and those who want to go into these Central American countries, it is very difficult for the Foreign Relations Committee to establish any permanent policy.

Mr. EDGE. Mr. President, I offer an amendment to the pending bill on page 25. I move to strike out lines 18 to 23, inclusive, which read:

The Paymaster General of the Navy is authorized to enter into agreements with the proprietors of the piecework shops carried on the rolls of the naval clothing factory during the calendar year 1927 for the

manufacture of clothing from materials furnished by the Government, at such prices as may be approved by the Secretary of the Navy.

I have spoken to the chairman of the committee as to my reasons for asking that this language be stricken out, so that in conference a little further investigation can be made of its real meaning. I am informed that under this provision contracts have been made at a very high rate, and in more or less an exclusive way, with a very few concerns. I am not entirely positive as to the accuracy of my information; but if we pass the bill with this provision in it, of course we shall have no opportunity to correct it. So I ask the Senator in charge of the bill if he will not accept the amendment in order that it may be further investigated in conference.

Mr. HALE. Mr. President, I think the Senator is mistaken in saying that contracts have been made at very high rates with individuals; but in view of the fact that he questions the provision, I am willing to have it stricken out and have the matter go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. EDGE].

The amendment was agreed to.

Mr. KING. Mr. President, before a vote is taken upon the passage of the bill I desire to submit a few words. We are asked by this bill to appropriate approximately $370,000,000 for the Navy. This enormous sum is not for new construction but to cover the ordinary expenses alone of the naval establishment for the next fiscal year. No country in the world will make so large an appropriation for naval expenses as that which we are called upon to make for the coming year. For months the country has been filled with propaganda carried on by frenzied and excited militarists who have represented that the Navy was about to be "scrapped," and that our country was totally "unprepared" to meet some foe which threatened the safety of our country. I have received many letters and telegrams protesting against "scrapping the Navy" and demanding that nearly a billion dollars be appropriated for the construction of new war vessels.

The State Department, we are told, is engaged in negotiations to bring about disarmament among the nations and to secure the adoption of treaties calculated to "outlaw war," and yet with these professions in behalf of world peace, the Executive Department has urged direct appropriations and authorizations for military and naval expenditures aggregating nearly $2,000,000,000.

When Congress convened in December the Bureau of the Budget indorsed an authorization calling for $740,000,000 for new naval construction. The Secretary of the Navy upon many occasions since then has urged that Congress authorize this great outlay to build new war vessels. This huge sum did not include the ordinary expenses of the Navy for the coming year which the bill before us provides for, but the appropriation carried by the pending bill will not cover all the expenses of the Navy for the next fiscal year. Since Congress convened we have appropriated something like $20,000,000 for gun elevation and moderization of two of our capital ships.

Mr. HALE. Mr. President, I think the Senator is mistaken about that; $13,150,000 was authorized last year for modernizing the *Oklahoma* and the *Nevada*. It is the policy of the Navy and it is the policy of the Congress to modernize certain of our older ships and bring them up to date by putting on deck protection and blisters and certain other changes that have to be made to bring them up to date as modern ships. After these shall have been completed—and that will not be until the end of the next fiscal year—we will take two more ships, the *Pennsylvania* and the *Arizona*, and fix them up in the same way; but that will not come in the present bill or during this session of Congress.

The House has before it now a bill to authorize such a change, I believe, in the *Arizona* and the *Pennsylvania;* but no appropriation for that will come until later, and that is in regular line with what the Navy is doing.

Mr. KING. There will be an authorization for approximately $25,000,000 more. Then, in addition, there will doubtless be a measure passed before the adjournment authorizing an appropriation of more than $300,000,000.

Mr. HALE. What is that? I am not aware of any such appropriation.

Mr. NORRIS. The Senator has not been told yet.

Mr. HALE. The Senator said an appropriation, did he not?

Mr. KING. I said an authorization.

Mr. HALE. Oh! I beg the Senator's pardon.

Mr. KING. The Senator is certainly aware of the fact that the Secretary of the Navy and the President recommended an authorization of $740,000,000 for new naval construction, in addition to the amount carried in the bill before us which is approximately $370,000,000. The Senator also knows that the estimates of the Navy for naval construction are always far below the final cost. Secretary Wilbur states that the desired authorization of $740,000,000 is not the final cost but only an "approximation." If the "rough estimates," or approximation, of the Navy are $740,000,000 it is certain that the final cost will exceed $1,000,000,000. Congress will also appropriate before adjournment next month an additional sum to meet expenses of the Navy, including improvements and repairs upon naval craft. This sum will be approximately $20,000,000.

The House has not responded to the recommendations of the President and the Secretary of the Navy for $740,000,000, but it has authorized new construction that will cost, according to rough estimates, $300,000,000. So, Mr. President, before we adjourn Congress will have appropriated approximately $400,000,000 for naval expenses for the next fiscal year, and will have authorized appropriations to the amount of $300,000,000. Our naval bill then will amount to approximately $700,000,000, that is for direct and indirect appropriations. Yet, Mr. President, we are at peace with all the world except Nicaragua. We have already appropriated to meet the expenses of the Army for the next fiscal year approximately $300,000,000. No nation, no matter what her military ambitions or purposes were, has ever appropriated for military purposes so large a sum for a single year, except during the period of the World War.

We constantly aver that this is a Christian Nation, that it has no imperialistic policies and no desire for territorial conquest. Its responsible leaders avow that its purposes are peaceful, and that it desires amicable relations with all the world. These large military expenditures, for which we are providing, are not quite consistent with the oft-repeated proclamations of our desire for world peace and international disarmament. Our professions would inspire greater confidence if we were not projecting new war vessels at a cost of a billion dollars, and were not appropriating for the next fiscal year nearly $700,000,000 to meet the expenses of our Military Establishment.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. NORRIS. Does not the Senator think that is enough?

Mr. KING. It appears that the President, and he stands for economy, was in favor of a much larger authorization, and Secretary Wilbur judging from his numerous utterances, is dissatisfied with the appropriation, and the authorization made and to be made before this session of Congress terminates.

Mr. NORRIS. We have just started out now upon a new policy. I doubt whether that will be enough to carry out the new policy. If you are going to supervise the elections of the world it will take more than that.

Mr. KING. Perhaps the American people will have something to say about the foreign policy of the Government and demand that this Republic lead the way toward world peace. In my opinion they do not approve of a foreign policy which projects the United States into the domestic affairs of other nations, and which makes the Monroe doctrine a pretext to interfere in the affairs of Latin America. The American people, in my opinion, believe that the United States, because of its material strength and power and its moral strength, is in a position to profoundly influence all nations of the earth, and by example prepare the way not alone for the reduction in military armaments, but to effectuate practical world disarmament.

But recurring to the bill for new construction I understand that as it passed the House it authorizes new construction of war vessels to the amount of approximately $300,000,000; indeed, it will probably be considerably more.

Mr. HALE. But the bill as it came over from the House authorizes, I think, $270,000,000 for new construction of cruisers and one aircraft carrier.

Mr. KING. Yes; but we all know that the aircraft carrier will cost from twenty to thirty millions of dollars, and the entire estimated costs for the vessels authorized will exceed by many million the naval approximation.

Mr. HALE. I do not see where the Senator gets his $700,000,000 that he says we are authorizing.

Mr. KING. Perhaps the Senator did not understand what I stated. I said that before we adjourn Congress will have appropriated directly and authorized expenditures the total of which will be approximately $700,000,000. This bill, as I have stated, carries substantially $370,000,000. We have appropriated $13,500,000 for the modernization of two capital ships. There will be a further appropriation for repairs and improvements of approximately $20,000,000, and the House bill which is now before the Senate Naval Affairs Committee pro-

viding for new construction will carry authorizations of not less than $300,000,000. The Senator will see that these amounts will reach the $700,000,000 mark.

Mr. HALE. The $13,500,000 which the Senator speaks about was authorized last year.

Mr. KING. Whether authorized then or in December last, it will have to be met out of appropriations made before Congress adjourns. Mr. President, an examination of the huge appropriations already made and those which will be made before Congress adjourns for military purposes will furnish convincing proof that no nation in peace times since the dawn of history has appropriated so much for military expenses for one year as will be provided for in the measures passed by this Congress to meet the military budget of the United States for the next fiscal year.

The PRESIDENT pro tempore. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. HALE. Mr. President, I send to the desk an amendment which I ask to have stated. I will say that I have been instructed by the Appropriations Committee to offer this amendment on the floor.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 46, in line 3, after the word "Columbia," it is proposed to insert:

: *And provided further,* That the Secretary of the Navy, in his discretion, may assign to the Chief of Naval Operations the public quarters now assigned to the Superintendent of the Naval Observatory, District of Columbia.

Mr. JONES. Mr. President, this building is assigned to the Superintendent of the Naval Observatory by the express terms of the statute that provided for its construction; so that this amendment is clearly subject to a point of order, because it changes existing law.

Mr. HALE. Mr. President, before the Senator makes that point I should like to explain the purpose of the amendment.

Mr. JONES. If the Senator will wait just a moment, perhaps he will be satisfied.

The Secretary of the Navy has appealed to me very strongly not to make a point of order against the amendment. He seems to think that the change that is suggested here is very desirable in the interest of the naval service. The Superintendent of the Naval Observatory himself has asked me not to make the point of order. He seems to think that the suggested action is wise.

Mr. President, while I do not like to see these legislative provisions on appropriation bills, because of the fact that the Secretary of the Navy himself thinks it is well for the service to make this change and the Superintendent of the Naval Observatory thinks it is desirable I am not going to make the point of order.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Maine a question or two about this amendment.

Mr. HALE. I shall be very glad to explain it to the Senator.

Mr. NORRIS. The Senator from Washington has almost convinced me that I ought to make the point of order myself.

Mr. DILL. Mr. President, I should like to know just what the effect of this amendment is.

Mr. HALE. I shall be glad to explain it.

Mr. NORRIS. Mr. President, I think I have the floor, if Senators will permit me to continue my remarks.

The PRESIDENT pro tempore. The Senator from Nebraska is entitled to the floor.

Mr. HALE. I should like to explain the amendment, if given an opportunity.

Mr. NORRIS. Yes; but the Senator does not give me an opportunity to finish what I will say. He is too anxious. I was going to ask the same question which the Senator from Washington [Mr. DILL] asked. I should like to have a little further explanation of the amendment. What are they going to do with this observatory? Are they going to convert it into a clubhouse or a residence?

Mr. HALE. Mr. President, I was about to explain the amendment when the Senator from Washington [Mr. JONES] suggested that I wait until he got through. If permitted to do so, I shall be very glad to explain it.

Mr. NORRIS. I shall be glad to surrender the floor and have the Senator explain the amendment.

Mr. DILL. Mr. President, when the Senator in charge of the bill would not allow an amendment that was as badly needed for this bill as the amendment of the Senator from California [Mr. JOHNSON] I think that bringing legislation in here at this time is also unnecessary. As I understand, this is to take away the Naval Observatory.

Mr. HALE. Mr. President, will the Senator let me make the explanation?

Mr. DILL. I tried to get the Senator to make it a while ago.

Mr. HALE. I offered the amendment, and I think I am entitled to explain it.

Mr. DILL. All right.

Mr. HALE. Mr. President, for a number of years the Chief of Staff of the Army has been given quarters at Fort Myer. The present Chief of Operations of the Navy, Admiral Hughes—who corresponds to the Chief of Staff of the Army—has no quarters assigned to him here in Washington. There are very good quarters at the Naval Observatory, and the department felt that they would make adequate and fine quarters for the Chief of Operations, the ranking officer of the Navy.

The allowance of an admiral for rent is about $1,262 a year. That is $500 more than the allowance of a captain. The allowance of the present superintendent of the observatory therefore is $500 less than that of Admiral Hughes. If these quarters are given to Admiral Hughes, that will mean a saving to the Government of $500 a year and will give this distinguished officer adequate quarters while he is stationed here in Washington.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SWANSON. Mr. President——

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. HALE. I yield to the Senator from Tennessee.

Mr. McKELLAR. What will become of the superintendent of the observatory?

Mr. HALE. The superintendent of the observatory is to leave these quarters.

Mr. McKELLAR. Where will he go? How can he be superintendent if he leaves there?

Mr. HALE. I may say that he is entirely willing to do so, because under his pay as a captain he can not adequately keep up the quarters, which are expensive ones.

Mr. McKELLAR. Will he be away from the observatory? Will he be outside?

Mr. HALE. He would live away from the observatory, but that would not interfere with the administration of his duties in the observatory.

Mr. SWANSON. Mr. President, will the Senator yield to me for a minute?

Mr. HALE. I yield.

Mr. SWANSON. The Chief of Operations has no quarters; he has to rent a house. This has been assigned under the statute to the Hydrographic Office and the superintendent of that office lives there. It is such a large establishment that his allowances are not sufficient to keep it going, and he has asked that he be allowed to get out and get the allowance, so much for rent, and so on, whatever is fixed under the law for a house. The Chief of Operations is anxious to go into that place, and the amendment as originally introduced allowed the department to install the Chief of Operations anywhere. We would save about $500. They now give him $1,262 for the rental of a place. This man wants to get out because the house is too large and too expensive. Senators can see that house as they drive out Massachusetts Avenue. This is an arrangement agreeable to everybody. There has been no objection except on the part of the Senator from Washington, who objected at one time, but I think he has ascertained that the Chief of the Hydrographic Office is anxious to get out, as the place is very expensive.

Mr. DILL. Mr. President, I would like to ask the Senator from Maine, since this is a legislative provision, why it can not come up on the naval authorization bill that is to be taken up later? Why must it go into this appropriation bill?

Mr. HALE. I suppose it could go on that bill; but I hope the Senator will not block the amendment.

Mr. DILL. Then I make the point of order.

Mr. SWANSON. I hope the Senator will not do that. Admiral Hughes has just been appointed two or three months. He either has to make other arrangements or to be put into this place. The matter ought to be fixed up now. Admiral Hughes is the Chief of Operations. The Army assigns as nice a place as this, the Commandant of the Marine Corps has a place as nice as this, and the commandant of the navy yard has also. Admiral Hughes was transferred here only a few months ago, and the matter ought to be fixed up. Everybody is agreeable to it.

Mr. DILL. What are you going to do with the Superintendent of the Naval Observatory?

Mr. SWANSON. Instead of having this house assigned to him to live in, the Superintendent of the Naval Observatory will get an allowance for rent.

Mr. HALE. He will get an allowance, just as every other officer does.

Mr. DILL. I think it should come up on the regular naval bill, and I make the point of order.

The PRESIDENT pro tempore. The point of order is sustained.

The bill is still in Committee of the Whole and open to amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BOULDER DAM

Mr. JOHNSON. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Irrigation and Reclamation with amendments.

FLOOD PROTECTION ON WHITE RIVER, ARK.

Mr. CARAWAY. Mr. President, all Senators are familiar with the fact that we had a flood last year which destroyed practically all the property in the valleys of some of the rivers in my State. There were swept away also the levees which protected the farm lands. The levee districts expended every dollar they had last spring in trying to patch up the levees to protect what they were able to plant last year and make a crop.

There is a flood now in the valley of the White River that threatens to sweep away those temporary levees and destroy thousands of acres of crops that have been planted, some of which are in cultivation. Should the flood be unchecked, it will necessitate the moving out of everything the people have in that section.

Yesterday I introduced a joint resolution, which was referred to the Committee on Appropriations. Immediately thereafter I had a wire from the president of the levee district in Woodruff County, Ark., to whom I had sent a wire for the latest information. His reply was that the people themselves were going out and were doing the work, and that they hoped to save the levees.

The War Department, through the Chief of Engineers, communicated yesterday with the Mississippi River Commission, which has jurisdiction over the levees along that stream. A few hours ago the Mississippi River Commission communicated to the Chief of Engineers the information that unless they could get $25,000 immediately they could not save the levees. Their engineers are there, but it is necessary that they should have this much money.

I ask unanimous consent now that the Committee on Appropriations be discharged from further consideration of the joint resolution, that it be considered immediately, that it be amended to carry an appropriation of $25,000 and not $50,000, and passed.

The PRESIDENT pro tempore. Is there objection?

Mr. WARREN. Mr. President, the Committee on Appropriations has no objection to turning the matter back to the Senate. I understand that the object is to prevent the overflow of thousands of acres, and, so far as I know, the Committee on Appropriations do not object.

Mr. CARAWAY. I thank the chairman of the Committee on Appropriations.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas that the Committee on Appropriations be discharged from the consideration of the joint resolution, and that it be now considered?

There being no objection, the committee was discharged and the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. CARAWAY. I offer the amendments to the joint resolution which I send to the desk.

The PRESIDENT pro tempore. The amendments will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 5, after the words "Sum of," to strike out "$50,000" and insert "$25,000"; in line 8, after the word "hold," to strike out the word "said"; and in the same line, after the word "levees," to insert the words "on the White River in Woodruff and Monroe Counties, Ark.," so as to make the joint resolution read:

Whereas the disastrous floods of 1927 destroyed millions of dollars worth of property along the White River, State of Arkansas; and

Whereas the efforts to hold the levees along that stream exhausted the entire resources of the levee districts; and

Whereas the funds to build said levees and keep them in repair is raised by a tax levied on the lands; and

Whereas the last dollar under the Constitution these lands can be taxed for that purpose has been exhausted; and

Whereas the Government under the flood control act has assumed jurisdiction over these levees; and

Whereas these levees are now being threatened with destruction by a flood now raging on White River; and

Whereas there are no available funds appropriated to strengthen and hold these levees against the impending flood: Therefore be it

*Resolved, etc.*, That there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $25,000, or so much thereof as may be required, to be expended under the direction of the Chief of Engineers of the United States Army and the Mississippi River Commission to strengthen and hold levees on the White River in Woodruff and Monroe Counties, Ark.

SEC. 2. The Chief of Engineers of the United States Army or the Mississippi River Commission, or both, are hereby authorized to expend said sum, or so much thereof as may be required, to strengthen or hold said levees.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

RIKER MISSISSIPPI SPILLWAY PLAN FOR FLOOD CONTROL

Mr. FRAZIER. Mr. President, I ask unanimous consent, out of order, to be permitted to introduce a resolution, and then I shall ask unanimous consent for its immediate consideration. If there is to be any discussion of it, I will let it go over.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. 206), as follows:

Whereas a written request made by me was placed in the hands of Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, more than a week ago for an opinion upon the Riker Mississippi spillway, after an examination of the model in the Senate Office Building, by him and his assistant; and no reply whatsoever to the aforesaid letter having been received: Now therefore be it

*Resolved*, That Major General Jadwin, Chief of Engineers, United States Army, be requested to immediately report to the Senate upon the merits of the Riker Mississippi spillway plan for flood control.

Mr. JONES. Mr. President, it has just occurred to me that it would be better to leave out the preamble of the resolution. I have no objection to the passage of the resolution, but it seems to me that we should not base a resolution upon the failure of an officer to answer a personal request, even of a Senator. I have no objection to the resolution, if the Senator will leave out the whereas.

Mr. FRAZIER. I have no objection to the whereases being stricken out.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution, as modified?

There being no objection, the resolution, as modified, was considered and agreed to, as follows:

*Resolved*, That Major General Jadwin, Chief of Engineers, United States Army, be requested to immediately report to the Senate upon the merits of the Riker Mississippi spillway plan for flood control.

ADJOURNMENT

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, April 26, 1928, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, *April 25, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, the light of this day and the silent watches of the night are evidences of Thy mercy. Bless us with vigor of mind and strength of body, and in manly courage we shall persevere in the things that are just and right. Guard us from all evil; make a way where there is no path; and if the shadows thicken, let the pressure of Thy hand be tenderest. We thank Thee for the warm, tender joys of life, for good friends, for the happiness of the hearthstone, and for the old

earth, whose soil our feet would love to press for a thousand years to come. Keep us looking upward, even unto the heights, beyond whose cliffs eternal rest abides. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate agrees to the amendment of the House of Representatives to the bill (S. 2126) entitled "An act to provide for compensation for Ona Harrington for injuries received in an airplane accident."

The message also announced that the Senate had ordered that the House of Representatives be respectfully requested to return to the Senate the bill (S. 3511) entitled "An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark."

The message further announced that the Senate had passed with amendments bills of the House of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 126. An act to add certain lands to the Missoula National Forest, Mont.;

H. R. 2657. An act for the relief of Thomas Huggins;

H. R. 4378. An act to authorize the Secretary of the Interior to dispose by sale of certain public lands in the State of Florida;

H. R. 5297. An act for the relief of Christine Brenzinger;

H. R. 10141. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 10360. An act to confer additional jurisdiction upon the Court of Claims under an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," approved May 14, 1926;

H. R. 11026. An act to provide for the coordination of the public-health activities of the Government, and for other purposes;

H. R. 11629. An act to amend the proviso of an act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 12875. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes.

The message also announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 484. An act to amend section 10 of the plant quarantine act, approved August 20, 1912;

H. R. 2654. An act for the relief of Anton Anderson;

H. R. 4068. An act for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army;

H. R. 4126. An act authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land;

H. R. 6103. An act to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for fiscal year ending June 30, 1884," and for other purposes;

H. R. 6862. An act authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States;

H. R. 7184. An act authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill.;

H. R. 7722. An act authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards;

H. R. 8128. An act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory;

H. R. 8487. An act to adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 9047. An act to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif.;

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Wabash River at or near McGregors Ferry in White County, Ill.;

H. R. 9569. An act authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone on February 5, 1921, by a United States motor truck;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek Kanawha Bridge Co., its successors, and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing the St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11279. An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes;

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 11478. An act to amend an act to allot lands to children on the Crow Reservation, Mont.;

H. R. 11479. An act to reserve certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River at or near Weslaco, Tex.;

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark.;

H. R. 11625. An act granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River at or near Glasgow, Mont.;

H. R. 12179. An act to provide for the reimbursement of the Government of Great Britain on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia in 1920;

H. R. 12320. An act to amend the longshoremen and harbor workers' compensation act;

H. R. 12632. An act to provide for the eradication or control of the European corn borer;

H. J. Res. 145. Joint resolution to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States;

H. J. Res. 146. Joint resolution to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps;

H. J. Res. 147. Joint resolution for the relief of the estate of the late Max D. Kirjassoff;

H. J. Res. 148. Joint resolution to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama;

H. J. Res. 149. Joint resolution to authorize an appropriation for the compensation of William Wiseman;

H. J. Res. 150. Joint resolution to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam;

H. J. Res. 151. Joint resolution to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps;

H. J. Res. 152. Joint resolution authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928;

H. J. Res. 230. Joint resolution to provide for the membership of the United States in the American International Institute for the Protection of Childhood;

H. J. Res. 259. Joint resolution authorizing assistance in the construction of an inter-American highway on the Western Hemisphere; and

H. J. Res. 262. Joint resolution requesting the President to extend to the Republics of America an invitation to attend a conference of conciliation and arbitration to be held in Washington during 1928 or 1929.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House was requested:

S. 162. An act for the relief of William M. Sherman;

S. 1458. An act providing for a survey of the natural oyster beds in the waters within the State of Florida;

S. 1480. An act authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims;

S. 1530. An act for the relief of Gilpin Construction Co.;

S. 1645. An act for reimbursement of W. H. Talbert;

S. 2042. An act for the relief of Rolette County, N. Dak.;

S. 2076. An act authorizing the allotment of Carl J. Reid Dussome as a Kiowa Indian and directing issuance of trust patent to him to certain lands of the Kiowa Indian Reservation, Okla.;

S. 2139. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2340. An act to transfer to the city of Duluth, Minn., the old Federal building, together with the site thereof;

S. 2538. An act for the construction of a road across the Makah Reservation to Neah Bay, Wash.;

S. 2821. An act for the relief of Capt. Will H. Gordon;

S. 2945. An act relating to the payment of advance wages and allotments in respect of seamen on foreign vessels, and making further provision for carrying out the purposes of the seamen's act, approved March 4, 1915;

S. 3438. An act authorizing a per capita payment to the Rosebud Sioux Indians, S. Dak.;

S. 3463. An act to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army;

S. 3501. An act to provide for the construction of a boarding school for Indian children at Belcourt, in the Turtle Mountain Indian Reservation, State of North Dakota;

S. 3503. An act to authorize the Secretary of the Interior to purchase certain lots in the city of Needles, San Bernardino County, Calif., for Indian use, and authorizing an appropriation of funds therefor;

S. 3565. An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes;

S. 3581. An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia;

S. 3674. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920;

S. 3744. An act to authorize the leasing of public lands for use as public aviation fields;

S. 3771. An act vacating the alley between lots 16 and 17, square 1083, District of Columbia;

S. 3809. An act conferring jurisdiction upon the Court of Claims of the United States or the district court of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1902;

S. 3862. An act authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn.;

S. 3903. An act to provide for the reinterment of bodies in the grounds of St. Francis de Sales Church in the District of Columbia;

S. 3917. An act for the relief of the State of Florida;

S. 3990. An act granting the consent of Congress to the boards of county commissioners of the counties of Escambia, Fla., and Baldwin, Ala., their successors and assigns, to construct, maintain, and operate a toll bridge across Perdido Bay in the States of Florida and Alabama;

S. 4036. An act to authorize the Secretary of War to transfer the control of certain land in Oregon to the Secretary of the Interior;

S. 4039. An act to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended;

S. 4170. An act to authorize plans for a hospital at the Home for Aged and Infirm in the District of Columbia, and for other purposes;

S. J. Res. 50. Joint resolution providing that the Secretary of Agriculture be directed to give notice that on and after January 1, 1929, the Government will cease to maintain a public market on Pennsylvania Avenue between Seventh and Ninth Streets NW.;

S. J. Res. 119. Joint resolution granting an easement to the city of Duluth, Minn.; and

S. J. Res. 129. Joint resolution to provide for eradication of pink bollworm and authorizing an appropriation therefor.

### HON. JOHN J. M'SWAIN, OF SOUTH CAROLINA—JEFFERSON DAY ADDRESS AT NEW PHILADELPHIA, OHIO

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing statements concerning a speech made by the gentleman from South Carolina [Mr. McSWAIN] at New Philadelphia, Ohio, on April 13.

Mr. MADDEN. Reserving the right to object, what is the speech about?

Mr. McSWEENEY. It is a Jefferson banquet speech.

Mr. TILSON. Is it a speech made by a Member of the House?

Mr. MADDEN. It is an editorial. We ought not to print everything that is printed in every paper about what somebody says or does. I would have a wagonload of that kind of matter every morning if I would do everything people want me to do.

Mr. McKEOWN. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. McKEOWN. We all want to get along here, and there will be a lot of such requests from that side.

Mr. MADDEN. If the gentleman puts it on that ground, I object now.

Mr. HASTINGS. Mr. Speaker, I think every speech of this kind that has been made by a Member has been allowed to go in the RECORD.

Mr. SNELL. As I understand it, the gentleman is not objecting to the speech but to the editorial comments?

Mr. MADDEN. That is it.

Mr. CRAMTON. Is this the speech of Senator SIMMONS saying Al Smith could not be elected President if nominated?

Mr. McSWEENEY. No; it is a speech by the gentleman from South Carolina [Mr. McSWAIN].

Mr. CULLEN. It is a speech, not an editorial?

Mr. McSWEENEY. It is a letter, really, from me containing statements of Mr. McSWAIN, together with editorial comments.

Mr. MADDEN. Let me see it, please.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. McSWEENEY] to extend his remarks in the RECORD?

Mr. MADDEN. Mr. Speaker, I have looked over the matter and it is not in the same category as editorial matter, and I withdraw my objection.

Mr. McSWEENEY. Mr. Speaker, at the request of the committee in charge of a proposed Jefferson Day banquet at New Philadelphia, Ohio, to be held on April 13, 1928, I arranged for one of the distinguished United States Senators to fill that engagement and a very few days prior to the date set, I was informed by the Senator that due to the unexpected turn of affairs he would be unable to go at the time fixed. By the instructions of the local committee I looked around for a substitute and finally invited Representative JOHN J. McSWAIN, of South Carolina, to go. It was a very great kindness on the part of Mr. McSWAIN, both to myself and to the committee in charge at New Philadelphia, to consent to go upon such short notice and as a substitute. I therefore take this occasion to tender him the thanks of myself and of the committee for his kindness in this respect.

Knowing Mr. McSWAIN as I do, I felt quite confident of his ability to entertain and to instruct the audience, but realized that he was an unknown quantity to the people of New Philadelphia, Ohio. I have therefore been highly gratified to observe the many very appreciative newspaper accounts of his address, including special editorial notices, and to receive a number of letters commending in the highest terms, not only the address of Mr. McSWAIN, but his personality in general.

I call special attention to an editorial which appeared in the Advocate Tribune, a newspaper published at New Phila-

delphia, Ohio, and commonly credited with being entirely Republican in its attitudes, policies, and sympathies. In view of this fact, praise from the Advocate Tribune is praise indeed. I respectfully print the following editorial account.

IMPRESSED WITH TUSCARAWAS COUNTY

Congressman JOHN J. MCSWAIN, of the fourth South Carolina district, who was the principal speaker at the Jefferson Club banquet held at Emmanuel Lutheran Church in New Philadelphia on last Friday evening and spent Saturday morning at Hotel Reeves, was very much impressed with Tuscarawas County.

Mr. MCSWAIN showed his interest by procuring literature pertaining to the history of the county and when he learns of Gnadenhutten, Schoenbrunn, and Fort Laurens, his interest, no doubt, will be intensified.

When the State highway program for new roads in Ohio is completed thousands of automobile tourists will be attracted to this county by reason of its rich historic value and the county will be advertised far and wide.

Strangers who have traveled extensively in this country and also abroad who come to Tuscarawas County remark and are enthusiastic over the scenery from Strasburg to Uhrichsville. They say there is no more beautiful valley to be found anywhere.

It may be that those of us who have lived here all our lives do not appreciate the historic eminence, natural resources, and beauty of our environment, but when persons from other States come here and make such complimentary observations we are reminded that we live in one of the garden spots of the world.

In a few more years Tuscarawas County will occupy a more prominent place on the Ohio map than at any time in its history.

AN INSTRUCTIVE SPEECH

Another indication that the world is growing better was manifested at the Tuscarawas County Jefferson Club banquet Friday night when Congressman JOHN J. MCSWAIN, of South Carolina, made a political speech that was instructive instead of the old-time bombastic denunciatory address that used to be deemed the only suitable thing at partisan dinners.

It is a far flight from the day of torchlight parades and epithetic speeches to the kindly discussion of this southerner whose address stamped him a gentleman and a scholar in the full sense of the phrase.

There were many Republicans in the audience who enjoyed the address as much as did the Democrats present, and who were no doubt surprised to find a southern Democrat talk with such moderation. They no doubt concurred entirely with Toastmaster E. W. Stiffler when he voiced the hope that the Congressman would be able to carry back to South Carolina as good an impression of Ohio and Tuscarawas County as he had given of South Carolina.

In a letter from the Hon. E. W. Stiffler, president of the Tuscarawas County Jefferson Club, of New Philadelphia, Ohio, I find the following paragraph:

I am writing to thank you and to compliment your good judgment for sending Mr. MCSWAIN as a speaker to your district. All who heard his address agree that it was one of the very best ever delivered before our club.

A letter from the Hon. J. E. Patrick, prosecuting attorney, with headquarters at New Philadelphia, Ohio, I find the following paragraph:

Just a note to let you know we were delighted with Congressman MCSWAIN. No one here had ever heard a better talk on Jefferson, and he had exactly the right attitude toward an address on such an occasion as this. In addition to being delighted with his talk, we were all delighted with his personality. I was fortunate enough to see him before and after the dinner and also to spend some little time with him the following morning before he left town, and found him to be a most charming gentleman.

Also in a letter from the Hon. Arthur L. Limbach, a prominent attorney of New Philadelphia, I find the following paragraph:

I want to thank you very much for your earnest efforts in securing for us a speaker. In my judgment he is one of the best speakers that I have been privileged to listen to, and he made a splendid impression upon the audience here. I liked him personally very much from the little talks I had with him, and was very much alarmed that he was going to leave with such a bad cold.

Mr. Speaker, permit me to take this public way of thanking Mr. MCSWAIN again for coming to my rescue and for going to my friends and constituents with a message which has been properly described as broad minded, instructive, and scholarly. Of course, it was just such an address as I expected Mr. MCSWAIN to deliver, and I am proud that my friends in New Philadelphia have appreciated his qualities.



ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, I would like to submit a unanimous-consent request. Mr. Speaker, I ask unanimous consent that upon completion of the consideration of the three bills which were indicated by the gentleman from Maine yesterday as coming from the Committee on the Merchant Marine and Fisheries, further Calendar Wednesday business be dispensed with for the day and that we may consider a rule modifying a former rule reported for the consideration of the farm relief bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that at the conclusion of the consideration of the three bills which the Committee on the Merchant Marine and Fisheries proposes to call up to-day, that for the rest of the day Calendar Wednesday business be dispensed with and that it be in order to consider the modified rule for the consideration of the McNary-Haugen bill. Is there objection?

Mr. CHINDBLOM. Reserving the right to object, I would like to ask the gentleman whether this will complete the business of the Merchant Marine and Fisheries Committee or will they have the next Calendar Wednesday?

Mr. TILSON. Yes. They would have another Wednesday if they have business and claim it.

Mr. CRAMTON. Mr. Speaker, if this request is not agreed to and the Committee on the Merchant Marine and Fisheries completes the business it has to present and another committee is called, then the Committee on the Merchant Marine and Fisheries is through.

Mr. TILSON. I understand the Merchant Marine and Fisheries Committee will probably not finish their business before the usual hour for adjournment, unless they curtail it somewhat from what they had originally intended. On the other hand, if it is desired to transact other business, especially the rule referred to, they are willing to curtail somewhat the business already indicated.

Mr. CRAMTON. Mr. Speaker, I think the call of committees on Calendar Wednesday should progress and the Merchant Marine and Fisheries Committee should hold the boards until it is through, and give committees further down on the call some chance to be heard.

Mr. WHITE of Maine. The Committee on the Merchant Marine and Fisheries will hold the fort during the day unless some such arrangement as is suggested is worked out. If it is the desire of the House that the rule on the farm relief bill be adopted to-day, so that general debate upon that bill may begin to-morrow, speaking for myself as chairman of the Merchant Marine and Fisheries Committee, and I think I speak for the other members, I will do everything possible to expedite the consideration of these bills so that you may start to-morrow upon the serious consideration of the farm relief bill, but I would not——

Mr. CRAMTON. May I suggest to the gentleman that the gentleman's statement was to the effect that there were only three bills that the committee has ready for consideration, and there was no suggestion that they would ever have any more. It is also a matter of grave question whether those in charge of the McNary-Haugen bill desire to have the rule considered to-day. May I ask this question of the gentleman from Connecticut [Mr. TILSON], if the gentleman is prepared to answer it: What committee is entitled to the call following the completion of business of the Merchant Marine and Fisheries Committee?

Mr. TILSON. The Military Affairs Committee is next.

Mr. CRAMTON. It is understood that Agriculture and Rivers and Harbors have completed their call?

Mr. TILSON. Rivers and Harbors will be the first committee called to-day, but I understand that committee has no business to call up.

Mr. CRAMTON. And when they are called to-day that disposes of them finally?

Mr. TILSON. Yes.

Mr. CRAMTON. And the Committee on Agriculture has completed its call?

Mr. TILSON. It has had two days.

Mr. CRAMTON. So that in any event the Committee on Military Affairs is in order to follow the Committee on the Merchant Marine and Fisheries?

Mr. TILSON. And the Committee on Military Affairs would dislike to come in for the remainder of the day and call a portion of this day one of the two days belonging to that committee.

Mr. CRAMTON. Under the statement which the gentleman from Connecticut has made, that is not a possibility in any event. My only suggestion was that Military Affairs should be

permitted to have the call a week from to-day, and if that could be the situation I would not object.

Mr. WHITE of Maine. If the gentleman will yield, the Merchant Marine Committee will have an additional bill for consideration next Wednesday.

Mr. CRAMTON. But not for to-day?

Mr. WHITE of Maine. Yes; I stated that we had three bills that I proposed to call up. There is another bill reported from the committee which is in order to call up.

Mr. CRAMTON. I think the gentleman ought to call it up to-day. I object. I think the Military Affairs Committee and other committees on the calendar ought to have a chance to be heard.

I withdraw my objection to the request of the gentleman from Connecticut.

Mr. LAGUARDIA. Reserving the right to object, as I understand the three bills that the gentleman from Maine is to call up to-day are of minor importance. I would like to ask him when he is going to bring out the shipping bill.

Mr. WHITE of Maine. That is on the calendar. I dislike to call up that bill on Calendar Wednesday with the limitation for debate which the Calendar Wednesday rule imposes. I do not want to do it unless I am forced to.

Mr. SNELL. There is a rule granted the Merchant Marine Committee to follow the farm relief.

Mr. WHITE of Maine. That bill merits a greater consideration than we can have on Calendar Wednesday.

Mr. CRAMTON. As I understand the situation, the gentleman has three bills to consider to-day. The merchant marine bill, for which you expect a special rule, and then the committee will be ready to give way?

Mr. WHITE of Maine. Not at all; I have a general bill which will be ready next Wednesday.

Mr. LAGUARDIA. The gentleman means the fish bill—the fish barrel bill?

Mr. QUIN. Mr. Speaker, I would like to ask the gentleman if the Committee on Military Affairs is losing any of its rights by this unanimous consent?

Mr. TILSON. None whatever; the committee can not lose any right. The Committee on Military Affairs will follow the Merchant Marine Committee after the consideration of its bills, or, at any rate, after the two days to which this committee is entitled under the rule.

Mr. QUIN. The Committee on Military Affairs is to have next Wednesday?

Mr. TILSON. Not unless the Committee on the Merchant Marine and Fisheries yields or has finished its bills. My request to-day does not change the situation at all.

Mr. KETCHAM. Mr. Speaker, further reserving the right to object, do I understand that it is the purpose to go no further to-day than considering the rule on farm relief?

Mr. TILSON. That is all. There is a conference report that I hope may be taken up to-day if the committee on call to-day finishes its work in time. This report would take precedence over the rule on the farm relief bill.

Mr. LAGUARDIA. What is that conference report—the independent offices' appropriation bill?

Mr. TILSON. Yes.

Mr. RAMSEYER. Further reserving the right to object, in order that there be no misunderstanding, the rule which the gentleman from Connecticut asks unanimous consent to consider this afternoon is the rule that was reported out this morning, which I intend to submit for printing in a moment or two.

Mr. TILSON. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut? The Chair hears none.

FARM RELIEF

Mr. RAMSEYER, from the Committee on Rules, reported the following resolution for printing in the RECORD:

House Resolution 176

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3555, entitled "An act to establish a Federal farm board to aid in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce." That after general debate, which shall be confined to the bill and which shall continue not to exceed 12 hours, the time to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of the point of order as provided in clause 7 of Rule XVI the substitute committee amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with the committee substitute, as amended, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the committee substitute. The previous question shall be considered as ordered on the bill and committee substitute, including the amendments to the committee substitute thereto to final passage without intervening motion except one motion to recommit.

CONSERVATION OF FISH

The SPEAKER. The Clerk will call the committees.

The Clerk called the list of committees, and when the Committee on the Merchant Marine and Fisheries was reached—

Mr. WHITE of Maine. Mr. Speaker, I call up the bill (S. 3437) to provide for the conservation of fish, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. RAMSEYER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read as follows:

A bill (S. 3437) to provide for the conservation of fish, and for other purposes

*Be it enacted, etc.*, That the Department of Commerce be, and it is hereby, authorized and directed to study, investigate, and determine the best means and methods of preventing the destruction of fish by ditches, canals, and other works constructed by the United States, under the Interior Department; and for this purpose such sums of money as may be necessary, not exceeding in the aggregate $25,000, are hereby authorized to be expended out of money in the Treasury not otherwise appropriated.

With the following committee amendments:

Line 6, after the word "fish," insert the word "occasioned"; and after the word "constructed," insert the words "or maintained."

Line 7, after the word "States," strike out the comma and the words "under the Interior Department."

Line 8, strike out the figures "25,000," and insert in lieu thereof the figures "50,000."

Mr. WHITE of Maine. Mr. Chairman and members of the committee, this is a bill which passed the Senate on April 13, and comes before this committee with a unanimous report from the Committee on the Merchant Marine and Fisheries. It authorizes and directs the Department of Commerce to carry on studies and investigations in order to determine the best means and methods of preventing the destruction of fish occasioned by irrigation ditches and other works maintained by the Federal Government. It is in its essence a conservation measure of one of the great natural resources of the United States. The immediate problem to which it is hoped the department will address itself is that raised by the irrigation ditches of the western country. There are, as all Members of the House know, various irrigation projects scattered over the West, the Southwest, and the Northwest, many of them maintained by the States and others maintained by the Federal Government. It has been demonstrated through the latter years that in the operation of these works millions upon millions of small fish, and fish of a substantial size, are drawn down into the irrigation ditches as the water enters the ditches, and when in the fall or at other times the water ceases to be drawn and the ditches dry up great quantities of fish are left there to die. It is quite impossible to estimate with accuracy the extent of these losses. There were figures before the Senate committee and there were figures before our committee which show that on a single farm of 200 acres in the State of Washington, in which State I think some 255,000 acres of land are within national irrigation projects, after the water was withdrawn more than 4,000 fish were left to die, in large part salmon 1 or 2 years of age. If that be a fair basis of computation, it seems clear that in that State alone, spread out over the entire area in these irrigation projects, there must have been lost not far from 5,000,000 fish. The extent to which this goes on in other parts of the United States is only a matter of conjecture. Curiously enough, neither the authorities of the States nor the authorities of the Federal Government have up to this time developed any screen or other device which will permit the free intake of water and exclude the fish.

I sometimes think that the membership of the House and the people of the country have little appreciation of the value of the fisheries of this Nation to the people of the country. Roughly

speaking, there are 120,000 men engaged in the fisheries of the United States.

The annual catch of fish amounts to about 2,750,000,000 pounds. Of this total poundage there are approximately 475,000,000 pounds of fish that find a market in the can. Incident to this major industry there are other industries that come from fish—fish meal, fish oil, fertilizers—a substantial business dependent upon our fish supply. But lavish as nature has been, there are unmistakable indications that the fish resources of the Nation are on the way to extinction unless drastic action is taken by those who have a responsibility in this regard.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. LINTHICUM. To what extent do fish fertilizer companies exist, and what fish are used in the fertilizer factories?

Mr. WHITE of Maine. I can not give the gentleman at the moment the amount of fish so used, but the value of the products which come from the fish in oils and fertilizers is something like $13,000,000 a year.

Mr. LINTHICUM. The gentleman does not agree that we ought to use fish for fertilizer purposes?

Mr. WHITE of Maine. I think we should not; but there are various portions of the fish—the entrails, the heads, the tails, and the fins, and so forth—which are not edible and which are used for oil and fertilizer, and if the activity is confined to the nonedible portions of the fish I think it is entirely a proper way to use them.

Mr. BLAND. And is it not true that fertilizer is made not only from the nonedible portions of fish, but from fish that are in themselves not edible?

Mr. WHITE of Maine. I think that is true.

Mr. BLAND. In other words, the menhaden is not an edible fish, and a large part of the fertilizer comes from that.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. BYRNS. This bill does not purport to make any investigation relative to the use of the fish.

Mr. WHITE of Maine. It does not.

Mr. BYRNS. I am wondering as to the scope of the inquiry. The gentleman has already stated the facts, which show that fish are being destroyed by reason of these irrigation ditches, and we all know as a matter of fact that if an irrigation ditch drains a stream in which there are fish, some of the fish will naturally find their way to the ditch. Why spend money investigating the question of whether the fish are being lost in that way?

Mr. WHITE of Maine. That is not the proposal at all. The proposal is that efforts be made to discover ways and means of preventing this waste which is now going on, and which is sadly depleting the fish resources of the country.

Mr. BYRNS. As a matter of practical common sense it seems to me that the gentleman has already stated what can be done, and that is that by the use of screens, or something of that sort, it could be prevented. Why go into an investigation which involves the expenditure of thousands of dollars upon the part of the Department of Commerce to investigate something that everybody already knows?

Mr. WHITE of Maine. Everybody knows that something ought to be done, but there is no one at this time who knows how to do the thing that we want accomplished. There is not on the market to-day, so the testimony shows, and there is not known to the fish authorities of any State or to the Federal Government, an effective way of preventing the fish getting down through these ditches without stopping the intake of the water, and our committee thinks there is opportunity for study, and that it ought to be made.

Mr. BYRNS. I venture to say that when this investigation has been made, and possibly thousands of dollars have been expended, you will find that they will report that a screen ought to be used. It seems to me that is the only thing that could be used under the circumstances.

Mr. WHITE of Maine. May I suggest that when the Bureau of Fisheries comes before the Congress for the appropriation which we hereby are undertaking to authorize the gentleman will have an opportunity which few of us have to acquaint himself with the actual situation and determine whether the work should be undertaken or not, and what appropriation should be voted.

Mr. BYRNS. But if an investigation is not necessary it seems to me that now is the time to stop this waste of money. That is just what I was trying to elicit from the gentleman. The gentleman knows that when Congress passes an authorization bill there is always a strong demand that an appropriation shall be made to carry it out. What I object to, if the gentleman will pardon me, is this innumerable number of investigations ordered by Congress nearly every day for the purpose of making investigations of subjects which, to say the least, are not necessary and which involve the expenditure of thousands of dollars.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. JOHNSON of Washington. I would like to say just a word there, if I may. In addition to the inquiry as to the most desirable device to be used in connection with the large ditches, I may say that these ditches are frequently as large as rivers, 30 or 35 feet wide. There is some little inability to adjust the situation as between the Department of the Interior, which has control of reclamation projects, and the Department of Commerce, which has jurisdiction of the fisheries, and by an understanding between the two it was thought that this inquiry could be effectively carried out.

Mr. BYRNS. But that is a simple matter of administration. Is it necessary for Congress to appropriate money to make an investigation in order that two departments may get together and determine on a policy? How much is the appropriation?

Mr. WHITE of Maine. Not to exceed $50,000.

Mr. BYRNS. I submit to the gentleman that that is a sum to be considered.

Mr. FREE. The leading fish expert in the Department of Commerce has a plan that he thinks will take care of this situation. The money is not to be expended in investigations, but in trying out what they think will work effectively.

Mr. JOHNSON of Washington. In addition to that, I may say that the far Western States, and particularly the State of Washington, appropriate money in an effort to meet their obligation to use these streams in some way or other in the large ditches, but the States are confronted by the fact that the Federal Government has no scheme or plan. Many of us have thought that this supervision of the work by the Director of Fisheries would result ultimately in pointing to a sign or direction as to the best way in which the thing can be handled, and I think the matter can be worked out along that line.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. MILLER. Will the gentleman state the character of the fish that are being destroyed? Are they food fishes?

Mr. WHITE of Maine. Yes. There are millions of salmon that are being destroyed by these ditches to-day. I do not want any Member of the House to minimize the importance of this legislation. There is no man here who knows the history of the fisheries who is insensible to the importance of this matter. Those who have studied the fisheries of the United States to-day, which constitute a source of valuable and cheap food to this country, recognize the degree to which they are threatened with extinction.

Take shad for example. Formerly the shad were exceedingly plentiful along the Atlantic coast, but since 1896 the catch of shad has dropped from 51,000,000 pounds to less than 15,000,000 pounds in 1923. As to sturgeon, a few years ago the annual catch of sturgeon in the United States was approximately 18,000,000 pounds, and in 1923 it had dropped to less than 1,200,000 pounds. Take shellfish and lobsters; take the lobster, for example, along the New England coast. The supply of lobsters has shrunk by two-thirds, and now you do not find in the markets one-third of the poundage that was available 30 years ago.

That is true also, although in a less degree, of the shellfish of Chesapeake Bay. The crop of crabs has shrunken from 50,000,000 pounds in 1915 to 23,000,000 pounds in the year 1920. It has since somewhat increased from this latter figure.

The catch in our Great Lakes decreased 50 per cent in the seven years 1918 to 1925.

Mr. CRAMTON. How did this bill affect those?

Mr. WHITE of Maine. Take salmon. Hardly 30 years ago the Atlantic sea salmon entered 28 streams of the Atlantic seaboard between the New York and Canadian border, and to-day the Atlantic salmon enters but one stream on the Atlantic seaboard.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. MADDEN. I am interested in finding out what the expenditure of this money is to do. We do not care whether the catch is 8,000,000 or 50,000,000 pounds, so far as I know. For one, I want to know what this machinery will do to make the condition better.

Mr. WHITE of Maine. This appropriation is deemed necessary in order to study the very question I have mentioned, because, as I have said, there is no State or governmental authority that knows to-day the answer to this question as to how they are to stop on these ditches this waste of fish that is going on.

I have told you about the conditions along the Atlantic coast. They are no different on the Pacific coast. Unless the membership of the House realize the importance of the fisheries of this country and are willing to put forth an effort to find a remedy for the destruction that is going on, there are men sitting here who will not know what certain commercial fish of to-day are in 20 years' time.

Mr. MADDEN. This is the important phase of it: We have been told—I think by the gentleman from Washington [Mr. JOHNSON], or perhaps it was the gentleman from California [Mr. FREE]; I am not sure—that the Fish Commission has a machine that they are going to apply to the preservation of these fish. We would like to have this machine described. He said it is not a case of investigation but a case of preservation. If it is not investigation, what is it?

Mr. WHITE of Maine. I know what the testimony is before our committee and I know the facts as they appeared in the Senate hearings on the subject. I say to you that the purpose of this appropriation is to authorize a study and investigation in the hope that from that will come a remedy for the conditions which now exist.

Mr. MADDEN. Will the gentleman from Maine permit me to ask a question of the gentleman from California [Mr. FREE]?

Mr. WHITE of Maine. Certainly.

Mr. MADDEN. I will ask the gentleman from California where he got the information that led him to say to the House, in face of what the chairman of the committee has just said, that this machine was going to be built and paid for out of the money that is being sought to be appropriated?

Mr. JOHNSON of Washington. I doubt if the gentleman said quite that.

Mr. MADDEN. He did say that.

Mr. JOHNSON of Washington. I think "demonstration" would have been a better word.

Mr. FREE. The Commissioner of Fisheries of the State of Washington was here in conference with Mr. O'Malley and they have in mind a certain plan which they want to demonstrate. The Washington authorities, the Oregon authorities, and the California authorities have done much along this line, and they believe they now have a plan which will work out, and they want to take this money and try out that plan.

Mr. MADDEN. It is a machine, is it?

Mr. FREE. It is a contraption that has to be built; it is a device.

Mr. MADDEN. What is the difference between a contraption or device and a machine?

Mr. FREE. Well, I think a machine is more in the line of something that is mechanical, while these fish-saving devices are largely different from a machine.

Mr. MADDEN. The chairman of the committee says this is for a study.

Mr. FREE. Well, it is.

Mr. MADDEN. But the gentleman says it is to build a machine, and the money is to be used to build a machine.

Mr. FREE. I say it is to permit them to try out what they have in mind, the thing which they think will accomplish the purpose. There are millions of these fish lost every year in all these ditches in the various States, and they think they can take this small amount of money and try out what they have in mind, and the hope is that it will prevent this great loss of fish.

Mr. MADDEN. Then it is a machine?

Mr. FREE. If you want to call it a machine, all right; but, whatever it is, if they can save those fish they will save hundreds of thousands of edible fish for the country.

Mr. MADDEN. Is this for an investigation?

Mr. FREE. It is.

Mr. MADDEN. Or is it to build a machine which will be used as the gentleman has suggested?

Mr. FREE. It is an investigation, and it is a try-out of a device which they think will work.

Mr. MADDEN. Who has the patent on the machine?

Mr. FREE. Nobody.

Mr. SIROVICH. Will the gentleman from Maine yield?

Mr. WHITE of Maine. Yes.

Mr. SIROVICH. Can the gentleman inform the House as to what is contributing to a diminution of fish in our waters?

Mr. WHITE of Maine. The gentleman has asked me a question which involves somewhat of an order, but I think there are certain conditions which are recognized as contributing to the condition which now exists. I suppose the pollution of our streams has had a very important part and the building of manufacturing plants of one sort and another in the upper reaches of our streams, to which these fish have been in the habit of going in the years past for the purpose of breeding. That has closed off to the salt-water fish and to other fish the access to their breeding grounds. I suppose the presence of oil and other matter along the coast line has been a contributing factor. Then there has been carried on too intensive fishing in certain ways. The fishing along the Pacific coast and in Alaska unquestionably has had much to do with the condition in which we find ourselves. And, mark this, I think the complete failure on the part of the American people and of the Congress to appreciate the conditions and to take needful steps for the propagation of these fish has been a contributing factor. I believe myself, and I believe it firmly, that unless the Congress of the United States in the immediate future is ready to embark on a wide-flung program of propagation and conservation of fish you will find many of these fish commercially extinct within a generation. [Applause.]

Mr. LINTHICUM. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. LINTHICUM. I want to suggest to the gentleman from New York, Doctor SIROVICH, if the gentleman from Maine will allow me to do so, that what has ruined the fishing industry in the Potomac River, both shell fishing and other fishing, is the pollution from the city of Washington, which dumps its sewerage into the Potomac River.

Baltimore has spent some $50,000,000 in taking care of the sewerage of that city so that it will not injure the fish in the Patapsco River and Chesapeake Bay, yet Washington continues to dump its sewerage into the Potomac River. The gentleman from New York, Doctor SIROVICH, suggests that perhaps the poisoned alcohol which you are dumping into the streams has had something to do with it.

Mr. WHITE of Maine. That might account for it in some places, but it does not account for the loss of fish in the waters of Maine. [Laughter.]

Mr. FREE. I would like to answer the gentleman from Maryland. The trouble with fishing in the Potomac is that you have so many fishing nets there that catch all these fish and throw about one-half of them away. That is the real trouble with the fishing in the Potomac.

Mr. LINTHICUM. I think there is a great deal in what the gentleman from California has said.

Mr. WHITE of Maine. Mr. Chairman, I reserve the balance of my time and I would like to ask how much time I have remaining.

The CHAIRMAN. The gentleman from Maine has 35 minutes remaining.

Mr. CRAMTON. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Is the gentleman opposed to the bill?

Mr. CRAMTON. To some extent.

The CHAIRMAN. Is any member of the committee opposed to the bill? [After a pause.] If not, the Chair recognizes the gentleman from Michigan for one hour in opposition to the bill.

Mr. CRAMTON. Mr. Chairman, I do not expect to use one hour.

Mr. MILLER. To what extent is the gentleman opposed to the bill, 30 per cent or 20 per cent?

Mr. CRAMTON. Well, I will state exactly to what extent. The bill directs a bureau of the Government to solve the unsolvable.

If the committee, in the first place, will agree to accept an amendment striking out the words in line 4, on page 1, "and directed," they will have left all that they need. It will leave the authorization but would not then direct the Department of Commerce to determine the best means, when in my judgment there are no best or satisfactory means.

Mr. MADDEN. I would like to suggest that the gentleman couple with his suggestion to cut the amount down to $25,000.

Mr. CRAMTON. That is the other part of my suggestion, that the gentleman accept the Senate provision of $25,000, with the understanding that the words "not exceeding in the aggregate" shall have due consideration by the Committee on Appropriations, so that when the Bureau of Fisheries come in and ask for the money, unless they can show that they really are going to make good use of $25,000, we would not be obliged to recommend the $25,000.

With these amendments I should not oppose the bill. Without them I feel the bill ought not to pass, and let me observe this: The gentleman from Maine presented an eloquent address that was not in order to-day, because to-day's debate has to be confined to the bill, and most of the gentleman's address had nothing to do with the bill before the House. How many lobsters are dying annually in the East does not affect this bill. While the great loss of food fishes may be a serious matter, that is not, comparatively, greatly involved in this bill. The evils that they must correct, in order to conserve the fish referred to in this bill, are two. You must make it easy for the

fish to go up the stream and easy for them to come down the stream.

The irrigation dams are no different from any other dams as to this question. The dams built for water power are as difficult for fish to climb as if they were built to store water for reclamation.

As the letter of the Secretary of the Interior sets forth, only 6 per cent of the irrigation is under Government control, and so only 6 per cent of this problem is a Government question at all so far as irrigation is concerned; but to hear the gentleman from Maine talk one would suppose that the moment this bill passes the Bureau of Fisheries will solve the question of the waste of millions of dollars' worth of fish every year. The fish in coming downstream, so the report from the Secretary of the Interior sets forth, which, I think, is not to be disputed, do not have any great difficulty in passing over the dam, but they do have difficulty if they pass off into the irrigation ditches and canals. When these waters are drained the fish are left there on land and die. This is the great evil.

There is another evil with respect to fish going up the stream. They say that for dams 20 feet in height devices have been perfected—fishways—that work fairly well, that will let the fish climb a 20-foot dam. This is about the limit of height they have been able to negotiate as yet.

Then what are you going to say about the Arrowrock Dam, which is 349 feet in height? Does anybody hold out any idea that the Department of Commerce is going to be able to determine the best means of a fish climbing 349 feet? That is what this bill tells them we direct them to do, to say nothing of Boulder Dam, 500 feet or more in height.

Mr. GIFFORD. Will the gentleman yield there?

Mr. CRAMTON. Yes.

Mr. GIFFORD. Does the gentleman repeat to me that he considers that a fair inference?

Mr. CRAMTON. What is that?

Mr. GIFFORD. Is not that pure ridicule? It is not a fair inference of what this bill is attempting. I think the gentleman ought not to make any such statement seriously.

Mr. CRAMTON. I think it is ridiculous for Congress to direct the Department of Commerce to do something that the very report of the committee gives us reason to believe can not be done.

I do not want to discuss this bill unfairly, but it is ridiculous to have this House think that the passage of this bill is going to save all the fish we have been told are lost on irrigation projects.

First, as to those that seek to come up the stream, there has been a lot of study given to it, and there is nobody yet who has been able to suggest anything that would get a fish over a dam more than 20 feet in height, according to the report I have here, and yet we have these irrigation dams 100 feet, 300 feet, and 349 feet in height.

As to the other angle of it, fish going out into the canals on irrigation work, bear in mind that only 6 per cent of the irrigation is under Federal control. The Secretary of the Interior says:

> It seems to be generally agreed that no device so far developed to keep fish out of canals has proven satisfactory. The fine mesh required to strain out the small fish affords ready lodgment for floating leaves and other débris requiring constant attention to keep the screen clear. Besides this heavy operating expense, the obstruction interposed by the screen itself to the flow of the water involves either expensive loss of head or costly enlargement of intake structure. Electrical devices have been tried out, but no evidence that any of these have proven effective is available.

This is not a question that has never been studied. It is a question that people interested have studied a long time, and where have they gotten? Note the report of the Senate committee on this bill, which report has been adopted by the House committee:

> The bill authorizes the participation of the United States Government in a conservation effort of great importance, namely, the saving of millions of food and game fish. The fisheries departments of the States of Washington and Oregon in cooperation with commercial fishing interests, sportsmen, and angler societies have been endeavoring for many years to perfect a device or devices to prevent the admission of fish to irrigation canals, canal intakes, and diversion dams.

The very thing most stressed by the gentleman from Maine.

> Only partial success has attended their efforts.

Which, of course, is correct.

The statement is made that there has been only a limited success attending the study of the subject. I do not understand what the Bureau of Fisheries would do with $50,000 in this study. Of course, when it comes to actually furnishing the canals with the necessary devices $50,000 would not be a drop, but they must first determine what are the most effective devices. I do not understand from anything yet given me where they could use $50,000. The Senate committee has only reported $25,000, and my own judgment is that very little will be accomplished by the investigation. As far as I am concerned, I would not vote against the bill if it could be held down to a maximum of $25,000 if they can show what use they are going to make of that money.

Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD to include the letter from the Secretary of the Interior on the bill from which I have quoted.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The letter referred to is as follows:

DEPARTMENT OF THE INTERIOR,
*Washington, February 15, 1928.*

HON. ADDISON T. SMITH,
*Chairman Committee on Irrigation and Reclamation,*
*House of Representatives.*

MY DEAR MR. SMITH: I have your letter of January 14 transmitting with request for report a copy of H. R. 8906, "A bill to provide for the protection of food and game fish at diversion dams and canal intakes of irrigation projects, and for other purposes."

This bill authorizes an investigation by the Secretary of the Interior, with a view to perfecting a device or devices for the protection of food and game fish at diversion dams and canal intakes of irrigation projects constructed by and under the supervision of the Bureau of Reclamation, and authorizes the appropriation of such funds as may be necessary for such investigation not to exceed $25,000 in any one fiscal year.

Leaving out of consideration the views of the extremists, who urge that no dam should be permitted across any salmon-frequented stream, there are two principal classes of protective devices the installation of which is urged by the representatives of the fishing industry, as follows: (a) Fish ladders or fishways to permit fish ascending the streams to pass diversion dams or other structures interrupting its flow; and (b) fish screens by means of which the fish descending the streams, both the recently hatched fingerlings and the more mature fish, may be prevented from entering the diversion canals and being carried out onto the land and lost.

For low dams up to some 20 feet in height it appears that satisfactory fishways can be built, based upon knowledge at present available, although the principles of design even in this limited range are by no means definitely fixed, as is illustrated by the recent experience of the Bureau of Reclamation in connection with a diversion dam planned for early construction on one project. Here an elaborate fishway was worked out by the engineers of the bureau along lines approved by the State fishery authorities. Before construction of the dam was begun a change of administration occurred and the new officials required a complete redesign of the fishway to conform to their ideas.

For high dams, such as are required for storage or power development, the only possible way to provide for passing fish upstream appears to be some mechanical device for trapping the fish below the dam and elevating them over it. Several elaborate devices of this kind have been tried out in the West in recent years, but testimony as to their effectiveness is conflicting. It seems to be agreed that the young fish seeking the sea can descend in a stream of water passing over high dams or spillways without injury.

It seems to be generally agreed that no device so far developed to keep fish out of canals has proven satisfactory. The fine mesh required to strain out the small fish affords ready lodgment for floating leaves and other débris, requiring constant attention to keep the screen clear. Besides this heavy operating expense, the obstruction interposed by the screen itself to the flow of the water involves either expensive loss of head or costly enlargement of intake structures. Electrical devices have been tried out but no evidence that any of these have proven effective is available.

There seems to be no doubt that in the case of certain varieties of fish, notably the salmon and the steelhead trout, which ascend the streams at certain seasons to spawn, and whose young must seek the sea to spend the major portion of their lives, serious losses occur on account of ineffective fish ladders at dams, and that large numbers of fish of these varieties and possibly others are annually lost in irrigation ditches.

The Bureau of Reclamation, however, is by no means the only or even the largest interest concerned in the improvement of fishways. Power developments and municipal water-supply projects throughout the West have built in the past and will build in the future many more dams than the Bureau of Reclamation, especially of the higher type, where the most need exists at present for the development of a satisfactory design. The loss of fish in irrigation canals, on the other hand, is a problem concerning both the private irrigation developments and the Bureau of Reclamation projects. Of the total irrigated acreage of the country, that included in Bureau of Reclamation projects constitutes

only 6.5 per cent of the whole, and responsibility for fish losses probably should be rated in a somewhat similar proportion.

The problem of devising ways and means for the preservation of fish life is primarily one for those whose duty it is to deal with the fishing industry and who are accordingly well informed concerning fish and their habits. The engineers of the Bureau of Reclamation and of the Indian Service have been directed to confer with and to assist those interested in evolving a plan to remedy conditions so far as feasible under present conditions, and reports indicate that this has been done.

The bill was submitted to the Director of the Bureau of the Budget, who states that the proposed legislation is in conflict with the financial program of the President.

Very truly yours,

HUBERT WORK.

Mr. WHITE of Maine. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman and gentlemen, the commercial fisheries of the United States are so gigantic and the efforts made so far to conserve commercial fishing so extensive that it would be impossible for me to discuss the subject in five minutes.

As a matter of fact, this bill is an effort to bring about something that might be called a demonstration that will result in the Federal Government indicating and pointing out to the States that I happen to know about on the North Pacific Coast and in the Northwestern States a method by which fish may be kept out of the great ditches and, therefore, out of the minor ditches. It works both ways. If the major ditch carries the fish into the minor ditches, the fish die by the million when the water is shut off. If the recently hatched fish are in the minor ditches they clog the meshes of the screens and die.

This effort began, so far as I know, in my State with the Sportsman's Association, who thought it was criminal that there was no organized effort to carry on substantial experiments of the various types and devices of large screens. I saw the various departments, the Interior Department and the Bureau of Fisheries and the Department of Commerce, and found the principal officials to be intensely interested in the problem and anxious to cooperate.

So far as the suggestions made by my distinguished colleague from Michigan [Mr. CRAMTON], I should like to pay him a compliment for his indefatigable efforts for good, orderly legislation on so many matters.

I feel sure his amendment to strike out the words "and directed" is proper. I agree with that part of his argument. As to the authorization of up to $50,000, let me say that the Senate bill was passed in the Senate on the very day that the committee of the House was considering this bill. The Senate bill carries $25,000 and the House committee passed this bill with $50,000 as the figures.

If the sum is left at $50,000 it will be adjudicated in conference. I do not know the exact amount necessary. I would like to see a sum authorized sufficient to provide a real study and experiment. Both departments are interested, and I have a letter from a bureau of the Interior Department that they are willing to cooperate.

Mr. BYRNS. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes; certainly.

Mr. BYRNS. The gentleman stated to me a few minutes ago that the Budget had been convinced of the necessity of some such measure.

Mr. JOHNSON of Washington. Yes.

Mr. BYRNS. And I noticed the Senate fixed the sum at $25,000, the sum suggested by the gentleman from Michigan. Does the gentleman know what sum the Budget recommended?

Mr. JOHNSON of Washington. Yes. It is true that the Director of the Budget, after attention was called to it and after study of the situation, agreed that $25,000 authorization would not receive opposition from the Budget. That led to the $25,000 authorization in the Senate bill.

Mr. BYRNS. The Budget recommended $25,000, the sum fixed by the Senate?

Mr. JOHNSON of Washington. The gentleman is correct.

Mr. BYRNS. Does not the gentleman really think that that sum would be sufficient for this demonstration which the gentleman says is going to be made?

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. CRAMTON. Mr. Chairman, I yield five minutes to the gentleman from Washington.

Mr. JOHNSON of Washington. I suggest to the gentleman from Tennessee, with his long experience, would it not be better for him to do the thinking in respect to the figures rather than the gentleman from Washington, the proponent of the bill?

Mr. BYRNS. The gentleman knows that if the bill is passed authorizing a certain sum it affords a leverage for the full amount authorized, because the argument is always made that that is the amount that Congress had in mind. If $25,000 is what the Senate thinks is sufficient and what the Director of the Budget thinks is sufficient and what the gentleman is not prepared to say is not sufficient, it seems to me that Congress ought not to appropriate more than that sum.

Mr. JOHNSON of Washington. Let me say to the gentleman from Tennessee, a member of the Committee on Appropriations, that I am like the patient about to go under the surgeon's knife. You have got the knife.

Mr. BYRNS. I understand that the gentleman is for the $50,000?

Mr. JOHNSON of Washington. The bill would indicate that.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. CRAMTON. As I understand the situation, because of the vagueness of the plans of the Bureau of Fisheries, whatever amount is given, when they come with their estimate before the Committee on Appropriations that bureau will have to come with a definite statement, and the gentleman is agreeable that the committee should go into the situation then and approve such amounts as seem to the committee, subject to the approval of the House, sufficient to carry out the purpose which is intended.

Mr. JOHNSON of Washington. I so understand; and, speaking of the justification that will have to be made, I know that the officers of the Bureau of Fisheries will have to go through meshes much finer than any mesh put into any stream to keep out small fish from irrigation ditches. I pay that compliment to the work of the Committee on Appropriations. In other words, if they make justification to that committee for any amount up to $50,000, it will have to be a full justification.

Mr. BLAND. And is not the effect of the maximum amount of $50,000 that if the Committee on Appropriations upon its investigation later finds that there would be needed more than $25,000 to carry on this work, the committee is then authorized in going beyond the $25,000.

Mr. JOHNSON of Washington. The gentleman is correct.

Mr. BLAND. So that the power is in the Committee on Appropriations to determine to what extent appropriations shall be made within the $50,000.

Mr. JOHNSON of Washington. Quite so; and as it should be, I think.

Mr. SIROVICH. If $50,000 should be granted, as the proponent of this bill has the gentleman any definite idea as to how it would be expended?

Mr. JOHNSON of Washington. Yes. Let me say this: In my opinion this bill as written, as amended by the House Committee on the Merchant Marine and Fisheries, is rather broader than the author of the bill—myself—had in mind. The particular thing we had in mind was these irrigation ditches, so that the Government, even if it controls only 6 per cent of the irrigation ditches, would be the directing mind in the experimentation with electrically controlled revolving or other mechanical devices which will let the leaves and brush be drawn aside and keep out the fishes; but as the scope of the bill has been enlarged, it might allow an investigation into the fish in the Cape Cod Canal, now under Federal control.

Therefore, it seems to me reasonable that if the Senate bill, which was reported as introduced, with $25,000, and the Budget Director at that time thought $25,000 was enough, and the House committee has enlarged the scope of the bill, $50,000 would not be too much. But that is a matter which must be justified by the Bureau of Fisheries when they go before the Committee on Appropriations.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. CRAMTON. The problem the Bureau of Fisheries will have to deal with will not be a study of each individual dam or diversion ditch, but it will be to study a certain type, and when they have made a recommendation as to that type, that recommendation will be available for the use of every other dam of that type.

Mr. JOHNSON of Washington. Yes; covering various widths, depths, and heights.

Mr. CRAMTON. So that the scope of the bill being enlarged in that respect does not really add anything to the responsibility of the bureau unless it may be as to the Cape Cod Canal, which I do not think we need consider now.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. CRAMTON. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I rise simply to call the attention of the House to the importance of having facts upon which to base legislation. I suppose this is more or less of a fishing expedition. Nobody seems to know just quite what it is that they want. They think they know this, that when the matter is submitted to the Committee on Appropriations that committee should be deaf, dumb, and blind and should exercise no discretion in the recommendation to the House for appropriations. As the chairman of that committee, I have taken the liberty of asking my colleague for two or three minutes in which to say that I think it is an unfair way to present a bill to the Committee on Appropriations for consideration.

In the first place, the committee is not organized by the House merely to take a rubber stamp and put down what anybody wants put down. In the second place, if it is organized for that purpose, I think we ought to discharge the existing membership of the committee and put on it to control it some of those men who are willing to be rubber stamps. I am not. If the country did not want the finances conserved it would not have organized the present method of protecting and administering them; and I think it is only fair to the committee to submit legislation that will not create any doubts in the minds of anybody on the committee that it is intended that they should use the discretion through which, if necessary, the rights of the taxpayers will be protected.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Certainly.

Mr. BLAND. Just for information. I would like to find out just what part, what language in this bill, the gentleman thinks will take power away from the Committee on Appropriations, because I am sure, so far as one Member is concerned, that that is not desired.

Mr. MADDEN. That is the way the bill reads, or did read. What we want is to have all the discretion that may be necessary to get the best light that can be had upon the subject for which appropriations are asked.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. JOHNSON of Washington. Does not the gentleman think that the amendment he proposes would secure the safeguards he has in mind?

Mr. MADDEN. Yes; I think the amendment will. But the bill as it came did not do that.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. I thank you very much.

Mr. WHITE of Maine. Do gentlemen on that side desire time?

Mr. DAVIS. I want five minutes.

Mr. WHITE of Maine. I yield to the gentleman from Tennessee five minutes.

The CHAIRMAN. The gentleman from Tennessee is recognized for five minutes.

Mr. DAVIS. Mr. Chairman and gentlemen of the committee, the Committee on the Merchant Marine and Fisheries unanimously reported this bill, believing that it was meritorious. I still feel that way about it. I think there has been entirely too much quibbling over immaterial matters with respect to the bill.

Of course, it is conceded by everybody that we have a situation involving the loss and destruction of a large amount of fish, due to the irrigation projects maintained by the Federal Government. This situation is so serious that many of the States affected are undertaking to remedy it. It is suggested by some of those who know nothing about the actual physical conditions that somebody ought to put screens at the mouths of those ditches and prevent this loss, and that an investigation ought not to be necessary to determine the advisability of that. But the fact of the business is that the State fishery commissions have been studying this problem for several years without having reached a satisfactory solution.

We all agree that some form of screening or some device or apparatus must be placed in the mouths of these irrigation ditches to prevent this unnecessary destruction. But the question is this: Which is the most efficient and most economical means or device to be employed by the Federal Government and by the various States in order to reach that result? Different characters of screens and devices have been proposed and tried, without any definite conclusion having been reached as to what is best. They can not install apparatus that will interfere with the free passage of water. There must be screens of such a fine mesh that they will prevent the escape of fish fry in large numbers, and their consequent destruction when the irrigation ditches are drained dry. Furthermore, there are different situations in different localities, requiring different treatment and different methods. There would not only be involved the question of the construction of these screens and these devices, but of their maintenance, because anybody who has had any experience with things of that kind knows that leaves and débris gather in these screens and require frequent attention; so that everybody knows that we have a problem that should be dealt with, and there being a difference of opinion as to the best methods, and no entirely satisfactory methods having yet been devised, this bill simply proposes——

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DAVIS. May I have three minutes more?

Mr. WHITE of Maine. Mr. Chairman, I yield to the gentleman three minutes more.

Mr. DAVIS. This bill simply proposes the authorization of an appropriation and an authority to be vested in the Secretary of Commerce to make a careful investigation and study of this problem and to determine the proper methods that should be employed.

Now, members of the Committee on Appropriations complain that this bill authorizes them to make an appropriation of not exceeding $50,000. We had sufficient confidence in the great Committee on Appropriations to believe that they would exercise that discretion with entire intelligence and patriotism, and of course it could not be known by us or anybody now just what the cost of this investigation might be. The probabilities are that the Bureau of Fisheries will ask for an appropriation considerably less than the authorized amount, and they may not be able to complete the investigation the first year. It may be that they might desire to secure some supplemental appropriation, which could not be done, of course, if they had expended all of the appropriation authorized, and we thought that those contingencies, which can not be fully foreseen, might well be left to the discretion of the Committee on Appropriations.

However, I am not concerned particularly about the amount. It may be entirely true that $25,000 would be all-sufficient. I am willing for the authorization to be that amount. I am opposed to the expenditure of one dollar more than necessary.

Now, as to the criticism of the words "and directed," that is the language in the Senate bill, which we saw no occasion to change in committee. The words, "authorized and directed" are the customary language employed in nearly all bills conferring authority and imposing duties on executive officials. It is immaterial whether the words "and directed" are left in the bill or not.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WHITE of Maine. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Maine has 22 minutes remaining.

Mr. WHITE of Maine. Mr. Chairman, I have no further requests for time.

Mr. CRAMTON. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, I want to congratulate the gentleman from Washington on having seen a new light. Just think of coming in with a bill providing for the immigration and conservation of fish and calling for a machine that does not provide for their segregation according to national origins; nothing said about the quotas of the fish; nothing provided for the separation of the families of the fish; no inquiry concerning their moral turpitude; no inquiry as to whether or not they may have indulged in companionate marriages; and, above all things, is an appeal for that great nonnordic fish—the herring—and, stranger than that, is an appeal for French sardines. I tell you, sir, you are going to get telegrams of protest from the League of the Sacred Puritannical Codfish. But I can understand the situation. The Republicans expect to have pretty shortly a new President, maybe. At the present time he is in control of the department that will operate this machine. He is a half-and-half candidate, half British, half American, half Republican, half Democratic, and I understand that may have something to do with this bill. I congratulate the gentleman on his liberality.

Mr. Chairman, I yield back the balance of my time.

Mr. CRAMTON. Mr. Chairman, I yield two minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman and gentlemen, in many previous Congresses in the days of the well-known former chairman of the Ways and Means Committee, Mr. Fordney, when he would take the floor to make a speech on any subject, our colleagues in the cloakroom would offer to bet that he would not go 10 minutes without discussing lumber and

shingles. To-day some one said to me that I would not be able to get through the discussion of this short, one-paragraph bill for fish conservation without bringing in the subject of immigration. I have avoided it; but my delightful colleague from New York [Mr. BLACK] has thrown it in my face, and in reply, as politics have been mentioned, let me recall a story that used to be told by the late lamented former Speaker of this body, Mr. Cannon, that the Pacific coast salmon were like the Democrats; they ran every four years and got canned. [Laughter and applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 1, line 6, after the word "fish," insert the word "occasioned."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Page 1, line 7, after the word "constructed," insert the words "or maintained."

The CHAIRMAN. The question is on agreeing to the second committee amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the third committee amendment.

The Clerk read as follows:

Page 1, line 7, after the words "United States," strike out the comma and the words "under the Interior Department."

The CHAIRMAN. The question is on agreeing to the third committee amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the fourth committee amendment.

The Clerk read as follows:

Page 2, line 1, strike out "$25,000" and insert "$50,000."

Mr. CRAMTON. Mr. Chairman, I understand the committee is not disposed to insist upon this amendment, and I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on agreeing to the fourth committee amendment.

The amendment was rejected.

Mr. LINTHICUM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LINTHICUM: Page 1, line 7, after the words "United States," insert "and to further investigate the question as to how many fish fertilizer factories now exist in the United States and as to the quantity of edible fish turned into fertilizer."

Mr. WHITE of Maine. Mr. Chairman, I make a point of order against the amendment.

Mr. LINTHICUM. I will ask the gentleman from Maine to reserve his point of order.

Mr. WHITE of Maine. Mr. Chairman, I will reserve the point of order.

Mr. LINTHICUM. Mr. Chairman, the purpose of this amendment is to ascertain the number of fish-fertilizer factories, and how much, if any, edible fish are turned into fertilizer. Some years ago I introduced a bill by which I endeavored to have Congress declare against the manufacture of fertilizer out of edible fish. The bill was to regulate the interstate transportation of fish or products or compounds when intended to be used for fertilizer or oil or in the manufacture of fertilizer or oil.

It is well known that the menhaden is used for fertilizer and great quantities are caught in the Chesapeake Bay, and great fertilizer factories exist along the Virginia coast and in other sections of the country wherein these fish are manufactured into fertilizer and the fertilizer sold throughout the country.

Now, the testimony at that time was that it was not only the fish which were not proper for consumption that entered into the manufacture of fertilizer but that many edible fish were also included in this fertilizer manufacture.

I do not want to criticize the fertilizer manufacturers to any great extent, but I think while we are endeavoring to conserve the food supply of this country, and while we are endeavoring to protect the fisheries and fish of this country, we should also know how many factories in this country are turning these edible fish into fertilizer and selling it for the fertilization of the farms.

Mr. MACGREGOR. Will the gentleman yield?

Mr. LINTHICUM. Certainly.

Mr. MACGREGOR. I am somewhat familiar with this proposition. Does not the gentleman know that the Bureau of Fisheries keeps very close track of this proposition?

Mr. LINTHICUM. If they are keeping close track of it, they have only been doing it recently, because I know in the testimony before the committee it was shown that many edible fish were found among the hauls of the seins, including the menhaden, which were caught for fertilizer purposes. I am simply asking the department which has the matter in charge to tell us how many of these factories exist and what quantity of edible fish is turned into fertilizer. If there is none, then we shall be better satisfied. If there is a quantity of it, then we shall be better able to legislate in respect to it.

Mr. MACGREGOR. They seem to keep very close track of it so far as the Alaskan fisheries are concerned.

Mr. LINTHICUM. They do not have the menhaden and that type of fish in Alaska, and we do not have fish fertilizer plants there like we do in this section of the country.

Mr. BLAND. Will the gentleman yield?

Mr. LINTHICUM. I had expected to get a rise out of the gentleman and would have been very much disappointed if I had not succeeded. Certainly, I yield.

Mr. BLAND. I am simply going to ask the gentleman, for our information, to tell us at what time and before what committee this evidence was given.

Mr. LINTHICUM. I think this was around 1914, if my recollection is correct, and one of the hearings was before the Committee on the Merchant Marine and Fisheries as to migratory fish, and the other hearing, fish used for fertilizer, was before the Interstate and Foreign Commerce Committee. I think the question with respect to fertilizer was before the Interstate and Foreign Commerce Committee.

Mr. BLAND. Will the gentleman yield further?

Mr. LINTHICUM. Certainly.

Mr. BLAND. In view of the fact the gentleman expected to get a rise out of me, may I say that the plants in my district are not guilty?

Mr. LINTHICUM. I want to say to the gentleman the reason I said I expected to get a rise out of him was because his predecessor in Congress, the late Mr. Jones, was the one who fought the bill from start to finish and finally succeeded in defeating it because the fertilizer factories were mostly in his district and to-day are mostly in the district of the gentleman from Virginia, to whom I am speaking.

Mr. BLAND. Will the gentleman yield further?

Mr. LINTHICUM. Certainly.

Mr. BLAND. I have such confidence in my predecessor that I am compelled to say that if he successfully fought the measure he was absolutely justified in the fight.

Mr. LINTHICUM. Well, the testimony did not seem to bear out that conclusion.

Mr. BLAND. But the Congress seems to have been with my predecessor.

Mr. LINTHICUM. Only the committee.

Mr. BLAND. Then the committee was with my predecessor.

Mr. LINTHICUM. It was choked in the committee.

Mr. BLAND. Then I believe the rest of the members of the committee were right.

Mr. WHITE of Maine. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill.

Mr. LINTHICUM. I should like to know why the gentleman says it is not germane.

Mr. WHITE of Maine. There is nothing in the bill authorizing the taking of a census of fish or of fertilizer plants or anything else. The bill simply authorizes a study of ways and means for the prevention of the destruction of fish by certain means, and certainly the matter of fish-fertilizer plants is beyond that proposition.

Mr. LINTHICUM. The title of the bill reads "to provide for the conservation of fish, and for other purposes." If an amendment for an investigation as to how many factories there are in this country turning fish into fertilizer and what quantity of edible fish are so turned into fertilizer, is not a proposition having to do with the conservation of fish, I do not know what would be. Here is a gentleman who wants an appropriation of $25,000 to conserve the fishing interests of the country, and here I am making a proposition which he should be in favor of, if he believes as much in the protection of our fisheries as he says he does. The gentleman ought to be in favor of ascertaining what, if anything, is being done in these fertilizer plants

in the way of destroying the fishing interests of the country. I contend when the bill says "to provide for the conservation of fish, and for other purposes," an amendment for the conservation of fish, as proposed, is wholly in accord with the purview of the bill and germane to the subject matter.

Mr. BLAND. Will the Chair permit just one statement?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLAND. It will be noted that while the title of the bill does read as the gentleman from Maryland has said, yet the bill itself is limited to the best methods of preventing the destruction of fish. How? By ditches, canals, and other works constructed or maintained by the United States. The limit of this bill is the extent to which those things, constructed or maintained by the United States, do this damage, and the scope of the bill does not go to the general question of pollution or conservation, generally. Of course, if the amendment of the gentleman from Maryland is in order, then any amendment on the subject of pollution or any amendment dealing with conservation of fish would be in order, but the bill limits it to works constructed or maintained by the United States.

Mr. MILLER. Or methods of seining and the use of fish traps.

Mr. BLAND. Yes; all those questions would be germane if the amendment of the gentleman from Maryland is in order.

Mr. LINTHICUM. Would the gentleman suggest that the abolishing of fish traps would not be for the conservation of fish?

Mr. BLAND. That may be true; but my contention is it would not be germane to this bill.

Mr. LINTHICUM. The gentleman contends that the fertilizer plants of his district are not guilty, and yet he is opposed to having that demonstrated by an amendment to this bill and an investigation.

Mr. CRAMTON. Mr. Chairman, I make the point of order the gentleman is not debating the point of order.

The CHAIRMAN. The Chair is ready to rule. In order to get the purpose of a bill one must read beyond the title of the bill. It is clear to the Chair that the object of this bill is to authorize the Department of Commerce "to study, investigate, and determine the best means and methods of preventing the destruction of fish," and so forth. That is all there is to the bill before us. The amendment of the gentleman from Maryland proposes to authorize the same department to investigate how many fish-fertilizer factories now exist in the United States, and so forth. It does not appear to the Chair that the amendment is germane to the bill, and the Chair therefore sustains the point of order.

Mr. CRAMTON. Mr. Chairman, I offer an amendment. In line 4, page 1, strike out the words "and directed."

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 1, line 4, strike out the words "and directed."

The question was taken; and on a division (demanded by Mr. CRAMTON) there were—ayes 6, noes 3.

Mr. LINTHICUM. Mr. Chairman, I object to the vote on the ground that there is no quorum present.

The CHAIRMAN. The gentleman from Maryland makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and three Members present, a quorum.

Mr. WHITE of Maine. Mr. Chairman, I move that the Committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAMSEYER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 3437) for the conservation of fish, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITE of Maine. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The motion was agreed to.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion by Mr. WHITE of Maine to reconsider the vote whereby the bill was passed was laid on the table.

A similar House bill was laid on the table.

## RECOGNITION OF THE OFFICERS AND CREWS OF CERTAIN UNITED STATES STEAMSHIPS AND OF THE BRITISH STEAMSHIP "CAMERONIA"

Mr. WHITE of Maine. Mr. Speaker, I call up the bill (S. 1609) recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Cameronia*, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the State of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. RAMSEYER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the term "crew" as used in this act shall mean and include any person carried on the ship's register or serving on the ship in any capacity, regardless of rank or rating, at the time of the rescue referred to in this act.

SEC. 2. That the thanks and appreciation of the Congress of the United States be, and they are hereby, tendered to the families of Uno Wirtenan and Fritz Steger who lost their lives, and to the officers and crew of the U. S. S. *President Roosevelt* as constituted on January 24 to 28, 1926, inclusive, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the British steamship *Antinoe;* to the officers and crew of the U. S. S. *President Harding* as constituted on October 25, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Italian steamship *Ignacio Florio;* to the officers and crew of the steamship *American Trader*, of the American Merchant Line, as constituted on October 26, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Norwegian steamship *Elven;* to the officers and crew of the U. S. S. *Republic* as constituted on October 10, 1925, for the heroic conduct and noble service rendered in the rescue of the officers and crew of the U. S. patrol boat *No. 134;* and to the officers and crew of the British steamship *Cameronia* as constituted on October 11, 1925, for the heroic conduct and noble service rendered in the rescue of the crew of the United States Coast Guard patrol boat *No. 128*.

SEC. 3. That the Secretary of Commerce and the Director of the United States Mint be, and they are hereby, authorized and directed to prepare a suitable die and to strike suitable gold medals commemorating the heroic conduct and noble services rendered in the rescues described in section 2 of this act, and present, in evidence of the esteem of the Nation for valorous conduct on the high seas in the face of great danger as demonstrated in such rescues, one of such medals to the captain of each of said rescuing ships, and to each person certified by the captain of the respective rescuing ships to have shown special courage and to have faced special danger in such rescues.

SEC. 4. That there is hereby authorized to be appropriated, from moneys in the Treasury not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary to cover the cost of designing producing, and distributing said medals in the manner described in this act.

With the following committee amendments:

First amendment: Strike out section 3 of the Senate bill.

Second amendment: Strike out section 4 of the Senate bill.

Mr. WHITE of Maine. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, this is not a controversial bill. It is an act recognizing the heroism of certain officers and crews in time of great danger. I take this opportunity to speak on this bill, that I may attempt to extend our appreciation to other acts of heroism more recently called to our attention.

I may have been dilatory for during the month of March I might have risen and called attention to an act of heroism on the coast which I represent, when the steamer *Robert E. Lee* went aground off Plymouth, Mass., and several lives of Coast Guardsmen were lost, while taking part in rescue work.

It is quite customary to call the attention of Congress to such happenings and later to make official expressions of appreciations. I do hope at the proper time this appreciation may be extended in this instance. I do hope some way may be provided whereby the families of those whose lives were lost may receive some practical token of the feeling of Congress in such cases.

I wish to call attention to a newspaper article that appeared a short time afterwards. If such an article appeared in a leading newspaper in your district I am sure you would give it attention. The article reads "They died unnecessarily." It then proceeds to blame Congress for the death of these three men, because of the claim that the station was undermanned and not properly equipped.

At this time I do not wish to criticize too much the appropriations made by Congress, because during the last 10 years we have constantly provided better and more fully for the Coast Guard and the coast stations over the United States, but we must agree with the writer of this newspaper article that our stations are not provided with necessary power boats and we must take notice of it.

These Coast Guard stations are not properly and fully equipped, but we are informed that for the present year more funds will be available. Three men lost their lives in attempting to reach the steamer with a lifeboat equipped with oars. A station near by with a power boat succeeded and took off the passengers. Several stations took part in this rescue work, and special mention should be made of each. All deserve the thanks of Congress for the acts of heroism at that time. I do wish the RECORD to explain to those who criticize that under the Budget system, the head of a department appearing before the Director of the Budget, lectured on economy several times each year, feels that he must be modest in respect to his requests, and we can not bring these life-saving stations up to full equipment and efficiency as soon as it ought to be done.

Mr. Chairman, I rose to bring to the attention of this House this loss of life and heroic acts of our coast guardsmen during the last month.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. TAYLOR of Colorado. Does the gentleman not think it would be a great incentive to patriotism and heroism, and be an inspiration to the youth of this country, leading to better morale and less desertions, and be of tremendous value practically as well as an investment in patriotism and national pride, if Congress would be a little more liberal in recognizing these acts of heroism?

Mr. GIFFORD. Of course, I must agree with the gentleman's suggestion. I wish to bring to the attention of the House another phase of this recent incident. Vounteers were asked for here. There were a large number of passengers to be saved and the crews not sufficient to help in the rescue. Volunteers were accepted. What are we going to do for the young man, who simply as an ordinary citizen volunteered and suffered an accident that may render him a hopeless invalid for life? If you call upon a branch of the Government, they reply "that he was not in the service and know of no way in which they can assist him." What shall we do for this young man who is as deserving as others properly in the service of the United States? What shall we do for his family in the event that he is found to be totally unable to provide for them in the future? There are these many problems to be taken into consideration in connection with such bills, which simply extend the thanks and appreciation of the Government, but do not even grant an "insignia," or other material reward.

Mr. WHITE of Maine. Mr. Chairman, does the gentleman from Tennessee desire to consume some time?

Mr. DAVIS. I do not care to use any time, but the gentleman from New York [Mr. LINDSAY] would like to have 10 minutes.

Mr. WHITE of Maine. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, "Greater love than this hath no man, that he lay down his life for his friends," and may I reverently add, "Greater loyalty to duty and service hath no man than he who is lost at sea in brave attempt to save fellow seamen from disaster."

I pause in respect to the memory of those two seamen who left the deck of the steamship *Roosevelt*, undismayed at the mountainous seas, unawed at the howling gale, unafraid of the cold death that hid behind the squalls of snow. I hesitate to apply any descriptive adjective. The landsman must hesitate to describe the courageous picture this evokes in his brain. These two men never reached the floundering vessel, the steamship *Antinoe*. The watery valleys swallowed them up and they were gone. To Heitzman, of New York, and his companion seaman Fritz Steger, who first saw day in the land of the vikings, goes the glory of a brave sailorman's death at sea.

In no less a degree were the entire crew and the officers of the steamship *Roosevelt*, of the United States merchant marine, engaged with death that day. One miscalculation of the force of wind or wave, one error of judgment concerning the power behind her engines, and the *Roosevelt* might easily have collided with the foundering *Antinoe*. The same skill that finally enabled the seamen to man the small boats, under the leadership of the first officer, Mr. Miller, was evidenced by Captain Fried on the bridge, and let us not forget the engineer forces and the "black gang" below decks who kept the *Roosevelt's* heart beating through it all.

The whole world knows the story of the rescue by the steamship *President Roosevelt* of the crew of the British steamer *Antinoe*.

How for four days the *Roosevelt* struggled through wintry seas to rescue the crew of the *Antinoe*. How during that period while heavy snow squalls prevailed the officers and crew of the *President Roosevelt* never lost heart, even losing some of their own crew in their desperate effort at rescue; and how finally at midnight on the fourth day the last man of the crew was rescued and carried to safety on board the *President Roosevelt*.

So long as men go down to sea in ships, so long shall the history of this heroic rescue live in the hearts and minds of men.

Mr. Speaker and my colleagues, I ask formal recognition of the distinguished service of these men, and I know such expression of Congress will truly convey your individual feelings and the wishes of your constituents everywhere.

Incidentally may we not, by inference at least, convey our tribute to the gallant vessels involved. Seagoing men believe in a ship's personality. Surely we are proud of the staunchness of these American-built and American-registered vessels of ours.

No nation may be said to excel in instances of individual personal courage, but it is true that certain nations have always shown exceptional skill and daring at sea. In these days of comparisons of mere mechanical things, we sometimes fail to properly evaluate personal skill and courage. The history of our country from the days of Paul Jones, Jack Barry, Stephen Decatur, Admiral Lawrence, and Porter is rich in examples of a peculiar efficiency of our American sailormen. Indeed, Captain Fried was one with Lawrence in his determination to never give up the ship.

In the days when our flag was known all over the globe, when our clippers and whalers carried the flag to practically every port in the world and on every charted and uncharted ocean lane, then we were a maritime nation.

To-day American ships are maintaining the glorious traditions bequeathed by a race of sailors.

On October 10, 1925, the steamship *Republic*, commanded by Capt. A. B. Randal, rescued the crew of the United States Coast Guard patrol boat off Nantucket. All the world knows the reputation of the waters off Nantucket.

On October 25, 1925, the steamship *President Harding*, commanded by Captain Grenning, rescued the crew of the Italian vessel *Ignacio Florio*, which foundered at sea in a storm then raging.

These two rescues occurred within a brief period. To cap the sequence during the October storms—and this illustrates that these occurrences were not mere "flukes"—on October 26, 1925, at the very same spot where the *Florio* went down the day before, the steamship *American Trader*, commanded by Capt. Hubbard C. Fish, rescued the crew of the Norwegian freighter *Eleven*.

This was a period of terrible storm. The crew of the United States patrol boat were skilled men; the crew of the Italian were skilled men; and the Norwegian was manned by men of a seagoing race. Yet the elements overwhelmed these ships. The vessels were lost. Except for the fortunate proximity of the three American vessels the crews mentioned were doomed. In seas that threatened, amid waves and wind that wrecked the other vessels, our American ships met the test as loyally as their crews. These men not only saved their ships but they rescued, under conditions that can not be described, the men whose ships had gone under. This was a gallant deed.

There have been other valorous rescues at sea. Small ships, big ships, it matters not. Italian, Norwegian, British, or Japanese, our merchant ships extend the hand of the brotherhood of the sea. In time of stress no measure of creed or color is drawn on land or sea.

On October 11, 1925, the officers and crew of the British steamship *Cameronia* rendered heroic service.

I ask your expression of approval of this attempt by Congress to accord some measure of recognition to these men in all ranks, from deck to fireroom, from captain to coal passer.

Let us praise God to-day for raising American seamen of the type of Captain Fried, Chief Officer Miller, and the brave crew of the *President Roosevelt*.

They have made an imperishable record that so long as men go down to the sea in ships shall forever be emblazoned in the annals of time. [Applause.]

Mr. WHITE of Maine. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Chairman and members of the committee, the correspondence between our Secretary of State and the Canadian minister made public the 17th instant regarding a proposed deepening, at the joint expense of the two countries, of the St. Lawrence River for a Canadian ship canal to the sea can not fail to be of the greatest interest to the whole country, involving as it does many startling proposals, including one as to our commerce on the Great Lakes. The real significance of the letters can be learned only by a most thorough study. I have examined them with the utmost care and have thought that I might be able to spare my fellow members the time and effort necessary to master the contents by stating briefly the contentions advanced and the positions taken in them. I will attempt to do this impartially.

HISTORICAL BACKGROUND OF AGITATION FOR IMPROVEMENT OF THE ST. LAWRENCE RIVER

The improvement of the St. Lawrence River, partly at the expense of the United States, has been agitated for a third of a century. During all of this time the effort to improve this foreign waterway at the expense of this country has delayed and embarrassed the consideration and adoption of an American deeper waterway connecting the Great Lakes with the sea and the unification of American waterways; but until this time it has not otherwise exerted a harmful influence on our other waterways. The publication of the correspondence between Secretary Kellogg and the Canadian minister, Mr. Massey, shows that the injurious influence of the agitation for this improvement is now spreading so as to endanger our commerce on the Great Lakes.

INJURIOUS EFFECT OF ST. LAWRENCE AGITATION IN DELAYING GREAT IMPROVEMENTS NOW MUCH NEEDED ON THE GREAT LAKES

The Great Lakes carry by far our most important commerce—greatest in volume and at the lowest transportation cost. The Government long ago adopted a project to give the Great Lakes' channels a depth of 21 feet, but for several years and until last season, owing to a variety of causes, the principal one being, possibly, a low-water cycle or period, we had but 18½ feet. This meant that the Great Lakes freighters were unable to load to full capacity, which entailed large losses and great damage, the loss in freight receipts alone being $3,000,000 a year; and the damage to shippers, through delay and inability to ship at all, being probably ten times as great. To remedy this condition Congress provided by the river and harbor act which became a law January 21, 1927, for a survey of the Great Lakes, with a view to providing deeper channels. A special commission made this survey and reported that the channels should be deepened to 24 feet. The matter then came before the Board of Engineers for Rivers and Harbors for consideration, and a full hearing was had, only one question being debated—whether the channels should be made 22 or 24 feet. It is understood that the board reported about two weeks ago in favor of the 24-foot depth. Since then, until the correspondence with Canada was made public, this report has been in the hands of the Chief of Engineers.

On publication of this correspondence the chief immediately returned the report to the board for its further consideration and the board, with no decision, adjourned to May 1, in face of the fact that the Committee on Rivers and Harbors has been waiting for this report ever since Congress convened, expecting to include the project in the bill, which it is soon to report, and to have this great and most important undertaking of deepening these channels in the interest of our most important commerce started at the earliest date possible.

No criticism is, of course, made of the engineers for their action. We have only the highest admiration for them, as experts and as men. They, of course, did only what they were requested to do. What we are discussing is the result of this correspondence and of the prolonged agitation for the deepening of the St. Lawrence.

Why should there by further delay in face of the enormous losses sustained each season through the fact that the channels of the Great Lakes are too shallow?

The answer is that the project is being held up to await the outcome of the negotiations with Canada regarding the St. Lawrence.

HOW THE DEEPENING OF THE GREAT LAKES IS INVOLVED BY CANADA IN THE NEGOTIATIONS AS TO THE IMPROVEMENT OF THE CANADIAN ST. LAWRENCE

The Canadian minister proposes that the entire Great Lakes system and the St. Lawrence be treated, as to improvements, as a unit, and that the United States, as its part of the work, should dredge the St. Claire and Detroit Rivers to a depth of 27 feet, reconstruct the locks at Sault Ste. Marie, Mich., with the locks 30 feet, improve the St. Lawrence for the 141 miles of its length as the international boundary line on the Canadian as well as the American side, and for power on both the Canadian and the American sides, and deepen the lake channels to 27 feet.

Canada claims that she has already done the following work:

Dredged the St. Lawrence ship channel;

Constructed the St. Lawrence and Welland Canals; and

Constructed the locks at Sault Ste. Marie, Ontario.

And Canada proposes to do the following work:

Construct the Welland ship canal; and

Construct the wholly Canadian section of the St. Lawrence shipway to a depth of 27 feet for navigation, and to develop power.

Our Secretary of State has accepted most of the suggestions made by Canada, including that of treating these improvements as a unit. What will the effect be if this course is adopted? The agitation for the improvement of the St. Lawrence has gone on, not alone with nothing done but with no agreement, even, to do anything, for a third of a century. There is now no greater prospect of action or even of an agreement than there has been in this long period. So, if we wait for the United States and Canada to agree upon deepening the channels of the Great Lakes, we will no doubt wait indefinitely, or for a third of a century more.

And all the time that we wait the wheat growers of the West, the food consumers of the East, the great iron and steel business of the country, and all who use iron or steel products, and every family in the Northwest which uses a ton of coal, will pay a higher transportation cost on the Great Lakes, because its channels are too shallow to enable the Great Lakes freighters to load to capacity. The losses from the delay everywhere will be enormous, and it is unnecessary, and therefore, of course, inexcusable.

CANADA WILL SUFFER NO LOSS FROM DELAYING DEEPENING OF THE GREAT LAKES CHANNELS AND CAN AFFORD TO WAIT—THE UNITED STATES ALONE WILL SUFFER ENORMOUS LOSSES FROM THE DELAY

First. The United States moves the greatest commerce in the world's history on the Great Lakes, and at the lowest transportation cost, while Canada's Great Lakes commerce is comparatively insignificant.

In 1926 the United States commerce on the Great Lakes amounted to 92,546,996 tons, while that of Canada was only 7,130,102 tons. So Canada has no great interest at stake and can wait very complacently for the deepening of the Great Lakes' channels, but each season's delay means a wholly unnecessary and enormous loss to the United States.

Second. Canada has an oversupply of transportation facilities, while the United States is short of such agencies.

Canada has been so far overdeveloped in railway facilities that the Government was obliged some years ago to take over substantially all of its railway systems, except the Canadian Pacific. It also is completing a combined rail-and-water route, by way of the Hudson Bay, for the export of grain from the western Provinces, and it uses, besides, the Pacific Ocean and the Panama Canal for exporting grain from Vancouver and Prince Rupert.

On the other hand, the facilities in the United States for the transportation of freight are hardly equal to present demands, when the country is prosperous and additional facilities must be provided to meet the constant increase in population and the consequent growth in the volume of freight to be transported.

Canada realizes that the increased water transportation afforded by the deepening of the St. Lawrence will add to the competition of its Government-operated railways, increasing the losses of these railroads, which must be met by taxation.

REASONS ADVANCED BY CANADA FOR DELAY IN AGREEING TO THE IMPROVEMENT OF THE ST. LAWRENCE

First. Canada is in no condition at present to undertake the expenditure involved.

In view of these facts and of the very heavy financial burdens imposed by the war, by the railway obligations arising out of the war, and by the necessity, since the war ended, of finding the large sums required for needed public works throughout the Dominion, it

is considered that it would not be sound policy to assume heavy public obligations for the St. Lawrence project.

Canadian minister's letter of January 31:

Second. Canada will not agree to the improvement until—

a number of financial and economic difficulties have been solved, and until the joint engineering boards of the two countries have agreed on the engineering features of the international section of the river.

While the National Advisory Committee regards the project as feasible from an engineering standpoint, and notes the findings of the International Joint Commission in 1921 as to its economic practicability, it considers that the question of its advisability at the present time depends upon the successful solution of a number of financial and economic difficulties, and upon further consideration of certain of the engineering features as to which the two sections of the joint board of engineers are not as yet agreed.

* * * * * * *

The situation presented by the differences of opinion brought out in the report of the Joint Board of Engineers as to the best method of development in the international section of the St. Lawrence has also received consideration by the national advisory committee. The committee considers it greatly in the public interest that a further attempt should be made to reconcile these varying views. Conclusive assurance is necessary as to control of the fluctuations of flow from Lake Ontario, so essential to the interests of the purely national sections of the river and the port of Montreal, and as to the situation of those Canadian communities on the St. Lawrence, which under certain of the present plans might be obliged to live under levees or to rebuild in part.

Same letter.

Third. Canada indicates that she will not agree to the improvement of the St. Lawrence unless and until the United States has repealed the customs duties it now imposes on Canadian farm and fish products.

In this connection, it may be said that Canadian agriculture is more directly affected by the restrictions on the importation of Canadian farm products which have been imposed by the United States in recent years, with the object, it is understood, of assisting agriculture in those Western States which would share so largely in the benefits of the proposed St. Lawrence waterway. This situation, and the effects upon the maritime sections of Canada of United States duties on the products of the fisheries, are among the factors which have contributed to bringing it about that public opinion in Canada has not so clearly crystallized in favor of the waterway project as appears to be the case in the United States.

Same letter.

It is not believed that the most ardent advocate of the St. Lawrence would be willing to pay the price to secure Canada's agreement to this project which it is thus indicated she will demand.

Fourth. Canada has constitutional questions involved which must be submitted to and determined by her courts before she could proceed with this improvement.

The relations between navigation and power involves certain constitutional difficulties, of which, in accordance with the wishes of the governments of Ontario and Quebec, the Government of Canada proposes to seek a solution by reference to the courts.

Same letter.

Fifth. The Dominion of Canada must consult with, and it is assumed secure the assent of, the Provinces of Ontario and Quebec before making an agreement.

It was further indicated in my previous note that, with the constitutional question in process of solution, His Majesty's Government in Canada would be in position upon learning whether the Government of the United States considered that the procedure suggested by the national advisory committee formed an acceptable basis of negotiation, to consult with the Provinces of Ontario and Quebec upon the aspects of the problem, with which they may be concerned.

Same letter.

THE CANADIAN PROPOSAL AS TO THE PROPORTIONS IN WHICH THE TWO COUNTRIES SHALL CONTRIBUTE TO THE IMPROVEMENT IS UNFAIR

First. Canada demands that the United States shall make all of the boundary line improvements.

Canada proposes that the United States shall—

| | |
|---|---|
| Improve the St. Lawrence for its length as a boundary line (the Canadian and American channels), 141 miles, for power (not alone American but Canadian power) as well as navigation, at a cost of | $274,247,000 |
| Dredge the upper lake channels (Canadian and American) to a depth of 27 feet, at a cost of | 65,100,000 |
| | 339,347,000 |
| And that the United States shall be credited with past improvements in the Great Lakes for | 43,836,000 |
| Total for the United States | 383,183,000 |

In other words, the United States does all of the work of improvement on the upper Lakes and on the boundary-line part of the St. Lawrence on both the Canadian and the American sides—even developing Canada's water power for her on that part of the St. Lawrence.

Now, what does Canada do?

She completes the Welland Canal, which, as a matter of fact, is nearly finished, and she improves the Canadian part of the St. Lawrence for a distance of 42 miles.

Canada credits herself as follows:

| | |
|---|---|
| St. Lawrence Ship Canal (already constructed) | $30,000,000 |
| St. Lawrence and Welland Canals (constructed probably 30 years ago, and the old Welland soon to be abandoned) | 50,000,000 |
| Locks at Sault Ste. Marie, Ontario | 5,560,000 |

And Canada proposes to do the following:

| | |
|---|---|
| Complete the new Welland Ship Canal | 115,600,000 |
| Improve the wholly Canadian section of the St. Lawrence shipway for navigation and power (which belongs to Canada) | 199,670,000 |
| | 315,270,000 |
| Total for Canada | 400,830,000 |

This proposal looks fair on its face as to the comparative contributions of the two countries. Let us see, however, whether the matter will bear investigation.

(a) The credits claimed and allowed for past work are not fair.

First of all, Canada credits herself with $85,560,000 for past work, and credits the United States with only $43,836,000; in other words, she claims about twice as much in the way of credit as she allows us. The credits she allows us are for the dredging we did in the St. Claire and Detroit Rivers and for constructing the locks at Sault Ste. Marie. All of this work is in use to-day and necessary for the tremendous commerce carried on the Great Lakes, and all of the work has been in continuous use ever since it was completed. So the allowance made us is fair and just and should be made.

On the other hand, Canada claims $60,000,000 of credit for construction work on the St. Lawrence and Welland Canals, done, the greater part of it, probably 30 years ago. We never had any considerable use of these canals or channels, and they undoubtedly have paid for themselves many years ago. The old Welland Canal is about to be abandoned and a new canal is being completed to take its place. There is not the slightest justification for our contributing any part of this $80,000,000.

As to the new work proposed to be done by Canada the Welland Ship Canal is to cost $115,000,000, and it will be of nothing like the value to us which a canal on the American side would be, and the American canal would not cost anything like as much; the improvement on the Canadian section of the St. Lawrence is only 42 miles long, as against the 141 miles on the international boundary sector to be improved by us, yet Canada credits herself with $199,670,000 for this work. Why? Because she proposes to charge us with the cost of developing her own power on this Canadian part of the river.

If we are to pay for a canal connecting Lakes Erie and Ontario let us have an American canal which will serve the American Niagara frontier with its million of population and its 20,000,000 tons of freight, because we would own it, it would be infinitely more useful, and it would cost a good deal less.

Buffalo and the whole Niagara frontier are sidetracked by the Welland Canal. It is of absolutely no value to the frontier for shipments from the east with the frontier as their destination, for shipments from the frontier east, or for shipments east or west where there is partial unloading and reloading on the frontier.

And we should not pay Canada for developing her own water power. Let us see what she claims in the way of credits for this development of her own power.

Canada says that the improvement of the St. Lawrence by us for 141 miles and the development of 597,600 horsepower will cost $182,157,000, and that the development of an additional 1,602,000 will cost $92,090,000.

One million six hundred and two thousand horsepower is, roughly, twice and a half 597,600 horsepower. If it costs $92,090,000 to develop 1,602,000 horsepower it will cost $37,000,000 to develop 597,000 horsepower. Subtracting this from $182,157,000 we have as the cost of improving 141 miles of the international section of the St. Lawrence $145,157,000, or practically a million dollars a mile.

At the same rate the 42 miles of the Canadian St. Lawrence improved by Canada for navigation purposes only would cost but $42,000,000.

So, eliminating the $80,000,000 claimed for the old St. Lawrence and old Welland Canals, on the ground that we had practically no use of them, that the old Welland soon will be abandoned, and that these improvements must have long ago paid for themselves; eliminating the new Welland, because if we are to pay for a canal connecting Lakes Erie and Ontario, one on our own side can be constructed at less cost and be of infinitely greater use: and eliminating $157,670,000, the cost of developing Canadian power on the Canadian part of the river, we have only $47,560,000 left with which Canada should properly be credited, instead of $400,000,000. In other words, Canada claims ten times the credits to which she is entitled.

GREAT CONTRAST BETWEEN THE PRESENT ESTIMATE AND ONE MADE IN 1927

The cost of the St. Lawrence improvement as estimated by the correspondence between the two Governments just made public amounts to $784,177,000.

A report was made by the chairman of the United States-St. Lawrence Commission to the President December 27, 1926, from which we quote:

Thus the total investment in the St. Lawrence by the joint Governments on the above basis of procedure would be from $123,000,000 to $198,000,000, depending upon the details of the plan. The latter sum, previously pointed out, would be reduced to an effective net of $148,000,000 from immediate power income and still further reduced by the returns from future power development. (P. 5, S. Doc. 183–69–2.)

FAR THE GREATER PART OF THE POWER OF THE ST. LAWRENCE TO BE DEVELOPED IS IN CANADA, AND THE CORRESPONDENCE PROVES THAT CANADA WILL PERMIT NO PART OF ITS POWER TO BE EXPORTED TO THE UNITED STATES

From a million and a half to two million horsepower can be developed in the international section of the river, to one-half of which the United States is entitled and Canada is the owner of the other half. In the Canadian part of the river there will be developed about four and a half millions horsepower. So Canada will have about 5,000,000 horsepower and the United States from three-quarters of a million to a million horsepower.

The Canadian minister says as to water power:

Public opinion in Canada is opposed to the export of hydroelectric power and is insistent that such power as may be rendered available on the St. Lawrence, whether from the wholly Canadian section or from the Canadian half of the international section, shall be utilized within the Dominion to stimulate Canadian industry and develop the national resources. With this view the National Advisory Committee expresses itself as in complete accord. The committee further indicates that, in view of the relatively limited capacity of the Canadian market to absorb the vast blocks of power contemplated by the St. Lawrence proposals, it follows that it is most important in any arrangement which may be considered that the development of power on the Canadian side should not exceed the capacity of the Canadian market to absorb it.

Same letter.

Our Secretary of State evidently construes this language, in connection with the proposal that the United States develop both Canadian and American power on the international section, and at the same time, as being a requirement of Canada that we shall not develop our half of the water power until Canada wants her half developed.

Therefore if, as you suggest as to this section, the United States is willing to build not only the waterway but the power, it would seem that the United States ought to be permitted to develop its power and use its half, the other half to be used by Canada or not, as it should desire.

Letter of our Secretary of State.

CONCLUSION AND SUMMARY

We do not believe that Canada will herself be ready for a long time, if ever, to negotiate a treaty for the joint improvement by the Dominion and the United States of the St. Lawrence River for the reasons stated by her in this correspondence, to wit:

First. Canada is overdeveloped in transportation facilities and does not need the greater carrying capacity of a deeper waterway.

Second. The St. Lawrence, when deepened, would take commerce from Canada's Government-operated railways to their loss and at the cost of the Canadian taxpayer.

Third. Canada will not care to assume any cost of deepening the St. Lawrence until her financial situation is changed.

Fourth. Canada will not approve this project until "a number of financial and economic difficulties have been solved."

Fifth. Canada's approval of the project will be withheld until fundamental engineering disputes as to the improvement of the international section of the river have been settled.

Sixth. Canada states that our tariff duties on Canadian farm products and fish "are among the factors which have contributed to bringing it about that public opinion in Canada is not so clearly crystallized in favor of the waterway project as appears to be the case in the United States."

Seventh. In Canada constitutional questions are involved which must be determined by the courts before she could agree to this improvement.

Eighth. The Dominion of Canada must consult with the Provinces of Ontario and Quebec before making an agreement.

Ninth. If Canada reaches the point where she is ready to agree on the improvement the United States could not afford to make the terms which Canada proposes. Surely the United States would not agree to do all the work in the Canadian, as well as the American, channels of the Great Lakes for a distance of a thousand miles, and to construct the works for 141 miles, the length of the international section of the St. Lawrence, improving it not alone for navigation but for power on both the American and the Canadian sides, leaving Canada to improve only 42 miles in the Canadian section of the St. Lawrence and to finish the 25 miles of the Welland Canal which is already substantially completed, and was undertaken and will be finished whether the St. Lawrence is ever deepened or not.

Nor would the United States agree to giving credits for work done and to be done in accordance with the following claims made by Canada, viz, "Canada should be credited with the cost of the old channel in the St. Lawrence and Welland Canals," of which we have had a most limited use, with no agreement, or even understanding, that we should pay for the cost.

Nor would we agree that Canada should charge us for developing its own water power in the Canadian part of the St. Lawrence at a cost of $157,000,000. Nor would the western farmers who advocate the St. Lawrence ever consent to allowing the farm and fish products of Canada, our strongest competitor, to enter our country free of duty.

We, therefore, see no prospect of an agreement between the two countries for the deepening of the St. Lawrence. Realizing this, and that the channels of the Great Lakes should be deepened without delay, the Committee on Rivers and Harbors passed unanimously the 20th of this month a resolution asking the engineers to report as soon as possible upon this project. If the St. Lawrence should ever be improved under joint agreement between the two countries, we would no doubt be credited by Canada with the expenditure involved. If, however, we never receive any credit, the deepening of the Great Lakes will pay for itself many, many times, and will be as profitable an investment as this country can make.

Mr. WHITE of Maine. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK of New York. Mr. Chairman, we seem to be in an era of strange and gripping adventure in air and sea. Out of the night, out of the sea, out of the air, comes glory.

While crime has not withered as civilization seems to flourish, and while degradation persists as society seems to advance, we can console ourselves with the occasional flashes of unmixed sacrificial heroism, which dart from the air and the sea. The meanness of many is neutralized by the magnanimity of the few.

It was instinctive of my colleague, Mr. LINDSAY, of New York, that he should have originated the thoughtful notion of the United States, through Congress, expressing its debt of gratitude to the men comprehended by this bill.

We, in humility, realize that we are only the agency to convey the thanks of an appreciative people to these heroes. The thanks of Congress, the thanks of our country, can never approximate the universal soul satisfaction that these men must always have for their inspired courage in the crisis. For what our thanks are worth, we offer it to them, knowing that they will honor us by acceptance.

Mr. WHITE of Maine. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman and gentlemen of the committee, I can not refrain from making an observation or two upon this measure. Of course it is manifestly fitting that in such outstanding rescues at sea as those by the gallant seamen of the *President Harding* and the *President Roosevelt* the thanks and appreciation of Congress should be expressed as proposed in this bill. That high honor should be reserved only for very outstanding and unusual cases. But there should be some official machinery to provide for proper recognition of our men of the sea who show great courage and are willing to risk their own lives to rescue a fellow being from a watery grave, not only as a recognition of their heroism but as an incentive to others. I have noticed that in the Senate bill, for which this is a substitute, there were several other cases of gallant rescues at sea provided for. The report upon the Senate bill

contains a memorandum from the vice president of the Merchant Fleet Corporation describing some 18 or 19 cases of gallant rescues at sea which were made during the years from 1924 to 1926 by the crews of United States Shipping Board vessels. All of those cases may not have been of a nature to merit the same recognition as carried in this measure for the crews of the *President Harding* and the *President Roosevelt*. But I believe that there should be some machinery established by which cases of that kind, not only in the Government fleet but in our entire merchant marine, may be properly recognized the facts recorded, and the story of the gallant deed perpetuated.

It may not be out of place for me right here to call your attention, gentlemen of the committee, to a measure which I have pending on the calendar in a somewhat similar field. I refer to the bill relating to those heroic men who volunteered to offer their lives years ago in Habana in the memorable experiments to determine the cause of yellow fever. That bill proposes that the names of those heroes shall be inscribed and perpetuated upon a roll of honor in the War Department. I am suggesting—and I am sorry the suggestion could not be embodied in this bill—that somewhere we should have such a roll of honor on which could be inscribed the names of those who risk their lives and take desperate chances for the rescue of their fellow men at sea. It might be in the Department of Commerce or in the office of the Shipping Board, but some place, somewhere, where every year the names of such heroes could be appropriately recorded upon a seaman's roll of honor.

I regret, Mr. Chairman, that the committee saw fit to strike from the Senate bill the paragraph providing for the award of a gold medal to the boat crews who effected these rescues, for that would be eminently appropriate. However, Mr. Chairman, I hope the Committee on the Merchant Marine and Fisheries will take the suggestion I have made under serious consideration and formulate some scheme by which seamen can be recommended in outstanding cases to the proper department, in order that their heroism may be recognized by the Government.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. Certainly.

Mr. BLAND. Such an award would very largely, of course, involve the men in the Coast Guard?

Mr. WAINWRIGHT. Certainly. I would not restrict it to the merchant marine but would have it apply to all "the men who go down to the sea in ships" and incur the risks and hazards and dangers incident to their calling.

I certainly hope, Mr. Chairman and gentlemen of the House, that this bill may become a law, because nothing could be more appropriate than for Congress to express its thanks and appreciation to Capt. George Fried and the crew of the *President Roosevelt* and to Capt. Paul Grening and the crew of the *President Harding*, whose rescues of the crews of vessels in distress filled the whole Nation with pride and will live for all time as very glorious exploits in the annals of the sea. [Applause.]

Mr. WHITE of Maine. Mr. Chairman, I ask that the Clerk report the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That the term "crew" as used in this act shall mean and include any person carried on the ship's register or serving on the ship in any capacity, regardless of rank or rating, at the time of the rescue referred to in this act.

SEC. 2. That the thanks and appreciation of the Congress of the United States be, and they are hereby, tendered to the families of Uno Wirtenan and Fritz Steger, who lost their lives, and to the officers and crew of the U. S. S. *President Roosevelt* as constituted on January 24 to 28, 1926, inclusive, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the British steamship *Antinoe;* to the officers and crew of the U. S. S. *President Harding* as constituted on October 25, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Italian steamship *Ignacio Florio;* to the officers and crew of the steamship *American Trader*, of the American Merchant Line, as constituted on October 26, 1925, for the heroic conduct shown and noble service rendered in the rescue of the officers and crew of the Norwegian steamship *Elven;* to the officers and crew of the U. S. S. *Republic* as constituted on October 10, 1925, for the heroic conduct and noble service rendered in the rescue of the officers and crew of the United States patrol boat *No. 134;* and to the officers and crew of the British steamship *Cameronia* as constituted on October 11, 1925, for the heroic conduct and noble service rendered in the rescue of the crew of the United States Coast Guard patrol boat *No. 128.*

SEC. 3. That the Secretary of Commerce and the Director of the United States Mint be, and they are hereby, authorized and directed to prepare a suitable die and to strike suitable gold medals commemorating the heroic conduct and noble services rendered in the rescues described in section 2 of this act, and present, in evidence of the esteem of the Nation for valorous conduct on the high seas in the face of great danger as demonstrated in such rescues, one of such medals to the captain of each of said rescuing ships and to each person certified by the captain of the respective rescuing ships to have shown special courage and to have faced special danger in such rescues.

SEC. 4. That there is hereby authorized to be appropriated, from moneys in the Treasury not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary to cover the cost of designing, producing, and distributing said medals in the manner described in this act.

With a committee amendment, as follows:

Beginning in line 23, page 2, strike out all of sections 3 and 4.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WHITE of Maine. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAMSEYER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (S. 1609) recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic, American Trader, President Roosevelt, President Harding*, and the British steamship *Cameronia*, and for other purposes, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITE of Maine. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill as amended.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. WHITE of Maine, a motion to reconsider the last vote was laid on the table.

## PENSIONS

Mr. ELLIOTT. Mr. Speaker, I submit for printing under the rule a conference report on the bill S. 2900.

## LOCAL STEAMBOAT INSPECTORS, HOQUIAM, WASH.

Mr. WHITE of Maine. Mr. Speaker, I call up the bill (H. R. 457) to create a board of local inspectors, Steamboat Inspection Service, at Hoquiam, Wash. It is on the Union Calendar.

The SPEAKER. The gentleman from Maine calls up House bill 457. The House, for its consideration, automatically resolves itself into Committee of the Whole House on the state of the Union. The gentleman from Iowa, Mr. RAMSEYER, will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 457, with Mr. RAMSEYER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 457, which the Clerk will report.

The Clerk read as follows:

*Be it enacted, etc.*, That a board of local inspectors, Steamboat Inspection Service, consisting of a local inspector of hulls and a local inspector of boilers, be, and is hereby, created at the port of Hoquiam, Wash. Such inspector of hulls and inspector of boilers shall each be entitled, in addition to his authorized pay and traveling allowances, to his actual and reasonable expenses for transportation of instruments, which shall be certified and sworn to under such instructions as shall be given by the Secretary of Commerce.

The CHAIRMAN. The gentleman from Maine is recognized for one hour.

Mr. WHITE of Maine. Mr. Chairman, this bill authorizes the creation of a board of local inspectors in the Steamboat Inspection Service at Hoquiam, Wash. As the committee understands, there are at the present time in the United States 46 local boards of inspectors, and there are in addition some 11 supervising inspectors. In addition to these there are others at a few large manufacturing plants in the country which furnish boilers, machinery, and so forth, for ships and these bring the aggregate at the present time up to 61 of these units.

All vessels of the United States undergo an annual inspection by the officers constituting this force, and in practice, I

think, vessels average to be inspected perhaps three times a year.

The inspector of boilers, as the name might indicate, examines and passes upon the boilers in the ship, the engines, and the machinery generally. The inspector of hulls has jurisdiction over the construction and condition of the hulls, over the lifeboats, life rafts, and has responsibility with respect to all other life-saving apparatus on board our vessels. It is their duty to see that at all times when a vessel puts to sea it is in a seaworthy condition. It is their duty to make these periodic inspections, to make certain that the laws of the United States looking to the safety of life at sea are complied with, and they have also an obligation to ascertain that foreign vessels leaving our ports, and on which American citizens may be traveling, shall meet the requirements of the certificates of the nation of the ship's registry.

The port of Hoquiam is on the north Pacific coast, and, I believe, now falls within what is known as the Seattle district. It is, however, approximately 140 miles from the port of Seattle. During recent years there has been a tremendous growth, both in the number of vessels clearing from that port and ports in its immediate vicinity and in the tonnage of those vessels. The evidence shows that this particular port is the railroad terminal on Grays Harbor for the Northern Pacific, the Union Pacific, and the Chicago, Milwaukee & St. Paul Railroads. The Standard Oil Co. has a large plant there; the General Petroleum and Shell Oil companies also have large plants there; logging and the manufacture of lumber are important industries, and there has sprung up in recent years a considerable business with respect to fishing and the canning of fish, the canning of vegetables and fruits and other foods which are subject to this method of treatment and preservation. Within a period of five years the tonnage moving out of this particular port and the ports in its immediate vicinity has increased from something like 233,000 tons to approximately 1,000,000 tons annually, and the number of vessels clearing has increased from about 400 to about 800 in the last year.

I think the figures demonstrate that it is now a port of substantial importance, and of more significance that it is a growing port, and that we may reasonably expect in the years immediately ahead of us a continually expanding commerce.

Mr. UNDERWOOD. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. UNDERWOOD. What additional personnel would be required if this board is created?

Mr. WHITE of Maine. At the present time there are at the Seattle office 2 local inspectors, so called, and 12 assistants. They are obliged, in order to meet the necessities of commerce, to constantly travel this 140 miles back and forth between Seattle and these smaller ports. That travel involves a substantial expense, it seems to me an unnecessary expense, and it involves inconvenience and delay to commercial interests.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. JOHNSON of Washington. It would be interesting in that connection to know that the department states that unless these two men are employed at Grays Harbor they will have to appoint two additional men, not now employed, in the Seattle office.

Mr. WHITE of Maine. I was just about to go on and amplify my answer. It is my understanding that the supervising inspector's office hopes to very greatly increase the efficiency of inspection in this whole area by taking two of the assistants now connected with the Seattle office and moving them down to this locality and setting them up as local inspectors. Now, it would not increase the total number of local inspectors and assistant inspectors engaged in this area. What it would do is this: It would involve the setting up of an office at this town or port; it would involve further clerk hire, the employment of a single clerk, is the estimate of the department; it would involve the expenditure of approximately $1,000 for office equipment and supplies, and it would involve the rental of suitable quarters in that locality. The estimate given to me by the department is that it would increase the expense of this inspection district nominally by $6,400, but against that seeming increase there should be credited the saving in the travel expenses of the men who are constantly moving back and forth between Seattle and this area.

It seemed to your committee that a proper service to our ships and economy in the maintenance of this inspection service required us to report favorably upon this bill.

Mr. BLAND. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. BLAND. I understand this would avoid delay in waiting for men to come from Seattle to this particular place to make inspections of these ships.

Mr. WHITE of Maine. Undoubtedly it obviates delays and it permits a more rapid turn around of the ships in port. Everyone who has any familiarity with shipping knows that while a ship is lying in port the overhead is running on all the while and the cost of operation is disproportionately increased. It is the opinion of the committee that although there is an initial expenditure of about $6,400 for this work that the savings in travel and the savings to our shipping overcome completely this initial expenditure.

Mr. BLAND. Might there not also be involved the question of safety at sea; in other words, more efficient inspection service by having these men there?

Mr. WHITE of Maine. I have no doubt the presence of these men on the ground, ready to go aboard ship whenever a ship docks, will result in much more thorough inspection, and as the gentleman from Virginia suggests, it means greater safety for our ships and for our men upon our ships.

Mr. UNDERWOOD. It would appear from this report that the creation of this local board is warranted, and I was simply interested in knowing how many new jobs we are creating.

Mr. WHITE of Maine. We are creating, I think, but a single clerkship to keep the office running.

The bill so impressed the Merchant Marine and Fisheries Committee that it comes before you with our unanimous approval. [Applause.]

Mr. Chairman, I reserve the balance of my time and yield 10 minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman and gentlemen, I was much impressed a few moments ago as I listened to the tributes of the gentleman from Massachusetts and others to the heroism of certain American sailors, and as I heard them pay their tributes to particular men for particular acts of heroism in the rescue of ships I fell to thinking of the perils of the sea, and particularly of the north Pacific, where navigation is developing so rapidly and where the Federal Government is endeavoring to keep pace with the development by the establishment of more lighthouses, more aids to navigation, and improvements generally. If time permitted, I would like to describe to you recent rapid development of shipping on the north Pacific in the running of lines back and forth to the Orient, to South America, to Australia, through the Panama Canal to eastern ports and to Europe. Also, it would be a pleasure to picture the development of the home-owned lines of Tacoma, Grays Harbor, and other ports of that lively center of advancing activity and opportunity. Grays Harbor, where this bill proposes to establish local steamship inspection at Hoquiam, has 800 sizable ocean-going ships going out from her docks.

As has been stated by the chairman of the committee, the work of boiler inspection and hull inspection at present is done by officers who travel by rail from Seattle, a distance of 140 miles, to inspect these various ships. The time lost in this travel will more than offset the money to be expended. The expenditure is merely nominal. Two men will be transferred from the Seattle office, where each now receives $2,800 a year in that office. They will be paid at the harbor $3,000. A clerk will be employed at $1,500 a year and quarters will be established at a cost of perhaps $75 a month. These expenses, together with some minor expenses for moving equipment, will cover the cost. These inspectors stationed at Hoquiam will do all required inspection at Grays Harbor, and very likely at Willapa Harbor, 30 miles distant.

Mr. McKEOWN. Will the gentleman yield?

Mr. JOHNSON of Washington. I will be pleased to yield.

Mr. McKEOWN. I want to emphasize what the gentleman has said about the need of additional service on the northwest coast, because the traffic is increasing tremendously and the trade is becoming more important. A boy from my district recently lost his life through an explosion on a boat going to Japan, which was perhaps due in large part to lack of proper inspection.

Mr. JOHNSON of Washington. I think those who study commercial operations on the sea realize that the great theater of ocean activity is quite likely to be in the Pacific as the years go on. Every year it increases, and our people are struggling might and main to keep the American flag afloat on the ocean that washes our western shores and reaches to our Territories of Alaska and Hawaii, and on to our far eastern insular possesions.

This country is so great and is becoming greater so rapidly that no one of us can meditate for an hour and even slightly comprehend its greatness and its potentialities. The next census is expected to show that we have a continental population of somewhere between 123,000,000 and 124,000,000 people. The census of eight years ago showed a population of 105,000,000.

Mr. UNDERWOOD. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. UNDERWOOD. This bill will ultimately result in a saving to the Government?

Mr. JOHNSON of Washington. I think so; yes.

The Congressional Directory has about half a page of matter showing the duties and the importance of the marine inspection service. Of course, the primary duty is with respect to safety of life and property. The chairman of the Committee on the Merchant Marine and Fisheries has stated the number of such offices throughout the United States. The value of the property, dependent on the good work of these inspectors, reaches great figures. The lives of sailors and passengers are dependent, more or less, on proper inspection.

We are providing for boiler and hull inspectors to be at Grays Harbor. They will be responsible for the life-saving equipment on ships. We have passed rather stringent laws as to the life-saving equipment, and these men check up on that law.

There are 800 ships going out of this one harbor in the course of a year, and these men are responsible for the inspection of all boilers and machinery and for the proper licenses of mates and masters. They have to certify the able-bodied seamen that go out on these ships in accordance with the act of 1915. They also have the signing of documents, and are required to conduct investigations as to violations of our laws pertaining to navigation. All told, the duty is a responsible one. So far as I can learn, on the entire Pacific coast, which is a great stretch of coast line, the full length of which is not easily imagined by all, this inspection service has been good. The men up and down the coast have worked regardless of hours and regardless of weather, and sometimes on the north Pacific we have some very severe sea storms. We are proud, too, of our Coast Guard; and I wish that these men could be increased in number and paid better. I do not want to further take the time of the committee, but I feel the bill is necessary and I have been highly pleased that it has been reported from the Committee on the Merchant Marine and Fisheries, which is a busy committee and one which has some very important legislation before it. The bill was reported on its merits and largely on the recommendation of the department handling our commerce.

Mr. BLAND. Will the gentleman yield?

Mr. JOHNSON of Washington. I will be pleased to yield.

Mr. BLAND. As I understand, there are not only examinations and inspections periodically needed, but there are constantly arising cases of unforeseen and unexpected investigations.

Mr. JOHNSON of Washington. Yes; and with regard to what the gentleman said a few moments ago in his question with regard to the delaying of these 4,000, 6,000, and 8,000 ton ships for the arrival of an inspector by train four or five hours away, the expense in that regard is considerable, both in delay of ships and to the Government through lost traveling time.

Mr. BLAND. And that depends on the possibility that an inspector is at Seattle ready to answer the call. If he is away on other business, then there is a still longer delay, is there not?

Mr. JOHNSON of Washington. Yes; except that there are numerous assistants at Seattle, but more are needed. I would like to state that in establishing these two inspectors at Hoquiam there is no intention to hamper or unnecessarily delay or interfere with ordinary navigation, or any navigation. The whole purpose is to assist in helping it. Unfortunately, there seem to some persons in the coastwise trade who are inclined to think that every time the Federal Government provides additional men to carry out the laws that Congress has enacted for safety of navigation that we are undertaking to hamper them.

Mr. UNDERWOOD. Is it not the duty of the Government to provide ample inspection?

Mr. JOHNSON of Washington. It is. I am glad and proud that chief navigation officers of the United States are pushing along as rapidly as the circumstances will permit, so that all aids to navigation on the North Pacific coast may be fully equivalent if not better than those on the west Canadian coast, which has less population than the North Pacific coast, but which country, I assure you, has not neglected its ocean business. In other words, Canada with its lesser population began many years ago ahead of the United States on the northwest coast to foster and encourage and protect ocean travel and ocean business. We are catching up. [Applause.] I urge the passage of the bill.

Mr. WHITE of Maine. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, the gentleman from Maine [Mr. WHITE] and the gentleman from Washington [Mr. JOHNSON] have very fully covered this subject, and there is little that can be added. However, I do want to suggest that, in view of the fact that all ships that are registered under the United States laws are required to undergo inspection for the purpose of protecting life and property at sea, it is undoubtedly the duty of this Government to see that this very properly required inspection shall be made expeditiously.

Whenever a ship, particularly a ship of any size, and with a crew of any size, is compelled to await the time and pleasure of a few inspectors the owners of that ship are compelled to undergo an expense and a loss wholly disproportionate to the cost that would be incurred by the Government in maintaining an inspection force sufficient to speedily make inspections.

Many of our shipping interests have from time to time complained that inspections are not made as promptly as they should be in many instances, and that they have frequently been obliged to undergo delays that not only involve financial loss but interfered with their schedules.

So this bill is simply designed to establish a branch inspection office 140 miles distant from the nearest office in order that there may be present at this port inspectors to make inspection as occasion may require.

When we realize that 800 ships, of which 600 fly the American flag, went in and out of that harbor last year, we realize that it is a matter of importance, not to speak of the fact that the commerce through that port is gaining rapidly.

As has been well explained by the gentleman from Maine [Mr. WHITE], this will involve a very little additional expense, but it will provide a much more expeditious and efficient service not only from the standpoint of the shipping interests but from the standpoint of the public in whose interest and for whose benefit the inspections are required.

Consequently the members of our committee unanimously reported this bill, feeling that it was in the public interest and that there could be no serious objection thereto. [Applause.] Mr. Chairman, I yield back the remainder of my time.

Mr. WHITE of Maine. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I ask unanimous consent to proceed partly out of order and partly on the bill.

The SPEAKER. The gentleman from Washington asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman and gentlemen, I want to call your attention to the far northwest of our country, and particularly that country visited by so few of you—the Puget Sound country.

There are over three-quarters of a million people living on Puget Sound. Puget Sound is an enormous body of water. There are 1,800 miles of coast line on that sound. It is one of the deepest bodies of water in the world. It is very frequently that you will find 10 fathoms of water within 60 feet from the shore. Puget Sound is a little more than great gashes in the earth. On Puget Sound is located the Puget Sound Navy Yard. The Pacific Coast Navy Torpedo Station, the only one on the Pacific coast, is located there. The navy yard is the latest of all the navy yards in the United States, and the only one at which the smoke of a dredger is never seen in making way for modern ships of our Navy or of any other navy to enter the slips and the drydocks.

The development of commerce in the far Northwest is one of the surprising things of the present generation. The ports of Puget Sound are many, many hundreds of miles closer to the ports of the Orient, due to the converging of the meridians as they approach the pole, than one not familiar with the situation would naturally conclude. There are 10 mouths to feed on the other side of the Pacific where there is 1 to feed on the other side of the Atlantic. Climatic conditions are a great factor in shipping there. It may be surprising to a number of you to know that the ice-bound port of Vladivostok in Siberia, which is ice bound seven months out of the year, is directly west of the north California boundary, yet at all seasons of the year from Puget Sound we can sail 2,000 miles to the north, and all in southeastern Alaska for a distance of 2,000 miles on this side of the Pacific, and such a thing as an ice-bound port is unknown. This is due to the phenomenon of the ocean current, which, for lack of a better term, we call the Japan current. This current brings the warm waters of the Tropics up the west coast of our country clear to southeastern Alaska and then diverts them to the southwest over in the neighborhood of Japan, and south of Asia. There is every inducement for commerce in the great far

Northwest centering in Puget Sound and cities of the coast in that vicinity.

The city of Hoquiam, where this inspector's office is to be located, is another instance of the marvelous growth of commerce in the far Northwest. There are five continental railways which center on Puget Sound, affording the greatest shipping facilities on the Pacific coast in any one neighborhood, and in the last few years we have arrived at an epoch in commercial and marine development of the Northwest where every facility ought to be offered to encourage it and make it even greater than it is. I have been frequently to the city of Hoquiam.

There is a great timber belt around there, with marvelous sawmills, and the various activities of the lumber trade, the products of which go out of that country all over the world, as they leave from the Puget Sound country. I believe that within the next generation probably the trans-Pacific commerce flowing out of Puget Sound will exceed that of the entire Pacific coast, because the natural adaptation to it, the facilities there, together with the climatic conditions, are ideal for everything in the line of maritime development. [Applause.]

The metropolis of the far Northwest and therefore the center of the commercial, financial, and maritime interests is the city of Seattle on Puget Sound. It is now approaching, if not already, a half million people and developing at a rate that is not only startling to us who live there but to our country and to the world. Think of it, gentlemen, a city just beyond its fiftieth year of corporate life a factor in the great world trade! It was a child in swaddling bands at a time when the older cities of the country were boasting of full manhood in the matter of world trade; indeed, when older cities of the Pacific coast were developed to such a degree in their maritime commerce that the thought of this far-off child ever becoming a man, much less a rival, never entered their commercial understanding. A new Ajax has taken the field. The world will be amazed at the future. Could we lift the veil of the years to come we will see the Pacific coast of our country the theater of the world's greatest commercial activity; not alone in maritime commerce, but in the field of industry and economic production.

You who have never seen the far Northwest, especially the Puget Sound country, should see it. It will be one of the journeys you will always remember. We will be glad to see you, glad to welcome you, glad to have you see us in our homes.

I can not speak of Seattle alone. There are others whose growth and development have been and now are equally amazing. I may enumerate Tacoma, Bellingham, Everett, Bremerton, Olympia, the State capital, where the new State buildings are being opened, which are as beautiful if not as grand as those of any State west of the Mississippi; Hoquiam and Aberdeen on the coast; we are a new State, a new country, and like the youth of the land, we are preparing, now prepared to fight the battles of our country in lines of commerce and industry.

Gentlemen, come and see us, you will be glad and we will be glad. You will see a country whose praises are not yet sung in poetry and song and lecture, but one in which you will feel the inspiration of American manhood and womanhood building cities that are the personifications of culture and enterprise. Come and see us and spend a while with us. [Applause.]

Mr. WHITE of Maine. Mr. Chairman, I have no other requests for time, and I ask that the Clerk read the bill for amendment under the five-minute rule.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That a board of local inspectors, Steamboat Inspection Service, consisting of a local inspector of hulls and a local inspector of boilers, be, and is hereby, created at the port of Hoquiam, Wash. Such inspector of hulls and inspector of boilers shall each be entitled, in addition to his authorized pay and traveling allowances, to his actual and reasonable expenses for transportation of instruments, which shall be certified and sworn to under such instructions as shall be given by the Secretary of Commerce.

Mr. WHITE of Maine. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAMSEYER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 457) to create a board of local inspectors, Steamboat Inspection Service, at Hoquiam, Wash., and had directed him to report the same back to the House with a recommendation that it do pass.

Mr. WHITE of Maine. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WHITE of Maine, a motion to reconsider the vote by which the bill was passed was laid on the table.

### UNIVERSAL DRAFT FOR WAR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to House Joint Resolution 226, introduced by the distinguished gentleman from New York [Mr. WAINWRIGHT], with reference to a commission to study the subject of equalizing the burdens of war, and in connection therewith my own remarks made last year at the National Conference of Patriotic Women of America regarding the subject of defense.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I am informed that many Members of Congress are receiving letters and telegrams urging the Members to support what is popularly known as the Capper-Johnson bill, providing for a universal draft of man power and material resources in the time of war.

Since I have been a Member of Congress I have given this subject a great deal of study, and all persons interested in the subject will find a very valuable collection of information and references contained in the hearing conducted by me before the Committee on Military Affairs on March 11, 13, and 20, 1924; said hearings being printed in a 250-page volume, which is still available for distribution by the Committee on Military Affairs. In addition, I have on several occasions addressed the House of Representatives upon this subject, and on November 11, 1925, addressed the citizens of Spartanburg, S. C., and the surrounding country on this subject. In March, 1927, by special invitation, I addressed the National Conference for Defense, composed of patriotic women, gathered in the city of Washington, and holding its sessions in the Memorial Continental Hall of the Daughters of the American Revolution. In September, 1924, I addressed the Interparliamentary Union, representing 54 different nations and in session at Geneva, Switzerland. I have read a number of books for the purpose of informing my mind upon the problem of how to take the profits out of war and of how to enact legislation that the courts will sustain as constitutional and at the same time accomplish that much-desired result. I believe that the burdens of war should be more evenly and justly distributed among all the citizens of the United States. I believe that no person, firm, or corporation should be permitted to grow rich out of war profits extorted from the Government or the population, while soldiers and their families are suffering hardships indescribable, and many of them going down to death.

Therefore I have constantly pondered over this subject with these general outstanding considerations ever before my mind: First, the legislation must not make possible the concentration of power in the hands of the President in such manner as to enable him to become an irresponsible tyrant, destroying personal liberty, making wreckage of industry, disorganizing financial institutions, and laying the taskmaster's lash upon the back of the laborer; second, the power to be exercised under the proposed legislation must not be such as to stifle industry and destroy the power to produce the material substances of munitions, clothing, and food, essential to the carrying on of war; third, the exercise of such power must ever be predicated upon a declaration of war by Congress, and no discretion be left to the President to decide that an emergency exists justifying his exercise of the vast power necessary to mobilize industry and man power, and to check the selfish schemes of wicked profiteers.

Therefore, Mr. Speaker, I have favored the appointment of a joint congressional, official, and civilian commission to sit in the recess of Congress, and to study the whole question and to formulate legislation to bring about these much-desired results. I therefore am very happy to support the resolution introduced by my colleague on the Committee on Military Affairs, the Hon. J. MAYHEW WAINWRIGHT, former Assistant Secretary of War, and being known as House Joint Resolution 264. This resolution was referred by the Speaker to the Committee on Rules, and it is my hope that the Committee on Rules may grant an early hearing upon this resolution and may report the same out, with any amendments that it may deem proper, so that the same

may be passed by the Senate and approved by the President at this session of Congress.

If this is done, then the joint commission proposed by this resolution may quietly, and without the distractions of other legislation, consider this profound and complicated problem during the recess and report such a bill by the convening of the next Congress as all patriotic and unselfish Americans may get behind, with any possible perfecting amendments, and place the same on the statute book and let it be considered as a part of the fundamental conscience of the Nation that no Congress in the future in time of war would dare repeal or modify in such a manner as to frustrate the noble aims and intentions of the justice-loving people of this Republic.

I am printing for the information of the House and of the public that may be interested in the subject not only the address delivered by me in this city in March, 1927, but an editorial in the Washington Post of January 17, 1926, certain extracts from legislatures of the original thirteen States enacted during the Revolutionary War in order to restrain the greedy, grasping proclivities of the war profiteers; I am further printing, for the information of students of this subject, references to historical works, biographical sketches, and magazine articles compiled by the Library of Congress, at my request, so that the student may find the sources of information from which to draw the facts of history. It is my belief that once give the Congress and the American people the facts the necessary legislation will be promptly enacted.

In the Washington Post of January 17, 1926, appeared the following editorial comment upon the discussion of this subject by Hon. Bernard M. Baruch:

A BLOW AT WAR

"Taking the profit out of war" is the text of a remarkable article by Bernard M. Baruch in the January number of the Atlantic Monthly. "An effectual means of discouraging war" would also be a suitable text for the article. Mr. Baruch's experience as chairman of the War Industries Board during the war enabled him to gain an insight into the interrelation of ordinary peace-time activities with national necessities during war. From that experience he drew logical conclusions as to the measures which the United States would be forced to adopt in case of another World War.

Bearing in mind that such a war draws upon the entire population and all its activities of production and distribution, Mr. Baruch outlines a plan which would not only "take the profit out of war" but which, by making abnormal profits impossible and by compelling all elements of the population to do their share in the national war task, would impress upon the Nation beforehand the tremendous responsibility of war, and thus effectually discourage any tendency to seek war except in self-defense.

In peace time the fixing of prices by the Government is unwise. In war time, as Mr. Baruch clearly reveals, price fixing is both wise and necessary; and it must be price fixing all along the line in order to protect the man power that serves the industries which maintain the men at the front. The War Industries Board had reached the point of fixing prices when the armistice intervened. That step would have been inevitable if the war had continued. Mr. Baruch says:

"If we were to start, in the event of another war, at the place where we were industrially when the World War ended, the President, acting through an agency similar to the War Industries Board, would have the right to fix prices of all things as of a date previous to the declaration of war, when there was a fair peace-time relationship among the various activities of the Nation. It would be illegal to buy, sell, serve, or rent at any other than these prices. Brakes would be applied to every agency of inflation before the hurtful process started. An intelligent control of the flow of men, money, and materials would be imposed, instead of having the blind panic heretofore ensuing on the first appearance of the frantic demands of war.

"Money would be controlled and directed like any other resource. Taking the profit out of war is an orderly and scientific development of the economics and conduct of modern war, necessary to the effective mobilization of national resources and indispensable to equalizing the burdens of war among the armed and civilian population.

"The application of this plan, besides making the Nation a coherent unit in time of war, would impress upon every class in society a sense of its own responsibility in such event. If it were known that this universal responsibility would be enforced, no class—social, financial, or industrial—could fail to understand that, in case of war, it would have to bear its fair share of the burdens involved, and would have to make sacrifices of profit, convenience, and personal liberty correlatively with those made by the soldiers in the field. To this extent the plan would act as a positive deterrent to any hasty recourse to force in an international controversy."

The scientic study of the problem of adjustment of civilian activities to war-time necessities, and especially the study of the system worked out by the War Industries Board in actual war conditions, has been provided for by Mr. Baruch in his generous provision for a course of lectures in the Page School of International Relations at Johns Hopkins University. Mr. Baruch, with still broader vision, is proceeding to make similar arrangements at leading universities in Great Britain, France, Germany, Italy, and Japan. As a practical effort which appeals to individuals of all nations, Mr. Baruch's plan promises to do more to discourage war than all the leagues and courts that have been set up by governments.

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ONE PART OF THE PEACE PROGRAM

(By Hon. JOHN J. MCSWAIN, Member of Congress from South Carolina)

The problem of peace, like all questions where the factors are human, is many-sided. There is no single specific to cure the social ill called war. I am offering the following thoughts on one aspect of the case, especially as it relates to the "will to peace":

The Constitution of the United States has been universally appraised as the highest perfection of wisdom yet attained among the fundamental documents of government. Many particular parts have been singled out from time to time for special consideration and commendation. I do not remember ever to have seen any particular discussion of the wisdom and significance of having lodged the power to declare war in the Congress. Among all the older nations of the world the power to declare and commence war had been lodged exclusively with the executive power, so that kings and emperors had made war, from time immemorial, to suit their own interests, ambitions, or whims, and consulted the representatives of the people, if any there were, only after the commencement of war, in order to procure the financial resources wherewith to carry on such war.

But the erection of the American Republic of Republics, the commencement of a great Federal State in this Western Hemisphere, had as a background the fundamental conception of the Declaration of Independence, that "governments rest upon the consent of the governed," and exist to secure the life, liberty, and property of the people. Therefore it was but a logical application of this fundamental premise that the Constitution makers should propose, and that the people in their several State conventions should accept, a constitution that lodged the war-making power in all the representatives of all the States.

THE PEOPLE, THROUGH CONGRESS, DECLARE WAR

The President alone conducts diplomatic relations with other nations, but the President can make treaties only by and with the consent of two-thirds of all the Senators. This was a hitherto-unthought-of limitation upon executive power. It had therefore been conceived as preposterous that the people's representatives should have a veto power in the making of treaties between the royal rulers. But this limitation of power is constantly in the minds of Presidents and their executive advisers in the negotiation of treaties and, doubtless, has ever been a wholesome and restraining influence. Though the President is unrestrained in conducting international affairs, yet he must and does feel constantly the restraining check that his international policies can not be enforced with physical power in war without the approval of both Houses of Congress. But the principle runs still further back.

The President must calculate upon receiving the approval of an overwhelming majority of the individual citizens of the Republic. It is constantly in his thinking that Members of Congress must respect and heed the wishes and feelings of their constituents. The President remembers that Members of the House of Representatives are all elected every two years, and that one-third of all the Senators are elected every two years. Therefore, the President must be so cautious and prudent in handling international situations as to feel sure that the same will be approved by a clear majority of the people. If the President fails to take these fundamental conceptions into consideration, and rushes headlong and unadvised into complications with foreign countries that can be settled only by use of physical force, he may find himself greatly embarrassed by failing to receive the support of the Congress, and be, therefore, compelled to retreat from his diplomatic predicament.

NO AGGRESSIVE WAR BY AMERICA

This particular lodgment of the warmaking power in the hands of the representatives of the people insures our Nation against a policy of aggression. The Constitution makers all knew, from either personal experience or close observation, the horrors and demoralizing and destructive attributes of war. But they were wise men and realized the forces that had been operating upon mankind and among nations since long before the beginning of recorded history. Our forefathers, who laid the foundation of this Government of the people, by the people, and for the people, well knew the ambitions and covetousness that from time to time seize the rulers and ruling classes of nations. Wisely, therefore, did they lodge in the central Federal Government the sole and exclusive power of declaring, conducting, and concluding war.

Many powers of sovereignty were left and some still remain with the several States. But in the interest of the general welfare and common defense, the war-making power was placed with the one government that represents all the people of all the sections. This Constitu-

tion conferred upon the Federal Government not only the power to declare and carry on war but the power to "raise armies," and the power to "support armies." The Constitution likewise conferred on this central government the power to "provide a navy," and to "maintain a navy." There is far-reaching significance in these words, to "support an army" and to "maintain a navy." They imply more than enlisting men and building ships. They imply the power to acquire by the exercise of the supreme and absolute sovereignty that must rest in any nation to take whatever physical resources and materials may, in the judgment of the Federal Government, be necessary for the proper "support" of that army and for the proper "maintenance" of that navy.

NO "VETO" BY THE PEOPLE AFTER WAR IS DECLARED

Some have argued that, while the Constitution says that Congress may "raise armies," it means that it may only open recruiting stations and offer compensation and, by a beating of drums and waving of flags, try to induce men to volunteer to enter the Federal Army. It has been argued that to confine the raising of armies to the volunteer system would be a wise and salutary restraint upon Congress in declaring war, so that the people, by refusing to volunteer could virtually "veto" a declaration of war by Congress. But the Supreme Court of the United States has in several cases solemnly and unequivocally sustained the power of Congress to reach, with supreme and sovereign hand, and "take" by selective-service draft such human instrumentalities, either men or women, as the Congress may in the exercise of its power declare to be essential to the raising of armies in order to provide for the common defense.

By the same reasoning, by the same inescapable logic, it must follow that the power to "support" the armies thus raised is unlimited and unrestrained and may be exercised at the uncontrollable discretion of Congress. It therefore remains only for the Congress, with the approval of the President, to say how these armies, raised to defend the Nation's life, shall be supported.

POWER TO "TAKE" WAR SUPPLIES

Heretofore the usual policy of the Government in the supporting of armies has been the "volunteer system." People have been begged and cajoled into buying bonds essential to finance armies in the field. By the same reasoning it has been argued that to leave the supporting of armies upon this volunteer basis would amount to leaving with the people the "final veto power on war." Congress may declare the war, and may, by a selective-service draft, so formulated as to produce the least dislocation in the industrial and social life of the Nation, take those persons that may be best spared from the homes and the farms and the factories and the professions of the Nation; yet, after the armies have been "raised" and are in the field and are at the front and are facing the foe, they may be totally paralyzed by the failure of the people back home to "volunteer" sufficient funds to continue the fight. Such contemplation sickens the heart of the genuine patriot. The same power that gives Congress the right to "take" the man from his family and from his farm and from his factory gives Congress the right to "take" such of the produce of the farm and such of the product of the factory as may be necessary to "support and maintain" the soldier in camp and in field and in trench.

PRUDENCE AND CAUTION IN DECLARING WAR

As Americans we believe in and insist upon freedom of opinion and freedom of expression of opinion, either by mouth or by the press. There should ever be the amplest discussion in Congress and in the country before war is commenced. All groups of opinion should be tolerantly heard. The President and the Members of Congress should solemnly contemplate all the possible consequences of an entry into war. They should patiently and prayerfully seek to avert war. Only actual defense of our physical integrity or of our national principles and honor, which are more than life itself, should ever provoke us to war. God has been good in gathering some of the choice pioneer spirits from many nations and planting them upon this new continent, free from the traditions and customs of the feudal nations, and in permitting them to develop here a civilization unrivaled in power and in variety in all the annals of time. The President and the Congress should and do contemplate the fact that the nations of the whole world are becoming so interrelated by commerce and communication as to make it practically impossible to localize war. The war from 1914 to 1918 is universally described as the World War, and yet it may be fairly concluded that its vast proportions will be far exceeded by the next clash among the nations. Like a prairie or forest fire, when once the fury of war commences no limits can be set, no bounds prescribed, no time fixed, and no measure set.

WAR, ONCE DECLARED, BINDS EACH AND ALL

But, after all voices have been heard in the Nation, after the President, with full realization of the responsibility, has pronounced the situation such that war alone is the answer, after the Congress, conscious of direct responsibility to the people shall have declared war, then, in my humble opinion, the case is foreclosed, judgment has been rendered, the matter has had its day in court; and henceforth no man dare deny his individual obligation to contribute to the utmost limit of his power, either by direct participation as a soldier, or by direct contribution to the material and financial support of the Army and Navy.

From the very moment that Congress, representing all, declares war it binds every citizen, whatever may be his private and individual judgment of the merits. It becomes the law of the land, and henceforth the only course for every person is to help to fight it through. There must be no "vetoing" of this war-making power in Congress. If adequate volunteers do not rush to the colors, the country may "command" her sons and daughters and "compel" them to go. If adequate resources are not voluntarily contributed, then by the same power, for the same purpose, the Congress can "take" whatever the Army and Navy may need in order that the full force of the military power may be exerted.

JUST COMPENSATION FOR ALL PROPERTY TAKEN

But we are reminded that one part of this very same Constitution, to wit, the fifth amendment, declares that private property shall not be taken for public use without just compensation therefor. When properly understood, the fifth amendment offers no obstacle to the war-making power of our Government.

It does not provide that private property shall never be taken for a public purpose, but merely prescribes that payment shall be made therefor. Such provision is wise and just. It would be manifestly unfair to take one man's factory or one man's railroad or one man's coal mine or one man's farm or one man's steamboat and use the same in carrying on war and make no adequate compensation for the use thereof, while other citizens, under equal obligations to help carry on war, have their factories or their railroads or their coal mines or their farms or their steamboats untouched and unharmed. But the fifth amendment does not say that the property shall be paid for "before" its use, and merely provides that at some time "just" compensation shall be made. Therefore, in the emergency, whatever property is needed may be taken and taken instantly, and thereafter just compensation made, and that compensation must be "just" not only to the owner but also "just" to the public that pays. "Justice" means fairness and reasonableness under the circumstances. Therefore justice requires that no fabulous, fictitious, and inflated war time prices shall be paid for property taken and used. The same principle was applied in making just compensation for "man power" during the recent World War. Congress had prescribed the monthly pay for soldiers to range from $30 a month upward. But after the war good conscience and justice, not legal obligation, declared that such compensation was inadequate and, after much discussion, Congress passed legislation to adjust and pay additional compensation for the services of the soldiers. There was no constitutional obligation to do this.

Congress may draft the soldiers without providing one single cent of compensation, even during the period of service. But would Congress do such an unjust thing? Members of Congress know that they are answerable to the soldiers, and under our system of government the voice of the people is finally supreme. Therefore the provisions of the fifth amendment merely conform to the ideals of republican institutions and demand a just exercise of the war-making power.

EQUALIZE BURDENS OF WAR THROUGH "POWER TO TAX"

But Congress has another power, unrestrained, unlimited, both in war and in peace, and this power may be exercised to insure justice in distribution of the burdens of war. It is the power to levy and collect taxes. It is a fact that many do not realize, that about 40 per cent of the revenue raised and expended by our Government during the period of the recent war was raised by taxation. Many conservative and experienced and well-informed men who had intimate contact with the administration during the war have expressed the opinion that if there had been no inflation of prices, if a peace-time average of prices had been maintained by force of law during the war, the money cost of the war would have been reduced by at least one-half. The average price level of all commodities during the World War was nearly two and a half times the average peace-time price. Bringing these two facts together, we find that if prices had not become so much inflated we could have financed the war merely upon the taxes that were collected and without the issue of a single bond; and if we had done so, we would have been to-day debt free and would not have a mortgage in the form of bonds upon the earning power of the people of this country aggregating more than $20,000,000,000 that will require the labors of two or three generations to discharge.

NO DRAFTING OF LABORERS

There has been much confusion of thought and much loose and ill-considered utterance in connection with the subject of what is commonly described as "universal draft," and "universal mobilization," and "drafting of wealth to make war," and other phrases of like import. Some, with sweeping and irresponsible generalization, have declared that the whole nation, with all her resources, must be instantly militarized, that martial law must prevail everywhere, and that men and women, old and young, even children, with all that they have, must be considered as in one mighty camp, subject to military discipline, to do and to give whatever those in authority may direct. Some have leveled their anathemas at men who labor with their hands and have heretofore received

wages of 8 and 10 and 15 dollars a day for work as civilians, while soldiers were suffering and dying in the trenches at a dollar a day. Others have directed their maledictions at the wholesalers and forestallers and engrossers and speculators and manipulators who cornered the market for essential commodities and demanded and received fabulous prices and profits, became millionaires in a day, and thus capitalized and commercialized the calamity of war and grew rich out of the necessities and sacrifices and sufferings of the Nation.

I feel compelled to say that progress in the direction of legislation, looking to a fairer and more just and more equal distribution of the hardships and inconveniences and sufferings of war, has been delayed by reason of the excessive claims and demands of some of the advocates of such legislation. Personally, I believe it would be unwise and imprudent and impracticable to undertake the conscription and militarization of manual laborers, whether for use upon shipbuilding or housebuilding or road building or factory working or farm working or elsewhere. It is my belief that only the fighting forces and those agencies directly contributary thereto, such as medical, quartermaster, etc., should be taken from the civilian population by selective-service draft. To do otherwise would greatly dislocate, and might paralyze industry, mining, and agriculture.

The military authorities would not and could not know how to distribute the workers among the factories and farms. The psychological factor must not be ignored. Human beings are not machines. They have feelings and thoughts. There are limits beyond which they will not endure. The overwhelming majority of the people must first be convinced that a war is just and worthy of any sacrifice, even death, and then, when it is declared, public opinion, as well as force of law, will compel the acquiescence of any small dissenting minority into conformity with the plans and efforts of the Nation to raise and support and maintain the armies and navies.

### NO MILITARIZATION OF INDUSTRIES

In like manner, enthusiasts and idealists have maintained that all the material property and all the financial resources of the Nation must be instantly poured into a mighty national war hopper, there to be employed as military experts may determine necessary in the conduct of war. Such a proposition is preposterous to practical minds. The men who in peace time have built and operated industries can operate them more efficiently in war than Army officers can. They know how to manage labor in order to get the most satisfactory results. If all property were appropriated and commandeered and dumped into the war machine, of course, there would be no incomes to be taxed, and consequently no source of revenue wherewith to pay that just compensation required by the fifth amendment to the Constitution.

### A SANE PROGRAM OF JUSTICE

Then, what is a fair and reasonable program for the conduct of war so as to bring about a more just and equal distribution of the burdens of war? We believe that the war is the whole Nation's business. It is not the affair merely of those in the Army or the Navy. The soldiers and sailors have no more at stake than the civilians back home.

The war is everybody's business. If the cause of the war is not such as to justify a contribution to the limit of his qualifications and capacities and resources by every citizen, then we ought not to be in the war, and Congress should carefully consider this aspect of the problem before declaring war. But this equalization can not be theoretically and mathematically exact and ideal.

It is a practical world we live in, and war is an abnormal condition and fortunately very occasional and temporary, and should be so conducted as to result in the minimum of dislocation and demoralization of the existing order of things. Therefore, in addition to the exercise of the power of drafting soldiers and sailors by selective service; and in addition to the power to commandeer and take necessary physical property without delay, subject to consequent compensation, there are two outstanding measures that should be taken at the outbreak of another war. We should have our minds made up in advance on these matters and, if possible, the outlines of general legislation should be placed upon the statute books now and we should not wait until the heat and excitement and the tumult of war in order to legislate. The first of these is the stabilization of all prices. This can and must be done by the fiat of law. Only the emergency of war could justify such an artificial and unnatural mandate.

### STOP PROFITEERING BY STABILIZING PRICES

The stabilization of prices as contemplated by those familiar with the details essential to carry out this program of seeking to equalize the burdens and inconveniences of war is not price fixing as ordinarily understood. It does not mean picking out different commodities and prescribing by statute the prices for which the same may be sold. But it does mean taking the prices of all commodities as they are found and ascertained to prevail in a free market at a fixed date, say, 90 days before the declaration of war, and prescribing that the prices so prevailing shall be observed in transactions between citizens and in transactions of citizens with the Government.

This is fair and just. The price of any commodity is a relative matter, economically considered.

The real price is the quantity of commodity or service that must be given for a given commodity or the quantity of service or commodity that may be received for a given commodity. The excuse made during the war for the pyramiding of prices was that the raw material and labor, rent and interest, and other factors going into other commodities had risen and were continuing to rise, and, in order to meet these rises, the prices of manufactured articles must be raised. In turn, labor contended that what it had to buy and the rents it had to pay had gone up, and it must have more wages. The merchants claimed that not only had commodities advanced but store rents advanced, clerk hire advanced, and taxes advanced, so that they must increase prices. These retail prices again, in their turn, affected the wages of the laborers and the prices of raw materials. So this vicious circle swung rapidly around, rising constantly higher and higher, to the terrific peak of more than 250 per cent of normal prices. The stabilization of prices will eliminate such excuses for price boosting, and the result will be equality and fairness to all parties concerned.

### "PAY-AS-YOU-FIGHT" PROGRAM

The next step that practical men, bent upon seeking, so far as possible, the ideal of justice among all citizens in the duty to make and carry on war, is to understand in advance that taxes, heavy taxes, burdensome taxes, will be imposed to meet the current expenses of the war. The slogan should be, as far as possible, to "pay as you fight," so that as the soldier sacrifices time and blood and life in carrying on at the front, the taxpayer back home, conducting his business, living with his family, shall contribute from his substance the material things necessary to satisfy the current demands of the fighting forces.

The issue of bonds to finance the war should be reduced to a minimum, if not entirely eliminated. Undoubtedly, the tremendous inflation of credit and currency and prices during the World War was due in part to the stupendous issue of bonds. These bonds were largely carried by being floated at the banks and the credit and currency of the people were almost doubled.

But some may protest that to stabilize prices would eliminate war profiteering, and to eliminate bond issues would prevent inflation, so that there would be no unusual stimulus to business and, in fact, there might be an apparent stagnation, thus resulting in a diminution of incomes which, in turn, would result in a diminution of income taxes and, if the war should be financed as fought, taxes might be so heavy as to amount in fact to a capital levy. That chain of argument is considered by its makers as reducing the pay-as-you-fight proposition to an ad absurdum. But I refuse to be frightened by the thought of even a capital levy in order to carry on war. At most, it can but mean that a very small percentage of the existing capital reserves of the people shall be taken for the extraordinary and urgent needs of the Government in time of war.

### HUMAN LIFE HIGHER THAN MATERIAL PROPERTY

Does not the man at the front, and all those under arms cooperating with him to make his fight effective, submit to a capital levy to a very real and even terrific degree? The best part of the assets and capital of the young man is his body, his health, his time—yea, his life. In order to defend the Nation, in order to make it secure to every man and woman within its bounds, in order that all may equally enjoy the blessings of this Nation, the strongest and best of our young men are called out to give, in unstinted measure, the riches and vested rights of health and strength and life.

Is it fair, is it just, is it in conformity with that fundamental American conception of equality of rights and equality of obligations, that some of our citizens should be called upon to give their all to defend the Nation's rights and life, and others, at the same time, be not called upon to make a sacrifice of a small proportion of accumulated capital? I recall these words from the inaugural address of President Warren G. Harding, March 4, 1921: "There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war, while another portion is fighting, sacrificing, or dying for the national defense."

### JUSTICE A FACTOR IN NATIONAL DEFENSE

To make effective such a program tending toward a just and fair distribution of the burdens of war is the greatest step in the scheme of national defense. It will mean that all the resources of the Nation will be directed instantly upon the outbreak of war to the making and gathering of such a combination of human, material, and financial resources as must be well-nigh irresistible. Further, it will mean that, among the men who are fighting and directing; among those sacrificing and suffering, there will not rankle that sense of injustice and of unfairness at the thought that others are not only escaping from the obligations of such a service, but are actually commercializing the Nation's needs, and profiteering upon the Nation's peril. There is an inherent and indefinable consciousness in every human breast of what is just and fair and right. Education may clarify its definition, but can neither create nor destroy its existence.

"PAY AS YOU FIGHT" AND NO PROFITEERING INSURES PRUDENCE

While this program of invoking all the resources of the Nation to cooperate in one combined effort of war when war is inevitable insures military efficiency, yet it is at the same time one of the surest guaranties that our Nation will never embark upon an aggressive and unjust war. We are a peace-loving people. We know that we may best accomplish our mission to build up a great Christian civilization for the blessing of our own people and to serve as a shining example to all others only while peace prevails. But we are vividly conscious of our obligation to the ideals of the Republic. We feel that these ideals can only be achieved under conditions of undisputed national security. Much as we love peace, and will insist to the limits of patience upon its preservation, yet, as a practical people knowing the plain lessons of history and the teachings of bitter experience, we refuse to live in a fool's paradise and to bury our heads in the sands of a false sense of security. But the program here outlined, of no war profits and of heavy war taxes, will prove an efficacious deterrent to the rash and ill-considered agitation of chauvinists and militarists.

It will compel certain great financial interests that control the mighty metropolitan dailies to think carefully and to speak mildly in crucial times. If the capital that controls newspapers knows that it can not profit and may suffer some of the burdens of war, it will be cautious and prudent in editorial utterances. The man on the street who knows that he is unfit by age or physical infirmity to bear a soldier's part in war, will restrain his tongue and no longer agitate for war if he realizes that he must contribute of his substance, even to the point of sacrifice, in order to carry on the war.

RIGHTEOUS WAR OF DEFENSE

With all selfish motives of pride and profit by war eliminated, with the hysteria and delirium of war excitement checked and restrained by the thought of heavy financial burdens, we may feel sure that one motive, and one motive only, may ever impel the good people of this great Republic to take up arms against another nation. That motive will be the defense of either the physical integrity or of the international rights of the Nation. With a war caused by and based upon such a condition with a situation confronting all the people, that means either supine submission to a foreign will or fighting in defense of the Nation's rights and life, there can be no question but that any war declared by Congress will be a just war. Being just, being righteous, being backed by the heart and conscience of the overwhelming majority of the people, the law of selective service for human beings and a law to prevent profiteering by the stabilization of prices and to require the equitable contribution of the sinews of war by those having capital will not be a heartless mandate to compel the sullen obedience of the people to a harsh war program, but will be merely the legal measure of what all the people will cheerfully do to defend the Nation's cause.

A NEW AMERICAN SLOGAN

Therefore, are we not justified in advancing one step further in the crystallization of national ideals into well-remembered phrases that express the heart and soul of Americanism? For more than 125 years American citizens of all sections and of all parties have acknowledged that the essence of American institutions finds a voice in the phrase "Equal rights to all and special privileges to none." To that incomparable expression of the peace-time policies of our Nation, let us now, while the lessons of the late war are still fresh in every mind and heart, write upon the statute books of this Republic laws looking toward the equalization of the obligations and hardships of war, and phrase this other epitome of the American war-time policy thus: "Equal burdens and equal sacrifices for all and special privileges and special profits to none."

During the Revolutionary War all of the State legislatures of the respective States passed emergency price-fixing legislation for the purpose of preventing profiteering in the sale of supplies and commodities both for military purposes and general consumption.

An excellent example of this type of emergency legislation is the act of the State Legislature of Massachusetts in 1777, which is found in the Government publication entitled "Emergency Legislation to December, 1917," compiled under the direction of the Attorney General. The following excerpt from which appears in volume 1 on page 420:

Whereas the avaricious Conduct of many Persons, by daily adding to the now exorbitant Price of every necessary and convenient article of life; and encreasing the Price Of Labour in general, unless a speedy and effectual Stop be put thereto, will be attended with the most fatal and pernicious Consequences, as it not only disheartens and disaffects the soldiers, who have nobly entered into the Service of their Country, for the Support of the best of Causes, and distresses the poorer Part of the Community by obliging them to give unreasonable Prices for those things that are absolutely necessary to their Existence, but will be also very injurious to the State in general; and

Whereas the Committee lately empowered by this State to proceed to Providence in Rhode-Island, and in Behalf of this State, there to meet with Committees from the other New-England States; and among other Things to confer upon Measures necessary to prevent Monopoly and the high Price of Goods, and the Necessaries of Life, and for Regulation of Vendues; have in Conjunction with the said Committees, recommended that Rates and Prices be settled and affixed by an Act of this State, to the Articles herein after enumerated.

In the book entitled "Emergency Legislation to December, 1917," compiled under the direction of the Attorney General, we find, on page 210, the following resolution continuing certain powers theretofore vested in Washington:

*Resolved*, That General Washington be informed that Congress have long since written to the commissioners in France for cloaths complete for eighty thousand men, and have received for answer that they might be expected here by the setting in of winter; in consequence of which, Congress have reason to hope for this necessary arrival in a short time: that Congress have also adopted various other means for importing cloathing, which they have reason to expect will be successful; and, on the 16th day of October ordered a copy of the General's return of articles wanted for the army to be transmitted to the respective assemblies of the eastern and middle states, with a pressing recommendation to them to use their utmost endeavors to collect the same without delay, and send them to the army. But, since the wants of the army are immediate, Congress wish the General may avail himself of the powers vested in him for obtaining these necessary supplies from the disaffected inhabitants, Congress being of opinion that the well disposed people of these states will rather be pleased than dissatisfied with a procedure, by which their enemies shall be compelled to supply those things that are essential to the support and comfort of the army; and more especially as even the disaffected will be paid a reasonable price for what is demanded of them;

*Resolved*, That the powers with which General Washington was invested by a resolution of Congress of the 17 September, and another of the 8th of October last, be continued till the first day of March next, unless sooner revoked. (IX Journals of the Continental Congress (Library of Congress), November 14, 1777, page 905.)

In the book entitled "Emergency Legislation to December, 1917," compiled under the direction of the Attorney General, we find on page 207 the following resolution regarding the bestowal of dictatorial powers upon Washington:

This Congress, having maturely considered the present crisis; and having perfect reliance on the wisdom, vigour, and uprightness of General Washington, do, hereby,

*Resolve*, That General Washington shall be, and he is hereby, vested with full, ample, and complete powers to raise and collect together, in the most speedy and effectual manner, from any or all of these United States, 16 Batallions of infantry, in addition to those already voted by Congress; to appoint officers for the said batallion; to raise, officer, and equipt three thousand light horse; three regiments of artillery, and a corps of engineers, and to establish their pay; to apply to any of the states for such aid of the militia as he shall judge necessary; to form such magazines of provisions, and in such places, as he shall think proper; to displace and appoint all officers under the rank of brigadier general, and to fill all vacancies in every other department in the American armies; to take, wherever he may be, whatever he may want for the use of the army, if the inhabitants will not sell it, allowing a reasonable price for the same; to arrest and confine persons who refuse to take the continental currency, or are otherwise disaffected to the American cause; and return to the states of which they are citizens, their names, and the nature of their offences, together with the witnesses to prove them:

That the foregoing powers be vested in George Washington, for and during the term of six months from the date hereof, unless sooner determined by Congress. (VI Journals of the Continental Congress (Library of Congress), December 7, 1776, page 1045.)

In the book entitled "Emergency Legislation to December, 1917," compiled under the direction of the Attorney General, we find on page 206 the following resolution regarding engrossing which was passed by the Continental Congress:

Congress being informed that some persons in this city (of Philadelphia), governed by principles inimical to the cause of America, and with views of avarice and extortion, have monopolized and engrossed shoes, stockings, and other necessaries for the army, whilst the soldiers of the Continent, fighting for the liberties of their country, are exposed to the injuries of the weather, at this inclement season:

*Resolved*, That it be recommended to the assembly of the state of Pennsylvania, to adopt such immediate measures for remedying this evil, as their wisdom shall suggest to be adequate to the present purpose, and for preventing like pernicious practices in future. (VI Journals of the Continental Congress (Library of Congress), November 26, 1776, page 980.)

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I. GENERAL

Gustavus Myers: History of the great American fortunes. Chicago, 1911. Vol. I, note pages 61, 63, 66 to 69, 81, 84, 87, and 88. (HC 103.M8 1918)

II. REVOLUTIONARY WAR

*Legislation*

Joshua Reuben Clark: Emergency legislation passed prior to December, 1917, dealing with the control and taking of private property for the public use, benefit or welfare * * * to which is added a reprint of analogous legislation since 1775. Washington, Government Printing Office, 1918. See pages 206, 211, 218, 220, 228–9, 232, 240, 241, 242, 243, 257, 293, 300, 317, 344, 370, 420, 429, 441, 446, 452, 466. (D 570.A2A65 1918)

*Miscellaneous*

John Adams: Works of John Adams by Charles Francis Adams, Boston, 1854. Vol. IX, p. 469–70. Letter of John Adams to Elbridge Gerry, Dec. 6, 1777. (E 302.A26)

Claude H. Van Tyne: The American Revolution. The American Nation: a history, vol. 9, p. 241–2. (E 178.A55)

George Washington: Writings of George Washington. Edited by Jared Sparks, New York, 1847.

Letter to Joseph Reed, Nov. 27, 1778, vol. VI, p. 127–8.

Letter to Joseph Reed, Dec. 12, 1778, vol. VI, p. 130–4. (Note especially, p. 132.)

Letter to James Warren, March 31, 1779, vol. VI, p. 210–12. (E 312.7 1847)

III. WAR OF 1812

*Annals of Congress*

Vol. 26, 13th Congress, 1st and 2nd sessions, pt. 1, p. 1232–3. Army contracts.

Vol. 27, 13th Congress, 2nd session, pt. 2, p. 2047–8. Speculation in general. (J 11.A5)

John Bach McMaster. A history of the people of the United States, New York, 1895. Vol. IV, p. 221–2. (E 301.M16)

Niles's Register. Vol. V, p. 280, 309–10. Commercial speculation. (E 338.N69)

IV. MEXICAN WAR

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V. WAR BETWEEN THE STATES

*Legislation*

Joshua Reuben Clark: Emergency legislation passed prior to December, 1917, dealing with the control and taking of private property for the public use, benefit, or welfare * * * to which is added a reprint of analogous legislation since 1775. Washington, Government Printing Office, 1918. Note pages 1035 and 1040, sec. 3, c. 4. (D 570.A2A65 1918)

*Official material*

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Series IV, vol. 1. House document No. 579. 56th Cong., 1st sess.

Message to Alabama Legislature, by A. B. Moore, on extortion, Oct. 28, 1861, p. 701–2.

Letter of John Letcher, Nov. 18, 1861, p. 739.

Series IV, Vol. II. House Document No. 658, 56th Cong., 1st sess.

Letter of Z. B. Vance, Sept. 18, 1862, p. 85–6.

Message of Z. B. Vance to Legislature of North Carolina, Nov. 17, 1862, p. 180 ff. Note especially p. 181–2.

Proclamation of Z. B. Vance, Nov. 26, 1862, p. 214.

Address of Jefferson Davis, April 10, 1863, p. 477.

Letter of Jefferson Davis, Sept. 17, 1863, p. 809–10.

Letter of F. D. Conrad, Oct. 5, 1863, p. 854–6.

Letter of Robert S. Hudson, Oct. 5, 1863, p. 856–8.

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Report of James A. Seddon, Sec. of War, p. 1008–9. (E 464.U6)

House of Representatives, United States Congress: Report of select committee to inquire into contracts of the Government. 37th Congress, 3d session. House Reports numbers 49 and 50 (minority views). Note especially p. 3–4 in No. 49 and p. 47 in No. 50. (Published in "Reports of committees of the House of Representatives and Court of Claims," 37th Cong. 3d session. Serial No. 1173.)

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James Ford Rhodes: History of the United States, 1850–1877. New York, 1909. Vol. V, ch. XXVIII, p. 361–6, 371. (E 415.7.R475)

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Vol. 2, pages 15, 33, 36–7, 53–4, 124, 230–1, 238, 260, 266. (E 468.W44)

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(NOTE.—All those listed are on file in the Library of Congress.)

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April 5, 1862, p. 1, col. 3; p. 4, col. 4.

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April 30, p. 4, col. 1.

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Petersburg (Va.) Daily Express: Oct. 24, 1863, p. 2, col. 1, editorial.

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Richmond (Va.) Daily Enquirer: Feb. 14, 1863, p. 2, col. 1, editorial.

Richmond (Va.) Examiner:

Mar. 31, 1863, p. 2, col. 2, editorial.

May 9, 1863, p. 2, col. 1, editorial.

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VI. SPANISH-AMERICAN WAR

Russell A. Alger: The Spanish-American War. New York and London, 1901. The Miles-Eagan controversy (over canned beef), p. 376–410. (E 715.A39)

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James A. Drain, national commander American Legion. Universal draft in event of war—capital, labor, industry, etc. Washington Star, Nov. 17, 1924, p. 2; New York Times, Nov. 18, 1924, p. 14.

John R. Ellington. War profiteers under the microscope. New York Times Magazine, July 26, 1925, p. 11, 23.

GEORGE HUDDLESTON, Conscription of property and labor for war. Speech in the House, Dec. 3, 1924. CONGRESSIONAL RECORD, 68th Cong., 2d sess., v. 66, No. 3 (current file): 90–93.

Sisley Huddleston. American plan for peace; conscription of property in war time. Atlantic Monthly, Feb., 1925, v. 135: 263–272.

WILLIAM H. KING. Prevention of war profiteering. Remarks in the Senate, Jan. 24, 1925, introducing S. Res. 312. CONGRESSIONAL RECORD, 68th Cong., 2d sess., v. 66, No. 41 (current): 2480–2481.

The Legion's campaign for a universal draft law.—On drafting capital, labor, and man power. American Legion Weekly, v. 6, Nov. 21, 1924: 8; Nov. 28: 8; Dec. 5: 10.

Samuel T. Moore. The new preparedness. Atlantic Monthly, Oct., 1924, v. 134: 443–448.

Drafting of capital: p. 447.

Peace proposals pending in 68th Congress * * * Universal mobilization of war profits. Congressional Digest, June, 1924. v. 3 : 304.

Seven years after. Nation, July 29, 1925, v. 121 : 134.

Attached are copies of typewritten lists of recent periodical references on :

1. The League of Nations.

2. The Permanent Court of International Justice.

They are forwarded with the suggestion that they be lent to Representative McSWAIN.

Accompanying also is a copy of a reading list prepared in the library of the Carnegie Endowment for International Peace on :

3. Protocol for the pacific settlement of international disputes, Geneva, 1924.

This list is forwarded with the suggestion that it be sent to Representative McSWAIN. It may be retained by him.

The other two subjects :

4. Proposal to draft wealth.

5. Statements or speeches made by ex-service men relative to machinery to bring about peace—

are represented to a much less extent by printed material. We have found the following references :

4. Drain, James A., national commander American Legion. Universal draft in event of war—capital, labor, industry, etc. Washington Star, Nov. 17, 1924, p. 2 ; New York Times, Nov. 18, 1924, p. 14.

HUDDLESTON, GEORGE. Conscription of property and labor for war. Speech in the House Dec. 3, 1924. CONGRESSIONAL RECORD, 68th Cong., 2d sess., v. 66, No. 3 (current file), 90–93.

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On drafting capital, labor, and manpower.

Moore, Samuel T. The new preparedness. Atlantic monthly, Oct. 1924, v. 134 : 443–448.

Drafting of capital : p. 447.

Peace proposals pending in 68th Congress. . . Universal mobilization of war profits. . . Congressional digest, June, 1924, v. 3 : 304.

5. Ex-soldiers' peace move. Unity, Oct. 9, 1924, p. 58.

The Legion and world peace. National Commander Drain, in a letter to President Coolidge, makes clear the organization's position regarding preparedness, the universal draft bill, and a world court. American Legion weekly, v. 6, Dec. 5, 1924.

National council for prevention of war. The public and peace. Resolutions of national organizations urging the substitution of law for war in world affairs. Washington, D. C. National council for prevention of war (532 17th St.) 1923. 24 p.

Soldiers in peace : p. 16–18.

——— Soldiers and peace. Notes for speakers. Washington, D. C., June, 1924. 9 p. Mimeographed.

FARM RELIEF

Mr. WILLIAMS of Illinois. Mr. Speaker, I present a privileged resolution from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows :

House Resolution 176

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3555, entitled "An act to establish a Federal farm board to aid in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce." That after general debate, which shall be confined to the bill and which shall continue not to exceed 12 hours, the time to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of the point of order as provided in clause 7 of Rule XVI the substitute committee amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with the committee substitute, as amended, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the committee substitute. The previous question shall be considered as ordered on the bill and committee substitute, including the amendments to the committee substitute thereto to final passage without intervening motion except one motion to recommit.

Mr. WILLIAMS of Illinois. Mr. Speaker, this resolution makes in order the consideration of Senate Bill No. 3555, popularly known as the farm relief bill. On April 5, 1928, the Committee on Agriculture of the House reported from that committee H. R. 12687. Subsequently the House Agriculture Committee took up for consideration the bill passed by the Senate and amended it by striking out all the provisions of the bill following the enacting clause and inserting by way of amendment the House bill in the identical language in which it was reported to the House April 5. So while this rule makes in order the Senate bill, the House has before it the bill reported by its own committee.

That a very grave agricultural problem exists in the United States is no longer debatable. It is recognized by every one who has given the subject even the most cursory consideration. It is also universally recognized that a proper consideration and solution of this problem concerns not alone the farmers, but all the people of the United States. While every one concedes the economic condition of American agriculture is not what it should be and agrees that comprehensive and adequate legislation dealing with the problem is desirable, there is and has been a wide divergence of views as to what that legislation should be.

The bill now being considered is the fourth serious attempt by Congress to enact legislation dealing with the "surplus," which is undoubtedly the gravest and most difficult of solution of all the elements that enter into the agricultural problem. No more important subject has been considered by Congress since the close of the World War than those now before us.

The bill before the House to-day is, in many respects, radically different from the bills heretofore reported by the committee. While the essential and underlying principles of former bills have been retained, many far-reaching changes have been made in its provisions. A very earnest effort has been made by the committee to eliminate so far as could be done, without sacrificing essential principles, the various objections against the legislation urged by the President of the United States in his veto message of February 25, 1927, returning the former measure without his approval.

A brief review of the changes made in this bill by the committee, from the provisions of the bill vetoed by the President, shows the very great length the committee has gone to meet the views of the Executive as expressed in the veto message :

First. One of the objections urged by the President to the former bill was that it only applied to a limited number of agricultural products—corn, wheat, cotton, rice, and swine—and did not embrace all agriculture. That objection has been met. The pending bill applies to all agricultural products.

Second. The present bill has a provision prohibiting unreasonable discrimination in making marketing agreements with agencies other than cooperatives. The President in his message very properly criticized the former bill for a failure to carry a provision of that kind. This bill is not subject to that criticism.

Third. The bill last year provided elaborate machinery for the convening and holding of State conventions of producers to obtain the views of such producers as to the commencement and termination of operations with any commodity. The President specifically expressed his disapproval of that provision. It has been eliminated from the present bill.

Fourth. The former bill limited the power of the President to appoint members of the farm board. It provided that the farm organizations of the various land-bank districts should submit to the President a list of nominees selected by them, and that the President was limited to such list in making his appointments to the farm board. The Attorney General in his opinion expressed the view that this scheme was unconstitutional and an unwarrantable restriction on the powers of the President. In the veto message the President expressed his disapproval of this provision of the bill. That objection has been entirely met in the present bill. The President is given the power of making these appointments without any limitations other than that confirmation by the Senate is required as in other cases. It leaves him absolutely free and unhampered in appointing members of the farm board. This change removes from the bill one of the most serious objections raised by the President in his veto message, an objection that many of the supporters of the bill felt was entirely justified.

Fifth. The bill last year required the board to find "that both the advisory counsel and a substantial member of cooperative associations or other organizations representing the producers favor the full cooperation of the board in the stabilization of any commodity," before marketing agreements could be entered into for the commodity. This gave to private and unofficial organizations the power to determine whether or not provisions of the bill should be put into effect. The Attorney General advised the President this provision was unconstitutional and it was one of the objections to the bill on which the veto message was based. This provision is eliminated from the present House bill, although it has been retained, in perhaps a somewhat less objectionable form, in the bill passed by the Senate. If the membership of the House sustains the action of the House committee, and accepts the bill as to that feature, as it has been reported, one of the most serious objections urged against the former bill has been removed.

The equalization fee, one of the features of the bill to which the President expressed disapproval, has been left in the bill. It appears in the bill, however, as an alternative remedy to be invoked by the board only in case the first remedy provided in the bill fails. In fact, two separable remedies are proposed in the bill. The first is loans to cooperative organizations, and to corporations created and controlled by cooperatives. If the loan scheme works as successfully as its advocates claim the board will never be called upon to impose the equalization fee on any commodity. The board will never declare an operating period until it has been demonstrated the surplus of a given commodity can not be adequately dealt with through the loan provisions of the bill. Unlimited opportunity is afforded the board to deal with agricultural surpluses through loans, which those who have opposed former bills have confidently asserted is the best way to deal with the surplus problem. If the plan they advocate fails to do the job when the test is made, it seems they ought not to object to having in the law the alternative remedy millions of farmers believe is the one sure method to deal effectively with this problem.

The rule now being considered provides for 12 hours' general debate, confined to the bill to be divided equally between those favoring and those opposing the bill. Germane amendments will be in order when the bill is considered under the five-minute rule, and a separate vote is provided on any amendment adopted by the committee when the bill is reported back to the House.

The rule is unanimously reported by the Committee on Rules and is in every way satisfactory to the Committee on Agriculture. [Applause.]

Mr. Speaker, I reserve the balance of my time and yield 20 minutes to the gentleman from North Carolina [Mr. POU]. [Applause.]

Mr. POU. Mr. Speaker, those who believe there is a farm problem in America ought to have little difficulty in supporting this bill.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. POU. Certainly.

Mr. GREEN. I desired to ask a question of the gentleman who preceded the gentleman who now has the floor, but the former gentleman did not have time to yield. I would like to ask the gentleman from North Carolina if he can tell us when we may expect from the Committee on Rules a rule providing for the consideration of the Lehlbach bill? Many Members are interested in it, and I am anxious to know if the Committee on Rules is considering reporting a rule which will give preferential status to this legislation.

Mr. POU. Mr. Speaker, I hardly expected this question in a debate on the rule reporting the McNary-Haugen bill. The gentleman from Florida knows that I belong to the minority on the Committee on Rules. He will, therefore, excuse me if I refer him to the majority members of the Committee on Rules, or to the Republican steering committee.

Mr. GREEN. I thank the gentleman for yielding for the question.

Mr. POU. So far as I am concerned, and I speak only for myself, I shall be glad to do what I can to expedite favorable consideration of the Lehlbach bill, to which the gentleman from Florida has referred.

Mr. Speaker, as I said a moment ago, those who believe there is a great farm problem in America which Congress should attempt to solve, if possible, ought not to have any difficulty in supporting this bill. The report filed by the majority of the Committee on Agriculture contains some very illuminating information. Let me say right now that the demand for action by Congress is not a calamity howl, nor is it the cry of the demagogue. It is the appeal of many who are losing their homes. It is the appeal of a large portion of our agricultural population who are facing disaster. The membership of this House will, I think, do well to study carefully the majority report of the Committee on Agriculture.

The statistics of this report are for the most part official. We find that during the last five years there has been immigration from the farms to the cities of 2,000,000 persons. There has been a decline in farm population from about thirty-one and one-half millions in 1920 to about twenty-nine millions in 1927. From the census reports we learn that the total value of all farm property in 1913 was $45,227,000,000. In 1925 the total value of all farm property in the Nation was $59,154,000,000, but reduced to the terms of 1913 purchasing power, the total value of all farm property in 1925 was only equal to $38,188,000 of 1913 purchasing power. In other words, all farm property in the United States in 1925 had only 84.4 per cent of the purchasing power of all farm property in the United States in 1913.

I quote from the majority report:

> Farm lands in the United States as a whole have an actual exchange value or purchasing power approximately 20 per cent less than the purchasing power of the same land in 1910, according to comparative figures from the United States Bureau of Census for 1910 and 1925.

Likewise—

> the proportion of the total current income of those engaged in agriculture has been much less since 1920 than during the 10 preceding years. From 1909 to 1919, inclusive, agriculture received not less than 20 per cent of the total income of the Nation. Since 1920 agriculture has received only a little more than 10 per cent of the national income. The total income of the people of the United States since 1925 has been around $86,000,000,000. Between 1909 and 1919, agriculture received not less than 20 per cent.

Since 1920, as I have just stated, quoting from the majority report, agriculture received only one-tenth of the entire income of the Nation, while prior to 1920 agriculture received about one-fifth of our national income.

The decline in the economic position of agriculture has been the chief cause of the enormous number of bank failures in the United States since 1920, a series of failures without parallel in any previous period in the history of our country. The number of bank failures in 1924—1,195—was 42.5 per cent larger than the number of failures in 1893, the number of failures during that year being 642.

The number of failures for the period of 1920 to 1925, inclusive, was 2,494, being greater in number than all the bank failures during a period of 26 years prior to 1920; that is to say, that during the six-year period from 1920 to 1925, inclusive, there were more bank failures in the United States than there were during the period of 26 years prior to 1920, and most of the closed banks during the six-year period mentioned were located in agricultural sections. As a result of the decline in farm values, it has been estimated that the value of all capital invested in agriculture declined from $79,000,000,000 at the beginning of 1920 to $58,000,000,000 at the beginning of 1927.

Mr. Speaker, the above figures disclose only in part the unsatisfactory condition of agriculture throughout the Nation. While farm lands have been declining in value, while more than 2,000 banks, situated in the agricultural sections, have failed, while thousands of farms have been sold under mortgage foreclosure, while thousands of farms have been put up and sold in order to pay taxes, many thousands engaged in other lines of industry, in other occupations, have prospered beyond the dream of man. Since the war the national income has enormously increased. The wealth of the Nation, it has been said, has almost doubled since 1910. Millionaires have sprung up over night throughout the Nation like the teeth of Cadmus as a result of get-rich-quick chances afforded by the war.

Before the war London was the financial center of the world. Since the war America is the financial center of the world. But in all this prosperity the American farmer has not participated. It is true that for a very short time he received satisfactory prices, but he was forced to face a condition which he could not overcome. For what he purchased he was compelled to pay war prices. For what he sold, barring two years, he received a return hardly equal in purchasing power of prewar prices. Unless his condition is changed, either by Providence or by helpful legislation, his future is as dark as midnight. He can not forever buy in a protected market and sell in an unprotected market. The McNary-Haugen bill represents the combined effort of those who have it in their hearts sincerely to attempt to better the condition of the American farmer. We are not demagogues, I hope we are not calamity howlers, we are not playing to the galleries. We are trying to assist the American farmer in disposing of his surplus at a fair profit.

Under this bill a Federal farm board, 12 in number, will be appointed by the President, subject to confirmation by the Senate. An appropriation of $400,000,000 is provided, which will be under the control of the Federal farm board in aiding the farmers to dispose of their exportable surplus. It is contemplated that this board will deal with the American farmer through cooperative marketing associations already in existence or hereafter to be formed. I pause here to say that cooperative marketing associations have not heretofore been altogether as successful as the friends of the American farmer hoped. But after this bill is passed the future of cooperative marketing associations will, of course, be brighter. With the Government working in harmony with these associations, with an appropriation of $400,000,000 under the control of the Federal farm board, to be used through the agency of cooperative marketing associations, the prospect for success of these associations will be enormously increased. The cooperative marketing

association is the only practical agency through which the Government can deal with the farmer at this time. Of course, the Government can not deal with the millions of farmers individually. It can only help the farmers of the Nation if they will unite, organize, stand shoulder to shoulder, and work in harmony with each other and with the Government. My belief is, if this bill passes, practically all American farmers will organize in marketing associations.

One of the objections to this legislation in the past has been the danger of increased production. This bill seeks to obviate this danger. Before each crop is planted, it is contemplated that the Federal farm board will make a world survey of supply and demand with respect to cotton, wheat, oats, and other American crops. Let us take the case of the cotton farmers of the Nation. Before the cotton crop is planted the cotton farmer will be informed by the Federal farm board whether it is wise to increase the acreage of his crop or whether it is still wiser to decrease acreage, and this advice of the Federal farm board will be based upon reliable information obtained by experts throughout the world.

In the past the cotton farmer has been like a man feeling his way in the dark. There has been no successful cooperation. The farmers have not worked in harmony in keeping down production, but if this bill passes, hereafter the cotton farmer will be warned in advance by the Federal farm board of the danger of a record-breaking crop. If he heeds the warning of this board, his cooperative marketing association will receive help from the Federal farm board when his crop is put upon the market in the fall. If his association disregards the warning and advice of the Federal farm board with respect to the acreage which ought to be planted, then his cooperative marketing association will get no help from the Federal farm board.

I am going to quote in full section 6 of this bill:

> If the board finds that its advice as to a program of planting and breeding of any agricultural commodity as hereinbefore provided has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity for the preceding five years, the board may refuse to make advances for the purchase of such commodity.

But the bill also affords safeguards against a sudden slump in prices. Cooperative marketing associations are permitted to enter into insurance contracts which will prevent a sudden ruinous decline in the price of any commodity. I have not the time to discuss in full the insurance features of this bill. The insurance provision is a most valuable safeguard against those sudden drops in the price of farm products which it seems must always come when the bulk of the cotton crop, for instance, is being put upon the market, usually during the months of October, November, and December.

THE EQUALIZATION FEE

Now, Mr. Speaker, I come to the equalization fee. Much has been said about this fee. It has been the stumbling block in the way of many Members who desired to support this legislation. Many farmers throughout the Nation have been afraid of the equalization fee. They felt that it was dangerous to give to any agency unlimited power to levy a fee upon the agricultural products of the Nation. I think no farmer need have any fear of the equalization fee in this bill.

In the first place, let me say, the bill is drawn so that it will be operative and helpful without the collection of any equalization fee at all. It is entirely possible that it will never be necessary to levy and collect an equalization fee upon any of the agricultural products of the Nation. Let us use cotton as an illustration again. When marketing time comes, a portion of the $400,000,000 revolving fund will be set apart by the Federal Farm Loan Board to be used in aiding the cotton farmer in disposing of his exportable surplus crop. The equalization fee is only resorted to in the event there is loss to the Government in aiding the farmer to market his surplus. If the Government sustains no loss, then there will be no equalization fee collected. Many friends of this legislation, who have devoted years of study to this question, predict that the bill will accomplish the purpose in view without levying the equalization fee, but if there should be loss to the Government in its efforts to help the farmer, an equalization fee only large enough in size to cover the deficit can be collected by the Federal Farm Loan Board. Certainly, no fair-minded person could object to this provision. Nobody wants the Government to hold the bag. It is only expected that the Government will help the farmer just as it has helped the railroads in the past; that it will lend its strong arm by setting apart from the Treasury a fund to be used in aiding the farmer to get a fair price for the product of his toil. I think it should be made plain just here that the equalization fee levied and collected will only be levied and collected on cotton if there should be a loss to the Government in disposing of the surplus cotton crop. It will only be levied upon wheat in case there is loss to the Government in aiding the wheat farmers to dispose of their exportable surplus. I mean by this, as I construe the bill, that an equalization fee collected on any particular crop can only be applied to fill in a deficit to the Government in aiding the farmers to sell the exportable surplus of that particular crop. And when the deficit is covered, the collection of the equalization fee ceases.

The equalization fee can only be levied and collected in the event the $400,000,000 which this bill carries is not sufficient in amount to enable the farmers of America to dispose of their exportable surplus at a profitable price. And the size of the equalization fee is governed by the amount of any deficit which must be covered. No equalization fee can be collected from the cotton farmer to aid in disposing of the wheat crop, and no equalization fee can be collected from the wheat farmer to aid the cotton farmer in disposing of his crop.

HOW WILL THIS BILL AFFECT THOSE WHO DO NOT JOIN COOPERATIVE MARKETING ASSOCIATIONS?

Of course, no farmer can be required by law to join any association, either cooperative marketing associations or any other organization. If the farmer joins a marketing association it must be his voluntary act, but if this bill passes it is believed the farmers of the Nation will find that their interest will be promoted if they join marketing associations already in existence or hereafter to be formed. But the farmer who does not join an association of any kind will, it is believed, nevertheless receive great benefit from the operation of the bill. The great sum of $400,000,000 is appropriated to stabilize prices and to prevent sudden slumps in prices which occur so often during the marketing season without apparent reason. If it is true that the operation of the bill will prevent these violent breaks downward in prices, the farmer who does not belong to a marketing association will receive the same benefit as the farmer who has seen fit to join. It is true, the bill is drawn with the expectation that cooperative associations will be formed throughout the Nation, because it is expected these associations will be the agencies which the Government will use in the effort to stabilize prices. The Federal Farm Loan Board is not required to deal with cooperative marketing associations to the exclusion of all other farm organizations, but the bill is drawn with the expectation and belief that the farmers of the Nation will organize in order to be in a position to negotiate loans upon crops ready for the market at a very low rate of interest.

The difference in the effect of the bill on farmers who organize and those who do not see fit to join any association will be, I submit, that those who do organize will be in a position to receive advances in Government money almost equal to the full market value of the crops produced, while those who do not belong to any organization will not be in a position to receive advances of Government money. If those who do not belong to any organization wish to hold their crops for higher prices they must negotiate loans with private individuals or private corporations, and the interest rate they pay will certainly be higher than the rate paid by those who have joined marketing associations in conformity with the provisions of this bill. Likewise, the amount advanced to members of marketing associations will undoubtedly be larger than the amount of loans any private individual or corporation would be willing to make.

Therefore, while the bill will greatly benefit all the farmers of America, whether they belong to marketing associations or whether they do not belong to any association, the benefit to those who belong to such associations will probably be greater than the benefit resulting to the farmers who decide not to join any association of any kind, because the members of associations which conform to the requirements of the bill will never be forced to sell their crops at ruinously low prices, because of the impossibility of securing loans upon their crops on long time at a low rate of interest. The rate of interest upon such loans will be very low, and the amount of such loans will be as near to the full market price of the crops produced as safety will permit.

In conclusion, Mr. Speaker, permit me to say that I have given considerable study to the condition of agriculture in this Nation. I have given considerable study to the bills which have been introduced and considered for the purpose of helping the farmer. I submit that the bill under consideration is a piece of wise legislation to which few objections can be offered. Under the operation of the bill the Government will lose nothing, while the aid to American agriculture will be of enormous value. After many years the American farmer will feel that at last he has behind him the influence, the power of

the great Nation of which he is proud to be a citizen. At this time he can not feel that he has ever received any aid of value from his Government in marketing his crops. I honestly believe the bill will inject new life blood into American agriculture. The future of the American farmer will be brighter. At this time it is indeed dark. There are many thousands of farmers who have given up hope that the Government would ever come to their assistance. Let us show to the world that the Congress of the United States has in its heart a sincere desire to inject new life into agriculture.

I conclude, Mr. Speaker, by saying that this fight has just begun. There are many thousands who feel that the American farmer is forced to meet economic conditions created by law which are most unjust and unfair. If this bill does not become a law during this Congress, the fight will be resumed in the next Congress. As I have said before, I repeat now, the fight will never end until the American farmer receives a square deal.

There is nothing unfair in this bill. There is no danger to anyone lurking in its provisions. The Federal Treasury will sustain no loss. The provisions of the bill are not difficult to understand. It is a practicable, workable plan to help the farmers of America if they will organize into cooperative marketing associations in order to be in a position to receive Government aid. Certainly they will not refuse to put themselves into a position to be helped. The report of the Committee on Agriculture should be carefully studied by every Member and Senator who has not already done so. It contains much valuable information. It reveals the tragedy to the farmers of a nation when forced to meet unfair, unjust economic conditions. Let us speedily put this bill through. For one, I believe our efforts to help will not be in vain. [Applause.]

Mr. WILLIAMS of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. PURNELL].

Mr. POU. I will say to my friend that we would like 15 or 20 minutes on this side, as I understand nothing else will be taken up this afternoon.

The SPEAKER. The gentleman from Indiana is recognized for 10 minutes.

Mr. PURNELL. Mr. Speaker, the bill which this resolution, if adopted, will make in order is the result of years of intensive study and extended hearings. In my judgment it stands before you as the best farm-relief proposal yet presented to either branch of Congress.

I shall not now attempt a discussion of the bill itself but shall confine myself to a brief statement in support of the resolution. At a later date I hope to discuss at length the merits of the bill and point out the manner in which it is hoped its provisions will aid America's basic and seriously distressed industry—agriculture.

When the farm relief bill was before the House at the last session of Congress I made the statement that we were entering upon the consideration of the greatest problem any session of any Congress has undertaken to solve since the beginning of the Government. I wish to remind the membership of the House that there is still an agricultural problem and that in some sections it is more acute than ever. The greatest problem before the American people to-day is still the restoration of agriculture to a permanent and remunerative basis.

Although industry and labor are to-day enjoying a marked degree of prosperity, each is beginning to feel the pinch of agricultural depression. Unless something is done soon to lift agriculture to a place of equality with industry and labor, all must be shaken down to a common level, and in the shaking the very foundations of Government itself will be rocked. Abandoned farms, smokeless stacks, and idle, hungry, and discontented people are not the things upon which stable and lasting governments are founded. I sincerely hope that this resolution may be promptly adopted and that we may begin the consideration of this bill, which, in my judgment, will not only strengthen the weakened morale but will bring actual relief to that great army of nearly 30,000,000 of American citizens who live on the farms and supply the Nation with its food. [Applause.]

Mr. ASWELL. Will the gentleman yield?

Mr. PURNELL. Yes.

Mr. ASWELL. Does the gentleman believe that if this bill is passed it will become a law?

Mr. PURNELL. Yes.

Mr. ASWELL. You do?

Mr. PURNELL. I do.

Mr. ASWELL. You speak with authority?

Mr. PURNELL. Oh, no; I do not undertake to speak for the President at all; but I do undertake to say that the President is intensely interested in farm relief; that he recognizes the threat that exists in the country to-day to all industry by reason of the depressed agricultural condition.

Mr. ASWELL. Then you feel certain he will ignore his Attorney General and sign it anyhow?

Mr. PURNELL. I do not think the Attorney General has had an opportunity to pass upon this bill. The gentleman knows very well—of course, I shall not go into the gentleman's motive for asking the question, but——

Mr. ASWELL (interposing). A very sincere motive, I will say to the gentleman.

Mr. PURNELL. I can see that from here. The gentleman knows very well that the President in his veto message set out about 10 outstanding objections.

Mr. ASWELL. And you keep the main one in.

Mr. PURNELL. Nine and a half of those objections have been met in this bill.

Mr. ASWELL. Which half have you kept in?

Mr. PURNELL. The only thing left in the bill, as the gentleman very well knows, is the equalization fee, and the equalization fee is an alternative.

Mr. ASWELL. Camouflage.

Mr. PURNELL. It is only to be used, as the gentleman knows——

Mr. ASWELL (interposing). As a smoke screen.

Mr. PURNELL. When loans to the cooperatives and the other provisions in this bill fail to do the job it is specifically provided——

Mr. GREEN. Will the gentleman yield?

Mr. PURNELL. I do not know anything about the Lehlbach bill.

Mr. GREEN. I am not talking about the Lehlbach bill, but I think the Rules Committee ought to know something about it.

Mr. PURNELL. But it is specifically provided, if the gentleman will permit me to answer my distinguished friend from Louisiana, that when everything else fails this "pinch hitter," the equalization fee, which sits out on the bench, may be called into action in a last effort to save American agriculture from destruction. Therefore I say nine and a half of the objections which the President urged in his veto message have been substantially met in this bill, and I repeat that this is the best bill that has ever been presented by our committee or any other committee. It is the best bill that has ever been presented to either branch of Congress.

Mr. GREEN. Will the gentleman yield now?

Mr. PURNELL. Yes.

Mr. GREEN. I want to get some real information. The gentleman who preceded you brought out the fact that the equalization fee would be applied only in the event it became necessary on account of a deficit in the revolving fund. I would like to know whether a deficit on wheat and other products would apply to citrus fruits, hogs, or something like that.

Mr. PURNELL. The gentleman understands we are discussing only the resolution now.

Mr. GREEN. I understand that.

Mr. PURNELL. And if the rule is adopted we are going to begin to-morrow and have three days of extended and lengthy discussion of the bill. I do not want to be discourteous to the gentleman, but there are other Members who want to speak in behalf of this resolution, and I am quite sure the gentleman will have ample opportunity to ask that question of any of us who may be privileged to speak on the bill itself.

Mr. ASWELL. May I now ask the gentleman a pertinent question?

Mr. PURNELL. Yes.

Mr. ASWELL. Will the gentleman kindly point out for the information of the House the language that gives authority to try out everything else and then finally take up the "pinch hitter"? The gentleman calls it a pinch hitter because it both pinches and hits the farmer. [Laughter and applause].

Mr. PURNELL. Of course, the gentleman understands——

Mr. ASWELL. I am serious about this. Where is the language that gives the board authority to use all other means before adopting the equalization fee?

Mr. PURNELL. I have not even a copy of the bill before me now, but I hope to have half an hour——

Mr. ASWELL. The gentleman knows it gives the board the option to assess the fee without consulting the producers.

Mr. PURNELL. I hope to have at least half an hour under general debate to discuss the bill, and I hope to be able to direct my remarks particularly to the changes in this bill and the manner in which the objections of the President have been met, and if the gentleman will do me the kindness to ask that question again at the proper time I shall do my best to give him the information which, by the way, he already has, since he is a member of the Committee on Agriculture and was present at the drafting of the bill.

Mr. GREEN. I hope the gentleman will also look up the part about the deficit in the stabilization fund. I would like to know, as a matter of information, whether for instance they can tax citrus fruits for a deficit which has been established on wheat.

Mr. RAMSEYER. That is not possible.

Mr. PURNELL. I think the gentleman would rather bring that up under general debate or when we are considering the bill itself under the five-minute rule, since the resolution provides for 12 hours of general debate.

Mr. KINCHELOE. Will the gentleman yield?

Mr. PURNELL. Yes.

Mr. KINCHELOE. I will say for the benefit of the gentleman from Florida with respect to the stabilization fund, that whatever equalization fee is established on any separate commodity will be held separate and inviolate.

Mr. GREEN. Then they could not tax one kind of crop for a deficit on another.

Mr. KINCHELOE. No.

Mr. GREEN. That is what I wanted to know.

Mr. WILLIAMS of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker and gentlemen of the House, as a member of the Committee on Rules, I have asked the privilege of having a few moments to make some very general comments upon the legislative status of the proposed legislation.

As has well been said here by gentlemen who have preceded me in this discussion, we are again immediately confronted by the offering of this bill and the substitute proposals, with probably the most profoundly important economic questions that have been presented to Congress in a great many years. It would be idle upon the part of any speaker upon this floor to have to point out or to summarize or to make any argument about the distressed and unfortunate situation of agriculture, especially in some sections of the American Union, and here is a bill which has for its purpose, as I understand it, an earnest and honest effort upon the part of the Congress of the United States to undertake, if it may be done by legislation, to stabilize and equalize the opportunities which agriculture may enjoy in comparison with and in competition with the other great industries of the Nation.

I do not believe there has ever been before the Congress of the United States any legislation which has engaged more profoundly the earnest and conscientious thought and attention of its membership. I feel sure the Committee on Agriculture, which has been charged with a consideration of this problem for the last six years, has made almost a consecrated effort, if I may properly use that term, to arrive at some safe and sound conclusions to present to the judgment of Congress in an attempt to solve, at least partially, this great question of agricultural relief.

I voted for the McNary-Haugen bill in the House in the last session, although I had very grave doubts as to the wisdom of some of its features. The feature that particularly distressed my judgment and my conclusions then, as it does now, is the matter of the imposition of the equalization fee, and I must say that I regret that a majority of the House committee in reporting this bill have removed from their bill some of the restrictions that were applied in the bill last year against the application of the equalization fee to certain of the basic commodities. I fear there are some Members upon my side of the House, unless that situation is remedied by appropriate amendments, who will feel very grave doubts about the wisdom of voting for the bill.

Under the bill as it is presented by the Committee on Agriculture, the Farm Loan Board alone, without any advice from the producers, without any referendum to the producers of a specific commodity, without any advice or suggestion or vote by the advisory council, the board itself composed of only 12 men, has the right without restriction to determine the application of the equalization fee to any commodity. I understand privately that some effort has been made to iron out these objections and that before the bill is submitted for a final vote we may have some of the restrictions that were placed upon that proposition in the last bill restored.

Another feature of the rule that there has been some question about is whether or not an opportunity will be given for a vote upon the so-called Ketcham-Jones substitute for the pending bill, the debenture plan, that has been very earnestly espoused before the committee, I understand, by one of the greatest of our farm organizations and that I also understand has the support of a considerable number of gentlemen upon the floor.

I do not think I am violating any of the confidences of our Committee on Rules when I say that an effort was made to incorporate in the rule a specific provision that this substitute should be made in order by the rule itself, but the majority of the committee did not see fit to incorporate it in the rule, so that the chance of getting a direct vote upon the Ketcham substitute for the pending bill will have to depend upon the ruling of the Chairman of the Committee of the Whole on whether or not the Ketcham substitute is a germane substitute to the bill which will be presented by the committee.

From the brief study I have been able to give to the two bills from a parliamentary standpoint, I am clearly of the opinion that it is in order as a germane substitute, and I hope the Chairman of the Committee of the Whole will so rule, so that we may get a fair expression on that, because there are many men on the floor who believe that that is basically a sounder bill, and will come nearer in the long run to becoming a law, and getting an opportunity for a test, than the bill presented by the majority of the committee.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. JOHNSON of Texas. The bill the gentleman refers to is the export debenture bill as a substitute for the equalization fee—in other words the Ketcham-Jones plan?

Mr. BANKHEAD. Yes.

Mr. HASTINGS. Does the gentleman from Alabama say that he thinks that that would be a germane substitute for the McNary-Haugen bill?

Mr. BANKHEAD. I think it would, and if I had the time I could give the reasons for it from a parliamentary standpoint, but that is a question that has got to be passed on later.

Mr. HASTINGS. It was proposed to the Committee on Rules to make it in order, was it not?

Mr. BANKHEAD. A suggestion was made in the Committee on Rules by the minority to secure an opportunity to vote directly on the substitute under the rule.

Mr. HASTINGS. But the rule does not so provide.

Mr. BANKHEAD. It does not, and so the Ketcham-Jones bill will have to take its chances under the parlimentary rules as a substitute for the pending bill.

Now gentlemen, I do not intend to further trespass on your time other than to say that I hope out of the calm deliberation of the House, despite sharp antagonistic views on economical principles involved in the bill, we may secure the approval of the President of the United States to a bill which will give some substantial relief to the agricultural interests of this country.

It is not an imaginary proposition. I live in an almost purely agricultural section of the country, where my constituents are not large planters, but men of ordinary means. They are not owners of vast expanses of land, but land that is operated by themselves and their families in small tracts. I come in daily contact with the farmers in my district, and I know the depressed condition of the farmers of this country, and if Congress can within the limits of safe and approved economic principles of government do something to equalize their condition, their prosperity, and their profit with other branches of industry which have been favored by Congress, God knows the time has come to do it. [Applause.]

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

The previous resolution was laid on the table.

### REFUND OF CERTAIN TAXES ON DISTILLED SPIRITS

Mr. HAWLEY. Mr. Speaker, I call up for consideration the bill H. R. 12733, a privileged bill from the Committee on Ways and Means.

The Clerk read the bill, as follows:

A bill (H. R. 12733) to authorize the refund of certain taxes on distilled spirits

*Be it enacted, etc.,* That in addition to the authority contained in the act entitled "An act to refund taxes paid on distilled spirits in certain cases," approved February 11, 1925, the Commissioner of Internal Revenue may allow the claim of the owner—whether the distiller or his successor or other person—for the refund of taxes paid—whether by such owner or any other person—in excess of $2.20 per proof gallon on any domestic distilled spirits which are now in a tax-paid warehouse operated in connection with and contiguous to an internal-revenue bonded warehouse, if proof satisfactory to the Commissioner of Internal Revenue is furnished of the ownership and identity of the distilled spirits as to which the refund is claimed, and of the amount of tax paid thereon. The Commissioner of Prohibition may direct that any spirits on which a refund of tax is paid under this act shall be removed to and stored in a warehouse designated by him.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, this has come up rather suddenly on us—will there be any debate?

Mr. HAWLEY. If the House desires an explanation, I shall be glad to give it.

Mr. LAGUARDIA. There ought to be debate. I know of one instance when we were stuck here and the bill was called up to refund money on liquor in bond when there were only a few of the beneficiaries of the bill in this country. I think a bill of this kind to refund money or taxes ought to have some discussion on it, and for one I am going to demand information.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HAWLEY. Mr. Speaker, in the act of February 11, 1925, provision was made for the refunding of the difference between $2.20 per gallon, which is the tax on spirits used for nonbeverage purposes, and whatever was paid by the people who owned the liquors. That refund was limited to the distillers who had the liquors on their premises. It so happens that in the execution of the prohibition law a quantity of this liquor was put in concentration warehouses, and that automatically removed it from the operation of the act of February 11, 1925. A small amount had changed hands. It was intended in the act of February 11, 1925, that the difference between the $2.20 tax for nonbeverage purposes, and what was paid should be refunded after the beverage privilege had been removed, to all those who had this liquor on which they had paid the beverage tax.

Mr. LAGUARDIA. How much of this liquor is supposed to be in concentration warehouses now?

Mr. HAWLEY. Whatever was transferred there I think is still there. I do not have the amount. The total amount of this refund will be $147,000.

Mr. LAGUARDIA. I say right now that 75 per cent of the liquor that is supposed to be in warehouses is not there.

Mr. HAWLEY. The bill provides that the commissioner shall identify the liquor so that whether it is in the concentration warehouse or has been returned to the distiller, the liquor must be positively identified before the refund will be authorized.

Mr. LAGUARDIA. By whom?

Mr. HAWLEY. By the Commissioner of Internal Revenue.

Mr. GARNER of Texas. And is it not a fact that in the hearings before the Committee on Ways and Means we asked for the opinion of the Treasury Department and they appeared before us?

Mr. HAWLEY. Yes.

Mr. GARNER of Texas. And the Commissioner of Prohibition indorsed the measure.

Mr. HAWLEY. Yes; their letters are in the report.

Mr. GARNER of Texas. Also an inquiry was made as to whether it interfered with the President's financial policy.

Mr. HAWLEY. And the Secretary of the Treasury says that it does not.

Mr. LAGUARDIA. It is not the financial policy that we are questioning just now.

Mr. HAWLEY. Mr. Speaker, if there are no further questions I ask for a vote.

The SPEAKER. The Clerk will report the bill for amendment.

The Clerk again read the bill.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAWLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

### PNEUMATIC-TUBE SERVICE, NEW YORK CITY

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and pass H. R. 13171, authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes, which I send to the desk.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized, incident to the acquisition of a new appraisers' stores building in the city of New York, under the act of Congress approved March 4, 1927, to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building to connect with the new appraisers' stores building, and to enter into a contract with said city to abide by the terms, conditions, and requirements of said franchise.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GARNER of Texas. Mr. Speaker, reserving the right to object, will the gentleman state whether this comes with a unanimous report from his committee?

Mr. ELLIOTT. It is unanimously reported and it is an emergency case, because they are constructing this building and it is necessary to get this new franchise so that they can work this in with the building.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

### PAN AMERICAN UNION OFFICE BUILDING

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and pass the bill H. R. 12899, authorizing the erection for the use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, D. C., which I send to the desk.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of the bill, which the Clerk will report.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized and permitted to be erected an office building for the use of the Pan American Union on the triangular piece of ground owned by the United States, bounded on the north by C Street NW., on the east by Eighteenth Street NW., and on the south by Virginia avenue NW., the plans for the said building to be subject to the approval of the National Commission of Fine Arts.

SEC. 2. The Director of Public Buildings and Public Parks of the National Capital is hereby authorized and directed to remove at the proper time the temporary Government buildings now on the site described in section 1.

SEC. 3. The building which may be erected under the authority of this act shall be exempt from all taxation so long as it is occupied and used for the purposes herein authorized.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, the bill provides for tax exemption on this building, which is proper, and the bill also provides that the building must be used by the Pan American Union. However, it seems to me that we ought to provide that it must be for the sole use of this organization, as otherwise they may rent office space in the building, and surely they are not entitled to exemption from taxes if they have any income from the building. That is the rule that we follow in New York City when we grant tax exemption to buildings for charitable or semipublic use. We provide that there must be no income from the building, and that it must be for the sole use of the purpose for which the tax exemption is granted. I think those words should be inserted in the bill.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. Yes.

Mr. CHINDBLOM. It seems to me, if the gentleman will permit, that this is a different case from the ordinary one where taxes are exempted from property used for domestic purposes. This property is being used by the Pan American Union, and any proceeds, if there were any from the use of that property, would also be used for the purposes of the Pan American Union. We are housing the Pan American Union as a matter of international courtesy.

Mr. LAGUARDIA. We must also protect property that pays taxes, and surely we should not permit tax-exempt property to enter into competition with an office building next door which is paying taxes. That is the purpose of my proposed amendment. That is the reason why other property owners do not object, as long as the use of the building is limited to that specific purpose.

Mr. CHINDBLOM. The bill indicates that this building shall be used only for the Pan American Union, but if they should get a little revenue out of the use of one of the halls and that revenue goes into the funds of the Pan American Union, to which we contribute by appropriations ourselves, I do not see why that would be objectionable.

Mr. LANHAM. It is not contemplated, of course, that this building will be used for any other purpose than the purposes

of the Pan American Union. It could not be used for any such purpose as the gentleman has suggested. So far as the gentleman's proposed amendment is concerned, I would have no objection to it. What I am wondering about is whether or not it is not contemplated that it is to be used for other purposes than occupation by the Pan American Union, and if it is not so intended to be used it would not seem to be advisable to put in such an amendment. But I have no objection whatever to the amendment.

Mr. ELLIOTT. Inasmuch as this building is to be erected on Government ground and it is provided in the bill that it is to be used for the Pan American Union, we could easily prevent its use for any other purpose.

Mr. LANHAM. The grant is made by act of Congress.

Mr. LAGUARDIA. This is a monumental building. It is the intent of the bill that it shall not be used for any other purpose.

Mr. ELLIOTT. This bill is drafted in accordance with the original bill, which authorized the Pan American Union to build upon that ground.

Mr. LANHAM. I have no objection in the world to such an amendment, and I do not think the chairman would have any objection to it. It is not in contemplation to use it for any other purpose.

Mr. LAGUARDIA. Mr. Speaker, I would suggest that in line 4, after the article "the," we insert the word "sole," so that it will read: "for the sole use of the Pan American Union."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, is an amendment in order if we consider it in the House?

The SPEAKER. It is. The Chair hears no objection. The Clerk will report the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That there is hereby authorized and permitted to be erected an office building for the use of the Pan American Union on the triangular piece of ground owned by the United States bounded on the north by C Street NW., on the east by Eighteenth Street NW., and on the south by Virginia Avenue NW., the plans for the said building to be subject to the approval of the National Commission of Fine Arts.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, line 4, after the word "the" where it first occurs, insert the word "sole."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will read.

The Clerk resumed and concluded the reading of the bill.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

The SPEAKER. Without objection, the title will be amended.

There was no objection.

### MIKE CUMPSTON

Mr. JOHNSON of Texas rose.

The SPEAKER. Does the gentleman from Texas desire recognition?

Mr. JOHNSON of Texas. Yes. I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of Texas. Mr. Speaker, Members of Congress have many and varied requests from their constituents, but a few days since a petition reached me from my home county, which was out of the ordinary.

It told of the heroism of a 16-year-old boy, to whom the citizens of Blooming Grove, Tex., thought that a Carnegie hero medal should be awarded.

On Sunday, April 15 last, a boat capsized on a pond near Blooming Grove, and three colored youths, none of whom could swim, were precipitated into the water and in the act of drowning. An older brother of one of the boys, who was standing on the bank, although he could swim, became terror stricken and failed to go to their relief.

Mike Cumpston, a white boy, member of the Boy Scout organization and a student in the high school, plunged into the water without a moment's delay, and finally succeeded, unaided and at the risk of his own life, in saving two of them, and made every effort to save the life of the third.

The drowning boys, in their fright and desperation, fought Cumpston as he was trying to rescue them, and it was with great difficulty that the rescue was effected. He first swam with one to the shore, then returned and rescued the other, but by the time he made the trip for the third boy, it was too late; although he brought the body ashore, life was extinct.

We hear much criticism of what is called the "flaming youth" of to-day, of their devotion to pleasure, of their thoughtlessness and the absence of idealism.

We likewise hear of race prejudice, and the South from whence I come has been criticized on this floor and elsewhere as being unjust and unkind to the colored race.

As against these undeserved criticisms of the youth of the land and the people of the South, I am pleased to bring to your attention the picture of this splendid young American, who risked his own life that those of another race might live.

I wanted the membership of this House to know the name of Mike Cumpston, and to have his heroic deed perpetuated in the records of this historic body.

I have called this act to the attention of the Carnegie Hero Fund Commission, and it is to be hoped that in recognition thereof, a Carnegie hero medal will be awarded, which is so richly deserved. [Applause.]

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate agrees to the amendment of the House of Representatives to the bill (S. 1368) entitled "An act to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch."

The message also announced that the Senate had concurred in the following concurrent resolution:

House Concurrent Resolution 32

*Resolved by the House of Representatives (the Senate concurring)*, That the action of the Speaker of the House of Representatives and the Vice President in signing the joint resolution (H. J. Res. 244) entitled "Joint resolution authorizing the modification of the adopted project for Oakland Harbor, Calif.," be rescinded and that in the enrollment of said joint resolution the word "June" be stricken out and the word "January" be inserted in lieu thereof.

### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2126. An act to provide for compensation of Ona Harrington for injuries received in an airplane accident.

### ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Thursday, April 26, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, April 26, 1928, as reported to the floor leader by clerks of the several committees:

### COMMITTEE ON THE JUDICIARY

(10 a. m.)

A bill for the establishment of two narcotic farms for confinement and treatment of persons addicted to the use of habit-forming narcotic drugs who have been convicted of offenses against the United States (H. R. 12781).

### COMMITTEE ON EDUCATION

(10.30 a. m.)

To create a department of education (H. R. 7).

### COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To consider private bills on the calendar.

### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Granting the consent of Congress to the Alabama State Bridge Corporation, a body corporate under the laws of Alabama, to construct bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, at or near certain points within the State of Alabama (H. R. 12902).

(10.45 a. m.)

Providing that Congress encourage the use of American materials in American-made goods (H. Con. Res. 19).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

A bill to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries (H. R. 13151).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

463. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the War Department for the fiscal years ending June 30, 1928 and 1929, amounting in all to $2,962,388.52; also a draft of proposed legislation affecting existing appropriation of the War Department (H. Doc. No. 245); to the Committee on Appropriations and ordered to be printed.

464. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

465. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Department of Agriculture, amounting to $1,889,994, to enable the Secretary of Agriculture to assist the State of Kentucky in reconstructing roads and bridges damaged by the flood of 1927 (H. Doc. No. 246); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. RAMSEYER: Committee on Rules. H. Res. 176. A resolution for the consideration of S. 3555, an act to establish a Federal farm board to aid in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; without amendment (Rept. No. 1375). Referred to the House Calendar.

Mr. REECE: Committee on Military Affairs. H. R. 12621. A bill to authorize the Secretary of War to lend War Department equipment for use at annual State convention of the American Legion of New York; without amendment (Rept. No. 1376). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 13171. A bill authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes; without amendment (Rept. No. 1380). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Washington: Committee on the Public Lands. S. 3338. An act authorizing the sale of certain lands on Petit Jean Mountain near Morrilton, Ark., for use by the Young Men's Christian Association of Arkansas; without amendment (Rept. No. 1378). Referred to the Committee of the Whole House.

Mr. HILL of Washington: Committee on the Public Lands. S. 3602. An act to quiet title and possession with respect to certain lands in Faulkner County, Ark.; without amendment (Rept. No. 1379). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 11221) for the relief of Michael H. Lorden, and the same was referred to the Committee on War Claims.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of Montana: A bill (H. R. 13317) an act to amend an act for the relief of certain tribes of Indians in Montana, Idaho, and Washington; to the Committee on Indian Affairs.

By Mr. HUDSPETH: A bill (H. R. 13318) authorizing the Val Verde County Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at or near Langtry, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER: A bill (H. R. 13319) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. CURRY: A bill (H. R. 13320) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. HULL of Tennessee: A bill (H. R. 13321) to repeal certain provisions of the tariff act of 1922; to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: A bill (H. R. 13322) to establish an additional United States office in the State of Colorado; to the Committee on the Public Lands.

By Mr. BROWNE: A bill (H. R. 13323) to create a special highway fund from the proceeds of the sale of surplus war material, highway equipment, and supplies to the Government of France; to the Committee on Roads.

By Mr. VESTAL: Joint resolution (H. J. Res. 286) to provide for the expenses of participation by the United States in the international conference for the purpose of revising the International Convention for the Protection of Literary and Artistic Works; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 13324) granting an increase of pension to Anna A. Curley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13325) granting an increase of pension to Caroline A. Dubell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13326) granting an increase of pension to Rebecca A. Swain; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 13327) granting an increase of pension to Laura B. Clark; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 13328) to provide for a survey of San Carlos Bay, Fla., from Punta Rassa to the Gulf of Mexico; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 13329) granting a pension to Fannie M. Fisher; to the Committee on Pensions.

By Mr. HUDSPETH: A bill (H. R. 13330) granting a pension to Samuel D. Glenn; to the Committee on Pensions.

By Mr. JAMES: A bill (H. R. 13331) to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl; to the Committee on Military Affairs.

By Mr. KELLY: A bill (H. R. 13332) granting an increase of pension to Sarah A. Babb; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 13333) granting a pension to Thomas Kinnane; to the Committee on Pensions.

By Mr. MILLER: A bill (H. R. 13334) for the relief of Frederick D. Swank; to the Committee on Claims.

By Mr. SPEAKS: A bill (H. R. 13335) granting an increase of pension to Sarah A. McFarland; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 13336) granting a pension to Mary D. Heistand; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7192. By Mr. ARNOLD: Petition of citizens of Centralia, Ill., urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

7193. By Mr. BACON: Petition of sundry residents of Jamaica, N. Y., and vicinity, urging passage of House bill 13143, to adjust salaries of customs employees; to the Committee on Ways and Means.

7194. By Mr. BOYLAN: Resolution adopted by the United Spanish War Veterans, of Oswego, N. Y., favoring Joint Reso-

lution 273, introduced by Congressman BRITTEN, of Illinois, in behalf of the officers and soldiers who participated in the Battle of Balangiga, Samar, P. I.; to the Committee on Military Affairs.

7195. Also, petition of W. H. Bond, president of the National Association United States Customs Inspectors, favoring House bill 13143, increasing the salaries of custom inspectors and employees; to the Committee on Ways and Means.

7196. Also, resolution adopted by the Central Trades and Labor Council of Greater New York and Vicinity, favoring the Dale-Lehlbach retirement bill and the Kelly postal policy bill; to the Committee on the Civil Service.

7197. Also, petition of Allied Printing Trades Council of Greater New York, favoring the Griest postal bill; to the Committee on the Post Office and Post Roads.

7198. Also, petition of Bindery Women's Union No. 34, of the International Brotherhood of Bookbinders of New York, favoring the Griest postal bill; to the Committee on the Post Office and Post Roads.

7199. Also, petition of Paper Cutters, Binding Machine Operators, and Embossers Protective Union No. 119, New York, N. Y., favoring the Griest postal bill; to the Committee on the Post Office and Post Roads.

7200. Also, petition of Mailers' Union No. 6, International Typographical Union, New York, N. Y., favoring the Griest postal bill; to the Committee on the Post Office and Post Roads.

7201. By Mr. CHALMERS: Petition urging an increase in pension for all Civil War veterans and widows of veterans, signed by residents of Toledo, Ohio; to the Committee on Invalid Pensions.

7202. By Mr. COHEN: Petition from a number of constituents of the seventeenth New York district, in favor of House bill 13143, a bill to adjust salaries of customs employees; to the Committee on Ways and Means.

7203. By Mr. CULLEN: Resolution by the Kings County Dental Society, in re House bill 5766; also, resolution by the Paper Cutters, Binding Machine Operators, and Embossers' Protective Union No. 119, in re postal bills; to the Committee on Interstate and Foreign Commerce.

7204. Also, resolutions of the trade-union officers of the Central Union Label Council, indorsing certain bills before the Congress; to the Committee on the Post Office and Post Roads.

7205. By Mr. DRANE: Petition of citizens of Tampa, Fla., against compulsory Sunday observance legislation (H. R. 78); to the Committee on the District of Columbia.

7206. By Mr. GRIEST: Petition of Annie B. McClure, Christiana, Pa., indorsing House bill 11410, introduced by Congressman SPROUL of Kansas, for the purpose of enforcing the eighteenth amendment to the Constitution more efficiently and preventing evasions thereof; to the Committee on the Judiciary.

7207. By Mr. HAWLEY: Petition of residents of Ashland, Oreg., and vicinity, requesting increases in pension for veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7208. By Mr. HICKEY: Petition of Kenneth Clark and other residents of South Bend, Ind., urging passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7209. By Mr. HOWARD of Nebraska: Petition signed by H. R. Steiner, of Neligh, Nebr., and some 40 other citizens of that city, who plead for the passage of legislation favoring more adequate pensions for the relief of veterans of the Civil War and the widows of veterans of the Civil War; to the Committee on Invalid Pensions.

7210. By Mr. KEARNS: Petition of sundry citizens of Loveland, Ohio, urging enactment of legislation for the relief of Civil War soldiers and their dependents; to the Committee on Invalid Pensions.

7211. By Mr. KINDRED: Resolution of the Grasselli Chemical Co., of New York, protesting against the passage of the Wyant bill (H. R. 8127); to the Committee on Expenditures in the Executive Departments.

7212. By Mr. KING: Petition urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows, signed by Ida Dorney and 25 other citizens of my district and circulated and sent by Barbara Schinleber, of Hooppole, Ill.; to the Committee on Invalid Pensions.

7213. By Mr. KORELL: Petition of citizens of Portland, Oreg., urging the enactment of legislation for an increase in pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7214. By Mr. KVALE (by request): Petition of Emil G. Johnson, assistant manager for Land o' Lakes Creameries (Inc.), Minneapolis, Minn., protesting against enactment of Senate bill 1752; to the Committee on the Post Offices and Post Roads.

7215. Also, petition of several residents of Carlos, Minn., urging passage of the National Tribune's Civil War pension bill; to the Committee on Invalid Pensions.

7216. By Mr. LINDSAY: Petition of Central Trades and Labor Council of Greater New York and Vicinity, expressing hearty approval of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7217. Also, petition of Central Trades and Labor Council of Greater New York and Vicinity, expressing sympathetic accord with the aims and aspirations of postal employees as presented in House bill 89, known as the Kelly postal policy bill; to the Committee on the Post Office and Post Roads.

7218. Also, petition of National Association of United States Customs Inspectors, Boston, Mass., favoring House bill 13143, providing for increased salaries paid employees of the customs service; to the Committee on Ways and Means.

7219. By Mr. McREYNOLDS: Petition signed by 36 voters of Reliance, Polk County, Tenn., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

7220. By Mr. MORROW: Petition of citizens of Estancia, N. Mex., indorsing George-Menges bill, vocational education; to the Committee on Education.

7221. By Mr. O'CONNELL: Petition of the National Association United States Customs Inspectors, favoring the passage of the Bacharach bill (H. R. 13143); to the Committee on Ways and Means.

7222. By Mr. FITZPATRICK: Petition signed by citizens of the Bronx, New York City, and the city of Yonkers, N. Y., favoring House bill 13143, to adjust the salaries of customs employees; to the Committee on Ways and Means.

7223. By Mr. O'CONNELL: Petition of the Central Trades and Labor Council of Greater New York, favoring the passage of the Dale-Lehlbach retirement bills (S. 1727 and H. R. 25); to the Committee on the Civil Service.

7224. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, favoring the passage of the Kelly bill (H. R. 89); to the Committee on the Post Office and Post Roads.

7225. By Mr. QUAYLE: Petition of Central Trades and Labor Council of Greater New York and Vicinity, favoring the passage of the Lehlbach-Dale retirement bill (S. 1727 and H. R. 25); to the Committee on the Civil Service.

7226. Also, petition of Central Trades and Labor Council of Greater New York and Vicinity, favoring the passage of the Kelly postal policy bill (H. R. 89); to the Committee on the Post Office and Post Roads.

7227. Also, petition of National Association United States Customs Inspectors, of Boston, Mass., favoring the passage of the Bacharach bill (H. R. 13143) for increase in salary for customs service; to the Committee on Ways and Means.

7228. By Mr. SCHNEIDER: Petition of numerous citizens of Lena, Wis., urging that the Civil War pension bill for relief of needy and suffering veterans and widows of veterans be brought to an early vote and enacted; to the Committee on Invalid Pensions.

7229. By Mr. SWING: Petition of residents of Orange, Calif., in behalf of veterans and widows of the Civil War; to the Committee on Invalid Pensions.

7230. Also, petition of residents of San Bernardino, Calif., in behalf of veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

7231. By Mr. THURSTON: Petition of 53 citizens of Afton, Iowa, and vicinity, petitioning the Congress to enact legislation to increase the pension of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7232. By Mr. VESTAL: Petition relative to pension legislation for Civil War survivors; to the Committee on Invalid Pensions.

7233. By Mr. WASON: Petition of Stillman H. Baker and 31 other residents of Hillsborough, N. H., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows; to the Committee on Invalid Pensions.

7234. By Mr. WYANT: Petition of Fred G. Bowers, 518 Henry Street, North Belle Vernon, Pa., favoring passage of Senate bill 4041 and House bill 5477; to the Committee on World War Veterans' Legislation.

7235. Also, petition of citizens of Donegal, Westmoreland County, Pa., favoring passage of National Tribune's Civil War pension bill; to the Committee on Invalid Pensions.

## SENATE

THURSDAY, *April 26, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, in whose being simplicity and mystery of life do meet together, cleanse our prayers with the sanctity of reason, and ennoble our reasonings with the majesty of prayer. Open our eyes, that we may see with cloudless vision through all the devious ways of self-worn paths the eternal highway of our God. Fill our hearts with such love toward Thee as will enable us through pity's tears to look upon the sorrows of mankind and to yield ourselves to the uplift of Thy children. Confirm in us the belief in the royalty of man and the sovereignty of citizenship, that in all things the matchless glory of this Republic may be revealed. Grant this, O Father, through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Friday, April 20, 1928, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 1609) recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Cameronia*, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3437) to provide for the conservation of fish, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 457. An act to create a board of local inspectors, Steamboat Inspection Service, at Hoquiam, Wash.;

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits;

H. R. 12899. An act authorizing the erection for the sole use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, D. C.; and

H. R. 13171. An act authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes.

### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fess | Locher | Sheppard |
| Barkley | Fletcher | McKellar | Shortridge |
| Bayard | Frazier | McMaster | Simmons |
| Bingham | George | McNary | Smith |
| Black | Gerry | Mayfield | Smoot |
| Blaine | Gillett | Metcalf | Steck |
| Blease | Glass | Moses | Steiwer |
| Borah | Gould | Neely | Stephens |
| Bratton | Greene | Norbeck | Swanson |
| Brookhart | Hale | Norris | Thomas |
| Broussard | Harris | Nye | Tydings |
| Capper | Harrison | Oddie | Tyson |
| Caraway | Hayden | Overman | Vandenberg |
| Couzens | Heflin | Phipps | Wagner |
| Curtis | Howell | Pittman | Walsh, Mass. |
| Cutting | Johnson | Ransdell | Walsh, Mont. |
| Dale | Jones | Reed, Pa. | Warren |
| Deneen | Kendrick | Robinson, Ark. | Waterman |
| Dill | Keyes | Robinson, Ind. | Wheeler |
| Edge | King | Sackett | |
| Edwards | La Follette | Schall | |

Mr. CURTIS. I was requested to announce that the Senator from West Virginia [Mr. GOFF] and the Senator from Idaho [Mr. GOODING] are detained in committee.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

### CONSERVATION OF FISH

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3437) to provide for the conservation of fish, and for other purposes, which were, on page 1, line 4, to strike out "and directed"; on page 1, line 6, after the word "fish," to insert "occasioned"; on page 1, line 6, after the word "constructed," to insert "or maintained"; and on page 1, line 7, to strike out "under the Interior Department."

Mr. JONES. I move that the Senate concur in the amendments made by the House.

The motion was agreed to.

### RECOGNITION OF HEROIC CONDUCT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1609) recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Cameronia*, and for other purposes, which was, on page 2, to strike out lines 22 to 25, inclusive, and on page 3, to strike out lines 1 to 13, inclusive.

Mr. JONES. I move that the Senate disagree to the amendment of the House, ask a conference on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. MCNARY, and Mr. FLETCHER conferees on the part of the Senate.

### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 457. An act to create a board of local inspectors, Steamboat Inspection Service, at Hoquiam, Wash.; to the Committee on Commerce.

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits; to the Committee on Finance.

H. R. 12899. An act authorizing the erection for the sole use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, D. C.; and

H. R. 13171. An act authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes; to the Committee on Public Buildings and Grounds.

### ROBERT W. STEWART, WITNESS

Mr. WALSH of Montana. Mr. President, I submit a privileged report from the Committee on Public Lands and Surveys, and ask that it may be read.

The VICE PRESIDENT. The clerk will read the report.

The Chief Clerk read the report (No. 897), as follows:

DISPOSITION OF CERTAIN LIBERTY BONDS ACQUIRED BY THE CONTINENTAL TRADING CO. (LTD.)

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, submitted the following report (to accompany S. Res. 207):

The Committee on Public Lands and Surveys respectfully reports:

That one Robert W. Stewart, who heretofore, on the 3d day of February, 1928, was, by order of the Senate, arrested by the Sergeant at Arms, he being by this committee charged with contempt in refusing to answer certain questions propounded to him by the committee proceeding under Senate Resolution 101, and who, having been taken from the custody of the said Sergeant at Arms by virtue of a writ of habeas corpus, was, subsequently, by order of the court issuing the same, remanded to such custody, from which order he prosecuted an appeal to the Court of Appeals for the District of Columbia and which appeal is now pending therein, appeared on the 24th day of April, 1928, before your said committee and made answer to the questions theretofore propounded to him and which he refused to answer, and likewise replied to all other pertinent questions propounded to him by your committee.

Wherefore your committee reports that the said witness, Robert W. Stewart, has purged himself of the contempt with which he stands charged before the Senate, and that accordingly its power to proceed further in the premises, as it is advised by counsel, Hon. George W. Wickersham, has ceased. The questions which the witness refused to answer are as follows:

1. "Mr. Stewart, do you know of anyone who received these bonds that the Continental Trading Co. are reported to have dealt in?"

2. "Colonel Stewart, have you discussed any of these bond transactions with Mr. Sinclair, or has Mr. Sinclair discussed any of these bond transactions with you?"

Touching the transaction so inquired of the witness told the committee when it last heard him that the contracts out of which the profits were realized which enabled the Continental Trading Co. (Ltd.) to purchase the bonds referred to in Senate Resolution 101, having been executed on the 17th day of November, 1921, on the 26th day of the same month he was told by H. S. Osler, the president of that com-

pany, that he, the witness, was entitled to share in the profits accruing to the said Continental Trading Co. from the said contracts; that thereupon he executed a trust agreement to one Roy J. Barnett under which he, the said Roy J. Barnett, should hold such profits in trust for the Standard Oil Co. of Indiana and the Sinclair Crude Oil Purchasing Co. as the interest of either might appear, which trust agreement was deposited and kept in the safety deposit box of the said witness; that thereafter from time to time until about June, 1923, packages of bonds were delivered to him by the said H. S. Osler, aggregating something less than $759,500 in amount; that such bonds as they were received by the witness were delivered to the said trustee, who deposited them in a safe in the office of the said witness, to which both he and the trustee had the combination; that the coupons of the said bonds maturing in June, 1922; December, 1922; June, 1923; and December, 1923, were clipped and bonds of the same denomination and in substantially the same amount were delivered by the said witness to the said trustee in exchange for such coupons, which were then deposited to the credit of the account of the said witness; that no coupons were clipped after December, 1923, in order to avoid publicity, secrecy having been enjoined from the beginning by the said witness of the said trustee, who was an employee of the Standard Oil Co. of Indiana, of which the said witness was the managing head; that on Friday or Saturday of last week the witness had for the first time conveyed information to the board of directors of his company of the facts hereinbefore cited. It was decided that the bonds, amounting in the aggregate to $759,500, should be turned over to the Sinclair Crude Oil Purchasing Co., which was done.

At the earlier hearing testimony was given by the said witness indicated by the following questions and answers and proceedings:

"Senator WALSH. Colonel, I suppose you have heard so much of the profits of this company, the Continental Trading Co., as were realized up to 1923 were invested in Government bonds, part of which have been traced to Secretary Fall, former Secretary Fall of the Interior——

"Mr. STEWART (interposing). I do not know whether any have been traced to Secretary Fall, and I do not know anything about the bonds. I never had anything to do with the distribution of any bonds.

"Senator WALSH. What, if anything, do you know about any of the bonds purchased by the Continental Trading Co.?

"Mr. STEWART. I never had anything to do with the Continental Trading Co.'s distribution of any bonds.

"Senator WALSH. That is not an answer to the question, Colonel.

"Mr. STEWART. I think it is.

"Senator WALSH. The question is, What do you know about them, whether you had anything to do with them?

"Mr. STEWART. Well, I didn't know anything about it.

"Senator WALSH. Now, let us get to this transaction by which the Sinclair Crude Oil——

"Mr. STEWART (interposing). I never had anything to do with the distribution by the Continental Trading Co. of any bonds.

"Senator WALSH. Do you know anything about the matter?

"Mr. STEWART. I don't know anything about it.

"Senator WALSH. What is that?

"Mr. STEWART. I don't know anything about it; that is, I don't remember anything about it.

"The CHAIRMAN. Mr. Stewart, do you know of anyone who received these bonds that the Continental Trading Co. is reported to have dealt in?

"Mr. STEWART. Senator NYE, I did not personally receive any of these bonds or make a dollar out of them; I personally did not make a dollar out of this transaction.

"The CHAIRMAN. That was not the question.

"Mr. STEWART. I have said that to you to make way for something else. I am a witness in a case which is now pending between the Government of the United States and some defendants. I have been interrogated in regard to these subjects by the counsel appointed to represent the United States in that case. From their interrogation of me I am of the opinion those are the issues which are going to be tried in that case, and I do not think that the line of interrogation here by this committee is within the jurisdiction of the committee under the laws of the United States. I do not think that the question is entirely pertinent to this inquiry, even."

After giving to the committee the information above summarized, the following proceedings were had and testimony given:

"Senator WALSH. Colonel, I want to call to your attention a question put to you when you were on the stand last, I read from page 190 of the testimony:

"'Senator WALSH. Colonel, I suppose you have heard so much of the profits of this company, the Continental Trading Co., as were realized up to 1923 were invested in Government bonds, part of which have been traced to Secretary Fall, former Secretary Fall, of the Interior——

"'Mr. STEWART (interposing). I do not know whether any have been traced to Secretary Fall, and I do not know anything about the bonds. I never had anything to do with the distribution of any bonds.'

"And at page 192:

"'Senator WALSH. What, if anything, do you know about any of the bonds purchased by the Continental Trading Co.?

"'Mr. STEWART. I never had anything to do with the Continental Trading Co.'s distribution of any bonds.

"'Senator WALSH. That is not an answer to the question, Colonel.

"'Mr. STEWART. I think it is.

"'Senator WALSH. The question is, What do you know about them; whether you had anything to do with them?'

"I think probably the stenographer omitted a word there, and I think the question should be 'What did you know about them, not whether you had anything to do with them'; but we will let that go. 'What do you know about them, whether you had anything to do with them?

"'Mr. STEWART. Well, I didn't know anything about it.

"'Senator WALSH. Now, let us get to this transaction by which the Sinclair Crude Oil——

"'Mr. STEWART (interposing). I never had anything to do with the distribution by the Continental Trading Co. of any bonds.

"'Senator WALSH. Do you know anything about the matter?

"'Mr. STEWART. I don't know anything about it.'

"Do you care to say anything about that testimony, Colonel?

"Mr. STEWART. I do not think so. I want to make it plain. What I meant there, I think, from what you read there, I assumed you were talking about the distribution of bonds to Mr. Fall or to somebody so that these bonds got into Mr. Fall's hands, but I never knew anything about those.

"Senator WALSH. You were referring to bonds which might come into the possession of Mr. Fall?

"Mr. STEWART. I assumed from what you read there that you referred to the bonds coming into the hands of Mr. Fall, and, as a matter of fact, all of the statements there are true.

"Senator WALSH. But, you will observe, Colonel, the question is, 'What, if anything, do you know about any of the bonds purchased by the Continental Trading Co.?'

"Mr. STEWART. I think my answer was I had nothing to do with their distribution.

"Senator WALSH. Your answer is, 'I never had anything to do with the Continental Trading Co.'s distribution of any bonds.'

"Mr. STEWART. I did not.

"Senator WALSH (reading):

"'Senator WALSH. That is not an answer to the question, Colonel.'

"And this is your answer to that question:

"'Mr. STEWART. I think it is.

"'Senator WALSH. The question is, What do you know about them, whether you had anything to do with?'

"And your answer is:

"'Mr. STEWART. Well, I didn't know anything about it.'

"Mr. STEWART. I assumed all the time, Senator WALSH, that you were talking about these Fall bonds. That is as I remember it now.

"Senator WALSH. Colonel, let me call your attention to the question. We start with the question: 'What, if anything, do you know about any of the bonds purchased by the Continental Trading Co.?'

"Mr. STEWART. Well, it may be we are working at cross-purposes and I do not understand you. That was my remembrance of what was in my mind when I was testifying here at that time. I didn't have anything to do with the distribution by the Continental Trading Co. of any of these bonds.

"Senator WALSH. Again I call your attention to the subsequent question, Colonel: 'The question is, What do you know about them, whether you had anything to do with them?' and your answer is: 'Well, I didn't know anything about it.'

"Mr. STEWART. I do not. I do not know anything about the distrbuton of those bonds.

"Senator WALSH. Well, you see, Colonel, you were not asked about the distribution of the bonds; you were asked: 'What do you know about any of the bonds purchased by the Continental Trading Co.?'

"Mr. STEWART. If you are putting that construction upon that, Senator, at this time, I did not understand it at the time, because I thought you were talking about the item of distribution of these bonds by the Continental Trading Co.

"Senator WALSH. You answer it, 'I never had anything to do with the distribution by the Continental Trading Co. of any bonds'; and I called your attention then to the fact that you had not answered the question. I did not ask you about the distribution of the bonds. I asked you what you knew about the bonds, and I said to you, for your information then, that was not the question, Colonel.

"Mr. STEWART. Senator, we will not fence about this matter. Just a moment. Now, I can not swear to-day that I know, of my own knowledge, where these bonds came from. The only thing I know about these bonds is that you have published a list of bonds here, and I have given you a list of bonds which will lead you to where these bonds came from if at one time they belonged to the Continental Trading Co. Mr. Osler did not tell me where these bonds came from.

He did not say these are Continental Trading Co. bonds. I did not know anything about their distribution, and I do not know anything about these bonds. As a matter of fact, Mr. Osler gave me these packages which he delivered to us, and when we opened them we found bonds in them, but of the history of those bonds I know nothing.

"Senator WALSH. He had told you that there would be some part of the profits in the Continental transaction coming to you?

"Mr. STEWART. Absolutely. Now, he had told me that long before there was a barrel of oil delivered upon those contracts, and that is the only time he ever talked to me.

"Senator WALSH. Exactly; in December, 1921.

"Mr. STEWART. Yes. Now, I assumed these were profits out of the Continental Trading Co., and I frankly told you I did not know where they came from. It may be that Osler got these bonds from some other source.

"Senator WALSH. From what other source could he——

"Mr. STEWART (interposing). Bless your heart, I do not know where Mr. Osler got the bonds any more than I know where you would get bonds.

"Senator WALSH. No; but if he gave you $750,000 of bonds, telling you that he was going to give you a part of the profits of the Continental Trading Co., there is no reason why you should not have the right to assume that they came from that source.

"Mr. STEWART. Supposing he gave me money instead of bonds?

"Senator WALSH. Yes.

"Mr. STEWART. Would I know where that money came from?

"Senator WALSH. But he told you that he was going to give you part of the profits of the Continental Trading Co.

"Mr. STEWART. He told me he was going to give me a participation in the profits. I told him I didn't want it. Where these bonds came from, I do not know.

"Senator WALSH. I do not remember whether you told us if you ever had any business transactions with Mr. Osler prior to this time or not, Colonel.

"Mr. STEWART. I do not remember any business transactions with Mr. Osler. I have known Mr. Osler a great many years, know him by reputation, know him personally; know his reputation is that of a great lawyer up in Canada.

"Senator WALSH. Yes; that is my recollection that you told us that before; and while you had known him you had never had any business transactions with him of any kind before?

"Mr. STEWART. I do not think so.

"Senator WALSH. But you did know, of course, that he was, or at least purported to be, the president of the Continental Trading Co.?

"Mr. STEWART. Yes, sir; I knew he was purported to be the president of the Continental Trading Co. at the time of the conference in New York.

"Senator WALSH. And he signed the contracts as such?

"Mr. STEWART. Yes, sir.

"Senator WALSH. And attached the seal of the company as such?

"Mr. STEWART. Well, I do not know whether he attached the seal or not.

"Senator WALSH. You do not know anything about that?

"Mr. STEWART. No. I know he purported to act as president.

"Senator WALSH. And knew that he had told you that there would be some of the profits in that transaction coming to you?

"Mr. STEWART. He told me he would give me a participation in some of those bonds, and I told him I did not want it.

"Senator WALSH. That is all."

Your committee further reports that prior to its call in response to which the witness Stewart appeared on the 24th day of April, 1928, it had secured information quite clearly indicating that a substantial amount of the bonds purchased by the Continental Trading Co., approximating a half million dollars, had passed into the possession of the said witness.

GERALD P. NYE.

Mr. WALSH of Montana. Mr. President, in explanation of the report just read I will state briefly that it recites that the witness, Robert W. Stewart, heretofore directed by the Senate to be arrested by the Sergeant at Arms, and who was arrested, for failure to answer questions propounded to him by the Committee on Public Lands and Surveys, proceeding under the provisions of resolution of the Senate No. 101, appeared on the 24th day of the present month and answered the questions which he theretofore had refused to answer, and answered all other pertinent questions which were asked him by the committee.

Whether or not on his last appearance Colonel Stewart was entirely frank and truthful in respect to the matters with relation to which he was interrogated, he did, as a matter of fact, answer all questions, and thereby, in the opinion of the committee and of its counsel, the Hon. George W. Wickersham, purged himself of the contempt; and thereupon the power of the Senate in the premises ceased.

I think perhaps heretofore I have explained that in a matter of this kind the Senate of the United States has no power to punish for contempt. Its power is coercive merely, and when there is no longer any occasion for coercion, its implied power thereupon ceases.

A witness refusing to testify before the Senate or a committee of the Senate may be imprisoned by the Senate indefinitely until he agrees to testify and does in fact testify. Thereupon, all power over him on the part of the Senate or either House of Congress ceases. But the Congress a good many years ago realized that a witness might subject either House to a great deal of embarrassment and put it to unnecessary trouble by refusing to testify, and then subsequently, when perhaps the situation was entirely different, coming forward and freely testifying. Accordingly, it passed an act making it a crime for any witness to refuse to answer pertinent questions addressed to him by a committee.

Acting under the provisions of that statute the circumstance of Colonel Stewart's refusing to testify was certified to the district attorney for the District of Columbia, and he has been indicted pursuant to that statute. That proceeding under the indictment so taken is not at all affected by his subsequent appearance and his willingness to testify. Of course, it might perhaps be adverted to in mitigation of any punishment that might be meted out to him by the court within the limits prescribed by the statute. If appeal is made in that direction, the circumstances under which he testified will properly be adverted to; and accordingly the committee has included in the report a paragraph to the effect that prior to the time that Colonel Stewart appeared in obedience to its last call the committee had secured information quite clearly indicating that practically the entire amount of bonds which came into his hands, $759,500, had been received theretofore by him.

Attention is also called in the report to testimony given by Colonel Stewart on his first appearance before the committee and testimony given on his later appearance on features of the inquiry which easily lead to the conclusion that there was an irreconcilable discrepancy between the testimony given by Colonel Stewart on his first appearance and his testimony given on the later appearance with respect to matters concerning which he could not possibly be mistaken.

I shall ask, Mr. President, the entry of two orders, the first as follows:

*Resolved*, That the order of the Senate heretofore made on the 3d day of February, 1928, directing the Sergeant at Arms to take into custody one Robert W. Stewart, and bring him before the bar of the Senate, is hereby vacated.

And the second order:

*Ordered*, That the Secretary of the Senate be, and he is hereby, directed to transmit a copy of the report submitted this day by the Committee on Public Lands and Surveys to the United States district attorney for the District of Columbia.

The VICE PRESIDENT. The question is on agreeing to the orders.

Mr. NORRIS. Mr. President, I do not want to take the Senator off the floor; but before those orders are voted on I desire to be heard.

Mr. NYE. Mr. President, since the recent appearance of Robert W. Stewart before the Committee on Public Lands and Surveys I have given considerable thought to what nature of report ought to be made to the Senate, and what nature of resolution ought to be asked of the Senate.

Personally, I am not inclined to agree that Mr. Stewart is any more entitled to have been excused from the contempt proceedings brought against him than Benedict Arnold is entitled to a resolution approved by the Senate excusing him for his treachery in his time; and yet, technically, he has freed himself from the charge which was filed by the Senate against him.

However, with all of these facts in mind, I yesterday jotted down what I thought ought to be the form of a resolution to be adopted by the Senate. Since that time I have been convinced that no one would fairly have a right to expect any Senator other than those who were members of the committee which has heard the testimony of Mr. Stewart to enter into any such resolution. However, in discussing the matter in the Committee on Public Lands and Surveys this morning I am convinced that my resolution not only speaks my own mind with respect to the conclusions which can be drawn at this time, but represents, too, the mind of every member of the Committee on Public Lands and Surveys who has followed these hearings at all. I therefore ask, merely for the information of the Senate, that I may read at this time such resolutions as I had drafted and thought to suggest as the resolutions to be adopted by the Senate.

Resolution

*Resolved*, That the order of the Senate contained in Senate Resolution 132 directing that one Robert W. Stewart be taken into custody and brought before the bar of the Senate by the Sergeant at Arms is hereby vacated, but in so vacating such order the Senate is mindful of the following facts and circumstances:

First. That the said Robert W. Stewart has appeared, not before the bar of the Senate, but before a committee thereof and answered those questions of the committee which he had previously declined to answer.

Second. That in his answer to at least one of those questions the said Robert W. Stewart plainly discloses that he could have given the same answer at the time when he chose to decline to answer without compromising himself as a witness in a certain court action. It will be recalled that he declined to answer on that ground. The question in point was: "Have you discussed any of these bond transactions with Mr. Sinclair, or has Mr. Sinclair discussed any of these bond transactions with you?" He declined to answer on the ground above cited until April 24, when he asked to have the question put to him again, when he said: "I do not remember any conversation I have had with Mr. Sinclair with regard to these bonds or any part of them." In view of the facts here stated, the truthfulness of his answer when finally made is not beyond question.

Third. That the transcript of his testimony before the committee discloses that the said Robert W. Stewart, before and after being given opportunity to attempt to purge himself of the contempt charges, instead of responding to questions asked of him in a full, clear, and complete manner, was evasive and in all probability did not tell all he knew about the purposes and affairs of the Continental Trading Co., information which the committee was ordered to gain if possible under Senate Resolution 101. The said Stewart admits in his testimony that he knew of that contract by which the Continental Trading Co. purchased and sold oil, thus creating the profits made and invested in Liberty loan bonds; admits that he tentatively guaranteed that contract; admits that he knew Mr. Osler as being one of the active heads of the Continental Trading Co.; admits that he personally received from Mr. Osler Liberty loan bonds upon the various occasions of their distribution; admits the total amount of bonds so received by him from Mr. Osler to have aggregated $759,000, which was a total like that known to have been received from the same source by the other three who shared in Continental Trading Co. profits; and yet, in spite of these admissions, denies any further knowledge of the purposes or activities of the said company and, with the information cited in this sentence, the sum and substance of information given by Mr. Stewart to the committee regarding the Continental Trading Co., he says under oath: "I have told you everything I know about it."

Fourth. That the said Stewart did not divulge the information which he now has divulged concerning his receiving a fourth share of the profits of the Continental Trading Co. until the committee had ferreted out that same knowledge without the aid of himself or his absent cohorts, who are spending prolonged vacations in Europe.

Fifth. That the order of arrest is vacated only because it is admitted that eventually the Senate must rule that technically the said Stewart has purged himself, or place itself in the light of persecutors.

*Resolved further*, That in view of the testimony of Robert W. Stewart, which finds him declaring under oath in February "I never had anything to do with the Continental Trading Co.'s distribution of any bonds," along with the proof now in evidence of the same Stewart's personal receipt of such bonds, a copy of the transcript of said testimony is hereby ordered to be submitted by the Secretary of the Senate to the district attorney for the District of Columbia with the request that the said attorney give study to the possibility of institution by him of proceedings in the courts of law against said Robert W. Stewart.

Mr. President, the great bulk of this which I have read has been incorporated in some measure in the report of the committee and in the resolution which has been presented by the Senator from Montana for that committee. I have only to add that that resolution is concurred in unanimously by the Committee on Public Lands and Surveys.

Mr. NORRIS obtained the floor.

Mr. HEFLIN. Mr. President, will the Senator yield to me to call up a bill and to ask unanimous consent for its passage? It is a very important bill, which I want to get to the House. If it leads to debate, I will withdraw it.

Mr. NORRIS. There is a resolution pending before the Senate now; but I have no objection.

Mr. HEFLIN. I will ask the Senator to go ahead with his remarks, and I shall call up the bill later.

Mr. NORRIS. Mr. President, before I discuss the action of the committee I want first to lay before the Senate what I believe to be the legal phase of this dilemma. The Senator from Montana has referred to it briefly and correctly, but I want to preface what I have to say by making a statement to the Senate which I think will clearly show the position now occupied by Mr. Stewart as a matter of law.

A witness refusing to answer a question propounded to him by a committee of the Senate, assuming that the committee has jurisdiction of the subject matter as to which it is making inquiry, and assuming that the question is material and proper, does by the act of refusal commit a crime under the laws of the United States. Punishment for that, however, is not the only punishment that that one act may bring upon him. He can be sent to jail, after proper arrest, and confined in jail until he answers the question. If he is confined in jail or is arrested and comes before the Senate and answers the question, he purges himself of the contempt of the Senate, and the Senate can go no further; but such action has no legal effect upon the prosecution of the same witness for his refusal to answer. His action may be offered in evidence in the trial, without any doubt, to affect the judge in administering punishment. If he shows that he has, prior to the trial and after the question was asked, properly answered the question, the court, of course, would take that into consideration in administering the punishment.

I am speaking of this because this is not the only case where the Senate has been unjustly treated and where its deliberations and its actions have been interfered with in different investigations by witnesses who have refused to answer questions.

The witness refused to answer a question in the investigation of Daugherty. Nothing was ever done about it. The case was carried to the Supreme Court, where the Supreme Court decided in favor of the Senate, but the session of the Congress had ended, some members of the committee were out of the Senate, and the object of the investigation had really lapsed, as far as the Senate was concerned, by the expiration of time.

In the investigation of the primary proceedings in Pennsylvania and in Illinois witnesses refused to answer, but after the election came before the committee and answered. One of them was Mr. Insull, who was in contempt of the Senate, but after the election, and when the importance of his testimony had practically disappeared, he submitted himself to the committee and answered. He ought to have been prosecuted just the same. The same thing happened in the Cunningham case, in Pennsylvania, where the witness refused to answer and in that case never did answer. In the Sinclair case Mr. Sinclair has been tried and found guilty for refusing to answer. His contempt case is on its weary way to the Supreme Court, and the other case is likewise.

What I want to call to the attention of the Senate is that if the Senate is going to let witnesses refuse to answer and then, when the very object of the testimony has disappeared on account of the lapse of time, come in and answer, and the Senate do nothing further, it might as well lie down to begin with; in other words, it is made a laughingstock all the way through and never will get anywhere with any witness who does not want to testify.

For this reason I object to one of these orders. It seems to me that while technically Mr. Stewart has purged himself of the contempt we ought distinctly to let it be known, when we pass the resolution, that we want it understood by the prosecuting officer that the fact that Stewart has purged himself shall not be taken by the prosecuting officer as any reason for ceasing to continue to prosecute him in the other case, where he has committed a crime by a refusal to answer.

Moreover, it seems to me, Mr. President, that instead of the Senate taking action through this committee it ought to have let Mr. Stewart make the first move. He was arrested on the warrant of the Senate. The direction of the warrant was to bring him to the bar of the Senate. He sued out a writ of habeas corpus, which is pending in court now. If the court decided against him, the order of the court would turn him back to the Sergeant at Arms, and the Sergeant at Arms would bring him to the bar of the Senate, where the questions he refused to answer would be propounded.

Why is the Senate going to take the initiative? If Mr. Stewart wanted to purge himself, why did he not dismiss his case? Why has his case continued to be pending? Why has not he said to his lawyers, "I am going to answer those questions; stop these proceedings," and let the court turn him back to the Sergeant at Arms and let him come in here and answer, which would have purged him? In other words, in reality we are dismissing this suit when it ought to have been that we should let Stewart make the move to purge himself.

I doubt very much whether the committee had any authority to hear him at all. I think the matter had passed out of the hands of the committee; it was in the hands of the Senate; the Senate had acted and had issued a warrant for Stewart's arrest; he had been arrested; and the direction of that warrant was to bring him to the bar of the Senate.

Now he comes along, after the time has lapsed, after the Sinclair trial has taken place—and that trial was his reason for not answering the question—and he comes to the committee and says, "Now I am ready to answer; it can not hurt Sinclair any now; I can answer"; and he answers. It seems to me the committee ought to have said, "You answer to the Senate. If you want to continue this trial in the Supreme Court to see whether the Senate has jurisdiction, that is your privilege; but if you want to quit that litigation, you stop it, and let the answer be made to the Senate instead of the committee."

Mr. NYE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. NYE. In order that the record may be clear, I would like to have it noted at this point in the Senator's remarks that when on day before yesterday Mr. Stewart was before the committee and suggested that he would like to answer those questions I did maintain and contend at the time that I did not feel the committee had any right to hear his answers to those questions; that the committee had no right to serve for the Senate as a whole; that Mr. Stewart had been summoned to appear before the bar of the Senate; and that that was where he ought to appear.

Mr. NORRIS. I think that is so. It seems to me it is making a laughingstock of the Senate. We are establishing a precedent that any witness who does not want to testify can fool the Senate along for a year or two when a case is up, and when at his own sweet pleasure he wants to testify he can walk into the committee room and say, "Here I am; I am ready to answer." But I think that is more or less technical. I think the Senate, to preserve its own dignity, ought to do that. Not only to preserve its own dignity, but in order to preserve orderly procedure it should not permit itself to be led around by a witness in this way. That has seemed to be especially true when we consider the evidence and the testimony that Stewart gave.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BRATTON. I am very much interested in what the Senator is saying. The witness did appear before the committee and announced his willingness to answer the exact questions which he had declined to answer on a previous occasion. The Senator thinks that he should have come to the bar of the Senate. What more could the Senate itself do——

Mr. NORRIS. Not anything more.

Mr. BRATTON. If he came to the bar of the Senate and said, "I now am willing to answer those questions," what could the Senate do to preserve its dignity and orderly procedure any more than was done by the committee?

Mr. NORRIS. I do not think the Senate has preserved its dignity or orderly procedure as it is. There may be a difference of opinion about that. I do not want to criticize anybody who does not agree with me in that.

Mr. BRATTON. What I would like to get from the Senator from Nebraska is, What different course could the Senate have pursued than the committee pursued; that is, what else could it have done other than to let him answer the questions and completely purge himself and gain his freedom by doing so?

Mr. NORRIS. I have not claimed the Senate could do anything else, but it would have been doing it in an orderly way. Now, when the case comes up what will happen? The attorney for the Senate will appear and say, "We dismiss this case. The Senate is going to surrender, the Senate is wrong, the Senate is dismissing this case. The foundation is gone." If they had gone on in court, assuming that the court would have held that the questions were proper and right, they would have issued an order which would have remanded this man to the custody of the Sergeant at Arms, and the Sergeant at Arms would have brought him before the bar of the Senate. That would have been some humiliation for Stewart, all of which he now escapes. He is given a chromo now, and on the face of the thing it looks as if the Senate were wrong in the entire proceeding, because we are going to dismiss our suit.

I confess that that might not be of so much importance if this were the only case we were ever likely to have and it did not establish a precedent which I believe to be ruinous and injurious. I probably would not mention that part of the proposition if that were not so. But the committee asked Insull some questions. That was after the primary in Illinois and before the election. Insull refused to answer, and the committee intimated that it would have to report the matter to the Senate; but he did not care about that. But, to be fair with Mr. Insull, they called him back the second time and asked the same questions again, and again he refused.

After the election Mr. Insull came before the committee and said, "Now, I will answer"; they let him answer, and they did not do anything. That was the first case, and probably that is what most people would have done. They let him go. Nothing has ever been done about it. He committed a crime when he refused to answer the first time; he committed a crime again when he refused to answer the next time. We might pass over that.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I yield.

Mr. KING. With respect to the Insull case and the Schuyler case and the Crowe case, all from Illinois, in behalf of the committee I submitted a final report dealing with those cases, and that report will be brought to the attention of the Senate as soon as the chairman of the committee, the senior Senator from Missouri [Mr. REED], returns to the city.

Mr. NORRIS. Mr. President, prior to the Insull case we had the Daugherty case, in which the Senate never took any action. It ran along so long, a year or two, as I remember it, when the Supreme Court decided it, and it was dropped, there never was anything done, and he never was compelled to answer. In fact, the importance of his answer at that time had disappeared, probably. I am calling the attention of the Senate to the fact that that is going to happen over and over again with any witness who wants to take that course.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. FLETCHER. I quite agree with the Senator that the regular procedure would have been to produce Mr. Stewart here before the bar of the Senate, but would it not have been perfectly regular, then, for the Senate to have remanded him to the committee and told him to appear before the committee and answer these questions instead of proceeding as a whole?

Mr. NORRIS. That is a method of proceedure I do not care to discuss. I will say to the Senator, however, that I do not believe that would have been proper.

Mr. FLETCHER. It occurred to me that probably that could have been done.

Mr. NORRIS. It might have been.

Mr. FLETCHER. And that committee might have been justified in assuming, in proceeding in its own way, that that probably would have been done, and that they should proceed. In view of what the Senator says with regard to these two resolutions, I myself think they ought to be considered separately; I do not think we ought to act on both at the same time.

Mr. NORRIS. What I am afraid of is that if we pass this resolution as it has been read from the desk, the prosecuting officer will say, "Well, the Senate has forgiven this thing, and we will dismiss this suit." I think we ought to express ourselves explicitly by an amendment to the resolution, if we are going to pass it—and I suppose we will. I am mentioning these things only incidentally; I am really not trying to controvert the action the committee has taken, but I think we ought to amend the resolution by explicitly stating that under no consideration should the prosecuting officer, in the judgment of the Senate, dismiss that suit without trial. He ought to go to trial with it.

Mr. FLETCHER. I think perhaps the resolution shows that, but certainly the remarks in connection with it clearly indicate that the resolution is not to be construed by the prosecuting officer as an expression of opinion on our part that the case should be affected by it.

Mr. NORRIS. I agree, just so the expression gets to the prosecuting officer. Maybe it will get to him from the debate, and that is one reason why I am debating it.

Mr. FLETCHER. I suggest another reason for sending down the record. It seems to me that the resolution should include the record that is recited in the report, because it not only shows what happened—and that ought to impress the prosecuting attorney—but, in addition, it may raise another question with the prosecuting attorney as to whether there is not a case of perjury involved.

Mr. NORRIS. I think it will. It seems to me, from the testimony given by Stewart himself, and other facts which are undisputed and admitted, that he is guilty of perjury, and has committed it before this committee. I have no hesitancy in saying that.

Mr. BRATTON. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. BRATTON. I am in perfect accord with what the Senator from Nebraska has said in respect to the general policy of delay of prosecutions in cases of this kind, and rendering them ineffective by delay. As I understand the legal situation,

when a witness appears before a committee and declines to answer a relevant question propounded in connection with the subject matter under investigation, he violates a Federal statute, and that act is completed.

Mr. NORRIS. It is a completed act.

Mr. BRATTON. It is a completed act, criminal in nature.

Mr. NORRIS. Yes.

Mr. BRATTON. At the same time, and by the same act, he commits a contempt of the Senate.

Mr. NORRIS. Yes.

Mr. BRATTON. Which is in the nature of a criminal contempt, as distinguished from civil contempt, because it is an act of defiance to the Senate that is intended to bring the Senate into disrepute in the forum of public opinion. That is continuing in nature; it is not completed.

Mr. NORRIS. Yes.

Mr. BRATTON. It is continuing in the sense that he may come before the Senate or before the committee at any time and offer to answer the question propounded, and thereby purge himself of the contempt. I think the weakness in the course we have followed in the past has been our delay in pressing criminal prosecution, because the person guilty of a contumacious act of that kind always has the right to purge himself, and we are powerless to go beyond that. When he comes before the bar of the Senate and offers to comply with the order of the Senate by answering the questions, he is absolved from contempt but not of the violation of the criminal statute.

Mr. NORRIS. I tried to make that plain. I do not think there is any doubt at all about that proposition.

Mr. BRATTON. But what we should do in the future is to act with more haste in bringing about effective prosecution. Let the public generally understand that when they assume such a position they are going to be prosecuted without delay.

Mr. NORRIS. I think we ought to do that. I agree with the Senator.

Mr. BRATTON. I think that is where we have failed in the past.

Mr. NORRIS. Mr. President, I had started to make a general statement of the background of the things which have happened as shown by the investigation of the committee of the oil matter under discussion. Here are Stewart, Blackmer, O'Neil, and Sinclair, representing different corporations, who want to buy some oil. Here is Humphreys who has the oil for sale. They meet in New York and buy about 33,000,000 barrels of oil from Humphreys. Humphreys supposed that he was selling directly to these men. After they had agreed on the contract, how the oil should be delivered over a course of two or three years, how it should be paid for, and the price, Sinclair, Stewart, and the other men said, "Draw this contract in the name of the Continental Trading Co. of Canada."

That was the first time that Humphreys had ever heard of the Continental Trading Co. He thought he was selling to these men with whom he had been associated for two or three days. Humphreys refused to sell to the Continental Trading Co. because it was not a cash deal. The oil was to be delivered and paid for as delivered running over a long period of time. These men thereupon said, "We will guarantee the payment"; and the sale was made to the Continental Trading Co. This man Stewart, this witness representing the Standard Oil Co. of Indiana, as its president, signed the contract as a guarantor. He and Sinclair and Blackmer guaranteed the payment of a contract which involved something over $8,000,000. This same Continental Trading Co. took the same oil and sold it to the same men Stewart, Sinclair, Blackmer, and O'Neil, or to their companies, at a profit of 25 cents a barrel.

There was a profit amounting to several million dollars which, if the contract had all been carried out, would have come to those people who had negotiated the deal. They had the Continental Trading Co. buy the oil at one price and sold it back to them at an advanced price. Their companies got the oil. They either cheated their own stockholders or they were engaged in some other kind of an illegal, disgraceful contract and bargain. The Supreme Court, after reviewing the evidence, so held. It is undisputed that the Continental Trading Co. never had any existence before that date. It never did any business except to carry out the one contract. It dissolved just as soon as it transacted that business. It invested its profits in United States Liberty bonds, and gave those bonds to Sinclair, Stewart, Blackmer, and O'Neil. We know what Sinclair did with his, and we know from the evidence now what Stewart did with his.

Stewart came before the committee to answer these questions which he had refused to answer before, but he never did so until he knew the committee had ferreted out the fact and had the evidence without his testimony that he had the bonds. He had denied under oath that he knew anything about them. He said he had not handled any of those bonds; and yet he guaranteed the contract to this illegal company.

When the committee had summoned the bank officers and his deposit slips, and they produced either the original deposit slips or photographic copies of them, showing in his own handwriting the deposit of coupons from these bonds, then he knew they "had the goods on him," and there was no escape; so he came before the committee and said, "Here I am; I will testify," and he did testify.

Mr. NYE. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. NORRIS. I yield.

Mr. NYE. I am sure the Senator would like to have me correct any error which might apparently be made. It has not been proven that the deposit slips were in the handwriting of Mr. Stewart.

Mr. NORRIS. I am glad to have that correction made. But the deposit slips showed, did they not, that the deposit consisted of coupons from United States Liberty bonds?

Mr. NYE. Of that particular issue?

Mr. NORRIS. Yes; of that particular issue.

Mr. NYE. Yes; with which the Continental Trading Co. was dealing.

Mr. NORRIS. Those were 3½ per cent Liberty bonds of the first issue.

As I said, Mr. Stewart confessed, when he came before the committee the last time, practically what he knew the committee was going to be able to prove without him. He admitted that he had the bonds. He admitted that he got them from Osler, president of the Continental Trading Co. He had denied all knowledge of anything of that kind when he testified before. Any man who will admit what he himself admitted in the different times he has testified, and will take into consideration the admitted facts about the profits on the oil and its sale—anyone who will do what it is conceded he did, must be either a crook or a fool; and everybody knows that Stewart is not a fool.

It seems to me that we are under no obligation to mitigate any of the circumstances which have surrounded this transaction. He has not been fair in his testimony; he has been misleading. Although he is a shrewd lawyer, he has given testimony before the committee where he was cross-examined that shows, I think, almost conclusively—indeed, it does show conclusively—that he is trying to avoid a fair and honest statement of what the facts are. He justifies the fact that he took the bonds from Osler. They were in a package that Osler gave him, and when he opened the package he found the bonds. He took the coupons and had them cashed. Then he provided some sort of arrangement with his secretary, appointing him trustee to hold them in trust, and finally to turn them over to the Standard Oil Co. of Indiana. I wonder what Mr. Rockefeller will say the next time he appears before the committee?

All of those things seem to have been necessary. Would they have been necessary had it been an honest deal? If these men in the beginning were honestly buying oil, why did they need a subterfuge of this kind in order to make a profit of several million dollars? If they were only buying oil of Humphreys which their companies wanted, they would not have needed to organize a fraudulent corporation in Canada. It would not have been necessary for that money to be taken into Canada and then have Osler take it or send it to New York and buy United States Liberty bonds with it, and then to take the bonds back to Canada and then to bring them here to divide among these conspirators. It is a flimsy deal and no one can look at it without reaching the positive conclusion that it is a fraudulent transaction which was engaged in by every one of the men who had a finger in it. There is not an honest spot in it. It is dishonest from beginning to end.

Now we have this man say to the Senate, "I have answered your questions to the committee," and then we have the Senate asked to direct its attorney to dismiss the suit and save Stewart from all the humiliation that is possible, when he ought to have been brought in here by the Sergeant at Arms under arrest and publicly asked the questions and then let him purge himself and pass out. That procedure would have purged him. It would have been some humiliation, all of which he escapes enduring. While he has undoubtedly committed perjury, we have just had an illustration, and not the only one, either, that it is almost an impossibility to convict a man of a crime if he makes a stealing that is big enough. When Sinclair bribes a public official and uses about $300,000 to do it, he can not be convicted under our system of jurisprudence. He is immune from prosecution.

It is true that Stewart did not get that much, and it is a different kind of crime in his case. His crime is perjury, which every prosecuting officer knows is one of the most difficult cases to prosecute that is known in criminal jurisprudence. Even though everybody in the country, including the Supreme Court, knows he is guilty of perjury, I doubt whether it would be possible to convict him before a jury, because there is too much invested in the defense. There are too many possibilities of shrewd, able, technical lawyers to be employed who could get Doheny free and who could get Sinclair free. They will be able to get Stewart free, even if he is prosecuted. So it seems to me that the only prosecution from which I do not believe he can escape is prosecution for the crime which he committed when he refused to answer these questions before the committee, and of which in due time he may be found guilty, and which would subject him to a jail sentence. After all, we ought to be satisfied, perhaps, under the circumstances if felony punishments were confined to poor men and millionaires are permitted to serve in jail, whatever sentence may be adjudged against them.

Mr. GLASS. Mr. President——

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. What would be the objection to adding to the second resolution which has been sent to the desk by the Senator from Montana, a provision certifying the report of the committee to the United States district attorney, "with the view to having said district attorney determine whether Robert W. Stewart should not be presented to the grand jury for indictment on the charge of perjury?"

Mr. NORRIS. I think it would be very proper to have those words inserted.

Mr. GLASS. So far as I am concerned, it is my judgment that, while it may be said, in a sense, that Stewart has technically exculpated himself from the charge of perjury, his later testimony shows just exactly in what degree he held the Senate in contempt, because he practically admitted, while yet denying, that he lied to the Senate committee, and that he did it for a purpose—for the purpose of frustrating justice, because testimony that he might have given in response to the questions asked might result in the conviction of his partner in crime, Sinclair.

Mr. NORRIS. I thank the Senator for his suggestion.

Mr. WALSH of Montana. Mr. President——

Mr. NORRIS. I yield to the Senator from Montana.

Mr. WALSH of Montana. I desire to say that I think I am warranted in saying on behalf of the committee that the amendment proposed by the Senator from Virginia will be entirely acceptable.

Mr. NORRIS. I hope that is true, and I do not see how it could be otherwise; but while the Senator from Montana is interrupting me I want to ask him what objection there would be to amending the other order that he submitted here so as to make it perfectly clear that the Senate does not want that case dismissed.

Mr. WALSH of Montana. While the Senator was discussing this matter, and because the question was raised, I wrote out such a supplementary sentence:

This order—

That is, the order vacating the order of arrest—

shall not be construed as any intimation on the part of the Senate that the indictment heretofore returned against the said Robert W. Stewart for refusal to answer questions propounded to him by the Committee on Public Lands and Surveys should be dismissed.

Mr. NORRIS. That is satisfactory. Both of those amendments are satisfactory; and, Mr. President, with them both I shall offer no further objection, even though I believe that the other procedure ought to have been followed. The committee have taken this procedure in good faith, I do not question that. They may be right, and I wrong; but I have a deep feeling that where these men who were trying to deceive the country, who were trying to deceive the Senate, who were engaged in a great conspiracy in which there were profits of millions and part of the money at least was traced to public officials and used for bribery purposes, were escaping from the large punishment that they ought to have had, we ought not to take any steps to relieve any of them of any humiliation that may come to them.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. CUTTING. May I ask the Senator whether he does not believe that these men are still trying to deceive the Senate?

Mr. NORRIS. Yes; there is not any doubt of it in my mind.

Mr. HEFLIN. Mr. President, before the Senator takes his seat, will he yield to me?

Mr. NORRIS. Yes.

Mr. HEFLIN. Some weeks ago, briefly, Mr. Stewart was in contempt of the Senate. He flatly refused to testify and to tell the truth as he knew it to the Senate. The Senate then ordered him to be imprisoned. He sued out a writ of habeas corpus, and was turned out of jail. In the meantime the Sinclair case was pending. He remains quiet and silent until that case is disposed of and Sinclair is acquitted. In the meantime, I understand, Mr. Stewart has been indicted. After the Sinclair case is disposed of, having put himself in the same category with Sinclair of defying the Senate, he waits until Sinclair is acquitted, and now he comes back before the committee and testifies.

I understand that the Senate is not releasing him now, but the indictment is pending. It seems to me that his coming now and testifying furnishes the testimony necessary for the jury in Washington, and that he can not escape conviction, and he ought to be convicted for this offense.

Mr. NORRIS. Mr. President, the trial on the kind of a crime with which he is charged—the same one as against these other people, Stewart and others—is a very simple trial. The question involved is whether the committee of the Senate before which he was called to testify had jurisdiction of the matter, and whether the questions were proper ones, and whether he refused to answer them. These questions are so plain that I do not believe anyone will doubt but that they were proper. The committee did have jurisdiction, and, of course, it is admitted that he did not answer. In fact, the lower court, in passing on the habeas corpus, dismissed it and ordered him back into the custody of the Sergeant at Arms; and then he took an appeal, which is still pending. The fact, however, that he afterwards answered the questions which at first he refused to answer will undoubtedly be taken into consideration by the court in administering punishment. It is, however, no defense whatever to the crime itself.

Mr. HEFLIN. That is my point, and that this man is bound to be convicted, if the court does its duty, for his performance heretofore; but what degree of punishment they will impose upon him is another question.

Mr. WALSH of Montana. Mr. President, I have indicated that the committee would be altogether regretful if any action taken here should be construed by anyone as an indication that the Senate desired that the proceeding in the Supreme Court of the District of Columbia under the indictment found against Colonel Stewart should be dismissed, or that it should not be prosecuted with vigor. It never occurred to any member of the committee that any such interpretation could be given to the action which it is proposed by the committee should be taken by the Senate; but, lest any such supposition might be indulged by anyone, I propose the amendment which was read a few moments ago to the order directing the vacation of the preceding order directing the arrest of Colonel Stewart. Of course, it is perfectly obvious that if we adopt the resolution transmitting the report to the district attorney of the District of Columbia for his consideration we do so with a view that he shall scan the record to see whether an indictment might not be proper against Mr. Stewart for perjury; and accordingly there is not the slightest objection to the other order tendered by the Senator from Virginia [Mr. GLASS].

The Committee on Public Lands and Surveys may be open to censure such as is implied in the remarks of the Senator from Nebraska for the course they took in this matter. If I understand him aright, when the committee learned that probably some further information could be secured from Colonel Stewart, instead of sending notice to him in the usual form to come on and be interrogated further, the committee should have entirely ignored that information; it should have allowed him to come or not come, just exactly as he saw fit, and abide the result of the proceedings in the courts; and, if it should eventually be determined, as in all probability it would be determined, that he should have answered the questions, have him brought before the bar of the Senate by the Sergeant at Arms and interrogate him before the Senate.

That may be the proper procedure in a case of this character. It is not, however, my view about the matter. The committee was charged by the Senate with the duty of finding out where these bonds had gone, what had become of them; and it occurs to me that it would have been derelict in its duty, it would have been recreant to the charge reposed in it if it had not followed every reasonable clue to unearth the facts in relation to the matter. I violate no confidence in saying that it was common report about the corridors of the Senate here for at least two or three days before Colonel Stewart was recalled

that he would be quite willing to come before the Senate and give it some further information. I should not have felt that I was discharging my duty if I had not immediately taken steps to require Colonel Stewart to appear before the committee and interrogate him further. I should not have felt justified in taking chances upon a lawsuit, which might possibly fail, to compel him to come here. Of course, I do not think it would; I never could see any reason why it should fail; but I have been in the law business long enough to know that you are always taking chances on a lawsuit, and able attorneys made plausible arguments to the court against the proceedings that had been taken.

So I can not feel that the committee is open to any just criticism for the course that it took. It might be justified to subject Colonel Stewart to the humiliation of being brought before the bar of the Senate by the Sergeant at Arms, but no results other than that would have been secured; and, in all reasonable probability, not as much as were secured by the course which was observed.

Mr. President, that is all I care to say about this matter, except that I desire to call attention to an article having the sanction of the Associated Press in the Washington Post of this morning, in which the following occurs:

> The only difference of opinion that arose at first was whether the committee should cause the record to be certified to the district attorney, or whether the district attorney should be left to ascertain the facts for himself.
>
> Senator WALSH took the view that it was not the function of the Senate to make certification to the prosecuting officer, but merely to call the matter to the attention of the Senate. Chairman NYE and others took a contrary view, however, and insisted yesterday that the matter should be officially referred to the district attorney.
>
> After a series of conferences during the afternoon, Senator WALSH said he would not oppose such action by the Senate. Chairman NYE said he expected a unanimous report from the committee at its session, called for this morning, in advance of the convening of the Senate.

That very clearly implies that there was quite a division of opinion upon this matter in the committee of the Senate. I think the chairman of the committee will corroborate what I say, that that statement is without any foundation in fact whatever.

Mr. NYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. WALSH of Montana. I do.

Mr. NYE. I have not had a chance to-day to look at the morning papers. Is there anything in the prints this morning from which the Senator is quoting containing a statement by myself, authorized by myself?

Mr. WALSH of Montana. No; it does not say so; but that is a matter of no great consequence, I am sure. The statement is that—

> Senator WALSH took the view that it was not the function of the Senate to make certification to the prosecuting officer.

Mr. NYE. Mr. President, last evening I was approached from so many angles in a way to indicate that there was a general impression prevailing that there were violent differences existing in the Committee on Public Lands and Surveys as to this report and resolution that was coming to-day that I issued a statement that there was no ground for any such conclusion or any such impression. As I have said, I have not had a chance to observe the papers this morning to see whether that was carried or not; but the Associated Press was given that statement, which ought to have explained the entire matter. In other words, there was no foundation for any such tale as that carried there, which the Senator has just read.

Mr. WALSH of Montana. The plain fact about the matter is, Mr. President, that upon the suggestion being made that some steps ought to be taken about the matter, I myself suggested the order which is now before the Senate directing that the report be sent to the prosecuting officer; and I might add that there was no division of opinion in the committee upon that matter.

Mr. NYE. None whatever.

The PRESIDING OFFICER. The question is on the resolution as amended.

Mr. LA FOLLETTE. Let it be read.

The PRESIDING OFFICER. The Secretary will state the amended resolution.

Mr. WALSH of Montana. Mr. President, the matter takes the form of an order. I asked that the following order be entered; and I now move that it be amended by adding thereto the following:

> This order shall not be construed as any intimation on the part of the Senate that the indictment heretofore returned against the said Robert W. Stewart for refusal to answer questions propounded to him by the Committee on Public Lands and Surveys should be dismissed.

The PRESIDING OFFICER. The question is on agreeing to the order as modified.

Mr. WALSH of Montana. On agreeing to the amendment to the order.

The PRESIDING OFFICER. The Chair understood that the Senator was modifying his own order.

Mr. WALSH of Montana. I tendered the order on behalf of the committee. I have no authority to amend that, it not being my own.

The PRESIDING OFFICER. The question is, then, on the amendment to the resolution.

Mr. LA FOLLETTE. Mr. President, I should like to have it read as it would be in final form if the amendment were adopted.

The PRESIDING OFFICER. The order will be read.

The Chief Clerk read the resolution (S. Res. 207), as follows:

*Resolved*, That the order of the Senate heretofore made on the 3d day of February, 1928, directing the Sergeant at Arms to take into custody one Robert W. Stewart and bring him before the bar of the Senate is hereby vacated.

Mr. WALSH of Montana. Then follows the amendment.

Mr. LA FOLLETTE. Would the Senator mind reading it again?

Mr. WALSH of Montana. It is as follows:

> This order shall not be construed as any intimation on the part of the Senate that the indictment heretofore returned against the said Robert W. Stewart for refusal to answer questions propounded to him by the Committee on Public Lands and Surveys should be dismissed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution as amended.

Mr. HEFLIN. Mr. President, before the vote is taken, it seems to me that the resolution ought to say, "But the Senate insists upon the prosecution of Mr. Stewart for defying the Senate in refusing to testify." I believe that ought to be set out in this resolution; and I offer this amendment:

> That the Senate insist—
>
> Following the language just adopted—
>
> upon the prosecution of Mr. Stewart for the offense that he committed against the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is upon agreeing to the resolution as amended.

The resolution as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the second order.

The CHIEF CLERK. The second order reads:

*Ordered*, That the Secretary of the Senate be, and he is hereby, directed to transmit a copy of the report submitted this day by the Committee on Public Lands and Surveys to the United States district attorney for the District of Columbia.

Mr. GLASS. Mr. President, I send to the desk an amendment, which, I understand, the Senator from Montana is willing to accept.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk read as follows:

> with a view to having said district attorney determine whether Robert W. Stewart should not be presented to a grand jury for indictment on the charge of perjury.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the adoption of the order as amended.

The order as amended was agreed to.

The PRESIDING OFFICER. Petitions and memorials are in order.

## PETITIONS AND MEMORIALS

Mr. CURTIS presented a petition of members of the Ford County (Kans.) Women's Advisory Council of Farm Bureau Work, praying for the passage of the so-called Capper-Ketcham

bill, being the bill (S. 1285) to provide for further development of agricultural-extension work, which was referred to the Committee on Agriculture and Forestry.

Mr. WALSH of Massachusetts presented a petition of sundry citizens of Brookline, Mass., praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. KING. There is a bill pending before the Committee on Public Lands and Surveys to cede to the public-land States all of the lands that belong to the United States except mineral lands. There is also a bill pending, I am advised, for the purpose of leasing most of the public domain to the States; that is, placing them under the control of the Forest Service for leasing.

I am in receipt of a memorial signed by 50 or 60 persons protesting against leasing and expressing their views that the lands should be ceded to the States. The memorial is very brief, and I ask that it may be inserted in the RECORD, but not the names, and that the memorial with the signatures be referred to the Committee on Public Lands and Surveys.

There being no objection, the memorial was referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

HUNTINGTON, UTAH, *October 30, 1927.*

Hon. WILLIAM H. KING,

*United States Senator, Washington, D. C.*

DEAR SIR: We the undersigned citizens and users of the public domain residing in Emery County, Utah, hereby petition and ask that you use your influence as our United States Senator to keep the public domain in this State the same as it is to-day.

We understand that there is a move on foot to put the public domain under some kind of Federal control, and we feel that this action would be a great burden upon the livestock interests of this country. As you are, perhaps, aware we are having all we can do to keep on our feet under present conditions, and we certainly feel that we should not be further burdened with having to pay for the use of our winter ranges. And as you know the paying for the range is a very small item in comparison with the inconvenience and the uncertainty of Federal controlled ranges.

Hoping that you can do something for us by keeping it as it is or having it ceded to the State by the Government.

We are sincerely yours,

———— ————.

Mr. KING. I present likewise another memorial signed by 50 or 60 citizens of the State of Utah of like import. I move that it be referred to the Committee on Public Lands and Surveys.

The motion was agreed to.

J. E. BARLOW

Mr. ROBINSON of Arkansas presented letters from J. E. Barlow requesting permission to appear before the Foreign Relations Committee with reference to the matter of the alleged illegal seizure of his property in Cuba, which were referred to the Committee on Foreign Relations.

SURCHARGE ON PULLMAN FARES

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the New York World on April 18, 1928, relating to the subject of the surcharge on Pullman fares. I commend this editorial to the consideration of the chairman and members of the Committee on Interstate Commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York World, Wednesday, April 18, 1928]

THE SURCHARGE ON PULLMAN FARES

While Congress is considering the removal of the remaining war-time taxes it might well turn its attention to one tax of war origin whose proceeds do not go into the Federal Treasury. This is the surcharge of 50 per cent on Pullman tickets. It was originally imposed when the Government was in control of the railroads and was intended for the twofold purpose of raising revenue and discouraging civilian travel when a large part of the railway equipment was needed for moving troops.

After the armistice this surcharge was discontinued, but in 1920, when the roads were hard hit by the postwar inflation, the Interstate Commerce Commission restored it. Since then conditions have changed, and the reasons for its retention appear to be no longer valid. An examiner of the commission has recommended its removal, but the commission itself has not been able to agree whether it should be removed or only reduced. Meantime the Senate has twice passed a bill for its repeal, but so far the House has failed to act.

It has been objected that a bill of this character puts rate-making into the hands of Congress. The measure now before Congress, however, prescribes no rates, but leaves that function to the Interstate Commission, where it properly belongs. It merely prescribes a policy which the commission is to follow by stipulating that there shall be no discrimination or double charges for the same service. The Pullman surcharge is in effect a double payment, for which the passenger gets nothing in return. Its proceeds do not go to the Pullman Co., which renders the special service, but to the railway company.

As a second objection to the repeal of the surcharge it is urged that the roads badly need the money. Whether they do or not, a discrimination against one class of traffic is hardly the proper way to get it.

JURISDICTION OF UNITED STATES DISTRICT COURTS

Mr. VANDENBERG presented excerpts from letters relative to the bill (S. 3151) to limit the jurisdiction of the district courts of the United States, which were ordered to lie on the table and to be printed in the RECORD, as follows:

[Excerpt from letter dated April 24, 1928, at Detroit, Mich., addressed to Senator VANDENBERG by Wilson W. Mills, of Campbell, Buckley & Ledyard]

My attention has just been called to the Norris bill (S. 3151), introduced by Senator NORRIS, of Nebraska, and being a bill to limit the jurisdiction of the district courts of the United States.

The effect of this bill is to deprive the Federal courts of jurisdiction in actions arising under the Constitution or laws of the United States and between citizens of different States; in fact, takes away the jurisdiction of the district court in all cases except where the United States is plaintiff.

In my opinion this bill is the most revolutionary and vicious one that has come to my attention in several years.

———

[Excerpt of letter dated April 23, 1928, at Grand Rapids, Mich., to Senator VANDENBERG from Benjamin P. Merrick, president of the Grand Rapids Bar Association]

I have had brought to my attention the fact that the Senate Judiciary Committee has reported out with recommendation of passage a bill that limits the jurisdiction of the district courts of the United States (S. 3151). After conferences with the trustees of the Grand Rapids Bar Association upon this highly revolutionary measure, I have no hesitation in expressing to you the emphatic protest of our bar at its passage.

Assuming, but not conceding, that this bill, if enacted, would be held constitutional on the ground that the Constitution leaves to Congress the establishment, and hence the definition of jurisdiction, of all courts of the United States save the Supreme Court, it can not be said that the measure reflects with much fidelity the spirit of the constitutional definition of the scope of the Federal judicial power. I refer to section 2 of Article III, which provides:

"The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; * * * to controversies * * * between citizens of different States, * * * and between a State or citizens thereof, and foreign States, citizens, or subjects."

Guided, I take it, by that provision of the Constitution, Congress by the act of September 24, 1789, establishing the judicial courts of the United States, gave to the circuit courts original jurisdiction of civil suits where the matter in dispute exceeded $500, and where an alien was a party or where the suit was between a citizen of the State where the suit was brought and a citizen of another State.

From 1789 to 1928 this jurisdiction, based on diversity of citizenship, so manifestly in harmony with the scheme of the Constitution, has continuously resided in the inferior courts of the United States, and any proposal to sweep it away so revolutionary in character as the pending measure should rest upon more cogent reasons than any to be found in the report (No. 626) of the Senate Judiciary Committee.

If, as appears from that report, the committee sees injustice to small litigants in the "arbitrary distinction as to the amount in controversy," the remedy would seem to be not the sweeping away of long-established jurisdiction but the lowering of the jurisdictional amount below the present figure of $3,000, if Congress is prepared adequately to provide for the increased work of the district courts which would result therefrom. It is doubtful, however, whether the $3,000 limit is to-day more "arbitrary" than was the limitation of $500 in 1789. The principle of basing jurisdiction of courts not the lowest upon a minimum amount in controversy finds frequent expression in the statutes regulating the trial courts of the States.

I believe the bar generally will challenge the committee's assertion to the effect that the nonresident litigant, pitted against a resident, in a State court is no longer at a disadvantage. And I believe they would regard as a very real protection against local prejudice the right of a citizen of Michigan whom litigation may draw into court in any one of 47 other States, there to have recourse to the district court of the United States.

A trace of this local prejudice is discernible in the report of Senator NORRIS upon the bill. I refer to the apparent resentment against the alleged advantages enjoyed by the nonresident litigant under the present judicial system.

Be that as it may, it is fair to remember that every litigant who to-day is a "resident litigant" may to-morrow be a "nonresident litigant" seeking justice in any one of 47 other States, in which event the courts of the United States should not be closed to him after being open 139 years.

The committee report lays much critical stress upon the nonresident's right to remove to the United States district court a cause begun against him in a State court. May I suggest that if this privilege of removal is deemed by Congress to be no longer expedient, the remedy would be to curtail the statutory privilege rather than to destroy the jurisdiction? Even if it were advisable to abolish the right to remove cases, which I deny, it would not follow that a resident plantiff should be deprived of the present right to plant his suit in the Federal court in his State if he can get proper service upon the nonresident defendant.

Finally, the congestion of work in the district courts, advanced as a reason for this radical bill, is undoubtedly principally due to the great number of prosecutions for violation of the prohibition statute. If the district courts are performing increasingly, as they are, the functions of police courts, Congress should hesitate before making the position of district judge irretrievably unattractive to men of the high average caliber which has characterized thus far the men appointed to that office. Yet that is what this bill would do, I fear, if enacted into law. Men of high judicial capacity would well-nigh loathe the position if from it were taken the opportunity to hear and decide civil cases of the large and important group affected by the bill. The district courts are the proving ground for judges destined for seats on the bench of the appellate Federal courts. The importance of keeping the caliber of the Federal judges of the highest no one will deny. Any legislation which tends, as I am convinced this bill does, to render the position of district judge undesirable in the eyes of the leaders of the bar, can not but have a bad ultimate effect upon the quality of the Federal bench.

Mr. FLETCHER. Mr. President, in connection with Senate bill 3151, I present a letter received from Judge Robert W. Bingham, of Kentucky, and ask that it be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COURIER-JOURNAL, THE LOUISVILLE TIMES,
*April 24, 1928.*

Senator DUNCAN U. FLETCHER,
*Washington, D. C.*

DEAR SENATOR FLETCHER: I have learned that the Senate Judiciary Committee has recently reported favorably Senate bill 3151, taking away from Federal district courts all Federal jurisdiction based on diversity of citizenship or any Federal question.

As you so well know, this Federal jurisdiction has been a part of our law since the act of 1789, the only important change during that period having been the raising of the amount in controversy from $500 to $3,000. I believe this matter is one which gravely concerns the whole country. For example, if it were necessary to foreclose a bond issue of a railway traversing several States, if the Federal jurisdiction were withdrawn, the difficulty of such a proceeding would be almost insuperable, since it would probably involve filing suits, if not in every county through which the railway passed, at least in every State, circuit, or district court through which it passed, and even if this difficulty is not insuperable, at least it would enormously increase the cost of such a proceeding and correspondingly reduce any amount which investors in the property as bondholders might receive. In addition, the comparatively undeveloped parts of the country require capital for their development.

I believe the constructive progress of the country would be seriously impeded if investors were deprived of the opportunity to litigate in the Federal courts.

The East and the Middle West will probably require a comparatively small amount of outside capital for their further development, but there are great areas in our country, particularly in the West and in the South, which will need a large amount of outside capital for years to come, and I am confident that the passage of such an act as the bill referred to would seriously retard the growth and progress of many of the States in this western and southern area.

While I am sure you will give this matter serious consideration, I am taking the liberty of writing to you on the subject, because I am alarmed at the thought of the disastrous result which I believe would result inevitably from the passage of such legislation.

Yours very truly,

R. W. BINGHAM.

Mr. FLETCHER. I also have an opinion as to the scope and effect of Senate bill 3151, written by Mr. Henry M. Ward, of Washington. It is rather long to print in the RECORD, but the conclusions are brief, and I ask that the summary be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SUMMARY

(1) The bill if enacted could not be set aside by the courts as in violation of the Constitution of the United States.

(2) It would deprive the Federal courts of their most important classes of civil jurisdiction.

(3) It would in effect give to the courts of the respective States (except as noted above at pages 3, 4, and 5) exclusive original jurisdiction of all civil cases arising under the Constitution and laws of the United States and treaties made under their authority and of all suits of a civil nature between citizens of different States, including corporations organized under the laws of different States and between citizens of the United States and foreign States, citizens, or subjects.

(4) It would deprive the district courts of their power to remove such cases from the State courts.

(5) The right to have certain questions decided by the highest courts of the respective States, arising under the Constitution, laws, and treaties, reviewed by the Supreme Court of the United States upon writ of error and the right to petition that court for a writ of certiorari to review certain other similar questions are wholly inadequate for the protection of the rights, privileges, and immunities conferred by the Constitution and the laws and treaties of the United States.

(6) To a substantial extent the officers of the United States in enforcing Federal laws would be subject to be enjoined by, and to suits for damages in, the State courts, and the National Government would be pro tanto without power to enforce the laws of the Nation. In many instances the Federal courts would be without power to protect the grantees and licensees of the United States in the exercise and enjoyment of rights granted by the Federal laws and treaties.

(7) The effect of eliminating the Federal jurisdiction over controversies between citizens of different States would be to jeopardize the billions of dollars of the citizens of this country invested in the securities of interstate railroads and other interstate industries, to raise the rates of interest on borrowed capital, to sweep aside the authority of the decisions of the Supreme Court of the United States and other Federal courts on questions of general law, and thereby to imperil existing investments, industries, and rights entered into and acquired in reliance upon these decisions.

(8) The bill if enacted would inflict incalculable harm upon the citizens of this country and would be clearly in violation of the duty imposed on Congress by the Constitution of the United States.

HENRY M. WARD.

APRIL 20, 1928.

REPORTS OF COMMITTEES

Mr. BINGHAM, from the Committee on the Library, to which was referred the bill (S. 2069) to extend the provisions of section 1814 of the Revised Statutes to the Territories of Hawaii and Alaska, reported it with amendments and submitted a report (No. 898) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (S. 3770) authorizing the Federal Power Commission to issue permits and licenses on Fort Apache and White Mountain Indian Reservations, Ariz., reported it without amendment and submitted a report (No. 899) thereon.

Mr. KENDRICK, from the Committee on Indian Affairs, to which was referred the bill (S. 2330) authorizing reconstruction and improvement of a public road in Wind River Indian Reservation, Wyo., reported it with an amendment and submitted a report (No. 900) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 4035) authorizing conveyance to the city of Hartford, Conn., of title to site and building of the present Federal building in that city, reported it without amendment and submitted a report (No. 901) thereon.

CONFEDERATE VETERANS' REUNION AT LITTLE ROCK, ARK.

Mr. SWANSON. From the Committee on Naval Affairs, I report back favorably, without amendment, the bill (S. 4180) authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark. I call the attention of the Senator from Arkansas [Mr. ROBINSON] to the report.

Mr. ROBINSON of Arkansas. Mr. President, I desire to make a brief statement and also to ask unanimous consent for the present consideration of the bill.

On May 8 next the annual convention of the National Confederate Veterans will be held in the city of Little Rock, Ark. The President was invited to attend the convention and a request was submitted that the Marine Band be authorized to participate in the concerts there. The President found himself unable to attend the convention, but, as I am informed, he

is in sympathy with the purpose to have the Marine Band at the reunion. It is necessary, however, to pass this bill in order to provide for the expense that is to be incurred.

The number of Confederate veterans who survive is comparatively small. They will come from almost every State in the Union. They are approaching the time when it will be impossible for these old soldiers to assemble in reunions. These events have become in a large degree patriotic celebrations, and it will be an act of good will, heartily appreciated by the people of the entire Southland, if Congress makes arrangements for the Marine Band to attend this reunion.

I realize that this is a somewhat unprecedented course to pursue, but, as the Senate well knows, I have been unable to be in attendance on the sessions of the Senate for some days, and the time is now so short before the convention will meet that I feel constrained to ask for this action at this time.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That the President is authorized to permit the United States Marine Band to attend and give concerts at the Confederate veterans' reunion to be held at Little Rock, Ark., May 8 to 11, 1928.

SEC. 2. For the purpose of defraying the expenses of the band in attending such reunion there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $7,872, or so much thereof as may be necessary.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ENROLLED BILL PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the enrolled bill (S. 2126) to provide for compensation for Ona Harrington for injuries received in an airplane accident.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 4225) for the relief of Philip V. Sullivan; to the Committee on Naval Affairs.

By Mr. NORBECK (by request):

A bill (S. 4226) to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Naval Affairs.

By Mr. WALSH of Massachusetts:

A bill (S. 4227) granting an increase of pension to Eva A. Hill; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4228) to amend an act entitled "An act for making further and more effectual provisions for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. BROUSSARD:

A bill (S. 4229) to extend the time for completing the construction of a bridge across the Mississippi River near and above the city of New Orleans, La.; to the Committee on Commerce.

By Mr. McMASTER:

A bill (S. 4230) to continue the allowance of Sioux benefits; and

A bill (S. 4231) to authorize a per capita payment to the Pine Ridge Sioux Indians of South Dakota; to the Committee on Indian Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 4232) granting an increase of pension to Lavenia A. Hall (with accompanying papers); and

A bill (S. 4233) granting an increase of pension to Anna Dodge (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 4234) authorizing the purchase of certain lands by John P. Whiddon; to the Committee on Public Lands and Surveys.

By Mr. MOSES:

A bill (S. 4236) granting an increase of pension to Theresa A. Whipple (with accompanying papers); to the Committee on Pensions.

By Mr. KEYES:

A bill (S. 4237) for the relief of Antoine Laporte, alias Frank Lear; to the Committee on Military Affairs.

By Mr. REED of Pennsylvania:

A bill (S. 4238) for the relief of Robert M. Foster; to the Committee on Claims.

By Mr. CAPPER:

A joint resolution (S. J. Res. 138) to provide for the designation of the route of the National Old Trails Road and the markers thereon; to the Committee on Agriculture and Forestry.

DISTINGUISHED-FLYING CROSS

Mr. BINGHAM. Mr. President, in the Army Air Corps bill which was recently passed by Congress, no provision was made permitting the President to present the distinguished-flying cross to any except members of the armed forces of the United States. Since that bill was passed there have arrived in this country several distinguished aviators, from Italy, from Germany, from France, and from Ireland, and in order that in the future the President may have the power to present the distinguished-flying cross to foreign aviators who make great flights, I introduce a bill to amend that section of the act which provides for the distinguished-flying cross.

The bill (S. 4235) to amend section 12 of the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes," approved July 2, 1926, was read twice by its title and referred to the Committee on Military Affairs.

Mr. BINGHAM. Mr. President, I submit an amendment to the bill (S. 4218) introduced by the Senator from Pennsylvania [Mr. REED] yesterday authorizing the President to present the distinguished-flying cross to the German and Irish aviators who have just arrived on this continent, by including in the bill the French aviators who came first across the South Atlantic, and who were received by the Congress not long ago; and the Italian aviator, Col. Francesco de Pinedo, who came here after flying a distance of 25,000 miles from Rome. I ask that it may be referred to the Committee on Military Affairs and printed.

The amendment submitted by Mr. BINGHAM to the bill (S. 4218) to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl was referred to the Committee on Military Affairs and ordered to be printed.

WRITS OF ERROR

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 12441) to amend section 2 of an act entitled "An act in reference to writs of error," approved January 31, 1928, Public, No. 10, Seventieth Congress, which was referred to the Committee on the Judiciary and ordered to be printed.

AMENDMENT TO BOULDER DAM BILL

Mr. ASHURST. Mr. President, I present an amendment to Senate bill 728, the Boulder Dam bill. As the debate proceeds on this bill I shall offer other amendments thereto. I ask that the amendment be read. I am willing to spare the Senate the burden at this time of listening to the reading of this amendment, if I may secure now the appropriate order of the Senate declaring that the introduction of this amendment and the printing of the same in the RECORD shall, for the purposes of Rule XXII of the Senate and of all other rules of the Senate, be deemed to declare that the same has been read. Otherwise I must insist that the same be read.

Mr. CURTIS. The Senator wants to have it printed as an amendment and to lie on the table?

Mr. ASHURST. Yes; but that would not suffice. In order to secure for this amendment its parliamentary status, its place, its dignity, and its right to be considered as an amendment, I must insist that the amendment be read, or that by unanimous consent it be considered by the Senate as read, and unanimous consent further that the fact that the Senate considers these amendments as actually read shall give the amendment the same right and status as required by Senate Rule XXII or any other rule of the Senate.

Mr. CURTIS. I should judge there would be no objection to that.

Mr. JOHNSON. The suggestion is that the amendment be considered as read?

Mr. ASHURST. Yes.

Mr. JOHNSON. I have no objection.

Mr. ASHURST. Then, Mr. President, as to the various amendments I shall introduce to this Boulder Dam bill I shall take the liberty to mark each and all of them as read, and am I now to understand that with the printing of them in the RECORD they shall have the same dignity, parliamentary right, place, and status under Rule XXII and all of the rules of the Senate as if they were read?

Mr. JOHNSON. Yes; provided the Senator calls attention to the fact of their introduction at the time they are introduced.

Mr. ASHURST. I shall do so and print them in the RECORD.

Mr. JOHNSON. Yes.

The PRESIDING OFFICER. Without objection, that order will be entered.

Mr. ASHURST'S amendment to Senate bill 728 was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 2, line 24, after the word "purposes," insert the following: "*Provided*, That no appropriation for construction under the gravity plan shall be made until a compact shall have been entered into between the States of Wyoming, Colorado, Utah, New Mexico, Nevada, California, and Arizona, either to determine the allocation of waters and definite storage elevation and areas or to determine the basic principles that for all times shall govern these matters: *And provided further*, That the passage of this act shall not in any respect whatever prejudice, affect, or militate against the rights of the State of Arizona or the residents or the people thereof, touching any matter, or thing, or property, or property interests relative to the construction of the Colorado River Boulder Dam project."

INVESTIGATION RELATIVE TO EMPLOYMENT AND UNEMPLOYMENT

Mr. LA FOLLETTE submitted a concurrent resolution (S. Con. Res. 16), which was read, as follows:

Whereas many investigations of unemployment have been made during recent years by public and private agencies; and

Whereas many systems for the prevention and relief of unemployment have been established in foreign countries and a few in this country; and

Whereas information regarding the results of these systems of unemployment, prevention, and relief are now available; and

Whereas it is desirable that these investigations and systems be analyzed and appraised and made available to the Congress: Therefore be it

*Resolved by the Senate (the House of Representatives concurring)*, That a joint committee of Congress, to consist of three members of the Committee on Education and Labor of the Senate and three members of the Committee on Labor of the House of Representatives to be elected by the respective committees, is authorized and directed to make an investigation concerning (a) the continuous collection and interpretation of adequate statistics of employment and unemployment; (b) the organization and extension of systems of public employment agencies, Federal and State; (c) the establishment of systems of unemployment insurance or other unemployment reserve funds, Federal, State, or private; (d) the planning of public works with regard to stabilization of employment; and (e) the feasibility of cooperation between Federal, State, and private agencies with reference to (a), (b), (c), and (d). Such committee shall meet and organize as soon as practicable after a majority of the members have been chosen and shall elect a chairman and vice chairman from among its members. For the purposes of this resolution such committee or any subcommittee thereof is authorized to hold hearings and to sit and act at such times and places; to employ such experts and clerical, stenographic, and other assistants; to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman or the vice chairman. Such committee shall make a final report to the Congress as to its findings, together with such recommendations for legislation as it deems advisable, at the beginning of the second regular session of the Seventieth Congress.

Mr. LA FOLLETTE. Mr. President, I have introduced this resolution because I believe that the problem of relief and prevention of unemployment to be one of the most serious economic questions confronting the country to-day. It is a startling fact that there has been practically no consideration of the problem of unemployment and methods of dealing with it by this Government. We have spent hundreds of thousands of dollars—in fact, millions of dollars—in gathering information and statistical data concerning crops, concerning manufactures, concerning output of products, but we have to-day in this country no dependable statistical information concerning the problem of unemployment and the number of unemployed.

This problem presents itself through all the history of this Government. Fifteen times in the last 110 years we have had serious depression, with resultant unemployment. It has come alike under Democratic and Republican administrations. It is not a political problem; it is an economic problem of the most serious import, and it seems to me the time has come when Congress should give consideration to the solution of this question.

Therefore, Mr. President, I have introduced this resolution with the idea that a comprehensive survey, study, and evaluation of the existing information, not only in this country, but in the countries of Europe, where they have recognized this problem and attempted to deal with it, would be of tremendous value to the Congress and should result in constructive legislation.

When we stop to consider that there are 35,000,000 people in this country who are earning their daily bread by the sweat of their brow, when we stop to consider that their incomes total $40,000,000,000, or so it is estimated, we realize that we have a question which affects not only the men and women who labor and their families, but that it also most vitally affects the entire social and economic fabric of the Nation.

For these reasons I shall urge upon the Committee on Education and Labor of the Senate the early consideration and report of this resolution. The hour of 2 o'clock is at hand, and I shall not attempt to discuss this matter further at this time, but I shall discuss it at some later date.

Mr. President, I move that the concurrent resolution be referred to the Committee on Education and Labor.

The motion was agreed to.

COTTON CROP PREDICTIONS

Mr. HEFLIN. Mr. President, there is on the calendar a bill, introduced by me, Senate bill 3845, to prohibit predictions with respect to cotton or grain prices in any report, bulletin, or other publication issued by any department or other establishment in the executive branch of the Government. The bill is not now objected to, and I ask unanimous consent that it be considered and passed. I am going to be called from the Chamber for a little while, and I would like to have this bill passed before 2 o'clock.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BINGHAM. Let it be stated.

The bill was read by title.

Mr. HEFLIN. The bill has been amended and the provision relating to grain stricken out.

Mr. CURTIS. When this measure was reached on the calendar the other day it was objected to by the Senator from Rhode Island [Mr. METCALF]. Has the Senator talked with that Senator and is he satisfied?

Mr. HEFLIN. I have spoken to him——

Mr. JONES. Mr. President, I think I received some objections to the bill this morning, either by letter or telegram.

Mr. HEFLIN. Let me explain to the Senator. There was objection in the committee because the bill included grain, but upon the suggestion of the Senator from Oregon [Mr. MCNARY], the Senator from Kansas [Mr. CAPPER], the Senator from South Dakota [Mr. NORBECK], and others grain was stricken out of the bill entirely, so it now touches nothing but cotton.

Mr. JONES. I think I shall have to ask that it go over until to-morrow. Then I will take it up with the Senator. I suggest that the Senator withdraw it for to-day and renew his request to-morrow. Is it on the calendar?

Mr. HEFLIN. Yes; and I have sought to bring it up twice before, but Senators wanted to look into it, and they keep on looking into it. Will not the Senator withdraw his objection?

Mr. JONES. I want to look at these telegrams and letters from my constituents. I think I owe that to them. They mentioned this particular bill and I want time to look into it. I have not had time this morning.

Mr. HEFLIN. This touches cotton only, and I can not see why the grain interests would want to keep us from providing a penalty as is provided in this bill.

Mr. JONES. These communications were not from grain interests.

The PRESIDING OFFICER. Objection is made to the present consideration of the bill.

PRODUCTION OF TUNGSTEN

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The resolution (S. Res. 203) submitted by Mr. ODDIE on the 20th instant was read and agreed to, as follows:

*Resolved*, That the United States Tariff Commission be, and it is hereby, requested, under the provisions of section 315 of the tariff law of 1922, to make forthwith an investigation into the costs of production of tungsten in the United States and China, the principal competing country, and to report its findings to the President of the United States.

LANDS FOR ACOMA PUEBLO INDIANS

Mr. CUTTING. Mr. President, I desire at this time to enter a motion that the vote by which House bill 11479, to reserve

certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians was passed, be reconsidered, and I move that the House be requested to return the bill to the Senate.

Mr. BRATTON. Mr. President, in this connection I want to make a statement. That is a bill which was introduced in the House of Representatives by the Representative from New Mexico. When it reached this body it went to the Committee on Indian Affairs, and on behalf of that committee I made a favorable report on the bill. I favor the bill, but I do not want it to be enacted into law without my colleague's consent, and I am entirely willing that the vote shall be reconsidered in order that he may have ample time to investigate the situation. The vote was taken on day before yesterday.

The PRESIDING OFFICER. The motion to reconsider will be entered. The question is on agreeing to the motion of the junior Senator from New Mexico that the House be requested to return the bill to the Senate.

The motion was agreed to.

### NAVAL APPROPRIATIONS—MARINES IN NICARAGUA

Mr. GLASS. Mr. President, I desire to say in a word that I was unavoidably absent from the city yesterday when a vote was taken on the so-called Nicaraguan amendments to the naval appropriation bill. Had I been present, I should have been recorded as voting against the proposed amendments.

In view of the general newspaper report that the action of the Senate is taken as an approval of the course of the President in dealing with Nicaragua, I desire to state that I would not have voted in the way I have indicated as an indorsement of the course of the President, because I think that in sending troops to Nicaragua the President had no constitutional or statutory warrant. I think he made a very grave mistake, which, had it been made with respect to one of the major nations of the earth, might and very likely would have resulted in dangerous and disastrous consequences.

Therefore my vote in no sense would have been an approval of the course of the Executive, but merely in favor of maintaining the moral obligation of this Nation under its contractual relations, albeit the contract should never have been made. My vote would simply have confirmed the good faith of that contract.

Mr. FLETCHER. Mr. President, in connection with what the Senator from Virginia [Mr. GLASS] just said, I want to add my concurrence and to suggest a further objection to the amendment proposed against which he said he would have voted if he had been present yesterday, to wit, the offense of attempting to place important legislation on an appropriation bill, especially to attempt to define the foreign policy of the United States by an amendment to such a bill, and in view, further, of the fact that the bill was an appropriation bill which would lose its force and would expire and end at the termination of one year. These seem to me to be insuperable objections which might be added to what the Senator from Virginia said.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10141) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KNUTSON, Mr. ROBSION of Kentucky, and Mr. HAMMER were appointed managers on the part of the House.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2900) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

### PENSIONS AND INCREASE OF PENSIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10141) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. NORBECK. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ROBINSON of Indiana, Mr. NORBECK, and Mr. STECK conferees on the part of the Senate.

### PENSIONS AND INCREASE OF PENSIONS

Mr. NORBECK submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2900) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 7, 15, 18, 21, 24, 36, 41, 53, 58, 64, 65, 67, 68, 71, 74, 80, 81, 82, 94, 99, 106, 117, and 126.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 2½, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 17, 19, 20, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 42, 43, 44½, 45, 46, 47, 48, 49, 50, 50½, 51, 52, 54, 55, 56, 57, 59, 60, 61, 62, 63, 66, 69, 70, 72, 73, 75, 76, 77, 78, 79, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 95, 96, 97, 98, 100, 101, 102, 103, 104, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 118, 119, 120, 121, 122, 123, 124, 125, and 127, and agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: Restore lines 14 to 17, inclusive, and lines 22 to 24, inclusive, on page 11; and the House agree to the same.

Amendment numbered 44: That the Senate recede from its disagreement to the amendment of the House numbered 44, and agree to the same with an amendment as follows: Restore lines 10 to 13, inclusive, on page 23; and in line 10, after the word "Weaver," insert the word "former"; and the House agree to the same.

Amendment numbered 93: That the Senate recede from its disagreement to the amendment of the House numbered 93, and agree to the same with an amendment as follows: Restore lines 17 to 20, inclusive, on page 45; and in line 20 strike out the numerals "$30" and insert the numerals "$20"; and the House agree to the same.

Amendment numbered 128: That the Senate recede from its disagreement to the amendment of the House numbered 128, and agree to the same with an amendment as follows: On page 156 of the engrossed amendments, in line 20, strike out the numerals "$30" and insert the numerals "$20," and on page 180 of the said engrossed amendments strike out the following language:

"The name of Allie Crabb, widow of Mark M. Crabb, late of Company H, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $30 per month."

And the House agree to the same.

PETER NORBECK,
LYNN J. FRAZIER,
*Managers on the part of the Senate.*

W. T. FITZGERALD,
RICHARD N. ELLIOTT,
MELL G. UNDERWOOD,
*Managers on the part of the House.*

The report was agreed to.

### PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On April 24, 1928:

S. 1771. An act for the relief of Peter S. Kelly; and

S. 2725. An act to extend the provisions of section 2455, United States Revised Statutes, to certain public lands in the State of Oklahoma.

On April 25, 1928:

S. 3640. An act authorizing acceptance from PETER G. GERRY of the gift of the law library of the late Elbridge T. Gerry.

On April 26, 1928:

S. 1736. An act for the relief of Charles Caudwell;

S. 1738. An act for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon; and

S. 2948. An act to amend section 6, act of March 4, 1923, as amended, so as to better provide for care and treatment of members of the civilian components of the Army who suffer personal injury in line of duty, and for other purposes.

INTERNATIONAL CONFERENCE ON LITERARY AND ARTISTIC PROPERTY
(S. DOC. NO. 89)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Foreign Relations and ordered to be printed:

*To the Congress of the United States:*

I transmit herewith a report from the Secretary of State recommending a request to Congress for legislation authorizing an appropriation of $1,500 for the expenses of a delegate of the United States to the International Conference on Literary and Artistic Property to open at Rome, Italy, on May 8, 1928.

I am strongly in favor of this, and trust that the appropriation may be promptly granted in view of the short interval of time remaining before the opening meeting.

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 26, 1928.*

BOULDER DAM

The PRESIDING OFFICER (Mr. COUZENS in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, Senate bill 728.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. JOHNSON obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield that I may call for a quorum?

Mr. JOHNSON. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edge | La Follette | Sackett |
| Barkley | Edwards | Locher | Schall |
| Bayard | Fess | McKellar | Sheppard |
| Bingham | Fletcher | McMaster | Shortridge |
| Black | Frazier | McNary | Simmons |
| Blaine | George | Mayfield | Smoot |
| Blease | Gerry | Metcalf | Steck |
| Borah | Glass | Moses | Steiwer |
| Bratton | Gould | Neely | Stephens |
| Brookhart | Harris | Norris | Swanson |
| Broussard | Harrison | Nye | Thomas |
| Capper | Hayden | Oddie | Tydings |
| Caraway | Heflin | Overman | Tyson |
| Couzens | Howell | Phipps | Vandenberg |
| Curtis | Johnson | Pittman | Wagner |
| Cutting | Jones | Ransdell | Walsh, Mont. |
| Dale | Kendrick | Reed, Pa. | Warren |
| Deneen | Keyes | Robinson, Ark. | |
| Dill | King | Robinson, Ind. | |

Mr. JONES. I was requested to announce that the Senator from West Virginia [Mr. GOFF], the Senator from Idaho [Mr. GOODING], and the Senator from Montana [Mr. WHEELER] are detained from the Chamber in committee.

The PRESIDING OFFICER (Mr. McNARY in the chair). Seventy-four Senators having answered to their names, a quorum is present. The Senator from California will proceed.

Mr. JOHNSON. Mr. President, in presenting the pending bill it is my purpose, very inadequately and quite briefly, first to tell something of the background or the history of the proposed legislation, and thereafter to take the bill, section by section, so far as I can, and explain the reasons for the various provisions in the measure and the necessity for its passage. In thus presenting the question, I ask the consideration of the Senate that I may not be interrupted during that endeavor; and I say to the Senate, and to each individual Member, that when I shall have concluded with the presentation I shall be very glad, indeed, to endeavor to answer any questions that may be propounded.

Mr. President, the legislation does not fall within the category of twice-told tales. It is an oft-repeated story of what should be the design of a legislative body in response to the necessities and the requirements of a large part of our people. The legislation, sir, had its origin in very small beginnings of a hardy race of pioneers who treked across the continent and founded a new empire in the great southwestern portion of the United States. It had its very small beginnings in their cry for aid to the Congress of the United States, and to-day, sir, it has become, with the lapse of time, one of the most important pieces of legislation pending before the Congress. It is an important piece of legislation, first, because it is the greatest constructive work now pending in the country, the greatest constructive work of our generation; and, secondly, and equally important, because it is the test in the Congress of the United States of whether there are the power and the courage in the Congress, in the face of great private interests and enormous amounts of wealth, to enact legislation which is required by a part of the people of the Nation. Important, sir, in every aspect it is, then; and I speak advisedly when I say that it is the greatest work of its character ever undertaken by legislation, the greatest constructive undertaking that man has ever set himself to.

If there were such a thing as imagination in this body, that imagination would be fired by the endeavor to accomplish a monumental work such as is contemplated by the pending measure. But whether we be wholly practical or whether there be any imagination among us, nevertheless, the work which is sought to be done is of a character incomparable in all the world, and, therefore, is entitled to the interest—not only the interest but the closest consideration and most careful study—of every man who presumes to represent the people upon this floor or in either House of Congress.

The measure deals with the Colorado River in part. The Colorado River is one of the great streams of the world. It is the third largest river in the United States. It has its source way up in the northwestern portion of the State of Wyoming, where, singularly enough, within the radius of 150 miles three great rivers of the United States have their highest source—the Columbia, the Missouri, and the Colorado. The Colorado, meandering down from the northwestern part of Wyoming, traverses seven States of the Union, and after passing a short distance through Mexico flows finally into the Gulf of California.

The Colorado is a peculiar and remarkable river, with characteristics such as are possessed by no other stream, I take it, in all the world. Sir, in its torrential moods it has torn in Mother Earth great chasms, which present a marvelous scenic effect such as can be witnessed in no other locality. In its sluggish times it has deposited its silt along its course in the years and years gone by until, with that deposit of silt in the Imperial Valley and just south of the Imperial Valley, it has built up a territory more fertile than the valley of the Nile, and which is unrivaled in any other place on earth. It has built its chasms throughout the great mountains with its torrential floods. It has built this territory, rich in productivity, with the carrying and deposit of the silt that is a part of that river. In drought and in flood it has equally been the enemy of man. It is in the endeavor to transmute this river, which has been a menace in all of its moods, into an asset nationally that the bill is presented to the Congress.

The purposes of the bill, sir, are many, five, in reality, under general heads. It seeks, first, flood control; next, irrigation and reclamation of arid lands. Thirdly, it seeks to solve an intolerable international situation. Fourthly, it endeavors to provide water for domestic purposes to the coastal cities of southern California. Fifthly and lastly, it endeavors, by the generation of electrical power, to furnish the means for payment of the entire plan and the whole scheme, so that the United States Government shall not be in any way drawn upon ultimately for the expenditure of a single cent for this great undertaking.

At the beginning of what I say to-day, at the end of the argument whenever that shall occur, whether within a week or a day or a month or a year or a lifetime—at the beginning and at the end of the argument upon the pending measure, I want to make plain to those who do me the honor to listen to me that under the provisions of the measure the United States Government will not be required ultimately to pay a single dollar. I iterate and reiterate this, sir, because again and again in newspapers which publish their articles for one reason or another, by individuals who make their assertions for one cause or another, repeatedly it has been asserted that under the measure the taxpayers of the United States will be required to go deep into their pockets in order to afford some benefit to the people in the southwestern portion of our country.

Not so, sir; not so at all. Nothing will be required from the United States Government ultimately. The provisions of the bill emphatically make that plain, as we will see when we reach those provisions. No sum is asked from the United States Government in this plan. Before there can be a shovelful of earth turned or a single dollar expended the United States Government must have in its hands wholly executed contracts which will repay every penny contemplated to be expended under the bill.

Never before in any measure of this magnitude or of this character has such a provision been presented; and I repeat, because of the misrepresentation which has been indulged all over this land, that the taxpayers will be mulcted not of a single penny by the passage of this bill. Taxes will be increased not a farthing. No community, no individual, will be required to pay a single cent toward this project. Every bit of money that may be expended upon it must be paid out of the project itself, and the Government of the United States must be satis-

fied upon that point before it begins any activity of any kind or any character.

Flood control, sir, is the first purpose of the measure. That this is a national purpose none, of course, will gainsay. We have demonstrated that upon the flood control bill of the Mississippi River recently; so that there are none to be heard to-day who will not say that when flood control is necessary for the protection of peoples or of territory within the United States the problem becomes one national in character, that the Nation itself must provide for, and the Nation itself must endeavor to accomplish.

Flood control, sir, is here the first desideratum—flood control in order to protect against threatened dangerous floods parts of Arizona and the Imperial Valley in the State of California; and that you may understand something of what this flood menace is let me describe to you, as it has been described again and again, the peculiar topographical character of the Imperial Valley.

There, sir, is a soil made by the Colorado River. There, sir, is a soil that through the ages has come by the filling up of a part of the Gulf of California. It is below sea level; and the Imperial Valley is like the base of a saucer, while around the rim of the saucer flows the Colorado River. The Colorado River flows upon an eminence above the valley itself, threatening constantly inundation of the valley, and threatening that inundation, sir, not alone because of the periodical turbulence of the Colorado River and its occasional great floods but threatening it because the bottom of the river is being gradually filled with the silt that is carried by the water itself and because the levees, that have served as a temporary protection to the Imperial Valley, have now reached the height where danger finally exists, and they can be erected and constructed to very little greater height.

The silt carried by the Colorado River constitutes one of its menaces. In a single year it carries in quantity an amount equal to the total excavations of the Panama Canal.

In 1905 and 1906 there were disastrous floods in the Imperial Valley; and that they are disastrous and different in kind from the floods which occur in every other part of the United States will be obvious to you when you realize that a flood in the Imperial Valley means that the water goes down below sea level. It has no outlet at all; and only the slow process of evaporation will enable the water that inundates the valley to be dissipated from the land upon which it may flow.

A flood upon the Mississippi may be a catastrophe at which all of us stand aghast. A flood in the Imperial Valley is a very different sort of thing. In the Mississippi Valley there will be disaster and there will be loss and there will be lands for the moment covered with the great rushing torrent. But lands may ultimately be reclaimed. Losses may finally be remedied.

In the Imperial Valley there is no such thing as reclamation; once the water goes down 250 feet below sea level into that valley from the dikes that surround it, no method in which there can be rescue of the valley; and total annihilation results. Floods, therefore, are in the Imperial Valley more to be dreaded, more to be feared, and more disastrous in their consequences than floods in any other place and from any other river.

A quarter of a century ago the Imperial Valley was a mere desert waste. I can recall the time—and I can recall it, too, as if it were but yesterday—when men adventured across those desert wastes, and for their daring found themselves lost in the dreary sands, and oftentimes their lives were forfeited. To-day in the Imperial Valley there are five or six growing, beautiful little cities, 65,000 people, and more than $100,000,000 of wealth; and in the brief period of a quarter of a century those people have builded from this arid desert waste a territory second to none on earth in its fertility and in its productivity.

I hear occasionally the objection made by some of our brethren who are engaged in agricultural pursuits, and some of the gentlemen who come from the South, that they do not desire to see lands brought into productivity under a bill of this kind, because it will cause increased competition in agriculture and will, with additional lands reclaimed and devoted to cotton, reduce possibly the prices of that commodity.

It is not so with the ordinary production in the Imperial Valley. With the production of cotton it has been demonstrated in late years that it can not be so; and that you may understand something of that which is produced from the Imperial Valley let me say to you that last year—in 1927—17,764 carloads of cantaloupes were shipped from that valley that come in competition with no other product in the production of which the constituents of any Senator upon this floor may be engaged. Eight thousand nine hundred carloads of lettuce were shipped in 1927, in December, January, February, and March. Three thousand five hundred carloads of watermelons were shipped in May and June, mostly to the Pacific coast; and the rest of the produce that came from the valley in the main was shipped within the State of California for consumption there.

The Imperial Valley has been described, perhaps accurately, as the greenhouse of the whole United States. What is raised there profitably comes in competition with nothing that is raised in any other part of our country. I want to impress that upon some of the gentlemen who have talked to me about the productivity of the Imperial Valley and new lands coming in under the reclamation provisions of this bill.

What is raised in the Imperial Valley is peculiar to itself, comes into market at a time when it does not conflict with any other produce in this country, and has no competitive advantage or otherwise with the produce that is raised in any other part of our land.

I heard the other day, from one of our brethren from the Southern States, something said about what might happen to cotton in the South if the Imperial Valley were permitted to reclaim other lands, and if Arizona were permitted to reclaim other of her lands. I have here the statistics of the cotton crops of the Imperial Valley in the last few years, and I may state in general terms that constantly and yearly the production of cotton in the Imperial Valley has decreased—decreased in such marked proportions that it is obvious that in a very brief period no longer will cotton be produced in the Imperial Valley at all. The reason for this is the profit that is derived from the other crops; and, because the other crops can be more readily raised and the profits are greater, the acreage devoted to cotton is being gradually reduced.

In 1924 there were 20,000 bales of cotton ginned in the Imperial Valley. In 1926 there were only 6,000 bales ginned; and, during the years, down the scale has gone the number of bales of cotton ginned in the Imperial Valley, and the number of acres used.

On the other side of the line, however, where we are endeavoring to correct an international problem, there lies the danger, in Mexico; and the man who comes from a cotton State and votes against this bill upon the theory that he is aiding his cotton State, on the contrary does a great injustice and wrong to his territory, because in the days that are passing, while nothing is being done to control the Colorado River, cotton is being raised in old Mexico, and will continue to be raised there; and by preventing the adoption of a measure of this sort the competition that the southerner would wish to avoid in the raising of cotton, he invites by inviting the continuance of the production of cotton in Mexico below the line of the Imperial Valley.

In this valley now there are something like 400,000 acres of land cultivated. In Mexico under irrigation and reclamation just below the line are some 200,000 acres of land; and the cultivation in Mexico and the reclamation of lands there are increasing in greater proportion than the cultivation of lands in the United States and in the Imperial Valley.

May I say to you that the danger of flood is so great in the Imperial Valley that loans can not be obtained from the reserve banks or the farm-loan banks situated on the Pacific coast.

I hold in my hand a letter written on the 4th day of November, 1927, by the Federal Land Bank of Berkeley, Calif., in which, very tersely, this answer is made to a request for a loan in the Imperial Valley:

> Answering your favor of October 29, this bank ceased making loans in the Imperial Valley some years ago, and we must stay out of that territory until the flood hazard has been eliminated.
>
> Very truly yours,
>
> THE FEDERAL LAND BANK OF BERKELEY,
> By SIMMS ELY, *Treasurer*.

Thus we have a situation presented where there is such imminent danger of flood that the Government agencies will make no loans there. None deny it.

We have a situation presented where the Federal farm-loan banks will not lend upon land that is the most fertile land, admittedly, in all the United States.

We have a situation presented where a great river is running into the sea in flood, going to waste, and in drought doing its incalculable harm, for the danger that exists to the territory that is situated in the Southwest is twofold in character. The danger is, first, from want of water when there is little in the river and from too much water during times of flood; and that this is a real danger is obvious from the fact that only two years ago in the Imperial Valley the losses amounted to over $5,000,000—over $5,000,000 for want of water alone—and that the danger exists from flood, I think, will not be gainsaid by any, no matter who they are, upon this floor, or any of those, either friend or foe, who know the territory.

Irrigation and reclamation constitute one of the reasons for this measure. Two hundred thousand acres of land in Arizona without a pump lift may be reclaimed and irrigated under this measure. Six hundred thousand acres of land in Arizona, probably, with a pump lift that is not excessive, may be irrigated and reclaimed. Three hundred thousand acres in California without pump lift at all may be reclaimed. One hundred thousand acres with a pump lift of 50 feet may be reclaimed. All desert now; and please keep in mind that where it is sought to place this great dam is in a territory where both sides of the river are owned by the United States, and that the land between the site proposed for the great dam and the boundary of the United States and Mexico is practically composed of lands belonging to the United States of America. All the long distance from the site of the proposed dam—nearly 300 miles—to the Yuma project near the Mexican boundary is composed of lands practically in ownership of the United States.

Keeping that in mind will make plain to you some of the reasons why some of the objections which ultimately may be made to this measure need not be answered at all.

There is an international situation existing to-day in connection with the Colorado River and the Imperial Valley which this bill seeks to solve. That it should be solved the Secretary of State, the Secretary of Commerce, and the Secretary of the Interior are all agreed. That it should be solved every man who is familiar at all with that country and all who understand anything of the distribution of the waters of the Colorado River there will readily admit.

The Colorado River runs between California and Arizona and then, so far as the Imperial Valley is concerned, by its canal water is carried 60 miles through Mexico up into the Imperial Valley again. Mr. President, let me refer to the international situation which, through no fault of the people of the Imperial Valley, has been created there. The Imperial irrigation district is a going, solvent concern, the largest irrigation district in the country and probably the one that does greater work in that line than any other district in the Nation.

The Imperial irrigation district manages, of course, the distribution of water in the Imperial Valley. The ditch of that district, because originally there were few settlers in the Imperial Valley and because it seemed more economical to carry the water in that fashion, runs across into Mexico, and then for a distance of 60 miles traverses Mexican territory, until it comes up again in the Imperial Valley and distributes the water there which is the sustenance of that land. Water is everything to that territory, of course. The territory was barren waste, mere desert, at one time. Some one then discovered—and that within our lifetime—the possibilities with water put upon the land. There is no rainfall, practically, in the Imperial Valley. There are no wells there. The people of that territory are dependent not only for the irrigation of their lands upon the Colorado River and this canal which runs 60 miles through Mexico, but they are dependent, too, for their very drinking water, their domestic water, upon this Colorado River thus running.

Within a very few hours, aye, within a very few moments, in Mexican territory, the entire life of the Imperial Valley could be destroyed, or, if the ditch were cut there, or if a few sticks of dynamite were utilized by those who were hostile to us, not only would the lands be dried and the crops be destroyed, but the people themselves would be required to leave their homes because unable to obtain drinking water.

Thus it is that we have presented an intolerable international situation, an intolerable international situation which seriously affects 65,000 Americans in the Imperial Valley and Imperial County, and upon which depends $100,000,000 worth of property in the Imperial Valley.

I assume, sir, that if we were dealing only with property nearly every man here would rise in his majesty and his might and tell how property should be protected in the Imperial Valley, but there are only 65,000 American citizens—men, women and children—down there, too, and 65,000 American men, women, and children, of course, are of little consequence when we consider the wealth of a great power combination in the United States of America.

However that may be, the Secretary of State, the Secretary of Commerce, the Secretary of the Interior, every individual who has dealt with the subject in any way, or has even touched it at a tangent, agrees that there ought to be relief from that which now prevails in the Imperial Valley and from this condition of the canal that runs through Mexico for 60 miles, upon which so many people are dependent.

So, as a part of the plan of this bill an all-American canal is provided for, too, an all-American canal which will run through American territory, carrying water of an American river to Americans who reside upon American soil, so that they will not be dependent upon what may transpire in a foreign country. This all-American canal is a part of the crystallized plan that represents years and years and years of study and effort, years and years and years of endeavor by engineers and others in the United States to solve the problems of the Colorado River and the problems of the people who are dependent upon the waters of that river.

We come here to-day with no plan of yesterday; we come with no scheme of a month or a year ago; we come here, sir, with no ill-considered project that is presented by those who know little or nothing about the subject matter. We come here with a plan that saw its genesis away back in the eighties, when the Colorado River first began to be traversed and to be studied, and then that took its form and substance during all the period from Roosevelt to the present day, a scheme and a plan and a project that has had the most intensive technical study and the indorsement of the best engineering skill in the United States.

It is a difficult thing to impress this upon Members of Congress. A man comes in to-day, and he reads this bill, or he hears somebody from some place talk concerning it, and he imagines he is able to deal with the subject and to present something which shall be of value to it. It took me years—and I am no more dense or stupid than the average Senator—to understand all the complications and convolutions and all the minutiæ and all the details of the project, a project which represents the crystallized sentiment of four administrations, and of substantially every distinterested engineer who has examined this project during the last quarter of a century. So to-day we come with this unified project, solving so many different problems of the Colorado, and so many different problems of those who are residing in that particular territory. Among the solutions provided is this all-American canal.

There is one thing that the all-American canal does, and I recognize the fact that some opposition to this bill is because of the fact that it does that very thing. The all-American canal will stop the feverish activity which now exists across the American line in Mexico, will halt that feverish activity in irrigating and reclaiming lands there at the expense of lands in the United States of America.

To-day, sir, with the flow of the Colorado River unregulated, there are 600,000 acres of land practically under irrigation and reclamation. I am speaking now of the territory on the other side of Yuma. There are 400,000 in the Imperial Valley and 200,000 in Mexico. The waters of the Colorado River now unregulated are not sufficient for the irrigation and reclamation of even these lands.

Under the old contract that exists with Mexico one-half of the water that goes into the great irrigation canal of Imperial Valley as it flows through Mexico is first to be utilized by Mexican lands, and the remaining portion that flows through this 60 miles of canal and comes up then into the Imperial Valley is to be utilized by the Imperial Valley and the Imperial Valley people. The only way, I think, in which we can protect American lands is by regulating the flow of the Colorado River, and the only way in which we can regulate the flow of the Colorado River appropriately so as to do the job is by a high dam at the Boulder or the Black Canyon.

Keep in mind, please, that every acre that is now being reclaimed and irrigated on the Mexican side because of the existing contract and because the flow of the Colorado is unregulated, means an acre that will be arid, waste, and desert upon the American side. That is what the defeat of this measure means. That is what some people desire who own lands over the Mexican border. That is what some Americans, rich beyond the dreams of avarice, with 850,000 acres of land over across the border, wish. They desire that the situation shall remain as it is, or that there shall be a low dam for flood control alone, so that there may continue to be irrigation and reclamation in Mexico, irrigation and reclamation in Mexico at the expense of the irrigation and reclamation of lands in the United States of America.

The all-American canal solves this problem, and that is the reason why, in the unified scheme and the crystalized plan that has been presented here, the all-American canal is included as an integral part.

The provision for domestic water is an important although a secondary part of this measure, and domestic water can be provided for the coastal cities of southern California in just one way—from the Colorado River, and from great storage at the Boulder or the Black Canyon.

Mr. Roosevelt once said that the use of water for domestic purposes was the highest use to which water could be put, and when cities and peoples ask that they may be given

potable drinking water from a particular stream where the water to-day is wasting into the sea, they have a right to expect a ready response from those who represent them.

You may not realize how great has been the increase of population in southern California. You who come from Baltimore, for instance, you who come from a city like Detroit, let me tell you that the registration in the county of Los Angeles for the primary of those qualified to vote, and in one party in California there is no contest this year, is more than 722,000. Do you realize what that means in population, and do you realize what it means in the rapid increase in population, 722,000 qualified voters in one county in southern California to-day?

I come, sir, from what used to be the metropolis of the Pacific coast. We registered the other day 208,000 qualified voters. In Los Angeles County alone 722,000 are registered to-day for a primary election, in which there is no contest, in one of the major and the dominant parties there.

With that population, it is obvious that the efforts which have been made to provide Los Angeles with water have fallen short of what it was supposed had been accomplished. There is only one place to which Los Angeles can go to get domestic water, just one place, and that is the Colorado River. Los Angeles and the other cities of southern California will have to pay for that privilege, because, already expending millions in investigations, it is estimated that it will cost $150,000,000, with a pump lift of 1,500 feet to surmount intervening mountains to take that water from the Colorado River.

Not only has Los Angeles increased in the proportion I have indicated, but all the other southern California counties have increased in like fashion. The metropolitan water district of southern California is composed not alone of the city of Los Angeles, but of cities in Riverside, Orange, and San Bernardino Counties and other territory. Some twenty-odd municipalities are a part of the metropolitan water district there, which seeks to obtain water from the Colorado River.

The last purpose that there is in this bill is that which makes doubtful its passage. The last purpose in this bill is the generation of electrical power, the generation of electrical power at the dam for the purpose of paying for the project. It is a by-product incident to the other purposes of the bill, and a by-product in order that the whole scheme may be paid for and may be made financially sound.

Mr. TYDINGS. Mr. President, I desire to suggest the absence of a quorum, but I will not do so if the Senator from California would not like to have me do so.

The VICE PRESIDENT. Does the Senator from California yield for that purpose?

Mr. JOHNSON. I thank the Senator. I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edwards | McKellar | Shortridge |
| Barkley | Fletcher | McMaster | Simmons |
| Bayard | Frazier | McNary | Smith |
| Bingham | George | Mayfield | Smoot |
| Black | Gerry | Moses | Steiwer |
| Blaine | Glass | Neely | Stephens |
| Blease | Gould | Norbeck | Swanson |
| Borah | Harris | Nye | Thomas |
| Bratton | Harrison | Oddie | Tydings |
| Brookhart | Hayden | Overman | Tyson |
| Broussard | Heflin | Phipps | Vandenberg |
| Capper | Howell | Pittman | Wagner |
| Caraway | Johnson | Ransdell | Walsh, Mont. |
| Copeland | Jones | Reed, Pa. | Warren |
| Couzens | Kendrick | Robinson, Ark. | Waterman |
| Curtis | Keyes | Robinson, Ind. | Wheeler |
| Cutting | King | Sackett | |
| Deneen | La Follette | Schall | |
| Dill | Locher | Sheppard | |

Mr. JONES. I was requested to announce that the Senator from Ohio [Mr. FESS], the Senator from West Virginia [Mr. GOFF], and the Senator from Idaho [Mr. GOODING] are detained in committee.

The VICE PRESIDENT. Seventy-three Senators having answered to their names, a quorum is present.

Mr. JOHNSON. Mr. President, the last of the purposes of the bill which is before us is the subordinate one of power. Not only would it be unwisdom on our part to construct a dam of the character of the dam which is provided for by the bill, but it would be an idiotic policy, only to be followed by those who fawn upon public-service corporations and power lobbies generally, that would preclude us from proceeding to generate electricity on a dam under the circumstances under which this particular structure would be built. To say that we should erect a dam in the Colorado River for the purpose of protecting our people from flood, to say that we should erect a dam in the Colorado River to reclaim and to irrigate hundreds of thousands of acres of land, to say that we should erect a dam in the Colorado River for the purpose of solving an intolerable international condition, and then, with the dam and the means at hand for paying for the entire project, to say that we should not utilize that which was there for us to utilize, would be an economic idiocy of which no independent legislator ever could be guilty.

Here at hand, with the dam contemplated by the bill, are the means of paying every dollar that may be expended by the United States in this great project. I did not have, sir, the temerity to ask the Congress for an appropriation of the amount which is asked by the bill without providing for the repayment of that appropriation. I think that had I come to the Congress some years ago, when first we came with this measure, and had asked an appropriation of $125,000,000 and then said it should come forthwith from the Treasury and that there should be no means of reimbursement of the United States, I would have had proponents neither upon this floor nor in any other part of the city of Washington.

It was essential that the means be provided by our measure to meet the appropriation. Those means are provided. We have only taken what is at our hand in the construction of this great dam. We have only taken that which naturally and inevitably results from the great work, in order to pay the United States Government for its outlay and for its expenditure in behalf of its people and its land.

Of course, here lies the rub in the bill. If there were not any power to be generated at Boulder Dam, if there were not any power to be generated to pay for the project, if we were supinely to say that we would give to everybody who desired it, without any cost to them, all of the profit that might be derived from this great enterprise, there would be an enthusiastic accord in some quarters in behalf of the bill, where now we find a shaking of heads and a doubt of the feasibility of the project. It is so easy to say that a project of this sort "is not feasible" and "it ought not to be attempted," and illustrations galore present themselves to those who doubt and those who fear because private enterprise is not reaping the profits of a great public undertaking. So I have seen lately, sir, some ghouls of the press and others telling what a dreadful example is before the Congress in this bill in view of the disaster that occurred in the San Francisquito Canyon, with a dam that was erected by the city of Los Angeles. I have read some articles and heard some people say, "This is an enterprise upon which the Government should not start; it should never engage in this sort of undertaking because of the disaster that occurred in the San Francisquito Canyon to a dam that was erected by a municipality." That argument—that sort of stuff some gentlemen who are ever prating of private initiative have the temerity to indulge in upon this measure.

Here is a dam which will be the highest in the world. Does any one say we can not build it and that those who represent the Reclamation Service are not able to construct it? I deny it. Here is a dam that the United States itself would build in the Colorado River at Boulder or at Black Canyon, a dam 550 feet in height, higher than any other dam on the face of the earth, with a storage capacity back of it greater than any storage capacity ever before so created in a storage capacity of 26,000,000 acre-feet—a 550-foot dam, 26,000,000 acre-feet in storage, a lake 90 miles long—and this is to be built by the United States of America.

The Reclamation Service of the Government is an organization of a quarter of a century's standing. It is provided by congressional act. It specializes in the construction of works for irrigation purposes. It is the largest, most efficient, and most successful organization of its kind in existence. It has built approximately 100 dams, some of them among the highest and largest in the world. Its engineering corps represents a body of capable and experienced men who are expert in every sense of the word. They are hired and paid by the Government of the United States. They are in the Federal service because of demonstrated ability in the line of engineering. They have shown themselves worthy of the confidence of the Government and of the country. They will do the job.

Notably among the higher dams built by the Reclamation Service are the following: The Arrowroot in Idaho, 349 feet in height; the Elephant Butte in New Mexico, 306 feet in height; the Roosevelt in Arizona, 280 feet in height; the Shoshone in Wyoming, 325 feet in height. These are all works of the United States Government, built by the Reclamation Service. The Reclamation Service and the United States Government say that this is a feasible project, and that this dam at the particular locality can be built exactly as we contemplate, and it is the United States Government that will go ahead with the job.

Some of our brethren say, "Oh, the demonstration that the Government can not do it is found in the recent disaster in the San Francisquito Canyon Dam, because, forsooth, that dam

was owned by a municipality, and being owned by a municipality it is evident now that neither municipalities nor States nor the Nation itself can build an enterprise or a structure of this kind."

Power we expect to generate here at this dam—to generate it because we have the market for power. There in that territory we have this market in the requirements of pumping a supply of domestic water that is to be given to the coastal cities of southern California. The water must be pumped 1,500 feet over the mountains, and in order to do that some 300,000 horsepower of electricity must be utilized; and there is only one place where that can be obtained, and that is from the power generated at the Boulder or the Black Canyon, under this bill.

So the market for power is there; and the market for power being there, the people to pay for it being in existence, there is no question on earth—differing from every other measure of this kind that has ever been presented—but that the United States Government will receive every penny and every dollar that it shall expend or for which it shall contract under this bill.

Now, let us turn for a moment, if you please, to the bill itself; and hastily I want to go through its sections, so that we may have some adequate understanding, or that there may be some explanation from me, at least, in the RECORD concerning the provisions of the bill.

In section 1 the purposes of the measure are stated:

> For the purpose of controlling the floods, improving navigation, and regulating the flow of the lower Colorado River, providing for storage and for the delivery of the stored waters thereof for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking.

For these purposes the Secretary of the Interior, subject always to the terms of the Colorado River compact—

> is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River adequate to create a storage reservoir of a capacity of not less than 20,000,000 acre-feet of water, and a main canal and appurtenant structures located entirely within the United States.

All, you will observe, subject to the Colorado River compact.

Mr. President, let me pause for a moment to speak of the Colorado River compact.

The Colorado River makes, in its peculiar meanderings, two basins, termed the upper and the lower basins. In the upper basin are embraced the States of Wyoming, Colorado, New Mexico, and Utah. In the lower basin are embraced the States of Arizona, Nevada, and California. Some years ago—six, indeed, to be accurate—there were meetings held which finally resulted in the execution of what was termed the Colorado River compact. I will not in detail explain now exactly the provisions of that compact. Suffice it to say that it sought to divide at a place called Lee Ferry, between the upper and the lower basins, or to allocate as between the upper and the lower basins the waters of the Colorado River.

Thereafter the compact was not ratified. It may have been the fault of one State or another. It is immaterial for the moment, in the course of this argument, whether it was the fault of one or another, two, three, four, or five States, as the case may be. It stands to-day unratified; and the compact to-day is ineffective as among the States because of that lack of ratification.

Now, let me point this out to my friends of the upper-basin States: You say to me that you are willing that we should have this bill if all seven States ratify the compact. I assume you say that. I do not say that you do, sirs; but let us assume that you do. That means that one State that does not desire to ratify the compact—and that one State of that sort exists can not be denied at all—that one State, then, refusing to ratify the compact, can forever prevent the realization of the hopes of the people of southwestern United States for the control of the Colorado River. You say to me in effect, when you say that, "We would rather the water of the Colorado would go to waste in the sea than that you should have a measure of protection such as is given by this bill"—a full measure, in my opinion. You would rather it would go to the sea than that there should be any legislation for the protection of 65,000 American people, or any legislation for the purpose of preventing the intolerable conditions that now exist.

Let us see where you go in this attitude.

Western water law is a different thing from the doctrine of riparian rights. In the West, to put it crudely, the law is that the first appropriator in point of time who puts water to a beneficial use has the right to that water. Title to water in the West is obtained by virtue of appropriation to a beneficial use. Where is this water being put to a beneficial use to-day, and where is the only place that it can be put to beneficial use? Mainly in the State of California.

I wish that there were no shadowy border lines, no shadowy lines of demarcation, between the States, so that we would not have our difficulties between States. They are all peoples, and they are all people of the United States and citizens of the United States; and to say that an arbitrary line that may cleave some man's ranch shall leave him, on one side of it, to the mercies of the Colorado, and, on the other side, in a situation where some States must adopt a seven-State compact, or he must be drowned out ultimately, is an injustice that ought not to be tolerated, and that Congress ought not to tolerate.

We write this bill around the compact. We incorporate in it the very amendments that were presented by the upper-basin States. The amendments that are in the bill that refer to the Colorado River compact were written by the men of the upper-basin States, and inserted at their request; and in every conceivable fashion that the upper-basin States can be protected, in every way in which we can make this scheme and the lands that are watered by the Colorado, from the storage and the regulated flow of that river under these works, subject to the Colorado River compact, we have done it in this bill.

What a travesty it is for these people from the upper basin States to say to us, "You must give us a seven-State compact or you never can get relief, and the Colorado River will never be harnessed." Even though we be destroyed, into this bill has been written every single, solitary, conceivable provision that will protect the Colorado River compact and the upper basin States.

The land that will be reclaimed and will utilize the waters of the Colorado belongs to the United States, and so we have impressed upon those waters that will be stored by the United States Government the Colorado River pact—impressed it so that they can only be used in accordance with the Colorado River pact; and everything has been done in this bill that it is possible to do, even to writing in an amendment at the instance of the Senator from Wyoming by which California binds herself for all time never to utilize more than 4,600,000 acre-feet, the maximum that she may utilize in all the years to come. So we have done all that we could in order to protect the other States and in order to protect the Colorado River compact and to write it into the bill.

You will observe in the first section of this bill that the right is given to the Secretary of the Interior to construct, not only the dam and the incidental works creating a storage capacity of at least 20,000,000 acre-feet, and to construct the all-American canal from the Laguna Dam to the Imperial and the Coachella Valleys, but also he is given the power to construct a plant for the development of electric energy.

Let me tell you how these provisions for the construction of a power plant by the Government came to be inserted in this bill.

This bill has been pending so long that I hesitate, sir, to give dates in regard to what may have transpired in respect to it; but I am sure I am well within the fact when I say that some two and a half years ago the Interior Department recommended an amendment in this bill, which was inserted at the request in writing of the Interior Department. The Interior Department requested that there should be written into this bill the option or the right of the Government to construct a plant for the generation of electricity. It was asked by the Secretary of the Interior upon several grounds. I speak now from recollection, but I think I speak with accuracy. It was asked, first, because the topography of the country was such that the privilege to utilize the water at the dam for the generation of power, if granted to one person or interest, could not be accorded to another. That was because of the topography of the country. Next, he said it was essential, in order that the United States Government should be protected in a scheme so large as this, that the Government should have, as it were, the whip hand in dealing with the great power problems.

It was necessary, too, in order that there should not be the possibility of monopoly in the matter of power privileges; and, generally, it was desired so that the Government might be protected. It was a protective measure only. It was not required to be constructed by the Government. It was simply a right, a privilege, or an option which might or might not be exercised in behalf of the Government.

Now, I confess to you very readily, and I would not have anybody misunderstand me in that regard at all, that there are no terrors for me in Government ownership; and no fear

have I of a municipally owned or a Government-owned electrical generating plant. That, however, is apart from this question. This bill does not take the Government into the electrical business. The reason that is given for the opposition of the Power Trust to this bill, sir, is that it takes the Government into the power business. It does not do anything of the sort. It gives the Secretary of the Interior the option, if he deems it necessary to exercise that option, to erect a generating plant; but it is a protective measure alone, and the ultimate determination of whether or not he will do it will rest with the Government of the United States. It strikes me that some of these gentlemen express very little confidence in the words that are uttered by some of those in power to-day when they say that they will not permit, in a bill of this character, even an option by the Government of the United States to erect a power plant or a generating plant at Boulder Dam.

The alternatives are accorded in this bill of leasing the water for power, or, if a plant be created, of leasing units of the plant, or the Government's operating the plant; but the alternatives are alternatives that in the discretion of the Secretary of the Interior and the administration may be exercised or not, as the Secretary and the administration shall deem best for the best interests of the Government.

I make this as plain as I am able to make it because of the repeated statements that have been made concerning this bill and the design of its authors. The provision was inserted in the bill, first, at the direct instance of the Secretary of the Interior of this Government itself; and, in the second place, the provision which is complained of so bitterly by those who are in private business is one of which they have no right to complain, because the provision is one that is optional with the Secretary of the Interior and the United States Government and may or may not be exercised as the Secretary or the Government may elect in the days to come.

That is all there is to the provisions in this bill that have resulted in the printing of those beautiful brochures at a cost of $7,500, paid to a distinguished ex-ambassador of the United States, that have been distributed all over our country by distinguished gentlemen in Washington who have just related the fact. That is all there is to the provision in this bill which, it is asserted, of course, is socialistic in character, taking the Government into business, and the like—no more than that; that and that alone. And when these gentlemen come to oppose this bill and to tell of its iniquities I want to know where they find anything else or what there is in this bill upon which the wildest advocate of profit making out of Government can say there is something done against private enterprise or against private business.

Section 2 of the bill, sir, contains the financial features. These were furnished by the Secretary of the Treasury. I assume, therefore, they will meet with an enthusiastic reception even from the opponents of the measure. They were written into the bill at the suggestion of the Treasury Department.

Section 3 of the bill provides for the appropriation for the proposed project, and on this point let me explain a word.

The appropriation that is authorized is stated in the bill as $125,000,000. That, sir, is, after all, a bookkeeping transaction, for included in the appropriation of $125,000,000 are $21,000,000 interest and the construction of a generating plant by the United States Government.

Eliminate the interest, and eliminate the construction of the power plant, and the amount of the appropriation authorized would then be $72,000,000; that, and that alone. So keep that in mind in considering the amounts that are to be appropriated ultimately from the Treasury.

Section 4 is a provision that was inserted at the instance of the upper basin States; to preclude anything being done until there should be a ratification by six of the Colorado Basin States. It is bad enough to require that of us in a measure of this sort, with the protection this bill throws around the Colorado River compact; but think of it, they require that six States of the Colorado River Basin shall ratify the compact before anything shall be done under this bill. It leaves but one State, then, which may or may not be recalcitrant; but if six States ratify the Colorado River compact with the other provisions of the bill protecting that compact and the upper basin States, we are permitted to proceed.

Subdivision (b) of section 4 is the most rigorous provision that ever was inserted in a measure of this character. I have referred to it and recurred to it once or twice to-day, but permit me to read it so that the few who are here may understand it.

Before any money is appropriated—

Follow me—

Before any money is appropriated or any construction work done or contracted for—

Do Senators follow me? You can neither have an appropriation nor any work done nor any work contracted for—

the Secretary of the Interior shall make provision for revenues, by contract, in accordance with the provisions of this act, adequate, in his judgment, to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within 50 years from the date of the completion of the project, of all amounts advanced to the fund under subdivision (b) of section 2, together with interest thereon, made reimbursable under this act.

There never was an act presented to the Congress of the United States of this character before, where there was inserted such a rigorous provision for repayment. Neither appropriation can be made nor work done nor contracted for until the Secretary of the Interior has in his power and under his hands contracts for reimbursement to the Government of every penny that may be put out and every dollar that may be expended.

There is another provision that was added by the committee as an amendment to the bill, that—

If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract, or contracts, executed under this act, then, immediately after the settlement of such periodical payments, he shall pay to the State of Arizona 18¾ per cent of such excess revenues and to the State of Nevada 18¾ per cent of such excess revenues.

The committee added this amendment because the committee thought that something was being taken in the nature of a resource from Arizona and from Nevada by the construction of the dam in the Colorado River, and that there should be some recompense to those States, or some revenue should be derived by them from that construction. The committee selected the rule which now prevails in the oil leasing law, and in one other act as well, for the percentage that was accorded under that amendment.

Section 5 provides that the contract must be general for storage and delivery of water and the Secretary shall fix charges to meet the revenue requirements, and that contracts for irrigation and domestic uses must be for permanent service. An amendment has been inserted there at the request of the upper basin States, offered, I think, in the committee, by the Senator from Wyoming, which provides that—

*Provided, however,* That said contracts shall not provide for an aggregate annual consumptive use in California of more than 4,600,000 acre-feet of the water allocated to the lower basin by the Colorado River compact mentioned in section 12 and one-half of the unallocated, excess, and/or surplus water: *Provided further,* That no such contracts shall be made until California, by act of its legislature, shall have ratified and approved the foregoing provision for use of water in said State.

That is another rigorous provision, a rigorous provision to which those who represented California were willing to consent in order that legislation might be accorded, but binding California perpetually and forever to a use not to exceed 4,600,000 acre-feet of water.

I repeat and repeat how we have endeavored to protect these upper basin States. We write the bill around the compact, we make every drop of water that comes from the storage and the regulation of the Colorado River under this scheme subject to the compact. We write, then, that California shall use perpetually only a specific amount of water, naming the maximum amount which may be used.

All these things are done in the good-faith endeavor to protect in every possible way the States of the upper basin and those who claim that they want protection under the Colorado River compact. Yet some of them would prefer to let this water continue to flow down to the sea for an indefinite period, to go to waste in the Gulf of California, the land remain in drought to the detriment of people in southern Arizona and southern California, to permit that to be done indefinitely, rather than to permit the measure of protection—and it is a full measure of protection that is accorded them—under this bill.

What more can be done, I do not know. Somebody says that California is taking something from somebody else. California is "paying through the nose" for everything that it does under this bill and for everything that is asked; and the men who live in the Imperial Valley, the women there who have helped to pioneer the way, and who have carved out of that desert a beautiful empire, the children who are in the Imperial Valley, are entitled to some consideration from the Congress of the United States, as well as those individuals who insist that profit shall be made out of a great national undertaking.

I submit, sir, that under the provisions which have been written in this measure at the instance of the Senator from

Wyoming, under the provisions all through this bill by which we take care of the Colorado River compact, remembering that practically all the land there upon the banks of the Colorado River is land that is owned by the United States of America, from the site of the dam practically down to the international boundary; remembering all that, how can it be said that there is any State in the upper basin or any other place that is not amply protected by the provisions of this bill?

In addition to that, yielding to the demands that have been made that profit and revenue should come from this measure, the Committee on Irrigation and Reclamation has accorded them the same percentage of profit that is accorded in the existing laws to-day, and they have done it on a project that is paid for by the United States of America in the first instance and that is paid for by the people of California in the second instance. I do not complain of it, but I do complain when any men here say that the upper-basin States are not protected or that we have taken something that does not belong to us. Here we have done everything that can be done by a people in order to have their protection and to give them what they are entitled to.

Ah, you will see in the days to come what will happen in that river if no protection be accorded those people and the appropriation law of the West be permitted to obtain. Then will be demonstrated the utter futility of the position that is now maintained by some.

I follow along with this bill:

After the repayments to the United States of all money advanced, with interest, charges shall be on such basis and the revenues derived therefrom shall be disposed of as may hereafter be prescribed by the Congress.

During the process of amortization there is 37½ per cent of excess profits to be divided between Arizona and Nevada, and the rest of the money is devoted to amortization. After amortization, then the Congress of the United States shall determine exactly what shall be done. General and uniform regulations, of course, shall be prescribed for awarding contracts.

In subdivision (a) of section 5 there is an amendment that was presented by the committee, which provides for readjustment of rates after the expiration of 15 years and every 10 years thereafter. That legislation is provided for in order that the rates may be kept at a proper level, and in order that the legitimate profits under the preceding amendment may be received by the States of Arizona and Nevada.

The readjustment serves another purpose, too. It serves the purpose of not endeavoring to destroy any enterprise which may be in the power business with which this power might come in conflict. I do not believe for an instant that it will. The rapidity of growth in southern California, the growth that probably may occur in other States as well, will create a power market there that will unquestionably absorb without difficulty in the various periods that extend over the time of construction all of the power that will be generated at the Boulder Dam; but in order that there may be the readjustments properly made at the end of certain periods, the amendment to which I have referred has been inserted.

Subdivision (b) of section 5 is really a part of the Federal water power act.

Subdivision (c) of section 5, on page 9, provides for contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy.

Then an amendment was inserted by the committee by which preference to electrical energy was accorded, in the first instance, to States, next to municipalities, then following the line of preferences of the Federal water power act, and the States of Arizona, Nevada, and California are allowed equal opportunity as applicants for power.

Subdivision (d) is a provision for joint transmission. An amendment was inserted to that which will probably remove the objection which has been voiced heretofore to it, but, at any rate, it was a provision under which a like agency contracting for a small amount of power might hook on, as it were, to a larger agency, with a large amount of power, provided a proportionate amount of the cost of construction and the like were paid by the smaller agency, and provided also that within 60 days after the larger agency acquired its privilege, the smaller agency gave notice. The reason for the insertion of that provision originally was, I think, that some of the smaller cities of southern California, feeling that the larger cities might obtain all of the power from the Boulder Dam project, wanted to be able to use the lines as joint transmission lines to the extent indicated by the amendment.

Section 6 defines the uses of the dam, as follows:

First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of present perfected rights in pursuance of Article VIII of said Colorado River compact—

That is the compact, and written from the compact—

and third, for power. The title to said dam, reservoir, plant, and incidental works shall forever remain in the United States, and the United States shall, until otherwise provided by Congress, control, manage, and operate the same, except as herein otherwise provided—

And here is the optional provision that the Secretary of the Interior may lease the power or lease the water:

*Provided, however,* That the Secretary of the Interior may, in his discretion, enter into contracts of lease of a unit or units of any Government-built plant, with right to generate electrical energy, or, alternatively, to enter into contracts of lease for the use of water for the generation of electrical energy as herein provided, in either of which events the provisions of section 5 of this act relating to revenue, term, renewals, determination of conflicting applications, and joint use of transmission lines under contracts for the sale of electrical energy, shall apply.

Let me repeat what that is, because that is one of the provisions to which exception has been taken in the past. There is the alternative given to the Secretary of the Interior to lease a unit or units of a Government plant or to lease the use of water for the generation of electrical energy. The two alternatives are given to the Secretary of the Interior, and he may exercise either of those alternatives.

Certain gentlemen, swollen with the power of their wealth and of their great combinations in this country, say that that sets a precedent, and that the United States Government should not be permitted to have any such precedent, a precedent by which, in order to carry out the greatest scheme that there is of this character in all the world, the United States Government is given the right either to lease units of water or units of a Government-constructed plant, merely the right to do either one or the other, and some of these gentlemen who are opposing this bill outside of this Chamber are taking exception to any provision by which the Government may be given any kind of an option to protect itself or its people; and they say that a precedent of that sort shall not be established.

This is one of the matters on which this Government must take its stand and on which the Senate must take its stand. The Senate must determine whether or not it dare give to its own Government the alternatives and the right that would be given to any individual in a private transaction, or whether it will yield to the demand or the threat that may be made by private enterprise or by great wealth in relation to a measure of this sort.

That is one of the things that we should determine on the bill and one of the things that makes it such a peculiarly obnoxious bill in the view of certain individuals.

Section 7 gives to the Secretary the discretion to convey the canal to interested districts when it shall have been fully paid for. Section 7 also gives to those who pay for the canal the right to generate power upon it. This is a matter of little consequence, trivial in character, but the payment for an all-American canal which will be charged against the land which abuts on the all-American canal is going to be a very burdensome and very difficult thing; so the bill wisely provides, just as the reclamation law provides to-day, and just as is being done upon the Salt River project, and every other reclamation project of the United States Government, that those who pay for the canal, who own the lands adjacent to it, may have the right to generate the little amount of power that the fall may give to them; a perfectly legitimate and perfectly just provision.

Section 8 is entirely an upper basin amendment. I would like the attention, for just an instant, of the Senator from New Mexico [Mr. BRATTON]. I want to call his attention to the fact that in paragraph (a) of section 8 again we endeavor to protect the upper-basin States, and this is one of the amendments written by the upper-basin States:

The United States, its permittees, licensees, and contractees, and all users and appropriators of water stored, diverted, carried, and/or distributed by the reservoir, canals, and other works herein authorized, shall observe and be subject to and controlled by said Colorado River compact in the construction, management, and operation of said reservoir, canals, and other works and the storage, diversion, delivery, and use of water for the generation of power, irrigation, and other purposes, anything in this act to the contrary notwithstanding, and all permits, licenses, and contracts shall so provide.

Mr. PHIPPS. Mr. President, will the Senator yield?

Mr. JOHNSON. Certainly.

Mr. PHIPPS. Would the Senator object if I should ask for a quorum?

Mr. JOHNSON. No; I do not wish it at this time.

Mr. PHIPPS. It will only take a few moments and will rest the Senator.

Mr. JOHNSON. No; I am almost through. I would rather the Senator would not do it. I want to express my appreciation, but I would rather the Senator would not do it in this instance.

Mr. PHIPPS. Very well.

Mr. JOHNSON. Mr. President, it will be observed that paragraph (b) of section 8 was written in originally to provide possibly for a three-State compact in the lower basin, something I have not heard much about of late, and I do not know whether there is any possibility ultimately of it coming about.

Paragraph (c) of section 8 is a provision simply that "nothing in this act shall be deemed to waive or change any of the rights or powers reserved or granted to the United States" by the act providing for the admission of Arizona or by the constitution of Arizona. Upon that provision I presume our friends from Arizona will have something to say, and I shall be very glad then to respond. At the present time suffice it to say that, while I do not think the bill in any respect could affect the constitution of Arizona, either as adopted originally or as existing to-day, nor do I think it could affect in any fashion the enabling act, still some of those interested in the bill believe that as a precautionary measure, because there had been a change in the constitution of Arizona, this protective provision should be inserted in the bill. Personally I do not consider it of any very grave consequence.

Section 9 withdraws, very properly, the public lands susceptible of irrigation and reclamation under the works here provided for from entry. That is done for the very purpose of preventing what one newspaper at least, through its hired writers, has been accusing us of. It is done for the purpose of preventing any speculative scheme in real estate, so that there can be no individual, no syndicate, or others who will be able to gobble up land in the vicinity of this territory, land which is held by the United States—to gobble it up at a small fraction of its real worth, and then coin it by virtue of these works. All the land belonging to the United States is withdrawn under this provision from entry, and that is the answer to certain articles which have recently appeared in relation to the measure and the design of the bill.

Section 12, it will be observed, binds the United States with the Colorado River compact. As if that were not enough, in paragraph (c) we find all grants, concessions, and so on, bound with the Colorado River compact. We impress everything that is done under this measure with the Colorado River compact. Nothing that is undertaken, nothing that is designed, no place where it is possible to render any measure of protection, is excepted from the compact. The design has been to protect as best we could that compact which has no value whatsoever, so far as California is concerned, save there be storage in the Colorado River, and storage of the character that is indicated under the measure.

So much, sir, for the provisions of the bill. I have spent more time than I intended to do to-day in presenting the bill. I shall close now in a moment.

Here is a measure that means much to our people. Here is a measure—I do not care what may be said of it—that also means much to the other States which are a part of the Colorado River Basin. Here is a measure, sir, that means the rescue of 65,000 Americans in the Imperial Valley. Here is a measure, sir, that means the solving of an international problem which may involve the ultimate destruction of the most fertile part of the United States to-day, a section with productive capacity unsurpassed in all the Nation.

Here is a measure, sir, that is the greatest of our generation, a measure to authorize a work for which any man might well be proud to assist in enacting the necessary legislation. Here, sir, is our Government constructing the greatest dam ever yet constructed. Here, sir, is our Government providing a reservoir with a storage capacity greater than any that exists in all the world. Here, sir, is our Government doing the job for its people.

To deny this legislation, sir, is to deny justice to the people affected. To deny it, sir, is to deny that which is the right of those who live upon the Colorado River and those who live in the Imperial Valley. To deny it, sir, is to deny the thrill that comes to a man in legislative halls but once or twice in his lifetime, the thrill when he stands as part of a great constructive work, for this is the greatest constructive work in all our generation.

Mr. PITTMAN. Mr. President, I would like to ask the Senator from California, in charge of the bill, whether he will pursue the ordinary practice of considering committee amendments first. If that is going to be the practice, I would like to know if he would object to considering first the two material amendments, which are companion amendments, found on page 6 and page 9. They are two material amendments made by the committee, and I would like to have those discussed first, because I want to discuss them when the time comes.

Mr. JOHNSON. Personally, I have no objection at all. First of all, let me say that my intention is to do exactly as is suggested by the Senator from Nevada—that is, to have the bill read for action upon committee amendments first. However, the amendments preceding that, it strikes me, are very brief and, although I am not clear, I think they will lead to little discussion because of the sources of the amendments.

Mr. PITTMAN. The only reason why I made the suggestion is that I was asked if I would request that those two amendments be considered first and then go back to the others.

Mr. JOHNSON. We might try out the first amendments, and if we find that they are going to take a long time, I would be willing to adopt the Senator's suggestion. I have no objection to it, I am sure. The Senator will observe that the amendments which are presented in the first pages up to that point are all amendments which, I think, were unanimously agreed upon in the committee. I may be in error in that, but that is my recollection. The first amendment to which the Senator refers and upon which he wishes action taken is that on line 5, page 6, is it not?

Mr. PITTMAN. Yes.

Mr. JOHNSON. If the Senator will look at the amendments prior to that he will see that the other amendments are amendments which were adopted with substantial unanimity up to that point. I thought we might run over them and have them agreed to and then take up the amendment on page 6, line 5. May I inquire of the Senator from Arizona [Mr. ASHURST] if that is not accurate?

Mr. ASHURST. Mr. President, I beg the Senator's pardon. I was not listening. I have been listening to the Senator for a couple of hours, but I turned aside for the moment.

Mr. JOHNSON. I was just announcing to the Senator from Nevada that the amendments which precede the first amendment to which he refers on page 6, line 5, are amendments which were adopted with substantial unanimity in the committee and that probably there will be no objection to them.

Mr. ASHURST. I hope the Senator will not ask me to agree to a date for my own execution or to agree to anything regarding the details thereof.

Mr. JOHNSON. Very well. I do not ask the Senator to do anything.

May I suggest to the Senator from Nevada that we undertake to act on the first amendment and then, if there is objection or if there is going to be any extended argument, I shall follow the course he suggests?

Mr. PITTMAN. I was only suggesting it in the hope of getting a unanimous-consent agreement.

Mr. JOHNSON. I will leave it to the Senator from Nevada to get an agreement with the Senator from Arizona.

Mr. PITTMAN. Mr. President, I ask unanimous consent that the committee amendments be first acted upon, and that the first two committee amendments which are to be acted upon shall be the amendments found on page 6, lines 5 to 13, inclusive, and on page 9, lines 12 to 19, inclusive, and that thereafter we shall return to take up the committee amendments in the regular order.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator from Nevada the reason for this request?

Mr. PITTMAN. I am trying to get a unanimous-consent agreement.

Mr. SHORTRIDGE. I understand; but will the Senator have the kindness to state the reason why he asks it?

Mr. PITTMAN. I think we will be more apt to get a unanimous-consent agreement. That is the only reason.

Mr. SHORTRIDGE. I might suggest that he assign some reason for asking it.

Mr. PITTMAN. The reason is because I think there would not be any objection in that form. I suspect there would be objection in another form. That is the only reason.

Mr. JOHNSON. Is it the idea of the Senator from Nevada that the amendments, slight in character, in the first part of the bill, be passed over? For instance, here is one relating to "stored waters." I recall distinctly that that amendment was suggested by the Senator from Arizona. The amendment found in line 13, page 2, is an amendment of the Senator from Arizona and we all agreed upon it. Those are the only two in reality I believe that precede the amendment to which the Senator from Nevada has called attention. No; there is another one about the five-State ratification.

Let us start with the first amendment. If there is going to be great delay over those slight amendments in the beginning, then I shall adopt the Senator's suggestion if he desires.

Mr. PITTMAN. I withdraw my request. I will let the Senator make his own request.

Mr. CURTIS. Mr. President, unless some Senator desires to proceed to-night, I should like to ask for a short executive session.

Mr. ASHURST. Mr. President, the poison should not go into the RECORD without an antidote, so I must ask the Senator's indulgence for a few moments only.

I listened with attention to the able Senator from California. An experience of some years in the Senate has convinced me that whenever a Senator indulges copiously in overemphasis, he is either a weary man, he does not understand his subject, or is too indolent to make himself familiar with the subject. We know that the Senator from California is not an indolent man, but one of the most industrious men that ever served the State. We know that he comprehends thoroughly a subject to which he gives his attention. Therefore, his overemphasis can be explained only upon the hypothesis that he is a weary man.

The Senator said the seven-State compact had not been ratified, and that he proposes in this bill to proceed with the distribution of the waters of seven States by a six-State ratification. He disregards the Federal Constitution and does not give it the cold respect of a passing glance. I shall do no more this evening than summon a witness and read from his testimony, not a witness from Arizona, because he, forsooth, might be construed as a biased witness. I shall read from the testimony of Governor Dern, of Utah, before the House Committee on Irrigation and Reclamation on January 11, 1928.

Mr. KING. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. KING. I understood the Senator to state that the Senator from California intended to proceed with a six-State compact regardless of the fact that the compact calls for seven. My understanding of the bill is that if there shall not be six States to ratify the compact, nevertheless the Government will proceed with five States, and if there should not be five States ratifying the contract, it will proceed with a less number. I did not want the record, if I was right, to stand that the Senator from California intended to have six States ratify the contract as a condition precedent to the prosecution of the work called for by the bill.

Mr. JOHNSON. Mr. President, I do not wish to interrupt the Senator from Arizona unduly, but am I to understand the Senator from Utah to say that the bill provides for a six-State and then a five-State, and then a four-State ratification?

Mr. KING. My understanding of the bill is that if there shall not be a ratification of the contract by seven States, then the prosecution of the work shall nevertheless be carried forward. If there shall not be a ratification by six States, then the prosecution of the work may go on with a less number. My understanding is that it is not limited to a given number of States.

Mr. JOHNSON. The Senator is in error.

Mr. KING. I hope I am.

Mr. JOHNSON. I will show the Senator the bill subsequently.

Mr. ASHURST. Mr. President, I invite the attention of Senators to the following testimony respecting this bill or its companion bill pending before the House of Representatives.

I read from page 220 of the hearings before the House Committee on Irrigation and Reclamation on H. R. 5773, held on January 11, 1928:

Governor DERN. I am not unaware of the ingenious arguments that are put forth to show that by special protective clauses in the bill Arizona is going to be prevented from injuring us. Most of these arguments are not only ingenious but also ingenuous. They all involve the idea that the United States shall descend to the level of coercing a sovereign State to do something that it does not want to do and that it is under no legal obligation to do. I can not conceive that the United States would ever invoke such a power, even if it possessed it. For example, it is pointed out that the bill contains a clause that will prohibit Arizona from running canals, ditches, or transmission lines over public lands in Arizona until she has ratified the compact. Wouldn't that be a fine, high-minded thing for the United States to do? I am not specially interested in Arizona, but I am interested in common decency and in protecting the integrity of the States, and I confess that my blood boils at the suggestion that the United States should shove a contract under Arizona's nose with the mandate to sign on the dotted line or be ruined. * * * Arizona has not offended the United States and has earned no punishment from the United States. She is strictly within her legal rights in failing to ratify the Santa Fe compact.

I hope and pray that she will ratify it, and I believe she will. I have been doing everything I could to get her to do so. I believe the compact is as fair to Arizona as it is to Utah, and Utah has ratified. It seems to me that it would be to Arizona's advantage to ratify. But if she does not think so, certainly we can not force her. And when it comes to the Government of the United States coercing her, as is proposed in this bill, I wonder that there has not arisen in the Halls of Congress a man big enough to expose and denounce this shameless suggestion as it deserves.

Mr. KING. Mr. President, my attention has been called to a print of the bill which I had not seen. I had in my office the print which called for a ratification by California and five other States.

Mr. JOHNSON. Yes; that is all. It calls for a ratification by six States; nothing else.

Mr. KING. In the print now before me the word as it was originally printed was "three." That has been stricken out and "five" inserted.

Mr. JOHNSON. Correct.

Mr. KING. So that it now calls for ratification by six States.

Mr. BRATTON. Mr. President, I understand that it is the purport of paragraph (a) of section 4 as well as paragraph (a) of section 12 that nothing shall be done under the act until the State of California and at least five other States have ratified the compact.

Mr. JOHNSON. Exactly. Yes, sir; much as I regret it, those are the provisions of the bill.

### EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened, and (at 4 o'clock and 28 minutes p. m.) the Senate adjourned until to-morrow, Friday, April 27, 1928, at 12 o'clock meridian.

## CONFIRMATION

*Executive nomination confirmed by the Senate April 26, 1928*

### POSTMASTER

#### MAINE

G. Walter Akers, Kents Hill.

## HOUSE OF REPRESENTATIVES

THURSDAY, *April 26, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father who art in heaven, hallowed be Thy name. Just now may there be an altar in every breast and at each altar a bowed soul breathing the spirit of devotion, confession, and thanksgiving. Here may our thoughts and purposes receive their sustaining power, and thus shall our ministrations be raised to higher efficiency. O God of love, upon our hearts is the memory of him who sailed afar from home and country, forgetting that he was weary and wayworn. His heart was tuned not to the broken noises of earth but to the rhythm of the divine law of brotherhood. We had been bending our ears to hear the coming song of deliverance. But alas! alas! now is brooding the minor strain of the eternal order. O harbinger human and divine! He has outridden the clouds and storms, and his sun which has set at high noon has arisen to the height of endless day. Amid the fates that gape to swallow up our loves, we praise Thee for that love that gathers up the raveled friendships of time and makes whole again the rents of earth. God abide with the afflicted and sorrowing ones. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House of Repre-

sentatives was requested, a bill of the House of the following title:

H. R. 12286. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes.

The message further announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House was requested:

S. 433. An act for the relief of Harry C. Bradley;

S. 3693. An act authorizing the city of Council Bluffs, Iowa, and the city of Omaha, Nebr., or either of them, to construct, maintain, and operate a free highway bridge across the Missouri River between Council Bluffs, Iowa, and Omaha, Nebr.; and

S. J. Res. 135. Joint resolution making an emergency appropriation for flood protection on White River, Ark.

The message also announced that the Senate had ordered that the House of Representatives be respectfully requested to return to the Senate a joint resolution and bills of the following titles:

S. J. Res. 129. Joint resolution to provide for eradication of pink bollworm and authorizing an appropriation therefor;

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; and

H. R. 12632. An act to provide for the eradication or control of the European corn borer.

REFERENCE OF A BILL

The SPEAKER. The Chair is informed by the chairman of the Committee on Pensions that it is the opinion of that committee they have no jurisdiction over the H. R. 11474, a bill relating to old-age pensions, which was referred to that committee. Without objection, the Chair will rerefer the bill to the Committee on the Judiciary.

There was no objection.

REREFERENCE OF SENATE JOINT RESOLUTION 89

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to rerefer Senate Joint Resolution 89. There was a bill introduced in the House on the same subject; that bill was referred to the Committee on Education, and I find that committee has had hearings and made a report. In order to disentangle the situation, I ask unanimous consent that the Committee on the Judiciary may relinquish control over the bill and that it be rereferred to the Committee on Education. I do this without wishing to have a precedent created or that this is to be considered a precedent.

Mr. GARNER of Texas. May I ask the gentleman a question?

Mr. GRAHAM. Certainly.

Mr. GARNER of Texas. The gentleman is doing this at the instance of the committee itself?

Mr. GRAHAM. I had the committee direct that I take this action this morning.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that Senate Joint Resolution 89 be rereferred from the Committee on the Judiciary to the Committee on Education. Is there objection?

Mr. CHINDBLOM. Mr. Speaker, may we have the title of the bill read?

The SPEAKER. It is a resolution designating May 1 as child health day. Is there objection?

There was no objection.

DEVELOPMENT OF THE FISHERY RESOURCES OF THE SOUTH ATLANTIC STATES

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement made by me before the Committee on the Merchant Marine and Fisheries and to include my bill, which is very short, with reference to the matter.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD with reference to a bill introduced by him. Is there objection?

There was no objection.

Mr. EDWARDS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me before the Committee on the Merchant Marine and Fisheries, and my bill with reference to the matter:

The fisheries of the South Atlantic are by no means a small industry, but on the contrary, it is quite large. In this business in 1923 in the States of North Carolina, South Carolina, Georgia, and Florida there were employed over 8,000 fishermen. The investment in boats, gear, and tackle was nearly $6,000,000. The catch or yield was estimated at 302,014,197 pounds of fish and shellfish, valued at nearly $10,000,000. In the wholesale fish trade, canning, and by-products industries there were employed, in addition to the figures given above, 6,997 people, and this end of the industry represented an additional investment of $7,148,784. From this it will be seen that in 1923 there were about 15,000 people engaged in the fish and shellfish industries in the four States I have named, and that in 1923 there was invested about $13,000,000.

The decrease in the fish in the waters I have referred to is alarming because of the very marked degree with which it is taking place. This is true especially in the Georgia coastal waters. To illustrate with an ordinary yet important variety of fish, take the mullet catch in 1902 in the waters of the South, which was approximately 53,000,000 pounds. In 1923 it has decreased to around 37,000,000 pounds. This is one of the staple food fishes of the South. Shad, one of the most choice food fish we have, yielded approximately 12,000,000 pounds in southern waters in 1897 as against only about 3,000,000 pounds in 1923, and this with all that has been done to propagate and increase the shad. Shad were taken several years back from eastern waters and transplanted to Pacific coast waters, and to-day they are shipping shad from the Pacific back to the East in carload lots. The decrease is true of every other variety of fish. It is true in about the same proportion as to shellfish of all kinds.

The fisheries on the South Atlantic have never been fully appreciated, and the Government has not done its full duty by this great industry in the southeastern section of the United States.

My bill (H. R. 6982) provides an appropriation of only $25,000 with which to make investigations, study conditions, and try to increase the supply of these edible fish and shellfish, constituting as they do a large commercial item. I respectfully urge that a specific authorization and direction be made with respect to the waters of the States referred to.

I am submitting a copy of my bill herewith and asking that it be printed in the RECORD.

The bill is as follows:

A bill (H. R. 6982) for the development of the fishery resources of the South Atlantic States

*Be it enacted, etc.*, That the Secretary of Commerce be, and he is hereby, authorized and directed to have investigations made of the fisheries of North Carolina, South Carolina, Georgia, and Florida necessary to the development and maintenance of said fisheries and to make and publish report of the results of such investigations. That such investigations shall include a survey of the shellfish fisheries and the development of program for water farming for oysters and other shellfish, studies of the life histories, migrations, and rate of growth of important food fishes, and such other data essential to the upbuilding of these important industries.

SEC. 2. That for such purpose the sum of $25,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by the Bureau of Fisheries under the direction of the Secretary of Commerce.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to address the House for eight minutes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to address the House for eight minutes. Is there objection?

There was no objection.

Mr. McCLINTIC. Mr. Speaker and Members of the House, a few days ago I called the attention of this House to an article which was published in the Washington Star relating to the abuse of my congressional frank. Before doing that I had the clerk of the Naval Affairs Committee call each member of the committee and notify him that I was going to speak on this subject, and when I spoke on that day I endeavored to find out which member of my committee was the snooper, the one who had stooped so low as to try to hurt his colleague, but no member of my committee arose and answered me on that occasion. Afterwards I went before my committee and asked for an investigation. I called attention to this write-up, but no member of the committee would acknowledge giving this report to the newspapers. However, yesterday, when the subject came up before the committee, I knew that if we had any member of the Naval Affairs Committee who had resorted to questionable procedure in order to bring about this charge or gave out a newspaper report in this connection, he would have to make himself known, and sure enough Mr. A. PIATT ANDREW, of Massachusetts, confronted me with an affidavit that he claimed somebody had sent him from Massachusetts with relation to the abuse of my frank.

Mr. CRAMTON. I feel when the gentleman says "questionable procedure," that is too strong.

Mr. McCLINTIC. So when he presented this affidavit, or so-called affidavit, and stated he did not know where it came from, then it was apparent he did not know whether it came from a white man or a black man; he did not know whether the man was sufficiently educated to know its contents; he did not know whether it had ever been read to him before it was presented to him for his signature, and so I asked to be confronted with the witness.

I want to know who is responsible for a charge of this kind, and I said to Mr. ANDREW and the committee, "If you are not willing to bring this witness here at your own expense, I will pay his railroad fare." It is not often that a Member or a defendant is willing to pay the railroad fare of some one to testify against him. Did Mr. ANDREW rise to the dignity of a Member? Did he say that was fair? No; he did not say that, but he continued with all the perniciousness of a cheap attorney in trying to read that affidavit into the record.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. VINSON of Georgia. Does not the gentleman think that he should also state to the House that the gentleman from Massachusetts stated yesterday——

Mr. McCLINTIC. I am going to get to that.

Mr. VINSON of Georgia. Wait one minute, if the gentleman will permit me. That no one for one moment on the committee had the slightest idea that you had violated any of your franking privileges, and that the gentleman from Massachusetts was making no accusation against the gentleman from Oklahoma at all; that he was merely apprehensive that some one had imposed upon the gentleman from Oklahoma.

Mr. McCLINTIC. I want to say to my colleague on the committee that this is the first time I have ever heard of another member of a committee stooping so low as to try to get something on a person, and then give out a story to the newspapers and deny afterwards the authenticity of the same.

Mr. WOODRUFF. Will the gentleman yield?

It occurs to me, as a member of the Naval Affairs Committee——

Mr. McCLINTIC. My object in making a speech this morning is to exonerate every other member of the Naval Affairs Committee for the reason that they have had nothing to do with it so far as I am concerned, and I want them to know who is the member that wants to be the detective on our committee, the one who wants to dig up something that is little and small and slimy to try to hurt the reputation of the person who is implicated. I want to say further, I have always had the highest regard for this member. He filed the majority report on the naval ship building bill, and I filed a minority report. My report, as I viewed it, was a constructive report. It was for building up the submarine service and to build up an aircraft service. There was nothing in it that related to pacifism or anything along that line. So when this organization asked the privilege of sending out my military program, of course I was willing to let them send out a few thousand—only about half the number that it would take to cover my district.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. McCLINTIC. In view of the fact the gentlemen have taken up most of my time, Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCLINTIC. I have said that he was the last man or one of the last men I would ever have thought would allow himself to adopt a policy of trying to snoop on another member of his committee.

Mr. WOODRUFF. Mr. Speaker——

Mr. McCLINTIC. I do not yield further.

Mr. WOODRUFF. Mr. Speaker, I am going to make a point of order against the statements of the gentleman unless he revises these statements, because I want to say that neither Mr. ANDREW nor any other Member of this House should be charged with snooping, and I do not believe he can be so charged under the rules of the House.

Mr. McCLINTIC. The facts are always in evidence, and if Mr. ANDREW had done his duty, like you or any other Member who wants to be fair, he would not have given out that statement when he could have found out that every single, solitary one of these minority reports was sealed in the House Office Building——

Mr. WOODRUFF. Will the gentleman yield just there?

Mr. McCLINTIC (continuing). Before they were turned over to any source; and anybody who has any reasonable amount of sense knows that no organization would go to the trouble of steaming a lot of sealed envelopes for the purpose of sticking in some extraneous matter.

The fly in the ointment seems to be a minority report filed by myself against the naval ship construction bill. This report speaks for itself; no one can claim that it makes any pacific recommendations. It is in line with the thoughts of many of the progressive citizens of the Nation. It takes into consideration past records with respect to types of naval ships, offering a plan for the construction of the more modern kind of warcraft, and in addition suggesting the modernization of all of our battleships so as to make them practically impregnable in any kind of an emergency, having in mind that the costs of such a program would be several hundred million less than that which was sponsored by Mr. ANDREW, the gentleman from Massachusetts, who filed the majority report.

The history of this Nation will show that practically all the new devices relating to war equipment have been conceived in the minds of those outside of the military service. It can likewise be proven that those who are in charge of the military affairs of our Government have been sticklers for precedent and have viewed with suspicion practically every new device offered in the way of an improved implement of warfare. This situation, in my opinion, is the result of a system which allows the affairs of our military departments to be wholly under the control of officers who have passed the prime of life. In other words, if the controlling and governing boards could be made up of officers in the different ranks, thereby giving men who are in the prime of life the opportunity of having a voice in matters that relate to the efficiency of our military departments, it would bring about the kind of result that would make our national defense always capable of taking care of any kind of a situation that would confront the Nation. It is for this reason that I have opposed some of the recommendations made by the Navy in the past, hoping that by focusing the attention of the public upon suggestions which related to newer ideas concerning national defense ultimately better and more efficient conditions would exist in the Navy. Therefore my minority report.

For the reason that all of these sealed envelopes contained my name in the upper right-hand corner those that were not delivered to the address placed on the envelope by the National Council for the Prevention of War were returned to my office in the House Office Building; therefore, for a period of two weeks the undelivered minority reports sent out under my frank came back to my office, and for the reason additional requests were made for them by those interested in this subject, my secretary opened several hundred of the envelopes, taking out of the same the minority reports and remailing them in bulk to those asking for them. In no instance was there any extraneous matter in any returned envelope, and when this charge was made that my franking privilege had been abused, I gathered up every unopened returned envelope that was in the office and took them over to the floor of the House of Representatives, and during the time I was speaking on this subject they were opened by one of the House employees in the presence of the Members of Congress for the purpose of allowing them to see if such returned envelopes contained anything other than the frankable minority report, and the result of this investigation revealed no violation of the franking privilege.

It is not a violation of any law for a Member of Congress to use his franking privilege for the purpose of sending out information published in the CONGRESSIONAL RECORD. Hardly a week goes by without some one giving an order to the Government Printing Office for certain speeches or reports to be printed in pamphlet form, so that they can be mailed out to those interested in the subject at hand. No one claims, or will claim, that the mailing out of these minority reports was a violation of law, yet publications like the Army and Navy Journal and a few other papers which always lend a sympathetic ear to excessive militaristic programs would have the public believe that a great violation of the law had been made in connection with this subject. It is unfortunate that only a few thousand of these reports were sent out to the public. If I could have my way, I should put this report in the hands of every citizen of the Nation, feeling and believing that my recommendations would bring about a more efficient Navy, and at the same time a more satisfactory condition to the taxpayers.

From the information given me this charge comes from the State of Massachusetts, a section of the country where the people always support practically any kind of a recommendation that is made by the Navy Department, and in view of the controversies that have taken place recently with respect to the shipbuilding program it would seem reasonable to conclude that this is the only way that the charge could have arisen. It will be further remembered that all of these envelopes were sealed in the House Office Building before the National Council for the Prevention of War secured possession of the same; therefore, no reasonable person would believe that any organization would go to the trouble of steaming envelopes for the purpose of opening same in order to insert extraneous matter. It is also incredible for the reason all undelivered envelopes returned to my office contained nothing but the minority report.

Mr. Speaker, I have in my hand a morning paper that says the "House clears McCLINTIC." But that is not the

reason I am making this statement. I want the House to know who it is that seeks to destroy an individual's reputation. I know that I have not violated my own frank, and I do not believe anybody else has. For this reason I ask that the fullest investigation be made, not with some written instrument that might be sent through the mail; but to call witnesses and let them stand up and face me in any kind of a procedure that is necessary to get at the proof of this matter.

The gentleman from Massachusetts [Mr. ANDREW] took the opposite side of the one that I represented on the naval bill. But that is no reason why he should seek to hurt my reputation; that is no reason why he should go to all the trouble of trying to give out newspaper reports that would cause me to be aligned with an organization with which I am not in accord.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. LAGUARDIA. How many recipients of the gentleman's franked envelopes containing the report, together with foreign matter, have come forward?

Mr. McCLINTIC. It is claimed only one.

Mr. LAGUARDIA. And that was from Massachusetts?

Mr. McCLINTIC. Yes.

Mr. LAGUARDIA. From a man named Weeks?

Mr. McCLINTIC. Yes. I am unofficially advised that this has been worked up by the Intelligence Bureau of the Navy.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. McCLINTIC. Mr. Speaker, I ask for three minutes more.

Mr. WOODRUFF. I object.

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. CRAMTON. Reserving the right to object, I have no objection to the gentleman extending as far as he wishes his own defense, but I think he should not attack anyone else.

Mr. McCLINTIC. I shall adhere to that.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House. I think at least the facts should be put before the House.

Mr. ASWELL. Mr. Speaker, I think this debate has proceeded far enough, and I shall have to object.

Mr. CLARKE. I demand the regular order. We are delaying the farm relief bill.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Michigan asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, I shall address my remarks particularly to the gentleman from Oklahoma. I want to say that there is no member of the Naval Affairs Committee, including the gentleman from Massachusetts [Mr. ANDREW], who thinks that Mr. McCLINTIC is in any way culpable for anything that may have occurred. [Applause.]

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. WOODRUFF. Yes.

Mr. VINSON of Georgia. Was not the statement made in committee yesterday by Mr. ANDREW at the very outset that Mr. McCLINTIC was not being criticized in the slightest manner for abuse of the franking privilege?

Mr. WOODRUFF. I was out of the city yesterday, and was not present at the meeting of the Committee on Naval Affairs, but I am glad the gentleman from Georgia has inserted that statement in the RECORD at this time.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield?

Mr. WOODRUFF. Certainly.

Mr. McCLINTIC. The point at issue was to find out and inform this House who was responsible for all of these charges, and the responsibility can not be laid at the door of anyone else, because he is the one who appeared and he is the one who, it seems to me, has performed a very unethical, if not an ungentlemanly, act.

Mr. WOODRUFF. Mr. Speaker, I disagree with the gentleman on that; and honestly, as I hope the gentleman will give me credit for. As I stated a moment ago, I heard the gentleman from Massachusetts [Mr. ANDREW] make the statement in the meeting of the Naval Affairs Committee that he had been called up by a newspaper man who told him this story and who asked him if he had heard it. Mr. ANDREW replied, "Yes; I have heard this." He had nothing to do, so far as I understand, with the putting of this story into circulation; and I for one do not want the membership of this House to place on him the onus of having started anything of this character.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield for a question?

Mr. WOODRUFF. Yes.

Mr. McCLINTIC. If the newspaper man says he gave them the story, how else could they have gotten it?

Mr. WOODRUFF. I say to the gentleman from Oklahoma that I have more confidence in the gentleman from Massachusetts than I have in some newspaper man, the name of whom I do not know.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection?

Mr. RAMSEYER. Mr. Speaker, reserving the right to object, probably the gentleman from Georgia should have some time in which to answer the talk here, but I serve notice right now that I shall object to any request for further extension of time to discuss the matter that has been before the House for the last few minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker and Members of the House, I feel it my duty to make a statement about this controversy, and at the outset let me say to my colleague, Mr. McCLINTIC, that I regret very much that he felt compelled this morning to make the character of speech that he has just made. Expressing my own opinion about the matter, I think it was at least out of place.

The facts about the matter are these: Some days ago the clerk of the Naval Affairs Committee notified all of the members of that committee that Mr. McCLINTIC was going to make a speech immediately upon the convening of the House, and invited all of us over. Unfortunately I was busy and I did not attend. I came over and found out the nature of the speech the gentleman from Oklahoma had made. The Naval Affairs Committee a few days later had the matter under consideration and felt that some inquiry should be made in regard to it. Yesterday the committee met, with the understanding that they would make an inquiry as to whether or not the franking privilege of the gentleman from Oklahoma had been abused. At both meetings Mr. ANDREW and every member of the committee stated to Mr. McCLINTIC that not a single one of us thought for one moment that he had violated his franking privilege, and as a matter of fact he had not violated his franking privilege; but the thought was raised in the minds of some that probably some one else had violated Mr. McCLINTIC's franking privilege, and that was the object and purpose of the inquiry yesterday.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. RANKIN. Did the gentleman from Massachusetts take the precaution to give that statement the same notoriety through the press as the story received with reference to Mr. McCLINTIC, which went out on a former occasion?

Mr. VINSON of Georgia. I know nothing about that. He made the statement open and above board twice in the committee.

Mr. RANKIN. Does not the gentleman think that a statement in the committee is a poor offset for broadcasting a charge through the newspapers?

Mr. VINSON of Georgia. Not with as many reporters as generally sit in our committee room. Mr. ANDREW wanted particularly to go on record that he did not think for one moment that Mr. McCLINTIC had violated his franking privilege. The way that Mr. ANDREW came into the possession of the information was, as he stated yesterday, in this fashion. A man in Massachusetts sent him one of Mr. McCLINTIC's speeches which had been sent out together with some extraneous matter that was not frankable in the envelope. He had an affidavit substantiating the statement that it was received, and when he stated he had the affidavit, then I rose in the committee and said that the Naval Affairs Committee had no jurisdiction over it, that it was a matter for the Post Office Department to investigate, and I insisted that it be referred to the Post Office Department, which the committee did. Those are the facts, and I do not believe the gentleman from Oklahoma [Mr. McCLINTIC] is justified in reaching the conclusion that he has in respect to the conduct of Mr. ANDREW.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. McCLINTIC. What would the gentleman say if he knew Mr. ANDREW was advised to notify me that he had this information and he did not do it?

Mr. VINSON of Georgia. I think the gentleman from Oklahoma, if he wanted to be fair this morning, should have called Mr. ANDREW on the phone and notified him that he was going to make the statement here this morning.

Mr. McCLINTIC. Why did not he act fair with me in the beginning? I now ask unanimous consent that Mr. ANDREW, when he comes on the floor, be allowed 10 minutes in which to reply.

Mr. KNUTSON. Let Mr. ANDREW ask that himself.

Mr. VINSON of Georgia. Mr. ANDREW's conduct, in my judgment, has been above criticism, and he has not stooped to hunt up any evidence against Mr. McCLINTIC or anybody else.

And as a member of the Naval Affairs Committee I do not want that impression to go out about a colleague of mine in the committee and a colleague in the House.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. HASTINGS. I was going to ask if it was charged that the franking privilege was violated in any other case except in this one case? Has there been any other evidence presented to the committee as to violations except by the party in Massachusetts?

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. VINSON of Georgia. Mr. Speaker, may I have two minutes more?

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. ANDREW stated that here was an affidavit. I stated that the facts justified the Post Office Department in making an inquiry. I did not know what was in the affidavit, and I did not let them read it so far as I could control it.

Mr. HASTINGS. Was there any violation by any other party?

Mr. VINSON of Georgia. Not that I know of.

Mr. McCLINTIC. Several hundreds of these envelopes have been sent back, and there has not been any extraneous matter found in any other envelope. Therefore I asked to be confronted with the witness who made the charge.

Mr. HASTINGS. And there was nothing extraneous found in any other envelope?

Mr. VINSON of Georgia. No; except the one that was sent to Mr. ANDREW.

Mr. HASTINGS. How could it become known except through Mr. ANDREW?

Mr. McCLINTIC. Mr. ANDREW makes no apologies for telling any one about it. If he had dealt honorably with me this controversy would not have arisen.

Mr. VINSON of Georgia. He exonerated Mr. McCLINTIC. Mr. McCLINTIC's franking privilege may have been abused by somebody else, and it was a matter that addressed itself to the Post Office Department, and for that reason the committee sent it there.

I want to say now that Mr. ANDREW's conduct in this matter has been above reproach. He positively stated to Mr. McCLINTIC that he did not hold Mr. McCLINTIC responsible for violating his franking privilege.

The SPEAKER. The time of the gentleman from Georgia has again expired.

EULOGIES ON THE LATE REPRESENTATIVE CRUMPACKER, OF OREGON

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

*Ordered*, That Sunday, May 20, 1928, at 2 o'clock p. m., be set apart for memorial exercises in commemoration of the life, character, and public services of Hon. M. E. CRUMPACKER, late a Representative from the State of Oregon.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

PENSIONS

Mr. ELLIOTT. Mr. Speaker, I call up the conference report on the Senate bill S. 2900, an omnibus pension bill, and ask for its immediate consideration.

The SPEAKER. The gentleman from Indiana calls up a conference report on the bill S. 2900. The Clerk will report it.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The Clerk will read the statement.

Mr. GARNER of Texas. Mr. Speaker, this is a conference report from what committee?

Mr. ELLIOTT. From the Committee on Pensions. It is the conference report on the omnibus pension bill.

The SPEAKER. The Clerk will read the statement.

The statement was read.

The conference report and accompanying statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2900) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 7, 15, 18, 21, 24, 36, 41, 53, 58, 64, 65, 67, 68, 71, 74, 80, 81, 82, 94, 99, 106, 117, and 126.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 2½, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 17, 19, 20, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 42, 43, 44½, 45, 46, 47, 48, 49, 50, 50½, 51, 52, 54, 55, 56, 57, 59, 60, 61, 62, 63, 66, 69, 70, 72, 73, 75, 76, 77, 78, 79, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 95, 96, 97, 98, 100, 101, 102, 103, 104, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 118, 119, 120, 121, 122, 123, 124, 125, and 127, and agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: Restore lines 14 to 17, inclusive, and lines 22 to 24, inclusive, on page 11, and the House agree to the same.

Amendment numbered 44: That the Senate recede from its disagreement to the amendment of the House numbered 44, and agree to the same with an amendment as follows: Restore lines 10 to 13, inclusive, on page 23, and in line 10, after the word "Weaver," insert the word "former"; and the House agree to the same.

Amendment numbered 93: That the Senate recede from its disagreement to the amendment of the House numbered 93, and agree to the same with an amendment as follows: Restore lines 17 to 20, inclusive, on page 45, and in line 20 strike out the numerals "$30" and insert the numerals "$20"; and the House agree to the same.

Amendment numbered 128: That the Senate recede from its disagreement to the amendment of the House numbered 128, and agree to the same with an amendment as follows: On page 156 of the engrossed amendments, in line 20, strike out the numerals "$30" and insert the numerals "$20," and on page 180 of the said engrossed amendments strike out the following language: "The name of Allie Crabb, widow of Mark M. Crabb, late of Company H, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $30 per month"; and the House agree to the same.

W. T. FITZGERALD,
RICHARD N. ELLIOTT,
MELL G. UNDERWOOD,
*Managers on the part of the House.*

PETER NORBECK,
LYNN J. FRAZIER,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House on Senate bill 2900 state by the way of explanation that 1,028 House bills were included in said bill. The committee of conference carefully examined into the merits of each individual case over which any difference of opinion existed, and mutually agreed to restore all bills of a meritorious character. The Senate bill contained the names of 343 beneficiaries and the House disagreed with the Senate on 58 items and made 87 corrections as amendments. Of the 58 items disagreed to, the Senate asked that 33 of them be restored and the House conferees agreed to restore 32, one of which the rate was reduced from $30 to $20 a month. The Senate agreed on the other 113 House amendments. Of the 1,028 House bills, the Senate took exception to only 25 of them, and agreed to the retention of 24 of the exceptions. In one case the rate was reduced from

$30 to $20 a month, the House receding in one case only. Therefore, the House lost but one bill of the total number included as an amendment to the Senate bill.

W. T. FITZGERALD,
RICHARD N. ELLIOTT,
MELL G. UNDERWOOD,
*Managers on the part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KNUTSON rose.

The SPEAKER. The gentleman from Minnesota is recognized.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10141) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 10141, with Senate amendments, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection; and the Speaker appointed as conferees on the part of the House Mr. KNUTSON, Mr. ROBSION of Kentucky, and Mr. HAMMER.

THE AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555.

Mr. KINCHELOE. I think it should be agreed in Committee as to how the time should be divided. Can that be done in Committee of the Whole?

The SPEAKER. It can be done in the House.

Mr. HAUGEN. Pending the motion I have made, Mr. Speaker, I ask unanimous consent that the time be divided between the gentleman from Louisiana [Mr. ASWELL] and myself, and according to the suggestion made by the committee, of the time to be controlled by me I wish to yield one hour to the gentleman from Michigan [Mr. KETCHAM] and one-half of my remaining time to the gentleman from Kentucky [Mr. KINCHELOE].

The SPEAKER. The gentleman from Iowa asks unanimous consent that the time of general debate be equally divided between himself and the gentleman from Louisiana [Mr. ASWELL].

Mr. ASWELL. I will yield one hour to the gentleman from Texas [Mr. JONES] and one-half of my remaining time to the gentleman from New Jersey [Mr. FORT].

The SPEAKER. Is there objection?

Mr. HASTINGS. I do not know that I clearly understand the request for the division of this time.

Mr. ASWELL. I can answer that question if the gentleman desires me to do so.

Mr. HASTINGS. I will be glad to have the gentleman answer it.

Mr. ASWELL. Mr. Speaker, I will say to the gentleman that general debate runs for 12 hours; one hour each will be assigned to the gentleman from Michigan [Mr. KETCHAM] and the gentleman from Texas [Mr. JONES]. That leaves 10 hours to be divided equally between the chairman and myself, and I am to yield half of my time to the gentleman from New Jersey [Mr. FORT].

Mr. HASTINGS. I do not think that makes it half and half. That gives five hours to those for the bill and the remainder or seven hours against it.

Mr. KINCHELOE. The purpose of assigning this time to the gentleman from Texas [Mr. JONES] and the gentleman from Michigan [Mr. KETCHAM] is that they are for the debenture plan, and the balance of the time will be divided equally among those for the bill and those against the bill, and that time is to be again subdivided.

Mr. HASTINGS. Is this division of time satisfactory to the Committee on Agriculture?

Mr. KINCHELOE. It is, and I think it is absolutely fair.

Mr. HASTINGS. It occurred to me that there is more than half the time yielded to those against the bill, because those who are for the debenture plan, as I understand it, are against this bill.

Mr. ASWELL. May I state to the gentleman that the Committee on Agriculture makes this request by unanimous consent.

Mr. HASTINGS. I will interpose no further objection.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent that all Members have the privilege of revising and extending their remarks on this bill for five legislative days after the passage of the bill.

The SPEAKER. The gentleman from Iowa asks unanimous consent that all Members may have the privilege of extending their remarks for five legislative days after the consideration of this bill is completed. Is there objection?

Mr. HASTINGS. Mr. Speaker, does that include the remarks that Members may make on the bill as well as the remarks of those Members who do not speak on the bill?

The SPEAKER. It would only apply to remarks on the bill.

Mr. HASTINGS. Of course; but suppose a Member does not get an opportunity to speak upon the bill; does this request permit such a Member to extend his remarks on the bill?

The SPEAKER. All Members of the House, as the Chair understands it. Is there objection?

Mr. TILSON. Mr. Speaker, it is understood that this general extension means the extension of Members' own remarks, and that if a Member makes a speech on the bill in general debate, or under the five-minute rule, and wishes to extend his own remarks he need ask no further leave. After the bill is completed, if any Member wishes to extend his remarks in the RECORD he can do so for five legislative days.

Mr. HASTINGS. That is what I wanted made clear.

Mr. TILSON. The leave granted does not include any extraneous matters, and in case such extraneous matters are to be included special permission must be granted.

Mr. HASTINGS. That applies to a Member whether he makes a speech during the consideration of the bill or not?

Mr. TILSON. Yes; it applies to all Members.

Mr. ASWELL. As I understand, the rule provides that all debate shall be confined to the bill?

Mr. TILSON. Certainly; that is understood, as it is so stated in the rule.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Iowa that the House resolve itself into the Committee of the Whole House on the state of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3555, to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of S. 3555, which the Clerk will report.

The Clerk read the title of the bill.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, ladies, and gentlemen of the committee, the bill under consideration in principle is identical with the principle of the bill reported by the Committee on Agriculture and considered by the Committee of the Whole House at the last session of the Sixty-ninth Congress. Its aim is, as set up in section 1, "the declaration of policy," to preserve advantageous domestic markets, to give the producers the control of the disposition of the surplus, to promote orderly marketing, to prevent surpluses from unduly depressing the price obtained, to prevent excessive manipulation of prices, and to minimize speculation and waste of agricultural commodities.

Briefly speaking, the bill provides for the establishment of and financing a marketing board of 12 members, 1 from each of the 12 land-bank districts, who shall be appointed by the President, by and with the advice and consent of the Senate, and the Secretary of Agriculture, who shall be a member ex officio vested with the general powers to appoint personnel and fix salaries; to keep advised from any available source of crop prices, prospects, supply and demand at home and abroad, with special attention to the existence of or the probability of the

existence of surplus; and shall advise producers through their organization, or otherwise, in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized in order that they may secure the maximum benefits under the act.

Section 4 (a) authorizes and directs the board to create an advisory council of seven members, fairly representative of the producers of the commodity, for each commodity which the board from time to time determines may thereafter require stabilization through marketing agreements. Members shall serve without salary, but may be paid per diem not exceeding $20 and necessary traveling expenses for attending meetings of the council and for time devoted to business of the council.

The board may designate a secretary of the council, subject to the approval of the council. The commodity council shall meet at least twice in each year, or upon call of the majority of its members.

SEC. 4 (d). Each commodity advisory council shall have power, by itself or through its officers (1) to confer directly with the board, to call for information from it, or to make oral or written representations to it concerning matters within the jurisdiction of the board and relating to the agricultural commodity, including the amount and method of collection of the equalization fee, and (2) to cooperate with the board in advising the producers, through their organizations or otherwise, in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under the act.

Section 5. Under this section loans are made available to promote orderly marketing, to thus enable the producers to control, regulate, steady the flow of agricultural commodities to meet the demand through cooperative associations or corporations created or controlled by one or more cooperative associations.

Out of the $400,000,000 revolving fund the aggregate amount of loans outstanding and unpaid at any one time shall not exceed $25,000,000 for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or for assisting in the acquisition, by purchase, construction, or otherwise, of facilities and equipment, including terminal marketing facilities and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or for furnishing funds for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended.

Paragraph D, section 2, authorizes loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations. Such loans outstanding and unpaid at any one time in the aggregate shall not exceed $2,000,000.

All loans out of the revolving fund under section 5 shall bear interest at the rate of 4 per cent.

All loans are to be made upon approved security.

SEC. 6. If the board finds that its advice as to a program of planting and breeding of any agricultural commodity has been substantially disregarded by the producers of the commodity or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity, for the preceding five years, the board may refuse to make advances for the purchase of such commodity.

Section 7 provides that the board may investigate the conditions surrounding the marketing of any agricultural commodity and determine:

First. Does a surplus of any such commodity exist or threaten to exist;

Second. Does the existence of threat of such surplus depress or threaten to depress the price of such commodity below the average cost of the actual production of such commodity in continental United States during the preceding five years; and

Third. Are the conditions of durability, preparation, processing, and marketing of such commodity or the products therefrom adaptable to the storage or future disposal of such commodity.

Before declaring or entering its finding upon the foregoing matters the board shall consult with the advisory council for the commodity.

Section 8 provides that the board may assist cooperative associations or corporations in the establishment and provides for the registration of clearing house associations in accordance with such regulations as it may prescribe adapted, in the opinion of the board, to effect the more orderly production, distribution, and marketing of any agricultural commodity.

Section 9 provides that the board upon the finding of certain facts in respect to surpluses, and so forth, may enter into agreements with cooperative associations or corporations created or controlled by such associations for the withholding, purchase, and disposal of agricultural commodities. The advances from the stabilization fund shall be upon such conditions as the board may prescribe, but no such advances shall bear interest. In making such agreements preference is to be given to cooperative associations or corporations created by cooperative associations, but in case no such associations or corporations are capable of carrying out the marketing agreements for the purchase, withholding, and disposal, then the board may enter into agreements with other agencies, but in either case shall not unreasonably discriminate between such other agencies.

Section 9, paragraph (h), specially provides that the powers of the board shall be exercised in such manner and the marketing agreements entered into by the board during any marketing period shall be upon such terms as will, in the judgment of the board, carry out the policy declared by section 1.

Section 10. In order that each producer may bear his ratable share of the cost of marketing his commodity, and contribute his proportionate share required to equalize the price and to receive his share of the profits therefrom—in other words, to equalize the price—the board is authorized to determine the equalization fee to be collected or withheld upon each marketed unit, upon one of the following: The processing, the transportation, or the sale of such unit.

Section 12 authorizes the cooperative association to insure (premium and nonpremium) against price declines in commodities regularly traded in upon an exchange. This insurance is equivalent to what is frequently referred to as hedging. In other words, the nonpremium insurance to be paid out of the stabilization funds, thereby each producer paying his ratable share of the premiums, the premium insurance to be paid for by the cooperative associations.

The board can make a nonpremium insurance agreement, with the costs payable out of the stabilization fund, only in case it finds that such an insurance agreement would substantially benefit all producers.

In other words, its aim is to do exactly as pledged in the platform of the Republican Party—"to establish a balanced relation between agriculture, industry, and labor"; to do as pledged in the Democratic platform of 1924—"to stimulate the cooperative marketing movement and to establish a marketing board in order that the exportable surplus may not establish the price of the whole crop"; to do as suggested in President Coolidge's message to the Congress at the last session of the Sixty-ninth Congress—"to make the open country a more desirable place in which to live."

It is also to make the protective laws effective, make them effective to the farmers as they are generally made effective to organized industry. For instance, the tariff is made effective to organized industry by pooling the whole production, by selling a portion of the product at the American price level, the world price plus the tariff and other expenses incident to the importation of the foreign commodity, and to sell in the world market at the highest net price obtainable, and to equalize the price and pay the producer the equalized price, thus materially advancing the average price to every producer.

For instance, the Adamson Act and our immigration laws are made effective through labor organizations to influence the wage scale, and as the Federal reserve act is made effective through the Federal Reserve Board exercising its power in controlling the volume and flow of currency, thus influencing the rate of interest.

What is proposed to do in this bill is to create and finance a marketing board and to do that which is the all essential, to vest it with power to withhold or collect an equailzation fee in an amount sufficient to equalize the price and the cost of marketing, so that each producer may contribute his ratable share of the cost of marketing and receive his proportionate share of the profits from marketing, so that the producer may have the opportunity to sell, as I have indicated, on the domestic market at the American price level and to sell on the foreign market at the highest net obtainable price and in this way materially advance the average price to each producer; and, as I have said, in this way it will give the farmers the benefit of marketing their own commodities in their own way and in such a way that will give them the benefit of our protective laws. Not protective laws hereby established, but laws that have already been established, to wrest from certain exporters and operators on exchanges the power which they exercise in the manipulation of prices and the doctoring of grades; to thus reestablish the foreign market for agricultural commodities, which was destroyed through the unpardonable practice of manipulation of prices, and the mixing of dirt, screenings, and rubbish with

grain and selling it as grain, as was pointed out in the Federal Trade Commission's and the press reports in connection with the Armour, Rosenbaum, and Silver deal. In other words, to mete out justice to a worthy and deserving class of our people.

The lines of demarcation have been clearly drawn. The issue is squarely before us.

In the hearings, covering 3,622 pages, will be found, on one side of the issue, the names of numerous farmers and legislative representatives of farm groups who appeared before the committee. All, with one exception, were squarely back of the equalization-fee plan. References will be found to petitions signed by thousands, not only farmers but bankers, merchants, laborers, and men and women in practically every activity, in support of the measure before us.

On the other side, on page 156 of the hearings, January 10, 1927, will be found a letter from Mr. Frederick B. Wells, chairman of the Chamber of Commerce of Minneapolis, Minn., speaking in behalf of the grain exchanges of the country, states—

> The grain exchanges are, as you know, unalterably opposed to any form of agricultural relief legislation, embracing an equalization fee and artificial stimulation of price.

On page 548, part 7, hearings before the House Committee on Agriculture, February 21, 1928, Mr. Sydney Anderson, formerly an efficient and honorable Member of the House, and now president of the Millers' National Federation, speaking for the millers, the largest operators on the grain exchanges, in reply to the question of a member of the committee, "Where will the bill hurt the millers? Who will be hurt outside of the farmers?" answered:

> I think that the inevitable result of legislation of this kind is to break down the regular commercial channels, break down the ordinary flow, the regular flow in commercial channels of commodities. What this does is practically to set up a new channel of commerce, does it not? (P. 552.) I think it changes the entire scheme.

I believe, with one exception, I have refrained from even referring to lobbyists, and the conduct of the opposition. In view of the severe criticism made against the legislative representatives of farm groups, and referring to them as paid lobbyists, and as not being representative of the producers, and questioning the producer's rights to representation, it seems time to call attention to the powerful forces maintaining lobbies in opposition to farm relief and other legislation affecting agriculture.

On page 1016, Serial C, part 14, hearings before the House Committee on Agriculture, April 6, 1926, Sixty-ninth Congress, Mr. Quinn, secretary of the National Grain Dealers' Association, in his report to the association stated:

> When the McNary-Haugen bill was introduced a canvass of the House showed enough votes to pass it, with 95 to spare. The National Grain Dealers' Association got busy, grain men gave freely of their time, and we had from 5 to 15 men in Washington all through the danger period. We met in the morning and each man was assigned to see certain Congressmen. In the evening each man reported the results of his interview.
>
> Before the vote was called every Congressman had been thoroughly canvassed and we estimated that we had the bill beaten by a vote of 75. The following day's returns showed that it was beaten by 73.
>
> It may be necessary for your association to call upon all its members, direct and affiliated, for assistance in the fight before Congress.
>
> You will be kept posted, and when President Horner issues the call for your aid you will be expected to respond as you did when the McNary-Haugen bill was snowed under. You are duly bound to fight such legislation from the standpoint of patriotism as well as your own self-interest.

We now have a new organization, the Federated Agricultural Trades of America, recently organized under the laws of the State of Illinois; president, W. F. Jensen; vice president, Everett C. Brown (president of the Chicago Live Stock Exchange); treasurer, Fred G. Horner (former president of the National Grain Dealers' Association); secretary, Harrison F. Jones.

Mr. Jensen, acting as chairman of the meeting called for the purpose of organizing, at Chicago, November 30, 1927, is reported to have stated, after outlining the purpose of organizing:

> The issue now is that of cooperative marketing, not in a small way but on a national scale, and in the big terminal markets for the purpose of establishing producer control of value.
>
> Any person, firm, corporation, or association believing in the purposes of the federation can become a member. The amount of the dues varies with the size of the organization becoming a member, but ranges nominally from $50 to $100 per year for business concerns. Fees for trade associations taking out membership probably would be on a higher basis.

Recently it was stated in a telegram that:

> The federation expects soon to have 50,000 members.

Fifty thousand members soon, at the lowest fee—$50—would mean $2,500,000.

I repeat, "The issue now is that of cooperative marketing not in a small way but on a national scale." Hence not only to destroy cooperative marketing already established but to defeat legislation to promote cooperative marketing on a national scale, as provided in the McNary-Haugen bill.

Secretary of Agriculture Jardine, in his letter of March 22, 1928, to United States Senator GOODING regarding the agricultural trades conference held at the Palmer House in Chicago November 30, 1927, called by W. F. Jensen, states:

> I have a number of reports on this meeting, and I am fairly familiar with its deliberations. * * * Apparently nearly all the speeches delivered at this meeting were distinctly hostile to cooperative marketing.

Professor Potter, head of the animal husbandry department of the Oregon State Agricultural College, who was present at all sessions of the Chicago meeting, in a letter to Senator MCNARY, states:

> * * * war was declared on cooperative farm marketing * * * and were determined to fight it to the last ditch. They were particularly alarmed at the national scope of some of our cooperative organizations. There was much bitterness against the whole cooperative movement. The avowed objective of the organization was to oppose by every means possible, all Federal, State, and county aid to agricultural cooperation. A permanent organization was formed and plans laid for the raising of a large sum of money. This money was to be used—
>
> (1) To oppose all legislation designed to aid the formation of agricultural cooperatives;
>
> (2) To have declared unconstitutional, wherever possible, present cooperative laws; and
>
> (3) To stop propaganda in favor of agricultural cooperation on the part of the United States Department of Agriculture, State agricultural colleges, and county agents.

He further states:

> I was thoroughly convinced that this organization was just as real and just as powerful as all the brains and money of the agricultural trades of America could make it. There is no question that this organization will be represented in Congress and in many of our State legislatures in no insignificant way.
>
> Day by day the evidence piles up to show the necessity of action on the part of agriculture. Absolute loyalty to cooperation and a united front are essential to a successful fight against this enemy of farm marketing.

I take it that Mr. Wells, Mr. Anderson, Secretary Quinn, and Mr. Jensen, all spoke with authority and correctly reflected the attitude of the opposition, especially the operators on our grain exchanges. If so, the question is, are the objections raised well taken?

Will it break down the regular commercial channels? Will it break down the regular flow in commercial channels in commodities, and will it set up new channels of commerce, and will it change the entire scheme?

Nowhere in the bill is it proposed to break down the regular commercial channels or the ordinary flow in commercial channels of agricultural commodities, or to break down any honorable, legitimate transaction, or to break down existing facilities. Its aim is, as previously stated, to give producers of agricultural commodities the control of the disposition of their own commodities; to sell their commodities in a way that will give them the benefit of the protective laws; not laws to be hereby enacted, but already established; to be accomplished by the establishment and financing a marketing board, and by extending loans, and by the board entering into marketing agreements with cooperative associations. In case there is no such cooperative association, or corporation created or controlled by cooperative associations, capable of carrying out any marketing agreement for purchasing, withholding, and disposing of agricultural commodities, then the board may enter into agreement with other agencies.

No, if the operators on our grain exchanges, and exporters will conduct their activities in an honorable and proper manner—and there are many such—there is nothing in the bill to interfere with their operations. But, if certain operators on the exchanges continue their practice of manipulating prices and grades causing violent fluctuations in prices, section 1 of the bill provides that the aim is to prevent undue and excessive fluctuations in the markets, and to minimize speculation and waste in marketing commodities.

If certain exporters continue the practice of mixing dirt, screenings, and rubbish with grain and selling it as such, at

grain prices—as pointed out in the Federal Trade Commission's Report—it is fair to assume, in order to protect the producers and consumers against the fraudulent practice of manipulation of prices, and in order to protect the producers and the foreign consumer against the injustice of mixing dirt, screenings, and rubbish with grain, and selling it as grain, by the exporters, a board, friendly to the producers, believing in a square deal, would naturally determine to carry their own insurance against the fluctuations in prices, and if necessary to have their exportable surplus exported by exporters, conducting their business in an honorable manner, to thus reestablish foreign markets for agricultural commodities, broken down because of the frauds heretofore perpetrated.

The question is, Are they entitled to that protection? Is there anything wrong about it? Are the lawbreakers of more importance than the producers of agricultural commodities? Is the fraudulent practice of greater importance than the producers of agricultural commodities? If not, what unpardonable sin have the producers committed, to be deprived of marketing their commodities in order that they may take advantage of the protective laws already established?

The issue is clear. On one side, as indicated in the hearings, we have the farmers, merchants, bankers, laborers, and thousands of others engaged in other activities and walks of life, especially in the South and the West, urging the passage of the bill.

On the other side, we have the representatives of the grain exchanges and the millers; the newly organized Federated Agricultural Trades of America, with its 50,000 members, with a membership fee of $50 to $100, with headquarters at Chicago and Washington, with the avowed purpose to not only break down cooperative marketing already in existence, but legislation of a national scope—the McNary-Haugen bill.

Evidently the campaign is to be conducted, as conducted by Mr. Quinn, secretary of the National Grain Dealers' Association, and as set out in the report of an investigation made by a select committee of the Senate and House in July, August, and September, 1913, "charges against Members of the House and lobby activities of the National Association of Manufacturers' of the United States and others."

In volume 1 appears an article prepared by Col. Martin M. Mulhall, of Baltimore—tagged No. 10—a regularly employed lobbyist for the National Association of Manufacturers' and National Council for Industrial Defense; to keep in touch with the different committees of the House and Senate; to do general field work and general campaign work in the interest of and against candidates in the various States; to keep track of the bills that come before the House and Senate; to contribute money to help candidates friendly to them; to succeed or to defeat candidates unfriendly to their cause, as were the $3,785,398.37 fund of the National Association of Manufacturers and National Council for Industrial Defense.

According to Colonel Mulhall's statement, page 286, $3,000 was given him by one Mr. Bird, to use in one district in New Jersey, not put into the report. He thought that some $10,000 was given to help effect legislation at Washington. (See page 312.) He helped one to succeed, but he thought that money had bought that election. He had been told by several officials and men who participated in that campaign that the amount was $60,000. That one Member was defeated for renomination and openly financed by the lobby of the association. That he received through Colonel Mulhall and Edward Hines, and another member accepted aid through his campaign manager in the last two campaigns for Congress.

On page 16 is given a large number of Members and Senators that the lobbyists of this association had no difficulty in reaching and influencing.

On page 335, in reply to a question, "You expended more than $200,000 in lobby work?" Mr. Mulhall answered, "I mean lobbying and campaign work."

On page 352, one raised $3,000 from the brewing interests and gave it to ——— to help out in the fight. A Member of Congress was asked to get busy, for he knew what the Member had done for his people at the last session of Congress.

Mr. Mulhall stated that the association conducted a relentless warfare against public officials and others who opposed its legislation. It financed the campaigns of candidates against them and sought to retire them from Congress. Black lists were included. The black list included 13 Members and Senators.

On page 18 it reports that Congressman GILBERT N. HAUGEN, of the fourth Iowa district, was opposed with all the influence at the command of the National Association of Manufacturers in 1908, but was elected by a very small majority.

On page 981, when asked, "What was the purpose of making out that list?" Mr. Mulhall answered, "That was supposed to be a black list of Congressmen they wanted defeated at that time." The black list contained nine names. When asked by what means Mr. Mulhall had of knowing that they collected money to select ———, Mr. Mulhall answered, "I participated in the affair myself and organized a committee to collect funds."

Here we have on one side the grain exchanges, the big millers, the largest operators on our exchanges, the National Association of Grain Dealers, and the Federated Agricultural Trades of America, with headquarters at Chicago, with its two to five million membership fund, which, if used as the three and three-quarter million fund of the National Association of Manufacturers and the National Council of Industrial Defense were used, should provide a liberal fund for the employment of a good-sized lobby and a large army in the field to keep in touch with the different committees in the House and Senate, to keep track of bills that come before the House and Senate, to confer with Members of the House and Senate, to reach and influence Members and Senators, to prepare black lists, to contribute money to help elect candidates friendly to them and to defeat candidates unfriendly, and to carry paid advertisements and pay for the distribution of carloads of literature.

On the other side we have the millions of farmers, merchants, bankers, wage earners, and men and women in all walks of life.

The time is limited. I have a large number of requests for time, and I shall have to refuse to yield. I must make my remarks very brief at that, in order to accommodate others.

I believe all are agreed as to the important place which our basic industry, agriculture, holds in the economic life of the Nation, also all who have given it due consideration also agree that it will require the united and best efforts of all regardless of their political affiliation or personal interests, to overcome the continued economic depression, to encourage, to restore normal and better conditions in agriculture, to thus promote progress, prosperity, and happiness, not only to agriculture but to labor and all activities, in order that we may have the fullest development of every worthy and legitimate enterprise.

I believe recent experience has demonstrated with absolute finality that the stability, growth, and greatness of our Nation, the progress, prosperity, and happiness of our people depends upon our basic industry, agriculture.

The farmer is the producer of new wealth. All wealth springs from mother earth. The farmer, as a class, is the conservative force of our Nation. Every year the farmer, by his labor, affords the opportunity of the combined act of the sun, rain, and soil to bring into existence the very essentials of home life, the food we eat, the clothes we wear.

A word as to existing conditions and its importance.

According to the business men's commission's report, November, 1927, notwithstanding the continued decline of the farm population in recent years of more than 2,000,000 persons per annum, we still have a farm population of approximately 28,000,000 people, which makes up approximately one-fourth of our population, of which approximately six and one-half million are engaged in tilling a like number of farms, producing approximately one-fourth of the world production of wheat, three-fourths of the world production of corn, and two-thirds of the world production of cotton, supplying about one-half of our exports.

Were it not for the large exportable surplus of agricultural commodities, the balance of trade, now in our favor, would be turned into an adverse balance. Balances of trade are generally paid in gold. As a result, our gold reserve would ultimately be exhausted, and, as in other countries, American exchange and currency would go below par and thus deflate not only American currency but further deflate the purchasing power of labor and all commodities.

It goes without saying that a nation or farmer whose expenditures exceed their income may not travel on the highway to prosperity.

According to the Industrial Conference Board's report in 1926, the current value of capital invested in agriculture in 1919–20 was $65,000,000,000, which in amount exceeded the total investment of $44,000,000,000 in manufactures and $20,000,000,000 in railroads. Farm and farm property represents nearly one-fifth of our tangible wealth. In recent years it has contributed about one-sixth of the national income. It supplies material upon which depend industries giving employment to one-half of our industrial workers.

It supplies about one-eighth of the total tonnage of freight carried by our railroad system.

The agricultural industry pays $10,000,000,000 annually for services and goods produced by others.

It pays indirectly at least $2,500,000,000 of the wages of urban employees.

Our Government expenditures in 1924 were reported at $10,252,000,000, approximately 10 per cent of the total income—a per capita cost of government of $91.47 or $400 per family. Indeed, a large drain on the taxpayers' pocketbook. Agriculture pays one-fifth of it.

Is it of any importance to the people in general?

The Industrial Conference Board's report and official reports make it clear as to its importance to commercial and industrial interests.

Is it of importance to labor?

The testimony of Edgar Wallace, representing the American Federation of Labor, and other representatives of labor groups testifying before the committee makes it clear as to its importance to the wage earners. We recall that following the deflation policy, only a few years ago, which resulted in a disparity in prices between agricultural commodities and the products of industry. Here we were with six and one-half million farmers, constituting about 35 per cent of the purchasing power, because of the low prices of their commodities in contrast with the high prices they had to pay for what they had to buy, found themselves without money or credit to purchase the things necessary to operate their farms. Naturally, consumption fell. Production, of course, decreased correspondingly, resulting in separating more than 6,000,000 wage earners from the pay rolls. Naturally, wage earners became intensely interested. Representatives of, I believe, all labor groups appeared before the Committee on Agriculture, pleading with the committee to report out legislation that might restore the purchasing power of the farmer so that they might go back to work.

As stated by Edgar Wallace, representing the American Federation of Labor:

> The farmers are our customers; when they have no money we can not work. We are the farmers' customers * * *. Hence I think it is to the interest of all the workers. * * * I can not see any hope for improvement, except the farmers can buy. Those are the people on whom we depend. Now, Mr. Chairman, I do not see any difference in confiscating a farmer's product by force or forcing upon him confiscatory prices that will have the same effect. * * * What does it profit us if we can get meat for 10 cents a pound if we haven't the 10 cents?

In Serial E, part 9, page 644, of the hearings before the House Committee on Agriculture, February 21, 1928, Mr. Wallace stated:

> I am sorry to say, Mr. Chairman, that what I apprehended a year and a half ago is now a fact—that is, as we are sitting here to-day 40 per cent of the workers of this country are idle because no man has hired them. * * * So we are heading for the dump.

(Page 645)

> No, Mr. Chairman; we feel that relief must be given the farmers in some tangible form. Oh, people say to me, "This equalization fee—unheard of; never has the Government interfered to that extent." No; but organizations of business men have been able to establish an equalization fee for themselves. It is a well-known fact that machinery manufactured in the United States is sold cheaper abroad than it is sold in the United States, not only farm machinery but all kinds of machinery.
>
> * * * * * * *
>
> Now, Mr. Chairman, we are in favor of the McNary-Haugen bill. We believe that in that bill is the only comprehensive plan that will safeguard the interests of the farmers and put them on a paying basis.

(Page 647)

> Mr. WALLACE. You know the condition of the miners. I do not have to explain that to you; 250,000 miners are out of employment. We would not care a thing for that if there were 250,000 other places open to them. But as a matter of fact what is true of the miners is true to-day of the building trades. It is true of the textile trades; it is true of the metal trades. They are the basic industries. It is likewise true of the automobile industry, a new industry; it is true of the radio industry, a brand-new industry.

(Page 648)

> Mr. WALLACE. Of course, you know what Henry Clay said about protection—"It is a local issue." That is true. If I could have my particular industry protected and all the others have free trade, I would be sitting pretty.

(Page 649)

> Mr. KINCHELOE. Has your organization ever talked over this farmers' situation in convention assembled?
>
> Mr. WALLACE. You know what my evidence has been before this committee each time I have appeared here. My organization knows how to put a fellow out if he misrepresents the intent of that organization, and so the very fact that I am here means that my organization feels that it is being properly represented by what I am saying now and what I have said in the past.

It has discussed this farm situation and has arrived at the same conclusion that I have tried to express here.

> Mr. FULMER. Mr. Wallace, do you find that because of the poverty out on the farm that farmers are leaving and coming in competition with your workers in the cities?
>
> Mr. WALLACE. Oh, yes; there is a great deal of that. * * * But the net result has been to drive the people off the farm into the industries. I think the figures last year were that the farming population had decreased by 500,000, and that means more than 500,000 left the farm, because there is a natural increase which is at least as large on the farm as it is anywhere else.

(Page 550)

> Mr. KETCHAM. You have made that, then, just as a general observation that you would be willing to pay an additional cent if required?
>
> Mr. WALLACE. Yes; I believe that. I am convinced that our conditions have risen. I believe that we have the highest standard of living to-day—do not misunderstand me as crying "calamity" as to our standard of living. I believe our standard of living is higher than that of any country in the world; higher than it has been anywhere.

(Page 551)

> Mr. FORT. You feel as I do, do you not, that the consumers of this country would not object to a reasonable increase in the cost of living if it were necessary only to give the farmers fair treatment?
>
> Mr. WALLACE. That has been the burden of my testimony.
>
> * * * * * * *
>
> But, Mr. FORT, there is this exception: There are some people representing the consumers who kick mightily when something is suggested that would bring a cure, and we are not kicking against a cure. We are not objecting to a cure.

(Page 653)

> Mr. SWANK. You are appearing here this morning and indorsing this McNary-Haugen agricultural bill?
>
> Mr. WALLACE. I am indorsing the McNary-Haugen bill because I do not know of anything that has been proposed that will meet the surplus question like it would.

Yes, my friends, all agree, with the depressed conditions in agriculture, factories and mills crumble to pieces, railroads rust from idleness, and labor is out of employment.

The National Industrial Conference report points out the inequality between the income of farmers and others. The board reports the farmer's actual income in 1924 to be $730. Against the $730 he is charged with $630 for food, fuel, and housing supplied by the farm, which leaves him $100 in cash. The report states that the farmer pays outside the farm for food, fuel, and clothing $475, which absorbs not only the $100 cash but leaves him $375 short. He is credited with 2 per cent, or $400, on his investment. If so, he is $25 ahead, but, as all know, many farmers are in debt; if so, he pays on the average at least 6 per cent. If he pays 6 per cent on his entire investment, he is entitled to $1,200, or $800 more, and if the $375 is added to the $800 he finds himself at the end of the year $1,175 in the red.

The report points out the disparity in incomes of the various groups. As before stated, eliminating the interest credited and the items charged against his account, his income is reported to be $730, as compared with—

| | |
|---|---|
| All workers | $1,256 |
| All workers outside of the farm | 1,415 |
| Wage earners in the manufacturing industry | 1,572 |
| Transportation | 2,141 |
| Clerical | 1,678 |
| Ministers | 1,295 |
| Teachers | 1,650 |

The farmer's income is reported to be about 1 to 3 to that of those employed in transportation, and about 1 to 2 of all groups outside of the farms.

Can there be any question in the mind of anyone as to the alleged adverse conditions? If so, I commend a careful study of the Attorney General's last annual report in respect to the number of cases in bankruptcy. We find that for the year closing June 30, 1926, out of the 47,000 cases in bankruptcy, 7,777 are classed as farmers, and last year up to June 5, 1927, out of 43,070 cases, 6,297 were classed as farmers, which does not include the thousands and thousands of mortgage foreclosures or the number in voluntary liquidation outside of the bankruptcy court—an astonishing fact. Bankruptcy among the farmers increased from 1910 to 1924, 1,000 per cent as in contrast with others. Yet we are told that conditions have improved.

The Business Men's Commission on Agriculture for 1927, on page 56, reports that the average return per farm for labor and management, 1920–1925, to be only $613.

Farmers are not the only ones affected by the adverse conditions. If one turns to the Comptroller of the Currency's re-

port relative to bank failures, he will find that in 1920, 49 banks closed their doors and in 1926 the number had increased to 574, an increase of 1,200 per cent in six years, and in 1927 the number had increased to 830, an increase of approximately 1,700 per cent in seven years.

Notwithstanding these deplorable conditions, we frequently learn from the press and other reports that the economic conditions are much improved. We have men traveling over the country spreading the good news that all is well with the farmer—he is getting all that he is entitled to—and that all are traveling on the highway to prosperity. The farmers are told that their trouble is due to a lack of industry, intelligently applied—they are extravagant; they are riding in automobiles—and all that is necessary for the farmer to do is to work harder, more hours, and apply economy, and if the farmer would hitch the old nag to the gocart or ride horseback on the sway-backed mule instead of the auto, and if the good housewife will make clothes for the children out of cheesecloth or empty flour sacks, all will be well, the goal is certain to be reached.

If agriculture is of the importance indicated in reports and if economic conditions in agriculture are as indicated in the Attorney General's report and comptroller's reports, what is there to do about it?

What is the cause of our trouble?

There are, of course, many. Time does not permit the enumeration of all of them.

Many contend that it is due to speculation. No; generally the speculators were closed out on the first interest-due day. Upon investigation it will be found that conditions are as acute in States where no speculation existed as in States where speculation did exist.

Many contend it is due to high taxes. Yes; taxes have doubled and trebled in many instances, but all over this country good roads have been built, schoolhouses have been constructed and maintained at a large increase in cost. So long as we ride in automobiles, good roads are indispensable, and in the opinion, I believe, of a large majority of the American people, our educational institutions are indispensable. Many believe that knowledge is power. Many believe that a Republic like ours must be sustained by the virtue and intelligence of the people. Many believe that education is the greatest security to freedom, and all we have and enjoy of human liberty was acquired by the people; they fought the battles of revolution; they wrote the Declaration of Independence; they made our Constitution, our laws, and they have sustained them in time of peace and in time of war. The Republic—these people—demand and, I am proud to say, have received liberal provision for the general education. But that, of course, is a matter for each community to determine. Each community has jurisdiction over expenses incurred in their respective communities.

Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 31 minutes.

Mr. LAGUARDIA. Now, tell us about the bill.

Mr. HAUGEN. I shall be glad to discuss the bill, but the gentleman from Indiana [Mr. PURNELL] will lead in that discussion.

What are the outstanding causes? Those over which the farmers in general have no control. I believe all are agreed that first it is due to the unwarranted sudden deflation policy, which resulted in the continued disparity in prices between agricultural commodities and other commodities; in the low prices the farmer receives for what he sells in contrast to the higher price he pays for what he has to buy to operate his farm. In other words, the purchasing and debt-paying power of agricultural commodities in many cases is less than one-half of its pre-war purchasing and debt-paying power.

It is also due to the large exportable surplus of certain agricultural commodities and the fact, as indicated in the Democratic platform, the price obtained for the surplus establishes the price of the whole production. Thus prices are materially lower, due to the unsettled world conditions and the lower cost of production in foreign countries, which has resulted in an inadequate return to the farmer for his labor expended and capital invested.

Also the farmers because of their large numbers have been unable to pool their whole production and market their commodities in such a way as to receive the full benefit of our protective laws.

It is generally conceded that in the case of the producer of a commodity of which there is a large exportable surplus that in the absence of an organization vested with power to pool its whole production the price obtained for the exportable surplus establishes the price of the whole production.

On the other hand an organization which has a monopoly or which has the power to pool its whole production if protected by a tariff is in position to sell a portion of its production for domestic consumption at the world price plus the tariff and transportation and other charges incidental to the importation of the competitive article without affecting the domestic price, and thus materially advancing the average price of the whole production to the producer; the average price, being the world price—the highest net obtainable price in the world market plus the increase occasioned by the higher price on the part sold for domestic consumption.

Take, for example, wheat, of which there is generally a large exportable surplus. Generally the Liverpool market establishes the world price, which in turn is reflected in the domestic price. As a result, notwithstanding the 42 cents tariff on wheat, the Chicago price much of the time ranges from 15 cents to 30 cents below the Liverpool price. Hence in case of large exportable surplus the domestic producers sell their surplus in competition with the surplus of other nations, much of it produced by underpaid labor and on their fertile land, which in many cases sells for less than one-fourth of the price of the American farm. Therefore no benefit is received from the tariff or the restricted immigration law or other protective laws.

On the other hand, if a 100 per cent pool were effected, as might be accomplished under the proposed bill, the pool would be in position to stabilize the price on wheat for domestic consumption equivalent to the cost of foreign production plus the tariff, transportation, and other expenses incidental to the importation of the foreign production. In other words, considering Winnipeg, Canada, our competitor in wheat, to be the lowest competitive world price available, the pool would be able to establish domestic price for domestic consumption at the Winnipeg price plus the tariff and other cost of delivery to our port of entry. Assuming that the Winnipeg and Minneapolis wheat price be $1, or the world price $1, and the cost of delivering Winnipeg wheat to our port of entry be 8 cents per bushel, and the present rate of tariff 42 cents, the cost of the Canadian wheat here would be $1.50 per bushel, an increase in price of 50 cents per bushel over the Winnipeg, the world price.

Our normal production of wheat is approximately 800,000,000 bushels and our domestic requirements are about 600,000,000 to 700,000,000 bushels. If the whole production were pooled and marketed, and, say, 600,000,000 bushels sold at $1.50, and the 200,000,000 bushels exported and sold in competition with Canadian world-production wheat at the world price, the net profit to the producers would be 50 cents per bushel on the 600,000,000 bushels sold for domestic consumption, or a net profit of $300,000,000. There being no profit or loss on the 200,000,000 bushels exported, the net profit would be $300,000,000. The equalization fee would be 12½ cents and the equalized price $1.37½, or 37½ cents over the price the producers would have received on the 800,000,000 bushels in the absence of a pool.

Of course it can not be accomplished equitably except through the pooling of the whole production and the collection of an equalization fee. Anything short of the 100 per cent pool, and the collection or withholding of the equalization fee, would fail to give the desired results.

For example, assuming the wheat crop to be 800,000,000 bushels, 600,000,000 bushels required for domestic consumption and 200,000,000 bushels exported, and the price in competing countries to be $1, and if 50 per cent of the growers should attempt to pool their 50 per cent of the production and to stabilize the price of their 400,000,000 bushels equal to the 42-cent tariff and other costs of 8 cents to port of entry, nonmembers would, of course, take advantage and sell their 400,000,000 bushels at $1.50, the stabilized price, and walk away with $200,000,000 profit without contributing one cent to stabilize the price.

The pool would have the domestic market for only 200,000,000 bushels of its 400,000,000 bushels, at $1.50 per bushel, the domestic price, and would be compelled to sell 200,000,000 bushels in the world market at $1 per bushel, which would net the pool $100,000,000 to be appropriated over its 400,000,000 bushels, which would make the equalized price only $1.25. Hence in pooling the whole production the profit to the producers would be 37½ cents a bushel, instead of only 25 cents a bushel in the case of the 50 per cent pool.

Many efforts have been made to effect a 100 per cent pool. Many well-meaning men have given their time and money in an honest effort to effect a 100 per cent pool. They have never succeeded in pooling one-half the production much less the whole. All so far have given up in despair.

Because of the large number of producers the pooling of the whole production is beyond the power of the producers, hence in order to pool the whole production that each producer may contribute his ratable share of the cost of marketing, and of

the amount required to equalize the price, and to receive his proportionate share of the profits therefrom, which can be accomplished through the establishment and financing a marketing board, friendly to the producers, vested with power to collect or withhold from each producer his ratable share of the cost of marketing and the amount required to equalize the price, and each producer receive his proportionate share of the profits therefrom. In other words, the equalized price as provided in the bill.

It goes without saying that any law enacted which operates in the interest of one class and is ineffective to another should be made effective all along the line. Clearly, our protective laws, especially our tariff laws, are ineffective to producers of commodities of which there is a large exportable surplus, in the absence of an organization to pool the whole production, and can only be made effective through organization exercising the power of pooling the whole production. Not the fault of the law itself, but due to the large number of producers of certain commodities, as in the case of producers of agricultural commodities, incapable of organizing so as to take advantage of established laws.

Is it asking too much that the law be made operative?

We all take much pride in referring to our grand and glorious Government, with its splendid and magnificent institutions, a land of equal rights and opportunities.

Shall it be said that laws discriminating against one class—the farmer—shall not be corrected? Shall party platform pledges be ignored or repudiated, or shall justice be meted out to a worthy and deserving class of our citizens?

Another remedy has been suggested. To adopt the slogan, "Protection for all or protection for none," which I take it to mean to ignore party-platform pledges, and if prices of agricultural commodities are low and the prices of other commodities are high, because of our tariff system and restricted immigration policy—that is, if the prices of the products of industry are high because of high wage scale and a high rate of duty—the suggestion is the remedy would be to adjust or repeal our immigration and tariff laws; if so, the price would come down. Yes; if the gates are thrown wide open to foreign labor and production prices will, of course, drop. We would then be on the level with other nations. In my opinion, there is no question as to that. Billions of dollars of debts were contracted on inflated basis. In my opinion, debts thus contracted should be liquidated on the same basis. For instance, if a farmer purchased farm implements at the inflated price during the war and gave his note for $1,000 and the price of wheat at that time was $2 per bushel, and if he had wheat and sold it the proceeds of 500 bushels would have paid the bill. Recently the price of wheat has been around $1 per bushel, and at this price it would require 1,000 bushels to pay the debt. If the price is further deflated, say to 50 cents per bushel, it would require 2,000 bushels. Personally, I am opposed to thus increasing the burden of the producer.

I believe in a sound and wise restricted immigration policy, and in a protective tariff system, which will maintain the American high standard of living, just and fair to all concerned, to encourage American industry and benefit American labor, and that would result in the common good to all the people. Rather than to add to the burden of the farmer and to lower the standard of living, in my opinion, every effort should be made to elevate the purchasing power of agricultural commodities to a price level, with products of industry and labor, and thus restore, as promised, equality between agriculture, industry, and labor.

Another remedy to make the tariff effective is the debenture plan—a subsidy, not to extract money out of the Public Treasury after it is paid into the Treasury, but to capture it before it gets into the Treasury. To make the tariff effective all along the line would, of course, strip the Treasury of its funds. Therefore a compromise has been suggested to cut the tariff in two, a plan which many disapprove of. Farmers have objected to a raid on the Treasury and being placed in the position of asking for gratuity. All they ask is that protective laws be made as effective to them as it is to others. That, because of their large numbers they have been unable to organize to pool their whole production and thus take advantage of the protective laws, they request the establishment of a marketing board, to vest it with power to pool the whole production, and that each producer may pay his ratable share of the cost and receive his proportionate share of benefits, which seems just and fair to all concerned. Thereby not only will the Federal Treasury be protected against a raid but the producers would be millions ahead.

A comparison of the two plans is indeed most interesting. I shall include in my remarks a summary indicating the cost to the Government of the debenture plan, its benefits to the producers, and the net gain to the producers after deducting the cost to the Government, and the net gain to the producers, without expense to the Government, under the equalization plan.

*Summary*

| Commodity | Years | Debenture plan | | | Equalization plan net gain after deducting equalization fees | Difference in favor of equalization plan |
|---|---|---|---|---|---|---|
| | | Gain in price of whole production | Cost to Federal Treasury | Net gain after deducting cost to Government | | |
| Wheat | 4 years, 1924–1927 | $705,268,280 | $142,484,630 | $562,783,650 | $960,949,742 | $398,166,092 |
| Corn | do | 802,866,000 | 4,990,500 | 797,875,500 | 1,690,046,033 | 892,170,533 |
| Total | | 1,508,134,280 | 147,475,130 | 1,360,659,150 | 2,650,995,775 | 1,290,336,625 |
| Beef | 3 years, 1924–1926 | 339,435,000 | 1,560,000 | 337,875,000 | 1,088,144,800 | 750,269,800 |
| Butter | do | 284,005,960 | 949,260 | 283,056,700 | 353,397,742 | 70,341,042 |
| Total | | 623,440,960 | 2,509,260 | 620,931,700 | 1,441,542,542 | 820,610,842 |
| Grand total | | 2,131,575,240 | 149,984,390 | 1,981,590,850 | 4,091,642,317 | 2,110,947,467 |

It will be noted that, had the wheat and corn been marketed during the four years 1924–1927 and the beef and butter for the three years 1924–1926 under the debenture plan, the benefits to the producers would have been $2,131,575,240, at a cost to the Government in debentures of $149,984,390, or a net gain under this plan, after deduction of the cost to the Government, would have been $1,981,590,850, whereas the benefits under the equalization plan for the same products and for the same years would have been $4,091,642,317, without cost to the Government. In other words, under the equalization plan the profit to the producers of $4,091,642,317, after deduction of the equalization fees and the profit to the producers under the debenture plan of $2,131,575,240; and if the cost to the Government were deducted, the net profit would be only $1,981,590,850. In other words, the profits under the equalization plan after deducting the equalization fee would have been $4,091,642,317, without one cent cost to the Government, and under the debenture plan the benefit to the producers after deducting the cost to the Government in debentures of $149,984,390, would have been only $1,981,590,850, or $2,110,947,467 less than under the equalization plan.

Many laws have been enacted. I appreciate that all laws enacted are not perfect in all their details but, nevertheless, we are entitled to just laws and an honest administration of such laws. We can not afford to be contented with anything less. Legislation not to deprive an individual or corporation of a single dollar or interest honestly acquired, but legislation always proceeding in an honorable and dignified manner, with a spirit of fairness, and just to all concerned; legislation not in accord with the views of those who have no respect for law and order or property rights, but legislation to promote progress, prosperity, and happiness to all worthy and deserving people in every community, in order that we may have the fullest development of every worthy and legitimate enterprise.

All laws passed may not be perfect in all their details. I believe every one has been helpful to the producer in bringing about the desired results. Be that as it may, the fact that beneficial laws have been enacted is no excuse for anybody to refuse to put his shoulder to the wheel in an honest effort to further improve our economic condition, especially in agriculture.

All take a just and pardonable pride in the life and character of the men and women who have made this country what it is; the men and women who have so generously assisted in making our towns, cities, and villages; building our roads and bridges, constructing our vast system of public schools, building the

temples of worship, building the charitable institutions; many in poverty and reverses, sickness and distress, others in health and wealth, prosperity and happiness, sympathizing with each other's woes, sharing each other's joys, step by step advancing along the lines of accumulation of wealth, culture, and refinement, until we boast of the fact that we rank among the most successful and practical people on earth. Our onward march to true greatness has placed us in the foremost ranks of modern civilization and refinement. All of it under a Government of the people, by the people, and for the people. Truly these wonderful achievements, the morality and industry of our people, are not the achievements of an ignorant and indolent people. To the contrary, they bear upon them the impress of the most enlightened views and policies executed with prudence by an industrious, intelligent, God-fearing, liberty-loving people. True, sunshine and rain and the rich soil has had much to do with it. After all, the energy and industry, intelligently applied by the tillers of the soil, who have cleared the forests, transformed the prairies and wilderness into a bed of roses and productive fields, producing food in sufficient quantities to supply not only 120,000,000 of our beloved people with food, but millions in foreign lands, who have placed our Nation at the head of all agricultural nations, are, in my opinion, justly entitled to consideration and the modest demand that Congress redeem the solemn pledges made in their party platforms; that they be afforded an opportunity to market their production in a way to also give them the benefit of the American price level and protective laws, as afforded to industry and labor, who are able, because of their fewer numbers, to organize and take the benefit of our laws affording protection.

To do for the farmers what was done by the enactment of the Federal reserve system, the railroad act, the Adamson law, the restricted immigration act, and the many acts extending aid, assistance, and relief to numerous other activities. In other words, to afford the farmer the advantages, aid, and opportunities extended to others. In short, a fair and square deal to all; nothing more, nothing less.

We are living in an age of marvelous expansion and we are moving forward at a mighty pace. We are pleased to see the wheels of industry moving and to see that every energy is employed and that prosperity and happiness are in evidence everywhere. All of us feel it our duty, no matter what our political affiliations or what our occupations or personal interests may be, to strive to benefit our country and to protect the weak and relieve the distressed and to give honest and thoughtful consideration to securing the full benefit of our natural resources, the development of mechanical appliances in the promotion of the skill and genius of American workmen. We conceive it to be our duty to see to it that nobody is imposed upon, but that all are given adequate protection against any invasion on the part of unscrupulous people in order that we may have the fullest development of every worthy and legitimate enterprise. It can only be accomplished through laws fair and just to all. Equal rights to all and special privileges to none. Shall it be done?

If so, shall due consideration be given to the important place agriculture holds in the economic life of the Nation, and the continued depression in agriculture and the party platform pledges? Have the producers the right to ask the Republican Party to redeem its national party pledges made a Cleveland?

The Republican Party at its national convention held at Cleveland solemnly declared:

> We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back the balanced conditions between agriculture, industry, and labor.

There the farmers have the party's acknowledgement of the adverse conditions that have brought deep despair. In it they have the pledge to bring back a balanced condition between agriculture, industry, and labor.

The Democratic Party at its national convention held at New York pledged itself to—

> Stimulate by every proper Government activity the progress of the cooperative marketing movement and to the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

Have they the right to ask the Democratic Party to redeem its party platform pledges, to promote the cooperative movement, and the pledge to establish an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop?

President Coolidge, in his message at the opening of the last session of the Sixty-ninth Congress, said in part:

> The important place which agriculture holds in the economic and social life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested.

The question to all is, Shall it be done? Or shall it be set aside and new platform pledges made?

The question is, Shall the corrupt practice of manipulation of prices, causing violent fluctuations, the mixing of dirt, screenings, and rubbish with grain and selling it as such at grain prices, thus robbing the millions of consumers and producers, be continued, or shall it be restricted and finally stopped?

Shall the old and the new sources of revenue recently provided for continue to flow into Washington, into congressional districts, be used as indicated by Colonel Mulhall—for the influencing of Congress, to elect Members friendly to their cause, and to defeat others who fail to do their bidding, as the three and three-quarter millions fund of the National Association of Manufacturers and the National Council of Industrial Defense was used for?

Shall it flow into the campaign budget, as alleged in the case of the Teapot Dome scandal, to the everlasting shame and disgrace of the American people?

Shall fraud and corruption be given the stamp of approval? Or shall it be made the subject of another congressional investigation? Shall it be stopped? Shall the damnable practice be stopped now and for evermore? Shall the illegal use of money, coupled up with the Teapot Dome, be made the paramount issue in the coming campaign, or shall party platform pledges be redeemed unconditionally, to the credit of the Seventieth Congress and to the everlasting glory and welfare of the American people?

Under leave to extend my remarks I append hereto certain tables in respect to production, exports, and net profits to producers under the equalization plan and the debenture plan:

STATEMENT OF HON. G. N. HAUGEN

For the information of the committee and the House I desire to append to my remarks certain tables furnished by the Department of Agriculture, indicating the production and net exports of wheat, corn, beef (slaughtered), lard, butter, and tables indicating the world price and domestic price, the tariff, and the net profit to the producers had the proposed bill been in operation for the years 1924, 1925, 1926, and 1927, also tables showing domestic and world production of wheat, corn, cotton, rice, tobacco, lard, beef and veal, butter, and cattle. The net profit to the producers has been calculated on the assumption of the whole crop being marketed, no allowances having been made for seed, food, and carry-over. (For instance, the net profit to the producers of wheat for the crop year 1926–27 has been calculated to be $266,737,446, assuming that the entire crop of 871,691,000 bushels had been marketed. If, say, 100,000,000 bushels are used for seed, food, and carry-over, the equalization fee would be $0.1066 instead of $0.94 and the net profit would be $226,614,139 instead of $266,737,446.)

*Wheat*

[From Department of Agriculture]

| Crop year | Production | Net exports |
|---|---|---|
| | *Bushels* | *Bushels* |
| 1923–24 | 791,797,381 | 128,473,000 |
| 1924–25 | 862,627,000 | 251,915,000 |
| 1925–26 | 832,305,000 | 92,371,000 |
| 1926–27 | 871,691,000 | 205,944,000 |

PRICES.—*No. 1 dark northern at Minneapolis and No. 1 northern at Winnipeg*

| Year | Minneapolis | Winnipeg | Tariff | Freight | Equalization fee | Net profit per bushel | Total profit |
|---|---|---|---|---|---|---|---|
| 1923–24 | $1.24 | $1.00 | $0.42 | $0.03 | $0.034 | $0.171 | $140,148,364 |
| 1924–25 | 1.58 | 1.66 | .42 | .03 | .154 | .376 | 324,347,752 |
| 1925–26 | 1.65 | 1.51 | .42 | .03 | .034 | .276 | 229,716,180 |
| 1926–27 | 1.51 | 1.46 | .42 | .03 | .094 | .306 | 266,737,446 |

If the bill had been in operation during the crop year of 1923–24, the wheat grower would have received the Winnipeg price of $1 plus the tariff of 42 cents and transportation charges of 3 cents, or a total of $1.45, instead of the Minneapolis price of $1.24, a gain of 21 cents per bushel, minus the equalization fee to cover the discount of 21 cents per bushel on the 128,473,000 bushels exported, or $26,979,330, to be distributed over

791,797,381 bushels, or an equalization fee of $0.034, a net profit per bushel of $0.177, and a total profit of $140,148,364.

If the bill had been in operation during the crop year 1924–25, the wheat grower would have received the Winnipeg price of $1.66 plus the tariff of 42 cents and transportation charges of 3 cents, or a total of $2.11, instead of the Minneapolis price of $1.58, a gain of 53 cents per bushel, minus the equalization fee to cover the discount of 53 cents per bushel on the 251,715,000 bushels exported, or $132,514,950, to be distributed over 862,627,000 bushels, or an equalization fee of $0.155, a net profit per bushel of 37.6 cents, and a total profit of $324,347,752.

The wheat crop for the crop year 1925–26 has been estimated at 832,305,000 bushels and the exports to May 1, 70,000,000 bushels. The wheat grower would receive, if the bill were in operation, the Winnipeg price of $1.51 plus the tariff of 42 cents and the transportation charges of approximately 3 cents, or a total of $1.96, instead of the Minneapolis price of $1.65, a gain of 31 cents per bushel, minus the equalization fee to cover the discount of 31 cents per bushel on the 92,371,000 exported, or $28,635,000, to be distributed over 832,305,000 bushels, or an equalization fee of 4 cents, a net profit of $0.276 per bushel, and a total profit of $229,716,180.

The wheat crop for the crop year 1926–27 has been estimated at 871,691,000 bushels and the exports at 205,944,000 bushels. Assuming that the whole crop had been marketed, the wheat grower would receive, if the bill were in operation, the Winnipeg price of $1.46 plus the tariff of 42 cents and transportation charges of approximately 3 cents, or a total of $1.91, instead of the Minneapolis price of $1.51, a gain of 40 cents per bushel, minus the equalization fee to cover the discount of 40 cents per bushel on the 205,944,000 bushels exported, or $82,377,600, to be distributed over 871,691,000 bushels, or an equalization fee of $0.094, a net profit of $0.306 per bushel, and a total profit of $266,737,446.

*Corn*

| | Bushels |
|---|---|
| Production | 3,000,000,000 |
| Exports, 1924 | 23,000,000 |
| Exports, 1925 | 5,000,000 |
| Exports, 1926 | 19,819,000 |
| Exports, July to November, 1927 | 3,179,000 |

*Prices of corn*

[Chicago prices by Department of Labor and Buenos Aires prices by Department of Agriculture]

| Year | Chicago price | Buenos Aires price | Export tax | Tariff | Ocean freight | Total | Equalization fee | Net profit per bushel | Total profit |
|---|---|---|---|---|---|---|---|---|---|
| 1924 | $0.972 | $0.83 | $0.01 | $0.15 | $1.11¼ | $1.10¼ | $0.001 | $0.129 | $387,000,000 |
| 1925 | 1.038 | .94 | .01 | .15 | .11¼ | 1.21¼ | .0003 | .1742 | 522,627,500 |
| 1926 | .759 | .67 | .01 | .15 | .11¼ | .94¼ | .0017 | .1818 | 480,861,000 |
| 1927 | .881 | [1].67 | .01 | .15 | .11¼ | .94¼ | [2] | [2] | [2] |

[1] January–November, 1927. [2] Not yet available.

If the bill had been in force in 1924, the corn grower would have received the Argentine price of 83 cents, plus the tariff of 15 cents, plus the export tax, which was 1.54 cents in February, 1926, 1.03 cents in March, and 0.46 cent in April, or, say, 1 cent, and the ocean freight to Baltimore or New York, say, 11¼ cents, the rate March last, or a total of $1.10¼, instead of the Chicago price of 97.2 cents, a gain of approximately 13 cents per bushel, minus the equalization fee to cover the discount of 13 cents on 23,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed. If so, an equalization fee of $0.001 per bushel, a net gain of $0.129 per bushel, or a total profit of $387,000,000.

If the bill had been in force in 1925, the corn grower would have received the Argentine price of 94 cents, plus the tariff of 15 cents, plus the export tax of 1 cent, and the ocean freight of 11¼ cents, or a total of $1.21¼, instead of the Chicago price of $1.038 (see ratio table furnished by Department of Labor) a gain of 17.45 cents per bushel, minus the equalization fee of 17.45 cents on 5,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed, or an equalization fee of $0.0003 per bushel, a net gain of $0.1742, a total profit of $522,627,500.

If the bill had been in force in 1926, the corn grower would have received the Buenos Aires price of 67 cents, plus the tariff of 15 cents, plus the export tax of 1 cent, and the ocean freight of 11¼ cents, or a total of $0.94¼, instead of the average Chicago price of 75.9 cents, a gain of 18.35 cents per bushel, minus the equalization fee to cover the discount of 18.35 cents on 24,783,000 bushels, to be distributed over a total production of 2,645,000,000 bushels, assuming that the total production had been marketed, or an equalization fee of $0.0017 per bushel, a net gain of $0.1818, or a total profit of $480,861,000.

Inasmuch as the exports of corn for the year 1927 are not yet available, the full data as to the equalization fee and total profit can not be worked out at the present time.

*Beef slaughtered*

| | 1927 | 1926 | 1925 | 1924 |
|---|---|---|---|---|
| Production | [1] | 7,458,000,000 | 7,146,000,000 | 7,065,000,000 |
| Exports | [1] | 38,000,000 | 39,000,000 | 40,000,000 |
| Imports | [1] | 41,000,000 | 17,000,000 | 21,000,000 |
| Net exports | [1] | | 22,000,000 | 19,000,000 |

[1] Not available.

*Prices on English beef sides, average top price, London, and on choice western dressed at New York*

[From Department of Agriculture]

| | New York | London | Tariff | Transportation | Equalization fee | Net profit per pound | Total profit |
|---|---|---|---|---|---|---|---|
| 1924 | $0.1840 | $0.1794 | $0.03 | $0.015 | $0.00010 | $0.0400 | $284,658,400 |
| 1925 | .1921 | .1937 | .03 | .015 | .00014 | .0465 | 332,078,400 |
| 1926 | .1760 | .1871 | .03 | .015 | | | |
| Jan.–Nov., 1927 | .2078 | .1720 | .03 | | | | |

If the bill had been in operation in 1924 the producer would have received the London price of $0.1794 plus the tariff of $0.03 and the transportation charges of approximately $0.015, or a total of $0.2244, instead of the New York price of $0.184, a gain of $0.0404, minus the equalization fee, on 19,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or $0.0001. That is, the producer would have received a profit of approximately $0.04 a pound, or a total profit of approximately $284,658,400.

If the bill had been in operation in 1925 the producer would have received the London price of $0.1937 plus the tariff of 3 cents and the transportation charges of approximately $0.015, or a total of $0.02387, instead of the average New York price of $0.1921, a gain of $0.0466, minus the equalization fee, on 22,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or $0.00014. That is, the producer would have received a profit of approximately $0.0465 a pound, or a total profit of approximately $332,078,400.

*Lard*

| | 1925 | 1926 |
|---|---|---|
| Production, pounds | 2,211,000,000 | 2,324,000,000 |
| Exports, do | 719,000,000 | 717,000,000 |
| PRICES[1] | | |
| Chicago | $0.168 | $0.15 |
| Liverpool | .183 | .164 |
| Tariff | .01 | .01 |
| Transportation | .005 | .005 |
| Equalization fee | .0097 | .0089 |
| Net profit per pound | .0203 | .029 |
| Total profit | 44,883,300 | 46,712,400 |

[1] From Department of Commerce.

The average Liverpool price for lard in the year 1925 was 18.3 cents per pound, and if the bill had been in effect the producer would have received the Liverpool price of 18.3 cents plus the tariff, which is 1 cent, plus the cost of transportation to the port of entry, say, one-half cent, or a total of 19.8 cents, a gain of 3 cents over the Chicago price of 16.8 cents minus the equalization fee of $21,446,700, to be distributed over the total production, which would be approximately $0.0097 per pound, a net profit per pound of $0.203, or a total profit of $44,883,300.

The average Liverpool price for lard in the year 1926 was 16.4 cents per pound, and if the bill had been in effect the producer would have received the Liverpool price of 16.4 cents plus the tariff, which is 1 cent, plus the cost of transportation to the port of entry, say, one-half cent, or a total of 17.9 cents, a gain of 2.91 cents over the Chicago price of $0.15, minus the equalization fee of $20,793,000, to be distributed over the total of 2,324,000,000 pounds produced, which would be approximately $0.0089 per pound, a net profit per pound of $0.0201, or a total profit of $46,712,400.

CATTLE, 1925

The average Buenos Aires price for steers, medium to good, averaging 1,320 pounds, in the year 1925 was $5.66, or 5.6 cents per pound, and if the bill had been in operation the cattleman would have received the Argentine price plus the tariff of 1½ cents plus the cost of transportation to the port of entry, say, 4 cents, or a total of 11.1 cents, instead of the average Chicago

price of approximately 10 cents, a gain of 1.1 cents less the equalization fee.

CATTLE, 1926

The average Buenos Aires price for steers: Choice in the year 1926 was $5.16, or 5.16 cents per pound, and if the bill had been in operation the cattleman would have received the Argentine price plus the tariff of 2 cents, plus the cost of transportation to the port of entry, say, 4 cents, or a total of 11.16 cents, instead of the average Chicago price of approximately 9.46 cents less the equalization fee.

*Butter, year ended June 30*

POUNDS

| | Production | Exports [1] | Imports [1] | Net imports | Net exports |
|---|---|---|---|---|---|
| 1924 | 2,000,000,000 | 5,425,000 | 29,466,000 | 24,041,000 | |
| 1925 | 2,000,000,000 | 8,384,000 | 7,189,000 | | 1,195,000 |
| 1926 | 2,066,766,000 | 5,180,000 | 6,440,000 | 1,160,000 | |
| 1927 | (1) | 5,046,000 | 10,710,000 | 5,664,000 | |

PRICES

| | New York | London (Danish) | Copenhagen | Tariff | Freight | Minus equalization fee | Net profit per pound | Total profit |
|---|---|---|---|---|---|---|---|---|
| 1924 | $0.426 | ($0.417) | $0.397 | $0.08 | $0.01 | | $0.061 | $122,000,000 |
| 1925 | .453 | (.448) | .425 | .08 | .01 | $0.000037 | .061963 | 123,925,910 |
| 1926 | .443 | .394 | .365 | .12 | .01 | .00016 | .052 | 6,952,072 |
| 1927 | .47 | .392 | .366 | | | | | |

[1] Not available.

If the bill had been in operation in 1924, the butter producer would have received the Copenhagen price of $0.397 plus the tariff of 8 cents and transportation charges of approximately 1 cent, or a total of $0.487, instead of the New York price of $0.426, a gain of $0.061 per pound, or a total profit of $122,000,000. Imports were in excess of exports for the year 1924, hence no equalization fee. All that would have been necessary to insure the advance would have been to regulate the importations as provided in the bill.

If the bill had been in operation in 1925, the butter producer would have received the Copenhagen price of $0.425 plus the tariff of 8 cents and transportation of 1 cent, or a total of $0.515, instead of the New York price of $0.453, a gain of $0.062 minus the equalization fee on 1,195,000 pounds to be distributed over the total production of 2,000,000,000 pounds, which would be less than four-thousandths of 1 cent per pound. That is, the producer would have received a profit of $0.062 a pound on 2,000,000,000 pounds, or $124,000,000, less $0.062 on the 1,195,000 pounds exported—$74,090—or a net profit of $123,925,910.

If the bill had been in operation in March, 1926, the butter producer would have received the Copenhagen price of $0.365 plus the tariff of 12 cents and transportation charges of approximately 1 cent, or a total of $0.495, instead of the New York price of $0.443, a gain of 5.2 cents per pound minus the equalization fee on 298,317 pounds to be distributed over the total production of 133,992,000, which would be approximately $0.0001 a pound. That is, the producer would have received a profit of $0.052 a pound on 133,992,000 pounds, or $6,367,584, minus $0.052 on the 298,317 pounds exported—$815,512—or a net profit of $12,022,432.

*Production, United States and world, 1926 and 1927*

[Division of Statistical and Historical Research]

| Commodity | United States 1926 | United States 1927 | World, countries reporting 1926 | World, countries reporting 1927 |
|---|---|---|---|---|
| Wheat, 1,000 bushels | 831,040 | 871,691 | 3,421,000 | [1] 3,428,145 |
| Corn, do | 2,692,217 | 2,786,288 | 4,421,000 | 3,323,952 |
| Cotton, 1,000 bales | 17,977 | 12,789 | 28,000 | 14,340 |
| Rice, cleaned, 1,000 pounds | 1,159,167 | 1,117,528 | 39,201,203 | 35,379,253 |
| Tobacco, do | 1,297,889 | 1,237,832 | 2,781,443 | 2,037,135 |
| Lard, do | 2,324,000 | (2) | (2) | (2) |
| Beef and veal, do | 8,418,000 | (2) | (3) | (3) |
| Butter, farm and factory, do | 2,066,766 | (2) | (2) | (2) |
| Cattle, live, thousands | [4] 59,148 | 57,521 | [5] 629,000 | [5] 629,000 |

[1] World total production, exclusive of Russia and China, estimated to be about 3,549,000,000 bushels.
[2] Not available.
[3] Estimated commercial production in the United States, Argentina, Uruguay, Germany, United Kingdom, and France in 1926 totaled 16,140,000,000 pounds, compared with 15,072,000,000 pounds in 1925. Farm production for United States, United Kingdom, Germany, and France included for both years.
[4] Number on hand Jan. 1.
[5] Average estimated world total for the years 1921 to 1925.

*Production, United States and world, 1927*

| Commodity | United States, 1927 | World, 1927, countries reporting |
|---|---|---|
| Wheat, bushels | 832,305,000 | [1] 3,328,091,000 |
| Corn, do | 2,645,031,000 | 3,516,106,000 |
| Cotton, bales | [2] 18,618,000 | [2] 25,865,000 |
| Rice, cleaned, pounds | 1,139,056,000 | 39,201,203,000 |
| Tobacco, do | 1,323,388,000 | 2,071,704,000 |
| Lard, do | (3) | (3) |
| Beef, do | (3) | (3) |
| Butter, farm and factory, do | (3) | (3) |
| Cattle, live | [4] 59,148,000 | (3) |

[1] World total production, exclusive of Russia and China, estimated to be about 3,441,000,000 bushels.
[2] Bales of 500 pounds gross weight.
[3] Not yet available.
[4] Number on hand Jan. 1. On hand Jan. 1, 1927, $57,521,000.

*Production, United States and world, 1924 and 1925*

| Commodity | 1924 United States | 1924 World | 1925 United States | 1925 World |
|---|---|---|---|---|
| Wheat, bushels | 864,428,000 | 3,145,000,000 | 676,429,000 | 3,400,000,000 |
| Corn, do | 2,309,414,000 | 3,729,000,000 | 2,916,961,000 | 3,108,023,000 |
| Rice, pounds | 902,722,000 | 127,000,000,000 | 925,250,000 | 126,000,000,000 |
| Tobacco, do | 1,251,343,000 | 3,258,270,000 | 1,376,628,000 | 3,287,000,000 |
| Cotton, bales | 13,628,000 | 24,800,000 | 16,104,000 | 27,900,000 |

*Department of Agriculture prices*

CATTLE (LIVE)

| Year | Chicago price, good beef steers, 100 pounds | Winnipeg price, good steers, 1,000-1,200 pounds | Tariff |
|---|---|---|---|
| 1924 | $9.49 | $5.27 | |
| 1925 | 10.19 | 5.98 | (1) |
| 1926 | 9.46 | [2] 6.22 | |
| 1927 | 12.19 | [3] 7.52 | |

COTTON (MIDDLING)

| Year | New Orleans | Liverpool | Tariff |
|---|---|---|---|
| August-July: | *Cents* | *Cents* | |
| 1923–24 | 30.32 | 30.50 | Free. |
| 1924–25 | 24.21 | 26.97 | |
| 1925–26 | 19.71 | 21.84 | |
| 1926–27 | 14.12 | 16.06 | |
| | 14.74 | [4] 19.02 | |

RICE

| Year | New Orleans Blue Rose | London Carolina rice | Tariff |
|---|---|---|---|
| | *Cents* | *Cents* | *Per lb.* |
| 1924 | 5.5 | 6.9 | $0.02 |
| 1925 | 6.5 | 8.0 | .02 |
| 1926 | 6.2 | 8.2 | .02 |
| 1927 | 4.4 | [4] 6.6 | .02 |

TOBACCO (LEAF)

| Year | Average Virginia-North Carolina flue cured | London Virginia leaf | Tariff |
|---|---|---|---|
| | *Cents* per pound | *Cents* | |
| 1924 | 22.5 | 38.6 | |
| 1925 | 20.0 | 42.2 | (5) |
| 1926 | 25.9 | [4] 42.6 | |
| 1927 | [4] 24.4 | [4] 42.6 | |

[1] Live cattle weighing less than 1,050 pounds, 1½ cents per pound. Weighing over 1,050 pounds, 2 cents per pound.
[2] Average January–October.
[3] January–November, 1927.
[4] Average January–November.
[5] The tariff on tobacco is shown below. It is to be observed that there is a wide range on the various types of tobacco.

*Department of Agriculture prices*—Continued

TOBACCO (LEAF)—continued

| | Tariff per pound | Paragraph, act of 1922 |
|---|---|---|
| Tobacco: | | |
| Wrapper— | | |
| Stemmed | $2.75 | 601 |
| Unstemmed | 2.10 | 601 |
| Filler, when mixed with more than 35 per cent wrapper— | | |
| Stemmed | 2.75 | 601 |
| Unstemmed | 2.10 | 601 |
| Filler, n. s. p. f.— | | |
| Stemmed | .50 | 601 |
| Unstemmed | .35 | 601 |
| Leaf— | | |
| Stemmed | 2.75 | 601 |
| Unstemmed | 2.10 | 601 |
| All other tobacco | .55 | 603 |
| Scrap tobacco | .35 | 603 |
| Cigars and cigarettes | [1] 4.50 | 605 |

[1] Plus 25 per cent ad valorem.

For the purpose of comparison, I am also showing certain tables prepared, indicating the gain in prices to producers and cost to the Federal Treasury under the debenture plan that has been discussed lately.

*Wheat*

[From Department of Agriculture]

| Crop year | Production | Net exports |
|---|---|---|
| | *Bushels* | *Bushels* |
| 1923–24 | 791,797,381 | 128,473,000 |
| 1924–25 | 862,627,000 | 251,915,000 |
| 1925–26 | 832,305,000 | 92,371,000 |
| 1926–27 | 871,691,000 | 205,944,000 |

*Prices, No. 1 dark northern at Minneapolis and No. 1 northern at Winnipeg—Profits under the equalization plan (McNary-Haugen bill)*

| Year | Minneapolis | Winnipeg | Tariff | Freight | Equalization fee | Net profit per bushel | Total profit |
|---|---|---|---|---|---|---|---|
| 1923–24 | $1.24 | $1.00 | $0.42 | $0.03 | $0.034 | $0.171 | $140,148,364 |
| 1924–25 | 1.58 | 1.66 | .42 | .03 | .154 | .376 | 324,347,752 |
| 1925–26 | 1.65 | 1.51 | .42 | .03 | .034 | .276 | 229,716,180 |
| 1926–27 | 1.51 | 1.46 | .42 | .03 | .094 | .306 | 266,737,446 |
| Total | | | | | | | 960,949,742 |

*Profits under the debenture plan*

| Year | Production (bushels) | Exports (bushels) | Gain of 21 cents per bushel on whole production | Cost to Government, 21 cents on exports | Net gain |
|---|---|---|---|---|---|
| 1923–24 | 791,797,381 | 128,413,000 | $166,277,450 | $26,979,330 | $139,298,120 |
| 1924–25 | 862,627,000 | 251,915,000 | 181,151,670 | 52,902,150 | 128,249,520 |
| 1925–26 | 832,305,000 | 92,371,000 | 174,784,050 | 19,397,910 | 155,386,140 |
| 1926–27 | 871,691,000 | 205,744,000 | 183,055,110 | 43,206,240 | 139,848,870 |
| Total | | | 705,268,280 | 142,484,630 | 562,783,650 |

Assuming that the tariff is made effective, and the price brought up to the level of the tariff wall, if the McNary-Haugen bill had been in operation and the whole crop marketed during the crop year of 1923–24, the wheat grower would have received the Winnipeg price of $1 plus the tariff of 42 cents and transportation charges of 3 cents, or a total of $1.45, instead of the Minneapolis price of $1.24, a gain of 21 cents per bushel, minus the equalization fee to cover the lower price of 21 cents per bushel on the 128,473,000 bushels exported, or $26,979,330, to be distributed over 791,797,381 bushels, or an equalization fee of $0.034, a net profit per bushel of $0.177, and a total profit of $140,148,364.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 21 cents debenture, then the producer would have received a gain in price on the whole production of only $166,277,450, at a cost to the Government of 21 cents per bushel in debenture, or a total of $26,979,330 on the quantity exported, or a net gain in the operation, minus the cost to the Government, of only $139,298,120.

If the McNary-Haugen bill had been in operation and the whole crop marketed during the crop year 1924–25, the wheat grower would have received the Winnipeg price of $1.66, plus the tariff of 42 cents and transportation charges of 3 cents, or a total of $2.11, instead of the Minneapolis price of $1.58, a gain of 53 cents per bushel, minus the equalization fee to cover the lower price of 53 cents per bushel on the 251,715,000 bushels exported, or $132,514,950, to be distributed over 862,627,000 bushels, or an equalization fee of $0.155, a net profit per bushel of 37.6 cents, and a total profit of $324,347,752.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 21 cents debenture, then the producer would have received a gain in price on the whole production of only $181,151,670, at a cost to the Government of 21 cents per bushel in debenture, or a total of $52,902,150 on the quantity exported, or a net gain in the operation minus the cost to the Government of only $128,249,520.

The wheat crop for the crop year 1925–26 has been estimated at 832,305,000 bushels and the exports to May 1, 70,000,000 bushels. The wheat grower would receive, if the McNary-Haugen bill were in operation, the Winnipeg price of $1.51 plus the tariff of 42 cents and the transportation charges of approximately 3 cents, or a total of $1.96, instead of the Minneapolis price of $1.65, a gain of 31 cents per bushel, minus the equalization fee to cover the lower price of 31 cents per bushel on the 92,371,000 exported, or $28,635,000, to be distributed over 832,305,000 bushels, or an equalization fee of 4 cents, a net profit of $0.276 per bushel, and a total profit of $229,716,180.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 21 cents debenture, then the producers would have received a gain in price on the whole production of only $174,784,050, at a cost to the Government of 21 cents per bushel in debenture, or a total of $19,397,910 on the quantity exported, or a net gain in the operation minus the cost to the Government of only $155,386,140.

The wheat crop for the crop year 1926–27 has been estimated at 871,691,000 bushels, and the exports at 205,944,000 bushels. Assuming that the whole crop had been marketed, the wheat grower would receive, if the McNary-Haugen bill were in operation, the Winnipeg price of $1.46 plus the tariff of 42 cents and transportation charges of approximately 3 cents, or a total of $1.91, instead of the Minneapolis price of $1.51, a gain of 40 cents per bushel, minus the equalization fee to cover the lower price of 40 cents per bushel on the 205,944,000 bushels exported, or $82,377,600, to be distributed over 871,691,000 bushels, or an equalization fee of $0.094, a net profit of $0.306 per bushel, and a total profit of $266,737,446.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 21 cents debenture, then the producers would have received a gain in price on the whole production of only $183,055,110, at a cost to the Government of 21 cents per bushel in debenture, or a total of $43,206,240 on the quantity exported, or a net gain in the operation minus the cost to the Government of only $139,848,870.

For the four years' operation under the equalization plan the wheat growers would have received, after deduction of the equalization fee, a net gain of $960,949,742, without expense to the Government. Under the debenture plan, for the same four years, the wheat growers would have received a net gain of $705,268,280, at a cost to the Government or the Federal Treasury of $142,484,630, or a net gain after deducting the debentures of only $562,783,650, in contrast with the $960,949,742 under the equalization plan.

*Corn*

| | Bushels |
|---|---|
| Production | 3,000,000,000 |
| Exports, 1924 | 23,000,000 |
| Exports, 1925 | 5,000,000 |
| Exports, 1926 | 19,819,000 |
| Exports, 1927 | 18,721,000 |

*Prices of corn—Profits under the equalization plan*

[Chicago prices by Department of Labor, and Buenos Aires prices by Department of Agriculture]

| Year | Chicago price | Buenos Aires price | Export tax | Tariff | Ocean freight | Total | Equalization fee | Net profit per bushel | Total profit |
|---|---|---|---|---|---|---|---|---|---|
| 1924 | $0.972 | $0.83 | $0.01 | $0.15 | $0.11¼ | $1.10¼ | $0.001 | $0.129 | $387,000,000 |
| 1925 | 1.038 | .94 | .01 | .15 | .11¼ | 1.21¼ | .0003 | .1742 | 522,627,500 |
| 1926 | .759 | .67 | .01 | .15 | .11¼ | .94¼ | .0017 | .1818 | 480,861,000 |
| 1927 | .881 | [1] 1.67 | .01 | .15 | .11¼ | .94¼ | .00076 | .1115 | 308,551,533 |

[1] January-November, 1927.

*Profits under the debenture plan*

| Year | Production | Exports | Gain of 7½ cents bushel on whole production | Cost to Government of $0.075 on exports | Gain |
|---|---|---|---|---|---|
| | *Bushels* | *Bushels* | | | |
| 1924 | 2,309,414,000 | 23,000,000 | $173,206,050 | $1,725,000 | $171,481,050 |
| 1925 | 2,916,961,000 | 5,000,000 | 218,172,075 | 375,000 | 218,397,075 |
| 1926 | 2,692,217,000 | 19,819,000 | 201,916,275 | 1,486,425 | 200,429,850 |
| 1927 | 2,786,288,000 | 18,721,000 | 208,971,600 | 1,404,075 | 207,567,525 |
| Total | | | 802,866,000 | 4,990,500 | 797,875,500 |

If the McNary-Haugen bill had been in force in 1924, the corn grower would have received the Argentine price of 83 cents plus the tariff of 15 cents plus the export tax, which was 1.54 cents in February, 1926, 1.03 cents in March, and 0.46 cent in April, or, say, 1 cent, and the ocean freight to Baltimore or New York, say, 11¼ cents, the rate March last, or a total of $1.10¼, instead of the Chicago price of 97.2 cents, a gain of approximately 13 cents per bushel, minus the equalization fee to cover the lower price of 13 cents on 23,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed. If so, an equalization fee of $0.001 per bushel, a net gain of $0.129 per bushel, or a total profit of $387,000,000.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the $0.075 debenture, then the producer would have received a gain in price on the whole production of only $173,206,050, at a cost to the Government of 7½ cents per bushel in debenture, or a total of $1,725,000 on the quantity exported, or a net gain in the operation minus the cost to the Government of only $171,481,050.

If the McNary-Haugen bill had been in force in 1925, the corn grower would have received the Argentine price of 94 cents plus the tariff of 15 cents plus the export tax of 1 cent and the ocean freight of 11¼ cents, or a total of $1.21¼, instead of the Chicago price of $1.038 (see ratio table furnished by Department of Labor), a gain of 17.45 cents per bushel, minus the equalization fee of 17.45 cents on 5,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed, or an equalization fee of $0.0003 per bushel, a net gain of $0.1742, a total profit of $522,627,500.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the $0.075 debenture, then the producer would have received a gain in price on the whole production of only $218,772,075, at a cost to the Government of $0.075 per bushel in debenture, or a total of $375,000, on the quantity exported, or a net gain in the operation minus the cost to the Government of only $218,397,075.

If the McNary-Haugen bill had been in force in 1926, the corn grower would have received the Buenos Aires price of 67 cents plus the tariff of 15 cents plus the export tax of 1 cent and the ocean freight of 11¼ cents, or a total of $0.94¼, instead of the average Chicago price of 75.9 cents, a gain of 18.35 cents per bushel minus the equalization fee to cover the lower price of 18.35 cents on 24,783,000 bushels, to be distributed over a total production of 2,645,000,000 bushels, assuming that the total production had been marketed, or an equalization fee of $0.0017 per bushel, a net gain of $0.1818, or a total profit of $480,861,000.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the $0.075 debenture, then the producer would have received a gain in price on the whole production of only $201,916,275, at a cost to the Government of $0.075 per bushel in debenture, or a total of $1,486,425 on the quantity exported, or a net gain in the operation, minus the cost to the Government of only $200,429,850.

If the McNary-Haugen bill had been in force in 1927, the corn grower would have received the Argentina price of $0.67, plus the tariff of 15 cents, plus the export tax of 1 cent, and the ocean freight of, say, $0.1125, or a total of $0.9425, instead of the Chicago price of $0.881, a gain of $0.1115 per bushel, minus the equalization fee to cover the lower price of $0.1115 per bushel on 18,721,000 bushels, to be distributed over the total production of 2,786,228,000 bushels, assuming that the total production had been marketed, or an equalization fee of $0.00076 per bushel, a net gain of $0.11074 per bushel, or a total gain of $308,551,533.

Under the debenture plan if in operation for the same period and assuming that the price of the whole production is advanced equal to the $0.075 debenture, then the producer would have received a gain in price on the whole production of only $208,971,600, at a cost to the Government of $0.075 per bushel in debenture, or a total of $1,404,075, on the quantity exported, or a net gain in the operation, minus the cost to the Government of only $207,567,525.

For the four years 1924–1927 operation in corn, under the equalization plan the producers would have received, after deduction of the equalization fee, a net gain of $1,699,046,033, without expense to the Government. Under the debenture plan, for the same four years, the corn producers would have received a net gain of $802,866,000, at a cost to the Government and the Federal Treasury of $4,990,500, or a net gain after deducting the debentures of only $797,875,500, in contrast to the $1,699,046,033 under the equalization plan. In other words, less than one-half as much.

*Beef slaughtered*

| | 1927 | 1926 | 1925 | 1924 |
|---|---|---|---|---|
| Production | (1) | 8,418,000,000 | 7,146,000,000 | 7,065,000,000 |
| Exports | (1) | 25,000,000 | 39,000,000 | 40,000,000 |
| Imports | (1) | 20,000,000 | 17,000,000 | 21,000,000 |
| Net exports | (1) | 5,000,000 | 22,000,000 | 19,000,000 |

[1] Not available.

*Profits under the equalization plan; prices on English beef sides, average top price, London, and on choice western dressed at New York*

[From Department of Agriculture]

| | New York | London | Tariff | Transportation | Equalization fee | Net profit per pound | Total profit |
|---|---|---|---|---|---|---|---|
| 1924 | $0.1840 | $0.1794 | $0.03 | $0.015 | $0.00010 | $0.0400 | $284,658,400 |
| 1925 | .1921 | .1937 | .03 | .015 | .00014 | .0465 | 332,078,400 |
| 1926 | .1760 | .1871 | .03 | .015 | .00003 | .0560 | 471,408,000 |
| Jan.–Nov., 1927 | .2078 | .1720 | .03 | | | | |

Total for 3 years, $1,088,144,800.

*Profits under debenture plan*

| Year | Production | Exports | Gain of 1½ cents pound on whole production | Cost to Government of 1½ cents pound on exports | Net gain |
|---|---|---|---|---|---|
| | *Bushels* | *Bushels* | | | |
| 1924 | 7,065,000,000 | 40,000,000 | $105,975,000 | $600,000 | $105,375,000 |
| 1925 | 7,146,000,000 | 39,000,000 | 107,190,000 | 585,000 | 106,605,000 |
| 1926 | 8,418,000,000 | 25,000,000 | 126,270,000 | 375,000 | 125,895,000 |
| 1927 | (1) | (1) | | | |
| Total for 3 years | | | 339,435,000 | 1,560,000 | 337,875,000 |

[1] Not available.

If the McNary-Haugen bill had been in operation in 1924, the producer would have received the London price of $0.1794 plus the tariff of $0.03 and the transportation charges of approximately $0.015, or a total of $0.2244, instead of the New York price of $0.184, a gain of $0.0404, minus the equalization fee, on 19,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or $0.0001. That is, the producer would have received a profit of approximately $0.04 a pound, or a total profit of approximately $284,658,400.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 1½-cent debenture, then the producer would have received a gain in price on the whole production of only $105,975,000, at a cost to the Government of 1½ cents per pound, or a total of $600,000 on the quantity exported, or a net gain of only $105,375,000 on the operation.

If the McNary-Haugen bill had been in operation in 1925, the producer would have received the London price of $0.1937 plus the tariff of 3 cents and the transportation charges of approximately $0.015, or a total of $0.02387, instead of the average New York price of $0.1921, a gain of $0.0466, minus the equalization fee, on 22,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or $0.00014. That is, the producer would have received a profit of approximately $0.0465 a pound, or a total profit of approximately $332,078,400.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced

equal to the 1½-cent debenture, then the producer would have received a gain in price on the whole production of only $107,190,000, at a cost to the Government of 1½ cents per pound, or a total of $585,000 on the quantity exported, or a net gain in the operation, minus the cost to the Government, of only $106,605,000.

If the McNary-Haugen bill had been in operation in 1926, the producer would have received the London price of $0.1871 plus the tariff of 3 cents and transportation charges of approximately $0.015, or a total of $0.2321, instead of the average New York price of $0.1760, a gain of $0.0561, minus the equalization fee on 5,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or $0.00003. That is, the producer would have received a profit of approximately $0.056 per pound, or a total of $471,408,000.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the 1½-cent debenture, then the producer would have received a gain in price on the whole production of only $126,270,000, at a cost to the Government of 1½ cents per pound, or a total of $375,000 on the quantity exported, or a net gain in the operation, minus the cost to the Government, of only $125,895,000.

*Profits under the equalization plan*

PRICES

| | New York | London (Danish) | Copenhagen | Tariff | Freight | Minus equalization fee | Net profit per pound | Total profit |
|---|---|---|---|---|---|---|---|---|
| 1924 | $0.426 | ($0.417) | $0.397 | $0.08 | $0.01 | | $0.061 | $122,000,000 |
| 1925 | .453 | (.448) | .425 | .08 | .01 | $0.000037 | .061963 | 123,925,910 |
| 1926 | .443 | .394 | .365 | .12 | .01 | .00016 | .052 | 107,471,832 |
| 1927 | .47 | .392 | .366 | | | | | |
| Total for 3 years | | | | | | | | 353,397,742 |

For the three years 1924 to 1926, inclusive, operation in beef, under the equalization plan the producers would have received, after deduction of the equalization fee, a net gain of $1,088,144,800, without cost to the Government. Under the debenture plan for the same three years the producers would have received a net gain of $339,435,000, at a cost to the Government of $1,560,000, or a net gain, after deducting the debentures, of only $337,875,000, in contrast to the $1,088,144,800 under the equalization plan. In other words, under the debenture plan the producers would have received less than one-third as much as under the equalization plan.

*Butter, year ended June 30*

POUNDS

| | Production | Exports [1] | Imports [1] | Net imports | Net exports |
|---|---|---|---|---|---|
| 1924 | 2,000,000,000 | 5,425,000 | 29,466,000 | 24,041,000 | |
| 1925 | 2,000,000,000 | 8,384,000 | 7,189,000 | | 1,195,000 |
| 1926 | 2,066,766,000 | 5,180,000 | 6,440,000 | 1,160,000 | |
| 1927 | (1) | 5,046,000 | 10,710,000 | 5,664,000 | |

[1] Not available.

Assuming that a debentured rate on butter were in force under the debenture plan equal to one-half the tariff the net gain or profits under the debenture plan would be as follows:

| Year | Production | Exports | Gain of one-half of tariff on whole production | Cost to Government in debentures on exports | Net gain |
|---|---|---|---|---|---|
| | *Pounds* | *Pounds* | | | |
| 1924 | 2,000,000,000 | 5,425,000 | $80,000,000 | $217,000 | $79,783,000 |
| 1925 | 2,000,000,000 | 8,384,000 | 80,000,000 | 415,460 | 79,584,540 |
| 1926 | 2,066,766,000 | 5,280,000 | 124,005,960 | 316,800 | 123,389,160 |
| 1927 | (1) | 5,046,000 | | | |
| Total for 3 years | | | 284,005,960 | 949,260 | 282,756,700 |

[1] Not available.

If the McNary-Haugen bill had been in operation in 1924, the butter producer would have received the Copenhagen price of $0.397 plus the tariff of 8 cents and transportation charges of approximately 1 cent, or a total of $0.487, instead of the New York price of $0.426, a gain of $0.061 per pound, or a total profit of $122,000,000. Imports were in excess of exports for the year 1924, hence no equalization fee. All that would have been necessary to insure the advance would have been to regulate the importations as provided in the bill.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the debenture, and assuming the debenture rate to be one-half of the tariff, then the producer would have received a gain in price on the whole production of only $80,000,000, at a cost to the Government of 4 cents per pound or a total of $217,000 on the quantity exported, or a net gain in the operation minus the cost to the Government of $79,783,000.

If the McNary-Haugen bill had been in operation in 1925, the butter producer would have received the Copenhagen price of $0.425 plus the tariff of 8 cents and transportation of 1 cent, or a total of $0.515, instead of the New York price of $0.453, a gain of $0.062 minus the equalization fee on 1,195,000 pounds to be distributed over the total production of 2,000,000,000 pounds, which would be less than four-thousandths of 1 cent per pound. That is, the producer would have received a profit of $0.062 a pound on 2,000,000,000 pounds, or $124,000,000, less $0.062 on the 1,195,000 pounds exported—$74,090—or a net profit of $123,925,910.

Under the debenture plan, if in operation for the same period and assuming that the price of the whole production is advanced equal to the debenture, and assuming the debenture rate to be one-half of the tariff, then the producer would have received a gain in price on the whole production of only $80,000,000, at a cost to the Government of 4 cents per pound, or a total of $415,460 on the quantity exported, or a net gain in the operation minus the cost to the Government of only $79,584,540.

If the McNary-Haugen bill had been in operation in 1926, the butter producer would have received the Copenhagen price of $0.365 plus the tariff of 12 cents and transportation charges of approximately 1 cent, or a total of $0.495, instead of the New York price of $0.443, a gain of $0.052 per pound, or a total profit of $107,471,832. Imports were in excess of exports for the year, hence no equalization fee.

If the McNary-Haugen bill had been in operation in March, 1926, the butter producer would have received the Copenhagen price of $0.365 plus the tariff of 12 cents and transportation charges of approximately 1 cent, or a total of $0.495, instead of the New York price of $0.443, a gain of 5.2 cents per pound minus the equalization fee on 298,317 pounds to be distributed over the total production of 133,992,000, which would be approximately $0.0001 a pound. That is, the producer would have received a profit of $0.052 a pound on 133,992,000 pounds, or $6,367,584, minus $0.052 on the 298,317 pounds exported—$815,512—or a net profit of $12,022,432.

Under the debenture plan, if in operation for the same period, and assuming that the price of the whole production is advanced equal to the debenture, and assuming the debenture rate to be one-half of the tariff, then the producer would have received a gain in price on the whole production of only $124,005,960, at a cost to the Government of 6 cents per pound, or a total of $316,800 on the quantity exported, or a net gain in the operation minus the cost to the Government of $123,389,160.

For the three years 1924 to 1926, inclusive, operation in butter under the equalization plan the producers would have received after deduction of the equalization fee a net gain of $353,397,742, without cost to the Government. Under the debenture plan for the same three years the producers would have received a net gain of $284,005,960, at a cost to the Government of $949,260, or a net gain after deducting the debentures of only $282,756,700, in contrast to the $353,397,742 under the equalization plan. In other words, under the equalization plan the producers would have received $70,641,042 more than under the debenture plan.

*Summary*

| Commodity | Years | Debenture plan | | | Equalization plan, net gain after deducting equalization fees | Difference in favor of equalization plan |
|---|---|---|---|---|---|---|
| | | Gain in price of whole production | Cost to Federal Treasury | Net gain after deducting cost to Government | | |
| Wheat | 4 years, 1924–1927 | $705,268,280 | $142,484,630 | $562,783,650 | $960,949,742 | $398,166,092 |
| Corn | do | 802,866,000 | 4,990,500 | 797,875,500 | 1,690,046,033 | 892,170,533 |
| Total | | 1,508,134,280 | 147,475,130 | 1,360,659,150 | 2,650,995,775 | 1,290,336,625 |
| Beef | 3 years, 1924–1926 | 339,435,000 | 1,560,000 | 337,875,000 | 1,088,144,800 | 750,269,800 |
| Butter | do | 284,005,960 | 949,260 | 283,056,700 | 353,397,742 | 70,341,042 |
| Total | | 623,440,960 | 2,509,260 | 620,931,700 | 1,441,542,542 | 820,610,842 |
| Grand total | | 2,131,575,240 | 149,984,390 | 1,981,590,850 | 4,091,642,317 | 2,110,947,467 |

In summing up, it will be noted that the benefits to the producers of wheat and corn, for the four years 1924 to 1927, and beef and butter for the three years 1924 to 1926, under the debenture plan, would have been $2,131,575,240 at a cost to the Government in debentures of $149,984,390, and the net gain under this plan after deducting the cost to the Government would have been $1,981,590,850; whereas, the benefits under the equalization plan for the same products and for the same years would have been $4,091,642,317, without cost to the Government, or $2,110,947,467 more than under the debenture plan.

Gentlemen, I have taken more time than I intended to, and I thank you. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman and gentlemen of the committee, the gentleman from Iowa, our chairman [Mr. HAUGEN], has lucidly explained the operations of this bill and it is now no doubt well understood. We had one witness before the Committee on Agriculture who explained the equalization fee operations to the entire satisfaction of himself. He said that he was especially well fitted to explain the operations of this equalization fee because he had studied the subject of agriculture profoundly—that he had been studying it while confined in an institution for the feeble-minded situated in the district of the gentleman from Illinois [Mr. ADKINS]. [Laughter.] He explained further that he was finally let out of the institution for feeble-minded when it was discovered that he had more sense than anybody outside in the district. Then he came down here to explain the equalization fee to the Committee on Agriculture. [Laughter.] Now, you gentlemen take that jestingly, but his statement will be found in volume 8, page 622, of the printed hearings.

Mr. CRISP. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. CRISP. Mr. Chairman, this is a very important matter, and I make the point that no quorum is present, because I think the gentleman is entitled to a hearing.

The CHAIRMAN. The gentleman from Georgia makes the point of no quorum. The Chair will count. [After counting.] One hundred and two Members present, a quorum.

Mr. ASWELL. Mr. Chairman, it was stated yesterday that a prominent gentleman was for this bill because he had come to admit that there is a farm problem. I think that every intelligent man and woman in America has discovered that there is a farm problem, whether he lives in the city or the country. I believe there is, and that is why I can not be for this Haugen bill.

I am deeply interested in seeing that this Congress at this session enact constructive farm legislation. I have been deeply concerned all the time, and I am now. It appears to me after spending four years almost continuously in the discussion and study of agricultural questions, legislatively, that it is a vain and childish thing for this Congress to enact this bill when everyone knows that it can not become law, and that we shall go back to the people of our districts and say, "We again did our best, but we failed to accomplish any result." That seems to me in the face of the facts that we know to be true to be a vain and childish thing. The farmers can not be fooled permanently by the majority in this Congress.

I want to state briefly a few facts without trying to make a speech. It is no secret that this Haugen bill was written, amended, and driven through the Committee on Agriculture by an organized well-financed lobby, with headquarters at the Lee House in Washington. That is no secret. Everybody in the committee knows it is true.

The committee did not have a good chance. The Committee on Agriculture individually and collectively are interested in farm legislation, but they did not have a chance—the lobby would not let them. The lobby controls a majority of my committee, and we had to get permission to amend this Haugen bill, written by the lobby.

As you know, the chairman has a little room, and next to our committee room there is a living room. The lobby had its headquarters in the living room, with only a wall between us during the three weeks we were in executive session. So, really, the committee did not have a fair chance.

The Haugen bill does not represent the intelligence or judgment of the Committee on Agriculture. It does not represent the American farmer, because that lobby was composed of farm organization agents representing about 10 per cent of the farmers, and in the case of cotton the record shows that they represented 6.8 last year and this year they represent 3.6 of the cotton farmers of the country. Therefore this bill does not represent the intelligence or the judgment of the Committee on Agriculture. Nor does it represent the American farmer. It does not represent the intelligence of the Members of this Congress.

This is the most wicked of all the Haugen bills that have come before Congress, and I can show you why in a word. Monstrous, bureaucratic, and autocratic power is given this board never before proposed in any legislation. This political board of 12 men representing the 12 Federal land bank districts with the Secretary of Agriculture can have on that board but 3 cotton men.

This board has the autocratic, the monstrous power to declare an operating period and assess an equalization fee without limit on any commodity, without consulting the producers of that commodity. It has more power than that. It may declare an operating period on cotton, we will say, for example, and collect an equalization fee of $10 a bale, or $150,000,000, on cotton and then turn right around and use the revolving fund appropriated by the Congress for the other products. If you doubt that, read the bill. Yet we have cotton men who would support a monstrosity like that!

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. I can not yield until I finish my statement. In the last Congress on page 4081 of the RECORD of February 17, you will find that it was undertaken in this Chamber to limit the equalization fee on cotton first to $5 and up, and finally the gentleman from Georgia [Mr. WRIGHT] offered an amendment to restrict the amount to $25 a bale, and the Haugen supporters passed through the tellers and voted it down by a vote of 42 to 80. Still that latitude is in this bill. So, gentlemen, this bill proposes the worst kind of tyranny—taxation without representation, and, worse still, a production tax on the producers of any commodity without consulting one of them. Nothing like it has ever before been proposed to the American people or to the American Congress.

This lobby is not trying to get any legislation. They are trying to get a veto. Why, of course they are. They came before the committee until we have 10 printed volumes of hearings, and almost without exception they said, "Give me an equalization fee or give me nothing," which, interpreted, means, "Give me the equalization fee and no legislation, for I want a political issue." One of them said repeatedly, "I would rather have this bill with the fee in it vetoed than any other legislation enacted into law." Why? For two reasons. First, that organized lobby that called itself the Corn Belt lobby wants a veto in order, they have made him believe, to give Frank Lowden an issue on which to run for the Republican nomination for the Presidency, but they have dumped or scooped him now. They used him as long as they needed him, and now they are trying to get a veto to get an issue for CHARLIE DAWES. Why? Because he represents the international bankers of America, and they are back of him to cancel the war debts.

The members of our committee are honorable gentlemen, of course, and I love them, every one. We started out in these hearings on the 15th of January. We did not start until that time because the lobby did not get here until then, and our chairman could not call the committee until the lobby got here. At first several members of the committee said, "We want legislation," and they were sincere. Follow me. I am going to be exact, and every member of the committee present will know that I am telling the exact sacred truth. They said, "We can not afford to go back without any legislation; we think it is better to get a bill that will become a law; we are going to vote against the equalization fee." It was so stated by an outstanding Republican of the committee, and they got to talking all around about it, and five Republican members made the assertion. Oh, they got bold about it. They said it out loud around the lobby and in the committee room, and if anybody doubts, then I advise them to get the first printed volume of the hearings. They are all in there, all five of them. But one day that got out, and the lobby said, "Here we are ensconced comfortably in the good hotels of Washington for the winter, and if these five boys get active and bring a bill out that will become a law, why, we are ruined." [Laughter.]

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. No; not now.

Mr. SCHAFER. On what page of the hearings is that?

Mr. ASWELL. The whole volume. Read the whole first volume. What happened? They said, "If these five Republican members of the committee get out of the reservation we will lose our issue for Lowden or DAWES," and so suddenly the next morning there burst into the committee room before the committee was called to order the grand cyclops of the lobby from Indiana, and he talked out loud so that everybody could hear him. He picked out the strongest one of the five and he said, calling him my name, that if he did not get back into the lobby reservation "we will go out to his district and hang his hide on a fence rail."

Mr. CLARKE. And there were three members of the committee who heard that statement.

Mr. ASWELL. I am telling the truth; and that shows that I am. The one man he named did not get frightened, but the other four—ah, they showed a performance of a quartet of purebreds. They raised their heads aloft and bowed their necks and dashed across a 10-acre lot, cleared a 10-railed stake-and-rider fence, and landed back in the lobby reservation before sunrise. [Laughter.] And they said, "This is all a mistake; we have never been out." [Laughter.] And these four gentlemen stroked their manly breasts and said, "Give me an equalization fee or give me death." [Laughter and applause.]

I am told that the lobby has instructed these gentlemen, whom they own, to stand up here to-day and to-morrow and the next day and boldly declare their independence of a lobby, and denounce anybody who says that they have anything to do with a lobby. And you will hear it before this debate is over from the four that I have been talking about. I have no criticism to make of them. They just got frightened; they got panicky. Then before this eventful day when these four gentlemen saw their political hides hanging on a fence rail—before that happened they agreed to give the National Grange a hearing on the debenture plan. If they had not we would never have had the hearing. The National Grange came down, their representatives, dignified, able, and gave us an extraordinarily fine hearing. But they made a terrible mistake. They came down here wearing civilian clothes, and they did not have any clubs or sawed-off shotguns on display, and as we had been accustomed to that, the Grange did not make much of an impression. They did not have much effect. We had already been stampeded, and the Grange did not get very far, because they had behaved in such a modest way that our committee did not know what they meant, as we had been trained differently. [Laughter.]

Now they come to me, my friends, on this side and the other, and they say, "Vote for the Haugen bill, and let us put Coolidge in a hole." Now, you fellows put him in a hole last year, and he dynamited you and the hole both. [Laughter and applause.] Then they come back to me, my leaders, if you will, and say, "Let us get political advantage and lay it on his doorstep." Why, he kicked the darn thing across the continent last year, and this time he will send it into the Pacific Ocean. [Laughter.] I am a party man 102 per cent strong, but I can not and I will not play politics with the life blood of the American farmer.

If there is one thing that could draft him, it would be the ready response of the American people to another veto of this monstrosity. I have no authority to say whether he will or not, but everybody who is high up as his advisor says he will. I am not in that class. It is amazing that I have some of my dear friends on this side and some of you who are on that side who are voting for this bill with a fee in it and praying by day and by night that Coolidge will veto the bill and save you from your folly, because nothing would be more disastrous to you who are in Congress than for this bill with the production tax actually to become operative. It would destroy every man who had voted for it.

Of course, they say, "We will vote for it and pray that the Coolidge veto may save us." Gentlemen, I want to reiterate in passing that for four long years we have been fooling the farmers successfully—that is, Congress has. You have been saying, "Give us the equalization fee or give us nothing," and millions of farmers have believed in you. But my judgment is that the American farmer is beginning to think on his own account, and the time has passed when the Congress can give the farmer any more bunk and get away with it successfully. It is clearly in the hands of this Congress now to adopt a bill without the fee that can become a law and that will be effective, will be constructive, and will rebuild agriculture. [Applause.] I shall see to it that you will have a chance to vote for such a bill.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Louisiana consumed 21 minutes.

### MESSAGE FROM THE PRESIDENT

The committee informally rose; and the Speaker having resumed the chair, a message in writing from the President of the United States was presented to the House of Representatives, by Mr. Latta, one of his secretaries, who also announced that on the following dates the President approved and signed bills of the House of the following titles:

On April 24, 1928:

H. R. 10038. An act for the relief of Wilford W. Caldwell.

On April 25, 1928:

H. R. 8744. An act to accept the cession by the State of Colorado of exclusive jurisdiction over the lands embraced within the Mesa Verde National Park, and for other purposes;

H. R. 8835. An act to amend section 98 of the Judicial Code, as amended, to provide for terms of court at Bryson City, N. C.;

H. R. 9368. An act to authorize the Secretary of War to exchange with the Pennsylvania Railroad Co. certain tracts of land situate in the city of Philadelphia, and State of Pennsylvania; and

H. R. 11020. An act validating certain applications for and entries of public lands.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 2900) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors."

The message also announced that the Senate agrees to the amendments of the House of Representatives to the bill (S. 3437) entitled "An act to provide for the conservation of fish, and for other purposes."

The message further announced that the Senate had ordered that the House of Representatives be respectfully requested to return to the Senate the bill (H. R. 11479) to reserve certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians.

The committee resumed its session.

### THE AGRICULTURAL SURPLUS CONTROL BILL

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. SWANK].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 15 minutes.

Mr. SWANK. Mr. Chairman and gentlemen of the committee, for the past few years many bills have been presented here for the purpose of relieving agricultural conditions in this country. Many of these bills have been considered by the Committee on Agriculture, of which I have the honor to be a member. This is one of the most important committees for it deals with the most important legislation. All that we eat and all that we wear are produced on the farm. Many of the conveniences of life we can live without, but we can not live without the products of the farm produced by the men, women, and children who till the soil and yet do not receive a price sufficient to enable them to live like other people. When agriculture is depressed there is no general prosperity and can be none regardless of what some may say. We all recognize conditions when we see them and we know that never in the history of this country have we seen agriculture and farming conditions so depressed as in the past eight years. When we legislate for agriculture we benefit all lines of business and everything that

can be done should be done for this the greatest of all industries.

Mr. Chairman, many times have I called the attention of this House to these conditions, familiar to every Member of Congress from an agricultural section, and asked that something be done. In the last Congress I appealed to the House, as did other Members, for the passage of a farm bill that would assist our farmers and that measure passed both branches of Congress but was vetoed by the President. I have considered with the other members of the Agricultural Committee the different bills that have been before us. I am again before the Members of this House, my colleagues, urging that we pass this bill and give the farmers of our common country the same opportunity that is given other industries, and many of them that need no protection or assistance. Our farmers are asking for no special legislation or favors not given others, but do ask for equal opportunity and equality in legislation. I know there are persons who call bills for farm relief special legislation, but they never refer to the special favors granted to other business under the guise of the law.

Gentlemen of the committee, if the farmers of the United States were organized like the big business interests, they would have no trouble in having a quick ear turned to their appeal. They are becoming better organized and I hope the day may soon come when they will stand a solid phalanx, united in a common cause for their mutual welfare and for the good of the entire country. I believe in organization, for results can be achieved that persons acting individually can not accomplish. To be heard they must be organized. They can well profit by the experience of others. Our farmers through their accredited representatives have been appealing to Congress and the administration to save their business and accord them the same privilege given others. It is time that something was done for them. They have waited patiently for the past eight years but in vain. Some say that the farmers must work out their own salvation, but, Mr. Chairman, the American Steel Trust does not work out its own salvation, while it pockets millions of dollars in profits each year that have never been earned. How does that great industry thrive to so great an extent? I answer by special legislation known as the Fordney-McCumber tariff law, the most unjust and iniquitous tariff law ever written on our statute books. While it enriches the Steel Trust it bankrupts the farmers. Will some one tell me why the farmers are not entitled to the same protection given that gigantic enterprise? No, one speaks in this Hall at this time for that powerful organization but when a tariff law is written it sure is on the job. What many of us have been urging for the past seven years is that while all this is being done for the great and powerful, that something be done for the basic of all industries and the leading business in our country. This tariff law gives the steel industry the power, and it is used to the fullest extent, to set its own prices. It is now time to have a bill enacted into law that will prevent the complete bankruptcy of the farmers. They have worked just as hard as ever during the past eight years, have been economical as they always are, and yet, Mr. Chairman, we see mortgages being foreclosed faster than at any equal period of time in the history of the country. When a condition like that prevails there is something wrong. The prices of what he buys are higher and he is not able to compete with organized industry under the protection of the law. When a man and his good wife work like slaves all their lives, rear a good family of children, live economically, are useful and honorable, and then in the evening of their lives do not even have the necessities, and have not been permitted to educate their children like others who have profited from their labors, let me tell you that something is wrong. While that is true, Mr. Chairman, why is it that nothing has been done during these eight years to prevent such a condition? Ah, some say that you can not legislate prosperity for agriculture, but while we can not control the weather and the seasons, we can place it on a level with other business and that is all that we are asking. When that is done, then will we see agriculture enjoy some of that prosperity that we read so much about, but of which we see little except by the industries that are great and powerful.

Mr. Chairman, the Republican Party has had complete control of both Houses of Congress since March 4, 1919, and complete control of all branches of our Government, the House, Senate, President, and Cabinet since March 4, 1921. This administration could have remedied the present deplorable condition of agriculture long ago had it so desired. That time is in the past and this is election year, therefore may not the farmers of the country expect something to help their business before this session of Congress adjourns? I thought you would do something before the last adjournment. Many of us on both sides of the House worked our best for the enactment of a bill for the relief of agriculture but the President continued to say that the farmer must work out his own salvation; that his future was in his own hands. We are here again asking that something be done for them. For the past seven years you have had control and tell me why you have not done something. The people know where the fault is and the responsibility rests where it should. During the past seven years the President and the Republican leaders could have enacted legislation for the farmers any day you desired. Why have you not done so? Why do you continue to enact special legislation for the great favored interests of this country and let the farmers get along the best way they can? They have just as much intelligence as other business men and can manage their business just as well if you will but grant them equal privilege and opportunity. Why do you not remove the unjust inequalities between the farmers and the recipients of special legislation? The Republican leaders have seen the handwriting on the wall, I hope, and perhaps this bill will be passed. The Republican leaders seem to think that their great majorities of 1920 and 1924 indorsed their policy in passing legislation for the big interests of the country and those that need no assistance. The farmers know what they want and they also know why they have not received any consideration from the political party in power in the past seven years. How much longer will you let their demand for a square deal go unheeded? How much longer will you want them to work and slave, under unequal laws and enrich those who "toil not neither do they spin" but make millions each year from the farmers by unjust laws?

The farmers know that they are compelled to meet unfair competition in the markets of the world. They know that when they sell their products made by their sweat and toil, that the prices are fixed for them and that they have to take the price offered. They also know that the same is true when they buy the necessaries of life and the things with which they make their crops. The farmers are the only business men in the land compelled to do business in this way and produce their products at a loss. No other business could continue in that way and the farmers can not keep it up much longer. The manufacturer buys the products of the farm at his own price and when the farmers buy them back the prices are fixed and he must pay what is asked. How long would the manufacturers continue in business by such methods? When the manufacturer wants something done to help his business he tells this administration what to do and it is done. Whatever degree of prosperity there is in this country at any time, the farmers are the chief contributors and should be equal recipients.

Will some one tell me why our farmers are not entitled to the same consideration at the hands of this or any other administration that is given to other business? No people work harder and toil longer. I have heard it said by those who are always ready to help big business, that the farmers are too extravagant, that they have a Ford or a radio. Why should they not have these conveniences the same as others? They need them just as much and are just as much entitled to them. But one thing is sure, they have not had many of them during this administration, for they have been busy paying taxes and interest and contributing to the business interests who profit at their expense by the tariff laws. Give them a chance to make something. They should receive a price for their products that will pay them a reasonable and fair profit after they deduct all their expenses, the labor of themselves and family, taxes, food, and clothing, and everything that enters their items of expense. They are just as much entitled to take a holiday occasionally as any other citizen. They should receive sufficient prices that will enable them by economical management to lay aside something to care for them and their dependents when they are old and unable to work.

You told the farmers in 1920 that you would raise the price of their products and then in the Sixty-seventh Congress you proceeded to pass the emergency tariff law on agricultural products. What was the result? Wheat and other products soon went down. The farmers know that a tariff will not affect the price of any article where a large amount is exported instead of being imported. You saw that you could not fool them any longer, and then you enacted the Fordney-McCumber Tariff Law under the plea that such a law would help them by increasing the price of everything they had to buy. You can not fool them again by such talk, and you realize that the time has at last arrived when something substantial must be done. I repeat, when are you going to do something for them? We can pass this bill, and it can be enacted into law in a few days.

In your platform of 1920, concerning farming conditions you said this:

> The farmer is the backbone of the Nation. National greatness and economic independence demand a population distributed between indus-

try and the farm and sharing on equal terms the prosperity which is wholly dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster. The crux of the present agricultural condition lies in prices, labor, and credit.

The Republican Party believes that this condition can be improved by practical and adequate farm representation in the appointment of officials and commissions, * * * the scientific study of agricultural prices, and farm-production costs at home and abroad, with a view to reducing the frequency of abnormal fluctuations; * * * the encouragement of our export trade.

In the Republican platform of 1924 you made the farmers this promise:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor. We affirm that under the Republican administration the problems of the farmer have received more serious consideration than ever before, both by definite Executive action and by congressional action, not only in the field of general legislation but also in the enactment of laws to meet emergency legislation.

The restoration of general prosperity and of the purchasing power of our people through tariff protection has resulted in an increased domestic consumption of food products, and the prices of many agricultural commodities are above the world-price level by reason of direct tariff protection.

During these seven years that you have had complete control of the Government in all its branches and departments you have done nothing to keep these promises. Many of my Republican colleagues, who think more of keeping platform pledges than in staying with the administration, have worked and voted for legislation for the relief of agricultural conditions, but, Mr. Chairman, your party and your administration have not kept their pledges. I believe that political platforms should be honestly adhered to and not merely made to "get in on." Let me ask you, even at this late date, to do something on those two sacred platform promises. Do not refuse the farmers this Congress, and then in your convention next June promise them something again in another platform.

Mr. Chairman, I like to see all honest and legitimate business prosper and enjoy good times, and I want conditions such that our farmers will share in any prosperity, for no people are more entitled to this than they. We read in the press every day of the wonderful prosperity enjoyed by some of our big business concerns. We have the Federal reserve system to stabilize credits, the tariff law for special business favored by this administration, and the Interstate Commerce Commission for the railroads to see that these roads make a fair profit, and that commission sees that they make that profit.

The Interstate Commerce Commission reports the net revenue from railroad operations for the past seven years as follows:

| | Net revenue |
|---|---|
| 1921 | $969,346,226 |
| 1922 | 1,162,779,249 |
| 1923 | 1,412,962,592 |
| 1924 | 1,304,206,157 |
| 1925 | 1,470,037,742 |
| 1926 | 1,614,247,269 |
| 1927 | 1,579,904,326 |

These figures show that the railroads are making more money than ever before, and they should have a reasonable return on their invested capital and on their labor. Agriculture should have the same returns on the capital and labor put into that industry. That commission helps the railroads, not the farmers, but why not have a commission to help the farmers?

In computing expenses of operation in any field of industry it is necessary to figure production costs. Below are figures showing an estimate of what it cost our farmers to produce the leading crops.

In the Crops and Markets Report for June, 1927, are the following figures on production costs of corn and wheat:

*Net cost per bushel*

| | 1924 | 1925 | 1926 |
|---|---|---|---|
| CORN | | | |
| North Atlantic States | $1.02 | $0.87 | $0.91 |
| South Atlantic States | .97 | .96 | .84 |
| East North Central States | .75 | .56 | .61 |
| West North Central States | .70 | .59 | .68 |
| South Central States | .88 | .99 | .74 |
| Western States | .88 | .83 | .93 |
| United States | .82 | .69 | .70 |
| WHEAT | | | |
| North Atlantic States | 1.42 | 1.32 | 1.28 |
| South Atlantic States | 1.60 | 1.50 | 1.21 |
| East North Central States | 1.15 | 1.29 | 1.02 |

*Net cost per bushel*—Continued

| | 1924 | 1925 | 1926 |
|---|---|---|---|
| WHEAT—continued | | | |
| West North Central States | $0.97 | $1.23 | $1.16 |
| South Central States | 1.18 | 1.49 | .98 |
| Western States | 1.20 | 1.19 | 1.20 |
| United States | 1.22 | 1.32 | 1.12 |

On cotton production costs the department says that reports were received from 1,070 cotton farmers and that the greater number were from those whose yields were above the average for the whole country. The division of crop estimates says that the average yield of lint cotton for 1926 was about 182 pounds per acre and that the average cost was 15 cents to 16 cents per pound. These reports further show that farmers who reported yields of from 101 to 140 pounds per acre had a cost of 20 cents per pound, and that on the various yields that the cost ranged from 9 cents per pound to 47 cents per pound. I was reared in a cotton country and am familiar with the production and marketing of cotton, and believe the production costs much greater than the estimate by the Department of Agriculture.

The December, 1927, Crops and Markets estimates the average farm price of corn in the United States in 1926 at 64 cents per bushel, and for 1927, 72 cents per bushel; the farm price of all wheat at $1.19 per bushel in 1926 and $1.11 per bushel in 1927; the average farm price of cotton at 10.9 per pound in 1926 and 19.6 per pound in 1927. We from the Cotton Belt know that much cotton was sold lower than these prices during these two years.

The managing director of the American Cotton Association says:

With the average low yield of lint cotton per acre and the high cost of labor and supplies in recent years, the average farmer does not produce cotton at a lower cost than 20 cents per pound on a very low standard of living.

That farmers continue to work hard will be seen in the table below, showing the production of cotton, corn, and wheat for the past nine years:

| | Production | Value |
|---|---|---|
| Cotton (bales): | | |
| 1927 | 12,780,000 | $1,253,599,000 |
| 1926 | 17,755,070 | 1,016,346,000 |
| 1925 | 16,103,679 | 1,465,434,000 |
| 1924 | 13,628,000 | 1,540,884,000 |
| 1923 | 10,081,000 | 1,563,347,000 |
| 1922 | 9,964,000 | 1,151,846,000 |
| 1921 | 8,340,000 | 674,877,000 |
| 1920 | 13,439,603 | 933,658,000 |
| 1919 | 11,420,763 | 2,034,658,000 |
| Wheat (bushels): | | |
| 1927 | 871,691,000 | 974,694,000 |
| 1926 | 832,305,000 | 997,589,000 |
| 1925 | 669,365,000 | 947,993,000 |
| 1924 | 862,627,000 | 1,120,787,000 |
| 1923 | 782,000,000 | 725,501,000 |
| 1922 | 856,211,000 | 864,139,000 |
| 1921 | 794,893,000 | 737,068,000 |
| 1920 | 833,027,000 | 1,197,263,000 |
| 1919 | 968,279,000 | 2,080,686,000 |
| Corn (bushels): | | |
| 1927 | 2,786,288,000 | 2,014,725,000 |
| 1926 | 2,645,031,000 | 1,703,430,000 |
| 1925 | 2,900,581,000 | 1,956,326,000 |
| 1924 | 2,312,745,000 | 2,270,564,000 |
| 1923 | 3,029,000,000 | 2,222,013,000 |
| 1922 | 2,890,712,000 | 1,900,287,000 |
| 1921 | 3,081,251,000 | 1,305,624,000 |
| 1920 | 3,230,532,000 | 2,168,768,000 |
| 1919 | 2,816,318,000 | 3,768,516,000 |

The reports show that while the cotton production of 1924 was over 4,000,000 bales less than in 1926, the value of the cotton crop in 1924 exceeded the 1926 crop by more than $500,000,000.

These figures show that while the wheat crop for 1924 and 1926 was about the same, the 1924 crop was worth $123,000,000 more than the 1926 crop.

The 1926 corn crop was 330,000,000 bushels more than the 1924 crop, but the value of the 1924 crop was $567,000,000 more than the 1926 crop.

Some of those who are opposed to agricultural legislation say this variance in the relation of prices to production is caused by a surplus. That is what we want legislation to assist in handling. The farmers can not control their surplus like the manufacturers can, for these concerns are protected by laws. The farmers should have a reasonable profit for their work and invested capital above their cost of production.

Some people want the farmers to continue to believe that their condition can be remedied by increasing the tariff on the products of the farm. You can help the Steel Trust and the big manufacturers by the tariff as you have done, but you know that you can not help the cotton, wheat, and corn farmers by a tariff. You tried that in the Sixty-seventh Congress by the emergency tariff. You can help the farmer by reducing the tariff on what he is compelled to buy, yet a few days ago you, on the Republican side of the House, voted against a resolution from the Senate asking for a reduction of the tariff for the benefit of our farmers.

Since the enactment of the Fordney-McCumber tariff law our exports of agricultural products have been reduced from $3,466,619,819 in 1920 to $2,130,000,000 in 1925, $1,892,000,000 in 1926, and $1,884,687,000 in 1927. In 1920 the total exports of the United States amounted to the enormous sum of $8,100,000,000, which was reduced to $4,500,000,000 in 1925, $4,808,465,000 in 1926, and $4,866,160,000 in 1927. That is what your high protective tariff law has done for agriculture in this country. We know that our export trade can not be increased in this manner.

During the past three years our exports and imports of cotton, corn, and wheat with the value are shown in the following table from the Department of Commerce:

| | Quantity | Value |
|---|---|---|
| **EXPORTS** | | |
| Cotton (bales): | | |
| 1927 | 11,559,738 | $866,924,000 |
| 1926 | 7,991,316 | 917,719,940 |
| 1925 | 8,204,941 | 1,060,980,197 |
| Corn (bushels): | | |
| 1927 | 17,563,000 | 14,399,000 |
| 1926 | 23,137,389 | 21,371,248 |
| 1925 | 8,460,120 | 10,629,339 |
| Wheat (bushels): | | |
| 1927 | 156,250,000 | 227,744,000 |
| 1926 | 63,188,602 | 97,664,211 |
| 1925 | 195,490,207 | 306,605,563 |
| **IMPORTS** | | |
| Cotton (bales): | | |
| 1927 | 381,926 | 37,206,000 |
| 1926 | 323,000 | 50,209,847 |
| 1925 | 310,000 | 50,640,343 |
| Corn (bushels): | | |
| 1927 | 1,098,000 | 919,000 |
| 1926 | 635,231 | 710,056 |
| 1925 | 4,617,319 | 4,149,901 |
| Wheat (bushels): | | |
| 1927 | 13,235,000 | 18,091,000 |
| 1926 | 15,506,600 | 21,513,104 |
| 1925 | 6,169,193 | 8,580,269 |

From these figures by the Department of Commerce it will be seen that our imports of cotton, corn, and wheat are so small that a tariff, however high, does not affect the price and is of no benefit to the producers of these products. But we find from the Census of Manufactures for 1925, prepared by the Department of Commerce, that the cost of materials in all industries by manufacturing establishments for that year was $35,935,647,704; the value of these products fixed by these manufacturers was, at factory prices, $62,713,713,730, leaving the value added by the manufacturers at the enormous sum of $26,778,066,026. This is what your Fordney-McCumber tariff law has profited the manufacturers of the country. Why can not you do something for the farmers as well?

I here insert a table placed in the CONGRESSIONAL RECORD May 31, 1924, by Hon. JAMES G. STRONG, a stalwart Republican Member of Congress from the State of Kansas, showing what the farmers paid for farm machinery in 1914 and what he was compelled to pay in 1924 under the present tariff law:

*Comparison of the 1914 buying and selling prices, and 10 years later, 1924, buying and selling prices from the Kansas farmers' standpoint*

| Implements | 1914 | 1924 |
|---|---|---|
| Hand corn sheller | $8.00 | $17.50 |
| Walking cultivator | 18.00 | 38.00 |
| Riding cultivator | 25.00 | 62.00 |
| One-row lister | 36.00 | 89.50 |
| Sulky plow | 40.00 | 75.00 |
| 3-section harrow | 18.00 | 41.00 |
| Corn planter | 50.00 | 83.50 |
| Mowing machine | 45.00 | 95.00 |
| Self-dump hay rake | 28.00 | 55.00 |
| Wagon box | 16.00 | 36.00 |
| Farm wagon | 85.00 | 150.00 |
| Grain drill | 85.00 | 165.00 |
| 2-row stalk cutter | 45.00 | 110.00 |
| Grain binder | 150.00 | 225.00 |
| 2-row corn disk | 38.00 | 95.00 |
| Walking plow, 14-inch | 14.00 | 28.00 |
| Harness, per set | 40.00 | 75.00 |

Chairman HAUGEN, of the Committee on Agriculture, in his report on the present Haugen bill said:

As a result of high costs and impaired income of the farmer, the total farm indebtedness in the United States, which was estimated at $4,320,000,000 in 1910, has grown to $12,250,000,000 in 1920, and stands at approximately that figure to-day.

The total value of all farm property in 1913 was $45,227,000,000; in 1920, $79,607,000,000; and in 1925, $59,154,000,000.

The number of bank failures in 1924 (915) was 42.5 per cent larger than the number of failures in 1893 (642). The number of failures for the period 1920–1925, inclusive (2,494), was greater than the number of failures during a period of 26 years up to 1920 (2,424).

A report from the Treasury Department shows that the number of bank failures during the year ended June 30, 1927, was State and private banks 689, and national banks 142.

This shows some more of the prosperity you hear so much about under this administration.

Mr. Chairman, I supported the Haugen agricultural relief bill in the Sixty-eighth and Sixty-ninth Congresses, and voted in the committee to report this bill to the House for its consideration in the hope that it will pass and become a law, for I firmly believe it will be of great benefit to our agricultural interests and the country in general. This bill differs to some extent from the bill that the President vetoed the past Congress, but the principle involved is the same. We can not get all that we think should be in every bill before Congress but, in my judgment, this bill will do what its sponsors think it will do for our farming interests. After we try it out, if amendments are needed subsequent Congresses will attend to that. No great legislation has been enacted but what many amendments were later added.

Under the terms of this bill a Federal farm board is created which shall consist of the Secretary of Agriculture and 12 members, 1 from each of the 12 Federal land-bank districts, who shall be appointed by the President, by and with the consent of the Senate. The regular term of the members of the board shall be six years, and each shall receive a salary of $10,000 per year with necessary traveling expenses while away from the principal office of the board on business required by this act, and no member of the board can actively engage in any other business. The bill provides that the board shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members, shall make an annual report to Congress, and may appoint and fix the salaries of a secretary, such experts, and other employees as may be necessary. The bill provides that the board shall advise producers in the development of suitable programs of planting, that burdensome crop surpluses may be avoided.

This bill applies to all agricultural commodities which, in the judgment of the board, can be handled. The board is authorized and directed to create an advisory council for each agricultural commodity which it determines requires stabilization, and each advisory council consists of seven members fairly representative of the producers of such commodity. Members of each advisory council shall be selected annually by the board from lists submitted by cooperative associations or other organizations representative of the producers of the commodity. Members of the advisory council shall serve without salary, but may be paid not to exceed $20 per day for attending meetings of the council and for time devoted to other business authorized by the board, and necessary traveling expenses.

Each commodity advisory council shall have power to confer with the board, to call for information from it, and to make representations to it relating to the agricultural commodity, including the amount and method of collection of the equalization fee, and to cooperate with the board in advising producers in suitable planting programs.

The board is authorized to make loans from the revolving fund to any cooperative association or corporation created and controlled by one or more cooperative associations for the purpose of assisting such cooperative association or corporation in controlling a crop surplus that is in excess of the requirements for orderly marketing or in excess of the domestic requirements for such commodity. The board may make loans to such cooperative associations to assist in acquiring by purchase or otherwise, facilities and equipment for preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or for extending the membership of such cooperative associations. These loans shall bear interest at 4 per cent per annum, and the aggregate amount of the loan shall not exceed $400,000,000. Such cooperative associations are required to set aside a reasonable per cent of their profits for a reserve fund, which may be transformed into fixed capital, and any balance shall be distributed among the cooperative association stockholders.

If the board finds that its advice as to a planting program has been substantially disregarded by the producers of the commodity, or that the planting of such commodity for any year is substantially greater than a normal increase over the average planting of such commodity for the preceding five years, then the board may refuse to make loans for the purchase of such commodity.

The board is authorized to assist cooperative associations in the establishment of clearing houses to effect more orderly distribution and marketing of agricultural products and may establish terminal market associations adapted to maintain public markets in distribution centers.

This bill provides that the board shall investigate the supply and marketing situation of any agricultural commodity upon the request of the advisory council or upon the request of leading cooperative associations or organizations of producers of such commodity, or upon its own motion. If the board finds, after such investigation, that there is or may be a surplus of such commodity produced in the United States in excess of the requirements for orderly marketing, or in excess of domestic requirements, that the commodity is such that it is adapted to marketing under the provisions of this bill, and that the loan features of the bill will not be effective to control such surplus, then the board shall arrange for marketing agreements with cooperative associations to handle such commodity. These marketing agreements shall provide for withholding the commodity or any part thereof delivered to the cooperative association by its members, or for the purchase by the cooperative association of such commodity delivered to such association by nonmembers. If the board finds that no cooperative association or corporation created by one or more such associations is capable of carrying out the agreement for the purchase, withholding, and disposal of such commodity, then the board may make agreements with other agencies. By this bill the board can not enter into marketing agreements for handling any agricultural commodity financed by the equalization fee unless the loan features are ineffective for that purpose. The equalization fee on any commodity is determined by the board, to be collected for the purpose of paying the losses, costs, and charges, if any are required under the estimates by the board, on the commodity, and shall be paid upon the transportation, processing, or sale of such commodity.

Processing of grain means milling for market, and "sale" means sale or other disposition in the United States for milling or other processing for market, for resale, or delivery by a common carrier. Processing of cotton means spinning, milling, or manufacturing, other than ginning, and "sale" means a sale or other disposition in the United States for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States, and transportation means the acceptance by a common carrier for delivery to any person for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States. Processing of livestock means slaughter for market by a purchaser of livestock, and "sale" means a sale or other disposition in the United States of livestock for slaughter for market. Transportation in the case of grain and livestock means the acceptance by a common carrier for delivery. In the case of other agricultural commodities the board shall specify the place and manner of collecting the equalization fee. The bill provides that "sale" does not include a transfer of a commodity to a cooperative association for the purpose of sale or other disposition.

The bill establishes a stabilization fund for each agricultural commodity where marketing agreements are made, and there is deposited to this fund advances from the revolving fund, profits from marketing agreements, repayment of advances for the commodity, and the equalization fees collected on such commodity.

The bill authorizes the board to enter into insurance agreements for the insurance of cooperative associations against price decline, in order that such cooperative association may make payments to its members of the market value at the time of delivery. These insurance contracts can apply only to a commodity regularly traded in upon an exchange in sufficient volume to establish a recognized basic price. These insurance contracts can apply to wheat and cotton. The bill provides:

Any such agreement for insurance against price decline shall provide for the insurance of the cooperative association for any 12 months' period commencing with the delivery season for the commodity against loss to such association or its members, due to decline in the average market price, for the commodity during the time of sale by the association from the average market price for the commodity during the time of delivery to the association.

If the board finds that the insurance agreements of any commodity will stabilize the market in the interest of the producers of such commodity, whether or not they are members of a cooperative association, then the board may enter into nonpremium insurance agreements with cooperative associations dealing in the commodity. The bill provides for premium and nonpremium contracts and the latter are paid from the stabilization funds.

Mr. Chairman, in my judgment the insurance provisions of the bill are among the best in the measure and will do more to strengthen the cooperatives and assist our farmers in better organization than anything that we have ever seen.

I am sure that a board of strong, conscientious men, experienced in the production, marketing, and handling of farm products will make a great success of this bill; and that it will be of greater benefit to the farmers of our country than any measure ever enacted. The farmers of this country want this bill enacted into law. The farmers are entitled to the assistance of its provisions. The bill is not just as I would have it, but we can not all have our own way all the time. Some opponents of the bill say that it is unworkable; and, it will not work unless it is enacted into law. I appeal to you, my colleagues, and urge you to pass this bill by an overwhelming majority, and I appeal to the President of this great Republic to approve the bill and place the American farmer upon the same plane as our other citizens. I hope to soon see the bill become a law. [Applause.]

Mr. FORT. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CLARKE]. [Applause.]

Mr. CLARKE. Mr. Chairman, the story goes that an old colored lady with a dutiful son was given her first trip in her son's car. The usual accident occurred, and when Mandy came to in the hospital her doctor, thinking to console her and make her forget her pain, kept repeating to her that she had a wonderful case for damages. Finally Mandy, rolling her soulful eyes to the doctor, said, "Doctor, it ain't damages I need, it's repairs." [Laughter.]

That is the situation, as I conceive it, of agriculture. To reach into the Federal Treasury for $400,000,000 of the taxpayers' money as a starter may seem an infinitely easy proposition to politicians, especially with their quack remedies; but it is of far graver import to those of us conscientiously concerned about establishing dangerous legislative precedents and knowing that already, through appropriations of the Federal Government, as well as the appropriations of the various States, hundreds of millions of dollars are being raised and through individual subscriptions other great sums are being added to assist agriculture that should be guaranteed equality under the law—the least agriculture is entitled to as it is the most it should demand.

Aside from these important aids representing these millions and millions for help to agriculture, agriculture must work out its own salvation through great cooperative, commodity organizations, federated nationally.

I claim the establishment of class legislation by setting the dangerous precedent of a $400,000,000 dole to agriculture does not reach the disease nor promise the permanent cure agriculture is entitled to; it is a temporary expedient, not based on a correct diagnosis of her many ills.

Having spent many of my years in the West, I have a sincere sympathy with the people as well as a keen appreciation of the wicked inflation that ensued during the World War, and the still more wicked, short-sighted deflation policy that followed after the war.

The prosperity that developed from 1910 to 1920 caused farm values to rapidly increase, especially in the Middle West, with the World War over, an adequate return upon such values could not be maintained and a deflation followed this boom that caused great hardships and was unnecessarily severe.

In 1900, according to the census figures, $36.35 was the average value per acre for farm land in this section; in 1910 it was $82.58, while in 1920 values had increased to $199.28 per acre. If the price of wheat and corn could have been maintained, these values would have been easily justified, but, as the world readjusted itself and a state of normalcy approached, the overexpansion of farm lands with boom prices for same, came to an end, there could be but one answer. Forty million acres of pasture land had been plowed up and put into crops; 5,000,000 acres of forest land was cleared, that was not needed, once world-wide competition was reestablished and the law of supply and demand again in action. These lands that could not economically compete, necessarily, fell back into their original and rightful class, a multitude of little State banks ran their highly speculative, tragic course to inevitable failures, even our Federal land banks and the joint-stock land banks found themselves in a very serious situation. All through the United States has been reflected in many lines the result, and the price

of war was paid in hardship, denial, losses running into many, many millions.

To-day the scene changes in many ways; fair times are there; automobiles abound in the Middle West; but a state of mind has been created, agitation has disturbed business and interfered with the normal activities of many on our farms, but the politician is in the saddle with farm legislation, and I say, God help any legislation for the farmers that is built upon the shifting sands of political expediency.

In the industrial evolution of business in these United States, every other industry, save agriculture, has, through cooperation and through federated effort, worked out a progressive, get-together policy of inestimable benefit to the different branches of the particular industry through cooperating trade associations, manufacturing and credit organizations, and other ingenious devices.

Almost every other line of industry has done away with the tragedies that followed in the wake of trade wars with the accompanying ruin and destruction of industries, as well as the serious economic loss resulting therefrom, to the employees, as well as the communities.

Most of our leading industries have evolved, through these associations, systems to orderly market and better protect their industries, by safer credits, to do away with unfair trade practices, minimize losses, and multiply gains to the cooperative industries.

Agriculture, on the other hand, by reason of its far-flung ramifications, has found itself too largely individualistic, it has failed to be on the march with industry, and group action, through the cooperation of the producers of the different farm commodities, has proven most difficult. Agriculture, therefore, has found itself on a basis of inequality with other industries; for when you add to its inherent weaknesses the hazard of growing crops, where the producer gambles with wind and rain, with cold and heat, with bugs that fly and worms that crawl, it follows, as the day the night, the forced march of the boys and girls of our farms from the farms to the city and industrial centers and a resulting decrease of farm acreage in the United States alone from 1920 to 1925 of approximately 11,000,000 acres.

The efforts of the farmers producing particular commodities to organize in cooperatives, large and small, has witnessed many tragedies through lack of proper leadership, the exploitation of adventurers, and the failure of Utopian dreamers with inexperienced navigators bound upon strange seas; but here and there some cool, level-headed, far-seeing farmers' organization, with some cooperative, has demonstrated amidst the ruins that ultimately with equality under the law the salvation of agriculture lies in cooperation; and yet in spite of the demonstrated proofs that cooperation is the final answer, the McNary-Haugen bill, boosted by some cooperatives for political reasons will first render anæmic and finally destroy the cooperatives themselves; for, when the producers of farm commodities are placed under the equalization fee, the real, pressing reason for cooperatives ceases to exist, for the farm product has the equalization fee forced upon it and all producers, whether in cooperatives or not, get the questionable benefits.

There is not a member of the Agriculture Committee that has given any time to the study of its problems but who is profoundly convinced that legislation that will give equality to agriculture and put it on an even keel with the industries of the United States as a permanent policy, is the need of the hour, but when politics get running rampant on economic problems the final answer of such an unholy alliance can not but end in failure.

Thirty million people—farm population—directly concerned, with another ten million in the communities dependent upon the farmers, is the primary appeal; but running through the texture of our Government, through every artery of commerce, through every effort of industry, lies the basic fact that upon a profitable agriculture all other problems hinge; yes, I will go further and say that with a prosperous agriculture lies a vigorous, healthy, prosperous United States; for accompanying a prosperous agriculture goes its handmaidens—well-supported, well-attended rural schools—to form the mental training ground of the children coming along, and with a well-kept, well-maintained school goes the corollary of a highly efficient, well-organized country church to set up moral standards and carry forward, on the basis of these fundamentals, a country rendering enlarged service to its own people and pointing the way in world leadership.

With this preliminary statement, the question naturally propounds itself, Why am I against the McNary-Haugen plan for farm relief?

Reason 1. I think it economically unsound as a permanent agricultural program.

Reason 2. I believe it unworkable in practice, for it would set up an endless group of Government agents, snoops, and schemers, with neither knowledge nor appreciation of our technical agricultural problems, who would annoy and harrass our producers, whose rules and regulations would become unbearable, whose salaries would ultimately eat us up in taxes. God save us from a repetition of the inquisitions and inequities that followed the first few years of the income tax law; and a greater all-around nuisance would spring forth if the McNary-Haugen bill ever became a law, with its multitude placing the equalization fee on farm products.

Reason 3. The tendencies under the McNary-Haugen bill will be to increase the surplus of agricultural products, which is the very crux of the farm problem.

Reason 4. The bill will increase the cost of living for the home folks, and through the dumping of surplus stocks in the world markets would cheapen the cost of living to those not in the United States.

Reason 5. The equalization fee is not a sound remedy for the farmers' ills, yet it would be imposed and forced upon every farmer the producer of a particular farm commodity when the emergency was declared, and such compulsion is utterly foreign to our theory of government and repugnant to the principles of our Constitution itself, as so well stated in President Coolidge's veto of the previous McNary-Haugen bill and the opinion of the Attorney General of the United States that formed the legal basis for the President's veto; and that same old equalization fee, dressed up in clever language, is ninety-nine one-hundredths of this bill—the other changes make up the other one-hundredth.

Many helpful steps have been taken toward giving to agriculture equality:

First. Weather and crop reporting has been developed, especially since the radio came into existence, into very helpful information for the farmer in planning, planting, and harvesting, as well as marketing his products.

Second. Credits have become easier to obtain and cheaper; I sometimes think, too cheap and too easy.

Third. The Federal farm loan system has its 12 farm land banks, enabling farmers to borrow money on their land with the interest rate not greater than that of big business.

Fourth. The intermediate credit system, whereby the farmer obtains credit of from six months to three years at fair rates.

Fifth. The tariff, where agriculture has the assistance of duties on almost every commodity it produces, although in many instances the tariff was not fixed high enough, and no tariff, or a mighty small one, is placed on what the farmers consume.

Sixth. Trust law exemptions enable the cooperative to be exempted from the penalties of the Sherman Antitrust Act. In 1914 the Clayton Act became a law, with its famous section 6, which entitles farmers to preferential treatment.

The Capper-Volstead Act, that permits farmers to combine, with or without capital stock, without becoming amenable to the Sherman Antitrust Act, and many other useful aids have been developed toward assisting the farmer.

No man has more sincerely believed, nor does more sincerely believe, in cooperation than I. From the time the Dairymen's League was organized in my district I have been a member. I have loyally sought to work with and for the league in extending this cooperative movement to all the milk producers in the New York milk shed, and to-day it is recognized as one of the outstanding, successful cooperatives. I believed when I joined this cooperative, as I believe now, that, given equality under the law, we must, through our cooperatives, work out our own salvation. Yet a director of our Dairymen's League comes down here and before our Agricultural Committee gives testimony in support of the McNary-Haugen bill. To show his consistency I quote you from the record of the hearings on February 21. The first question I asked the director was—

I understand that originally you were opposed to the first McNary-Haugen bill, including dairy products; is that right?

Answer. The association went on record at that time as being opposed to that.

Second question. But you really have made efforts or tried to evolve a plan for making certain that dairy products would not be included in this bill; is not that true?

Answer. I think that is the case, Mr. CLARKE; yes.

Mr. JONES. In other words, you want to "try it out on the dog."

Third question. You come as the representative of your association, which thinks it is necessary, in order to bring prosperity to the other branches of agriculture, to levy an equalization fee, and you are very much in favor of them doing that. But you do not think it will be necessary to put any fee on dairy products, and therefore your association is willing to get the benefit of the equalization fee paid by the farmers to raise the other products?

Answer. That is the only place there needs to be an equalization fee.

Question 4. I would not blame you, then, for being for this bill if it does not cost your organization a cent. You never would pay an equalization fee, but the other fellow who happens to raise cotton, tobacco, corn, and wheat will have to pay it and therefore hold up his end, and the result is yours is held up and costs you nothing.

Question 5. I understand the position of the dairy business is that the dairy business was so thoroughly organized that it is able to take care of itself. But their support of this bill is based on their desire to see other branches of agriculture made profitable so they will not quit raising wheat, corn, hogs, and other products, and go into the dairy business in competition with your industry?

Answer. Right.

This bill is fundamentally a compulsory pooling proposition. If the bill should become a law, every producer of a particular farm commodity in an emergency finds his liberty gone as an American citizen and a board set up to arbitrarily levy an equalization fee upon his product, to tell him where, when, and how his product is to be marketed—forced through Government action and not through a voluntary choice. And who is going to run this greatest of blind pools? Politicians, in the last analysis, not men of great political experience and mature judgment, but the average class of political appointees with responsibility resting lightly upon their shoulders. God help our farmers when such a condition obtains! It is so basically wrong, economically unsound, and so fundamentally un-American.

Let us take wheat for example, and what will actually happen to it according to my idea. In 1923 the Canadian wheat crop was twice the average size and of an excellent quality; the yield was approximately 475,000,000 bushels. Canada consumes about 8,000,000 bushels, and there is no recognized authority but what will tell you that in 1923 the Canadian wheat crop absolutely dominated the world wheat price. Yet this crop actually had a greater effect upon the market before it was harvested than it did after. Let us put it down as absolutely sound in economics that every product competing in world markets, produced in different countries, will become a factor in determining the price, and no McNary-Haugen bill or any other bill evolved in an atmosphere of political expediency or promoted by paid farm agitators will ultimately determine world prices.

While the child, "Mary McHaugen"—McNary-Haugen bill—has been given a name, there has arisen grave doubts as to her parentage. I have had investigators searching the CONGRESSIONAL RECORD, as well as the Congressional Library, with experts on heraldry and genealogy aiding, assisting, and abetting, but still the mystery grows—who were Mary's parents? I have reached the conclusion that the father is a Politikuss, whose descendants all through the enchanting story of the ages entwined themselves in all the problems of the people for grafting and plundering the easy-going, slow-thinking, unsuspecting farm people, allowing them to hoodwink, bedevil, and fool the farmers until the burdens became too great, when revolt and revolution follow. We will find, if we go back far enough, that the final common ancestor is a guy named Politics. [Laughter.] All through our farm organizations, seeking to help the farmers, are the kin and clan of this guy Politics. During the World War he supported and sustained himself on us when civilization was at stake and the question whether right or might should rule the world was the issue. All through the great departments of Government are Politics' kith and kin; all through the honest efforts of the well-intentioned Congress toward agriculture are Politics' children fastening themselves upon any organization that might prove helpful to the profiteering plunderbund; and all through the great cooperative movement that promised so much for the farmers are progeny of this fellow, Politikuss. It is difficult to get any alleged statesmen to admit parentage of Mary McHaugen.

Governor Lowden, a fine outstanding, upstanding man, has been preaching good farm doctrine and the spirit of cooperation for years, he has made valuable contributions to the cause, and, until the blood of Politikuss became ascendent in his veins, he did not know Mary and her little lamb, the equalization fee, but the relatives in the Middle West, through their research found and finally got the governor to admit, when cornered, that Mary, with her pet lamb, the equalization fee, was of his family tree, and offered as evidence testimonials of a man holding a high office, with a funny pipe, strange mannerisms, but with the blood of Politikuss coursing through his veins. [Laughter.]

The aborigines and their descendants are supposed to be impervious to the bite of the bug Politikuss, but out in Kansas, where my father served with John Brown, one with the noble Indian blood coursing through his veins was bitten by this Politikuss bug and he now recognizes in Mary McHaugen family traits. Back in New York State we find a wonderful breaking out of this disease in a long, slick animal with a catlike tread, yellow with black stripes around the body, and the champion pill shooter of the "old-age body," whose articles on health confront every reader of every paper in the State of New York, has suffered from the affliction of Politikuss, although he has advised everyone else how to keep well; he claims Mary McHaugen as of his family tree, and one of the champion "good fellows" in the most famous old-age investigation club in the world, who was given the "back scene" treatment, is now breaking down under the malignant germ Politikuss until Chief Tammany can not suppress a smile as he watches the strange antics of his children. Strange to say, mysterious sounds have been emitting from the capitol in Albany and the well-known snarl of the jungle tiger is being gradually changed to the gentle bleating of the lamb and the moo-moo of the mooly cow, so strange are the mysterious workings of this mysterious germ Politikuss. [Laughter and applause.]

Seriously, my friends, the tragedy of American agriculture and its need for an outstanding permanent policy above the petty ambitions of politics is our crying need, yet in all our great farm organizations, laboriously built up, runs this wicked germ. Out from the Middle West come a multitude of representatives of farm organizations claiming and demanding the equalization fee of the McNary-Haugen bill or nothing.

Deriding and disregarding the President's former veto, they demand his signature upon the dotted line as they have demanded the servility of the great Agricultural Committee, as well as the obeisance to and the worship of this strange god Politikuss, and we farmers all along the line have contributed millions for their support, and the farmers have experienced through the wizardry of prodigal promisers that demonstrated economic laws could be disregarded and agriculture as a class wished into the millennium at the expense of the general taxpayer. Friends, it can not be done.

The lessons of history tell us so; the experiences of mankind, with its travail and labor, point to this inevitable thing. We are the trustees, representing the shareholders in the United States of America. Do not let us be blinded by the plea of paid propagandists; let us stand up like men and disregard the political threats of paid propagandists, but let us build for agriculture as men, far removed from politics, where it does not belong, and build upon the lessons of history, build on the certain foundations of experience, build within the law and the Constitution, that say to agriculture exactly what it says to all the other great industries, "Equality is yours under the law."

Every member of the great Agricultural Committee, whether for or against this bill, agrees that some permanent policy of farm relief is necessary. The differences begin probably on the disease, therefore the prescriptions differ; pink pills will not cure brown diseases, or vice versa. I do not doubt that the Federal Government itself in its encouragement of reclamation and irrigation projects has greatly added to our agricultural problems, and the policy of bringing new land under cultivation when there is a surplus of agricultural products is at least questionable.

The large corporations plan years ahead and base their production upon estimates of possible consumer demands over certain definite periods, taking the factors of increase in population, study of home and foreign markets, conditions, economic and financial in survey, world-wide in extent.

We come to the problem of orderly production and how far the Government can go in assisting in the coordination of that production. There is no plan that enters into the individual farmer's consideration except producing the most at the least cost and selling it for the highest price. We do find the Agricultural Department as well as the Commerce Department of our Federal Government sending out their skilled experts in search of markets the world over for our surplus.

Take poultry as an outstanding example of lack of plans. You read one day of a breeder who with modern incubator produces 20,000 baby chicks and the next day a Missouri breeder doubles the production with 40,000 chicks, then along comes California with another breeder hatching 85,000 chicks a day; the hit-or-miss policy, with no thought or study of what other breeders are doing, so you see it is a balanced production that is a factor, whether it be in chicks or wheat or any other agricultural product. The cure lies not in increased production but in changing and balancing it to probable demands, and the answer then lies for a permanent, progressive farm policy in a Federal farm board, set up increasing and augmenting the service rendered by our Agricultural Department and Department of Commerce in presenting the facts to great farm commodity cooperative organizations, based upon a single commodity and federated nationally.

We have had the Government, with all the powers conferred by a war-time emergency, running our railroads, with decreasing efficiency and at enormous cost to the taxpayers of the

United States. We have seen the Government venturing in other business lines, with red tape abounding, with inefficiency running rampant, with the champion buck passers of the world rendering an incalculable amount of harm to the Government and the business it was in. Would not you think from the tragedy of these outstanding examples within the memory of all of us of the tragic fizzles of the Government in business we would seriously stop and consider, and yet in spite of all these costly interventions "there cometh forth like a thief in the night" the McNary-Haugen bill to eat up our substance with a multitude of pap suckers, political puppets, equalization-fee enforcers to ultimately destroy our cooperatives and render incalculable damage to agriculture itself. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman and my colleagues, I am not going to attempt to make a speech. I know the die is cast and I know this House is going to pass the McNary-Haugen bill, and I never like to go up against a stone wall. I have simply asked this time for the purpose of expressing briefly my position relative to this legislation. I feel that every Member of the House would like to see some remedial, constructive legislation passed to aid depressed agriculture, but we differ as to the methods, and I have no criticism to make of any of my colleagues who differ from me, and I accord to each absolute sincerity of purpose.

In the last Congress I sponsored a bill in this House for farm relief legislation, which I thought then, and which I think now, is sound economically, constructive, and would be of vast assistance to agriculture, but the committee did not see fit to act favorably upon it, and when I offered it as an amendment to the McNary-Haugen bill on the floor of the House, by a small vote it was defeated.

In the present Congress I have introduced the same bill, which is H. R. 65. I appeared before the Committee on Agriculture and urged that they take it as a basis to work out an agricultural bill that would meet with the President's approval. I frankly stated the bill was not perfect, that it could be improved probably with amendments, and that I would welcome any amendment that benefited the bill; but, again, the committee, as was clearly within its province, saw fit to disregard the bill and has reported out the same bill that was vetoed by the President in the last Congress. Oh, there are some few changes, but in substance it is practically the same bill.

This bill comes before us and we might as well vote right now, for the 12 hours' debate is not going to change a single vote. The membership of this House knows now how they are going to vote. Gentleman, I can not and will not vote for the bill with the equalization fee in it. I will not support it for the reason, first, I believe it is unconstitutional. I do not believe that Congress has the power to delegate to a board the power to levy an indefinite tax on farm products.

I am just as jealous of the prerogative of the legislative branch as any member in the committee, and I think we have a perfect right to pass legislation whether it meets with Executive approval or not, but I am also practical and I want farm legislation.

The President vetoed the McNary-Haugen bill in the last session of Congress on several grounds, one of them being that the equalization fee was unconstitutional, and in a message he included in it the opinion of the Attorney General of the United States saying that the equalization fee was unconstitutional.

The President to-day has the same Attorney General, and if this bill is submitted to the same Attorney General the President will accept his opinion as to the legal proposition; if he did not, he would promptly remove him as Attorney General. To my mind, there can be no question as to what the President will do if the bill reaches him with the equalization fee in it. I am not authorized to speak for him; I am not of his political faith; but I do know the President to be a man of courage and conviction, and I know he has sworn to support and uphold the Constitution, and if he believes the bill to be unconstitutional—and he has so informed Congress in a message—he can do nothing but veto it. [Applause.]

Now, some gentlemen say the constitutionality of the act is for the court to pass on. I agree to it. If I had any doubt as to the constitutionality of a bill and felt that it would reach the court, I would be willing for it to go to the court. But, gentlemen, this McNary-Haugen bill will never get to the court. The President will veto it and you will have no farm legislation. You have been holding out the word of promise to the farmers' ears and breaking it to their hopes.

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. No; I can not yield. I want to be courteous, but I must finish my statement. Now, gentlemen, I want legislation. I was in hopes that this Congress would work out some piece of legislation that would meet with Executive approval and be given a trial. We must all admit that any form of farm legislation is experimental. There can be no question about that. The Government has aided the railroads, has aided business, has aided many of our institutions, and the Government has furnished the money for doing it.

Now, in my judgment, in this crisis when you experiment as to farm legislation the Government should furnish the money to do it, and not make it possible to tax the farmers for the experiment. I do not believe it just nor right to do so, and for these two reasons I can not and will not vote for the bill with the equalization fee in it.

It will be moved to amend the bill by eliminating the equalization fee. If that succeeds and the equalization fee is eliminated, I will vote for the bill. With the equalization fee out, with the revolving fund the bill is very much in principle like H. R. 65, which I introduced.

Now, that is about all that I wish to say. With the equalization fee in I will vote against the bill, and with it out I will vote for it. There is one bill pending before Congress now on the calendar that means real farm relief, and that is the Muscle Shoals bill. [Applause.]

One of the essentials for the farmer is cheap fertilizer. The House bill on the Muscle Shoals means cheaper fertilizer, and I appeal to the members of the Committee on Rules to give us a rule so we can consider that bill. [Applause.] If you do not approve the bill, let the rule be reported out and give the House a chance to consider the bill. If that bill is passed, that is certain to be of relief to the farmers and will be real farm relief.

Mr. GIFFORD. Will the gentleman yield?

Mr. CRISP. Yes; I yield.

Mr. GIFFORD. I want to ask the gentleman one question. The gentleman has stated that the 12 hours' general debate would probably amount to nothing because the bill will be vetoed. Will the gentleman explain if he cares to, and if not, will somebody else explain the effects of the provisions of this bill—for instance, one of our farmers raises a hog, kills it, keeps some of it for his own use, and sells the remainder. What instrumentality of the Government is going to weigh it, collect the fee for making the sale, and will not that instrumentality compare with the internal revenue in the first years of the income tax, only be much worse?

Mr. CRISP. I will let some proponent of the bill answer the gentleman's question. That is another reason why I am against the bill. I might say further that if any surplus part of the hog that he does not use is put into commerce if he does not pay a tax on it, he can be indicted in the United States court for a criminal offense.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. GREEN. Relative to the equalization fee, is the gentleman advised whether or not this $400,000,000 fee could be used to cover up a deficit on one crop, and leave nothing to cover up a deficit on cotton, say? Perhaps it will be all expended on wheat, and, if so, would cotton then have to bear the cotton equalization fee?

Mr. CRISP. My understanding, under the provisions of this bill, is that the administration is left entirely to the board. The board has complete discretion in the matter. The board if it sees fit to do so can use the entire $400,000,000 as a revolving fund to loan to grain, wheat, cotton, or any one of those commodities that it sees fit to do so. If I understand it the board could use all of it for grain, and then declare an operating period as to cotton, and levy the equalization fee on cotton to care for cotton, and allocate nothing to cotton out of the revolving fund, provided the board saw fit to do it; but I am frank to say that I do not believe any board appointed by the President and confirmed by the Senate would do that unjust and inequitable thing.

Mr. GREEN. How many members of this board are from the so-called cotton States?

Mr. CRISP. There is one from each of the 12 Federal land districts, which would mean three from the cotton States.

Mr. WILLIAMS of Illinois. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Chairman and gentlemen of the committee, my old friend Doctor ASWELL made a good deal of fun because of the simple-minded fellow that he said appeared before the committee in behalf of the Haugen bill, who, he said, was raised over in my district. A very distinguished Member of Congress on the gentleman's side of the House appeared before the committee and denounced the Haugen bill in very strong language and used some of the same percentages that the gentleman from Louisiana did, in which he stated that not over 10 per cent of the farmers of the country were

for this bill. This same "simple-minded" fellow to whom the doctor referred was out in the gallery and said, "Sir, that is the per cent of the people that is usually right." So he did not find that the simple-minded fellow was there to have any fun poked at him because he did not have a grasp of the situation when a proposition of this kind was started, in respect to the small number of people who take interest enough in such questions to study them and find out how to start a proposition of this kind.

In listening to the debates and taking into consideration the real opposition to this bill, it makes me think of 25 years ago when out in Illinois we started to correct a local situation which grew up in the grain trade, when the farmers first started local cooperative institutions. We did not have any cooperative law at that time. The same influence that tried to block the development of local cooperation is the same influence that is against this surplus-control proposition. We had to organize under the corporation laws. We had to do our cooperating through a gentleman's agreement. We tried repeatedly to get laws passed in order that we might organize on a cooperative basis, and I remember also that we had the same proposition to contend with, the same equalization fee, except that we called it by the impolite name of a penalty clause. When we started these farm organizations our opponents, who were firmly intrenched in the business and had been for years, we were aware would come out with unfair competition and try to put our "infant industry" out of business. We used to refer, you remember, to the manufacturing plants of the country as "infant industries," and they were supported, remember, by a fee, which the dear public paid. We knew that if we did not provide some means to meet the unfair competition that we would not function very long as farm-marketing organizations.

The Grange in its feeble efforts away back in 1867 and 1870 did not employ that, and they went out of business. We had the benefit of the failure of all of those fellows, and I remember when we organized our local 25 years ago, which is functioning to-day as a successful business institution, I said, "Boys, here is what will happen: These people will pay more for this grain than we can afford to do and they will put us out of business. We have to estimate about how much grain we will handle here in a year and then see how much per bushel it would take to pay overhead and keep the business running in the event we have that unfair competition and they take all of our trade away from us." We did not call it an equalization fee. We called it a "penalty clause." We said, "John Jones, if you sell over to the other fellow, you got to come over here and pay a half a cent a bushel into our institution to keep it running." I remember this same old bunk that we hear now about unfairness and autocracy. I remember the first State meeting that we had. I said, "If you do not do that you will all go out of business." I remember when we tried it one year I had to hire an extra man on the farm, and I went around all winter and helped them put the penalty clause into their by-laws. Do you know the fight was made on that by the same insidious influence that is the most powerful in the land to-day, that is opposing this legislation? Carloads of grain stood on the sidetracks in Chicago that we could not get people to sell. Why? Because of the "penalty clause." They said that it was unfair competition and that if we would take that out of our by-laws we could join their organization and everything would be fine. We said no; that if the American farmer could not put his grain on the market without the O. K. of some organization—whenever our country comes to that we better sell out the National Capitol for a grain trust headquarters there and pull down the flag. We said that we would go along functioning with our penalty clause, and we did. We went along for 10 or 12 years, and they found that they could not pay more than the grain was worth and put us out of business, because we kept our own institution alive. For 10 years we have not had occasion to use the "penalty clause" or the "equalization fee," and they recognize us as grain merchants. They found that the world was not going to come to an end, that the millennium was not at hand if we were permitted to go along with them, and for 10 years such a thing as the penalty clause has not been thought of. What do we seek to do?

Invade a little broader field at the terminal, if you please, we say; and everybody seems to have been agreed upon the fact that the solution of the farm problem is what? Control the surplus on all commodities of which we have an exportable surplus, and upon all such commodities it has long since been recognized that the world price is generally the domestic price.

Now we say we will, through the operation of this board, take the surplus off the market and handle that in such a way that it will do two things: First, the farmers say, "We propose to do this to get the world price plus the tariff." That is No. 1. Then they say, "The most vital thing we want to do is to stabilize the market from the violent ups and downs." And there is where the fly is in the ointment. If it were not for the power of the speculator that dominates your stock exchange, that dominates your cotton exchange, that dominates your grain exchange, there would not be anybody here opposing this equalization fee. There would not be this unseen, insidious influence in your great centers of population, that will put some of you boys out of business if you vote for this bill. That influence would not be here.

Now, what is the situation? The cotton men have demonstrated, the tobacco men have demonstrated, the grain men have demonstrated that existing business institutions will put you out of business through unfair competition if you go out and attempt it unless you can charge the losses to the entire production. If it is an infant industry, you have about as much show under a cooperative scheme to enter the terminals and handle the surplus as some of your great manufacturing enterprises would have had in competing with foreign countries if they had not had the equalization "fee," or tariff to protect them until they got on their feet. You know that is the argument on the tariff that we have been handing out to the boys for years; and if you can not put an equalization fee where you can charge the cost back to the commodity until your agency gets on its feet, as the local cooperatives did when they started, you will never have a cooperative that can survive the mighty, severe, well-financed, and well-managed institutions that function, long enough to be a factor in controlling the surplus. It will not survive the first few years of its life without the "fee."

That is where the trouble comes in. The real opposition to this bill is not the fear of the tax on the farmer. The real opposition to this bill is not the fear that by getting a decent price for his commodity the farmer will overproduce. It is the fear that the speculative market will be automatically done away with through the operation of this proposed scheme. Do not let anybody "kid" about the real opposition to this proposed law.

They say this bill is unsound and uneconomic. Why, the same proposition that is to be set forth by this board is being used by the best business men in America and in the world to-day. One man appeared before our committee, a man that is a member of a firm which is one of the largest cotton operators in the world, a business man, straightforward, came before our committee—not a shifting lobbying attorney, dodging the issue, but a straightforward business man—he went on and stated, as I remember, that they had to buy all grades and kinds of cotton from the farmer that were offered. Then it was necessary to have the hedging privilege, and then it was necessary to bring in the speculative world to protect his investment; that that was necessary before the banks would loan the amount of money necessary to carry this amount of stuff. Then he went on to say that the members of the cotton exchange in New York did not own the facilities sufficient to handle the business.

I questioned the gentleman myself in a dialogue in which he set out this fact, that a separate corporation over in New Jersey put in compresses and up-to-date storage facilities, and the exchange members did what? Just what this board to be provided for will do for your surplus cotton and your surplus grain. They made arrangements for compressing and storing this cotton with this company, pay them for this service until they get ready to feed it on the market.

He said:

> We gave them a monopoly on that. The best business men in the country do not think that is unsound. They hold it in the warehouse, subject to their order, and when they think there is a proper market price to warrant their selling out to the exporter or to the spinner, they give them the order to ship it out.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield there?

Mr. ADKINS. I beg the gentleman's pardon. My time is too limited. If I get more time, I will try to answer any question I can.

Mr. BURTNESS. I would like to have the gentleman discuss what effect this bill will have on the hedging in grain.

Mr. ADKINS. That is a feature I want to develop if I can.

Mr. BURTNESS. I hope the gentleman will. It is very important.

Mr. ADKINS. Yes. That is a feature I want to bring out. I said to Mr. Clayton words to this effect—and I will substantiate it by the record if anybody wants to verify it—I said, "Mr. Clayton, you take the stock buyer, for instance, who goes out to buy stock from the farmer; he buys prime beef, and

he buys the canner, and he buys the bull, and he buys the cow, and the veal, and he ships it to market. There is no speculation in that raw commodity. It is necessary," I said, "to speculate in handling your raw cotton." He said, "Yes; but we do not speculate on the raw-beef commodity because of the fact that we take the commodity to the central market and sell it to the man who wants prime beef or veal or canner. The speculation comes on the finished product. Holding it until the trade or consuming public demands it." I said, "Let me make a general statement to you, Mr. Clayton":

I am very much interested in your statement there that the dealer, if he dealt in cotton, had to buy all these different grades of cotton. Now, you take the livestock buyer, I think we all understand what the object of this bill is and what the objection of the producer is, as it is handled now—hedging or speculating seems to be necessary—you take the livestock dealer and he must necessarily, when he goes to the producer, buy all the different grades of livestock—prime, medium, canners, bulls, cows, and all that stuff. He then takes it to the market and he merchandises it at the different grades of beef cattle demanded, for instance, to the beef processors that want those different grades. There is no speculative market on the raw commodity in that from the fact, I think you will agree with me, that it is fed on every day, taken up every day. Now, the speculating comes in with the processor who is holding the commodity until the consumptive demand requires it. Now, your cotton, as I understand it, most of it comes onto the market faster than the miller wants it and the necessities of the trade demand. Now, the thought came to me here why would it not eliminate the speculating in the raw-cotton commodity the same as it would eliminate the speculating in the raw-beef commodity if the farmer, through his own agency, for instance, a cooperative agency, held this cotton and did the same thing that must necessarily be done with the perishable raw commodity—held this until the mills demanded it, and then fed that in at that rate. There would be no necessity of a speculative market for the raw commodity of cotton then any more than there would be of unprocessed beef commodity, would there?

Mr. CLAYTON. No, sir; you are right.

Mr. ADKINS. Then the solution of this problem, after all, lies with the farmer himself, to get his co-op to function in such a manner that he can hold his commodity and feed it onto the market as livestock must be necessarily fed on, then the speculation in the raw commodity would be eliminated, would it not?

Mr. CLAYTON. Yes, sir; that is correct, Mr. ADKINS. That is what they have been working toward for many years, and some progress has been made in the last five years.

If any of you doubt that, get the record where I cross-examined him. In other words, he admitted that if you hold the commodity and feed it on as the trade demands it there would be no need of speculation in the raw commodity. That is just why your great speculative interests are against this bill with its equalization. That is why your exchanges filed their protest against the Haugen bill.

Take Mr. Anderson, if you please, who was another authority representing the millers of the country. He came before our committee, and, as a sharp and shrewd lawyer generally is, he was hard to get an admission out of, but by taking him around "Robin Hood's barn" I practically got him to admit the same thing. I said to Mr. Anderson, "If this is in the interest of the farmer, where will the miller be hurt? If it makes for high wheat, you will sell high flour, and if it makes for low wheat, you will sell low flour," and finally, when he came down to the point of answering my question as to why he, as the representative of the millers, was objecting, he had to say because of the fact that they were afraid it would destroy the existing marketing agencies, in other words, do away with speculation.

Now, you say this speculation is necessary. It is, in the way we handle it now, but that is the thing which has aggravated the farmers in the Middle West for 20 years. We all appreciate the necessity of exchanges; we all appreciate the fact that the legitimate speculator has a place in the field, but the thing that irritates the farmer and scares the consuming public is the violent up-and-down of the market.

I am going to call one specific case to your attention, and you could go and get dozens of them, because it is all so well known to you. During the last presidential campaign, if you will remember, the price of wheat began to advance. There was a real shortage in wheat and a real economic reason for its advancing. Well, the result of it was what? It did advance, and I remember being in the campaign and had to defend that charge. Our political opponents accused us of being in league with Wall Street and that we were artificially boosting the price of wheat for political effect on the country.

The result of it was that a good many farmers sold their wheat, believing it was a political byplay, but unfortunately for those fellows, after the election was over, wheat continued to go up. It should have stopped at about $1.75 a bushel, but the bulls went on a "rampage," got the public in, who are always "bulls," and what did they do? They carried the price of wheat to $2 a bushel, and what happened? Why, the consuming public got scared and got to making a fuss. All of your legislation in the past had not stabilized the markets, and that is one of the things that this proposition hopes to do. They appealed to the Federal Government and what happened? I am going to read you what a man said about it, a man I think is as good authority and a man who has been as successful a trader as any man in America. And against this legislation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WILLIAMS of Illinois. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. ADKINS. I am going to read you the words of Jim Patten. He goes on and states that wheat dropped from $2 to $1.50 per bushel. The speculative world had carried it up, and then the candlestick maker, the watchmaker, the clerk, and the cashier in the bank who did not make enough to buy a carload of grain got in and carried a little margin on grain, and they carried it up until the public got uneasy and got to "fussing" about it. Then what did they do? They knocked it down to $1.50 a bushel, and then the farmer began to holler. You know, it all depends on whose ox is gored. It is a little like the lawyer who owned a farm adjoining another farmer. The farmer went in one morning and said to the attorney, "My bull got over into your pasture and gored your ox," and he said, "Am I liable?" The lawyer looked up the law and said, "He can not make you pay for that." The farmer said, "I am very glad of that because you know it is your ox that was gored." Then the lawyer said, "You say it was my ox that was gored?" The farmer said, "Yes." The lawyer said, "Well, wait a minute; here is another section of the law which makes you liable." So you see it all depends on whose ox is gored, and that is the way with this violent up and down of the market. When it is going up the consuming public is uneasy, wondering what the next price of bread is going to be, and when it goes down the farmer thinks he is hurt. Now, what did Jim Patten say happened, and let us take his word for it. He said:

Finally Secretary Jardine of the Department of Agriculture asked officials of the grain exchanges to come and see him. He told them that sharp fluctuations in the price of grain were detrimental to the country. He confessed he did not know how to remedy the situation, but said that was something for the men in the trade to figure out. What was being complained of at the time of the conference was the drop in the price of wheat. You never hear any complaint from the farmers when the price is going up, and you never hear any from the consumers when the price is going down. It just depends on whose ox is gored.

Now, get this—

As the result of that conference with Secretary Jardine the grain exchanges worked out a plan for a new clearing-house system; control was to be taken of the volume of transactions; irresponsible traders were to be kept out of the market; and finally and most important, an agreement was reached for the establishment of business conduct committees at each grain exchange. These committees were to make it their business to see that there was no manipulation of the market and try to prevent widespread participation of the general public in the trading where that was likely to work to the detriment of the market.

They recognized what the trouble was. They recognized that the condition had got so desperate, when the consuming public got uneasy, that you must throw your amateur speculator out, and that is the thing the farmer has been complaining of.

He does not think he should work all year and then have his products used like a lot of boys would use some dice in shooting craps. He said:

All we want is an opportunity to do what you did for the infant industries, such as the Steel Corporation and your great shoe-manufacturing establishments and other industries. When they were infant industries you provided an equalization fee in the form of a tariff in order to enable them to function until they could get on their feet and do the job.

They know well enough that in the competition they have to meet they must provide a means to charge against the entire production of a commodity the losses they have to meet in disposing of their surplus or existing agencies will put them out of business.

The tobacco men and the cotton men came before our committee, and why do they say that they want the equalization fee or nothing? They say that they would not ask their men to come in here and attempt to compete unless they could charge the cost to the entire production. That is why they do not want this bill without the equalization fee.

This is why the great insidious power that has more power in this country than any other influence in the world is opposed to this legislation.

Take the stock market and the recent violent up and down, and what happened in my own town. My own daily paper states that in one day during that flurry in the violent up and down of General Motors 8,000 people in a town of 58,000 inhabitants traded through one office speculating in stocks besides others who traded through other sources. Stretched out in all the towns of the country there was one of the greatest schemes for the flow of money, taking it away from clerks, taking it away from men with small salaries, and in their desperation causing them to default, reaching into their employer's till, if you please, and taking out money, demoralizing the moral and business integrity of the young men and women, besides making unhappiness for the farmers of the country because of the fact they use their commodities for this purpose.

They are not so afraid you are going to raise the price to the cost to the producer plus the tariff; the thing they are afraid of is that you will encourage this infant industry that we Republicans, if you please, have talked so fervently for during the last 30 years. They are afraid by giving them the authority to use their own funds to put this young infant activity on its feet it will do the thing they are afraid it will do—do away with this violent up and down of the markets.

Mind you, it will not interfere with the legitimate speculator, but the amateur—this bunch of lambs that the bulls shear when they go on the rampage, invite in, and then on a sudden drop of the market they have to liquidate. It is one of the greatest money-making schemes in the country. The Louisiana Lottery of 40 years ago never had anything on the New York Stock Exchange or other speculative markets. You remember when they used to be sending their money down to the Louisiana Lottery, debauching the young people and people of small means with the hope of getting rich quick. We stopped that lottery.

We do not want to interfere with our markets functioning. We do not want to put them out of business. We want to see if another more economical agency, more to the advantage of the producer and consumer, more to the advantage of the business morale of the rising generation, can not be built up. They know if there is no chance of a violent up and down to make several dollars out of a small investment the amateur speculator will not go in, and he is the fellow they get the big income from.

It is unfortunate, gentlemen, that men bring in the names of candidates for the Presidency of the United States. It is unfortunate that men put in so much time bullyragging the representatives of the farm organizations.

I remember that I was the one fellow who went to Springfield to get the first cooperative law, and I remember hearing the opponents of cooperation saying, "My God, it is rebating. You are providing a scheme here that a stock company can change to a cooperative society by 75 per cent of the vote of its stockholders—unconstitutional." Then they referred to me as the big boss that they were all taking orders from. We worked out days ahead of time the kind of cooperative law we needed, and we went down there and we said, "Boys, if you want to help us we can operate under this law, and our attorney says it is constitutional." They almost shed crocodile tears over the Constitution; but the law is on the statute books yet, we are functioning under it all right, and nobody ever took it to the Supreme Court. So that all this talk about the constitutionality and the bosses, and all that sort of thing, sounds very familiar to me. It makes me think I am getting to be an old man. It makes me feel like reminiscing and going back to 25 years ago, when we were trying to get legislation of this kind on the statute books.

When I was first a candidate for Congress here you had been advocating farm-relief legislation, and you all recognized the farm problem, and they wanted to commit me to the McNary-Haugen bill. I said, "I do not know what the situation is in Washington." Brother CRISP well said that whatever is started here is an experiment; and I told them, "I am going to Washington and see what the situation is, and I want to say to you that I am going to use what influence I have got for the piece of legislation that stands the best show to pass Congress."

I introduced a debenture bill as one of the schemes. I found that every speculator in the country was for it, as it would not interfere with their business.

I could see very clearly that the exporters and importers would divide most of the debenture between themselves and very little of it would be reflected back to the farmer unless he got a provision in authorizing the Secretary of the Treasury to stop issuing debentures when most of the debenture was not reflected back in the price of grain to the farmer. I found no sentiment for it. Many Members of Congress said, "You do not think we would stand for a subsidy for agriculture?" Most of the farm organizations were opposed to it for that reason. For another reason, it would have no influence in stabilizing the market and doing away with the evils outlined above; and after looking the field over and getting a line on the sentiment of Members of Congress and the farmers, I made up my mind that this was the form of legislation that public sentiment was back of. Then to my surprise, after it began to look like the Haugen bill would pass, one very distinguished Member of Congress said, "Report out the debenture bill, if you can, and be a leader at once instead of a follower." I told him that I very much preferred being a live follower than a dead leader, and if the farmers had as much sense as I thought they had, if I started a movement to divide the sentiment in Congress on farm legislation, and which would result in the defeat of such legislation, they would retire me from Congress, and then somebody would be sent in my place that would work for a program that had a chance to pass Congress and give the farmers an opportunity to try out a scheme they wanted. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINCHELOE. Mr. Chairman, I yield five minutes to myself to make a short statement. Gentlemen of the committee, I do not intend to discuss this bill until to-morrow, but I want to place some amendments in the RECORD for the information of the House which I shall offer to the bill, and I want especially the attention of friends of the bill, as I am speaking as a friend of the bill.

The bill that passed Congress last year provided that the board should be appointed by the President solely on the recommendation of the farm organization. The Attorney General in rendering his opinion held that that was unconstitutional, because it was undertaking to delegate the powers of the President, and I think he was right. My first amendment is to give the farm organization the right to submit to the President three names from each Federal land-bank district in the United States for appointment, simply for the President's consideration—nothing compulsory about the appointments. I imagine that the President would welcome that. So in that way we get around the constitutional inhibition.

Another amendment that I shall offer—and that is the one I am mostly interested in and one that should be adopted if you want the bill to go through smoothly. I provide in this amendment that the board in Washington shall not have the right or power to declare an operating period on any commodity or terminate that period unless the advisory council for such commodity concurs in the finding or findings which the board is required to make prior to the commencement or termination of the market period.

Who will know more about when the operating period ought to be declared on a commodity, who will know more about the amount or the extent of the surplus, than the seven men chosen and appointed on the recommendation of the farmers who raised the commodity? Who is the mouthpiece, if you please, between the farmers—the raisers of the product—and the board that sits here in Washington except the commodity council?

Mr. BURTNESS. Will the gentleman yield?

Mr. KINCHELOE. I will.

Mr. BURTNESS. Does the gentleman intend that the advisory council shall be appointed at an earlier point than would be provided by the bill?

Mr. KINCHELOE. No; I think by the time the bill gets into operation it will be plenty of time.

Mr. BURTNESS. The bill as now drawn does not contemplate the appointment of the council in any one commodity until such time as the board expects to function?

Mr. KINCHELOE. I think the gentleman is wrong. That may need an amendment. I do not want the board to function until the advisory council says so.

Now, the other amendment is that no individual shall be eligible for appointment to the advisory council for any commodity unless he resides in the region in which the commodity is principally grown and is a producer of the commodity or is interested in and truly representative of agriculture.

These amendments ought to go into the bill.

Mr. KETCHAM. Will the gentleman yield?

Mr. KINCHELOE. I yield.

Mr. KETCHAM. Under the gentleman's amendment, who would appoint the advisory council?

Mr. KINCHELOE. The advisory council is appointed by the board on the recommendation of the farm organization.

Mr. KETCHAM. In case the board puts on the equalization fee action could not be taken until so advised by the advisory council?

Mr. KINCHELOE. Yes.

Mr. KETCHAM. I also understand the gentleman to state that when the fee has been put on by the board and in accordance with this action, it can not be removed?

Mr. KINCHELOE. It can not be terminated without their consent.

The CHAIRMAN. The gentleman from Kentucky has consumed five minutes.

Mr. KINCHELOE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting the proposed amendments.

The CHAIRMAN. Is there objection?

Mr. FORT. Mr. Chairman, reserving the right to object, were these proposed amendments prepared by the gentleman himself or by the lobby?

Mr. KINCHELOE. These amendments are on the gentleman's own initiative and no lobbyist is having any control over the gentleman from Kentucky in this respect. I am trying to get a farmer's bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE will offer the following amendment, viz, on page 32, after line 3, insert the following:

"(b) Recommendations for the guidance of the President in appointing the original and each succeeding member of the board from any Federal land-bank district may be made by bona fide farm organizations and cooperative associations in such district as herein provided. Within 30 days after the approval of this act and thereafter not later than 30 days after the occurrence of a vacancy in the office of the member of the board from such district, the Secretary of Agriculture shall (1) fix the date and place of a convention of representatives of bona fide farm organizations and cooperative associations to be held in such district, (2) designate and notify the farm organizations and cooperative associations in such district eligible to participate in such convention, and (3) prescribe rules and regulations for the procedure at the convention, including the basis of representation of such farm organizations and cooperative associations. Such convention shall meet upon the date and at the place so fixed and agree upon and recommend to the President a list of not more than three individuals from such district for appointment to the board."

On page 32, line 4, strike out "(b)" and insert "(c)."

On page 32, line 15, strike out "(c)" and insert "(d)."

On page 32, line 19, strike out "(d)" and insert "(e)."

On page 32, line 22, strike out "(e)" and insert "(f)."

On page 33, line 3, strike out "(f)" and insert "(g)."

Mr. KINCHELOE will offer the following amendment, viz: On page 35, line 11, after the period, insert the following: "No individual shall be eligible for appointment to the advisory council for any commodity unless he resides in a region in which the commodity is principally grown and is a producer of the commodity, or is interested in and truly representative of agriculture."

Mr. KINCHELOE will offer the following amendment, viz: On page 36, after line 21, insert the following:

"(e) No marketing period under section 9 in respect of any agricultural commodity shall be commenced or terminated unless the advisory council for such commodity concurs in the respective finding or findings which the board is required to make prior to the commencement or termination of the marketing period. No equalization fee shall be collected unless the estimates upon which the determination of the amount of the equalization fee is based are concurred in by the advisory council for the commodity."

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

INSURANCE AGAINST SEASONAL PRICE DECLINE

Mr. WHITTINGTON. Mr. Chairman and members of the committee, it has just been said that the farmer should work out his own salvation. This is the stock reply of those who are enjoying the benefits of national legislation when the farmer asks that the aid given to others be extended to him. When the manufacturer pleads for a tariff, does Congress reply by commanding industry to work out its own salvation? When labor asks for laws to protect the laborer and to promote the interests of those who toil, does Congress reply by leaving the workers of the country to work out their own salvation? When the banking interests of the country have knocked at the doors of Congress asking for legislation to protect banking, has Congress dismissed the appeal of capital by enjoining banking to work out its own salvation? When the great transportation systems of the country were on the verge of alleged bankruptcy, and when the railroads pleaded for aid in the restoration and rehabilitation of transportation, when they asked for loans and pleaded for boards to supervise, did Congress ignore the appeal of the railroads by enjoining transportation to work out its own salvation?

Agriculture is asking for no special favors. The Government has provided machinery for the aid of industry, labor, banking, and transportation. The farmer asks for a square deal. He pleads that he be given the help and machinery that will enable him to work out his own salvation. He has not refused to work, but he asks an adequate return for his daily toil. He asks that the Government provide the same yardstick in dealing with agriculture that has been given to the other interests of the Nation.

I appreciate fully the import of the argument of my distinguished colleague from Georgia [Mr. CRISP] as to the constitutionality of the equalization fee. The pending bill, however, differs materially from the McNary-Haugen bill passed by the Sixty-ninth Congress. There are far-reaching changes which make the present measure very different from that which passed in the Sixty-ninth Congress. The present bill provides larger possibilities and unlimited opportunities for the board created under it to deal with the problem of agricultural surplus through loans. The Curtis-Crisp bill and the Tincher-Fess bill of the Sixty-ninth Congress substantially urged that loans and credits would fully meet the situation. The present bill proposes two distinct remedies. First, it adopts the loan features of the bill just mentioned; secondly, it provides that in case of the failure of the first remedy then the equalization fee may be invoked. If the present administration believes that the agricultural problem can really be solved by the loan features of the legislation approved by the Secretary of Agriculture and the administration, and at the same time either believes that the equalization fee is unconstitutional or opposes the operation of the equalization fee, then I submit that the administration has the opportunity to test its own program in aid of agriculture without in anywise invoking the marketing agreements of the equalization fee. Moreover, I maintain that if the loan features now and heretofore espoused by the administration will solve the problem, then under the pending legislation it will not be necessary to invoke the equalization fee. There will be no occasion to test its constitutionality.

The present bill provides that if any part of it is declared unconstitutional the remainder of the legislation shall be effective. If the equalization fee is unconstitutional, and if the principles of surplus control otherwise embodied in the bill, and which the administration favors, are adequate, the bill should be passed, so that the remedy can be applied.

But I arose, especially, to call attention to the insurance feature of the McNary-Haugen bill and to emphasize its importance in promoting orderly marketing and in controlling the surplus of staple agricultural commodities that are capable of being warehoused and that are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price.

It is generally conceded that the statements of Mr. O. F. Bledsoe, jr., and Mr. A. H. Stone, both of Mississippi, before the House Committee on Agriculture, were the most helpful, the most practical, and the most constructive discussions of the agricultural problem that were submitted to the committee during its hearings, beginning January 20, 1928. Both of these gentlemen are practical cotton planters and are familiar with the marketing of cotton. Mr. Bledsoe is a successful cotton planter and the first and only president of the Staple Cotton Cooperative Association, of Greenwood, Miss., of which I am a member, while Mr. Stone, vice president of this association, is an extensive and successful cotton planter and one of the ablest economists and publicists in the South.

Organized in 1920, the Staple Cotton Cooperative Association has already marketed more than $141,000,000 worth of cotton. It is conceded to be the most successful and best managed of all cotton cooperative associations. Mr. Stone and Mr. Bledsoe made distinct contributions toward the solution of the agricultural question. Mr. Bledsoe devoted his remarks very largely to the explanation and advocacy of the insurance plan, of which he is the author. Mr. Stone dwelt upon the importance of the Government financing cooperative associations and upon the unquestioned benefit of a large revolving fund to be advanced by the Government to promote orderly and cooperative marketing. All who are interested in agricultural legislation will read with profit the statements of these two practical business men and successful cotton growers, who are widely experienced in cotton marketing. These statements are to be found on pages 73 and 138 of the hearings, beginning January 20, 1928.

ORDERLY MARKETING AND CONTROL OF THE SURPLUS

It is admitted that the aim of all agricultural legislation is the promotion of cooperative marketing and provision for the control of the surplus. Orderly marketing is the purpose of cooperative organizations. The control of the surplus is essential to the success of cooperative marketing. Beneficial legislation must embody the best principles that have come from experience in agricultural marketing. The insurance plan of the McNary-Haugen bill—and I understand that this feature is also substantially embraced in the debenture agricultural bill—is one of the most beneficial features proposed in connection with any agricultural legislation. It is based upon careful study and investigation and it is sound.

I refer again to the statements of Mr. Stone and Mr. Bledsoe. These gentlemen are practical and successful business men. They are not theorists; they are not propagandists. They are interested in the broader aspects of the agricultural problem. They are concerned about a solution that will promote the interests of the Nation, a solution that is at once fair to both producer and consumer. The discussion of Mr. Stone is particularly illuminating. He not only maintains that an ample revolving fund for properly financing the surplus of agricultural products is sound, that the Government is the only agency that can provide adequately such a revolving fund, but he gives the experience of the Staple Cotton Cooperative Association as a practical demonstration that the plan is workable, and that as a result of the operation the board can provide for stabilizing prices in cases of surplus.

He shows that the Staple Cotton Cooperative Association by means of its ability to secure adequate credits and as a result of advances to its members stabilized the price of the surplus of the staple-cotton crop of 1925 in the Yazoo Delta. The Staple Cotton Cooperative Association is under the management of unusually sagacious cotton men. There was no demand for low-grade staple cotton, and there was a large surplus. The price was far below the cost of production. The Staple Cotton Cooperative Association announced that it would advance to the growers substantially the market price as a loan. Immediately the price was not only stabilized but by withdrawing the cotton from the market the price was advanced.

In other words, Mr. Stone demonstrated that the board in the pending legislation by using the revolving fund to be advanced may through cooperative associations actually stabilize the market, so that the grower would at least receive the price of efficient production.

The association saved the cotton growers in the district that I have the honor to represent in the handling of that crop some $3,000,000, without any loss to the consumers of the country.

I call attention to this further statement, and I invite the particular attention of those who represent the consuming districts of the country. I should like very much for you to read the hearings on the propositions I am discussing. I direct your attention to the fact that when the Staple Cotton Cooperative Association, in my home city, was organized there was opposition to it in the textile centers of the country. We were placed on the blacklist until Mr. Stone went to New England and conferred with the manufacturers; and when they understood the purpose of cooperative marketing was to stabilize the price, that the grower might get a reasonable price for his product, and at the same time the consumer might not be imposed upon, and that the waste and extravagance and the speculation and the gambling that occurred on the road from the producer to the consumer might be eliminated, the textile industry of the United States and the foreign textile industry became, and are now and have been, the friends of the Staple Cotton Cooperative Association.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield there for a question?

Mr. WHITTINGTON. Yes; gladly.

Mr. SHALLENBERGER. I want to ask you if these gentlemen you referred to, Mr. Stone and Mr. Bledsoe, object to the equalization fee?

Mr. WHITTINGTON. I understand they both regard the equalization fee as economically sound.

Mr. Stone also demonstrated, from his contacts with the textile people of the country, that the cotton manufacturers, when they understood the fundamental principles underlying proper cooperative marketing, instead of opposing cooperative marketing and the stabilization of prices, really favored both propositions. His discussion of the economics of the handling of the surplus shows conclusively that when the consumer fully understands the aim and purpose of the legislation to encourage cooperative marketing, he will favor rather than oppose the program of the proposed legislation. The aim is not to increase the costs to the consumer, but to eliminate waste and speculation on the road from the producer to the consumer.

I may say in this connection that all observations that I make relative to staple cotton are really more applicable to short cotton, for the reason that only short cotton is quoted on the exchanges of the country. There is no exchange price for staple cotton as such.

INSURANCE

The insurance agreement really provides the cooperative marketing associations with a hedge against loss caused by decline in the average seasonal market price. It has an advantage over the ordinary market hedge. If the average market price during the sales season is higher than the average market price during the delivery season, the members of the cooperative association will receive the benefit of the advance. The insurance applies to agricultural commodities that can be warehoused or stored and held without deterioration and with safety over a period of time. The insurance can only be obtained upon an agricultural commodity that is regularly traded in on an exchange in sufficient volume to establish a recognized basic price for that commodity. In addition the exchange must have accurate price records covering a sufficient length of time to enable the board to calculate the risks of insurance on a sound basis. Over a period of years the market price for such a basic commodity will average higher during the period from the end of one harvest to the beginning of another harvest. This is necessarily true. Otherwise agencies which purchase and store commodities for later resale could not remain in business. Cotton is such a basic agricultural commodity. Wheat is another such commodity. Careful investigations have been made over a period of years. The committee had elaborate hearings on the insurance feature. It is generally conceded to be sound business, because it is based on good insurance principles and because there is an insurable risk.

Statistics for a period of 20 years show that, with the exception of certain years that are capable of reasonable explanation, the average price of cotton during the period that farmers usually sell their cotton, namely, from September 1 to December 31, is lower than the average price for the 12 months beginning September 1 and ending August 31. It would be to the benefit of the cotton farmers if a plan of insurance against price decline during any one crop year could be put into effect. It would promote orderly marketing and it would assist in the control of the surplus. The farmer belongs to the debtor class, and he usually sells his cotton and other products during the harvesting season. The result is that there is a dumping of too much cotton on the market. The mills buy as their requirements dictate. The farmer thus sells to the speculator. The speculator knows that the average seasonal price must be in excess of the average price that obtains during the period of delivery. The price is generally depressed when the farmer sells, and the result is that the farmer does not get a fair price. One of the great difficulties with the cooperatives is that their members need the value of the product at the time it is delivered to the association to liquidate their debts. The association now advances, in the case of cotton, something like 65 per cent of the market value. If the association is hedged or assured against decline, the producer may be advanced his market value less the cost of the storage, interest, and insurance, and the cooperative would thus be promoted while the farmer was insured.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting certain statistics covering the average price of cotton and wheat and some calculations in connection therewith prepared by Mr. Bledsoe as part of my remarks.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. WHITTINGTON. The five years in which there were exceptions were due to unusual conditions, most of which are not likely to occur again. The examinations of the daily price records of the New Orleans Cotton Exchange for the period mentioned were made by Ernst & Ernst, public accountants. I embody herewith the result of these examinations:

First. A letter from Messrs. Ernst & Ernst to Mr. O. F. Bledsoe, jr., dated September 1, 1926, covering examinations of the New Orleans Cotton Exchange, and giving the average prices of middling spot cotton for the delivery and for the annual seasons for the 20 years, which show the average price during the farmer's delivery season from September 1 to December 31 to be 17.55 cents per pound, while the average price during the entire season from September 1 to August 31 is 18.03 cents per pound, or the average price for the year is 0.58 cent, or a little over one-half a cent per pound, more than the average price during the harvesting, or farmer's selling period, as follows:

27 CEDAR STREET, *September 1, 1926.*

Mr. O. F. BLEDSOE, Jr.,
*President Staple Cotton Cooperative Association,*
*Greenwood, Miss.*

DEAR SIR: We hereby certify that we have examined the daily price records of the New Orleans Cotton Exchange from September 1, 1905, to August 31, 1925, and find that the average prices reported for middling spot cotton for the periods from September 1 to December 31 and from September 1 to August 31 were as follows:

| Sept. 1 to Dec. 31— | Average price | Sept. 1 to Aug. 31— | Average price |
|---|---|---|---|
| | *Cents* | | *Cents* |
| 1905 | 10.86 | 1905-6 | 10.92 |
| 1906 | 10.22 | 1906-7 | 11.22 |
| 1907 | 11.48 | 1907-8 | 11.14 |
| 1908 | 8.93 | 1908-9 | 10.03 |
| 1909 | 13.79 | 1909-10 | 14.51 |
| 1910 | 14.26 | 1910-11 | 14.39 |
| 1911 | 9.85 | 1911-12 | 10.87 |
| 1912 | 11.99 | 1912-13 | 12.26 |
| 1913 | 13.29 | 1913-14 | 13.23 |
| 1914 | 7.29 | 1914-15 | 8.29 |
| 1915 | 11.45 | 1915-16 | 12.15 |
| 1916 | 17.56 | 1916-17 | 19.78 |
| 1917 | 26.47 | 1917-18 | 29.40 |
| 1918 | 30.88 | 1918-19 | 30.01 |
| 1919 | 36.15 | 1919-20 | 38.38 |
| 1920 | 20.21 | 1920-21 | 14.75 |
| 1921 | 18.21 | 1921-22 | 18.71 |
| 1922 | 23.34 | 1922-23 | 26.15 |
| 1923 | 31.39 | 1923-24 | 30.51 |
| 1924 | 23.45 | 1924-25 | 23.89 |
| 20-year average | 17.55 | 20-year average | 18.03 |

Attention is directed to the fact that in the year 1914 the exchange was closed during August and September. Therefore price of 7.29 cents above actually covers three months. The prices of 13.23 cents for the year 1913–14 and 8.29 cents for the year 1914–15 actually cover only 11 months of each year.

ERNST & ERNST.

Second. The summary of the New Orleans spot prices of cotton, as follows:

*New Orleans Exchange spot middling cotton*

| Year | January | February | March | April | May | June |
|---|---|---|---|---|---|---|
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| 1906 | 11.55 | 10.67 | 10.84 | 11.27 | 11.31 | 10.99 |
| 1907 | 10.44 | 10.48 | 10.82 | 10.79 | 11.88 | 12.81 |
| 1908 | 11.83 | 11.59 | 10.91 | 10.19 | 10.91 | 11.57 |
| 1909 | 9.33 | 9.43 | 9.38 | 10.03 | 10.58 | 11.03 |
| 1910 | 15.22 | 14.87 | 14.73 | 14.63 | 14.88 | 14.84 |
| 1911 | 14.95 | 14.62 | 14.55 | 14.70 | 15.48 | 15.26 |
| 1912 | 9.52 | 10.31 | 10.64 | 11.62 | 11.71 | 12.06 |
| 1913 | 12.58 | 12.51 | 12.45 | 12.43 | 12.29 | 12.44 |
| 1914 | 12.92 | 12.90 | 12.94 | 13.09 | 13.36 | 13.78 |
| 1915 | 7.87 | 8.01 | 8.34 | 9.42 | 9.04 | 9.11 |
| 1916 | 12.03 | 11.45 | 11.72 | 11.88 | 12.61 | 12.79 |
| 1917 | 17.33 | 17.14 | 17.93 | 19.51 | 20.01 | 24.18 |
| 1918 | 31.06 | 30.90 | 32.75 | 32.94 | 28.92 | 30.71 |
| 1919 | 28.84 | 26.94 | 26.83 | 26.70 | 29.37 | 31.94 |
| 1920 | 40.27 | 39.38 | 40.69 | 41.41 | 40.31 | 40.49 |
| 1921 | 14.53 | 12.85 | 11.03 | 11.16 | 11.79 | 11.03 |
| 1922 | 16.51 | 16.36 | 16.74 | 16.79 | 19.30 | 21.68 |
| 1923 | 27.51 | 28.78 | 30.43 | 28.42 | 26.53 | 28.61 |
| 1924 | 33.94 | 31.90 | 28.73 | 30.41 | 30.69 | 29.47 |
| 1925 | 23.66 | 24.60 | 25.63 | 24.51 | 23.53 | 24.06 |
| Average | 18.09 | 17.78 | 17.90 | 18.09 | 18.23 | 18.94 |

| Year | July | August | September | October | November | December |
|---|---|---|---|---|---|---|
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| 1905 | | | 10.25 | 10.15 | 11.28 | 11.87 |
| 1906 | 10.95 | 9.97 | 9.24 | 10.75 | 10.35 | 10.48 |
| 1907 | 12.88 | 13.13 | 12.47 | 11.18 | 10.83 | 11.53 |
| 1908 | 10.80 | 9.92 | 9.10 | 8.92 | 8.96 | 8.74 |
| 1909 | 12.13 | 12.46 | 12.66 | 13.43 | 14.40 | 14.95 |
| 1910 | 14.92 | 14.91 | 13.49 | 14.19 | 14.49 | 14.84 |
| 1911 | 14.28 | 11.91 | 11.28 | 9.60 | 9.33 | 9.17 |
| 1912 | 12.93 | 12.04 | 11.36 | 10.94 | 12.15 | 12.80 |
| 1913 | 12.34 | 12.02 | 13.12 | 13.73 | 13.31 | 12.98 |
| 1914 | 13.33 | None. | 8.38 | 7.01 | 7.42 | 7.18 |
| 1915 | 8.71 | 8.93 | 10.40 | 11.95 | 11.50 | 11.88 |
| 1916 | 13.03 | 14.25 | 15.26 | 17.24 | 19.44 | 18.34 |
| 1917 | 25.41 | 25.03 | 21.68 | 26.75 | 28.07 | 29.07 |
| 1918 | 29.57 | 30.22 | 33.22 | 31.18 | 29.75 | 29.43 |
| 1919 | 33.93 | 31.37 | 30.37 | 35.18 | 39.57 | 39.88 |
| 1920 | 39.41 | 34.02 | 27.47 | 20.95 | 17.65 | 14.63 |
| 1921 | 11.48 | 12.77 | 19.35 | 18.99 | 17.27 | 17.17 |
| 1922 | 22.01 | 21.54 | 20.74 | 22.04 | 25.38 | 25.47 |
| 1923 | 25.73 | 24.22 | 27.70 | 29.18 | 33.68 | 34.88 |
| 1924 | 29.23 | 26.65 | 22.76 | 23.47 | 23.95 | 23.66 |
| 1925 | 23.97 | 23.67 | | | | |
| Average | 18.85 | 18.33 | 17.01 | 17.34 | 17.93 | 17.94 |

Grand average, 20 years, 18.03; Sept. 1 to Jan. 1, 17.55.

Third. Actual Staple Cotton Cooperative Association deliveries and prices for the years 1922–23, 1923–24, 1924–25, as compared with the theoretical average, show a gain of 0.11 cent per pound of actual delivery average over the theoretical delivery average, as follows:

*Staple Cotton Cooperative Association*

| Month | Percentage of deliveries | 20-year average price | Average delivery price |
|---|---|---|---|
| | | *Cents* | *Cents* |
| August | 0.29 | 18.33 | 5.3157 |
| September | 26.27 | 17.01 | 446.8527 |
| October | 42.72 | 17.34 | 740.7648 |
| November | 23.02 | 17.93 | 412.7486 |
| December | 5.74 | 17.94 | 102.9756 |
| January | .71 | 18.09 | 12.8439 |
| February | .73 | 17.78 | 12.9794 |
| March | .23 | 17.90 | 4.1170 |
| April | .18 | 18.09 | 3.2562 |
| May | .02 | 18.23 | .3646 |
| June | .04 | 18.94 | .7576 |
| July | .05 | 18.85 | .9425 |
| Total | 100.00 | 18.03 | 17.44 |

| | *Cents* |
|---|---|
| Theoretical delivery average, Sept. 1 to Jan. 1 | 17.55 |
| Actual, based on association delivery average | 17.44 |
| Gain | .11 |

Fourth. Variations by annual seasons in middling spot quotations for the period of 20 years, as follows:

*Variations in middling spot cotton quotations—New Orleans*

| Season | Loss | Gain |
|---|---|---|
| | *Cents* | *Cents* |
| 1905-6 | | 0.06 |
| 1906-7 | | 1.00 |
| 1907-8 | 0.34 | (1) |
| 1908-9 | | 1.10 |
| 1909-10 | | .72 |
| 1910-11 | | .13 |
| 1911-12 | | 1.02 |
| 1912-13 | | .27 |
| 1913-14 | .06 | (2) |
| 1914-15 | | 1.00 |
| 1915-16 | | .70 |
| 1916-17 | | 2.22 |
| 1917-18 | | 2.93 |
| 1918-19 | .87 | (3) |
| 1919-20 | | 2.23 |
| 1920-21 | 5.46 | (1) |
| 1921-22 | | .51 |
| 1922-23 | | 2.81 |
| 1923-24 | .88 | (4) |
| 1924-25 | | .44 |
| | 7.61 | 37.69 |

[1] Money panic. [2] World War. [3] Armistice signed. [4] Crop estimate.

Mr. Bledsoe is a man of broad experience and has given many years of thought and study to the marketing of cotton. The New Orleans Cotton Exchange is probably the most stable exchange in the world. Under the insurance plan which Mr. Bledsoe proposes, which is embodied in this bill and which I now advocate, the cotton cooperative associations would be guaranteed that their weighted average daily spot price during the delivery period, which is from September 1 to December 31, would not be less than their average selling price for the year; that is, from September 1 to August 31.

The examinations of the daily-price records of the New Orleans Cotton Exchange for a period of 20 years—beginning September 1, 1905, to August 31, 1925—show that with the exception of 5 years the average price during the harvesting season was lower than the average price for the 12 months.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. LAGUARDIA. That is because they have absolute control over the tickers.

Mr. WHITTINGTON. That is because the average annual seasonal price is what the consumers of the country pay for our cotton. The growers do not have an opportunity to sell cotton to the consumers during the marketing period. We must sell largely to speculators who sell at higher prices throughout the year to the consumers, so that the speculator and not the producer gets the benefit of the increase in price.

Mr. Bledsoe has prepared a statement giving profit and loss of seasonal cotton-price insurance from 1905 to 1919, and from 1921 to 1924, inclusive, which shows that the growers would have received, under the plan proposed, an increased amount

for the annual period over the four months' delivery period in the sum of $1,011,325,750. The production during these years was 228,528,000 bales; and if the board had underwritten insurance against decline in the annual price at a premium of $1 per bale, the premiums would have amounted to $228,528,000, while the losses would have been $120,783,450, leaving a profit of $107,744,550, to the board. The statement which was prepared by Mr. Bledsoe on January 26, 1927, is as follows:

*Profit and loss statement of seasonal cotton price insurance from 1905 to 1919 and 1921 to 1924, inclusive*

| Fiscal year | Bales produced | Value per pound, Sept. 1, to Dec. 31 | Value per pound, Sept. 1, to Aug. 31 | Increased amount received by growers, yearly period over 4 months | Losses due to decrease in value, yearly period over 4 months |
|---|---|---|---|---|---|
| | | *Cents* | *Cents* | | |
| 1905–06 | 10,575,000 | 10.86 | 10.92 | $3,172,500 | |
| 1906–07 | 13,274,000 | 10.22 | 11.22 | 66,370,000 | |
| 1907–08 | 11,107,000 | 11.48 | 11.14 | | $18,921,900 |
| 1908–09 | 13,242,000 | 8.93 | 10.03 | 72,831,000 | |
| 1909–10 | 10,005,000 | 13.79 | 14.51 | 36,018,000 | |
| 1910–11 | 11,609,000 | 14.26 | 14.39 | 7,545,850 | |
| 1911–12 | 15,693,000 | 9.85 | 10.87 | 80,034,300 | |
| 1912–13 | 13,703,000 | 11.99 | 12.26 | 18,499,050 | |
| 1913–14 | 14,156,000 | 13.29 | 13.23 | | 4,246,800 |
| 1914–15 | 16,135,000 | 7.29 | 8.29 | 80,675,000 | |
| 1915–16 | 11,192,000 | 11.45 | 12.15 | 39,172,000 | |
| 1916–17 | 11,450,000 | 17.56 | 19.78 | 127,095,000 | |
| 1917–18 | 11,302,000 | 26.47 | 29.40 | 165,574,300 | |
| 1918–19 | 12,041,000 | 30.88 | 30.01 | | 52,378,350 |
| 1919–20 | 11,421,000 | 36.15 | 38.38 | 127,344,150 | |
| 1921–22 | 7,954,000 | 18.21 | 18.71 | 19,885,000 | |
| 1922–23 | 9,760,000 | 23.34 | 26.15 | 137,128,000 | |
| 1923–24 | 10,281,000 | 31.39 | 30.51 | | 45,236,400 |
| 1924–25 | 13,628,000 | 23.45 | 23.89 | 29,981,600 | |
| | 228,528,000 | | | 1,011,325,750 | 120,783,450 |

| | |
|---|---|
| Growers' income from premiums payable on 228,528,000 bales of cotton at $1 per bale | $228,528,000 |
| Losses due to decrease in value, yearly period over 4 months | 120,783,450 |
| Profit to underwriters | 107,744,550 |

Baleage: United States Department of Agriculture.

Prices: Average spot middling prices of the New Orleans Cotton Exchange, New Orleans, La., certified to by Messrs. Ernst & Ernst, certified public accountants.

STAPLE COTTON COOPERATIVE ASSOCIATION,
O. F. BLEDSOE, *President.*

In other words, the above computation proves that the average annual price is in excess of the delivery price and that as an insurable risk the Government can with safety guarantee and insure that the annual price will be in excess of the delivery price.

I call attention to the fact that while the theoretical average delivery price during the 20-year period, as shown by the above statistics, is 17.55 cents, the actual delivery price based upon the association's deliveries shows a gain of 0.11 cent per pound of the actual delivery average over the theoretical delivery average. Hence it is that section 12 of the Haugen bill provides that the measure of any decline shall be the difference between the average market price weighted for the days and volume of delivery and the average market price weighted for the days and volume of sales, for the actual delivery average of the Staple Cotton Cooperative Association was weighted for the days and volume of delivery. The foregoing statistics show that the average daily spot price of middling cotton on the New Orleans Cotton Exchange for the period September 1, 1905, to September 1, 1925, is higher for the selling season—that is, from September 1 to August 31—than for the delivery season—that is, September 1 to December 31—except for the season 1907–8, the year of the money panic, when there was a loss of 34 points, or $1.70 a bale; 1913–14, when the World War broke out and there was a loss of 6 points, or $0.30 per bale, during which year the exchanges were closed and no cotton was marketed for several months; 1918–19, the year of the armistice, when there was a loss of 87 points, or $4.35 a bale; 1920–21, the year of the great deflation, when there was a loss of 546 points, or $27.30 per bale, and inasmuch as it resulted from war, such a condition is not likely to occur again and might be omitted in the calculation; 1923–24, the year in which there was an overestimate of demand and an underestimate of supply, there was a loss of 88 points, or $4.40 a bale. Excluding the season 1920–21, deflation, the average annual loss for the 19 years included in the calculation is 56.6 cents per bale. The weighted price of the association, which shows the reduction of 11 points, would reduce the average loss to 46.3 cents per bale.

If cooperative associations, instead of selling futures, instead of hedging, with these reliable statistics, can procure insurance against seasonal decline without loss to the Government, it will promote cooperative marketing as nothing else can.

The aggregate of the loss cost for the 4 years out of the 20, exclusive of the year 1920–21 (deflation) amounted to $10.75 per bale. As an insurance proposition I think it would be manifestly unfair to include in this loss cost the whole loss due to deflation, as without deflation it is doubtful if there would have been any loss at all, but assuming for the sake of argument that the loss for the year 1920–21 would have been the average of the other entire 4 years of loss, or $2.68 per bale, we get a total loss cost for the entire 5 years out of the 20 of $13.43 per bale or $0.67 per bale per annum. If we add 33⅓ per cent for expenses, there would be a rate of $0.895 per bale. The Government could afford, according to these reliable statistics, to insure cotton against seasonal decline for a period of one year for $1 per bale.

It has been suggested that if the insurance feature is sound the cooperatives could secure the insurance from Lloyds or from other insurance companies. The answer is that neither Lloyds nor any insurance company in the United States insures against any sort of price decline. No insurance can be obtained for this purpose under the laws of New York, New Jersey, Mississippi, or under the laws of any other State in the Union, so far as I know, nor under the laws of the District of Columbia. It is outside of the province of insurance. In a way it invades the realm of banking. The matter of interest and carrying charges must be kept in mind. There is no private agency that can supply the insurance needed to stabilize a basic agricultural commodity. But the Government was organized to do what individuals can not do, what corporations are not authorized to do. The Government financed the railroads during the World War, and it has provided capital for banking under the Federal reserve system. It ought to do for agriculture what it has done for transportation and banking.

The committee considered very carefully the statistics which I have embodied herein, as well as other statistics, and they will be found in Mr. Bledsoe's statement in the hearings. Moreover, the hearings show that Mr. Bledsoe submitted these statistics to some of the leading insurance authorities in the country. Page 108 of the hearings shows that Edwin G. Seibles, manager of the Cotton Fire & Marine Underwriters, of New York City, one of the most prominent insurance men in the United States, believes that the proposition is sound. I quote from the hearings (p. 109), where Mr. Seibles says:

> This appears to me to be a sufficiently definite proposition to calculate a fair rate for the risk involved, and the statistics and records seem to me to be in better shape than a great many propositions which underwriters are willing to undertake.

He also says:

> I think the proposition is not only sound in itself but it has a particular attraction from an underwriting standpoint at the present moment.

He calls attention to the fact that the trend of prices is found in wheat as well as cotton, for he says:

> It will be interesting to know that the uniform trend of prices is found in wheat as well as cotton. This result, of course, is in strict conformity with the logic of the situation.

WHEAT

I have quoted the statistics compiled by competent public accountants covering cotton, but it is believed that similar statistics covering other agricultural commodities capable of being warehoused would show the same trend in prices. Mr. Bledsoe embodied in his statement on page 90 statistics on wheat from the Red Book of Howard, Bertels & Co., and I quote these statistics as follows:

*Summary of quotations—No. 2 red wheat, Chicago Board of Trade, August 1, 1905, to July 31, 1925*

STATISTICAL INFORMATION

[Red Book—Howard, Bartels & Co. (Inc.), compilers and publishers]

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1905 | | | | | | | | 82.68 | 82.25 | 86.68 | 86.81 | 87.31 |
| 1906 | 87.50 | 84.87 | 81.62 | 87.75 | 90.50 | 86.37 | 78.75 | 71.25 | 71.37 | 72.37 | 72.93 | 72.81 |
| 1907 | 73.25 | 75.18 | 74.37 | 77.43 | 89.62 | 92.50 | 93.00 | 87.12 | 94.75 | 98.37 | 92.75 | 96.75 |
| 1908 | 96.75 | 94.56 | 96.56 | 94.37 | 104.81 | 94.56 | 88.31 | 92.81 | 98.75 | 99.62 | 102.43 | 103.37 |

*Summary of quotations—No. 2 red wheat, Chicago Board of Trade, August 1, 1905, to July 31, 1925*—Continued

STATISTICAL INFORMATION—continued

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1909 | 105.68 | 115.75 | 121.87 | 134.87 | 147.87 | 155.00 | 115.12 | 100.25 | 107.75 | 118.75 | 118.00 | 122.12 |
| 1910 | 124.43 | 122.75 | 120.00 | 113.75 | 108.12 | 100.87 | 105.25 | 101.81 | 98.50 | 95.25 | 92.00 | 92.81 |
| 1911 | 96.62 | 91.00 | 88.06 | 87.56 | 97.50 | 91.00 | 87.25 | 89.00 | 93.06 | 98.81 | 94.75 | 95.00 |
| 1912 | 97.56 | 99.50 | 101.68 | 108.00 | 115.18 | 109.75 | 104.00 | 103.81 | 103.50 | 106.50 | 103.00 | 105.62 |
| 1913 | 111.43 | 107.00 | 104.50 | 105.75 | 104.43 | 100.50 | 90.00 | 87.25 | 92.00 | 92.12 | 94.50 | 95.43 |
| 1914 | 97.06 | 95.62 | 94.25 | 93.93 | 97.18 | 87.81 | 86.62 | 100.62 | 112.25 | 109.25 | 113.93 | 121.43 |
| 1915 | 139.93 | 156.75 | 149.50 | 157.75 | 149.56 | 122.81 | 120.25 | 108.75 | 108.75 | 114.37 | 112.75 | 122.75 |
| 1916 | 130.18 | 122.93 | 113.25 | 121.31 | 114.25 | 104.62 | 116.37 | 142.12 | 149.81 | 172.68 | 181.75 | 173.56 |
| 1917 | 187.00 | 176.12 | 196.25 | 255.75 | 303.00 | 265.50 | 238.00 | 236.00 | 218.50 | 217.00 | 217.00 | 217.00 |
| 1918 | 217.00 | 217.00 | 217.00 | 217.00 | 217.00 | 217.00 | 226.50 | 224.00 | 224.00 | 224.00 | 224.87 | 234.25 |
| 1919 | 234.50 | 229.50 | 235.50 | 263.00 | 273.25 | 239.00 | 226.00 | 225.25 | 225.25 | 225.25 | 230.75 | 242.75 |
| 1920 | 260.50 | 252.00 | 255.00 | 275.00 | 299.00 | 287.50 | 257.00 | 242.25 | 249.75 | 224.50 | 202.00 | 199.00 |
| 1921 | 196.87 | 189.25 | 167.50 | 136.87 | 162.12 | 147.00 | 125.75 | 121.12 | 128.62 | 117.25 | 123.00 | 118.00 |
| 1922 | 120.00 | 133.75 | 139.25 | 139.37 | 132.00 | 118.00 | 111.75 | 106.00 | 107.37 | 115.75 | 125.62 | 132.75 |
| 1923 | 130.12 | 135.00 | 132.00 | 131.75 | 128.25 | 118.25 | 99.87 | 101.62 | 105.62 | 110.62 | 105.50 | 107.75 |
| 1924 | 112.68 | 113.37 | 109.25 | 106.25 | 107.37 | 112.00 | 126.12 | 131.75 | 134.62 | 153.50 | 156.25 | 177.25 |
| 1925 | 202.25 | 202.18 | 188.00 | 166.00 | 191.00 | 186.75 | 159.75 | | | | | |
| 20-year average by months | 141.06 | 140.70 | 139.27 | 143.67 | 151.60 | 141.84 | 132.78 | 127.77 | 130.32 | 132.63 | 132.53 | 135.89 |

Average for Aug. 1 to Dec. 1, 130.81.
Grand average for 20 years, 137.51.

The following is a summary of the cash quotations of the Chicago Board of Trade on red wheat:

*Summary of cash quotations—No. 2 red wheat Chicago Board of Trade August 1, 1905, to July 31, 1925*

[Red Book, Howard, Bartels & Co. (Inc.), compilers and publishers]

| Year | Average price Aug. 1 to Dec. 1 | Year | Average price Aug. 1 to Aug. 1 | Loss | Gain |
|---|---|---|---|---|---|
| | *Cents* | | *Cents* | | *Cents* |
| 1905 | 84.61 | 1905–6 | 85.26 | | 0.65 |
| 1906 | 71.98 | 1906–7 | 78.01 | | 6.03 |
| 1907 | 93.25 | 1907–8 | 94.97 | | 1.72 |
| 1908 | 98.40 | 1908–9 | 116.09 | | 17.69 |
| 1909 | 111.19 | 1909–10 | 113.50 | | 2.31 |
| 1910 | 96.89 | 1910–11 | 93.28 | 3.61 | |
| 1911 | 93.91 | 1911–12 | 100.52 | | 6.61 |
| 1912 | 104.20 | 1912–13 | 103.84 | .36 | |
| 1913 | 91.47 | 1913–14 | 92.81 | | 1.34 |
| 1914 | 109.01 | 1914–15 | 129.50 | | 20.49 |
| 1915 | 111.16 | 1915–16 | 115.86 | | 4.70 |
| 1916 | 161.59 | 1916–17 | 203.46 | | 41.87 |
| 1917 | 222.13 | 1917–18 | 219.50 | 2.63 | |
| 1918 | 224.27 | 1918–19 | 236.03 | | 11.76 |
| 1919 | 226.62 | 1919–20 | 252.94 | | 26.34 |
| 1920 | 229.63 | 1920–21 | 186.91 | 42.72 | |
| 1921 | 122.50 | 1921–22 | 125.18 | | 2.68 |
| 1922 | 113.69 | 1922–23 | 121.89 | | 8.20 |
| 1923 | 105.84 | 1923–24 | 109.85 | | 4.01 |
| 1924 | 144.03 | 1924–25 | 170.78 | | 26.25 |
| 20-year average | 130.81 | | 137.51 | 2.466 | 9.132 |

These statistics show a loss in wheat in 1920 and there were losses in three other years. In 1910 the loss was 3.61 per bushel, in 1912 there was 0.36 of a cent per bushel, and in 1917 2.63. There was an average loss for the 19 years included in the calculations of 0.34, or a little over one-third of a cent per bushel. The loss on cotton, as I have already stated, was a little over one-half of a cent per pound for the same period. The surplus control bill provides that the board may insure the cooperatives against seasonal decline in price. The board will be taking the position that the cotton and wheat trade of the world are right to the extent that they will at least secure the price they paid for the cotton and wheat with carrying charges.

BENEFITS

I use cotton as typical. The benefits are apparent. They include:

First. Loans can safely be made to cooperative associations so that the members can receive the spot price of their cotton, less carrying charges, such as interest, storage, and insurance.

Second. The association will be insured against losses in connection with the ordinary marketing of the cotton of the members.

Third. The operating expenses of the cooperatives will be reduced, for the members will be paid approximately the full market price at the time of delivery.

Fourth. There will be no tendency to increase production, inasmuch as under the insurance feature the producer is not guaranteed an artificial price, but is only guaranteed against a seasonal decline, based absolutely upon the law of supply and demand.

SOUND

The insurance feature is sound. It involves no subsidy. It does not involve any loss to the Government. It would only apply to commodities that are warehoused and are traded in on exchanges. It will enable the cotton grower to receive the average world annual price for his product over a series of years. In other words, it would give the cooperative cotton marketing associations insurance facilities based on and parallel with world prices as determined by the view of the traders in the exchanges of the world. It would eliminate speculation and manipulation. The same thing applies substantially to wheat.

PRESIDENT'S VETO

But it is said that the President vetoed the McNary-Haugen bill as passed by the Sixty-ninth Congress, which had the insurance feature in it. I call attention, however, to the fact that the President did not say that the insurance feature was illegal or unconstitutional. He criticized the language of the insurance feature rather than the substance of the plan. The bill in the Sixty-ninth Congress should have really been more clear and explicit as to the matter of insurance. The former insurance provision was too abbreviated. It failed to express clearly enough the exact insurance agreement which Congress intended the board to enter into with the cooperative associations.

The insurance provision in the present bill has been clarified and has been set forth in sufficient detail to make sure that the specific objections raised by the President in his veto message are not applicable. The present bill does not provide insurance against a price decline. It is a question of average seasonal price. The cooperative association would not be insured against the results of its own sales. It will still profit by exercising wisely its initiative under the provisions of the bill. If the cooperatives sold unwisely so that they failed to get the average market price for the commodity they would to that extent be without protection under the insurance agreement.

The President was evidently misadvised as to the intention of the insurance feature in the Sixty-ninth Congress. Hearings were then had before the Commerce Committee of the Senate on the insurance feature, and these hearings disclosed that the intention was to provide insurance against seasonal decline in the average price. The President's illustration was not sound for the reason that he took a single specific delivery and a single selling price, whereas only the average, and in the present bill, only the average weighted price for the season is insured.

Moreover, insurance is but another word for hedging. All hedging is in reality insurance. The President failed to discriminate between insurance against price decline and insurance against an average seasonal decline in price. The hearings disclosed that the average seasonal or annual price over a series of years is in excess of the average delivery or harvest price. It is this average seasonal price that is involved in insurance. It is not a matter of price decline. The grower is not insured against his own carelessness or negligence in selling. The board can only deal with the cooperative. Moreover, it is the average weighted price that is insured under the present bill, rather than the average price during the season. The board is to this extent further protected. The proposition is sound. The consumers do not buy during the harvest season to the extent of their requirements. By insurance and hedging the cooperatives and thus the growers are protected against a decline in the annual seasonal weighted price. I repeat that if the cooperative under the terms of the insurance plan does not sell to the best advantage throughout the annual period the grower will not be fully protected under the insurance plan. In other words, neither the grower nor the cooperative, under the insurance plan, is protected against the incompetence or carelessness in the market-

ing of the product. The legislation is not paternal. The sagacity and the ability of the cooperative to sell properly is encouraged, rather than eliminated, by the insurance feature. Moreover, the insurance feature is based on sound underwriting investigations. The two outstanding bills before the House Committee on Agriculture were the Haugen bill and the debenture bill. I call attention to the fact that the principle of the insurance plan is embodied in H. R. 12893, known as the debenture plan. While the principle is found in the debenture bill I do not think that the provisions are as adequate or comprehensive as are the provisions in the Haugen bill. In fact, they are entirely too limited and restricted. The principle is recognized, but the operation is not properly provided for.

NONPREMIUM INSURANCE

Section 12 of the Haugen bill covers the insurance plan. Nonpremium insurance is referred to in section 10 in connection with the equalization fee. The bill provides for premium and nonpremium insurance. The board established by the bill is authorized to enter into insurance agreements with cooperative associations upon such terms and conditions as it may prescribe. The broadest powers are given to the board. It has ample authority to investigate fully before entering into the insurance agreements. Every provision is made to protect the Government and to protect the insurance fund. The kind of commodity that may be insured is defined. The meaning of price decline is defined. The board and the Government are hedged about with every protection possible. All admit that there is an insurable proposition in certain basic commodities. Some have suggested that the insurance features would be promoted by corporations organized by cooperative associations. The answer has been anticipated. These corporations can not be organized under the law of any State. Only the board can supply the money and prescribe the conditions for the insurance so vital to cooperative marketing. The insurance period is limited to 12 months, beginning with the delivery season and concluding with the beginning of the succeeding delivery season. The cooperative association must pay the premium fixed by the board. The powers of the board to fix the premiums are unlimited. The premiums may be changed as conditions may warrant.

Nonpremium insurance may be entered into only by the board during an operating period and only during a marketing period as provided by section 9 of the bill only when an equalization fee is levied against the commodity, and then only whenever, in the judgment of the board, the use of the insurance agreement in any commodity will stabilize the market substantially in the interest of the producers of the commodity, whether they are members of the cooperative association or not. If the board believes that the insurance agreement will stabilize the market, then the board has the discretion of entering into an agreement for nonpremium insurance, but it can never make nonpremium insurance agreements unless the board is convinced that it will be for the benefit of all the growers of the commodity, whether in or out of the association. If the insurance will be for the benefit of all the growers, then the burden of the insurance premium ought not to fall on only those growers who are members of the cooperative. Thus the bill rightly and justly provides for nonpremium insurance when the premium shall be paid out of the stabilization fund; that is, the fund accumulated by the equalization fee. In the case of cotton there will probably be no occasion for levying an equalization fee, so that if the insurance agreements result in stabilization of the cotton market all growers will receive the benefit and all growers should share in paying the premiums.

The board is authorized to secure the most thorough statistics and to make the most searching investigations before entering into the insurance agreements. It may prescribe all the terms and conditions. It may levy a premium sufficient, as disclosed by statistics, to guarantee that over a period of years there will be no loss. There may be a loss otherwise from the revolving fund under the surplus control act, but I respectfully submit that the statistics show that there will not be any loss to the board or to the Government because of the insurance feature in the legislation. The insurance is based on the average price of the basic commodity on a designated market or exchange. It is believed that the cooperative associations handling a staple agricultural commodity will be able to extend its membership to such an extent that they will be able to make advances to their members reflecting the current value of the commodity and will thus be enabled to handle in orderly fashion the surplus of the entire commodity, rendering thereby service to members as well as to nonmembers. If the market is stabilized it is right and just that the entire commodity should pay the premium on the insurance that makes possible such stabilization.

The insurance feature is in reality the outstanding contribution of the proposed legislation to the solution of the agricultural question. It is conceded among all business men that insurance is an indispensable fundamental of modern credit. [Applause.]

I do not advocate the pending legislation as a complete remedy for all the plights of agriculture. I do maintain that it will promote the farming industry. There is no panacea for all the ills of the farmer. Ours is a great country, with a broad domain. The troubles of the farmer in one part of the country frequently do not occur in another section. However, there are difficulties, uncertainties, and handicaps that are applicable to all.

Again, agriculture of itself and by itself can not solve the problem. The farmer is entitled to the sympathetic interest of all classes. No magic wand will make the improvident prosperous, and no legislative enactment will make the inefficient successful. Agriculture is entitled to the help of trade, industry, finance, commerce, and the Government. It is one of the major problems of the American people.

The pending bill does not put the Government in business. It provides for the Government to enable the fundamental industry of the Nation to function.

The farmer is entitled to other legislation. State legislatures can help. The great contribution of State legislation will not result, however, in limiting acreage but in reducing taxes on farm lands. Statistics tell us that taxes on farm property in 1926 were approximately 250 per cent of what they were in 1914, whereas the increase in the price of farm products was 130 per cent of the 1914 figure. An analysis in Wisconsin disclosed that taxes absorbed 30.6 per cent of the net farm income as compared with 29.2 per cent of the steam railroads, 22.1 per cent for miscellaneous corporations, 19.6 per cent for mercantile occupations, and 15.7 per cent for manufacturing capital.

State legislatures can not control weather and pest conditions, which have more to do with production over a series of years than acreage. National legislation must supplement State legislation, and the spread between the producer and the consumer must be lessened. It is estimated that in 1927 the consumers paid $29,000,000,000 for what the farmers produced, while the farmers only got about $9,000,000,000.

The passage of the McNary-Haugen bill will extend to agriculture many of the benefits now enjoyed by industry and commerce. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KETCHAM. Mr. Chairman, the gentleman from Kentucky [Mr. KINCHELOE] was called from the Chamber and he asked me to say, at the conclusion of the remarks of the gentleman from Mississippi, that he would yield 10 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes. [Applause.]

Mr. DOUGHTON. Mr. Speaker and members of the committee. There has existed in this country for some time, a condition known as the agricultural problem. It is generally admitted that this problem is of a very grave nature and one with which it is the duty of Congress to deal. Anyone who can not realize that there is a serious farm problem must be blind, and anyone who would deny relief must have a heart of stone. Even President Coolidge, Secretary of Agriculture, Mr. Jardine, and Secretary of Commerce, Mr. Hoover, admit this to be a fact. But the difference in the viewpoint of the three just mentioned and those in Congress who represent the interest of the farmer is so great that any satisfactory solution of the question of agriculture appears hopeless at this session of Congress. There is a wide gulf between the President and his advisors and the farm leaders which it seems impossible to span.

Regardless of the cause, everyone knows that on March 4, 1919, when a Republican Congress succeeded a Democratic Congress, agriculture was in a most prosperous condition and the farmer's dollar was on a parity with those engaged in other employments and businesses. The farmer was at that time paying off his debts, acquiring additional land, buying improved farm machinery, educating his children, and with head erect he was moving forward in a prosperous and satisfactory way.

In 1920, after the Republican Party had been in control of the legislative branch of the Government for a year or more, the Republicans took charge of the executive department of the Government also, and what are known as the "best minds" came into full control of both legislative and executive depart-

ments, and signs and symptoms of agricultural trouble began to appear. The prices of farm products suffered a very serious decline, and the agricultural horizon was filled with storm elements.

The Republican Congress said that more and higher tariff was the one thing needful, and proceeded to enact what was known as the emergency tariff laws. However, the price of farm commodities continued to fall, and the general condition of the farmer continued its downward movement.

Then came tariff revision by the Republican Congress—known as the Fordney-McCumber tariff law—and guaranteed by those in control of the Government to be a panacea for all the ills and ailments of agriculture, labor, and every other occupation or industry incident to our business life. But like all quack remedies, so far as the farmer was concerned, the condition of the patient gradually grew worse, until to-day it is most pathetic and desperate.

From 1919–20 to 1925–26 there was a decrease in the capital investment in agriculture of $20,000,000,000, or 25 per cent, and this decrease in agriculture has not stopped but is still going on. According to the United States Department of Agriculture, on July 1, 1927, the close of the fiscal year, there was a further decrease in agriculture during that year of $1,457,000,000.

The mortgage, personal, and collateral debt of the American farmer has increased during the last few years from approximately four and a half billion dollars to twelve and a half billion dollars, or approximately 300 per cent, and this increase in indebtedness is still going on. Farm taxes in the entire country have increased about 300 per cent, and now on an average it requires about 33½ per cent of the income of the farmers of the Nation to pay taxes, against 11 per cent prior to the war.

From 1920–21 to 1925–26 investments in corporate enterprises in this country increased from $99,000,000,000 to $134,000,000,000, or an increase of 35 per cent. Of this large increased capital there was an average earning during the past few years of between 12 and 13 per cent. The return on the farmer's gradually decreasing capital for the same period was 3½ per cent. The foregoing statements are based on Government figures.

This grevious situation of the farmer was caused by price ratios. By price ratios I mean the price the farmer obtains for the commodities he produces and sells as compared with the price of products of industry which the farmer must purchase. These price ratios have been most disadvantageous to the farmer and the average disadvantage for the past seven years has been practically 20 per cent, the farmer's economic plane being upon an average 20 per cent below other groups.

The gross annual income from our farms is about $12,000,000,000; 20 per cent of $12,000,000,000 is $2,400,000,000, and it is thus seen that because of this disadvantage of 20 per cent the farmer has contributed through losses he has sustained about $2,400,000,000 annually during the last seven years to business and industry. This amount is more than the farmer's net income has been during this period, and with equal price ratios would have been retained by the farmer instead of having been contributed forcibly by unfair price ratios to other groups.

There have been 2,944 bank failures in the last six years of Republican administration against 746 during the eight years of the Democratic administration, and most of these were in the agricultural sections of the country. The 17,333 commercial failures for the first nine months of 1927 represent an increase of $100,000,000 in liabilities during the same period of the year before. It can be truthfully said that at least 4,000,000 men are to-day idle in the United States, which shows conclusively that the serious condition from which the farmer has been suffering in recent years is being reflected in other industries. The foreclosure of farm mortgages and the people who are losing their homes on account of the serious condition surrounding agriculture is appalling.

As agriculture is our basic industry, the very foundation stone upon which rests our national progress and prosperity and upon which our civilization is built, if something is not speedily done to remedy this horrible and serious situation it does not take a prophet to see that we are headed for national disaster. The farmer is and has been for the past six years languishing on a bed of misery and walking barefooted over a road of thorns.

During the past seven years we have seen the farmer pass from a condition of prosperity and robust financial health to one of weakness and despondency—from a condition of economic independency to one of dire poverty—almost vassalage. We have seen a decline in the value of his real and personal property of $32,000,000,000, more than the entire value of all the railroads in the United States.

Since 1920 more than 2,000,000 of our farm population have left the farm each year and millions of acres of farm land have been deserted. In many instances the farmer is unable even to pay his taxes or to borrow the money to do so, and the result is his lands are sold under the hammer for taxes. No wonder he is despondent, discouraged, and often comes to a premature grave. It is not surprising that the young, intelligent boys and girls who have been raised on the farm will not remain there, but are flocking to the cities and towns by the millions. This is a dark picture, but it does not halfway describe the real situation.

In view of the real—not imaginery—situation of the farmer, and what is to be the inevitable result touching all other industries, it is most disheartening to know by the record they have made that those in control of the executive department of the Government, claiming as they do the right to outline and recommend legislative policies, have nothing but fruitless generalities to offer. Considering the position which they occupy, the three worst enemies of agriculture to-day in the United States are President Coolidge, Secretary Jardine, and Secretary Hoover. These three, and the worst of these is Hoover, as he is admittedly the adviser of the President touching all agricultural matters.

With 4,000,000 men out of employment in this country, with many of the manufacturing establishments closed or running on part time and paying no dividends, with the farmer in the ditch and in bankruptcy, with the bootleggers in clover and in prosperity, the G. O. P. will go before the country in the coming election proclaiming itself the producer and guarantor of prosperity, and will commend itself as a good and faithful servant touching law enforcement.

I shall support the pending legislation for farm relief, because the majority of the Committee on Agriculture of the House, having conducted extensive hearings and given long, painstaking study to the subject, have reported this bill; because practically all the farm organizations in the country are for it; because I believe it will be helpful in bringing relief in the present dire situation; and because I realize of necessity something must be done, not only to save agriculture, but to save the country.

The State I have the honor, in part, to represent is not only a great agricultural State, but also a great manufacturing State, the greatest in the South and one of the greatest in the Union. The business acumen of our manufacturers and bankers, the courage and industry of our people, our fine climate, magnificent highways, abundant water power, and splendid educational institutions all testify to our growth and greatness. However, the present unparalleled agricultural depression is most ominous and hangs as a dark cloud not only over North Carolina but over the entire country.

If the proposed law does not work, and does not bring the relief that is anticipated and needed, we will have shown a willingness to do all that is possible along the lines suggested by those most deeply interested. The psychological effect of this legislation is bound to be helpful, as is sincerely to be hoped its practical effect will be.

Two-thirds of the other body has voted for farm relief along the lines of the bill now under consideration, and every southern Senator, save and except one, voted for it. This, of itself, is conclusive evidence that it is a serious condition and not an imaginary theory with which we are confronted. Personally I have no pressure from my constituents to vote one way or the other, but those who trust me as their chosen Representative do expect that I intelligently aid in working out some feasible, practical solution of the matter. I have decided, therefore, to resolve whatever doubt there may be in my mind in favor of those who have made such a strong appeal on the merits of the case. I feel, in voting for this measure, that I am discharging my duty not only to the farmer but to the entire country as well. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield one minute to the gentleman from Louisiana [Mr. O'CONNOR] for the purpose of propounding a question.

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, as I understand it the Copeland amendment struck from the original McNary bill all reference to fruits and vegetables. In that shape the bill came over to the House and was referred to the Committee on Agriculture. The Committee on Agriculture of the House struck out all after the enacting clause and substituted their own measure for the McNary bill, which, for all practical purposes, restores to the bill fruits and vegetables. Now, I hope that some member of the Committee on Agriculture will explain exactly why that

was done, because from the number of letters I have received—and I should imagine a great many Representatives from the cities have received the same sort of letters—it would appear that a great number of people are interested in that answer.

Most of these letters read substantially as follows:

JAMES O'CONNOR, Esq.,

*United States House of Representatives, Washington, D. C.*

HONORABLE SIR: The wholesale receivers and jobbers of fruits and vegetables here and throughout the State appeal to you to support the McNary farm relief bill (S. 3555), as passed by the Senate April 12, and for retention of the Copeland amendment excluding fruits and vegetables from the operation of the original bill.

It would not only be a serious mistake but a disaster to the perishable industry throughout the country to attempt through a control withholding and regulation of distribution to dictate and stabilize prices and supplies from time to time in the multiplicity of commodities, extent of area devoted to production, embracing every section of our country, the steady rotation of crops coming into maturity and the necessity of marketing and finding markets for these perishable crops as rapidly as harvested.

No man nor set of men living or yet to come can successfully substitute their will or devices for the inexorable law of supply and demand, and particularly as it relates to highly perishable products, fruits, and vegetables.

We would thank you to give this matter your most serious consideration, and ask for your earnest support of the McNary farm relief bill (S. 3555) as passed in the Senate, with the Copeland amendment, as this amendment means the protection of the great and growing fruit and truck industry of the South against a threatened disruption and calamity which would follow if such a serious mistake were made to attempt to experiment with the marketing of highly perishable products of fruits and vegetables.

I hope some one of the committee will move to strike out the reinstated language, against which there appears to be a general protest.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIAMS of Illinois. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. ANDRESEN) there were—ayes 32, noes 10.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, and had come to no resolution thereon.

## EXTENSION OF REMARKS—THE AGRICULTURAL SURPLUS CONTROL BILL

Mr. SELVIG. Mr. Speaker and Members of the House, Congress is again considering the farm problem. There are those who have publicly proclaimed that there is no such thing, that the farmers' difficulties exist only in the minds of the politicians and place seekers, and that in the ordinary course of events all this "fuss and flurry" regarding the farmer will disappear as if by magic.

These persons are, naturally, deeply grieved to hear anything about the farm problem. They view all discussion of farm relief with alarm. Why disturb us? they say. We are not in trouble.

To this group of our citizens the report of the Business Men's Commission on Agriculture came as a great shock. To them, too, the present agrarian revolt in the Mid West, coming as it does in a presidential election year, sounds like the rolling thunder of an impending storm. I cheerfully and willingly admit that they may have reason to feel concern over what the embattled farmers may do next November. Farmers usually are not easily aroused, but once aroused they know what they want. In the year 1928 they will not be satisfied with a mere gesture.

Those who are opposed to farm-relief legislation could perhaps combat the views of men in public office who have raised their voices in behalf of the farmers. But the commission's facts, figures, and conclusions can not be lightly waved aside. That is a different matter.

This intensive report of the farmers' present status deserved careful study. There is ample evidence that it received sincere consideration. The members of this commission were not special pleaders for the farmers. Actually the report portrayed the condition of agriculture in darker colors and in a more unfavorable light than had many of the much-maligned political friends of the farmer.

The result is a demand that the farm problem must receive consideration. Careful study has resulted. Leaders in every State have grappled with the problem.

The great Committee on Agriculture of the House of Representatives spent weeks in listening to ideas and suggestions from every possible source. Most of the members of the committee have had the problem before them continuously since 1920. The bill they have presented to the House for consideration is the result of their careful and earnest and painstaking deliberations and work. It represents a carefully thought out plan for one phase of farm relief. Unless some one can suggest a better plan it is our duty to enact it into the law of the land and to give it a trial.

I shall not, with the limited time at my disposal, go into the causes of the farm depression which came so suddenly upon the country in 1920. By many this farm-price deflation is considered the greatest catastrophe that ever befell any group in our beloved land. I shall not either take the time to recount the toll it took. Even if time did permit, it would be unnecessary to do so. The essential facts are too well known to require restatement.

The great forward step that has been taken since that year, and the most encouraging one for our farmers, is that the people of the entire United States have come to recognize the existence of an urgent farm problem. The entire Nation has come into a general agreement that it is a problem of transcending national importance.

The farmer is the victim of legislation, both Federal and State, which has increased his costs. I do not here state that this legislation necessarily was intended as recrimination against the farmer. Perhaps the opposite is true. The fact remains that much of the legislation has injured him. He feels, as a result, that the Government has not been fair to him.

He stands, therefore, to-day with his back to the wall. He will fight to regain a position of equality. He must make the fight, for he is lost if he does not.

The farmer's greatest weakness is that he is an unorganized seller of his products. It is not possible to organize 6,500,000 farmers into selling groups. The cooperatives have tried to do it. In some special instances, particularly with localized products, there has been achieved a modicum of success. In most cases there has been failure.

The history of farm marketing during the past 25 years is one of disappointment and distress. The failures have been due to the producers outside. They have broken the cooperatives. These outsiders have tried to gain the benefits without paying any of the costs.

This bill seeks to assist the farmer in the marketing of his products. It invokes the aid of the Government in organizing the sellers. The farmer can not now enforce the cost of production. He must take what the buyer will give. This bill stabilizes the flow to market. It will reduce the fluctuations in price and promote orderly marketing of farm products.

In addition to being the victim of discriminatory legislation and of his inability to organize effectively his marketing machinery, the farmer is in a disadvantageous position in comparison with other groups, due to his greatly increased tax burden. Freight rates, which he pays both on what he sells and on what he buys, have been nearly doubled since the war. The interest load on a greatly increased mortgage indebtedness bears heavily on him. The high cost of what he must buy, in contrast with the low or world price level on which he must sell many of his products, adversely affects him.

Something must be done to remedy this situation. Students of the agricultural problem will agree with me in this statement. The President, in his message, expressed the hope that satisfactory farm legislation might be enacted at this session of Congress. The only satisfactory farm legislation is that which the farmers themselves approve. The Business Men's Commission stated in their report, previously referred to, that a national policy, including legislation, would prove of undoubted benefit to the farmers. They went further. They stated it was an absolute necessity.

The special committee of the American Association of Agricultural Colleges and Experiment Stations made several suggestions looking toward legislation favorable to agriculture. The largest and most representative farm organizations have gone on record in favor of farm-relief legislation. The list could be prolonged.

The Government has given much aid to the farmers in encouraging production and in helping the farmer combat insect pests, plant, and animal diseases. A beginning also has been made in giving assistance, through advice and information, in the solution of his marketing and economic problems. The attention has been largely centered upon production, however.

On the other hand, a different department of the Government has actively aided and abetted reclamation projects, thereby adding to the surplus production and accentuating the farmers' difficulties.

There are reasons to believe that substantial help will result to the farmers by opening and developing river transportation. The Mississippi River Barge Line service has helped. The St. Lawrence waterway, which should come in the near future, will also prove to be a boon to agriculture. But much of this lies still in the future.

The tariff policy of the country is of value to the producers of many nonsurplus products. There is much that must be done to give our farmers adequate tariff protection against those imports of crops and commodities that can be produced in this country, but which, on account of too low tariff rates, are coming here in large quantities. Over three and one-half billions of dollars in value of agricultural products were imported into the United States in 1926, most of which were directly competitive. This gives an idea of the assault by foreign competition against our farmers. This disastrous competition is one of the farmers' chief troubles.

The bill before the House of Representatives to-day seeks to give the farmer an American price on American production of the crops and products of which we now produce a surplus. The bill provides for a farm board. Each commodity has its own advisory council. If cooperative-marketing agencies fail to carry out the provisions of the act, outside concerns will be called in to do it. The processor will be paid for his services, as he is now.

The bill provides for orderly marketing. An increased price will come to the farmers because the part of the crop required for domestic consumption will be sold at home under the tariff protection for that crop. The losses incurred in selling the surplus abroad at the world price will be borne by the producer. This will be done through the imposition of an equalization fee. This fee will carry its own load. The increased price will redound to the producer.

Those who oppose doing anything for the relief of our distressed agriculture are now proposing direct financial aid to the farmer. This is a delusion and a snare. The farmer does not want a subsidy. He knows that public opinion would not long countenance such a thing.

The farmer has always fought subsidies.

He now seeks legislative authority for an equalization fee which will permit each producer equitably to share in the expense of disposing of the price-depressing surplus and still leave him a substantial margin above the world price.

The farmers, through their support of the Haugen bill, want Congress to create for them an economic structure and to provide machinery to place them on an equality with industry, which enjoys the full benefit of the protective tariff. They are simply asking Congress to be placed upon an equality with labor and industry. No more.

Business interests all over the country agree there has been an appreciable slowing down of industry.

How could it be otherwise?

When 30 per cent of our population who live on farms suffer from a lower purchasing power, when almost one-third of the average farmer's cash income is demanded for taxes, when increased transportation costs still further decrease the farmer's purchasing power, it is no wonder that the farmer can buy less and that industry in general, retail and wholesale establishments, and labor have begun to feel the change.

The slump in business and our present unemployment are traceable, in a large part, to the agricultural depression. To a large degree the interests of the farmer and the industrialist are mutually interdependent. No permanent prosperity can exist for one group, in the long run, at the expense of other groups.

Organized labor appreciates this fact. Their representatives have repeatedly urged equality for agriculture. The decrease in farm population of about two and one-half millions since 1920 has served to fill the industrial centers with men from the farms who seek the city man's job.

The proud boast of the United States is that each man must be given his equal chance for prosperity and advancement. The national income is sufficient for both farmers and others to have the comforts our civilization affords. The task is to equalize opportunity for both the man in the country and the one in the city. This is our country's greatest problem to-day.

After many years' consideration the House is called upon to enact legislation which its proponents believe will assist in restoring equality to the farmers. The frank purpose of the bill we are considering to-day is to give the farmer stable prices upon a higher level.

It does not call for a governmental subsidy. It does not call for a cent of the taxpayer's money. It places on each farmer the cost of maintaining this higher level. The equalization fee, in itself, is a deterrent against overproduction.

The argument that this bill is unworkable comes from those who oppose granting justice to the producers of our food. The sincerity of those who oppose the bill on that ground can fairly be questioned. If they were sincere in their belief that the plan proposed in the pending bill is unworkable, they should have no hesitancy in supporting it, as evidence of their conviction that it will fail to function.

This they do not do. They know that it will work. They know that it will give the farmers relief.

Others proclaim that the equalization fee is unconstitutional. The loan and other features of the bill remain. If they are sincere in their belief that the equalization-fee feature is clearly unconstitutional, a belief in which I do not share, they should support the bill and allow the court to pronounce the decision they regard as inevitable. Other valuable features to which they can not object would remain. This would afford some assistance to the farmers.

If the equalization fee were declared unconstitutional, then the farmers would know that way is blocked and seek to set up other machinery to accomplish what must be done.

I come from an agricultural district. I have seen the devastation that has come over our farms. I have seen the hundreds who have lost their life's savings and have been compelled to start out anew amidst unfamiliar scenes to begin work in some other field.

The past 20 years of my life have been spent in close contact with the farmers. I know their troubles, trials, and tribulations; their long hours of labor, their insufficient income, their loss of faith in the justice of the present situation.

I know also the magnificent part the farmers have played in the making of America. I need not dwell upon that thought. The very lifeblood of our beloved Nation has come from the farm homes in hill and dale over our broad land. No nation can long endure which neglects its rural population.

Something must be done. This bill represents the considered judgment of the agricultural leaders of our country. It should be enacted. The plan proposed should be given a trial. Imperfections, if any develop, can be corrected in succeeding sessions. To-day a national crisis confronts us. As loyal citizens we owe equality of opportunity to our farmers. As the elected representatives of the people it is our duty to assist in reestablishing agriculture upon a parity with other groups. The farmers do not ask for more than this. They should not be given less.

Mr. HOLADAY. Mr. Speaker and Members of the House, the business world is now viewing the farm problem as one in which business, too, is vitally interested. Agriculture can not flourish with other lines of business languishing, and other lines of industry can not long maintain their prosperity with agriculture prostrate.

The McNary-Haugen bill only attempts to bring agriculture up to the level of other industries. The consumers of farm produce are quite as much interested in this measure as are the farmers themselves. They feel that they are paying enough for agricultural products. Wide fluctuations in the prices of farm products result in a loss to the producer and farmer alike. The speculative middleman is the only person profiting by this extensive variation in prices.

In many lines of manufacturing a quiet change as to methods of control of production and determining selling price has been going on. In some industries a single corporation practically dominates the field, and its competitors, not being united, are forced to follow its dictates as to prices.

Many other industries have their trade associations which make for a cooperative control of the industry rather than competitive control by a single large corporation. Such trade associations with only a few hundred, or perhaps only a dozen members, will represent almost 100 per cent of the producers of a particular commodity. At the annual convention of such a trade association the past year's business is reviewed and the propects for the coming year are discussed. The members learn that there has been a 10 per cent overproduction, or that there will be a 5 per cent increase in the demand for the coming year. While no hard-and-fast agreement is made to limit production in violation of the Sherman antitrust law, individual members have a knowledge of conditions and govern their production accordingly.

Through this and other similar practices, the manufacturers have acquired the ability to control the prices of their products. Knowing the probable output for his product, the manufacturer has but to fix the price by computing the cost of production plus a more or less reasonable profit.

If the estimate of the demand for his article has not been entirely accurate, and he is faced with an overproduction at the end of the season, the manufacturer, or his trade associa-

tion, disposes of his surplus by dumping it on the foreign market at the best price obtainable, regardless of the cost of production.

Suppose a manufacturer produces 10,000 machines to sell at $100 each, and on each machine he estimates his profit at $10. He discovers at the close of the season a 10 per cent overproduction in his product and finds that he has on hand 1,000 machines for which there is no market in this country. If he should undertake to dispose of these machines on the domestic market at the cost of production or below there would be a demoralization of prices for the coming year. He decides for that reason to sell them on the foreign market at the best price obtainable and takes his loss on the 1,000 machines. If these 1,000 machines were sold at $80 each, he has lost $10,000, but on the 9,000 machines sold in this country he has made a profit of $90,000, leaving him a net profit of $80,000 for his year's production.

Under the present conditions of marketing agricultural products the world price also becomes the standard for the domestic market.

If there is a 10 per cent surplus of a particular agricultural commodity that must be sold on the foreign market at the world price, and this quotation is below the cost of production, the farmer not only takes a loss on the 10 per cent disposed of abroad but loses a certain per cent on the 90 per cent sold on the domestic market.

The opponents of the McNary-Haugen bill ask why the farmer does not organize in a manner similar to the manufacturer.

The farmers, under existing conditions, can not organize to control production for two reasons: A trade organization of farmers could not be made to function successfully because of the very great number of individual producers, and the fact that these farmers are scattered over the 48 States of the Union prohibits close cooperation essential to the practical carrying out of this idea. If an agricultural trade association of 500 men, representing 90 per cent of the agricultural production, could be organized, the appeal for farm-relief legislation would have never been made to Congress.

The inherent nature of agriculture prevents control of production. One hundred acres may produce 7,000 bushels of corn in one year and, because of poor weather, produce only 2,000 bushels the next year. The farmer can never be quite certain of his crop because of the many unknown factors over which he has no control.

With the annual production of agricultural products depending upon weather conditions to a large extent and the impossibility of obtaining voluntary control of marketing due to the wide distribution of his great numbers, the farmer is here asking for legislation which will enable him, to some extent at least, to control the marketing of his produce. He is only asking for aid to dispose of his commodities under a system similar to that used by the manufacturers.

It is charged that the McNary-Haugen measure is "radical," which is not surprising, as new legislation of any kind is usually labeled radical. The interstate commerce law and the Federal reserve act were thought extreme when first proposed, but to-day they are accepted as conservative, and are permanent.

The McNary-Haugen bill represents the consensus of opinion of the best-known men engaged in the agricultural industry. If the measure will do what its friends believe it will do, our entire Nation will benefit immensely.

Of course, the bill is not perfect; few, if any, major legislative measures have been adopted that were not amended as experience gained under their operation showed that modifications were advisable, and it is probable that various changes will be made in this measure, if it becomes a law, as time passes and they seem warranted.

I am supporting the McNary-Haugen bill because I believe that agriculture will be benefited materially if its provisions are put into operation.

Mr. SMITH. Mr. Speaker, under the general authority providing for the extension of remarks on S. 3555, to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, I submit herewith for insertion in the CONGRESSIONAL RECORD an article prepared by Hon. Robert N. Bell, of Boise, Idaho, one of the most prominent citizens of the State and a recognized student of agricultural problems:

AMERICAN AGRICULTURAL MINERALS AND FARM RELIEF

By Robert N. Bell

The farm relief question now agitating Congress is one of the most vital questions confronting the industrial progress of this country, and the discussion of the question by a rank outsider of the farming business—a miner in fact—is from an angle that has not been stressed, to say the least, either in or out of Congress, and is given with a view of inviting more competent discussion by specialists, of the complex angles involved.

The suggestion of a mineral remedy for our agricultural problems as indicated by the caption of this article may seem inconsistent. However, it is an indisputable fact that the agricultural industry depends upon the mineral industry for the substance of its success and progress or our higher educational system is a failure, and the arguments here presented are with a view of suggesting a means of virtually cutting in two the present operating costs on the American farm by fallowing half of the cultivated area and producing the present annual yield on the other half, after proper soil fertility reclamation, and the marketing of any serious surplus production that might accrue in the process.

To the ordinary reader, the relation between minerals and plant life will seem widely divergent, but as a matter of fact the relation is intimate. With all due respect to the sentiment of the question, geologic studies conclusively indicate an original plantless earth surface and that all organic life is primarily of inorganic origin and the result of chemical changes in the soil brought about by the action of sunlight and atmospheric gases.

Soil represents the decayed or disintegrated rock surface of the earth's crust left in its present position and loose condition, either by residual decay of the formation of which it is composed or by being transported to its present position by the restless process of nature's forces such as freezing, thawing, wind, water, and glacial ice action.

It is well recognized by competent students of the subject that fertile soil is a delicately balanced and conditioned mineral substance. The natural fertility of a given area of soil in its primary unworked condition represents the slow accumulative effect of natural processes of oxidation and atmospheric nitrification through the medium of natural plant life, especially wild legumes, whose available plant-food results have been conserved by the protective mat of prairie grasses and other growth.

The relative fertility value of the different American soil areas in their primary condition before they were farmed at all is governed by the simplicity or complexity of the rock formations from which they were derived. And in order to intelligently understand the particular fertility element in which they are deficient, either naturally or by unwise cropping, a detailed survey and analysis of different soil-type areas is essential for their economic renovation. This is one of the services that the American farmer should demand from the scientific departments of his governmental authorities, both State and National, in order to avoid duplication and reduce the cost of soil renovation to supplying only the essential weaker elements.

The trouble with the American farmer as a whole has been a total disregard of the first and simplest problem in mathematics—addition—and a reckless use of the second—subtraction—together with an unwillingness to study and understand the nature of the soil medium upon which he solely depends to produce his crop results, in spite of the persistent educational endeavors and encouragements to this end that have been and are now being so urgently advocated by the able scientists of practically every State agricultural department as well as the Federal Agricultural Department at Washington during recent years. The result is that the American dirt farmer is exhausting the primary fertility of his soil to the extent of millions of tons of agricultural minerals a year without adequate regard to their renewal and replacement.

The essential minerals and elements of soil that enter into the composition of growing plants are numerous, three of which are atmospheric gases. These elements with minor amounts of other mineral elements are contained in normal fertile soil in practically exhaustless supply, with the exception of calcium, magnesium, nitrogen, potassium, and phosphorus.

Plant and animal growth are extravagant users of all five of these soil elements, which are absorbed and largely shipped away from the land on which crops are grown in enormous total quantities with each annual crop yield, leaving the soil that much more deficient of these elements for succeeding crops, and resulting in its ultimate sterility and consequent unprofitable yields where these mineral deficiencies are not resupplied.

Another loss of soil fertility, quite generally overlooked, is the leaching and erosion effect on the soil accentuated by our extensive cultivated crop areas which leaves the land bare and open to the insiduous but constant loss of its more valuable and soluble salts. It is estimated by competent authorities that the annual loss by leaching alone aggregated 20 per cent of that abstracted by crop production, as applied to soil phosphates, and that fertile areas of Wisconsin and Illinois that have been farmed for more than 60 years have lost by these processes more than 40 per cent of this crucial and limiting element of soil fertility.

The millions of acres of agriculturally abandoned lands in the original thirteen States is due to the exhausting effect upon the soil of only a few generations of crop production. These soils have suffered such a serious loss of mineral plant food as to justify their practical abandonment for further agricultural uses. This includes some of the

choicest old plantation areas of the original cradle of American agriculture.

This condition of progressive soil sterility is creeping rapidly westward. It has already reached the Mississippi River, and in fact extends beyond to the former very fertile fields of Iowa, whose alarming annual increase of soft corn can doubtless be traced, to a certain extent, to the deficiency of one or two soil minerals that play an important part in the finished perfection of this and other grain products.

It is likely to be found in a serious and unbiased study of this vital national question that the basic cause of our present agricultural depression is due primarily to soil depletion and its subsequent inability to respond with full crop yields of former days, with the resulting high unit cost of production.

No better proof of this condition is needed than the following statistics of commercial fertilizer consumption in this country, which is graduated westward largely in proportion to the period that the lands have been cultivated. The consumption of commercial mineral fertilizer materials has shown a rapid increase in recent years. In 1919, under the favorable conditions of the Southern States, it was for North and South Carolina $50,000,000 each, for Georgia $46,196,434. In our more northern climates and shorter growing periods it was for New York $15,067,371, Ohio $13,206,018, Indiana $8,734,698, Illinois $2,996,403, Iowa $596,537, Nebraska $64,752, and for California (intensively cultivated lands) $8,182,998.

In spite of these vast expenditures on our older cultivated areas they probably do not represent more than 10 per cent of the amount of fertility annually absorbed from the soil of this country by growing crops, and this deficiency is what is having such an effect upon the declining fertility of our soil. To illustrate—It is a well known fact that the average acre yield of wheat in this country, which is one of the simplest and most important food crops grown, has never yet exceeded 15 bushels per acre, with all our new land and superior climate, while the national average acre yield of this cereal in several European countries, where intelligent mineral plant food methods are employed on the soil, ranges from 25 to 40 bushels per acre.

Soil, under our present average American agricultural methods, is a wasting asset and as subject to depletion as a metallic mineral deposit. It carries, however, a distinct advantage in the power of partial self renovation of one of its most costly mineral element losses through crop production, and the economic renewal and full balance of its primary productive capacity. But this is the crux of the question involving a serious study and research application for its fuller economic solution.

In this connection, the appeals made last fall at the Salt Lake meeting of the Utah Chapter of the American Institute and the Mining Congress for more liberal congressional appropriations with which to finance the activity of the Federal Bureau of Mines and the Geological Survey would have a direct application in farm relief as these two scientific institutes of the Government could divert a large proportion of such financial support to the simplification and economic availability of our domestic agricultural mineral resources.

The mineral fertilizer industry of this country more than 20 years ago represented an invested cash capital of $300,000,000. This stupendous sum probably has been largely increased since that date, and according to present reports its products annually marketed in this country exceed $300,000,000 in value.

This important industry should and ultimately will be one of the largest and most important factors in our national progress. To date, however, it has been one of the most poorly organized and mishandled of our national big business institutions. Its activities are based on the private ownership of low-grade rock phosphate deposits principally in Florida and Tennessee. The character of these privately owned phosphate deposits and their quality in place as compared with the nationally owned rock-phosphate deposits of our northwestern field is like comparing a patchy lignite coal deposit to a persistent bituminous-coal bed of the Pocahontas quality, a statement which I think will be substantially verified by a responsible Government publication recently issued.

The product of the present American commercial fertilizer industry consists largely, in its general formula, of a small percentage of available nitrates and potassium salts, with a large proportion of phosphoric oxide—the chief element of soil deficiency. The potash and nitrate elements, now almost wholly imported from foreign sources of supply, should and can be made available from domestic sources.

Under the present system of commercial fertilizer manufacture the resulting cost of the product to the American farmer is so excessive as to seriously limit its use. While its necessity is already seriously felt in the Southern and Eastern States and as far west in the prairie grain States as Illinois, its more extensive use is barred by excessive freight and manufacturing costs. The cost of this essential necessity to successful farming results will have to be modified in order to stimulate the industry, and this end can be attained only by consistent chemical research endeavors and a view to cutting off the excessive tributes now paid to Chile and Germany for nitrates and potash salts used in general farm practice by the development of domestic sources of supply and a substantial reduction of domestic transportation charges on these key products in the interest of expanding higher-class freight business which they will definitely insure.

Probably the most pronounced absorption of mineral matter from the soil by growing crops is that of calcium. This element, however, can be very cheaply and economically renewed in the form of coarsely ground raw limestone, which is one of the commonest bedrock formations of our farming areas, and readily available at low cost. Where magnesium limestone is used for this purpose it supplies magnesia as well. The use of coarsely ground limestone not only supplies and renews this essential mineral plant food to the soil but has the added advantage of neutralizing soil acidity and inertia due to single cropping. These minerals thus applied in this form are found to be far superior for this purpose than in their oxidized or treated condition, with the result that this feature of soil fertility renovation is not a serious problem and can be economically supplied and provided at low cost.

Nitrogen is one of the most essential elements in soil fertility, both as a plant food and for its solvent power in the conditioning and making available other mineral plant foods in the soil.

"Nitrogen" has been one of the most abused words in the dictionary by high-hatted politicians and lobbyists at the National Capitol since the inception of the Muscle Shoals power plant. A lot of cheap propaganda has been expended in an effort to court the political support of the farmer vote to help these biased propagandists pull this important power chestnut out of the fire as a war-emergency source of nitrogen for explosive manufacture and other chemical uses and as a source of cheap fertilizer for the farmer in peace time. This half-baked process, however, never had a chance to supply nitrogen to the farmer at a price that he could afford to pay for fertilizer uses. The most likely sources of domestic supply of nitrogen now in sight are through the ammonia route under a process evolved after expensive research endeavors by one of the prominent southern chemical companies, in which it is a by-product from low-grade coal treatment, and from the inevitable utilization of our vast resources of oil shale for motor-fuel supply, with their relatively high ratio of this by-product. As a power site Muscle Shoals can be duplicated at half a dozen points in the Northwestern States, where greater power units are now running to waste.

As a matter of fact, the latent nitrate resources of this country that can be made economically available are far superior in total volume to those of Chile, and can doubtless be converted at a much lower cost than that now paid for the mineral from that foreign source of supply.

Nitrogen for soil-fertilizer purposes is not a serious problem, and never has been in up-to-date agricultural practice, although it is doubtless true that in methods of intensive cultivation involved by truck farming or gardening near dense population centers, by which methods annual products running into $200 or $300 of value per acre may be obtained, the purchase of nitrates and other high-priced combined mineral fertilizers is justified.

It is demonstrated, however, that in general farm practice the farmer can virtually grow his own nitrogen where essential crop-rotation methods are employed. Fully 75 per cent of the atmosphere we breathe is nitrogen and there is thus suspended over the surface of every acre of land 70,000,000 pounds of this element in its primary gaseous form, in which form it is totally unavailable to ordinary plant growth.

Fortunately for the farmer, forage plants of the legume family, the most valuable of stock feeds, develop on their roots tubercles containing bacteria that have the power of gathering nitrogen from the air and fixing it in the plant. When plowed into the soil, a second crop of these legumes grown the same season not only automatically supplies this vital element of fertility but also provides the desired fresh humus, ten times as effective as ordinary animal manure, whose contingent biochemical action results in the development of organic acids and provides not only soil nitrates at a lower cost than any synthetic process can ever compete with, but other humic-acid solvents as well that increase the availability of other mineral fertility constituents of the soil for several succeeding crops of a different variety. These crops also furnish a periodic covering and a partial prevention of natural erosion and leaching losses.

Potassium, another of the expensive mineral elements of soil fertility for the use of which we are now almost wholly dependent upon France and Germany, like nitrogen, is another factor that is of less serious import to successful results under modern methods of soil treatment than is generally supposed. As a matter of fact, normal soils in this country are abundantly supplied with this element, whose availability is readily supplied by the solvent power of the organic acids developed in the legume treatment process described for obtaining atmospheric nitrogen.

It has been shown by extensive studies of unbiased scientific authorities that the worn-out upland soils of the South after only a few generations of cropping have been exhausted to within a few hundred pounds of their phosphorus contents but still contain 30,000 pounds of potassium per acre, within the range of ordinary plow-share depth. The contents of potassium in the soils of the Corn Belt States still

aggregate fully 40,000 pounds and the problem in connection with this particular element is the method of making it available by modern rotation practice rather than the want of a primary supply.

A domestic supply of potash, however, is not only desirable but, like nitrogen, is essential for agricultural purposes on soil areas deficient in this element. If a domestic supply can be developed that would give this country immunity from foreign sources of this valuable industrial mineral, such a consummation is devoutly to be wished for and encouraged.

While on this subject a brief review of domestic potash resources and their economic possibilities will be pertinent. Under the keen appreciation of this national necessity, a fund of $500,000 was provided by the last Congress with the urgent support of Mr. Hoover, with which the Federal Bureau of Mines and the Geological Survey departments were enabled to carry on research studies and investigations of the association of soluble potash salt deposits with our extensive mid-continent salt fields.

These American salt deposits are probably the most widespread and extensive of any similar deposits known anywhere on earth. They were formed by the desiccation of sea water in inclosed basin areas, under almost the exact conditions and during the same Permian period of geologic history under which the famous Stasfert potash deposits of Germany were formed.

This is one of the most justifiable prospecting grubstakes that Congress ever provided to our scientific investigators, and should be made a continuing appropriation with each congressional period, until the problem is fully solved. The field for investigation is so large and its environment of such sound promise for success, that ultimate favorable results are practically insured if the search is continued.

If potash deposits are disclosed that bear any relation to the proportion found in other salt fields, it is not unlikely that volumes of soluble potash minerals will be disclosed by this investigation immeasurably greater than those from which our present foreign supply is now derived.

Another promising source of American potash supply is indicated by an apparently authentic report from eastern Utah where an oil well test failing to find oil is said to have passed through a bed of common salt a thousand feet thick, in Permian strata, that is underlaid with a bed of clean, high-grade soluble potassium salt 40 feet thick.

While on this subject it may not be out of place to call attention to another enormous source of American potash supply whose availability involves some serious research work, but whose volume running into billions of tons of 10 per cent potassium silicate rocks contained in the lucite hills of western Wyoming is worthy of consideration.

The one remaining mineral element, phosphorus, so essential to successful farming results is contained in normal American soils in their primary condition to the amount of about 1,200 pounds per acre at an economic plowshare depth. This mineral is removed by each annual crop grown on the land, whether it be grass, grain, or animal products produced and shipped away from the area, and its original limited supply is so rapidly exhausted that it becomes the crucial and limiting factor in soil fertility maintenance. The rapidly increasing deficiency of this element is the principal cause of our low acre yields and consequent high unit cost of farm production, and can only be replaced by being physically put back on the soil from concentrated sources of supply.

Phosphorus is one of the undivisible simple elements of matter. The word is of Greek origin and, translated, means "light bringer." Its meaning could better be covered by the expression "life bringer," for, as a matter of scientific fact, this element is an essential component of all forms of life.

The late Charles R. Van Hice, former president of the University of Wisconsin, and chief scientific spokesman for the Roosevelt Conservation Commission, in his published review of our varied natural resources, places the importance of this mineral on a par with our great iron and coal supply in our national industrial progress in its bearing on agriculture and soil fertility maintenance. The following from the work of this author, "The Conservation of Natural Resources in the United States," is pertinent to the subject:

"The most important of the elements in soil fertility which we need to consider is phosphorus. Just as we find in the arid regions that water is a crucial factor limiting production, so for the humid regions of the United States phosphorus is the crucial, the limiting factor in the productivity of the soil.

"Phosphorus is an essential constituent of blood and flesh and bone and brain. How essential it is has been very clearly shown by experiments which have been carried on in the Wisconsin experiment station, following somewhat analogous experiments elsewhere. Healthy animals have been fed with a ration deficient in phosphate, with the result that these animals thrived for a time but after three months they collapsed. In an intermediate stage some of them were killed and it was found that the flesh was taking the phosphate from the bone in order to supply its need. This went on until the bones were no longer able to supply phosphorus to the flesh and then the irretrievable collapse came; they could not recover when fed a normal ration.

"In this connection the relation of the phosphorus in wheat grain and wheat bran is interesting. Henry states that bran comprises about one-fourth of the kernel. According to Tottingham, the average of phosphorus in the entire kernel is 0.39 per cent and in the bran 1.26 per cent. From this it follows that 100 pounds of wheat grain contain 0.39 pounds of phosphorus and that the 25 pounds of bran in the same contains 0.32 pounds of phosphorus; that leaves only 0.07 pounds of phosphorus in the grain exclusive of the bran. Hence, about 80 per cent of the phosphorus is removed with the bran.

Potatoes in this country, the most common food other than the white bread, contain only one-sixth as much phosphorus as wheat. It is clear that the human beings whose main food is bread made from white flour or such bread and potatoes are using a deficient phosphate ration. It is not surprising that mothers whose main articles of diet are white bread and potatoes are not able to properly nourish their babies.

To bring this subject still closer home and emphasize the essential bearing of this element on the human structure, take the dry bones of a human skull, no matter whether formerly housed the brain of a Shakespeare or a Yorick, a scientist or a clodhopper, they now analyze almost exactly the same proportions of lime and phosphorus as a lump of 70 per cent tricalcium phosphate.

The existence of the northwestern phosphate deposits which practically insure an abundant supply of this vital element of successful farming results to the agricultural industry of this country for all time is of public interest from the fact that they are 99 per cent owned by all the people under irrevocable Government control. Less than 1 per cent of the deposits of this field have been passed to private ownership, an area aggregating less than 10,000 acres out of a million acres reserved in the richest portion of the field under the Federal mineral land leasing law.

The nature of these deposits has been extensively studied by the United States Geological Survey department and a series of excellent sectional progress bulletins issued. This work was carried on for several years prior to 1921 and resulted at that time in the compilation of the material for a professional paper on the subject under the authorship of Dr. G. R. Mansfield, which has recently been issued by the United States Geological Survey. This important public document should prove of great scientific interest. It covers the geology and resources of the western phosphate field, extending along the east and west State boundaries of Idaho and Wyoming and on the north well into Montana, with an important overlap south into Utah, embracing an area of several hundred miles in length by over a hundred miles in width.

The richest center of this great agricultural mineral field is in southeastern Idaho with a limited overlap into Wyoming and Utah, this center embracing about 800,000 acres of reserved phosphate land, and is shown to carry an estimated resource of fully 5,000,000,000 tons of 70 per cent tricalcium phosphate, with a low maximum average of 2 per cent iron and alumina, which is the minimum chemical grade of rock sought for in cleaning the low-grade Florida and Tennessee deposits.

These western phosphate deposits were originally laid down as sediments in a shallow marine plateau condition during the upper Carboniferous times and have since been elevated and folded into a high mountain region, with the Yellowstone National Park area as the present central topographic feature.

The basal bed of rich rock on which the above tonnage estimates were exclusively made will average 5 feet thick. It is succeeded, however, by three or four additional beds of rock phosphate varying in width from a few inches to 15 feet, and in values of 80 per cent down to 50 per cent tricalcium phosphate.

The development of the field so far has been almost wholly confined to the basal bed, which has been explored quite extensively on several privately owned properties at different points.

These phosphate formations aggregate about 150 feet in thickness, consisting, in addition to the phosphate beds, of intervening horizons of brown phosphatic shale and thin beds of nearly pure shell fossil limestone. They are overlaid and underlaid by conspicuous fossiliferous sandy limestone as a foot-wall formation, and a thick bedded cherty limestone as a hanging-wall formation. These inclosing rocks are resistant to erosion and outcrop conspicuously for miles throughout this high-mountain region of several southeastern Idaho counties.

The phosphate mineral is distinctly coalitic in texture, usually dark brown or black in color. Its bedded structure very much resembles the occurrence of pitching coal veins. A good percentage of the immense reserve above mentioned is above drainage level. The pitch of the veins or beds is usually quite steep, ranging from 30 to 70 or 80 degrees, and from the experience already obtained, it is evident that the rock can be mined clean by ordinary coal-mine methods and equipment and produced at as low or lower cost than coal. For so far as experience has gone in quite extensive underground work, no occluded gases have been found, a factor that so greatly enhances the cost of coal mining. And the elevated position of the deposits simplifies their development and operation as it insures natural gravity handling and ventilation as well as immunity from pumping costs.

While no estimate is made of the tonnage resources of the superimposed beds above the basil member of this series, it is not unlikely that their contents of lower grade but possible commercial mineral will double the immense tonnage estimate above given. The field probably represents the largest quantity concentration of high-grade rock phosphates known anywhere on the face of the earth. Its quality is as uniformly dependable as would be a constant coal seam, and has been checked by thousands of samples over the extent of the field taken as segmental exposures due to folding erosion channels and block faulting movement, which give a widespread access to the deposits for sampling purposes, and these natural conditions practically insure the uniform high-grade quality of the mineral.

The most important privately owned deposit of rock phosphate in this field is that of the Anaconda Copper Co., at Conda, Idaho. This great industrial corporation in an endeavor to conserve the last fume of its furnaces at its Montana smelting works, which represented an annual loss of several million dollars' worth of potential sulphuric acid, put its research chemists to work, who evolved a method of concentrating rock phosphate with the use of sulphuric acid as a primary solvent, with a view to providing a market for its sulphur dioxide losses. These studies were so successful that the company purchased the largest privately owned tract in the Idaho field, embracing between 2,000 and 3,000 acres, and containing an estimated resource of a hundred million tons of 70 per cent tricalcium phosphate.

The company has since extensively developed the deposit. It has constructed a 9-mile railway spur from the Soda Springs station on the Oregon Short Line Railway to the mine and built a model town for employees. It has also provided a mine plant capable of handling 3,000 tons of mine product a day and has installed a crushing and drying mill of a thousand tons' daily capacity.

The rock is shipped to the company acid plant at Anaconda, Mont., where it is pulverized and concentrated by chemical processes to a pure mineral salt containing 45 per cent soluble superphosphate, guaranteed free from sulphuric acid.

The present general method of reducing rock phosphate to marketable form and making its valuable elements available to plant growth is to treat the pulverized rock with an equal weight of sulphuric acid, producing a soluble superphosphate containing about 18 per cent of phosphoric oxide. This product in complete mineral fertilizer manufacture is mixed with a small amount of imported nitrate and potassium salts and a large amount of inert filler, and sold to the consumer at a high price, which is largely composed of the high manufacturing cost and freight charges on the materials involved, with the result that the product is sparingly used and difficult to finance by the ordinary farmer.

Several processes, both by heat treatment and chemical methods, for the reduction of rock phosphate to available plant-food form have been discussed in technical publications during recent years. But as far as the writer is aware, none of these methods have as yet reached a commercial stage or show any definite promise at this time of superseding the common method of sulphuric acid treatment. However, this is a very promising field for research work, that may ultimately bring results of decided economic value.

Following the previous bulletin findings, the new professional paper on the western phosphate field by Doctor Mansfield shows that the chief bar to the progressive development of these western phosphate deposits is the high freight cost of putting the mineral into the most desirable market, which is the central Corn Belt States.

The most prolific field of American agricultural production is the immense prairie-land area represented by the upper Mississippi Basin above the mouth of the Ohio River, which authorities say is responsible for fully 70 per cent of the annual cereal production of the United States and probably also a similarly large proportion of the animal products.

This great triangular shield of our choicest agricultural territory, with its subshield of rich, alluvial soil derived from the complex, largely igneous formations of upper Canada and conveyed to its present position by glacial ice action, covers a large portion of our two northern tiers of States below the Canadian boundary and carries most of the noted Corn Belt soils of America.

Clinton, Iowa, would be about the geographic center of this most important agricultural area of this country, and would seem a desirable distributing center for western phosphates, as this point is not any farther distant from their richest center of development at Montpelier, Idaho, than it is from the next important point of supply, which is in Florida.

Iowa carries probably the largest proportion of the choice glacial drift soil of any of the States whose fertility has apparently been so seriously depleted in spite of its original natural advantages, and, by reason of single cropping methods, the Iowa farmers are among the loudest howlers for Government aid.

In traveling through that State recently the writer met a prominent operating official of one of the State's dominant railway companies, a company that depends largely for its business on agricultural traffic. This official made the statement that business conditions in Iowa were bad; that his road had trackage and equipment capable of handling four or five times the amount of freight that they were able to obtain from this territory; that this source of their revenue had shown a steady but constant annual decline for the past 10 years. He is keenly interested in the suggested remedy of rebalancing these otherwise fertile soils with their apparent deficiency in phosphate from the northwestern fields, and providing it at a price at which the farmer could afford to use it liberally. This is a traffic matter of vital importance to transportation companies as well as to the farmers.

If Iowa's lands are falling off in productive capacity through this cause, it is manifest that the older and longer worked lands of the States farther east are suffering in a greater proportion. And if the haulage cost of the remedy is the only bar to increasing traffic resources of a high-class freight, it would seem that a consolidation of interests and a joint assumption of the burden would be justified by the transportation companies covering the entire cereal shield, by carrying this vital element of increased production at the lowest possible cost.

It has been demonstrated on a quite extensive area in the Illinois corn belt that by the intelligent use of phosphate mineral with other minerals locally available, the productive capacity of the land can be increased from 100 per cent to 150 per cent, from which it would be apparent that one ton of rock phosphate applied quadrennially is capable of producing twice as much railway traffic on 1 acre of land over land operated without the lever of this medium in production.

According to the recent reports, the class A carriers of this country, in spite of our general abounding prosperity, are experiencing a steady decline in car loading that can only be checked by recognition and renovation of their principal source of traffic agriculture. In this connection Government aid in the form of bonus or otherwise in lowering the cost of transportation of this key mineral to agricultural success would be fully justified.

The suggestion of an American carrier hauling freight at absolute cost may at sight seem socialistic and unwarranted, but as a matter of fact it has its practical business angle, as illustrated by another little incident on the same trip. The writer met an operating official of another railroad farther west, who told of an incident where an irrigation dam in western Nebraska was seriously threatened with destruction by a sudden and excessive flood period in its drainage basin. His company immediately rushed to the scene a couple of hundred track workers with tools and equipment, whose strenuous work extending over a period of several days helped to save the dam from destruction, the assistance being furnished without charge to the farmers. This apparently altruistic move had its business angle in the fact that if that dam had gone out it meant a crop season's loss of a thousand cars of profitable agricultural traffic to that railway company.

The Union Pacific main line with its branches bisects and largely encircles this great western phosphate field through its richest center of development and with the Rio Grande system serves a vast territory of other agricultural minerals in less available form consisting of billions of tons of rich potash-bearing lucites; billions of tons of rich oil shales, carrying relatively high ratios of by-product nitrogen; billions of tons of high grade coal resources; billions of tons of salt and limestone, and in the present great metallurgical center of Salt Lake City, vast resources of potential sulphuric acid are now wasted in the form of sulphur dioxide fume for the want of a market to justify its conversion. This great center of the primary agricultural minerals has available within reasonable transmissible distances millions of idle hydroelectric horsepower and every natural condition for the development of complete mineral fertilizer and other chemical industries on an extensive scale. These vast supplies of American agricultural minerals have all been described in technical detail by the United States Geological Survey. They are almost entirely Government owned or controlled and amply justify the establishment by the Government of a superresearch station, in this interesting nonmetallic mineral field, for the study of their economic availability in the interest of American farming and of other chemical industrial progress.

The method of soil improvement most extensively used in Illinois practice and highly indorsed by the agricultural department and farm organizations of that State was developed by the late Cyril G. Hopkins, who was chief agronomist at the University of Illinois for a number of years.

The system of soil improvement developed by the unbiased endeavors of this great authority is probably the most economical yet devised. This system consists of first supplying a liberal amount of coarsely ground raw limestone to correct soil acidity where such a condition has ensued. Then to grow clover or alfalfa, harvest a crop of hay, and the same season turn under the second crop with an application of 1 ton per acre of high grade raw rock phosphate, pulverized to pass through a 100-mesh screen, and thus supply the phosphate deficiency in the soil at one-fourth of the cost of supplying it through the use of high-priced superphosphates. This treatment is repeated at four-year intervals with intervening crops of grain.

The plant-food value of phosphate applied in this form is not immediately available as in the application of higher-priced superphosphate, but it gradually becomes available, the process as well automatically

supplying fresh humus and atmospheric nitrogen, and other acid solvents developed from the fermentation of the legume crop plowed into the soil, whose natural solvents break down the calcium radical in the fine particles of raw-rock phosphate and also dissolve and make available as plant food the abundant potash and other minerals in the soil as the process progresses.

This method has been followed at the Bois D'Arc 500-acre farm near Gilman, in the center of the Illinois corn belt, for the past five-rotation periods of four years each, with astonishing results and receding requirements of periodic mineral application. On this farm, which carries a substantial strip of untreated soil for comparison, the yield of wheat has been increased from 20 to 50 bushels per acre, and of corn from 35 to 75 bushels per acre, as a 10-year average for the second half of the period under consideration. The cost involved of the added mineral is said to have averaged not over $3.50 per acre and by the end of the tenth year showed an annual profit in increased yield of 500 per cent above the cost of the medium employed, and has increased the intrinsic profit earning capacity of the land over the untreated area fully 300 per cent.

This is probably an extreme example which could not be expected in average practice, but it is a pertinent illustration of the immense and widespread industrial expansion possibilities of American agriculture when its principles are fully understood and its inexorable requirements appreciated and respected in soil-fertility maintenance.

These Illinois results bring into play the natural processes of soil chemistry in developing the solubility and availability as plant foods of the inert minerals already contained in or added to the soil in balancing up its waning fertility and developing its productive capacity back to or even above its primary prairie-sod condition.

The time factor in this process is a sound investment in the ultimate result aimed at, and the process offers a surer and more profitable return than any other conservative business venture in this country. If generally applied and surplanted with the variations of agricultural mineral application that would be involved in more depleted soils than those under discussion, this process can do more for the creation of intrinsic national wealth and permanent industrial progress by bringing into play our exhaustless supply of domestic agricultural minerals than any other single industrial activity this country affords.

The rich western phosphate fields were unknown prior to 1900. They were brought to light and public attention by the western mineral prospectors. They immediately attracted the attention of governmental authorities by reason of the recognized national scarcity of this vital element of agricultural success. The important known resources of phosphate prior to that time in Florida and Tennessee were threatened with exhaustion at the current rate of production in 40 or 50 years, and the choicest product of these mines was being shipped to Europe to the extent of 1,000,000 tons a year, to the ultimate detriment of a billion bushels a year of American cereal production, according to the conservation critics of that period.

Under the far-seeing policy of President Roosevelt in the protection of future generations of the American farmer laws were passed for the conservation of this new national resource. These activities curbed the acquisition of phosphate lands by private interests and resulted in the withdrawal of several million acres of the phosphate-bearing area of this western field and the passing of the mineral land leasing law, which puts the title to these lands irrevocably in the Government and all the people. It provides an embargo against foreign exportations of the mineral, with operating control and rather stiff royalties for such a low-valued spot product, with the result that the deposits, as far as the Government is concerned, have remained a dead asset, presenting no inducement for their industrial development by private interests. With the present state of American soil deficiency in phosphate, and as an encouragement to private endeavor, the Government policy could well be reversed and pay its present royalty demands as a bonus, with no restriction except that against exporting the mineral to other countries, which prospective business would be well taken care of by the few privately owned deposits.

As previously shown, the average soils of the United States before they were worked at all were deficient in phosphate, with a few limited exceptions, some pertinent examples of which will be justified.

The limited bottom-land bluegrass regions of Kentucky and Tennessee that have been cropped for a hundred years are still the most productive lands in the United States under the modern rotation methods fostered by the local State authorities of that region. And, judging from their splendid farm homes, outbuildings, and fresh paint, the farmers of this section are not hollering for Government aid.

The secret of the success of this limited American farming area is the fact that its soils are derived from the erosions of silurian limestone formations conspicuously associated with low-grade rock phosphate deposits and have resulted in a soil said to be ten times as rich in soil phosphate as the Corn Belt lands farther north. This is believe to be the chief factor of their durability and productive capacity.

The volcanic soils of the States of Washington and Idaho, chiefly of basaltic origin, both under irrigation and where sufficient natural humidity prevails, are among the most productive in crop results in this country.

The production of wheat in Idaho in 1927 was about equally divided between irrigated and semihumid lands and topped the list in acre yield in wheat in all the wheat-producing States of the Union. Idaho is the leader in legume-seed production both as to quality and acre yield. The irrigated areas of this State were originally practically all desert sagebrush land, very deficient in organic nitrogen, which, however, has been abundantly supplied by the cultivation of legume forage crops and the periodic plowing under of the stubble of these crops.

In this State, under intelligent practice and handling of irrigation water and extension department advice, acre yields of 10 tons of alfalfa hay, 20 bushels of alfalfa seed, 500 bushels of potatoes, 25 tons of sugar beets, 100 bushels of corn, oats, and barley, and 70 bushels of wheat are a common occurrence in large-sized tracts.

These are, of course, exceptional yields, but illustrate the responsive capacity of the soil to intelligent handling, and are of interest from the fact that these remarkable yields are obtained without the purchase or use of mineral or other fertilizer. The chief factor of their capacity is unquestionably found in the fact that these volcanic soils are said to contain several times the amount of soil phosphate as the primary soils of the Corn Belt States.

The activities of the Federal Department of Agriculture in recent years in State agricultural extension work on seed selection and better cultivation methods, adaptability of crops to different sections of the country, crop forecasts, cooperating marketing endeavors, and other educational suggestions is a service to the American farmers of vital importance that well justifies its cost, and should be continued. Its only weakness is its lack of emphasis on soil-fertility maintenance and the most economic means to that end.

The bogie man surplus of this argument, for lower production cost by increased yields, is more a shadow than a substance, and as time is the big factor in soil improvement for greater capacity production it is likely to afford ample opportunity for marketing conditions by the time such surplus can prove of material importance.

According to a recent statement of Senator BROOKHART, the average surplus of American staple food products produced in this country does not exceed 10 per cent of the whole. This is not a very serious margin and could be easily disposed of if broader foreign marketing conditions for such products were improved.

The suggestions to this end lie principally in the improvement of our internal and international waterways so stanchly advocated by the Secretary of Commerce. This is particularly true of the cementing thread of international amity that should result with our northern neighbors by the construction of the St. Lawrence-Great Lakes canal, which would bring the Atlantic water front to Chicago, Milwaukee, and Duluth, greatly reduce transportation costs to broad European markets for our surplus food products from the very heart and center of their best productive area, and provide a close relation with this virile section of North America that would ultimately prove a sound factor in world progress.

A 10 per cent surplus of our domestic food supply is almost a necessary balance in the interest of rational living costs in this country and is a preventative of runaway prices with disastrous results that would ensue in further inflation of our present high-wage scale in our manufacturing and other industrial activities.

According to the entertaining optimism of Arthur Brisbane, our domestic food supply can be largely increased on demand. The adverse angle of this flattering opinion, however, is contained in a serious discussion of the subject by a committee of soil specialists of the American Department of Agriculture at Washington, who expressed the opinion that by 1953, at the present normal rate of population increase, we shall have to raise a domestic food supply for 150,000,000 people. In order to do this from the present farmed area of the country, its productive capacity will have to be increased by soil renovation fully 40 per cent.

The only serious agricultural surplus of this country at this time is cotton, and the recent development and constantly lowering cost of rayon and other fiber fabrics are likely to cut a serious gash in the present available markets for this important American agricultural product, whose present relative status in such markets can only be maintained by the improvement of the product as to quality through improved soil-fertility methods.

If a serious surplus of staple food products should result from increased production in this country, it is likely that a market for such surplus can readily be found in Europe. It is a recognized fact that the progressive European countries exhibit an almost Oriental disregard for the effect of rapidly increasing population, with the result that their available domestic agricultural lands, while developed to the utmost capacity of production by the use of soil improvement minerals, are unable to feed their people and they are nearly all heavy importers of foodstuffs.

The American farmer with his superior mechanical advantages can well afford to take a sporting chance on world market prices by reason of his superior facilities for production and low labor costs through the advantage he enjoys by mechanical devices which give him an acre working capacity per man far superior to that of any other nation on earth, with the possible exception of our northern neighbor.

And with fuller crop yields of which his soil can be made capable, he should be in a position to compete with any other source of supply in any market of the world.

An illustration of the above argument is afforded by the California rice grower, who with direct water transportation for his product is able to pay his farm labor $6 per day and sell his product to Chinamen in China in competition with their native rice grown with labor that costs 15 cents per day.

An able writer in a popular American weekly magazine advocated scientific farming on a mass-production basis, and a consolidation of small units into tracts of 10,000 or more acres, with centralized management and community settlements of workers. While this plan has some sound scientific aspects that industrial centralization in this country seems to want, it savors too much of plantation days and Simon Legrees, and is decidedly un-American in its modern Americanism.

The Sherman antitrust law may justifiably be liberally construed in its application to some of our industries that are overdeveloped and involve cut-throat competition, but its repeal would be disastrous if it permitted the concentration of our agricultural activities into a few dominant hands, and savors too much of "Days of old, when knights were bold," and central government control ignored.

Agriculture, by reason of its magnitude and the wide-spread individual opportunity it affords to our people if developed to its justifiable capacity, is this country's safest and best first line of defense. It is our most supreme national industrial asset, whose success or failure will be definitely reflected in all our other industrial activities. It is a Golconda and Eldorado of national progress and apportunity that, in the parlance of the western miner, has so far simply been "high graded."

If the American farmer could be imbued with a little of the mineral prospector's optimism, and recognize that his soil deposit is a mineral deposit that is capable of producing twice the money yield that he is now obtaining from it for the same labor and effort, plus a little additional gray matter, with a limited amount of the principal floatation reagent necessary to raise larger crops, which appears to be phosphorus, and will recognize the fact that he is a stockholder in the world's largest and richest deposit of this reagent, farming will become an attractive occupation.

If these conclusions are based on sound reasoning and founded on actual facts, as I believe they are, this is a line of propaganda and assistance that can give the American farmer more substantial relief than any other angle that has so far been proposed to this end.

In this connection, bonanza farming results, varying from $100 to $500 per acre profit a year, in 10 to 40 acre tracts, could be exhibited from different parts of the country, extending from coast to coast, and while their results are dependent occasionally upon exceptional marketing conditions, they are generally obtained by the most intelligent preparation, utilization, and appreciation of soil capacity for production, that constitutes a line of propaganda in a back-to-the-farm movement that is well justified.

The average industrial worker who lives in a city cliff dwelling or spends from one to three hours a day getting back and forth between his urban abode and his coveted eight-hour stint of usually monotonous piecework, living largely in the fouled atmosphere of automobile exhausts and spent oil fumes and daily treading the goose step of big business military discipline, enjoys no great advantage in life over the agricultural worker.

Farming is hard work, but the farmer is his own boss. He lives in the healthy atmosphere of free air, is sure of a living for his family; and if shown how he can improve his own business and build up in place of tearing down the credit balance of his soil, the business will become more popular and attractive to the natural American instinct, which is independent and not servile.

The farmer is nature's creative agent. In human kind he has furnished the leading figures of our national life, both past and present. In the animal kingdom he has surpassed the natural products in the perfection and improvement of the species. In plant life, with the help of the scientific departments of the Government, he has created a wide improvement and variety of food products; and has gone Shakespeare one better in the adornments of creation, where he has both improved the lily and added a perfume to the violet, as the Saint of Santa Rosa did attest.

The encouragement of his creative attainments and the sound protective balance of his soil medium, with its insurance to our national progress, is and should be the most pressing obligation of our governmental authority.

Mr. EDWARDS. Mr. Speaker, can agriculture be relieved by the levy and collection of an equalization fee tax? Has it ever happened in the experience of any bankrupted man that he has been relieved by putting additional burdens on him in the way of taxes? Everyone admits that the farmers are in distress. Thousands of them are not able to pay the State and county taxes that are assessed against them, yet it is proposed to tax cotton, bright-leaf tobacco, and other products of the farmers who are financially distressed in order to relieve them. It is an absurd and unjust idea.

Every one admits that any legislation that might be passed for farm relief at best is an experiment. That being true, why not first experiment on it without this tax on cotton, tobacco, hogs, and other farm products?

When the railroads were broken down and "busted" the Government gave many millions of dollars as a revolving fund to revive them, and did not put a dollar of tax on them. The same thing was done with respect to the banking business. Hundreds of millions of dollars were made available without the levy of a fee or tax on them. Relief was given to labor and no tax was levied or collected. It was not thought of when the railroads, banks, labor, and other industries were being relieved. Why has it been thought of in connection with cotton, tobacco, hogs, and other products of the southern farms?

The McNary bill that has recently passed the Senate and was voted for by the two Senators from Georgia is a different bill to the Haugen bill before the House, with its unlimited tax on cotton, bright-leaf tobacco, hogs, and other southern products. The McKellar amendment to the McNary bill in the Senate practically eliminated the objectionable equalization fee and made it practically inoperative, which put it in such shape that not only the Senators from Georgia but other southern Senators could vote for it. Why not give us an opportunity to vote for the bill as it passed the Senate?

The McNary bill that passed the Senate was stricken out, all but the number, title, and enacting clause by the committee in the House, and the Haugen bill, which is referred to as a companion bill, was substituted. It is, as stated, a different bill and provides a board of 12 to administer its provisions, and only 3 of this number would come from the States that are primarily interested in cotton and tobacco making the board stand 9 to 3, the 9 being from sections that are interested in buying cheap cotton and cheap tobacco.

Is it right to deliver the destinies of the cotton and tobacco farmers of the South to a board of this kind? This bill provides $400,000,000 to be supplemented by a fund to be raised through the fee or tax on cotton, tobacco, hogs, and other farm products. Why not start the thing going with the $400,000,000 as a gift to the agricultural industry for the common good, see if that helps, and if it does, appropriate as a direct subsidy several millions more and help the farmers just as the railroads, labor, banks, and other industries were helped, by subsidies and without a single cent of tax? Why make fish of one and fowl of the other? Give us an opportunity to vote for the bill without the fee tax.

To pass the bill with the fee in it means to pass a bill that will be vetoed by the President, which will result in no legislation for tha relief of the farmers at this session. Why take the chance? We know almost certainly the President will veto the bill, for he vetoed it before because he thought the fee unconstitutional, and he sent the opinion of the Attorney General of the United States to Congress along with his veto, in which the Attorney General held it was unconstitutional. It is the opinion of many of the very best constitutional lawyers of the House that to give the board the authority to levy the fee, which is unlimited but certain, is unconstitutional. If you really want to help the farmers by legislation, why "gold brick" them with an unconstitutional measure that is certain to be vetoed and will not be passed over the President's veto; and if passed over his veto will be declared invalid and of no effect by the Supreme Court? The farmers need help now. Let us be practical and give help that will immediately relieve and will go immediately in effect without putting a tax on him.

Much deliberate deception has been practiced in certain quarters on the farmers, and in some cases many good farmers believe, through literature, articles, and other propaganda, that the tax on cotton, tobacco, hogs, and other farm products will likely not become operative.

Any honest student of this legislation will tell you that the initial fund provided in the Haugen bill, under consideration, could all be allocated and used for wheat or for any one or several crops, to the entire exclusion of cotton, tobacco, or other crops, which would compel the levy and collection of the fee-tax on cotton, tobacco, or other crops that funds had not been allocated for. From my careful study of the fee tax I am afraid of it. I do not want to risk the levy of an unlimited fee-tax on the cotton and tobacco farmers whom I have the honor to represent.

To get any loans under the Haugen fee-tax bill, farmers will have to be members of the cooperative associations. It has been demonstrated in the section I am from, a great number of our very best farmers do not want to join the cooperatives for reasons that must be satisfactory to themselves.

I have nothing to say against the cooperative for I think if properly worked it is a good thing to be able to market cooperatively. Is it right to force millions of farmers to join associations they do not want to join? There will be the dues and expenses incident to joining and belonging to these associations for the salaries, of the president and officers and agents, as well as other expenses, will have to be paid and those things are paid by the farmer if he is forced in, as this act will do. I do not think we should take away from the people any more rights and liberties than we really have to take away for the good of society and in the interest of good government. It was the thought of Washington and Jefferson, and other statesmen of their day, that "the people best governed are those least governed." This proposed legislation would establish an army of agents who would be scouring the country, nosing into the private affairs of the people, trying to find those who had not paid the tax required. If the tax is not paid then there is the penalty to be exacted and collected, after annoyance and trouble, in the United States court. Our people have been eaten up with taxes and annoyed too much already with many kinds of regulations and laws that are doing little good. The people are tired of it and I do not think we should permit them to be subjected to any new burdens.

Of course I may be wrong and this idea of laying more taxes on the people might be the right and wise thing to do. If I am wrong, it is because of my deep sympathies with the toiling masses who are already too heavily burdened and too much governed and regulated by the present-day bureaucratic agencies of Government into which we are too rapidly degenerating. As God is my judge, my heart is with the great toiling masses and with the farmers who bear the burdens of life. From them I sprung and have my being and of them, I thank God, I am a part, and I am proud of it. I am for anything that will help more than it will harm or hurt the farmer, and I am against anything that I believe will hurt more than it will help the farmer. I am thoroughly convinced the fee tax on cotton, tobacco, hogs, cattle, and other farm products will be far more hurtful, harmful, and annoying than it will be beneficial to the farmers of my section. I think it is wrong. Many times, countless in number, have I taken this question to the Throne of Grace and asked for light on it. I have asked whether it was right or wrong, and my conscience has spoken back that the tax is wrong and that it will be harmful and hurtful to the people who have intrusted me here to represent them. Now what is my duty? What am I to do? Am I to yield to what might be temporarily popular and what I believe is a sham? Am I to yield to the demagogic expediency of voting for a thing that might be popular for a season in order to get the plaudits of certain people who are urging this fee or tax upon our crops and products, or am I to do what my conscience dictates is wise, right, and best for the people I love with all my heart? Earnestly have I tried to see the benefit others claim to see in this agricultural tax, I have tried hard to find wherein it will give any benefit whatever, but I have failed to find it, and each time the voice of my conscience has condemned it as unjust and unfair. I have wrestled with this question, for I want to do the right and best thing for the people, regardless of what the political effect might be upon me or how it might hereafter affect my political fortunes. Only the good God knows the hardships through which the South has passed.

Amid it all our people have been brave and true. I can not be a party to adding to their troubles by joining in with the Corn and Wheat Belt in this movement to put a tax on cotton, tobacco, and other crops. It will work with respect to wheat and corn because they are already benefited by the tariff, but cotton is an exportable crop and the tariff on cotton will do the producer no good. The South grows practically no wheat and not much corn as compared to the great grain section of the United States. We buy corn, wheat, and western meats.

You say this is the only thing open to you. Well, if it is right I ought to vote for the tax; if it is wrong I likewise ought to be courageous enough to vote against it. The people will stand with me if they think I am honest in my convictions. My people expect me to do what I can for them in getting through wise and constructive legislation along beneficial lines, but likewise they will hold me to strict account if I fail to protect them against hurtful and unwise measures. In this I feel I am voting to protect them against an unwise, unfair, and unjust tax. In this I am sure they agree I am honest and acting for what I firmly think is to their best interest.

I am pledged to stand for tax reductions, and my career here has been in favor of tax reductions and tax eliminations. We will not help the people in their fight against high taxes if we keep building up this bureaucratic system of government at Washington that gives new jobs and additional high salaries to armies of people who will live in luxury and ease on the tax money to be collected from cotton, tobacco, hogs, and other crops. I had rather vote any time to repeal a tax that is burdening the people than to vote to create a new and oppressive one, and that is my conception of this Haugen tax on cotton, tobacco, hogs, and other crops.

You say you are against the tax that the Wheat and Corn Belt people are proposing—what have you to offer? In answer to this I introduced a bill, H. R. 11286, on February 21, 1928, that is, to my mind, the best bill for the farmers that has thus far been offered. It is similar, in some respects, to the Crisp and Hare bills, and provides for a revolving fund of $750,000,000 with which to relieve agriculture. This is a gigantic task ahead of us, and we must think and act in big figures and in a big and effective way.

My bill is somewhat on the plan of the War Finance Corporation through which the railroads and other industries were relieved. It is in some respects like the McNary-Haugen bill, except it does not provide a fee or tax on the farmers. It carries nearly as much again money as almost any other bill that has been introduced on the subject, and in my honest opinion would relieve agriculture, at the expense of the Government, just as the railroads, the banks, and other industries and labor were relieved.

Then there are the Crisp, Hare, Jones, Aswell, Fort, and many other good bills that provide ample revolving funds and carry no equalization fee. I am, of course, committed first to my own bill, which I have worked out after much thought and study, which is the largest in point of revolving fund than any of the other relief measures. Then I will vote for the Crisp, Hare, Aswell, Jones, Ketcham, and, in fact, for the Haugen bill if the fee is stricken out. I want to relieve and not burden the farmer, and I know that there never was a tax that was not a burden, and to put a tax on him in this legislation means to harness more burdens on him in the long run. It will be harmful just as soon as the levies and collections are made, and they are likely to be made at any time, for the Haugen bill in that regard is wide open and the fee is unlimited. It will tax every bale of cotton and every pound of tobacco and other products. The fees could be levied just as high or just as low as the board might decide, and I frankly mistrust a board that might not be friendly to southern agriculture. "An ounce of prevention is worth a pound of cure," and I had rather prevent this tax being levied on my people than to later try to cure the trouble. It will be almost impossible to ever repeal the tax. I will vote for anything that even promises relief to the farmers that does not levy a tax on them, but if I know it I will not be a party to putting new taxes upon them. If it meant better prices for cotton it would be different, but it in no sense promises it. It is admittedly an experiment, so let us first experiment without the fee and not get burnt with this fire with which some of our cotton folks are playing.

Mr. REED of Arkansas. Mr. Speaker and Members of the House of Representatives, I am glad of the opportunity of making a few observations upon the bill now before the House of Representatives. The Seventieth Congress has been in session for many months and at last we have before us for consideration the McNary-Haugen bill, a bill purporting to offer relief to the farmers of our country. I had hoped, owing to the fact that there has been such a general demand, and I may add that I think it is a just demand, for legislation tending to help the farmer, that this Congress would have had an opportunity earlier in this session to consider this proposition, but it was not destined to be so. The reactionary or stand-pat element of the Republican Party is in absolute control of the House of Representatives and they would not permit this bill to come upon the floor of the House prior to this time.

In the past it has been said of the United States Senate that that body was further removed from the rank and file of the American people than the House of Representatives. To-day this is not true. The House of Representatives is controlled, of course, by the steering committee of the Republican Party, and they happen to be at this time the archangels of standpatism and reactionaryism. Personally, of course, they are very fine gentlemen; but, legislatively speaking, they stand for the old type of Hamiltonian doctrine. They believe that all legislation should be so enacted that it will first inure to the benefit of the very wealthy and eventually escheat to the ordinary person in life. I am amused occasionally when I hear one of these reactionaries claim to be a representative of the Lincoln variety. If that statesman, Abraham Lincoln, were living to-day he would say to that group of statesmen, "Depart from me; I never knew you."

UNIVERSAL DEMAND

There can be no question about there being a real farm problem before the American people. It is admitted by both friends and foe of this bill that there is a general demand upon the part of the farmer of America for some legislation tending to give the farmer an equal opportunity with those engaged in other lines of human endeavor. It would not seem necessary to enlarge upon this topic. Able Members of Congress have quoted statistics upon the floor of this House showing conclusively to my mind that the various farm organizations and the rank and file of the farmers as a whole demand the passage of the McNary-Haugen bill. I have attended many of the hearings before the Agricultural Committee and I have carefully read the report of those hearings, and with one exception all of the great farm organizations of America have indorsed the McNary-Haugen bill. I am not one of those who believe that the farmer does not know what he wants. The farmer wants this bill passed and I am going to vote for it.

WHY FARM RELIEF?

This bill purporting to aid the farmer, the question naturally arises, Why the necessity of farm relief? This subject has been dwelt upon at great length by many able Members of this House. I want to submit some observations as, in my judgment, entitles the farmer to at this time knock at the door of the American Congress.

DEFLATION

I insist that the Federal Government itself is to some extent to blame for the predicament the farmer finds himself in. It will be recalled that during the World War the farmers were encouraged and almost commanded to produce all kinds of food products that could be produced upon the farm. It was even suggested at that time that all gardens in America should be cultivated. Be it said to the credit of the American farmer that he complied faithfully with the requirements of the Federal Government. In 1920 the panic came. As we know, the farmer produced these various crops which were quite expensive to produce at that time, and at harvest time of the same year he sold these various products on an average of less than 50 per cent of the amount it cost to produce most of these farm products. I personally know this to be true because I was then engaged and am now in raising farm products. I will give the Members of the House the benefit of my own experience along this line later on in this address.

Just what do we mean by deflation?

As has been said the farmers were encouraged to produce farm commodities. Money was easy to obtain and the farmer borrowed considerable money upon his personal assets in order to make these big crops. About the middle of the year 1920 the Federal Reserve Board, an agency of the Government, or at least a creature of the Federal Government, issued a call for the prompt payment of these loans heretofore made to the farmer. Of course the farmer could not pay, as he only received 50 per cent as much for his products as it cost to produce them. It can logically be seen that the farmer was helpless. In my judgment the arbitrary demand upon the part of the Federal Reserve Board for the prompt payment of these loans is 80 per cent of the cause of the terrible condition in which the American farmer is to-day.

I personally know many farmers who were absolutely solvent in January, 1920, but who were so terribly depressed in the harvest time of 1920 that they had to mortgage or remortgage, as the case might be, all of their assets, both real and personal, in an attempt to tide over another year, and as a result of their terrible loss these farmers have paid interest and have continued to pay interest until they are absolutely insolvent to-day. I can name many cotton and rice farmers in my State who in January, 1920, were in a good solvent condition who have since that time been compelled by no fault or carelessness on their part to take bankrupt law and lose everything they had. If it were proper, I would call the names of dozens of these good men. In other cases, and especially cotton and rice farmers, I know of many who through all these years have attempted to brave the tide and are going along as best they can, and yet are insolvent.

I promised to give you in brief a little of my personal experience along this line. During the year 1920 I operated a cotton farm in the sixth district of Arkansas, the district I have the honor to represent in this body. I produced a quantity of cotton that the Federal Government itself said cost the producer on an average 32 cents per pound to make. I sold that cotton the 14th day of May, 1921, for 12.19 cents per pound. It does not take a mathematician to see that I lost greatly on this crop, and this is the experience of multiplied thousands of farmers, not only in the Cotton and Rice Belt but in the Wheat and Grain Belts of this great Commonwealth. I take it that it is unnecessary to dwell upon the topic of deflation further.

GENERAL CONDITIONS OF THE FARMER

The general financial condition of the American farmer is most deplorable at this time, and there must be something done to alleviate these conditions. Hon. Charles Barrett, president of the Farmers Union of America, has made the public statement that the records show that if the mortgages now outstanding upon the farms of America were foreclosed the farms could not be sold for enough money to pay these mortgages.

The statistics show that farm values have decreased from $79,000,000,000 to $59,000,000,000 since the deflation period heretofore referred to. Twenty years ago 60 per cent of the population of the United States lived upon the farm; to-day the converse is true. Throughout the history of all nations the progress of a nation and the stability of a nation have been measured and reckoned with more regard to the interest taken in the cultivation of the land of a nation than any other aspect by which a nation is or has been judged. If something is not done to remedy the present condition of the American farmer we will have conditions in this country in a very short time that no one would desire. Why should not the man who produces the raw products which feed and clothe the world be entitled not only to be able to meet his bills for cost of production, but should be so situated that he can have some of the luxuries of this life and further be able to send his children to the best schools of the land? I certainly believe that this condition should be a chief aim of every lawmaker of the American Congress as well as every lawmaker for every State in this Union.

COTTON

A few days ago I heard a conversation between two gentlemen; one of them stated that the cotton farmer only had to work about three months in the year to produce his crop. I could not resist the temptation to tell that friend that he knew more about manufacturing in which he was engaged than he knew about the production of cotton, that ordinarily we had a habit of saying that it took 13 months in the year to raise a cotton crop. Those of us who know a little something about the raising of cotton know that cotton is a jealous master and it requires all of your time to cultivate this delicate plant and harvest the fruit thereof. One of the most amusing statements I have heard upon the floor of this House is that the cotton farmer can be helped by the protective-tariff system.

We import about 300,000 bales of cotton per year; we raise approximately an average of 11,000,000 bales per year and export about 65 per cent of the amount of cotton we produce. The cotton farmer buys his wagons and other implements under the protective-tariff system, getting no protection on the cotton he produces. It is further suggested that we should diversify in the cotton country. It may be true that we should diversify our crops to some extent, but, in my judgment, this question will never be solved by diversification. The nine States that produce practically all the cotton of the United States and nearly 70 per cent of the cotton of the world are so adapted—yea, I may say so ordained, by the God of nature—to the production of this commodity, by the fertility of the soil, by rain and sunshine, by climatic conditions that it is essentially a cotton sphere. Indeed the ingenuity of man is most wonderful and we can not tell to-day what invention of to-morrow will bring forth, yet the wisdom of man can not contradict or contravene the handiwork of God himself.

RICE

Of all the farmers in the United States who have suffered the most in my judgment the rice farmers stand at the top. I happen to live in the heart of the rice industry of Arkansas, to wit, Lonoke and Arkansas Counties. It is a well-known fact that rice is a very expensive crop to raise and it so happens that the lands which are well adapted to the raising of rice are not really productive for other commodities. In the fall of 1920 I saw on the streets of my town rice which cost $2.50 per bushel to make actually sell for $0.60 per bushel. These rice farmers are doing their dead-level best to pay off the mortgages on their farms. Of course, many of them have given up in despair; others have been forced into bankruptcy and lost their farms. Would anyone suggest to the rice farmer, "All quit and let your farms lie out"?

Surely in great America no one would make that suggestion. The poor rice farmer who has to buy extensive and expensive machinery by reason of the protective tariff pays more for it in Stuttgart, Ark., than the American manufacturer sells the same machinery for in Paris, France. And yet we still have those who say that the farmer should favor the iniquitous Fordney-McCumber Tariff Act.

PROVISIONS OF BILL

I have been a Member of Congress for a little more than four years. This bill is before the House for the third time. I have voted for the bill each time before and will vote for it now. Those of us who favor the bill do not contend that it is a cure for all evils; however, we do contend that it is a step in the right direction and it is the best we can get the present Congress to pass. In the main, this bill creates a board selected by the President, selecting one member for each of the 12 Federal land districts, the Secretary of Agriculture being an ex officio member. And this board is delegated the general powers to put into operation the plan outlined in the bill. This board is further required to create an advisory council of seven members, to be selected from a list submitted by farm associations or organizations for each agricultural commodity which the board determines may require stabilization.

This bill provides an appropriation of $400,000,000 out of the Treasury of the United States to be used as a revolving fund to carry out the provisions of this plan. Under the terms of this bill the board created under the bill has the power to make contracts with farm organizations to purchase cotton or other commodities in open market; the commodities so purchased may be taken off the market and held until such time as the board may deem advisable to sell the commodity, therefore keeping this product from being forced upon a market that is already congested, stabilizing the marketing of the given product which in my judgment is much needed by the farmers of our country because the farmer himself is not financially able to withhold a given commodity from sale when he needs the proceeds thereof to liquidate his debts.

SURPLUS

It is admitted by all who have given this subject study that the main proposition that gives the farmer worry is the surplus of the commodity that he raises, in other words, the farmer raises more of a given product, for instance, cotton, than is consumed in domestic markets; as heretofore stated 65 per cent of the cotton raised by the American farmer is exported. Under our present system of marketing, the price we receive for our cotton is governed by the world market. The agency created under the terms of this bill has the power to go out in the open market and purchase cotton, and in my judgment they would not have to purchase very much cotton before the buyers of cotton in this Nation, as well as other nations, would realize that the Government of the United States is making an earnest effort to stabilize the price of cotton, and the effect would, therefore, be that cotton would naturally be sold at a price of cost of production plus a reasonable profit. Why not let this Government take a leading hand in helping the farmer, for since Alexander Hamilton to the present time this Government has been helping industry even in a more direct manner.

SPECULATION

It is admitted by all those really interested in helping the farmer that there are too many parasites engaged in speculation and manipulation of prices of the products of the farmer. A friend of mine told me that he knew one individual in his town who made $30,000 in one season in manipulation of the cotton market alone. The only assets this individual had were a fountain pen, a Ford car, and, of course, unbounded nerve. If this bill becomes a law, such individuals as this, in my judgment, will not last long in competition with the organized farmers under this bill, assisted by the Federal Government itself. For a long time I have longed to see some power or agency that would put these nefarious manipulators out of business.

EQUALIZATION FEE

There will be an effort made to eliminate the equalization fee from this bill. I intend to vote for the bill with the equalization fee in it; however, if the equalization fee is stricken from the bill I will support it anyway. This board has the right to put this equalization fee on any given commodity when the board deems it advisable to do so. This fee is collected from the producer and is used for the purpose of helping the farmer in the manner of accumulating a fund for his benefit and his alone.

VETO

It is urged by those who are opposed to this bill that the President will veto the bill. Let each Member of Congress realize that if this bill does not become a law the Congress itself will be to blame, for it has, under the Constitution of the United States, the right and the power to pass this or any other bill over the veto of the President, provided we can secure two-thirds of the Members to vote for said bill. Frankly, I think the President will veto this bill. I have the very highest regard for the President of the United States personally, but judging from the manner in which he has considered measures in the past tending to help the ordinary man in life, I can hardly expect this bill or a bill of similar import to meet with his approval. There are many Members of Congress upon the Republican side, including the chairman of the Agricultural Committee, actively supporting this bill, but the Republican President belongs to the reactionary or stand-pat Republican régime, and, of course, is not naturally in sympathy with a bill tending to help the rank and file of the American people. My hope is that the Congress will pass this bill over the veto of the President; I say hope; I really do not know whether there will be enough brave souls on the Republican side to pass the bill over the veto of the President. Let it be remembered that a greater per cent of the Democrats of the last Congress voted for the McNary-Haugen bill than were to be found on the Republican side.

As I view conditions before the American Congress to-day I can not refrain from longing for and looking for a real Andrew Jackson as a leader, who will come forward as an advocate of the masses to lead the Democratic Party, together with the progressive element of the Republican Party, to a victory where the American people will again have and have a right to have the utmost confidence in their Government; where the strong will not oppress the weak, where might will not intimidate right, and where the great numbers are working together in unison for the common good of all.

Mr. ARNOLD. Mr. Speaker, if we do not settle the agricultural problem during this Congress, and settle it right, it will rise to haunt us at every recurring Congress. This is a question that will not down until the agricultural interests of the country are placed on a parity with trade and industry, so far as legislation can accomplish that purpose. We had just as well disabuse our minds of the thought, if any such thought lingers, that we can have a well-balanced prosperity between agriculture, trade, and industry under existing laws. We had just as well disabuse our minds of the further thought that we can have nation-wide prosperity with more than one-third of our people laboring under the handicap of the depressing influences of world competition, while trade and industry enjoy a status free from the depressing influences of world competition.

Through a period of years there has grown up in this country what is commonly spoken of as an "American standard," a standard that is on a higher plane generally than that prevailing in foreign countries. This standard applies to living conditions, price conditions, and wage conditions. I am not quarreling with this differential. I think American industry, American labor, American activities in every form of human endeavor are entitled to the best. The best is none too good for any citizen claiming protection within the folds of the American flag. What I do object to is that those engaged in agricultural pursuits have not been taken in on the deal and given a distinct American standard along with other specially favored activities.

I am a strong believer in the old Jeffersonian doctrine of "Equal rights to all; special privileges to none." Had we adopted that doctrine and adhered to it as our rule and guide, agriculture would not be in the distressed condition it is in to-day. That agriculture is in a distressed condition but few will deny. Mounting prices on the things the farmer has to buy for use on the farm, increased tax burdens, and the cost of living sky-rocketed, demoralization in land values and mortgages multiplying make the lot of the American farmer to-day extremely hard.

The migration from the farm to the cities at the rate of 3,000 or more per day is alarming. This fact alone shows something materially wrong. Something must be done to check this influx into our industrial centers. Unless it is checked a reaction will set in—and indications are now apparent that it has already set in—that will bring about a more unfortunate condition than we have yet experienced in this country. The best way to check this exodus from the farm to the city, in fact, the necessary way is to relieve the farmer from the handicap under which he has been laboring and bring about a state of affairs whereby opportunities on the farm will be more attractive. Our country is growing top-heavy industrially. That growth has been due largely to the special privileges granted the industrial interests of the country through legislation in their behalf.

To give special privileges to some is to deny equal rights to others. To give special privileges to none or to give special privileges to all in a like degree is to give equal rights to all. But that is the very thing the specially favored interests oppose. They know that special privileges to all alike is equivalent to special privileges to none. As long as the industrial interests of the country can purchase their raw products and food supplies under the dominating and domineering and depressing influences of open competition in the world markets and sell their output in a highly protected American market,

uninfluenced by world markets, they have an advantage with which they are loath to part, and are fighting and will continue to fight to the end to maintain that advantage.

This is a selfish viewpoint prompted by selfish interest alone. In the end it will prove a boomerang and return to smite its benefactors. All we are asking for agriculture is that it be treated as fairly as other interests have been treated. It is entitled to it and the farmers of the country will fight to accomplish that end and will be satisfied with nothing short of equal privilege. If this Congress, or this administration, does not treat agriculture with the same consideration other activities are shown, the fight will go on through the years until its purpose has been accomplished. The agricultural interests of the country are determined to get its just deserts, and I for one expect to go along with the real friends of agriculture and fight it out to a final conclusion.

By friends of agriculture I mean those who are sincerely and earnestly interested in agricultural relief, not those who proclaim it in public places only. It is no time for surrender, it is no time for acceptance of substitutes that will be a measure of relief in part only. The agricultural interests of the country are aroused as never before and are determined that legislation be enacted that will have the effect of placing this great industry on a plane of equal opportunity so far as legislation to that end can bring about this condition.

I am unable to understand the philosophy of those opposing effective remedial legislation in the interest of this great basic industry. They are or should be interested in seeing the purchasing power of the Nation increased. It means a greater outlet for their factories and their mines; it means greater opportunities for labor; it means a more rapid turnover in their products; it means a clearing out of the warehouses and a more speedy rotation of goods on the shelf; it means an accelerated circulation of money and money's equivalent; it means contentment, prosperity, and happiness throughout the land, not sectionally but nationally.

A nation can not be prosperous unless that prosperity is coextensive with its domain and reaches and affects all classes within its domain. A happy, contented people is the greatest asset of a nation. Happy, contented people will fight for their country against internal as well as foreign foes. Happiness and contentment are the greatest guaranty against anarchy and Bolshevism. What we are pleading for is equal opportunity for agriculture in the great field of human endeavor. Agriculture asks nothing for itself that it is not willing to concede to others. We do not ask subsidy of the Government; we ask equal opportunity. Give the agricultural interests of the country an equal opportunity and it will take care of itself. Keep it in the position it has so long been in—unequal opportunity—and it is bound to continue to retrograde and in its wake will follow greater discontentment, unhappiness, and demoralization reaching throughout the whole realm of the nation.

We must have a well-balanced prosperity if we are to have a happy, prosperous nation, if we are to have a contented people. Some people urge that inasmuch as Congress has heretofore placed a tariff on agricultural imports we have given agriculture the same advantage that we have given industry. Such people lose sight of the basic difference between agriculture and industry. They lose sight of the fact that the farmer can not control his output as the manufacturer can; they lose sight of the fact that the elements of nature, storm, and drought, insect and pest, are beyond the control of man, and these elements are the dominating influences in his inability to control his output. That the tariff alone will not restore agriculture is beyond question.

Tariffs benefit the producer of no commodity the price of which is dominated by competition in the world markets. What we want is a distinct American price for our agricultural commodities as the products of our factories enjoy on their output. Tariffs stay the hand of foreign competition on the output of the factories, tariffs can not stay the ravaging hand of foreign competition on the output of the farm. As we produce a surplus of agricultural commodities, under existing conditions, the price of the surplus sold abroad determines the price of the commodity not only sold abroad but on that part sold and consumed at home.

Not so with the output of the factory. Then why not give the products of the farmer the same degree of protection that tariff duties give the output of the factory? Give us a market for the output of the farm freed from the domination of world competition, as the tariff gives a market for the output of the factory freed from the domination of world competition, and agriculture will be content. It asks nothing more, nothing less than an equal opportunity in the field of human endeavor.

A direct tariff can not operate to this effect on agricultural products. The bill we have under consideration, after many years of thought and study by those who have made the agricultural problem a distinct study, is presented for our consideration in this Congress. It is the only plan that human ingenuity has yet been able to devise that will give to agriculture the same benefit that a tariff gives the manufacturer. It does not seek, nor ask, nor demand from the Government a subsidy. It simply provides the machinery, the vehicle, upon which the farmers of the country may move along and keep step with other activities.

The bill under consideration is more than a surplus control bill. The object sought to be attained as to agricultural commodities is well set forth in the declaration of policy stated in section 1 of the bill, as follows:

> To provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the price obtained for such commodities and from causing undue and excessive fluctuations in the markets of such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of the producers of such commodities into cooperative associations.

Any legislation that fails to place agriculture on an equality with the industrial interests of the country falls short of the mark of effective relief. To place agriculture on an equality with the industrial interests of the country it is necessary to deal with the surplus. That is fundamental. The bill before us is the only one presented dealing with this basic requisite. Other bills have been presented dealing with certain phases of the agricultural industry which will offer some measure of relief, but they do not reach the vital spot, the real source of the farmers' ills. They are mere antidotes designed to alleviate the trouble, not to eradicate it.

Trade and industry have been propped up by special legislation. To put agriculture on an equality with trade and industry, we must either put props under agriculture or remove the props from trade and industry to put all on a level of opportunity and treat the agricultural interests of the country fairly. One or the other must sooner or later be done.

It is argued the principles of the bill are unworkable, unscientific, and unsound, that it is unconstitutional. These are stock arguments urged by special interests that have been thriving at the expense of the farmers of the country, a smoke screen designed to conceal the true motives of the opposition. It is no more unscientific and unsound in principle than a tariff system designed to protect American industries from competition from abroad. It is no more unscientific and unsound than an immigration law designed to protect American labor from cheap foreign labor. It is no more unscientific and unsound than an authorization to the Interstate Commerce Commission to fix freight and passenger rates at a level to give a return to the railroads of the country of 5½ per cent on their valuation. It is no more unscientific and unsound than a law that puts the United States Government back of the Federal reserve banking system of the country and gives it a most commanding influence over the finances of the country. Other enactments might be cited equally as vulnerable to the unscientific and unsound charge.

Special legislation in other activities has stood the test of constitutionality and has accomplished the purpose sought when placed upon the statute books. They say it is unconstitutional to delegate the power to the farm board to collect a service charge on farm commodities entering the channels of trade to make the plan self-sustaining and independent and relieve the Federal Treasury of contributing other than through the revolving-loan fund provided. Yet the Supreme Court recently approved the law which delegates the power to the President of the United States to raise or lower tariff rates at his discretion. The equalization fee is not a tax levied for the purpose of revenue, but is a service charge levied on the farm commodities in the channels of trade when an operating period has been declared for the specific benefit of the commodity affected.

This is an experiment in legislation to be sure. All legislation is more or less experimental and especially so when new principles are involved. The object sought by this bill is the same object sought by the protective tariff policy; that is, to protect the agricultural interests of the country as the tariff protects the manufacturers from foreign domination. The bill may not accomplish the desired result. It is to be hoped it will. Men well versed who have made a most thorough study of the principles of the bill say it will be effective; that it is practicable and will accomplish the desired result. We ought to give it a trial. We should not stand idly by and permit the agricultural interests of the country to suffer greater injury if we can prevent further demoralization. It is the best plan so far offered that goes to the real gist of the farmers' troubles.

It is the only plan so far offered that will have the effect, if workable, of placing agriculture on an equality with trade and industry.

If it needs corrections in some of its provisions, experience will point out the necessity for change. Future Congresses will be here to make the necessary changes or amendments experience demonstrates necessary. The test of experience alone will tell the story of success or failure. We can not have the test of experience without legislation which will make possible the experience. It should be given a fair, honest trial.

The power vested in the farm board provided by the bill is a vast power to be sure. If the farm board selected is not in full accord and sympathy with the true intent and purpose of the bill, or if it is antagonistic to its provisions, the plan will prove a failure. It must be administered by its friends. The men composing the board must be honest and conscientious men of good judgment and true to the cause of agriculture, and who will apply these principles in their official acts.

Mr. EVANS of Montana. Mr. Speaker, for the third time in three years we are seriously considering a bill for the relief of agriculture. No one longer doubts that we have an agricultural problem.

A year ago the President said in his veto of the McNary-Haugen bill:

> That there is a real and vital agricultural problem is keenly appreciated by all informed men. The evidence is all too convincing that agriculture has not been receiving its fair share of the national income since the war. Farmers and business men directly dependent upon agriculture have suffered and in many cases still suffer from conditions beyond their control. They are entitled to and will have every consideration at the hands of the Government.

The United States Chamber of Commerce, representing the great commercial and industrial interests of the country, recently published its conclusion on the subject and said, in part:

> The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to postwar conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

Thinking men everywhere agree that we are confronted with the problem, and it is the duty of this Congress to try and meet it. The bill under consideration is the culmination of a long period of evolution, and, in my judgment, represents an economically sound and workable plan, which, if enacted into law, will result in placing our greatest American business—agriculture—upon an equality with industry and labor and thus establish and maintain a well-balanced permanent prosperity throughout the country that will not only insure the happiness of all our people but will be the means of preserving our free institutions as well.

In less than eight years farm values, including land, improvements, livestock, and equipment, have decreased more than $20,000,000,000, estimated by some to be thirty billion, while industrial, financial, and transportation values have increased more than $50,000,000,000 during the same period of time. Since the war 3,000,000 acres of land have been abandoned, and annually more than 2,000,000 farm people have left the farms and drifted into the cities. Why have these people left the farms? In view of the situation how could they have done otherwise? Hundreds of thousands have lost their homes through foreclosures, there being an average of 170,000 such foreclosures annually. Farm mortgages have mounted from three and one-half billion dollars in 1910 to twelve and one-quarter billion dollars in 1928.

I grant that some sections of the country have enjoyed prosperity in recent years, especially industrial and financial centers, but unfortunately that prosperity has not been shared by the farmers. As further evidence of that, permit me to call your attention to the fact that of the more than 4,000 bank failures which have occurred in this country since the war, more than 95 per cent have been in the rural communities.

Although bank deposits have increased from $21,000,000,000 in 1914 to $57,000,000,000 in 1928, and the American farmers have been struggling to secure an income each year that would be sufficient to pay operating expenses, to pay their interest on an increasing indebtedness, to pay their rapidly increasing taxes, and have something left with which to clothe and feed themselves and the other members of their families, there are those who maintain that the economic situation is becoming more favorable to agriculture and that the farmers will soon be enjoying their fair share of the economic income of the Nation. I wish that that were true, but, unfortunately, the facts do not so indicate. If that is true, then why is it that, according to reports of the Department of Agriculture, the farmers' income of 1927 was 20 per cent less than in 1926? If that is true, then why is it that there were more bank failures in 1927 than during any year previous to that in the history of this country? And remember, as I have already stated, that 95 per cent of those failures were in rural communities. Furthermore, how can the farmers be prosperous in view of the comparatively small income that they are now receiving? According to the 1926 Agricultural Yearbook, issued by the Department of Agriculture, the total value of farm products has dropped from fifteen billions in 1919 to eight billions in 1926, a reduction of 43 per cent; and since the income of the farmers in 1927 was 20 per cent less than in 1926, the total income for last year was less than one-half of the income of 1919. Again, according to the same report, in 1925 there were 6,371,640 farms that were being operated. These farms had an average valuation of $9,000 and average income for that year of $1,200. After deducting interest on the investment less than $700 remained with which to pay taxes, to pay the cost of the upkeep and equipment, and to meet the living expenses of the family.

The bill declares it to be the policy of the Congress to promote the orderly marketing of agricultural commodities; to provide for the control and disposition of surplus; to preserve advantageous domestic markets; to prevent undue and excessive fluctuations in the markets; to minimize speculation and waste in marketing; and to further the organization of producers of such commodities into cooperative associations. Certainly, these objects are most laudable, and if carried out in any measurable degree will tend toward a general uplift of our great basic industry. It has been stated that the farmers have failed to properly organize, and I grant that to a certain extent is true. However, I fear that some of those who offer that criticism may have had little or no experience in the effort to secure effective and desirable organizations among farmers, and for that reason are not familiar with the difficulties to be encountered. In the first place, the farmer by training, experience, environment, and the peculiar type of his particular vocation, is an individualist. He is not inclined to surrender to collective management any part of that which he has previously directed in person. Besides, he has experienced so many difficulties, and often failures, in his effort to secure proper organization that he has become discouraged to a certain extent. Even so, the farmers have striven, although with only limited success, to effect through organization and the use of cooperative methods a solution of their problems. But the present situation, as I view it, is not primarily the result of what the farmers have done or may have failed to do, but is very largely due to forces beyond their control.

We have been passing through a period of readjustment, during which industrialization has been taking place. Industries that are representative of great wealth have become organized along the lines of mass effort and control. On every hand efforts have been put forth and are still being put forth to secure the benefits and advantages that can be enjoyed through combination and cooperative effort. That is true of the manufacturing industries, of the large banking institutions, of certain distributing and merchandising establishments, of the railroads, of organized labor, and to a greater or less degree of other activities as well. With this trend the farmers have been unable to keep pace, but their failure is not due so much to the lack of effort on their part as to the fact that they have been denied opportunities and privileges which others have enjoyed. In other words, by law we have extended aid to other industries but have denied similar aid to the farmers. If the farmers were given a fair field in which to operate and were given an equal chance with all others, they would in time effect a solution of their problem; but denied that measure of justice, we can not hope or expect that they will succeed to the degree that they deserve.

For 50 years the legislation has discriminated against agriculture in this country. It is a well-known fact, conceded on every hand, that the protective tariff has enabled the manufacturers of this country to raise the price of their product to the American consumers and to realize great profits as a result thereof. Legislation did that. It is equally well known that the "guaranty provision" of the transportation act enacted after the war resulted in the direct payment of more than $500,000,000 by the Government to the railroads and a further guarantee, in pursuance of which the Interstate Commerce Commission has maintained rates that have been remunerative to the railroads. Legislation did that.

Much as the Federal reserve system was fought by some of the leading bankers and certain other big financial interests of this country at the time of its enactment, it has proved a boon to the banking industry, especially to the larger banks and other large financial institutions of the Nation. Legislation did that. It is everywhere recognized that the Adamson law, in providing shorter hours and more favorable working conditions, and the immigration bill, in limiting the admission of immigrant labor that would compete with American labor, has greatly benefited organized labor. As a result, American labor is enjoying a higher standard of living, to which it is justly entitled. Legislation did that. Legislation has very materially aided each of these and many others that I might mention, and yet we are told that the Congress can not legislate prosperity for any class, group, or interest. The farmers are not asking for special privilege or for subsidy; they are simply demanding that the special privileges and subsidies that are granted other industries shall not be permitted to operate unfairly against their own progress and prosperity.

In other words, by law we have placed these other interests upon a higher economic level where they are permitted to operate in a protected and privileged field. If the farmers could limit their production to the actual demands of home consumption, or if through cooperative effort they could control, withhold from sale, or market in an orderly manner their surplus, they, too, could enjoy similar protection and the same advantages now enjoyed by others. In the absence of such conditions, however, the farmers have been forced to sell their products, in most instances in an open market in competition with the world, where the price received for the surplus has decided the price to be received for the entire commodity. That is, with all other American consumers the farmers have bought in a closed and protected market, and have been forced to sell in an open and unprotected market. What has been the result of that policy? It has resulted in bankruptcy and financial ruin for many and has seriously reduced the purchasing power of all American farmers.

Sooner or later one of two courses must be pursued—either the tariff must be reduced and the prices of manufactured articles brought to a lower level or by legislation raise the prices of agricultural products to the level now enjoyed by protected articles. Since there seems to be no apparent disposition on the part of the Congress to employ the former method, it is to be hoped that, in an earnest endeavor to work out a solution of the farm problem, the pending measure will be passed and approved so that the farmers of the Nation may receive the benefits to be gained thereby and the relief too long delayed already.

This measure, if enacted into law, will enable the American farmers to secure the benefit of the tariff on farm products, a benefit generally not realized at the present time. Then the farmers will be permitted to sell in a closed market all except that smaller per cent of their commodity which must then, as now, be sold in foreign markets. However, since only about 10 per cent of the agricultural products produced in this country are sold in foreign markets, the benefits to be realized from the operation of this law, if enacted, will be very great. The farmers are not asking for a subsidy and this bill does not provide for one. Through the equalization fee the farmers will be able to finance their own operations and to achieve what they have so long desired and have so long strived to secure, a marketing machine that will permit of the orderly merchandising of their products.

Mr. CANFIELD. Mr. Speaker, ladies, and gentlemen, to those of us who are really interested in seeing that helpful legislation is passed for the farmers during this session of Congress, we are indeed glad that the Agricultural Committee has finally reported a bill and we are at last permitted to take it up here on the floor for consideration.

I feel that this is the most important legislation that can be taken up during this session of Congress, and why it was necessary to delay it until this late date I can not understand. Everyone knows that the farmers of the country are entitled to consideration, and everyone knows that there was no reason for this delay, as farm legislation is one of the first questions that should have been considered during this session of Congress.

The farm question is one that has been discussed and cussed by more of the citizens of this country than any one question that has ever been taken up for consideration by this body, and with it all everyone must agree that something must be done for our farmers, and that without delay.

The bill that has been reported by the committee is not entirely to my liking, but I have found out during my stay here in Congress that it is seldom possible for us to have bills reported on this floor that are just as we would like to have them, and I trust that it will be possible to amend the bill here on the floor.

This bill, as I understand it, proposes two distinct remedies, first, loans to cooperative associations at a very low rate of interest, and second, if the first remedy fails to accomplish the purposes desired, the making of a marketing agreement, with the understanding that the cost and losses on transactions authorized under this agreement would be paid by the producers that receive the direct benefit. Both of these methods have for their purpose orderly marketing and making the present tariff effective, and this we will all agree is not possible at the present time.

This bill instead of enumerating certain commodities makes no distinction among agricultural commodities, but lays down certain rules by which the board is to be guided in determining to what commodities the provisions of the bill are to be applied at any time. Under this bill rules are laid down under which any agricultural commodity can be given relief if the board, in its judgment, feels that it is entitled to help under this legislation.

Under this bill, as I understand it, cooperative clearing houses and terminal marketing associations are to be established that will be for the purpose of stabilizing the movement in commerce of agricultural commodities.

Under this bill the tremendous spread between the producers and consumer should be cut down and a nation-wide marketing control system can be established which would insure a larger return to our farmers and not raise the price to consumers.

In my opinion "farm commodity marketing" should be placed on a nation-wide basis. Marketing of farm products should be controlled by the farmers themselves, and under this bill this plan can be worked out if the right kind of men are selected to take charge of the system that will be put into operation when this legislation becomes a law.

Under this bill the liability of the United States Government is limited to the amount available in the revolving fund and the stabilization funds, and if for any reason the plans stipulated under this bill should fail to work as they are expected to work, there will be no additional liability to the United States, as the liability is limited to amounts available in the funds for which the bill makes provision.

Personally, I feel that the amendments suggested Thursday by the gentleman from Kentucky [Mr. KINCHELOE] should be adopted. As I understand it, his amendments are in part as follows:

Recommendations for the guidance of the President in appointing the original and each succeeding member of the board from any Federal land-bank district may be made by bona fide farm organizations and cooperative associations in such district as herein provided. Within 30 days after the approval of this act and thereafter not later than 30 days after the occurrence of a vacancy in the office of the member of the board from such district, the Secretary of Agriculture shall (1) fix the date and place of a convention of representatives of bona fide farm organizations and cooperative associations to be held in such district, (2) designate and notify the farm organizations and cooperative associations in such district eligible to participate in such convention, and (3) prescribe rules and regulations for the procedure at the convention, including the basis of representation of such farm organizations and cooperative associations. Such convention shall meet upon the date and at the place so fixed and agree upon and recommend to the President a list of not more than three individuals from such district for appointment to the board.

No individual shall be eligible for appointment to the advisory council for any commodity unless he resides in a region in which the commodity is principally grown and is a producer of the commodity or is interested in and truly representative of agriculture.

No marketing period under section 9 in respect of any agricultural commodity shall be commenced or terminated unless the advisory council for such commodity concurs in the respective finding or findings which the board is required to make prior to the commencement or termination of the marketing period. No equalization fee shall be collected unless the estimates upon which the determination of the amount of the equalization fee is based are concurred in by the advisory council for the commodity.

If these amendments are adopted, and I hope they will be, the farm organizations will have the right to submit to the President three names from each Federal land-bank district in the United States for appointment and in that way the President can, if he chooses, select men that are satisfactory to the farm organizations themselves.

No one should be eligible for appointment to the advisory council for any commodity unless he resides in the district in which the commodity is principally grown and this will be taken care of by one of the amendments suggested by Mr. KINCHELOE.

The amendment that should be adopted without fail is the one that provides that the board in Washington shall not have the right or power to declare an operating period on any commodity or terminate that period unless the advisory council for such commodity agrees with the board that it shall be done.

The advisory council will be made up of men who should know when an operating period ought to be declared on a commodity, as these men will be men chosen and appointed on the recommendation of the farmers who raise the commodity. The members of the advisory council can and will always safeguard the interests of the farmers, and as was stated by Mr. KINCHELOE—

> Be the mouthpiece between the farmers, the raisers of the product, and the board that sits here in Washington.

I hope that these amendments will be accepted by the committee for I feel that they will make the proposed bill a much better bill and when it becomes a law will make it so those that are in need of consideration will get it when this legislation is put into effect.

Mr. Speaker and gentlemen, the lack of balance between industry and agriculture is growing more apparent each year and something must be done to stop this continual increase of inequality. This bill may not accomplish everything that it is desired that it should accomplish, but it will be a start in the right direction. No major legislation has ever been passed by Congress that was perfect. No legislation has ever done everything that it was intended it should do; even the Constitution of the United States had to be amended; so has every piece of important legislation had to be amended and I do not doubt but what this legislation will have to be amended, possibly many times, before it will do everything that should be done for the farmers; but gentlemen, that is no reason why this legislation should not be passed, for something must be done to help the "equality for agriculture."

The attention of the Members of the House has been called to the conditions of agriculture many times. Every Member of Congress from agriculture sections realizes that something must be done and that without delay. Business interests and labor interests through their organizations have been given the legislation they have asked for. They have been given legislation that has been helpful to them, legislation that in many cases has helped to bring on the present depressed condition of our farmers. Now, our farmers, through their organizations, are asking for legislation that they think will help solve their problems. They are asking that the legislation we are now considering be passed, and in all fairness to the farmers of the country I feel it is the duty of every Member of this body to vote for this bill. Give them the legislation they feel will solve their problems.

I know it has been said here on the floor that this bill should not be passed because the President will veto it. That to me is a very poor reason to give for not voting for this bill. It is our duty as Representatives of the people that have put confidence in us by sending us here as their Representatives to do our duty toward all the people in our country, and right now, everyone knows, it is our duty to pass legislation that will be helpful to our farmers; and if the President in his wisdom feels it is his duty to veto this legislation and thereby deprive the depressed farmers of the country from a just compensation for their labors, that should never be given as a reason why we should not do what we can to see that the farmers are given justice.

The reestablishment of a sound agricultural condition requires stabilization. Yes; it requires the legislation that was promised to our farmers by both political parties in 1924.

In the Democratic platform adopted at New York we find the following:

> We pledge ourselves to stimulate by every proper Government activity the progress of the cooperative-marketing movement and the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

In the Republican platform adopted at Cleveland, we read as follows:

> In dealing with agriculture the Republican Party recognizes that we are faced with a fundamental national problem, and that the prosperity and welfare of the Nation as a whole is dependent upon the prosperity and welfare of our agricultural population. We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor. The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industry to insure its prosperity and success.

The Republican Party was successful at the election in 1924. Yes; and it has had complete control of both Houses of Congress since March 4, 1919, and complete control of all branches of our Government—the House, Senate, President, and Cabinet—since March 4, 1921, and if it had kept its pledge to the farmers of our country the deplorable condition of agriculture would have been taken care of long ago.

Many Representatives and Senators of both parties, that come from agricultural States, have worked hard to carry out the pledges made in 1924, but a majority of the party leaders in the party that is held responsible for legislation through the majority they have in both branches of Congress have made no effort to fulfill the promise made in their 1924 platform, and many of them have done everything they could in opposition to farm legislation. In addition to this the President, who was elected on the same platform, nullified by a veto the act of Congress for agriculture, therefore the responsibility for failure to secure agricultural legislation must rest with the party in power.

Gentlemen, if there is a promise that has ever been made that should be fulfilled, it is the one made to the farmers of our country, and while they have not been given relief up to this time there is no reason why it can not be done now by putting them in position to handle their commodities in a businesslike way, the same as it is handled by large institutions that are successful and able to do a profitable business by working together and making it possible to control their surplus product so that the surplus will not determine the price of their product.

This legislation has the indorsement of practically all of the leading farm organizations in the country. They say it is the legislation they want. They feel that it will help solve their problems. Why not give it to them?

As I have stated before, at the present time the balance between agriculture and industry is out of all reason. The permanent well-being of the future is threatened. Legislation that will be helpful to the farmers must be passed. Something must be done that will bring agriculture up to the high standard given to others. As it now stands the farmer is the victim of injustice, and that injustice must be removed.

With farm conditions as they are at the present time, the purchasing power of our farmer has been cut off; he is not in position to buy the things he needs in his home or on his farm. This is already being felt by both business men and labor, and to-day, according to reports given us, there are 4,000,000 laboring men out of employment and 4,000,000 more only working part time. Business men, especially in agricultural sections, are unable to make expenses, and business organizations, both manufacturers and retailers, as well as banks, are going broke. And why? Because the farmer has not been given helpful legislation that would make the purchasing power of his dollar equal in value to the purchasing power of others who have been given helpful legislation in the past.

These conditions must not be allowed to continue. To oppose farm legislation just because you can not get exactly the kind of legislation you want is not only detrimental to our farmers but likewise harmful to general business conditions throughout the country, for business conditions can not improve with the buying power of one-third of our population cut off, and with these facts confronting us I feel it is the duty of every member of this body to see that justice is given to our farmers by voting for this legislation.

Mr. Speaker and gentlemen, I supported what was known as the Haugen agricultural relief bill in the Sixty-eighth and Sixty-ninth Congresses and shall support the pending legislation for farm relief, because I believe it will help the farmers of the country and thereby make it possible for them to receive a price for their products that will put them on an equality with others that have in the past been given consideration; not only that, I also firmly believe that when our farmers are put on an equality with others, then, and not until then, will business conditions be improved. For this reason, if for no other, those of you who represent industrial sections, that have voted against farm legislation in the past, should join those of us who represent and are deeply interested in the cause of our farmers by helping us pass this all-important legislation.

Mr. COX. Mr. Speaker, the conditions prevailing in agriculture which recently have been so forcibly brought to the attention of the American people demand that some reasonable and constructive legislation be enacted in behalf of those citizens of the Republic who because of the nature of their vocation are alone unable to combat the hazards incident thereto.

Agriculture, the basic industry of America, is suffering from economic distress such as has never attended the other indus-

tries of the country, or which a considerate and benign Government has long since corrected. Of all the major industries of the Nation agriculture, upon which the wealth of the Nation was primarily established, has been permitted to suffer under the doctrine of laissez faire while every other industry has been at some time the beneficiary of governmental protection and care.

The farmer has even been the victim of a system by which he must pay as an ultimate consumer a price which he can not affect by competition, while at the same time he is a producer without control over the price he is to receive for his products. Of all producers he is perhaps the only one unable to establish a price for his product based upon the cost of production.

The manufacturer bases the cost of his commodities upon the cost of production plus a margin of profit commensurate with the capitalization and the technique and the hazard involved. Our public utilities generally are permitted to base the charge for their services upon such a sum as will yield a profit of at least 6 per cent upon the capital invested. Unionized labor not only fixes the compensation which it is to receive for its services, but stipulates as well the number of hours of its working day and the number of days of its working week. It limits by rather stringent regulation the number of persons who may enter its ranks and the period of preparation which they must serve before they may compete on a qualified basis.

The farmer is poorly paid in actual or real wages, and the return upon his invested capital has declined to the vanishing point. Although the national income is at the present larger than ever before, the farmers of America are bankrupt, their mortgages are being foreclosed, their land values have depreciated, and they have in thousands of instances either abandoned their farms for debt or permitted them to be sold for taxes.

Since 1913 the farm debt of record has increased from four to fourteen billion dollars, farm taxes have increased more than 200 per cent, and all the overhead costs of farm operation, maintenance, and so forth, have risen, while the purchasing power of the farmer's dollar has shrunken by a third.

The disparity between urban and farm incomes has but emphasized the disparity in the standards of living in rural and urban populations, and the farmers of America find themselves suffering from a prolonged and inexorable deflation of their economic expectations, their standards of living, and their social status.

Particularly since the war prices of farm products have persisted in an uneconomic and unfavorable adjustment to the general price level, and the farmer finds himself unable to occupy his proper place in our economic scheme. He is at the mercy of all the inequalities of our economic system, or of the forces of nature, over which he has no control, or of both.

Agriculture suffers at present from the accumulative ills not only of constant and prolonged neglect, but of the development legislatively of an economic system from which it has been rigidly excluded. Agriculture suffers from haphazard development, uncontrolled production, and disorderly marketing. The situation is perhaps best presented by the following abstract from the report of the business men's commission on agriculture:

> The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to postwar conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

AGRICULTURE A NATIONAL PROBLEM

That agriculture is a matter of national concern worthy of engaging the best thought of the Nation and calling for deliberate and far-sighted national policy has long since been conceded. American agriculture has unsuccessfully undergone a prolonged and trying attempt at readjustment to the constantly changing economic status of the Nation, and finds itself to-day unable longer to cope with the forces arrayed against it.

The welfare of America is inseparably connected with the welfare of agriculture, and committed to a national policy of conservation as we are, it is as sound doctrine for us to prevent a squandering of our agricultural resources as those of any other character. Prolonged depression in any industry, and especially in an industry of the size of agriculture, can not but have a disastrous effect upon the general prosperity of the Nation. Agriculture is not receiving a just or an equitable part of the national income. Although comprising approximately 30 per cent of the total population, the farmer is so poorly organized that the more highly organized groups find him ineffective in his bargaining power. In an average year he receives but $10,000,000,000 for products for which consumers pay $30,000,000,000. To accuse him of personal inefficiency is but to ignore the fact that as the farmer abandons the farm to find his place in the industrial life of the Nation he has been inevitably successful. Indictment under such circumstances can not lie against the personnel of the industry, but must lie against the industry itself. Industry has become effective in part because of its carefully planned development, whereas many of the ills of agriculture may be attributed to a haphazard and uncoordinated development.

Secretary Jardine says—

> the problem of agriculture is one of coordinating production. To a large extent each of 6,500,000 farmers produces without reference to the plans of his neighbors and without a consideration of factors which may be instrumental in determining whether he produces at a profit or loss.

When the United States produced an 18,000,000-bale cotton crop, and cotton fell to 10 cents a pound on the North Carolina farms, the North Carolina State College published a bulletin containing this significant language:

> The present distress is not due to any appreciable extent to increased production of cotton in North Carolina. While there has been an increase in acreage coupled with an increased production per acre, yet the main factor in the large crops of both 1925 and 1926 is the fact that during the last five years Texas and Oklahoma have put into cotton more than 10,000,000 acres of land that was formerly devoted to grazing and other purposes. This is approximately five times the total acreage devoted to cotton in North Carolina. Another factor which should be taken into consideration is that it is conservatively estimated that an additional 10,000,000 acres of land in Texas and Oklahoma can be cultivated in cotton at a decidedly less production cost per acre than is the case in this State.

It is absolutely impossible for farmers, numerous as they are, distributed widely over the national domains, engaged in the various types of agriculture and subject to conditions so diversified and varied as to climate, markets, and other economic conditions to come together like the units of industry. The organization of oil and steel has proved feasible in part because of the presence of a common denominator of laboratory method and control. Agriculture, when represented in the great financial marts of the world derives no benefit for the industry itself but creates one for those who profit from the industry to their own advantage. Because of better organization and of a stronger economic position than agriculture, industry even without governmental aid would have experienced a degree of prosperity to which agriculture could not hope to attain. But agriculture asks for no preferred economic position. It does demand, however, an equal opportunity with industry and labor to be protected in its domestic markets, and to be able to meet world competition under equivalent protection in order that it may not suffer economic slavery.

The accepted doctrine in America to-day is that a service is worthy of its hire. As already indicated this doctrine has been accepted as regards our railroads, our public utilities generally, as regards industry generally, and the field of commerce and finance. If it is unhealthful for a nation to compel these groups to do without a profit, it is axiomatic that it must be equally unhealthful to force upon agriculture a loss. Agriculture can not recover until there has been made effective a national agricultural program to restore an equilibrium which has been destroyed by the exclusion of agriculture from the preferred position accorded industry and finance. There must be a thoroughgoing reorganization of agriculture which will improve the economic status of the farmer and renew the vitality of rural social life, even though to accomplish such purpose it be necessary to set up machinery to mobilize the technical knowledge and skill of our governmental agencies.

It has been asserted that the ills of agriculture are those of our own creation. The farmer has been accused of ignorance of the essentials of his craft. He has been pointed to as lacking even the rudiments of business methods, technique, and skill, and worst of all he has been said to violate the fundamental principles of his ailing industry, namely, overproduction, by planting annually an acreage far in excess of that dictated by experience and business acumen. In certain sections of the Nation he has been accused of adhering to the policy of one-crop farming despite advice to the contrary in the light of disastrous experience.

Whatever may be the elements of truth in this indictment against the farmer, there are half truths which in their effect may be mischievous in the extreme. Within the generation the farmer has contributed through taxes, which have fallen upon

him with an ever-increasing burden, to the establishment and development of agricultural colleges and high schools to an even greater degree. He or his children have availed themselves of the benefit of this education to the fullest degree commensurate with his means, and usually at great personal sacrifice. He has adopted and applied in ever-increasing degree such knowledge as has been made available as to the methods of modern agriculture. His sons and daughters are in hundreds of instances the graduates of agricultural colleges, who, inspired by the hope of following in the footsteps of their parents, have returned to aid in the development of the farm. Yet despite all this, the farmer has seen himself receding more and more from economic equality with his more fortunately situated competitor in industry.

Even though the individual farmer might find himself never so shrewd, so far as the business side of his vocation is concerned, he is confronted at the very outset with an economic system and economic conditions which alone he is incapable of meeting on a basis of equality.

Even if he were able to fix exactly the number of acres to be planted in any given period, his yield would vary by hundreds of thousands of bushels of grain or bales of cotton. Unanticipated changes in climate, the depredations of insects or disease might totally destroy his crop. On the other hand, his yield might be so bounteous as to upset entirely his calculations.

It is no easy or simple problem to change the agriculture of the Nation. Although diversified farming may represent the peak of agricultural desirability, there is involved not only a long process of experimentation to discover the most desirable substitutes which may fit into the scheme, but there is involved as well the economic life of entire communities which by long and careful process has been erected upon a more fundamental agricultural program. The customs of a community or of a nation do not change overnight. For some time it has been accepted by leaders, not only in agriculture but in other fields as well, that the time has come when we must abandon the present doctrine of laissez faire as regards agriculture and, statesmanlike, enter upon an entirely new program in which there may be accorded to agriculture the same legislative consideration as has enabled industry and finance and commerce to meet the exigencies by which from time to time they have been confronted. It is universally conceded that reasonable and constructive legislation adequate to rectify the adverse conditions which at present obtain in agriculture is both justifiable and imperative.

Congress has recognized the need of farm-relief legislation and has given to the problem serious consideration, such as has rarely been bestowed upon any major legislative problem. But the question is not merely one of legislation, but rather of legislation which may be fully adequate to meet the situation. The only legislation worth while in the premises is that which seeks to affect a permanent remedy. Temporary or halfway measures are ineffective at best and may under adverse conditions prove of positive harm.

It has been urged that the farmer in seeking to overcome the ills by which he is afflicted through the medium of legislation is pursuing the wrong method, that he should seek a remedy through the adoption of better methods all along the line and evade the pitfalls of the legislative maze. It is particularly urged that in seeking to invoke the Federal legislative machinery the farmer is surrendering his erstwhile priceless freedom and submitting himself to the iniquities of Federal buracuracy with all the evils which are thereby entailed. In the abstract and without regard to the economic history of the Nation this apparently forceful but specious contention would seem to be pertinent and effective. But let us view the facts in the light of the economic history of the Nation and the system which has been developed.

The second act passed by Congress under the Constitution on July 1, 1789, opened with the following preamble:

> Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and for the encouragement and protection of manufactures that duties be laid on goods, wares, and merchandise imported; be it enacted, etc.—

And ever since that first act industry has been increasingly the protected protégé of the Government.

During the 20 years, from 1850 to 1870, the Federal Government granted to the railroads more than 160,000,000 acres of land of the public domain. Eager to develop their lines and to have industries established along their routes, railroads offered them preferential rates, agriculture bearing the burden of the gratuity. This development of a freight-rate structure preferential to manufactured products has exacted its toll throughout the years.

In 1880 the great mass of our people—approximately 44 per cent of those gainfully employed—were engaged in the pursuit of agriculture. With the development of manufactures and the growth of our cities, there has been a constant movement away from the farms and a consequent concentration in industrial centers. Prior to 1880 there was practically no labor legislation, and our doors were open to immigrants from every land. With the industrial development of the Nation during the last half century there has come a corresponding development in labor organizations and a regulated industry and wages at a height never before conceived of. But the boon of labor has not ceased with advanced wages. In addition to these advantages which labor has been able to secure by means of its own efforts, by means of conditions which readily lend themselves to cooperative and coercive programs, labor has benefitted by a restrictive policy of immigration adopted by a beneficient Government in its behalf.

Thus we have witnessed the development of a national policy by which our industries have been protected by a tariff since the early days of the Republic; labor has been protected by immigration laws; our railroads and public utilities, generally, by legislation which assures them an adequate income upon capital invested; interest rates fixed by the Federal reserve system, which at the same time permits commercial credits to be used as a basis for currency for the commercial world. Through the Interstate Commerce Commission the resources of our railroads are conserved, and by means of the loans which have been extended them through the Federal War Finance Corporation they have been permitted to overcome the disasters which ordinarily attend periods of deflation in our economic system. While our railroads, our public utilities, or manufactures, and our banks in most instances are all prosperous and earning satisfactory dividends, while organized labor is receiving higher wages than at any previous period in our economic history, agriculture alone is operating at a loss.

A tariff levied by the Government for protection of our industries from cheap foreign goods, or an immigration law passed by the Government to protect our labor from cheap foreign labor is but another form of governmental subsidy, even though the immigration law was not written with this object in view, but rather as a benefit to the Nation as a whole.

During the period of the World War the American farmer was called upon to feed the world. The European source of production had been practically entirely eliminated and the farmer appeared for the first time to be able to profit by an unrestricted demand and the untrammeled operation of the law of supply and demand. But his dream was rudely interrupted. Although the price of his commodity was fixed by legislative enactment he was compelled to bid for labor in a market already preempted by the Government with vast resources at its command. Unable to avail himself of the free operation of an economic principle because of governmental intervention, the farmer became at the conclusion of the only era of success which had been open to him within a generation, the victim of conditions attendant upon reconstruction and deflation which have swept him into a debt from which he can not hope to emerge within the decade.

Restricted by governmental intervention to his disadvantage during a period of inflation, it was but natural that during the succeeding period of deflation the farmer should look to the Government for legislation tending at least to restore him to his previous condition; and certainly it must be regarded as a proper function of the Government to help agriculture occupy the position to which it is justly entitled by virtue of its position as a basic industry.

As a consumer the farmer is compelled to pay the cost of a protected market. As a producer he is compelled to accept a price dictated not by the level of the market in which he is a consumer, but by a world market, the prices in which are dictated by purely agricultural nations where farm labor is obtainable at trivial cost. The labor and capital of the farmer are not protected by the Government on a parity with labor and capital in other lines of industry; agriculture is not surrounded by legal safeguards.

A policy of legislative protection which protects only a part of the people or a part of their property is certainly not American. If a national policy of protection as applied to industry is sound, it must also be extended to agriculture. If legislation having for its object the granting of governmental benefit to agriculture is unsound, then it must likewise be unsound to grant it to industry and to the other groups to which it has been granted. It is only simple justice to accord to the farmer the same measure of protection provided for industrial workers and manufactures by a wise and beneficial Government.

THE M'NARY-HAUGEN BILL ANALYZED

Proceeding upon this principle, Congress has made a serious effort to meet the situation by the enactment of legislation de-

signed not only to meet the conditions which immediately obtain but legislation which may prove to be of permanent benefit to the industry.

Of the various measures which since 1920 have been proposed in the Congress purposing to aid the farmer, only one has succeeded in passing both Houses. That measure was vetoed by the President on the 25th of February, 1927.

With the convening of Congress in December of 1927, the Committees on Agriculture of both Houses renewed their studies of the problem, and on April 5, 1928, a bill, H. R. 12687, was reported from the House committee. The major provisions of this bill are as follows:

Section 1: Policy.—Section 1 of the bill declares that it is the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce. In promoting orderly marketing the board created by the bill through the execution of the powers vested in it by the act is specifically authorized to accomplish the following ends:

First. The control and disposition of surpluses of agricultural commodities.

Second. The preservation of advantageous domestic markets for agricultural commodities.

Third. The prevention of agricultural surpluses from unduly depressing the prices obtained for commodities and from causing undue and excessive fluctuations.

Fourth. The minimizing of speculation and waste in marketing.

Fifth. The furtherance of the organization of producers into cooperative associations.

The declaration of policy is not only a direction to the board but a limitation upon the board in its operations under the act.

Section 2: Farm board.—Section 2 provides for an administrative board composed of 12 members appointed by the President, 1 from each of the 12 Federal land bank districts. The Secretary of Agriculture is made an ex officio member.

The present bill differs from the former in that it contains no limitation or restriction upon the President's power to appoint. The former bill provided that nominations should be made by farm organizations to the President, thereby limiting his power of appointment to the list of nominees, a principle which he regarded as unconstitutional, and upon which he in part based his veto message.

Section 3. Section 3 of the bill applies to the organization and duties of the board. Under this section the board is authorized to advise producers in the development of suitable programs of planting or breeding in order that they may avoid burdensome surpluses and secure maximum benefits under the act.

The present bill differs from the former bill in defining "surplus" as meaning—

any seasonal or year's total surplus produced in the United States, and national in its extent.

Section 4: Commodity advisory councils.—Section 4 of the bill provides for the creation of advisory councils of seven members each to be selected from lists submitted by cooperative associations and farm organizations, for each agricultural commodity which the board may determine needs stabilization. The function of the advisory council is to advise the board with respect to operations in the commodity it represents, and to assist the board in advising producers as to suitable program of planting or breeding.

Section 5: Loans.—In order to carry out the provisions of the act, the board is authorized to make loans at 4 per cent interest out of a revolving fund provided in section 13 to cooperative associations or corporations created and controlled by the cooperative associations.

Loans may be made for the purpose of assisting in controlling a seasonal or a year's total surplus produced in the United States and either local or national in its extent. The term "surplus" in this sense may be construed to mean that which is in excess of the requirements for orderly marketing, or in excess of the domestic requirements for such commodity.

The board may further make loans for any of the following purposes:

(1) For working capital to be used by the cooperative association or corporation created and controlled by one or more cooperative associations.

(2) For the assistance of such associations or corporations in the acquisition of necessary facilities, plants, and equipment.

(3) To assist such associations or corporations to merge or federate or to extend their membership.

(4) For funds to be used by such associations or corporations as capital for agricultural credit corporations to function in connection with intermediate credit banks.

The aggregate amount which may be used for loans for these four specific purposes is limited at any one time to $25,000,000, while the aggregate amount of loans for federating cooperative associations and extending their membership is limited to $2,000,000. No loan may run for more than 20 years, and is to be secured by marketing contracts of the cooperative associations. The repayment of the loan is to be effected through a charge to be deducted from the proceeds of the disposition of each unit of the commodity, and is known as an equalization fee.

The language of the present bill differs from the previous bill in that it is now permitted to authorize loans for the purpose of controlling a seasonal or year's total surplus produced in the United States, and either local or national in its extent. Section 5 further provides for the qualifications to be possessed by the corporations to which the loans are to be made, and the conditions to which the corporations must conform to be eligible to receive loans under the bill.

Section 5 of the present bill sets forth more specifically than formerly the purposes for which loans may be made out of the revolving fund to cooperative associations. All loans under section 5 are made upon such terms and conditions as will afford adequate assurance of repayment.

Section 6: Increased production.—Section 6 provides that if producers, disregarding the advice of the board, increase planting or breeding abnormally the board may refuse advances for the control of surplus to any cooperative association or corporation dealing in that commodity.

No such provision as this was contained in any of the previous McNary-Haugen bills. The effect of the provision is to give the board the power to prevent abnormal expansion under the stimulus of stabilized prices.

Section 7: Investigations by the board.—Section 7 provides that the board may investigate the conditions surrounding the marketing of any agricultural commodity for the purpose of determining the existence of a surplus, or whether the existence of such a surplus threatens to depress the price of a commodity below the average cost of its production in the United States during the preceding five years, and whether the nature of the commodity is adaptable to safe storage and future disposal.

Since section 7 does not control or limit the board's action either in making loans or marketing agreements, it is in effect an elaboration of the general powers of the board as set forth in section 3.

Section 8: Clearing house and terminal marketing associations.—Section 8 authorizes the board to assist cooperative associations in establishing clearing-house associations and terminal-marketing associations, especially for the benefit of fruits, vegetables, and other perishable products, the object being to prevent gluts or famines and to reduce waste. This principle was recommended by the agricultural conference on agricultural legislation, submitted to the President in 1924, and transmitted by him to the Sixty-eighth Congress in his message of January 26, 1925.

The assistance to be given under this section is not financial, but advisory and educational. Financial assistance through loans, however, would be available under section 5. The clearing house or terminal-marketing associations would be "market agencies" within the meaning of the Capper-Volstead Act. This section has been added to the bill to meet the President's objection to this feature of the bill of 1927, as follows:

If this is a true farm-relief measure, why does it leave out the producers of beef cattle, sheep, vegetables—

And so forth. Thus, instead of enumerating only certain commodities, the present bill makes no distinction among agricultural products.

Section 9: Marketing agreements.—The plan provided in section 9 of the bill is not to be applied by the board to any commodity unless and until the provisions for control of surplus through loans to cooperative associations (sec. 5) have proven ineffective. In such event the board is to operate through marketing agreements and equalization fees, provided certain other findings prerequisite for such action are made by the board. These other findings are—

First. That there may be a seasonal or year's surplus.

Second. That the nature of the commodity adapts itself to the operations contemplated.

In order to harmonize this section with section 5 of the bill the language has been changed. The word "local" has been omitted, so as to prevent the board from entering into marketing agreements financed by equalization fees to cover a surplus purely regional or local. Under the language of this section the agreement may be entered into only when the surplus is

national in its extent; that is, the total supply available at any time must exceed the total national demand.

Under this section the only commodity for which the board may establish a marketing period is one which is adaptable to this form of surplus-control assistance. Perishable crops would be excluded from the use of marketing agreements financed by equalization fees.

The marketing agreements provided for in this section are to be made with cooperative associations or corporations created by them, and are to withhold from the market, to buy, remove from the market, export, or otherwise dispose of such quantities as are agreed upon. This assistance is to be continuous throughout a marketing period, which commences with the publication of findings and can be terminated by the board when no longer necessary or desirable.

The types of marketing agreements are as follows:

First. The board may contract with a cooperative association to withhold from the market for the length of time fixed in the agreement any portion of the commodity delivered to it by its members, the cost to be paid by the board out of the stabilization fund for the commodity. The contract may specify the length of time for which the commodity may be withheld or it may provide for storage until agreement may be made for its disposal.

Second. Or the board may contract with a cooperative to purchase part of a supply and withhold it and dispose of it as agreed upon.

Losses are paid from the stabilization fund. Profits are to be turned into the stabilization fund.

The cooperative association is responsible for the repayment of the advance in full where no loss has occurred. The liability of the United States is limited by other sections of the bill.

Of this section of the bill it has been said that the Government must in effect go into the business of buying and selling farm crops, unless the cooperative associations make a success of controlling the entire crop of any given agricultural commodity period. It is said that farmers' cooperative marketing associations can not control even with the financial and moral support that would be given by the Federal farm board. Cooperative associations could not successfully and prudently control the entire producing capacity of all the farmers. Farm organization leaders themselves do not expect the cooperatives to control successfully, through the loan feature of the bill, the marketing of their crops in such a way as to raise basic price levels.

In testifying before the committee Mr. Chester H. Gray, of the American Farm Bureau Federation, said the cooperatives would avail themselves of the loan features of the bill for current marketing operations, but would be unwilling to utilize them for surplus disposal, being unwilling to obligate themselves to pay back the loans at interest for the disposition of the surplus.

Under the present section the board may not enter into a marketing agreement to be financed by equalization fees unless the loan provisions have proven ineffective.

This section of the bill has been changed in many particulars from the former bill in order to meet the objection raised by the Attorney General that in former provisions Congress attempted to delegate to private associations and corporations the power to determine whether the regulation for commerce provided in the bill should be put into effect. Thus the provisions giving unofficial groups a veto power over the decisions of the board have been omitted.

Section 10: Equalization fee.—When the board enters into marketing agreements it makes the revolving fund established by the Federal Government responsible for the losses, costs, and charges incurred under the agreement. In order that the revolving fund thus advanced by the Treasury may not suffer impairment from such advances it is provided under this section that each marketed unit of a commodity for which marketing agreements have been entered into shall contribute a ratable share of the costs and losses incurred.

Since marketing agreements are to be resorted to only when the board finds them necessary for the regulation of interstate and foreign commerce as intended by the bill, the contribution exacted from each unit of the marketed commodity, called an equalization fee, is provided to care for the regulation of the commerce.

The bill provides that the board is to estimate in advance of any marketing period the probable sum needed to cover the costs, losses, and charges that may result from the marketing agreements, as well as the unit charge or fee necessary to secure that sum from the commodity.

The board is required in advance to specify the time during which the fee shall remain in effect, as well as the unit amount of the fee so that if necessary it may be revised subsequently.

The board is required to collect the fee upon the transportation, processing, or sale of the commodity, utilizing for this purpose the most effective and economical means of collection with respect to each unit of the commodity marketed during the marketing period.

The agencies collecting the fees are to transmit the fees to the board, and the board is to pay them a reasonable charge for their services. The agencies are penalized one-half the sum due for failure to collect or to transmit the fee.

The bill further provides that an equalization fee may be collected upon the importation of any food product manufactured in whole or in part from the commodity. This provision has particular application to wheat and flour. The previous bill would have permitted the collection of the fee from the millers in the case of wheat. If that were the arrangement, the mills would pay the fee upon foreign wheat milled in this country exactly as in the case of domestic wheat. Therefore the maximum price for all wheat, whether of domestic or foreign origin, would approximate a level that included both tariff and equalization fee. At the instance of the American millers, so that their product would not need to compete with imported flour, or that the American miller would have to purchase his wheat whether of domestic or foreign origin at a price level that would include both tariff and equalization fee, the present bill authorizes an equalization fee upon importation, so that the flour sold by the miller would not be in competition with imported flour which had paid the tariff but had paid no equalization fee. The situation was discussed by the President in his veto message of February 25, 1927.

The present bill differs from the previous bill by bringing together into this section—10—the general provisions contained in sections 8, 9, and 10 with such changes as laid down more specific instructions to the board for the collection of the fee. There are also included definitions of the terms "transportation," "processing," and "sale." The present bill authorizes the board to reimburse a collection agency for the collection of the fee; the old bill did not.

Section 11. Section 11 directs the board to establish a stabilization fund for each agricultural commodity dealt with through the marketing agreements provided for in section 9. The money of the stabilization fund would, in the first place, be advanced from the revolving fund as required.

Equalization fees collected from the commodities are to be deposited in the stabilization fund for each particular commodity in order to make good any payments required under the marketing agreements, so that advances from the revolving fund may be repaid as the equalization fees come in. Profits are also to go into the stabilization fund for the particular commodity dealt in.

From the stabilization fund the board may pay costs, losses, charges, salaries and service charges, repayments, and interest.

Section 12. Insurance.—Section 12 describes the insurance contract which the board is authorized to enter into with a cooperative association engaged in handling an agricultural commodity. Such an insurance contract can be applied only to a staple agricultural commodity which is "regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the commodity."

Insurance as here provided for is in reality a form of market hedging; it provides against price decline, the association being assured that the average price for the basic grade of the commodity during the period in which the sales take place will not be less than the average price for the same grade in the same market during the period in which the deliveries of the commodity to the association by its members take place.

The price against whose decline the board is authorized to insure a cooperative association would be the average price for a basic grade in the particular market designated in the contract.

The advantage which a cooperative association would get from the insurance feature arises from the fact that with this protection cooperative association would be able to borrow and advance to its members at the time of delivery practically the current market value for the commodity. Such an insurance agreement would provide the cooperative association with a hedge against loss caused by decline in the average market price.

In his veto message of the previous bill, the President referring to the insurance section said in effect, that it amounted to a straight Government agreement to pay the cooperative as-

sociation any loss which it might incur in withholding commodities from the market, no matter how high the price might be advanced. The President felt that nothing could be imagined which could be more destructive of the orderly process of trade or unfair to the nonmember of the cooperative association, since his equalization fee would be used to pay the losses.

The proponents of the bill feel that the language of this section of the present bill has been so clarified as to express more accurately and clearly the exact nature of the insurance agreement, and thus remove in part some of the objections which may have attached to it in the past because of vagueness.

Section 13. Revolving fund.—The bill authorizes an appropriation of $400,000,000, to be advanced by the Treasury and used as a revolving fund for the purpose of initiating the stabilization fund. The sum in the present bill is an increase over that carried in previous bills. The increase may be due in part to the objection of the President in which he pointed out that the bill failed to restrict the contracts to the sum appropriated in the measure which he vetoed.

Sections 14–21. These sections of the bill are largely routine and regulatory, and are not treated in detail at this time.

CONCLUSIONS

The measure at present before the Congress is the outgrowth of a series of legislative trials and failures since 1924, when the first McNary-Haugen bill was considered. A bill was again presented in 1926, clothed in somewhat different language; and the bill of 1927 was based upon that of 1926.

The bill of 1924 had but little support. It was defeated in the House and failed of consideration in the Senate. The bill of 1926 failed of passage in both Houses. Both Houses of Congress passed the bill of 1927, but it was vetoed by the President, and to-day with but slight modification it is again before the Congress.

The present bill, Mr. Speaker, represents the major legislative proposal which since 1920 has been presented to the Congress for the relief of agriculture. The McNary-Haugen bill comes with a degree of prestige which rarely attends legislative proposals, having run the full gantlet of legislative vicissitudes. Having alternately failed of passage and passed the Congress and been vetoed by the President, it is once again undauntedly braving the uncertainties of both congressional and executive approval.

Fairness compels one to admire and commend the authors of the measure for their courage and persistence, as well as for their sincerity of purpose and their honesty of intent. By the same token those who may favor or oppose the measure must be regarded as having come to their conclusions upon a basis free from bias or prejudice. The crux of the problem is not farm relief in the abstract, but rather a particular proposal drafted as a legislative measure to remedy a situation by methods which appear adequate, correct, and relatively free from inherent defects. This is the test to which the proposed legislation must be subjected, and the criterion by which it must be evaluated.

Does the present measure purpose to secure for agriculture the relief it so sadly requires? Is it the only form of relief adequate under the circumstances? Does it secure the relief required by all branches of agriculture, or is it at best but makeshift in its nature, conferring benefits upon some branches of the industry to the determent and at the sacrifice of others? Will the plan herein proposed prove of benefit to agriculture, bringing down upon, however, the whole economic structure of the country disaster so grave as may constitute a menace rather than a benefit? These are the inescapable considerations which force themselves upon everyone who would honestly seek an approach to the measure and a study of its details.

The present bill, like its predecessors, sets up as a declaration of policy the orderly marketing of agricultural commodities by means of the intervention of governmental agencies. As to just exactly what orderly marketing may be, as to the exact manner in which it would affect the several commodities which it presumes to regulate, indeed as to any aspect of the entire principle involved there is no definite expression.

Farm board: The agency created by the bill for the enforcement of its principles and its policy is a farm board composed of 12 members, who so far as the provisions of the bill are concerned are clothed with powers so vast and so extensive as to constitute a practical dictatorship of the operations of the basic industry of America.

America has ever suppressed the military to the civil, autocracy to democracy, tyranny to self-government, and yet in the legislation now presented it is proposed to create a body so armed with power and potential tyranny that a military dictatorship such as has been recently witnessed in several states of Europe would be benevolent in comparison. It is said that the farm board would not abuse its powers, that its operations would be benevolent, far-sighted, and protective. Yet nowhere is there proposed any check either by the Congress or the Executive upon its assumption of power or its operation.

But even omitting all adverse criticism as to the temptation to which the board might be subjected, it would nevertheless be confronted with a task so stupendous as to be almost staggering in its contemplation. At best it would need to be composed of highly competent men, able not only to suppress their individual differences in the desirability of harmonious conclusions, but men capable of securing the loyal cooperation of an army of assistants, more vast than are engaged in any other single activity of the Federal Government. It would require prescience, competence, acumen, and diplomacy such as has characterized no similar body of men in the history of the world.

Vagueness: In all the years the bill has been before the Congress, no one has at any time been able to explain just exactly how it would work in actual practice. It may well be regarded as one of the chief criticisms of the bill that it is vague in all its essential points. Many of the passages of the bill are not clear as to their terms.

Surplus control: The measure under consideration contemplates relief through the principle of surplus control, and leaves to implication the conclusion that as at present written this end is to be achieved through the principle of acreage reduction. That there is an intimate relation between acreage and production can not, of course, be denied. As to the accuracy of this yardstick of measurement, however, there is a wide variation of opinion. Into the problem of production enters not only acreage but a wide range of factors and elements over which the producers of agricultural products have little, if any, control. Weather, insects, plant diseases, all occupy an important position in the vastly complex system of agriculture and tend to put to route estimates of production.

The experience which the agricultural world has suffered at the hands of official forecasters warrants it in the assumption of grave doubt as to the performance of this task under conditions which will tend to place upon it both direct and indirect financial obligations. Acreage alone is neither a certain or accurate yardstick by which to measure production; yet the bill provides no more practical or adequate method.

Dumping: Fundamentally the proposed legislation can operate only through the principle of dumping. And the effect of dumping in reality is to raise the price on that part of the crop consumed in the United States and to take a loss by reducing the price on that part sold abroad. Thus the American consumer is compelled to pay a price higher than normal, while the European consumer would pay a price lower, perhaps, than the cost of production; but under any circumstance lower than that paid by the American consumer.

In addition to this very obvious effect of dumping there is a more far-reaching and pernicious evil not so apparent. The principal objective of the bill, as expressed throughout its several sections, and as admitted by all its proponents, is the raising of prices; dumping is the process by which this is to be brought about. It is a foregone conclusion that the wheat grower will expand his acreage under the stimulation of high prices, with an ever and ever increasing exportable surplus resulting. The immediate effect of this procedure would be an increase in the equalization fee with all its attendant evils; but ere long the European processor would find himself in a preferred position so far as stocks of raw material might be concerned and retaliate by dumping upon the American market cheap manufactures resulting from cheap raw materials. The effect upon the American farmer would be to force upon him an ever-increasing tax through the equalization fee, because of his constantly declining American market, forced out by dumped European manufactures.

Price fixing: Like its predecessors, the bill is primarily and essentially a price-fixing measure, a circumstance which caused the defeat of those measures in some part of the legislative process. Under the provisions of the bill the board is required to estimate the losses, costs, and charges of any marketing agreement before entering upon it. This entire procedure is dependent upon the price at which the domestic surplus is to be bought and sold. Thus, however carefully the unpleasant fact is disguised, it constitutes price fixing nevertheless. Attempted on a large scale during the period of the World War, at a time when the spirit of patriotism was marshalled to its support, price fixing proved not only unsuccessful in practice but constituted an ever-present reminder of the fact of the existence of war. Is it proposed to place America of the future under the dictates and threat and inconvenience of war-time measures?

Artificially stimulated prices, or control which can stimulate them, has not infrequently forced the use of substitutes and has encouraged production in noncontrol areas as well. British control of rubber has so reacted as materially to stimulate production elsewhere and to encourage the reclamation of used rubber. The world has paid a bounty for the control of both rubber and coffee, and yet in the end the nations which have imposed the bounty of control will suffer most, for they have but stimulated research that will ultimately make the world free from their impositions.

That the bill contemplates putting the Government into business is inescapable from the facts. It is no palliative to concede that the business would be that of buying and selling farm crops.

Equalization fee: As has already been stated, the fundamental and essential principle which the bill purposes to adopt as a means of aiding agriculture is that of surplus control. This is the definite objective of this legislation. Any analysis of the bill will fall short of its purpose if it fails at all times to keep this principle in view. This is the center around which all other principles of this measure radiate. The description of the method by which the control of surplus is to be accomplished constitutes the burden of the bill.

Surplus control, then, being the objective of the measure, it is pertinent in analysis to inquire as to the method by which this may be accomplished. Without conceding the principle, however, that surplus control is the only or the most desirable method of farm relief, and anterior to an examination of the machinery set up in this measure to secure this end it might be well for a moment to view the problem divorced from its legislative psychology.

If independent and private enterprise were to adopt this program, how would it proceed? Judging from past experience, if it were decided to withhold from market a quantity of goods for the purpose of bringing about an increase in price of that offered for sale, the group entering upon such a program would most naturally buy up with funds which it had voluntarily contributed that portion of the surplus necessary to be removed. All members of the group involved would as parties to the action contribute voluntarily to the pool and share in profits or loss in direct ratio to their participation. The action would be voluntary, the results would be restricted to the particular group involved, and there would be no interference with freedom of contract or individual enterprise.

What on the other hand would be the procedure under the provisions of this bill? First of all, marketing agreements under the bill are immediately removed from the entire realm of individual enterprise and private business, and become governmental contracts.

Marketing agreements under the bill are financed primarily from a revolving fund established by the Federal Government and set aside from other public funds of the Federal Treasury. From this fund are advanced the sums to be expended in surplus control. But in order that this fund may not suffer impairment it is provided in this section of the bill that each marketed commodity for which agreements have been entered into shall contribute a ratable share of the costs and losses incurred. This ratable share exacted from each unit of a commodity is called an equalization fee, and it is the assessment of this fee and its collection that removes from freedom of contract and individual enterprise America's basic industry.

Here, those who would avail themselves of the principle of surplus control are given no choice as to who may participate, as to the extent of their participation, nor even as to the profit they may derive or loss they may sustain. They have surrendered all individual rights, for the bill provides that the board may estimate in advance of any marketing period the probable sum needed to cover the costs, losses, and charges that may result from the marketing agreements, as well as the equalization fee necessary to secure that sum from the commodity. But there is no freedom of participation, the fee falls upon all alike—participants and nonparticipants. And only by fixing a price can the board estimate the fee.

It has been found necessary in discussing other aspects of the measure to allude to the iniquities which must inevitably flow from a system so complex and so obnoxious; for emanating from this principle of an equalization fee come all the evils entailed in this legislation.

As has already been indicated, the artificial stabilization of prices by surplus control and dumping, the twin evils of this measure, can not but result ultimately in a train of events having as their culmination the dumping by retaliation of cheap European processed goods into the United States.

In an attempt to meet this objection, so forcibly stated by the President of the United States, the proponents of the measure have amended the present bill so as obviously to overcome the dilemma by conferring upon the board the power to impose an equalization fee upon the importation of any designated unit of agricultural commodity coming into the United States for consumption therein.

But the matter lies wholly within the discretion of the board. It may or may not impose an import fee; the import fee, if imposed, may not be equitable to all branches of the industry, and under any circumstances its collection, already involving an army of governmental agents, will still further invade the realm of the customs.

Thus, there would ensue the imposition of an equalization fee in the first instance for the removal of a surplus and its dumping at a loss abroad; production would tend to increase, the exportable surplus would also be increased, dumping would become retaliatory on the part of European processers; and at the point of entry there would be an importation fee not necessarily adequate to prevent a mounting of the tariff—import fee barrier—and so, the vicious circle once begun, would be continuous in extent. Somewhere there must ultimately come a contest between these irresistible forces.

If upon the producers of a crop largely exportable the equalization fee falls as a particular burden, what of the added import fee which may now be assessed upon its processed products? Are America's cotton producers to bear the total burden of America's agricultural ills? Cotton, under no circumstances, could be benefited by an equalization fee, but as it represents a continuous exportable surplus action of the board is mandatory and it must pay the fee notwithstanding.

Perhaps no better description of the unworkability of the equalization fee can be found than that given by the President in his veto message of February 25, 1927, in which he says that some conception of the magnitude of the task of collecting the fee may be had when it is considered that if the wheat, the corn, and the cotton crop had been in operation in 1925, collection would have been required from an aggregate of more than 16,000,000,000 units. The fee will have to be collected either from processers or transportation companies. In the case of transportation companies the difficulty would be enormous in view of the possibility of shipping commodities by unregistered vehicles. So far as processers are concerned it is safe to say that the estimate is far in excess of 10,000 considering the number of factories engaged in the business of canning corn or manufacturing food products other than millers.

As to the accuracy of the estimates which the board is compelled to make the President's observation again becomes pertinent, for he says in effect that the board could hardly do better in this matter than the Department of Agriculture has done in its recent estimates of wheat and cotton. Of the recent estimates in spring wheat those of the department were 90,000,000,000 bushels too large; in winter wheat 126,000,000 bushels too small, and 140,000,000 bushels too large; in corn 430,000,000 bushels too small, and 650,000,000 bushels too large. In cotton the range has been 2,983,000 bales too small for 1926, and 3,286,000 bales too large for 1918.

As to the unconstitutionality of the equalization fee there can be but little doubt. Whether it be regarded as a tax or a regulatory fee, the principle involved implies a delegation of the powers of Congress.

The Attorney General, in an opinion rendered at the instance of the President, reviewing the contemplated operation of the fee said, in effect, as follows: "The board set up in the bill in estimating the equalization fee would be compelled, in exercising due regard for probable losses which might accrue from its operation, and in making its estimates, to not be engaged in a finding of facts, but in predicting future prices which would prevail in the markets where the surpluses would be disposed of. To the board there would be left absolute discretion, unregulated by any rule or principle, to say whether the fee should be imposed on the sale, the manufacture, or the transportation of the commodity."

Here, then, is the ingenious device by which the ills of agriculture are to be cured. Vague in its intricacy, uncertain in its effect, offensive in its operation, unconstitutional, it is nevertheless presented as the principal instrumentality around which there has been drafted a mass of legislative language as heterogeneous as it is vague. Revolving fund, advisory council, cooperative associations, stabilization fund, equalization fee. What a mass of legislative formulary. Grave indeed must be the distress for which such a prescription is necessary. The farm board creates advisory councils; advisory councils create cooperative associations; cooperative associations create marketing associations; the revolving fund creates a stabilization fund; the stabilization fund necessitates equalization fees. This is indeed the house that Jack built.

The bill seems to have ignored entirely the farmer as a consumer, for although it purports to aid him as a pro-

ducer, it overlooks the fact that he is himself a large consumer of the products of agriculture.

The farmer consumes half of the wheat crop. His gain on this commodity would be offset by his loss as a consumer. Nor is it possible to ignore the results of the operation of the bill upon the several sections of the Nation. Desirable as may appear the principle of diversification, it is an inescapable fact that nature has herself variously endowed the several sections of the country with special qualifications. Benefits accruing to farmers of one section of the Nation would be largely offset by the losses sustained by those in other sections.

Operations under the bill must necessarily fall particularly heavy upon the farmers of the South. To protect the wheat farmer of the great Northwest the farmer of the South would be compelled to carry not only the burden of a protected industrial market as at present, but in addition thereto an enhanced cost of living for all the products of the Corn Belt.

Much has been said about the benefits which will accrue to the producers of wheat under the proposed legislation, and in the endeavor to meet the opposition which must properly have come from the producers of other commodities, the proponents of the legislation have added cotton to the list of enumerated commodities, with the intended implication that cotton and its producers would benefit under the act.

As one who in part represents that section of America which by climatic condition is endowed with the inherent natural properties necessary to produce the world's cheapest fabric it is but natural that the effect of this legislation upon this commodity should be one of grave concern.

The presumption has been fostered that the board provided for in the measure would operate only when there is a contemplated surplus of the commodities of agriculture. There is always a surplus of cotton and tobacco. And, incontestably, these products would be under the continuous control of the board's operation.

Cotton: America's exports of cotton approximate 60 per cent of the crop; there is no protective tariff in aid of the cotton grower as a producer, but as a consumer he is compelled to buy in a protected market. Of the total equalization fee contemplated the cotton growers of America would pay more than 50 per cent of that collected by the wheat growers. Conservatively estimated, the cotton grower's family would find itself contributing to a tax—from which it could in no way derive any benefit whatever—more than $12 per year. And since, presumably, the equalization fee would be imposed to relieve distress in the industry, either actual or implied, the tax would become upon the cotton grower in what would constitute "hard times."

Whatever justification for the measure may exist, so far as other commodities are concerned, there is none for the inclusion of cotton. Cotton growers have within their own control the means for the regulation of the crop as thoroughly as any superimposed governmental agency.

Certainly if the past operations of Federal agencies are to constitute a criterion, the disaster of regulation by the industry itself could not be greater. Because of the greatly reduced acreage and unprecedented boll-weevil damage the cotton crop of 1921 was the smallest in 26 years. Two additional years of inadequate crops resulted in prices exceeded in recent years only during the World War period. As a consequence of the stimulation of high prices, there came a greatly expanded acreage. And with the insignificant damage of the boll weevil in 1926, there was produced the largest American crop on record, and a precipitate decline in price. Again, responding naturally, there came a decrease in acreage, and the 1927 crop was the smallest since 1923.

There can be found perhaps no more dramatic picture than this of the direct influence of the natural and uninterrupted operation of economic laws. Could a Federal agency operating under conditions which would make it obnoxious to millions of American citizens, possessing power arbitrarily to impose burdensome and odious taxes have contributed any relief to the industry at the time of its depression? Could it have enforced the law of supply and demand any more rigidly, extensively, or effectively?

Note the efficacy of a governmental agency which did intervene and the effect of its intervention. On October 2, 1923, the crop-reporting board of the United States Department of Agriculture forecast a cotton crop of 11,013,000 bales. On November 2 the board dropped its forecast to 10,240,000 bales. Prices began to soar. But in April of that year the "Intentions to Plant" forecast of the department had indicated that there would be a 12 per cent greater cotton acreage in 1923 than had been planted in 1922. With the decline in prices incident to this information it was but natural that the department's "Intentions to Plant" reports fell into disrepute in the South.

Largely as a result of these disastrous experiences Congress enacted a law in 1924 specifically prohibiting the Department of Agriculture from issuing reports on intentions to plant cotton, and provided for semimonthly forecasts of cotton production from July 1 to December 1. But the increased publication of forecasts failed to prove effective. They were erratic and uncertain, and in 1927 the law was again amended to abolish mid-month forecasts as well as July 1 and August 1 forecasts.

Here, then, is the result of Government intervention under most favorable conditions. Change the picture to include an army of Federal snoopers, an unconstitutional tax, fraud, and corruption.

Against the contention that the bill is primarily a farm-relief measure, it is important to bear in mind that the language of the bill itself provides for the payment by the Federal board of all losses, costs, and charges of packers, millers, cotton spinners, and other processers operating under contract with the board; for, as the bill provides, when cooperatives or corporations created by them are unable to handle the surplus the board may contract with other agencies to do so.

Thus it would appear that the Government under the bill guarantees a profit to these classes, who under any program of operation become a preferred group.

Bureaucracy: The President of the United States has himself pointed out the menace of bureaucracy contained in the measure. To carry into effect the principles of the legislation provided in the measure involves the creation of a new governmental machine far more extensive and far-reaching than that involved in any legislation proposed by the Congress within the last half century.

The legislation involved deals with the most minute details of intimate business relations of America's basic industry, involving millions of individuals and billions of transactions. The President states the case in forceful terms when he says there is involved the erection of a governmental bureaucracy to let and inspect billions of dollars of contracts with all their infinite variety of terms covering different goods, their grades and qualities.

Although we have attempted in the past to resist the invasion of our offices and our homes of the many ramifying agencies of the Federal Government which have been constantly increasing both in extent and power, we have nevertheless been compelled to yield to the point where at present but little is sacred from the prying eye of a Federal inspector or investigator. We have ever been derisive of the governments of Europe with their alleged curtailment of individual and private rights. We may well pause to observe the trend of our own progress.

It is easy in these days for the legislator to find himself giving support to measures the object of which is to create additional Federal bureaus requiring additional appropriations from the Federal Treasury. It is easy to give support to the impairment of the rights of the States, and to interfere with the exercise of their sovereignty, for the tendency in favor of consolidation in the Federal Government of all governmental powers receives more and more support in Congress from an increasingly large part of its membership. It is easy to support the continually advancing encroachment of the Federal Government upon State and individual rights, because it is the line of least resistance. The doctrine of expediency has many followers.

The legislation proposed by this bill can not be enforced without an administrative army more extensive than any ever witnessed in America. It calls for an aggregation for bureaucratic officials dominating the fortunes of American farmers and allied industry, intruding into their affairs and offering infinite opportunities for fraud and incapacity. The farmer will be set upon by thousands of Government officials, whom he must pay from his own pocket for their undesired surveillance. This extension of paternalism and bureaucracy can not but excite in the minds of patriotic Americans the most gloomy forebodings.

It has ever been the high ideal of the Democratic Party to preserve individual rights and local self-government, and they who believe in the magic touch of bureaucracy and visionary schemes, and who would set up new Federal agencies possessing unlimited authority will find that they will have in the operations of this proposed legislation sold their birthrights for less even than the traditional mess of pottage, for the intricacies of the income tax would be slight in comparison.

There is no opposition to farm relief in America. Industry has come to have a high regard for agriculture as basic in the national scheme, and it is unwilling to witness its decline. Com-

merce and finance both are fully aware of their close interrelationship with agriculture, involved as they are in so many aspects of agricultural activity.

The attitude of the business world finds no more adequate expression, perhaps, than through the United States Chamber of Commerce, which has consistently placed itself on record as eager not only to see the restoration of agriculture to a safe economic basis but which is lending its vast influence and resources to the accomplishment of that end. But even the United States Chamber of Commerce questions the adequacy of the proposed measure and expresses itself doubtful in the extreme of its efficacy.

It would be eminently unfair to conclude that opposition to the proposed legislation constitutes opposition to farm relief. Somewhere within the province of the legislator must lie the prerogative of determining national issues as they present themselves before the Congress. Conclusions as to these problems must be based upon a study in which the national as well as the local point of view is given just consideration, not only for the immediate and the obvious but for the future and the more obscure. The honest duty of an advocate of the cause of agriculture is primarily not to champion a cause blindly but to support it in such a way as may reflect a conviction based upon a thorough analysis and an estimate of its future effect. It may be proper to support a particular measure when no other seems to offer a solution, but it must not be regarded as unstatesmanlike to do the opposite.

Constitutionality: Chief among the objections to the proposed measure is its doubtful constitutionality, which has been presented both by the President and the Attorney General.

As to the board itself, if it be its duty to determine the price at which agricultural commodities shall be bought and sold in the domestic markets then it has been given legislative power to determine the price in its entire discretion, without any formula or rule to guide its judgment prescribed by Congress.

In fixing the amount of equalization fee the board proceeds upon a prediction of future prices to prevail in the markets where the surplus is to be disposed of. It is a question of grave importance to delegate to Federal officers unlimited discretion in deciding whether price fixing shall be commenced, what the price shall be, and on whom shall be placed the burden of collecting the charges.

The only provision in the Constitution, in the opinion of the Attorney General, which can be relied upon to supply the power for the proposed legislation is that which gives Congress the power to regulate commerce; and he concludes:

> A painstaking search has not disclosed anything in our constitutional history or in the decisions of the Supreme Court to justify the belief that the power of the Federal Government to regulate commerce includes the power to establish and maintain, or to take steps to establish and maintain, the price at which merchandise may be bought and sold in interstate commerce, with the necessary consequence of fixing the price at which the commodity in question shall be bought and sold in every place in the land whether in or out of interstate commerce.

It is of course true that our tariff acts and immigration laws do affect the market prices of merchandise and labor. But this is only the incidental result of admitted power. In the legislation contemplated, price fixing and maintenance is not the incidental result of an administrative power, but presumptively a direct power conferred upon the board, and the question arises as to whether that constitutes a regulation of commerce within the meaning of the commerce clause. Instead of preventing, the operation of the act contemplates the creation of burdens and restraints upon commerce.

As to the equalization fee, there arises the question of its nature. If the fee be not a tax, its imposition and collection must constitute a taking of property without due process, for under the act all producers directly or indirectly would be forced to make a contribution toward the losses and expenses suffered in the operation of the group and for the common benefit. Compelling some citizens to participate in business operations by requiring them to contribute to the loss and expense thereof is in violation of the fifth amendment, and constitutes a taking of property without due process.

If the equalization fee be a tax, then its proceeds constitute public funds in the Treasury, with the result that the Public Treasury would bear the losses and expenses and take the profits, if any, of the business of buying, storing, and selling agricultural commodities, thus engaging in activities hardly supported as a regulation of interstate commerce.

Basing conclusions upon past occurrences, it is impossible to see how the measure can escape the Executive veto. It must be recalled that the present farm-relief measure is the climax of all the measures that have preceded it during the past four years. The passage of all legislation involving the principle embodied in the present measure has met with continued resistance, and the present measure is presumably a compromise and an attempt to meet Executive objection. Viewed in the most impartial manner, the present bill, like its predecessors, falls short of meeting the essential objections of the President as stated in his veto message of February 25, 1927.

It is impossible, Mr. Chairman, for one who has made a serious study of this legislation to escape the foregoing conclusions.

The ultimate effect of the proposed legislation can not but affect adversely the farmer as well as the entire Nation. The bill is invaded by politics, by bureaucracy, by governmental intervention and domination. Legislation of this character is unsound in theory, violates well-established economic laws, and can not be effectively applied in practice.

Prosperity in America has always in the past and must in the future depend primarily upon individual initiative and private enterprise. Whenever legislation must be enacted in behalf of American enterprise it must at least carry the assurance that there shall not be involved governmental domination.

Mr. MORROW. Mr. Speaker and Members of Congress, the problem of agriculture and the method of assisting our American farmer to realize his proper return from agriculture is one of our difficult problems yet unsolved. We have always heard that the tiller of the soil, the producer of our food, should have an adequate and just return for his labor and capital invested. His return certainly should be upon a proper percentage basis, the same as all other industries in the Nation.

That the farmer does not get that return is very apparent from the conditions existing in the standard agricultural districts of our country. It is accepted as true that the Nation needs the farmer; it is further accepted as true that the American farmer is discouraged with the present returns from his labor and investment. It is still further a fact that no legislation thus far enacted has solved his problem.

Men and women upon the farms are discontented and dissatisfied; they believe that the law and policy of the Government does not work for them, but militates against them. The farmer has adopted and attempts to follow a new plan of living—in keeping with the plan of American leisure and comfort. To right-thinking citizens it is obvious that the farmer, too, should benefit by the new plan of life. Instead of farm drudgery there should be farm comforts and pleasures in keeping with those comforts that other citizens of the Nation enjoy. Conforming to the returns the farmer now receives for his investment and hard labor he must lag in the march of prosperity, which is said to exist in the Nation.

The farmer notes the progress of the large corporations—the Steel Trust, the Power Trust, the Food Trust, and practically all lines of large invested capital in the industrial and manufacturing world; he notes their extra dividends and continually increasing stock, and the added returns upon the same. In turn he sees his return diminishing and his tax burden increasing.

To all schemes of developing the country the farmer must contribute his tax return. But does he benefit by the increase in the price of his food product, which he is compelled to market in competition with the markets of the world?

When we say that agriculture is the basic industry of the Nation, we mean that our wealth, as a whole, is based largely upon our American farmer's success in reclaiming our lands and in utilizing them successfully in raising the food products so essential to man's sustenance and support.

When we become involved in war we call upon the farmer to produce a food supply sufficient to sustain our people and our soldiers, and the world, if necessary. To this call the American farmer has always responded, even though at times it has placed him in a position of expansion which has ruined many farmers who heretofore had been successful.

The solution of the farm problem must be a well-thought-out and a comprehensive plan, into which the great mass of farmers must be brought by a system of cooperation with State and Federal agencies. State cooperation is necessary in organizing the farmer to the fact that the State feels the need for the farmer's independence and success.

The farmer must utilize that which he produces to the best advantage possible, and must adapt the product best suited to his soil and to the nearest profitable consuming community; waste and unnecessary transportation charges must be eliminated. To this end the State and the Federal Government should cooperate in assisting the farmer to market his products without unjust burden and delay.

Political parties realizing the problem of the farmer have made party pledges to take the necessary steps to remedy conditions. The party in power, due to its majority, has the best opportunity to right the wrongs of the agricultural man. Will it do it?

The Republican Party claims that industry is exceedingly prosperous; that they have the transportation problem in healthy operation; that the financial structure is secure; but that party also admits that agriculture, the so-called basic industry, is sick, and that they are going to call into power some of the leaders to remedy this situation. Will they do it?

Many believe in the theory of the tariff which forces the American farmer to buy his clothing, machinery, and so forth, in a high protective market—and compels him to sell his farm products in competition with the world. We get back to the adage, "The farmer pays the freight."

A criticism is made that the farmer has left his staid methods of living in which he was born and which his forebears trod before him; he is criticized for entering into the life of the Nation, because he wishes his family to enjoy the auto, the movies, the radio, as his fellow men are doing. One must admit that the farmer, above all others, is entitled to these recreations.

Another problem that must be solved is the freight burden of the farmer. In August, 1920, freight rates were raised 40 per cent in the Northwestern States; 35 per cent in the West; 25 per cent in the far West and South; there has been a reduction of but 10 per cent since.

The farmer pays taxes not upon the income return from his product of the farm, but upon the capital value. Taxes collected from the farmer during 1920 and 1921 were 13 per cent of his total net income, and six times his total net farm profits. In 1926 taxes collected from farm profits averaged 83.1 per cent of the net profit from the farm profits. Taxes have gone up and the farmer's land value has come down. In 1913 direct taxes amounted to $315,000,000 and in 1922 to $861,000,000, or an increase of 173 per cent.

Another factor is the high interest rate which the farmer is compelled to pay. This rate is from 25 to 30 per cent too high, and should be reduced and fixed lower by law.

The taxes of the farmer in 1913 were $624,000,000 and in 1922 they had increased $1,436,000,000, or an increase of 130.1 per cent; upon land this is an increase of 31 cents per acre.

The farm population is decreasing at the rate of a half million a year; in 1921 there was a decrease from 31,000,000 to 28,982,000, and in 1925 a loss of 2,018,000 was shown; in 1926 we note a loss of 441,000, and in 1927 a loss of 649,000; in 1927 there was a farm population of but 27,892,000. Going back 100 years, or to 1820, we find that 90 per cent of the entire population of the country was on the farm, while to-day it is reduced to 29.9 per cent. The colored farm population of the South is leaving the farm much more rapidly than the white farm population of the Nation. From 1920 to 1925 the colored farm population decreased 15 per cent, while the white farm population decreased 7 per cent; this shows that the South, in its farm problem, is having a greater struggle than other parts of the Nation, and the colored person can earn a better return elsewhere than upon the farm.

While farm population is decreasing, farm indebtedness is not decreasing; in 1920 farm indebtedness was estimated at somewhat under $8,000,000,000. The total farm indebtedness, including mortgage and other farm debts for 1925, has been estimated at approximately $12,250,000,000. This estimate is made by the Bureau of Agricultural Economics. The farm mortgage debt on owner-operated farms in 1925, as reported by the Bureau of the Census, was approximately $4,500,000,000.

The farmer, who seldom knew a bankrupt court 25 years ago, is now the leading one to come under the ban of such courts. Statistics for the years 1924 and 1925 show that forced transfers of farm property constituted slightly more than one-third of all transfers. In the West, Northwest, and other localities such transfers exceeded 50 per cent. In the States of Montana and South Dakota 66 to 71 of every 1,000 farms changed hands for this reason—farm failure.

From 1905 to 1914 the average bankruptcy for each 1,000 farms was 0.14 per cent.

Now note the average bankruptcy for the following years, for each 1,000 farms:

| Year: | Average bankruptcy |
|---|---|
| 1921 | 0.21 |
| 1922 | 0.50 |
| 1923 | 0.93 |
| 1924 | 1.23 |
| 1925 | 1.25 |
| 1926 | 1.22 |
| 1926–27 | 1.00 |

And note the bank failures for the following years:

| | |
|---|---|
| 1921 | 291 |
| 1922 | 339 |
| 1923 | 239 |
| 1924 | 837 |
| 1925 | 523 |
| 1926 | 573 |
| 1927 | 1,013 |

Control of the farm product through properly organized farm associations and orderly marketing is the first problem for the American farmer to solve. The great deflation of farm property during the past seven years reduced that valuation from $79,000,000,000 to $56,000,000,000, or a loss in valuation of nearly one-third. This great slump, which has made 100,000 farmers bankrupt without homes, calls for some remedy to restore agriculture back to at least a living basis.

Some of the imports that materially affect our farmers and especially in the Corn Belt of the Nation are herein included, as reported by the Department of Agriculture. These figures apparently show that the tariff is not preventing the importation of large quantities of dairy products and meats into the United States and I respectfully call attention to the very large quantity coming in during the year 1927.

*Imports, 1927*

| | | |
|---|---|---|
| Butter | do | 8,459,741 |
| Milk | gallons | 5,592,539 |
| Cream | do | 4,843,138 |
| Milk, condensed, evaporated, and powdered | pounds | 10,356,469 |
| Cheese | do | 79,796,042 |
| Eggs, in shell | dozen | 249,967 |
| Eggs, whole, dried | pounds | 962,482 |
| Eggs, whole, frozen | do | 2,774,319 |
| Yolks, dried | do | 3,525,508 |
| Yolks, frozen | do | 2,778,422 |
| Albumen, dried | do | 2,960,277 |
| Albumen, frozen | do | 2,340,602 |
| Beef, fresh | do | 35,081,622 |
| Cattle, live | | 443,459 |
| Sheep, live | | 28,598 |
| Veal, fresh | pounds | 7,492,317 |
| Mutton, fresh | do | 494,451 |
| Lamb, fresh | do | 2,151,226 |
| Meats, canned | do | 35,669,361 |
| Sugar, cane | do | 8,431,315,360 |
| Sugar, beet | do | 137,633 |

*Exports, 1927*

| | | |
|---|---|---|
| Butter | pounds | 4,843,142 |
| Cheese | do | 3,410,353 |
| Cattle, live | | 10,850 |
| Sheep, live | | 22,926 |
| Beef and veal, fresh | pounds | 1,737,742 |
| Beef and veal, cured | do | 14,867,932 |
| Mutton and lamb | do | 936,972 |
| Beef, canned | do | 2,752,348 |
| Other canned meats | do | 2,730,065 |
| Sugar, refined | do | 250,645,670 |

The tariff rate should be sufficient in order to protect American manufacturers and labor, and high enough to equalize the difference in the cost of production at home as compared with that which is imported from other countries. When this parity is maintained our country can stand fairly well protected and we should be able to take care of and protect our trade with our sister Republics to the south, who, with other countries, can use our surplus grain, cotton, and wool in exchange for their coffee, rubber, sisal, and tropical fruit. In like manner exchange could be made with those countries of Europe who owe us billions of dollars and thus an enormous debt could be paid and we in turn could wipe out our own enormous liability from the war. The Government could at once reduce taxes and lift a load off the American people and especially from the American farmer. It would appear that our meat and dairy products need a revision of the tariff, as you will see from the immense importations during the year 1927.

I am heartily in accord with legislation of a character that may assist the farmer in improving his present financial condition by aiding him in the proper marketing of his farm products, and especially in the disposition of the surplus above the proper supply needed within our own country.

The debenture plan introduced by the gentleman from Texas [Mr. JONES] and the gentleman from Michigan [Mr. KETCHAM] in my opinion has much to commend the same; it will accomplish every claim made by the friends of the equalization fee, without the question of unconstitutionality being raised; if placed in the farm relief bill it would tend to in some degree assure the enactment of proper farm legislation.

I maintain that education toward expert knowledge in every calling, profession, and occupation is the best way of reaching solutions of problems arising. To this end the farmer must study his condition from the standpoint of ascertaining what is wrong with his soil, his crops, his overhead expense, in order that he may know how to solve his problem and make his investment of capital and labor give to him a proper return.

The States, through their agricultural colleges and other organizations, can do much in diffusing agricultural education.

To this State movement the Department of Agriculture of the Government should be closely affiliated in a practical way so that complete cooperation can be maintained. The producer and consumer should be brought closer together, so that the middleman can be eliminated and the cost of distribution can be materially reduced, with a direct benefit to each class. This means also that the transportation must be equalized in the same proportion upon railroad capital as it bears to the farmer's capital.

Mr. BRAND of Ohio. Mr. Speaker, the discussion of the McNary-Haugen bill has resolved itself into whether or not we are going to make the tariff actually apply on northern agricultural products, and whether or not we are going to control the surplus of cotton in the South, using the equalization fee to cover the costs and losses sustained on the various operations. I think it is fair to say that the opposition want to help agriculture without raising the price of its products.

LOANS TO COOPERATIVES

The opposition, after four years of struggle on this question, are finally willing to make Government loans to farm cooperatives for the purpose of stabilizing prices on farm surplus crops. This means that the Government will loan money to a cooperative in a surplus year for the purpose of buying up the surplus and withholding it from the market probably until there is a lean year, at which time this surplus would be disposed of. The result of this would be smoothing out the hills and the hollows and making an average price continuous.

OBJECTION NO. 1

The objection to the plan is, first, that the cooperative is composed of a small portion of the people raising any particular crop and this cooperative would have to bear all of the overhead, shrinkage, and so forth, at its own expense and for the benefit of all of the people raising that crop. That is, 1 per cent or perhaps 10 per cent of the growers of that crop would foot the bill for the benefit of all of the growers of that crop and this means that the cooperative would probably be bankrupt at the end of the operation.

OBJECTION NO. 2

The next objection to this plan is that it does not contemplate raising the prices above world prices, whereas everybody else in the United States has been raised above world conditions by the operation of many different laws. To raise prices above world prices results in heavy losses incurred in handling the surpluses and no provision is made by the opponents of the McNary-Haugen bill for meeting any such heavy losses. Such a loss can only be covered by a subsidy out of the Treasury or by the application of the equalization fee.

OTHER PRICES RAISED BY LAW

Uncle Sam, by law, has raised railroad income from $4,000,000,000 per year to about $7,000,000,000, and the railroads are prosperous and all of the men who are working for the railroads also are prosperous.

Uncle Sam has protected all labor in the United States from cheap foreign labor by means of the immigration bill, and labor generally is on a remunerative basis; the immigration law meaning billions of dollars annually to the labor of the country.

Uncle Sam has, by means of the tariff law, continually kept the price of manufactured articles above European prices, thus bringing adequate income to manufacturers and to men employed by them.

Uncle Sam, by means of the Federal reserve act, has given the banks control of the surplus money in the United States and the banks pay a fee in the nature of money without interest that amounts to an equalization fee. Public utilities generally have been put upon a paying basis by laws in the States. The gas one burns; the electricity that illuminates; the insurance rate that protects the home; the street-car fare have all been "regulated" on a paying basis by law.

FARMER COMPETING WITH WORLD

The farmer is competing with all of the world on most of his products. His wheat, corn, hogs, cotton, barley, and oats all go to European markets to find their price and there they meet the same products of the European farmer upon an equal basis, and there come also the surpluses from all the nations of the world and the American farmer gets less for his product than the European farmer by the amount it costs in transportation and overhead, from his point to the European market.

Under these conditions, selling in the low market and buying in the American market the things he must buy, his land is depreciating annually in value, and he is constantly going deeper in debt on an average, trying to sell at world prices and buying in the American market.

THE EQUALIZATION FEE

The only contention in this legislation is the equalization fee in the McNary-Haugen bill. The first objection is that it is, the opponents claim, unconstitutional.

IS IT CONSTITUTIONAL?

A few weeks ago, the Supreme Court of the United States declared that the flexibility of the tariff act is constitutional. This provision provides in effect, the transfer of authority to the President of the United States from Congress the power to raise or lower the tariff on an article to the extent of 50 per cent and amounts to a change in the amount of taxation entirely in the hands of the President.

When the Supreme Court took this action I had occasion to confer with one who opposes the McNary-Haugen bill on the grounds that the equalization fee is unconstitutional. I asked him whether or not the decision of the Supreme Court had any bearing upon the constitutionality of the equalization fee, and rather to my surprise he admitted at once that the two were on a par, and that if Congress had a right to transfer its power to the President it undoubtedly had the power to transfer the same power to a board or a commission, and if there did appear in the minds of any a difference the McNary-Haugen bill could easily be changed so that the President would apply the equalization fee.

Not being a lawyer, I have no opinion to express in this matter, but I do hope the opponents of the bill, on constitutional grounds, will go carefully into this recent decision of the Supreme Court and develop what grounds they have for continuing to claim that the equalization fee in the McNary-Haugen bill is unconstitutional.

From my viewpoint the equalization fee in the McNary-Haugen bill is the only part of the bill that is absolutely essential if we are to raise the price of farm products above the world price and be successful in handling the surplus of the cotton in the South.

I think that we could get along without the farm board, as such a board could be formed by the farmers themselves.

I think that we could get along without the revolving fund, as money could be secured if we had the equalization fee by which losses could be met.

SHALL THE FARMER GET THE TARIFF?

The equalization fee is the essential part, and it seems to me that those who are opposed to the equalization fee are opposed because they do not want American prices higher than foreign prices. The Republicans who are opposed to this bill are simply saying in effect that we put the items in the tariff bill for the benefit of agriculture, but we do not mean to have those tariffs actually apply.

This leaves a peculiar situation, with industry enjoying the benefits of the tariff and agriculture competing with the world and denied the actual benefits of the tariff—a situation that can not be long maintained.

For fear that some do not understand the necessity of the equalization fee, I will try to illustrate.

THE EQUALIZATION FEE AND COTTON

Take cotton, for example. Suppose we have a crop of cotton that shows a surplus of 2,000,000 bales. If the McNary-Haugen bill were a law, an organization would be formed to buy up this surplus cotton at a price not less than the cost of production. This organization would go on to the market at the beginning of the crop season. Without the McNary-Haugen bill the record of the past shows that cotton went to 10 cents a pound under the conditions of the illustration. The organization has made an investigation and finds that it costs 16 cents per pound to produce cotton on the average plantation, so the organization offers to buy cotton at 16 cents per pound of a certain grade. Eventually this organization will have on its hands this 2,000,000 bales of surplus cotton, and the question then arises: "What are they to do?" It seems to me that they will at once attempt to dispose of as much of this cotton as possible for uses that are new. For example: The cotton people of the South are now packing their cotton in jute bags—in jute raised over in India that costs 7 cents or 8 cents per pound—and bags made out of cotton are conceded to be better for the purpose and close to a million bales of cotton can be used annually in place of jute. However, the price of jute is lower than the price of cotton. Would not this organization handling this surplus cotton be wise if they should set aside the cheap grades of cotton which they had accumulated and make a price on that cotton to compare with jute, even though a considerable loss were sustained by such a transaction? What would this loss amount to? They would probably have to sell this low-grade cotton at a loss of 5 cents per pound, which, I believe, would amount to $25 per bale, and a million bales

would amount to $25,000,000. If such a loss is sustained, how would this cotton organization meet such a loss?

That is where the equalization fee would come in. The organization could sustain the loss and spread such loss over all the producers of cotton and thereby get rid of a surplus in the neighborhood of a million bales. If there were 2,000,000 bales of surplus in that year, the other million bales probably would have to be carried over, and the carrying charges would be no small amount, and somebody would have to pay those charges and the equalization fee would come into play again. Another year the crop might be short, and this million bales could be fed into the market.

The loss in handling the surplus of the surplus year is the point that we have in mind and the condition we have to deal with and the equalization fee is the essential part, unless we are to take a subsidy out of the Treasury, which the farmers of the country are against.

Cotton cooperatives have tried to withhold surpluses and avoid disastrous prices. Congressman HARE stated on the floor of the House that he had been with a cooperative ever since it started, but that the cooperative had never been able to accomplish its purpose. Congressman STEVENSON stated on the floor of the House that all of the cooperatives in the South were on their last legs. The cooperatives borrowing money, attempting to handle surpluses have been tried and found decidedly wanting, and what is lacking and what they need is a way to spread their losses over all the growers of cotton.

NET GAIN OF $400,000,000 IN COTTON

In the illustration I have made above, there would probably be a loss, all told, of $40,000,000 for that year, and that loss would amount to almost $3 per bale on each bale of cotton raised. But what would be the net result to the cotton farmer if the illustration worked out exactly? Instead of 10 cents per pound he would receive 16 cents per pound, or an increase of $30 per bale. In other words, by paying the equalization fee he would trade $3 for $30, or a total gain on an ordinary crop of about $400,000,000.

EQUALIZATION FEE AND WHEAT

Take wheat, for example. There is a surplus of from one hundred to two hundred million bushels more wheat raised in the United States than is used in the United States, and this makes us accept the world price for our wheat. In fact, the American wheat grower gets less than the Liverpool price by the amount of the freight and overhead from his point to Liverpool.

Ohio, for instance, gets about 30 cents per bushel less for wheat than the farmers in Europe get for theirs. If there be any exception to this it is all from high-protein wheats, of which some years we do not raise enough for our home demand; but this kind of wheat is a small proportion of our production, said to be about 2 per cent.

If the McNary-Haugen bill were in operation an organization would be formed which would eventually buy the surplus wheat at the world price plus the tariff of 42 cents per bushel, and the organization might eventually have on its hands from 100,000,000 bushels to 200,000,000 bushels of wheat that cost 42 cents more than the world price. If the price of wheat were extremely high, as it is just now, the board would probably not operate; but this is the first time that wheat has been at its present level in the last eight years.

When this board finds itself in possession of surplus wheat, what is it going to do with this wheat? It is surplus wheat in the United States, but there has always been a demand for it in the world and a place where it is needed and where it can be sold at the world price which, by the way, will only make wheat 12 cents lower in Liverpool than in the American market, because wheat, on an average, is 30 cents higher in the Liverpool market than in the American market under present conditions. As a matter of fact, in actual practice this surplus is not likely to accumulate in the hands of the organization, but will flow gradually throughout the year into world channels in response to demand.

The board will sell this surplus wheat abroad and sustain a loss equivalent to the tariff, which would amount to from $40,000,000 to $80,000,000 per year, according to the size of the surplus, and this loss would come out of the revolving fund in the Treasury provided for by the bill. If there were no equalization fee the Treasury would stand this loss and the Congress would be called upon at the next session of Congress to reimburse the revolving fund to this extent, and if operations were carried on in the case of cotton, tobacco, pork, wheat, and so forth, the revolving fund might be exhausted each year and the Congress might be called upon to provide a new revolving fund each year which we who believe in the equalization fee think the Congress would not do, because it would amount to an expense at least every two years out of the Treasury of perhaps $400,000,000, which might entail some new form of taxation. Even though we might feel that such a policy was fair and that this was not a subsidy, yet we believe it is a perfectly impractical plan which could never be carried out year after year.

So we believe in the equalization fee, which will work something like this on wheat: The board would sustain a loss on the surplus wheat and apply an equalization fee upon all of the wheat, probably collected when the farmer sold his wheat. There have been times when the surplus would have warranted a 4 cents per bushel equalization fee and there have been times when a 12-cent equalization fee would have been necessary. The point is, the farmer would receive the world price for his wheat plus the tariff of 42 cents less the equalization fee, which would net him an increase of from 30 to 38 cents per bushel.

LET US MAKE IT PLAIN

Perhaps this is not plain enough. Suppose the price of wheat is $1 per bushel the world over. The organization under the McNary-Haugen bill to handle wheat goes into the market at harvest time and offers to buy at the world price of $1 plus the tariff of 42 cents, and this year there are 100,000,000 bushels surplus over and above the needs of the people of the United States. Eventually the organization might have in its hands the 100,000,000 bushels of surplus wheat, which cost $1.42 per bushel. What will they do with it? They will sell it out over the world in the usual channels at the world price of $1 per bushel, and the organization will lose 42 cents per bushel, or $42,000,000.

Where do they get this money? Out of the revolving fund created by the bill, but a revolving fund means that you must put back what you take out. How will the organization get this $42,000,000?

HERE IS THE EQUALIZATION FEE

When John Jones brings 100 bushels of wheat to the elevator at his market place in Indiana, the elevator man will say to him: "Wheat is worth $1.42 per bushel, but I can only pay you $1.36 in cash, but I will give you a stamp that cost me 6 cents at the post office on each bushel. That stamp is not really worth anything to you, but it proves that I purchased the stamp. It pays the loss in handling the surplus wheat this year."

When the elevators all over this country have purchased the 700,000,000 bushels of wheat they will have purchased at the same time 700,000,000 stamps at 6 cents each, and that money will have traveled back from the post offices to the United States Treasury and brought to the Treasury exactly $42,000,000, which balances the deficit in the revolving fund occasioned by the loss on wheat.

What will this mean to the wheat growers? They will have received 42 cents per bushel extra for their wheat by the operation of this bill less 6 cents per bushel equalization fee or a net gain of 36 cents per bushel. The stamp idea of collecting the equalization fee may not be used, as the board may find an easier way.

WILL THE M'NARY-HAUGEN BILL INCREASE FOOD COSTS?

The real objection to this bill comes from Congressmen from consuming centers where they think that an increase in the price of farm products must necessarily increase the retail price. This would be undoubtedly perfectly fair as the retail price of practically all other products have been already increased by law and the farmer is entitled to a like increase in his prices. However, the situation is peculiar.

BREAD

It is a fact that during the last six years the price of wheat has varied from 83 cents per bushel up to $1.85 and the price of bread has practically remained the same. The price of bread in Ohio where full pound loaves are sold has remained constant at 8 cents per pound since 1922 although wheat has varied more than 100 per cent. I give here a telegram dated May 1 from the director of agriculture, who administers the bread law of Ohio.

COLUMBUS, OHIO, *May 1, 1928.*

No change in retail price. Pound loaf of bread still 8 cents.

CHAS. V. TRUAX,
*Director of Agriculture.*

The reason of this is apparent to a student of the question. Recently the Federal Trade Commission made a report on the baking industry showing that the farmer got 1.15 cents out of a loaf of bread that retailed at 8 cents and that the wholesale baker got 5.11 cents out of the same loaf of bread. When wheat is high the wholesale baker gets a little less. When wheat is low, he gets a little more. The figures show that he has a wide range for adjustment. The fact of the matter is that the cost of the wheat in a loaf of bread is a small matter,

and it does not determine the selling price of bread. We know from experience that an addition of 42 cents to the price of wheat has not, in the past, affected the price of a loaf of bread.

COTTON GOODS

Now, take another example of cotton. The ordinary man's shirt costs about $2, and if you will weigh up the amount of cotton in that shirt you will find that there probably is not 5 cents worth of cotton in that shirt and if you raise the price of cotton 50 per cent there is no way to reflect that addition to the price of cotton in the retail price of a shirt.

MEAT AND TOBACCO

Does anyone think the price of bacon will be any higher than 50 cents or 60 cents per pound if the farmer receives the 1 cent or 2 cents per pound tariff on hog products? Does anyone think a package of cigarettes will cost more if the tariff is actually applied to tobacco? You will find that the bread conditions I have detailed likewise apply to tobacco.

THE SPREAD IS UNREASONABLE

The raw materials produced on the farm are a small proportion of the retail prices now being paid by consumers of agricultural products. The fact of the matter is, the Government reports show that the farmer receives about $10,000,000,000 a year for what he raises and the consumer pays about $30,000,000,000 for these products. You can raise the income of the farm by the McNary-Haugen bill about $2,000,000,000 a year probably without raising at all the amount that the consumer pays.

M'NARY-HAUGEN PRINCIPLES INEVITABLE

After four years of constant study of the agricultural problem the Senate has passed the measure by a vote of 53 to 23—a very marked increase over last year's vote.

The House will do likewise. Congress is convinced. There may be a delay but the measure is inevitable. The opposition is crumbling; business is suffering on account of the lack of the buying power of the farmer. There are too many farmers in this country to permit a persistent discrimination against them. Equality of treatment will be the final result.

The tariff will be for industry and agriculture alike.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL CONFERENCE ON LITERARY AND ARTISTIC PROPERTY (S. DOC. NO. 89)

The SPEAKER laid before the House the following message from the President of the United States which, with the accompanying papers, was referred to the Committee on Foreign Affairs and ordered printed:

*To the Congress of the United States:*

I transmit herewith a report from the Secretary of State recommending a request to Congress for legislation authorizing an appropriation of $1,500 for the expenses of a delegate of the United States to the International Conference on Literary and Artistic Property, to open at Rome, Italy, on May 8, 1928.

I am strongly in favor of this, and trust that the appropriation may be promptly granted in view of the short interval of time remaining before the opening meeting.

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 26, 1928.*

SIXTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the recent Habana Pan American Conference.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the recent Habana Pan American Conference. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, I have introduced House Joint Resolution 220 for the purpose of extending the thanks of the American people and of the Congress to Chairman Hughes and the American delegation for their work at the recent Pan American Conference held at Habana and for the results which they were able to accomplish.

In the past 30 years Congress has seen fit to extend its thanks on seven occasions. Two of these six occasions were to military heroes. I suggest that this is a proper and fitting time to recognize Americans for their work in furthering the cause of international peace. After all, this is the only way that the people can give recognition to the notable achievements and accomplishments of their representatives.

In passing this resolution Congress will have an opportunity of setting its seal of approval upon the work for Pan Americanism, upon the Pan American Union, and upon the furtherance of our friendly relations with our sister Republics on this continent.

Mr. Hughes and his fellow members of the American delegation by their notable achievements and distinguished services at the Habana conference not only assured the conference success but greatly enhanced the friendly relations between the Republics of the western world.

The Habana conference will be considered a milestone on the path toward permanent international good will and understanding, and particularly because it is the first time in any international conference that obligatory arbitration of juridical disputes has been unreservedly advocated, and the first time it has ever been adopted.

Action by Congress on this resolution would lend encouragement to the work of the Pan American Union, and, I am informed by those in a position to know, that its passage would also be most acceptable to the Latin-American Republics.

The recent International Conference of American States met at Habana January 16, and adjourned February 20, 1928. This gathering was the sixth of the series, the first conference having met in Washington from October 2, 1889, to April 19, 1890. The meeting of the American Republics was proposed by Secretary of State Blaine in 1881, but the war between Chile on the one hand and Bolivia and Peru on the other, which is commonly called the War of the Pacific, rendered it inexpedient, if not impossible, for representatives of the different countries to meet at that time and in that atmosphere.

The purpose of this first conference was primarily, and in each succeeding case has been, to discuss the means whereby the peace of the continent could be kept without a resort to arms. Secretary Blaine's method was arbitration, and his suggestion was approved by Mr. Garfield, then President of the United States, and who had had large experience of war. The conference finally met in the administration of President Harrison, who had likewise seen years of service in the field.

The conference met with representatives from 18 States, and declared, among other things, arbitration to be the public law of the Americas. A treaty of arbitration was proposed, with the proviso that the disputes of the American Republics should be submitted to arbitration and that wars of conquest should be abolished because of the resort to arbitration.

Secretary Blaine was chairman of this conference and has to his credit the series of Pan American conferences, which are already six in number. In the first conference—that is to say, Secretary Blaine's original conference—the first adequate discussion was had of arbitration in any international gathering composed of plenipotentiaries of free and sovereign nations. In it the first step was taken to outlaw war by agreement to submit disputes to arbitration and to renounce conquest, just as the Sixth Pan American Conference, in which former Secretary of State Hughes represented the United States, adopted the first unanimous resolution of 21 Republics outlawing aggressive warfare and unanimously agreeing to submit their disputes of a juridical nature to arbitration—obligatory arbitration without the customary reserves thus being established for the first time in an international conference composed of official representatives of all American Republics.

There had been sporadic statements in favor of obligatory arbitration, but the Sixth International Conference of American States did not content itself with a declaration; it adopted it in principle and in fact by the unanimous agreement of the American Republics. A conference is to meet within the twelvemonth in Washington in order to embody in a solemn and continental treaty this principle of obligatory arbitration already adopted. Just as Secretary Blaine was able to declare obligatory arbitration public law of America, former Secretary of State Hughes, representing the United States and in its behalf, has made obligatory arbitration the practice of the American Republics.

Had the United States, through Mr. Hughes, not declared itself in favor of obligatory arbitration, it could not have been adopted; and if Mr. Hughes had not presented the matter in such a convincing manner and in such acceptable form, it would not have been adopted. His attitude on this occasion alone justifies not merely the gratitude of his fellow citizens of North America, but the gratitude of every American Republic. It is the sober truth to say that no pronouncement of an American statesman has gone further to convince the Latin American peoples of the earnest desire and the firm intention of the United States to replace force by law in its relations with Latin America. Through Mr. Hughes's presence and timely intervention in the last days of the conference the American continent as a whole has been dedicated to peace through obligatory arbitration. The original proposal of Blaine thus finds its full fruition under Hughes.

The Pan American conferences are a contribution of the wisdom and foresight of an American Secretary of State. As

the result of the first meeting, in Washington, a bureau of the American Republics was established, with the modest functions of collecting and distributing commercial, economic, and other statistics. The usefulness of the bureau having been demonstrated, its nature and scope were enlarged, with the result that instead of the bureau a Pan American Union came into being, with the palace of the American Republics in Washington, upon ground procured by Secretary of State Root from the Congress of the United States for a home of the American Republics.

Here once a month, or oftener upon special call, the representatives of the American Republics accredited to Washington meet to discuss their common interests. It is not a political body, although composed of political agents. It has hitherto met under the chairmanship of the Secretary of State of the United States. He is only a presiding officer, elected by his colleagues, without more initiative than any other member. The director general is the administrative officer of the union, chosen by the governing board. It is a diplomatic assembly, in which each American Republic is represented by its diplomatic officer or by any other representative whom it may choose—a provision adopted at this last conference of the American Republics in Habana.

For well-nigh 40 years the union has been meeting under a resolution of successive conferences. At the recent Habana gathering a convention—that is, a treaty—placing the Pan American Union on a firm and permanent basis was unanimously adopted, to be ratified by all of the American Republics, reserving, however, the right of each of them to withdraw should it so desire. This happy transformation and preservation of the Pan American Union, as it had grown in the light of experience, was due to the constant, insistent, and successful efforts of former Secretary of State Hughes.

The Pan American Union is now no longer dependent upon a mere resolution, to be changed by a chance vote of any conference; it is a permanent organization under a convention to be ratified by all of the American Republics, with the full force and effect of a treaty.

The American Republics have decided after years of experience and much discussion that they will not modify the union in such a way as to make it a political agency of the Republics in economic, commercial, tariff, immigration, or other matters of a purely domestic concern. Of the movement to preserve it from attack and modification, former Secretary of State Hughes was the head and front; and at the conclusion of his final address on the subject, in the closing days of the conference, on a vote taken, 19 of the Latin-American Republics sided with him against the one American Republic which had wished to change the existing organization of the union. Later, in the last plenary session of the conference, on February 18, the delegate of that country announced, pursuant to express instructions, that it would approve and sign this convention. Thus was harvested the fruits of 40 years' experience, giving to the Pan American Union the definite form and dignity which come only through international treaties. And it is the mere truth to say that this achievement through Mr. Hughes's intervention gives definite and permanent form and shape to Secretary Blaine's wisdom and vision.

The traditional policy of the United States in its relation with foreign nations has always been based upon fundamental conceptions of international law—that is to say, upon the right of each and every State to exist, and to conserve its existence, without, however, endangering the just rights of other States in the process; the independence of each and every State, with the right to control its internal policy without intervention from other States, provided that in the exercise of its independence no State violates the just rights of any other State; the right of each and every State to equality before the law; the right of all States to have their rights respected by all, inasmuch as right and duty always have been, are now, and must be under a legal system of international law correlative.

The policy of the United States in its relations with foreign countries, based upon these fundamental principles of international law, was admirably stated and justified by former Secretary of State Hughes in the Sixth International Conference of American States, in approval of the report of Mr. Victor Maurtua, a delegate of the Republic of Peru, who had been selected by the Commission on Public International Law to prepare and to present a report on "The fundamental bases of international law and States." Mr. Hughes's address on this occasion—as was the case with his address in the last plenary session of the conference—was based upon these fundamental principles of international law, which necessarily imply the duty of every State claiming the right to exist, the right to independence, and the right to legal equality, to organize its government in such a way as to perform its duties under international law, and, in the present case, to recognize the right of other States to existence, to independence, and to legal equality, and in all its actions to respect those rights of other States which it would ask of others.

The inability of a State to perform its duties under international law to such a degree as to jeopardize the life, liberty, and property of citizens of other States necessarily permits the friendly interposition of the State whose just rights have been violated. This is the recognized practice of nations under accepted international law, and friendly interposition is the more obligatory when made at the request of the State in which government either has ceased to exist to function or is unable to comply with its duties.

On these fundamentals of international law Mr. Hughes, as chairman of the delegation of the United States and in behalf of every member of the delegation in both commission and in plenary session, said:

One hundred years ago we declared the policy that all the American Republics should be recognized in their independence. We have given our arms and our blood for the independence of the American Republics and are always ready to do so. We yield to none in the establishment of the ideal of sovereignty and independence for every one of the American Republics from the greatest to the smallest. And I have the right, speaking here on behalf of the delegation of the United States, to declare the policy of my country. I joined readily in the resolution of the delegation of Mexico against aggression. We want no aggression. We want no aggression against ourselves. We cherish no thought of aggression against anybody else. We desire to respect the rights of every country and to have the rights of our own country equally respected. We do not wish the territory of any American Republic. We do not wish to govern any American Republic. We do not wish to intervene in the affairs of any American Republic. We simply wish peace and order and stability and recognition of honest rights properly acquired so that this hemisphere may not only be the hemisphere of peace but the hemisphere of international justice. Much has been said of late with regard to Nicaragua. There sits the Foreign Minister of Nicaragua, a delegate of his country to this conference. He can tell you the situation in Nicaragua and I can tell you that we desire nothing more than the independence and peace of his country, and that we are there simply to aid them in obtaining free elections in order that they may have a sovereign and independent government.

I mention that merely because I speak in a spirit of entire frankness. Now, what is the real difficulty? Let us face the facts. The difficulty, if there is any, in any one of the American Republics, is not of any external aggression. It is an internal difficulty, if it exists at all. From time to time there arises a situation most deplorable and regrettable in which sovereignty is not at work, in which for a time in certain areas there is no government at all, in which for a time and within a limited sphere there is no possibility of performing the functions of sovereignty and independence. Those are the conditions that create the difficulty with which at times we find ourselves confronted. What are we to do when government breaks down and American citizens are in danger of their lives? Are we to stand by and see them killed because a government in circumstances which it can not control and for which it may not be responsible can no longer afford reasonable protection? I am not speaking of sporadic acts of violence, or of the rising of mobs, or of those distressing incidents which may occur in any country however well administered. I am speaking of the occasions where government itself is unable to function for a time because of difficulties which confront it and which it is impossible for it to surmount.

Now, it is a principle of international law that in such a case a government is fully justified in taking action—I would call it interposition of a temporary character—for the purpose of protecting the lives and property of its nationals. I could say that that is not intervention. One can read in textbooks that that is not intervention. But if I should subscribe to a formula which others thought might prevent the action which a nation is entitled to take in these circumstances, there might come later the charge of bad faith because of acceptance of a formula with one interpretation in my mind while another interpretation of it is in the mind of those proposing the formula. So it was necessary to have a fair understanding. Of course, the United States can not forego its right to protect its citizens. No country should forego its right to protect its citizens. International law can not be changed by the resolutions of this conference. International law remains. The rights of nations remain, but nations have duties as well as rights. We all recognize that. This very formula, here proposed, is a proposal of duty on the part of a nation. But it is not the only duty. There are other obligations which courts, and tribunals declaring international law, have frequently set forth; and we can not codify international law and ignore the duties of States by setting up the impossible reign of self-will without any recognition upon the part of a State of its obligations to its neighbors.

Any other position would have resulted in a change of the fundamentals of international law because of a temporary political expediency. A duty arises in the above situations for interposition, and a failure to comply with that duty would be at variance with international law as a system of rights and duties and the practice of the nations in such matters.

In the last plenary session of the conference, on February 18, and when its very adjournment was in sight, a motion was made from the floor of the conference and in express terms to the effect that "no State has the right to intervene in the internal affairs of another State." Mr. Hughes accepted this challenge to the fundamental principles of international law and stated with clarity, force, and persuasiveness the right of all nations to interpose wherever and whenever government is nonexistent or powerless adequately to protect life, liberty, and property, thus failing in the performance of its duties under both the universal law and the accepted practice of nations. At the conclusion of Mr. Hughes's address the delegate who had made the motion withdrew it with the unanimous approval of the delegates present.

The importance which the Sixth International Conference of American States would undoubtedly have in the history of a rational and acceptable Pan Americanism was so evident to the Government of the United States that President Coolidge decided to attend in person the opening session of the conference, and by his presence and by his words to testify that the conference was a meeting of the 21 free, sovereign, and independent States of America.

It is impossible to overstate the friendly effect of President Coolidge's presence, and his address is destined to take its place among the great state papers of the western world.

The importance of the conference was further emphasized by the selection of former Secretary of State Hughes, an outspoken friend of the American Republics, to head the American delegation, and by the nonpartisan delegation of distinguished American citizens who accompanied him as members.

If history is to be believed, there are two methods of settling disputes between nations: The time-honored one of force and the American doctrine of justice expressed in rules of law. When the 13 American Colonies proclaimed their independence on the ever-memorable day of July 4, 1776, the appeal which they made was to "the laws of nature and of nature's God." The framers of the Declaration foresaw that there should be some form of union. They wished it to be a union of law, and not of force. Therefore all disputes of any kind which might arise between the States were to be settled by arbitration through temporary commissions or courts appointed for the purpose. And when, a few years later, the more perfect Union of the States under the Constitution was formed, a Supreme Court of the States was also formed, in which each State of the American Union could sue every other State and have its controversies settled by due process of law, without an appeal to arms. The appeal to law for the settlement of controversies through principles of law derived from the immutable principles of justice has been an American ideal and a traditional policy.

The adoption by the Sixth Pan American Conference of the duty to submit controversies of a legal nature between the American States to obligatory arbitration is a realization upon a continental scale of the practice of the founders of the American Republic. That arbitral or judicial settlement may have its full fruits, it is necessary that there be a law whereby the controversies may be settled, and, to the extent of that law, arbitral and judicial settlements are possible. Therefore the statement of the law to be applied between the American Republics has been an aspiration of the Western World since the independence of the American Republics, and because of this aspiration the codification of international law has become the order of the day.

The Sixth International Conference of American States offers the first conscious fruits of codification. In addition to the reaffirmation of the fundamental principles of international law so clearly expounded by Mr. Hughes, 11 conventions were adopted by the conference.

In addition to these 11 treaties, 60 resolutions, some of far-reaching importance, were also adopted. I will append a summary of the results of this conference at the close of my remarks.

In the Sixth International Conference of American States the ideals of North America and of Latin America mingled and took definite form and shape, through the realization of the common hope of the continent to substitute law and justice for force. Already we are within measurable distance of the realization of the prophecy of Bolivar, of "the free and independent States of America, united among themselves by a body of common law which shall control their foreign intercourse."

President Coolidge, in his opening address, put the seal of Executive approval upon the Pan American conferences and the noble aspirations which they seek to accomplish. The Congress of the United States, by the passage of this resolution, has the opportunity to lend its approval to the placing of Pan Americanism upon a more firm, secure, and acceptable foundation of law and justice, thereby encouraging our sister Republics to continue their collaboration with the Republic of the north, to the end that all their Governments may become governments "of law and not of men," and that our international policies shall be policies based upon law and justice and not upon the shifting sands of political expediency.

CONVENTIONS, MOTIONS, AGREEMENTS, AND RESOLUTIONS APPROVED AT THE SIXTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

The Sixth International Conference of American States resulted in the adoption of 11 conventions, 8 motions, 3 agreements, and 60 resolutions. There is given below a list of the conventions adopted, together with a brief summary of the motions, agreements, and resolutions approved by the conference:

CONVENTIONS

1. Convention accepting and putting into effect the code of private international law.
2. Convention on commercial aviation.
3. Convention on the Pan American Union.
4. Convention on the revision of the copyright convention of Buenos Aires of 1910.
5. Convention on the status of foreigners.
6. Convention on treaties.
7. Convention on diplomatic officers.
8. Convention on consular agents.
9. Convention on neutrality.
10. Convention on the right of asylum.
11. Convention on the rights and duties of States in case of civil war.

MOTIONS

1. Expression of appreciation to the President of the United States, Hon. Calvin Coolidge, for his presence at the opening of the conference.
2. Vote of gratitude and appreciation to the President of Cuba, Gen. Gerado Machado.
3. Invitation to the professors of the University of Habana to attend the sessions of the conference.
4. Tribute to Woodrow Wilson for his work in the interests of peace.
5. Authorization to the president of the conference to consider the report of the committee on credentials.
6. Tribute to Dr. Guillermo Sherwell, former secretary of the Inter-American High Commission.
7. Invitation to the women's associations to present their views relative to the rights of women.
8. Tribute to the Chilean jurist, Dr. Alejandro Alvarez.

AGREEMENTS

1. Recommendation to the governing board of the Pan American Union that the program of the next conference include a topic providing for the study of the improvement of the conditions of workers.
2. Tribute to Dr. Carlos J. Finlay.
3. Designating February 20 as the date for the closing of the conference.

RESOLUTIONS

1. Recommending that the countries which have not yet ratified the Pan American sanitary code ratify it as soon as possible and to give the widest possible application to its provisions.
2. That the Governments of the American Republics send to future international conferences of American States technical advisers to serve on the committee on hygiene; that the American States present to future international conferences reports on progress made in technical matters in the respective countries; that the American countries organize visiting-nurse associations; that the respective countries promote the interchange of specialists in public health and hygiene between official and private institutions; that the Pan American sanitary bureau undertake a study of the types or standards for the preparation of biological products.
3. Calling the attention of the respective governments to the important work of the Red Cross in time of peace; expressing approval of the results of the first and second Pan American Red Cross conferences, and recommending that the American Republics lend their support to the third conference, to meet at Rio de Janeiro; and that the Pan American Union continue its work of ecoperation for the development of the Red Cross in America.
4. Recommending that future Pan American conferences of representatives of public health give preferential attention to the views and experiences relative to sanitation and hygiene, which may serve as a basis for the programs of the sanitary conference; and recommending that an official representative of the Pan American sanitary bureau attend future conferences of representatives of public health.

5. That the application of the principles and procedure of public-health administration approved at the fifth conference represents an efficient factor in the development of sanitation and hygiene; and requesting that the Ninth Pan American Sanitary Conference established the bases for the instruction of the personnel engaged in sanitary work.

6. Recommending that the governments study and apply, as far as possible, the conclusions of the First Pan American Conference on Eugenics and Homoculture; requesting that the Ninth Pan American Sanitary Conference and the Second Conference on Eugenics and Homoculture, both of which will meet at Buenos Aires, harmonize the functions of the Pan American Bureau on Eugenics and Homoculture and the Pan American Sanitary Bureau; requesting the American Republics which do not possess technical representatives for the study of immigrants in the country of origin, as well as those which do not possess them in sufficient number, to avail themselves of the services of the representatives of those countries which have a sufficient number, and whose services may be utilized as ex-officio representatives of the Pan American Sanitary Bureau.

7. Recommending that future Pan American Congresses of Journalists be held at the time and place designated by the governing board of the Pan American Union; and requesting the governing board to study the organization of a permanent body to serve as the organ of the congresses of journalists.

8. Recommending that the next Pan American Congress of Journalists consider the quality of news transmitted between the American Republics; the appointment of news correspondents acquainted with the history, language, legislation, and customs of the countries to which they are accredited; frequent visits of journalists to various American countries; the establishment of schools of journalism; and the protection of property rights in articles and photographs published in the newspapers.

9. That the Fourth Pan American Commercial Conference be composed principally of representatives of commercial associations of the American Republics; that consideration be given to the development of closer relations between such associations; and that the Pan American Union continue the publication of statistics of the foreign commerce of the American Republics.

10. Creating the Pan American Institute of Geography and History to serve as a center of coordination and dissemination of reports on the geography and history of the American Republics; the institute to be composed of delegations appointed by each of the States and to be established in the capital city of the American Republics designated by the Pan American Union. National committees of the institute shall be established in each of the respective countries.

11. That the countries members of the Pan American Union which may not yet have done so, publish geodetic, geologic, and agricultural maps showing their natural resources, possibilities of development, and means of communication.

12. Recommending a meeting of a technical commission of bibliographic experts at the time and place designated by the governing board of the Pan American Union, the board also to be intrusted with the preparation of the program and with carrying into effect the conclusions of the commission.

13. Recommending a Pan American Pedagogical Conference, to be held at the time and place determined by the Pan American Union, in which representatives of normal schools and institutions of higher learning should participate, the representatives being appointed by the respective Governments.

14. That an inter-American conference on plant and animal sanitary control be held, if possible, in January, 1929, in the city designated by the governing board of the Pan American Union. This conference to study quarantine and sanitary measures affecting agricultural and animal products, and the bases of organization of an inter-American board of agricultural defense.

15. That the countries, members of the Pan American Union, enact in their legislation the principle of obligatory leave for a prospective mother for a period of 40 days before and 40 days after childbirth, with the right to full pay during that time.

16. Recommending the study of the regulation of the industrial and agricultural use of the waters of international rivers, the conclusions to be submitted to the seventh international conference of American States.

17. That the Pan American Congress of Highways consider and adopt agreements tending toward the construction of a longitudinal highway to traverse the continent, the Pan American Union to compile the necessary material as a basis for this study.

18. That the Governments of the American Republic study the adoption of a standard coin, the Pan American Union to submit a definite project to the seventh international conference of American States on the basis of these studies.

19. That the governing board of the Pan American Union convene a conference of representatives of all the Governments, members of the union, to study the question of the inter-American protection of trade-marks, the conclusions of the conference to be transmitted by the union to the respective Governments.

20. Recommending the completion of the dictionary of Don Rufino J. Cuervo, for which purpose the respective Governments agree to contribute fixed amounts, to be collected by the Pan American Union; the union to take the necessary steps for the completion and publication of the dictionary.

21. Approving in general the conclusions of the Pan American commission on the simplification and standardization of consular procedure, and recommending that a second meeting of the commission be called to consider the standardization of consular fees, the results of the meeting to be submitted to the governing board of the Pan American Union.

22. Refraining from studying in all its aspects the problem of immigration in view of the Second International Conference of Immigration and Emigration to meet at Habana, but establishing certain principles and declarations as representing the point of view of the American nations.

23. That the Second Pan American Congress of Highways formulate the basis of a convention for the international regulation of automobile traffic, and a uniform law on the regulation of traffic, which should be sent to the governing board of the Pan American Union.

24. That the States, members of the Pan American Union, signatories to the Convention on Electrical Communications of Mexico of 1924, and the General Radio Telegraphic Convention of Washington of 1927, ratify these conventions as soon as possible.

25. That the Pan American Union convene a conference of experts representing the American Republics to study the most effective measures for the establishment of steamship lines and means for the elimination of unnecessary port formalities.

26. That the governments of the American Republics that have navigable rivers undertake technical studies on their conditions of navigability and the obstacles that hinder navigation, as well as on the methods and cost of eliminating such obstacles and the possibility of connecting or improving existing connections with other rivers, these studies to be sent to the Pan American Union for the consideration of the seventh conference.

27. To maintain in full effect the agreements of previous conferences that the Pan American Railway should follow the Andean route; that national committees be appointed in each country; that those countries in which links in the railway yet remain to be constructed take measures for the early completion of the line; that the central committee study the proposals of the engineers, Briano and Havens, as possible routes for future railways.

28. Recommending that a subcommittee of the Pan American Railway Committee be organized to study all the provisions that affect international railway traffic; that regulations affecting freight and passenger traffic be formulated with a view to facilitating this traffic; and that customs practices and procedures be so formulated as to facilitate the operation of international railway traffic.

29. That the recommendation of the First Pan American Congress of Highways that steamship lines have their vessels stop at ports of certain Republics of the West Indies, be amended so as to have the recommendation apply also the Central American Republics.

30. Approving the construction of an inter-American highway, and recommending that the American Governments lend their cooperation to the early realization of this project.

31. Expressing approval of the plan of the President of the United States of America to convene an international conference on civil aviation.

32. That a Pan American commission be organized, composed of representatives of organizations of consumers and exporters of the United States, and of producers and exporters of Latin America, to meet at periodic intervals at the time and place designated by the Pan American Union, to consider the uniformity of specifications of commodities entering into inter-American commerce; that the governments, members of the union, cooperate in securing the adoption of uniform standards; and that the Third Pan American Standardization Conference shall convene in Cuba within three years.

33. That the metric system be adopted in those countries in which it does not yet prevail.

34. That national committees be appointed to consider the proposed simplification of the calendar, and that the respective countries may participate in an international conference to consider the best method of reform.

35. That through the Pan American Union the first Pan American congress of municipalities be organized, to be composed of representatives of municipalities of more than 50,000 inhabitants, as well as of organizations and individuals closely associated with municipal affairs; that a preliminary meeting be held at Boston in 1930 on the occasion of the three hundredth anniversary of the founding of that city; and that the first Pan American congress of municipalities meet at Habana in 1931.

36. That the countries members of the Pan American Union establish diplomatic and consular schools or institutes in order that the greatest possible uniformity may be reached in the legislation on the studies and requisites for entry into the Foreign Service.

37. Designating the city of Montevideo as the seat of the Seventh International Conference of American States.

38. That the Pan American Union continue to be governed by the resolutions in force until altered by the member States, with the following modifications: That the governing board be composed of representatives that each Government may appoint, which appointment may devolve upon the respective diplomatic representatives at Washington; that the director general, with the approval of the governing board, shall appoint the personnel, endeavoring to distribute the positions among the nationals of all the countries represented in the union; that neither the governing board nor the Pan American Union shall exercise political functions; that the governing board shall determine the status of the employees, fixing their salaries and conditions of retirement; that the member States may withdraw at any time, but shall pay their quotas for the current fiscal year.

39. That the Pan American Union convene as special commission of exports of the American Republics to formulate the bases of an inter-American convention on statistics of maritime and fluvial communications, as well as of land and aerial communications; the conclusions to be sent by the Pan American Union to the seventh conference.

40. Recommending that those countries that already have the metric system adopt as a new unit the hectarea meter, equivalent to 10,000 cubic meters.

41. To send to the Pan American Union reports introduced in the sixth conference on continental agricultural cooperation, in order that the union may take them into consideration and transmit them for study to the seventh conference, to a commission of experts, to the fourth commercial conference, or make whatever other disposition may appear desirable.

42. That the States, members of the Pan American Union, adopt a uniform law on bills of exchange, taking as a basis the regulation approved at The Hague in 1912, with certain modifications; the project of law to be formulated by a commission to be appointed for the purpose, or by the Inter-American High Commission; this project to be submitted for the consideration of the seventh conference.

43. That the respective countries amend their legislation to permit the organization of stock companies without the necessity of expressing the amount of their capital or the value of their stock.

44. That chambers of commerce be organized in important import and export centers, and that these associations enter into agreements for the arbitration of commercial disputes; that the Inter-American High Commission study the principle of the obligatory arbitration of commercial disputes.

45. That an inter-American commission of women be organized to prepare the juridical information necessary for a proper consideration of the seventh conference of the civil and political equality of women, this commission to be composed of seven women designated by the Pan American Union from different countries of America, and eventually to consist of representatives from all the republics.

46. That the states members of the Pan American Union facilitate the circulation of magazines, reports, and other publications through the mail.

47. That the Pan American Union, in including in the programs of the conferences, modifications, or alterations of treaties or conventions, submit technical studies on these topics as a basis of discussion.

48. That the American governments take measures against the production or exhibition of motion-picture films that may offend the public sentiment of any American country.

49. Recommending the establishment of the inter-American institute of intellectual cooperation, to promote the interchange of professors and students, the establishment of special chairs on the history, geography, literature, sociology, hygiene, and law of the American States, and the establishment of the university city in the countries of America; the Pan American Union to formulate the bases of organization of the institute, which will be submitted to a congress of rectors, deans, and educators to be called by the Pan American Union.

50. That the American countries, in their courses of primary instruction, incorporate courses on the rudiments of finances and of political and social economy.

51. That the countries of America recognize journalism as a public function and that pension and retirement funds be established for journalists.

52. That the countries of America consider the most desirable means not only for the protection of their frontiers but also to arrive at better and closer relations with their neighbors.

53. That the American Republics adopt obligatory arbitration as the means that shall be employed for the pacific settlement of international differences of a juridical character; that a conference on conciliation and arbitration shall be held at Washington within a year to give conventional form to this principle.

54. That the American Republics that have not done so ratify or adhere to the convention signed at Santiago in 1923, providing for commissions for the investigation of international conflicts.

55. That the Pan American Union take measures to obtain the adherence of the American Republics to the Brussels conventions on assistance and salvage at sea of September 23, 1910, on maritime hypothecations of April 10, 1926, and on limitation of the responsibility of shipowners of November, 1922.

56. Providing for the future formulation of international law in the following manner: The International Commission of Jurists of Rio de Janeiro, which shall meet on the dates agreed upon by the Governments, acting through the Pan American Union; a permanent committee on public international law to be established at Rio de Janeiro; a permanent committee on private international law to be established at Montevideo; a permanent committee at Habana to carry on studies in comparative legislation and uniformity of legislation; the opinions of the Inter-American High Commission also to be considered in economic, financial, and maritime questions. Reports from these permanent committees to be transmitted to the respective Governments, which shall determine whether they shall be submitted to the International Commission of Jurists or included in the program of the next International Conference of American States. The three permanent committees to be formed by the respective Governments from among the members of their respective National Societies of International Law, the Pan American Union to cooperate in the preparatory work as far as its organization may permit.

57. That the technical committees concerned with private international law study the best means for the judicial organization in each country in order to give effect to the agreements of the conference.

58. That the Governments study the resolutions of the previous conferences that have not been modified by the sixth conference, and inform the Pan American Union of the reasons why they have not been adopted.

59. That every aggression is considered illegal and is therefore prohibited, and that the American States shall employ every pacific means for the settlement of controversies that may arise between them.

60. That there be included in the program of the seventh conference the consideration of the fundamental bases of international law.

### DR. FRANK P. BOHN

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Michigan asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, a few days ago the newspapers, in reporting the proceedings of the Federal Trade Commission in its investigation of the power companies of the country, made the following statement:

> Among prominent persons on the power lobby's pay roll the names were disclosed of two former United States Senators, a former United States ambassador to Italy, and Dr. Frank Bohn, a former socialist and coauthor of a book on Industrial Socialism with William D. ("Big Bill") Haywood, former I. W. W. agitator, who fled to Russia to escape prosecution by the United States Government.

Mr. Speaker, it so happens that the name of our colleague in this body who represents the eleventh congressional district of Michigan, the gentleman from Michigan [Mr. BOHN], is the same as that of the person mentioned in the paragraph which I have read—namely, Dr. Frank Bohn. Our colleague's given name is Frank; he is also a doctor of medicine; but he is not the Dr. Frank Bohn referred to in the article.

Some people who have read the article, overlooking the description of the party mentioned in it as "a former socialist and coauthor of a book on Industrial Socialism, with William D. ("Big Bill") Haywood, former I. W. W. agitator, who fled to Russia to escape prosecution by the United States Government," have jumped to the conclusion that the article refers to our colleague the gentleman from Michigan, Doctor BOHN. Of course, it does not. Anyone who knows our colleague does not need to be told that it does not refer to him or that the description in no wise describes our colleague.

Mr. Speaker, I am making this statement at the suggestion and request of my colleague the gentleman from Michigan, Doctor BOHN, who is confined to his rooms by illness. [Applause.]

### RESERVATION OF CERTAIN LANDS ON THE PUBLIC DOMAIN IN VALENCIA COUNTY, N. MEX.

The SPEAKER. The Chair lays before the House the following order:

*Ordered*, That the House of Representatives be respectfully requested to return to the Senate the bill (H. R. 11479) to reserve certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. BLOOM, indefinitely, on account of being designated by the President as a delegate to the Copyright Convention at Rome on May 8.

To Mr. BEGG, indefinitely, on account of serious illness of his father.

To Mr. DOUGLAS of Arizona (at the request of Mr. LANHAM), indefinitely, on account of illness.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the following titles were taken from the Speaker's table and, under the rule, referred to the appropriate committees, as follows:

S. 162. An act for the relief of William M. Sherman; to the Committee on Military Affairs.

S. 1458. An act providing for a survey of the natural oyster beds in the waters within the State of Florida; to the Committee on the Merchant Marine and Fisheries.

S. 1480. An act authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

S. 1530. An act for the relief of Gilpin Construction Co.; to the Committee on Claims.

S. 1645. An act for reimbursement of W. H. Talbert; to the Committee on Claims.

S. 2042. An act for the relief of Rolette County, N. Dak.; to the Committee on Claims.

S. 2076. An act authorizing the allotment of Carl J. Reid Dussome as a Kiowa Indian, and directing issuance of trust patent to him to certain lands of the Kiowa Indian Reservation, Okla.; to the Committee on Indian Affairs.

S. 2139. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

S. 2340. An act to transfer to the city of Duluth, Minn., the old Federal building, together with the site thereof; to the Committee on Public Buildings and Grounds.

S. 2538. An act for the construction of a road across the Makah Reservation to Neah Bay, Wash.; to the Committee on Indian Affairs.

S. 2821. An act for the relief of Capt. Will H. Gordon; to the Committee on Claims.

S. 2945. An act relating to the payment of advance wages and allotments in respect of seamen on foreign vessels, and making further provision for carrying out the purposes of the seamen's act, approved March 4, 1915; to the Committee on the Merchant Marine and Fisheries.

S. 3438. An act authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota; to the Committee on Indian Affairs.

S. 3463. An act to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army; to the Committee on Military Affairs.

S. 3501. An act to provide for the construction of a boarding school for Indian children at Belcourt, in the Turtle Mountain Indian Reservation, State of North Dakota; to the Committee on Indian Affairs.

S. 3503. An act to authorize the Secretary of the Interior to purchase certain lots in the city of Needles, San Bernardino County, Calif., for Indian use, and authorizing an appropriation of funds therefor; to the Committee on Indian Affairs.

S. 3565. An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 3581. An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia; to the Committee on the District of Columbia.

S. 3771. An act vacating the alley between lots 16 and 17, square 1083, District of Columbia; to the Committee on the District of Columbia.

S. 3808. An act to authorize the construction of a temporary railroad bridge across Bogue Chitto River at or near a point in township 5 south, range 13 east, St. Helena meridian, St. Tammany Parish, Louisiana; to the Committee on Interstate and Foreign Commerce.

S. 3862. An act authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn.; to the Committee on Interstate and Foreign Commerce.

S. 3903. An act to provide for the reinterment of bodies now interred in the grounds of St. Francis de Sales Church in the District of Columbia; to the Committee on the District of Columbia.

S. 3917. An act for the relief of the State of Florida; to the Committee on the Judiciary.

S. 4036. An act to authorize the Secretary of War to transfer the control of certain land in Oregon to the Secretary of the Interior; to the Committee on Military Affairs.

S. 4039. An act to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended; to the Committee on the Judiciary.

S. 4166. An act to remit estate tax on the estate of John Sealy; to the Committee on Ways and Means.

S. 4170. An act to authorize plans for a hospital at the Home for Aged and Infirm in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. J. Res. 50. Joint resolution providing that the Secretary of Agriculture be directed to give notice that on and after January 1, 1929, the Government will cease to maintain a public market on Pennsylvania Avenue between Seventh and Ninth Streets NW.; to the Committee on Public Buildings and Grounds.

S. J. Res. 119. Joint resolution granting an easement to the city of Duluth, Minn.; to the Committee on Public Buildings and Grounds.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 484. An act to amend section 10 of the plant quarantine act, approved August 20, 1912;

H. R. 2654. An act for the relief of Anton Anderson;

H. R. 4068. An act for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army;

H. R. 4126. An act authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land;

H. R. 6103. An act to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for fiscal year ending June 30, 1884," and for other purposes;

H. R. 6862. An act authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States;

H. R. 7184. An act authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill.;

H. R. 7722. An act authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards;

H. R. 8128. An act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory;

H. R. 8487. An act to adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 9047. An act to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif.;

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Wabash River at or near McGregors Ferry in White County, Ill.;

H. R. 9569. An act authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone on February 5, 1921, by a United States Army motor truck;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek Kanawha Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing the St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11279. An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes;

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 11478. An act to amend an act to allot lands to children on the Crow Reservation, Mont.;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River at or near Weslaco, Tex.;

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a toll bridge across the White River at or near Cotter, Ark.;

H. R. 11625. An act granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River at or near Glasgow, Mont.;

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907;

H. R. 12179. An act to provide for the reimbursement of the Government of Great Britain on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia in 1920;

H. R. 12320. An act to amend the longshoremen's and harbor workers' compensation act;

H. J. Res. 145. Joint resolution to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States;

H. J. Res. 146. Joint resolution to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps;

H. J. Res. 147. Joint resolution for the relief of the estate of the late Max D. Kirjassoff;

H. J. Res. 148. Joint resolution to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama;

H. J. Res. 149. Joint resolution to authorize an appropriation for the compensation of William Wiseman;

H. J. Res. 150. Joint resolution to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam;

H. J. Res. 151. Joint resolution to provide for payment of the claim of the Government of China for compensation of Sun Jui-Chin for injuries resulting from an assault on him by a private in the United States Marine Corps;

H. J. Res. 152. Joint resolution authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928;

H. J. Res. 230. Joint resolution to provide for the membership of the United States in the American International Institute for the Protection of Childhood;

H. J. Res. 244. Joint resolution authorizing a modification of the adopted project for Oakland Harbor, Calif.;

H. J. Res. 259. Joint resolution authorizing assistance in the construction of an inter-American highway on the Western Hemisphere; and

H. J. Res. 262. Joint resolution requesting the President to extend to the Republics of America an invitation to attend a conference of conciliation and arbitration to be held at Washington during 1928 or 1929.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, before moving to adjourn, I wish to make a very brief statement and it is addressed directly to the committee in charge of the bill now under consideration. It seems that the committee has run out of debate and that a motion for the committee to rise has been agreed to at 20 minutes past 4. We have reached the stage in the session where it is necessary to stay in session later than 4 o'clock, so I hope that the committee in charge of the bill will make an effort to-morrow to have their orators on hand and be ready to run on at least until the usual time of adjournment before moving to rise.

Now, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Friday, April 27, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, April 27, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Providing that Congress encourage the use of American materials in American-made goods (H. Con. Res. 19).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

A bill for the establishment of two narcotic farms for confinement and treatment of persons addicted to the use of habit-forming narcotic drugs who have been convicted of offenses against the United States (H. R. 12781).

COMMITTEE ON EDUCATION

(10.30 a. m.)

To create a department of education (H. R. 7).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To consider private bills on the calendar.

COMMITTEE ON MINES AND MINING

(10 a. m.)

Authorizing an appropriation for development of potash jointly by the United States Geological Survey of the Department of the Interior and the Bureau of Mines of the Department of Commerce by improved methods of recovering potash from deposits in the United States (H. R. 496).

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10.30 a. m.)

To provide for the transfer to the Department of the Interior of the public-works functions of the Federal Government (H. R. 8127).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

466. A communication from the President of the United States, transmitting supplemental estimate of appropriation under the legislative establishment, Architect of the Capitol, to be immediately available and to remain available until June 30, 1930, in the sum of $500,000 (H. Doc. No. 248); to the Committee on Appropriations and ordered to be printed.

467. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Smithsonian Institution for the fiscal year 1928, to remain available until expended, amounting to $20,000 (H. Doc. No. 249); to the Committee on Appropriations and ordered to be printed.

468. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1928, for settlement of the claim of the Franklin Ice Cream Co., Camp Funston, Kans., $23,445.95 (H. Doc. No. 250); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COLTON: Committee on the Public Lands. H. R. 12706. A bill for the relief of the town of Springdale, Utah; with amendment (Rept. No. 1381). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEHLBACH: Committee on the Civil Service. H. R. 6518. A bill to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An

act to provide for the classification of civilian positions within the District of Columbia and in the field services"; with amendment (Rept. No. 1382). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. S. J. Res. 23. A joint resolution providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the Old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779; with amendment (Rept. No. 1386). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 8901. A bill to amend and further extend the benefits of the act approved March 3, 1925, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claim to have against the United States, and for other purposes"; with amendment (Rept. No. 1387). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on War Claims. S. J. Res. 59. A joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920, as per a certain contract authorized by the President; without amendment (Rept. No. 1388). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 7346. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes; with amendment (Rept. No. 1389). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOLVERTON: Committee on Naval Affairs. H. R. 7330. A bill for the relief of E. M. Gillett and J. H. Swenarton; without amendment (Rept. No. 1383). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 11260. A bill for the relief of Frans Jan Wouters, of Antwerp, Belgium; without amendment (Rept. No. 1384). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. S. J. Res. 51. A joint resolution tendering the thanks of Congress to Commander Albert Cushing Read, United States Navy, for his achievement in completing the first trans-Atlantic airplane flight, and providing for his advancement on the list of commanders of the Navy; without amendment (Rept. No. 1385). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 3539. A bill for the relief of Frank Murray; with amendment (Rept. No. 1390). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on the Public Lands. H. R. 10550. A bill to provide for the acquisition by Meyer Shield Post No. 92, American Legion, Alva, Okla., of lot 19, block 41, the original town site of Alva, Okla.; with amendment (Rept. No. 1391). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7102) granting retirement annuity or pension to John B. Fitzgerald; Committee on Pensions discharged, and referred to the Committee on the Civil Service.

A bill (H. R. 13018) granting a pension to Ella N. Lamp; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DRIVER: A bill (H. R. 13337) authorizing D. T. Hargraves and John W. Dulaney, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Helena, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLOOM: A bill (H. R. 13338) to provide for regulating traffic in certain clinical thermometers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD of Oklahoma: A bill (H. R. 13339) authorizing an additional appropriation for the maintenance of the United States Bureau of Mines Petroleum Experiment Station at Bartlesville, Okla.; to the Committee on Mines and Mining.

By Mr. McMILLAN: A bill (H. R. 13340) to authorize the Secretary of the Navy and the Secretary of War to issue a commemorative button of suitable design to certain civilian employees of the Government for services during the World War; to the Committee on Military Affairs.

By Mr. UPDIKE: A bill (H. R. 13341) to create the rank of lieutenant general for the commandant of the Marine Corps; to the Committee on Naval Affairs.

By Mr. WILLIAMSON: A bill (H. R. 13342) to authorize a per capita payment to the Pine Ridge Sioux Indians of South Dakota; to the Committee on Indian Affairs.

By Mr. BURTON: A bill (H. R. 13343) to provide for the removal of the remains of certain members of the Escadrille Lafayette to the Memorial de l'Escadrille Lafayette, France; to the Committee on Foreign Affairs.

By Mr. HUGHES: A bill (H. R. 13344) authorizing Huntington-Clarksburg Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Great Kanawha River at a point at or near Winfield, Putnam County, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. GLYNN: A bill (H. R. 13345) to amend section 4826 of the Revised Statutes of the United States, as amended; to the Committee on Military Affairs.

By Mr. SUMMERS of Washington: A bill (H. R. 13346) to provide for exchange of public land for State and private land on Federal reclamation projects and subdivision of such lands into units deemed most economical and convenient for irrigation and reclamation; to the Committee on Irrigation and Reclamation.

By Mr. JACOBSTEIN: Joint resolution (H. J. Res. 289) creating a joint committee of Congress to gather, analyze, and appraise information available concerning unemployment; to the Committee on Rules.

Also, joint resolution (H. J. Res. 290) calling for an investigation relative to information available concerning unemployment; to the Committee on Labor.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 13347) granting a pension to Edna L. Saxton; to the Committee on Invalid Pensions.

By Mr. ALMON: A bill (H. R. 13348) granting an increase of pension to Elizabeth Horton; to the Committee on Pensions.

By Mr. BURTON: A bill (H. R. 13349) to correct the naval record of Samuel Davis; to the Committee on Naval Affairs.

By Mr. CANFIELD: A bill (H. R. 13350) granting a pension to Thomas A. Snyder; to the Committee on Invalid Pensions.

By Mr. CARTWRIGHT: A bill (H. R. 13351) granting a pension to Nancy E. Rose; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 13352) granting an increase of pension to Ann G. Bicknell; to the Committee on Invalid Pensions.

By Mr. CROSSER: A bill (H. R. 13353) to authorize the President to reinstate Guy H. B. Smith, formerly captain, Fourth United States Infantry, in the Army; to the Committee on Military Affairs.

By Mr. DRANE: A bill (H. R. 13354) granting an increase of pension to Joanna D. Patrick; to the Committee on Invalid Pensions.

By Mr. EATON: A bill (H. R. 13355) granting an increase of pension to Elizabeth W. Watt Cooper; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 13356) granting a pension to William Lester Mott; to the Committee on Pensions.

By Mr. ROY G. FITZGERALD: A bill (H. R. 13357) granting a pension to Smith Boyd; to the Committee on Pensions.

By Mr. W. T. FITZGERALD: A bill (H. R. 13358) granting an increase of pension to Kate B. Frederick; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 13359) granting an increase of pension to Emma E. Howe; to the Committee on Pensions.

By Mr. HOOPER: A bill (H. R. 13360) granting a pension to Mary V. Thompson; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 13361) extending all privileges of the United States employees' compensation act to Alice L. Haley, and for other purposes; to the Committee on Claims.

By Mr. McKEOWN: A bill (H. R. 13362) granting an increase of pension to Nora M. Oberlender; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 13363) granting an increase of pension to Susan E. Wilson; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 13364) granting a pension to James W. Chapman; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 13365) granting a pension to Annie P. Love; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 13366) granting an increase of pension to Elizabeth Conklin; to the Committee on Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 13367) for the relief of Capt. Merrifield G. Martling; to the Committee on Military Affairs.

By Mr. SWEET: A bill (H. R. 13368) granting a pension to Elizabeth Snell; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13369) granting an increase of pension to Kate Fleming; to the Committee on Invalid Pensions.

By Mr. GIFFORD: Joint resolution (H. J. Res. 287) authorizing a suitable memorial to Maj. Gen. Leonard Wood; to the Committee on the Library.

Also, joint resolution (H. J. Res. 288) authorizing a suitable memorial to Maj. Gen. George W. Goethals; to the Committee on the Library.

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## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7236. By Mr. BURTON: Resolution of Stone Paver Union Local, No. 64, Cleveland, Ohio, adopted at a meeting held April 19, 1928, indorsing the Dale-Lehlbach retirement bill (H. R. 25 and S. 1727); to the Committee on the Civil Service.

7237. Also, resolution of Cuyahoga Lodge, No. 95, I. B. P. O. E. of W., Cleveland, Ohio, adopted at a meeting held March 14, 1928, protesting against any segregation of employees in the various departments of the Government at Washington, D. C., on the basis of race, color, or previous condition of servitude; to the Committee on the Civil Service.

7238. By Mr. CULLEN: Resolution of Central Trades and Labor Council, regarding the Lehlbach retirement bill; to the Committee on the Civil Service.

7239. By Mr. DAVENPORT: Petition of Mary C. Thayer and other citizens of Oneida and Herkimer Counties, of the State of New York, urging the passage of a bill to increase the pensions granted to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7240. Also, petition of the Woman's Christian Temperance Union, of Oriskany Falls, N. Y., urging the passage of House bill 11410, a proposed amendment to the so-called Volstead Act; to the Committee on the Judiciary.

7241. By Mr. FITZPATRICK: Petition of Central Trades and Labor Council of Greater New York and Vicinity, favoring the passage of the Kelly postal policy bill (H. R. 89); to the Committee on the Post Office and Post Roads.

7242. Also, petition of Central Trades and Labor Council of Greater New York and Vicinity, favoring the passage of the Lehlbach-Dale retirement bill (H. R. 25 and S. 1727); to the Committee on the Civil Service.

7243. By Mr. FURLOW: Petition favoring Civil War pension bill; to the Committee on Invalid Pensions.

7244. By Mr. GARBER: Telegram of Mrs. W. R. Marlin, department president American Legion Auxiliary of Oklahoma, Pawnee, Okla., in support of universal draft bill; to the Committee on Military Affairs.

7245. Also, petition of Ernest A. Love Post of the American Legion; the Buckey O'Neil Post, No, 541, Veterans of Foreign Wars of the United States; and the Fort Whipple Chapter No. 3, Disabled American Veterans of the World War, all of Prescott and Fort Whipple, Ariz., in support of House bill 11350, granting the right to ex-service men to sue upon their insurance policies at any time within 20 years from the accrual of the cause of action; to the Committee on World War Veterans' Legislation.

7246. Also, petition of Rev. Grover Cleveland Schwartz, of Iuka, Miss., in support of the Tyson-Fitzgerald bill for the disabled emergency Army officers; to the Committee on Military Affairs.

7247. By Mr. GLYNN: Petition of Hattie M. Newton and citizens of Durham, Watertown, Torrington, Thomaston, and other cities and towns in the State of Connecticut, favoring passage of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7248. Also, petition of F. S. Platts and other citizens of the town of Thomaston, Conn., favoring passage of the Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7249. By Mr. GRIEST: Petition of Rev. Frederick C. Fowler, of the Marietta Presbyterian Church, Marietta, Pa., favoring the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7250. By Mr. HADLEY: Petition of residents of Washington State, protesting against the Lankford Sunday bill; to the Committee on the District of Columbia.

7251. By Mr. HOPE: Petition signed by the residents of Pratt County, Kans., requesting legislation on behalf of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7252. By Mr. KINDRED: Resolution of the Bronx Board of Trade, of the city of New York, protesting against the enactment into law by the United States Congress of House bill 8127, known as the Wyant bill, which proposes to transfer river and harbor improvement, etc., from the War Department to the Interior Department; to the Committee on Expenditures in the Executive Departments.

7253. Also, resolution of the Central Trades and Labor Council of Greater New York and Vicinity, expressing their approval and indorsement of the provisions of the Dale-Lehlbach retirement bill and the Kelly postal policy bill and earnestly petitioning the Congress of the United States to bring about the passage of these measures at this session of the Seventieth Congress; to the Committee on the Civil Service.

7254. By Mr. LINDSAY: Petition of M. Fine & Sons, 93 Worth Street, New York, urging early action on the Hawes-Cooper bill; to the Committee on Interstate and Foreign Commerce.

7255. By Mr. McKEOWN: Petition of W. E. Parks and approximately 400 other citizens of Oklahoma, urging that a hearing be granted the bill providing for an old-age pension; to the Committee on Pensions.

7256. Also, petition of Cora Winchester and other citizens of Olive, Okla., urging immediate passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7257. Also, petition of Savanah E. Pugh and other citizens of Mill Creek, Okla., urging immediate passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7258. By Mr. McLAUGHLIN: Petition of Jennie McCrea and 41 citizens of Muskegon County, Mich., urging passage of bill providing increase of pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7259. By Mr. MANLOVE: Petition of Austin Snead, James Stone, M. T. Rice, and 25 other citizens of Neosho, Mo., protesting the passage of House bill 78, or any compulsory Sunday bills; to the Committee on the District of Columbia.

7260. By Mr. MEAD: Petition of numerous residents of Buffalo, N. Y., in support of House bill 10422; to the Committee on the Post Office and Post Roads.

7261. Also, petition of numerous members of the Seneca Nation, protesting against the passage of House bill 12446; to the Committee on Indian Affairs.

7262. By Mr. O'CONNELL: Petition of the New York State Home Economics Association, Aurora, N. Y., favoring the passage of the Reed bill (H. R. 12241) for vocational education; to the Committee on Education.

7263. Also, petition of M. Fine & Sons, New York City, favoring the passage of the Hawes-Cooper bill (H. R. 7729) and the rule now pending before the Rules Committee for its consideration; to the Committee on Labor.

7264. By Mr. NEWTON: Resolution passed by the city council of Minneapolis, Minn., expressing disapproval of the council of transferring power to sell, lease, or discontinue any part or all of the barge service operated by the Inland Waterways Corporation from Congress to the executive department of the Federal Government; to the Committee on Interstate and Foreign Commerce.

7265. By Mr. ROMJUE: Petition of James Stevens, W. M. Childs, et al., of the State of Missouri, for the passage of a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

7266. By Mr. SINCLAIR: Petition of 19 residents of Fort Yates, N. Dak., for the enactment of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7267. By Mr. THOMPSON: Petition of members of the Woman's Christian Temperance Union of Fulton County, Ohio, requesting Congress to pass the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7268. By Mr. VINCENT of Michigan: Petition of residents of Saginaw County, Mich., protesting against proposed compulsory Sunday observance legislation; to the Committee on the District of Columbia.

7269. By Mr. VINSON of Kentucky: Petition of Civil War pensioners of Kentucky; to the Committee on Invalid Pensions.

7270. By Mr. WURZBACH: Petition of Henry F. Achilles, Louise Achilles, J. N. Sobieski, Louis Christ, and other citizens of San Antonio, Bexar County, Tex., urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

7271. By Mr. ZIHLMAN: Petition of Mrs. J. C. King and numerous other residents of Cumberland, Md., urging early action on the Civil War pension bill; to the Committee on Invalid Pensions.

## SENATE

### FRIDAY, *April 27, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Lord of heaven and earth, who leddest our fathers forth, making them to go from one kingdom to another people, we yield Thee hearty thanks for all that Thou didst for them and art doing for this land to which they came. We remember them not only as valiant in fight but as far-seeing statesmen, incorruptible patriots of the newer time, prophets of the later day. Direct us, therefore, gracious Lord, so that we may never lay our convictions on the altar of compromise with the trembling hands of fear, but that, mindful of our duty to preserve the world's sublimest hope, we may here enshrine the enlightened conscience of our Nation. Through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the bill (H. R. 11479) to reserve certain lands on the public domain in Valencia County, N. Mex., for the use and benefit of the Acoma Pueblo Indians.

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1368. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch;

S. 2900. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors;

H. R. 484. An act to amend section 10 of the plant quarantine act, approved August 20, 1912;

H. R. 2654. An act for the relief of Anton Anderson;

H. R. 4068. An act for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army;

H. R. 4126. An act authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land;

H. R. 6103. An act to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for fiscal year ending June 30, 1884," and for other purposes;

H. R. 6862. An act authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States;

H. R. 7184. An act authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill.;

H. R. 7722. An act authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards;

H. R. 8128. An act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory;

H. R. 8487. An act to adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 9047. An act to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif.;

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Wabash River at or near McGregors Ferry, in White County, Ill.;

H. R. 9569. An act authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone on February 5, 1921, by a United States Army motor truck;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek Kanawha Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing the St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11279. An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes;

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 11478. An act to amend an act to allot lands to children on the Crow Reservation, Mont.;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River at or near Weslaco, Tex.;

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark.;

H. R. 11625. An act granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River at or near Glasgow, Mont.;

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907;

H. R. 12179. An act to provide for the reimbursement of the Government of Great Britain on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia in 1920;

H. R. 12320. An act to amend the longshoremen's and harbor workers' compensation act;

H. J. Res. 145. Joint resolution to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States;

H. J. Res. 146. Joint resolution to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps;

H. J. Res. 147. Joint resolution for the relief of the estate of the late Max D. Kirjassoff;

H. J. Res. 148. Joint resolution to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama;

H. J. Res. 149. Joint resolution to authorize an appropriation for the compensation of William Wiseman;

H. J. Res. 150. Joint resolution to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands

subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam;

H. J. Res. 151. Joint resolution to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps;

H. J. Res. 152. Joint resolution authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928;

H. J. Res. 230. Joint resolution to provide for the membership of the United States in the American International Institute for the Protection of Childhood;

H. J. Res. 244. Joint resolution authorizing a modification of the adopted project for Oakland Harbor, Calif.;

H. J. Res. 259. Joint resolution authorizing assistance in the construction of an inter-American highway on the Western Hemisphere; and

H. J. Res. 262. Joint resolution requesting the President to extend to the Republics of America an invitation to attend a conference of conciliation and arbitration to be held at Washington during 1928 or 1929.

FLOOD CONTROL

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes.

Mr. JONES. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. MCNARY, Mr. JOHNSON, Mr. FLETCHER, and Mr. RANSDELL conferees on the part of the Senate.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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|---|---|---|---|
| Ashurst | Fletcher | Locher | Shipstead |
| Barkley | Frazier | McKellar | Shortridge |
| Bayard | George | McMaster | Simmons |
| Bingham | Gerry | McNary | Smith |
| Black | Glass | Mayfield | Smoot |
| Blaine | Goff | Metcalf | Steck |
| Blease | Gooding | Moses | Steiwer |
| Borah | Gould | Neely | Stephens |
| Bratton | Greene | Norbeck | Swanson |
| Brookhart | Hale | Norris | Thomas |
| Broussard | Harris | Nye | Tydings |
| Bruce | Harrison | Oddie | Tyson |
| Capper | Hawes | Overman | Vandenberg |
| Caraway | Hayden | Phipps | Wagner |
| Copeland | Heflin | Pittman | Walsh, Mass. |
| Couzens | Howell | Ransdell | Walsh, Mont. |
| Curtis | Johnson | Reed, Pa. | Warren |
| Dale | Jones | Robinson, Ark. | Waterman |
| Deneen | Kendrick | Robinson, Ind. | Wheeler |
| Dill | Keyes | Sackett | |
| Edge | King | Schall | |
| Fess | La Follette | Sheppard | |

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

GREAT LAKES-ST. LAWRENCE WATERWAY

Mr. WALSH of Montana. Mr. President, a fortnight ago I addressed the Senate in relation to the Great Lakes-St. Lawrence waterway, and at that time informed the Senate that while the Canadian Advisory Committee, appointed in 1924, had submitted its report, it had not been made public. The report has since been made public and interchanges between the Government of Canada and our Government in relation thereto have been published. I have before me a copy of the diplomatic correspondence in relation to the matter and ask that it may be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The correspondence is as follows:

[Special issue of the Great Lakes-St. Lawrence Tidewater Association, Washington, D. C., April 17, 1928]

FULL TEXT OF CORRESPONDENCE EXCHANGED BY THE GOVERNMENTS OF CANADA AND THE UNITED STATES CONCERNING THE PROPOSED ST. LAWRENCE WATERWAY IMPROVEMENT—NOTE OF JANUARY 31, 1928, FROM THE CANADIAN MINISTER TO THE SECRETARY OF STATE

SIR: I have the honor to refer to your note of April 13, 1927, in which, after reviewing the steps taken in recent years by the United States and Canada to inquire into the feasibility of a St. Lawrence ocean shipway, you stated that the Government of the United States had accepted the recommendations of the St. Lawrence River Commission, appointed by the President as an advisory body, and was accordingly prepared to enter into negotiations with Canada with a view to formulating a convention for the development of the waterway.

Acknowledgment of this communication was made in a note of July 12, 1927, addressed to the minister of the United States at Ottawa, in which it was stated that, as the report of the joint board of engineers indicated differences of opinion as to the solution of the engineering difficulties presented by the international section of the waterway, the National Advisory Committee, appointed by His Majesty's Government in Canada to report on the economic and general aspects of the waterway question, would not be in a position to advise the Government until certain alternative schemes under consideration by the joint board, and to be included in the appendices to the main report, had been received and duly considered.

The full report of the board has now been received, and the National Advisory Committee, which met in Ottawa this month, has reported its conclusions to His Majesty's Government in Canada. The National Advisory Committee concurs in the finding of the joint board of engineers that the project is feasible. It recommends, however, that should the work be undertaken, fuller allowance should be made for future requirements by providing, in addition to 30-foot depth for the permanent structures, 27-foot navigation in the reaches rather than the 25-foot navigation proposed by the joint board. While the National Advisory Committee regards the project as feasible from an engineering standpoint, and notes the findings of the International Joint Commission in 1921 as to its economic practicability, it considers that the question of its advisability at the present time depends upon the successful solution of a number of financial and economic difficulties, and upon further consideration of certain of the engineering features as to which the two sections of the joint board of engineers are not as yet agreed. I am instructed by the Secretary of State for External Affairs to inform you that His Majesty's Government in Canada concurs in these conclusions of the National Advisory Committee.

In your note of April 13 it was observed that the St. Lawrence River Commission had reported that the construction of a shipway at proper depth would relieve the interior of the continent, especially agriculture, from the economic handicaps of adverse transportation costs which, it was indicated, now operate to the disadvantage of many States and a large part of Canada. It was added that the Government of the United States appreciated the advantages which would accrue equally to both countries by opening up the waterway to ocean shipping, and that the necessary increase in United States railway rates due to the war, and the desirability of early development of hydroelectric power, were factors which must have equal application to and influence upon the Dominion of Canada.

In view of the implications as to Canadian conditions contained in these observations, it may be well to indicate certain features of the transportation situation in Canada which have a direct bearing upon the St. Lawrence waterway question.

For many years past the improvement of transportation has been the foremost task of successive governments of Canada. At heavy cost an extensive program of railway, waterway, and harbor development has been carried out, with the object of linking up all parts of the Dominion and providing adequate outlets for foreign trade. Two great transcontinental railway systems have been built up, largely with State aid, and both western and eastern Canada are now reasonably well served by railways, though increasing settlement and increasing production render it necessary for both systems to continue to spend large sums annually in the provision of branch lines. Western Canada is now looking to the early completion of the Hudson Bay route to Europe. This route, which it is anticipated will be available in about three years, will shorten the haul to Europe from the Canadian west by a thousand miles and more, and will also be of substantial benefit to shippers from the Western States. Since that work was projected, the completion of the Panama Canal, by the efforts of the United States, has supplied an alternative outlet for much of western Canada through Vancouver and Prince Rupert; and at the present time the Canadian Government is faced with a strong demand for an additional and more direct outlet to the Pacific for the Peace River country. The St. Lawrence route itself has been progressively improved, and has proved of steadily increasing service.

Partly as a result of the existence of competitive alternative outlets, railway rates in Canada are in general lower than in the United States. The rates on grain, which provides 52 per cent of the total traffic of western lines, are now below pre-war level. Material reductions have also been made in another bulk movement of importance to both eastern and western Canada, namely, coal. General commodity rates, which were the subject of the same percentage of relative increase in both countries, due to war conditions, have subsequently been reduced in Canada, in certain instances, to a greater extent than in the United States. In recent months a rate on grain has been established from the head of the Lakes to Quebec which approximates the charges incident to the movement by water by the present Great Lakes-St. Lawrence route, a route which in Canada has always exercised a restraining influence on railway rates. As the greater part of Canada's railway mileage is now owned and operated by the State, the St. Lawrence

proposals, in so far as they may possibly affect the revenues of the railways, present considerations as to which Canada's point of view is necessarily somewhat different from that of the United States.

Canada's interest in the improved navigation of the Great Lakes-St. Lawrence route would be associated largely with the movement of bulk commodities, such as grain, timber, and coal. The movement of package freight by water in Canada is at present of small volume, and Canadian railways, unlike, it is understood, those of the Mid West of the United States, are in a position to handle much more of that traffic than at present is offered.

It is believed that the development of the waterway would prove of advantage to Canadian commerce and industry, not merely in the sections directly tributary to the Great Lakes and St. Lawrence, but in the maritime sections, which would be afforded more direct access to the great interior markets of the continent. It is, however, apparent that the United States would benefit much more from the enlarged navigation facilities both in extent of use and in margin of saving. The report of the International Joint Commission in 1921, after a comprehensive review of the economic aspects of the project, presented the following conclusions, to which the national advisory committee calls attention:

"As to the economic practicability of the waterway, the commission finds that, without considering the probability of new traffic created by the opening of a water route to the seaboard, there exists to-day, between the region economicaly tributary to the Great Lakes and overseas points as well as between the same region and the Atlantic and Pacific seaboards, a volume of outbound and inbound trade that might reasonably be expected to seek this route sufficient to justify the expense involved in its improvement.

"It finds that, as between the American and Canadian sides of the tributary area, the former contributes very much the larger share of this foreign and coastwise trade, and in all probability will continue to do so for many years to come. The benefits to be derived from the opening of a water route to the sea will, therefore, accrue in much larger measure to American than to Canadian interests, though it is reasonable to assume that eventually the advantages may be more evenly distributed."

The report of the International Joint Commission continues, in a direct reference to comparative transportation conditions:

"It finds that the existing means of transportation between the tributary area in the United States and the seaboard are altogether inadequate, that the railroads have not kept pace with the needs of the country, but that this does not apply to the Canadian side of the area, where railway development is still in advance of population and production."

It will therefore be observed that the transportation situation in the two countries is not identical as to available facilities, extent of use, or rates, and that the economic handicaps to which you referred in your note of April 13 appear to have more application to United States than to Canadian conditions. In this connection it may be said that Canadian agriculture is more directly affected by the restrictions on the importation of Canadian farm products which have been imposed by the United States in recent years, with the object, it is understood, of assisting agriculture in those Western States which would share so largely in the benefits of the proposed St. Lawrence waterway. This situation, and the effects upon the maritime sections of Canada of United States duties on the products of the fisheries, are among the factors which have contributed to bringing it about that public opinion in Canada has not so clearly crystallized in favor of the waterway project as appears to be the case in the United States.

Reference was made in your note to the early development of hydroelectric power as a factor which must have equal application to and influence upon the Dominion of Canada. The opportunity of developing great quantities of power incidental to navigation is, it is agreed, a special advantage possessed by the St. Lawrence project, and an important consideration in determining its advisability. In this aspect of the project, however, there are again special features in the Canadian situation which it is desirable to make clear. Public opinion in Canada is opposed to the export of hydroelectric power, and is insistent that such power as may be rendered available on the St. Lawrence, whether from the wholly Canadian section or from the Canadian half of the international section, shall be utilized within the Dominion to stimulate Canadian industry and develop the national resources. With this view the National Advisory Committee expresses itself as in complete accord. The committee further indicates that, in view of the relatively limited capacity of the Canadian market to absorb the vast blocks of power contemplated by the St. Lawrence proposals, it follows that it is most important, in any arrangement which may be considered, that the development of power on the Canadian side should not exceed the capacity of the Canadian market to absorb it.

The situation presented by the differences of opinion brought out in the report of the Joint Board of Engineers as to the best method of development in the international section of the St. Lawrence has also received consideration by the National Advisory Committee. The committee considers it greatly in the public interest that a further attempt should be made to reconcile these varying views. Conclusive assurance is necessary as to control of the fluctuations of flow from Lake Ontario, so essential to the interests of the purely national sections of the river and the port of Montreal, and as to the situation of those Canadian communities on the St. Lawrence which under certain of the present plans might be obliged to live under levees or to rebuild in part. A plan has been presented in the appendices to the report of the Joint Board of Engineers proposing an alternative location of the upper works of the Canadian two-stage plan. It is also considered advisable that opportunity should be afforded for further conference on these alternative proposals between the Canadian section of the joint board and engineers representing the Province of Ontario, who have themselves formulated plans dealing with the international section.

The financial phases of the project have been reviewed by the committee. It is pointed out that for many years Canada has been engaged in improving the navigation of the St. Lawrence River, both above and below Montreal, and in providing navigation facilities across the Niagara Peninsula. At the same time, the United States has been similarly engaged in deepening interconnecting channels of the upper lakes and in providing suitable works at Sault Ste. Marie. Toward the common object, Canada has made particularly heavy contributions. It has expended over thirty millions on the ship channel which has made possible ocean navigation on a large scale to the port of Montreal, an expenditure by which the proposed St. Lawrence project will directly benefit. The Dominion has spent fifty millions on canals and channel improvements between Montreal and Lake Erie, in which improved navigation United States shipping has had equal use and advantage. To the present, Canada has spent eighty-seven millions on the Welland Ship Canal. In view of these facts and of the very heavy financial burdens imposed by the war, by the railway obligations arising out of the war, and by the necessity, since the war ended, of finding the large sums required for needed public works throughout the Dominion, it is considered that it would not be sound policy to assume heavy public obligations for the St. Lawrence project.

The National Advisory Committee has reached the conclusion that it is possible to work out a method by which provision could be made for the construction of the waterway on terms which would be equitable to both countries and would take adequate account of the special factors in the Canadian situation to which attention has been directed. Several methods have been considered, but the plan which chiefly commends itself to the committee is, in brief, that Canada should consider providing for the construction of the waterway in the sections wholly Canadian; that is, the Welland Ship Canal and the works in the St. Lawrence below the international boundary, and that the United States should consider undertaking the completion of a 27-foot waterway to the head of the Lakes, in addition to meeting the entire cost of the development, under joint technical supervision on lines to be agreed upon, of the international section of the St. Lawrence, both for navigation and for power. The construction of the wholly Canadian—Welland and St. Lawrence—sections, and, if the United States should see fit, of the upper lakes works, would, on this plan, be given precedence of the international section, because of the necessity alike of providing for further consideration of the engineering problems involved in the international section and of permitting reasonable absorption of the power developed on the Canadian side.

In support of this view, the following statement is submitted by the committee, based on expenditures by both countries on the present through waterway, and on the estimated cost of the presently recommended scheme, with 27-foot navigation, a new United States lock at Sault Ste. Marie of the same dimensions as proposed for the St. Lawrence shipway, and the development on the St. Lawrence of such power as is incidental to navigation.

CANADA

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|---|---|---|
| Present works: | | |
| St. Lawrence Ship Channel | $30,000,000 | |
| St. Lawrence and Welland Canals | 50,000,000 | |
| Lock at Sault Ste. Marie, Ontario | 5,560,000 | |
| | | $85,560,000 |
| Proposed works: | | |
| Welland Ship Canal | 115,600,000 | |
| Wholly Canadian section, St. Lawrence shipway, 27-foot navigation and development of 949,300 horsepower | 199,670,000 | |
| | | 315,270,000 |
| Total for Canada | | 400,830,000 |

UNITED STATES

| | | |
|---|---|---|
| Present works: | | |
| Dredging St. Clair and Detroit Rivers | $17,536,000 | |
| Locks at Sault Ste. Marie, Mich | 26,300,000 | |
| | | $43,836,000 |
| Proposed works: | | |
| International section, St. Lawrence shipway, 27-foot navigation and initial development of 597,600 horsepower | 182,157,000 | |
| To complete development—additional power 1,602,000 horsepower | 92,090,000 | |
| Upper lake channels to 27 feet | 65,100,000 | |
| | | 339,347,000 |
| Total for United States | | 383,183,000 |

In bringing these conclusions of the National Advisory Committee to the attention of the Government of the United States His Majesty's

Government in Canada desires to add that there are phases of the question, particularly as regards the development of power, as to which it is necessary to take account of the special concern of the two Provinces of Canada bordering on the waterway. The relation between navigation and power involves certain constitutional difficulties, of which, in accordance with the wishes of the governments of Ontario and Quebec, the Government of Canada proposes to seek a solution by reference to the courts. With this preliminary difficulty in process of solution, the Government of Canada will be in a position, upon learning from the Government of the United States whether in its view the procedure above outlined affords an acceptable basis of negotiation, to consult with the Provinces of Ontario and Quebec on the aspects of the problem with which they may be concerned, and thus to facilitate an understanding being reached between all concerned as to the methods and means by which the project could be undertaken.

It is the hope of the Government of Canada that in any such further consideration of the waterway question opportunity may be found for reaching a comprehensive settlement of all outstanding problems affecting the Great Lakes and the St. Lawrence, including the preservation of the waters properly belonging to the St. Lawrence watershed, of which the present discussion indicates the paramount importance.

I shall be obliged if you will be good enough to inform me at your convenience, for transmission to His Majesty's Government in Canada, of the views of the Government of the United States on the representations which are outlined above.

I have the honor to be, with the highest consideration, sir,

Your most obedient, humble servant,

VINCENT MASSEY.

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NOTE OF MARCH 12, 1928, FROM THE SECRETARY OF STATE TO THE CANADIAN MINISTER

SIR: I have the honor to acknowledge your note of January 31, 1928, in which you inform me of the findings and recommendations of the National Advisory Committee in regard to the proposed St. Lawrence waterway improvement.

I note the view of the National Advisory Committee that the question of the advisability of the improvement at the present time depends upon the solution of a number of financial and economic difficulties and upon further consideration of certain of the engineering features and the conclusion of the committee that it is possible to work out a method by which provision could be made for the construction of the waterway on terms which would be equitable to both countries and would also take adequate account of the factors in the Canadian situation which you have set forth.

The suggestions outlined in your note have received thorough consideration. While the United States is not in complete agreement with the representations made by the Canadian Government as to the relative benefits and ultimate costs to the two countries of the proposed improvement of the St. Lawrence and the division of expense to be borne by each country, it is inclined to regard as an acceptable basis of negotiation a proposal along the general lines suggested in your note: That the prosecution of the improvement of the St. Lawrence waterway be based on the undertaking by the United States of the deepening of the necessary channels through the interconnecting waters of the Great Lakes and the improvement of the international section of the St. Lawrence both for navigation and for power and the undertaking by Canada of the construction of the waterway in the sections wholly Canadian; that is, the Welland Canal and the works in the St. Lawrence below the international boundary.

Whether the United States expends its share of the cost on the international section and Canada its share on the national sections would seem to be immaterial if in the negotiations there is a fair division of expense for a through deep waterway to the ocean. Of course, in such an arrangement all sections of the deep waterway should be so constructed as to make them most suitable for a through system of transportation. This is a detail to which I have no doubt your Government will entirely agree. The use of the waterway should be properly safeguarded by treaties between the two countries.

Concerning the value of the route to the sea to the two countries, I have noted the suggestions made in your note of January 31. I might say that, while it may not be very material to the main issue, the United States has the use of the Panama Canal which is of great benefit to it, especially on the Pacific, Atlantic, and Gulf coasts. It has also the use of the Gulf of Mexico which reaches a considerable way across the continent on the south and furnishes valuable water transportation for a large portion of the southwestern part of the United States. Both of these waterways exercise a great influence on freight rates. The United States has other harbors on the Atlantic, such as New York served by both railways and the Erie Canal, Philadelphia, Baltimore, and Norfolk, which involve a shorter railroad haul from the Great Lakes territory to the ocean than is enjoyed by Canada. Nevertheless, I feel that the construction of a deep waterway through the St. Lawrence to the ocean will be of tremendous advantage to most, if not all, of the territory in the northern part of the United States, as well as to the corresponding territory in Canada.

Referring to your suggestions as to the order in which the different works should be undertaken, it would seem to me that this matter will also have to be the subject of negotiation because the works ought to proceed so that all parts of the navigation system would be completed substantially at the same time and the United States ought to have the advantage of its share of the power of the international section without waiting until Canada may be able to sell her power from these works.

Referring to the balance sheet, which undoubtedly was included in your note to illustrate the principles of the division of costs and the work to be done by each country, I am in general accord with those principles. The amounts and some of the items would have to be considered and discussed in the negotiations. To illustrate: I am not inclined to the view that it is right to include in the balance sheet the costs of the St. Lawrence and old Welland Canals except so far as they may be of use to the deeper system. Those works are understood to be for lighter craft and of little value for the purposes of the works now proposed. These waterways are understood to have served their purpose in economic returns. It would also seem to be necessary to differentiate between the costs that may properly be chargeable to navigation and those to power in general. Those who now or in the future profit by the power should bear their share of the expense. It is understood that the power development will carry itself. To illustrate: Under the suggestions you make, the United States will have no proprietary interest in the power on the national section. It would, therefore, seem that as this development is for the benefit of Canada, your Government should be responsible for that expense, and that such expense should take into account the costs to be borne by the respective interests whether the power is actually installed now or later. The amount, therefore, which power on the national section should contribute to the cost of the improvement should be left open for consideration and subject to determination in the negotiations. All power, of course, developed for joint benefit in the international section should ultimately be paid for as a part of the joint venture. The application of this principle would change the proposed balance sheet considerably. Therefore, if, as you suggest as to this section, the United States is willing to build not only the waterway but the power, it would seem that the United States ought to be permitted to develop its power and use its half, the other half to be used by Canada or not as it should desire.

The United States is agreeable to the proposal that all navigation channels provided in improvements have a minimum depth of 27 feet, the permanent structures having a depth of 30 feet for future expansion. The United States has at present under consideration the deepening of the lake channels to the extent economically justified by the present commerce of the Great Lakes. There is one question that we should like to leave for discussion and that is, whether it would be economical to at once build a new lock and deepen the Soo Canal until such time as the St. Lawrence is nearing completion so that there would be a demand for deeper channels. It is clearly advisable that the large expenditures required for depths in excess of present needs be deferred until the greater depths can be profitably used.

The United States fully recognizes the right of the Dominion of Canada to the ownership and use of the Canadian share of the power which may be developed in the international section of the waterway as well as to all that developed in the national section, and it recognizes also that the disposition of the power is purely a domestic question. It recognizes further that this share is an inherent attribute of Canadian sovereignty, irrespective of the agency by which the power may be developed.

The United States regards it a fundamental economic principle that the beneficiaries of power developed in the improvement of the international section of the St. Lawrence should pay ultimately their fair share of the cost of its production, whether the agency constructing these works be a corporation, a State or Province, or a national government. It believes that a practicable means can be found for effecting the fulfillment of this principle in the arrangements made for the improvement of the international section of the river for the joint benefit of navigation and power development, and believes that the negotiations entered into in furtherance of the undertaking of the project should have this end in view.

The large expenditures required for the undertaking are a matter of grave concern to the United States as well as to Canada. It is felt that when the United States embarks on the enterprise all expenditures should be on a sound economic basis.

The United States accepts without reservation the principle that the operation of works in the international section must be such as will control fluctuations of the outflow from Lake Ontario in such manner as to safeguard all interests on the purely Canadian sections of the river, including especially the port of Montreal. It regards as acceptable the proposal that the design and operation of works in the international section of the river be under joint technical control and assumes that the design of all works on the waterway will comply in general with the plans agreed upon by the joint engineering board as embodying the best principles.

The United States is fully in accord with the view that the advisability of undertaking the improvement at the present time depends on the solution of the financial and economic problems involved. It shares the hope expressed that a solution will be found which will fully safeguard the interests of the two countries and will afford an equitable basis for a division of the cost. It is confident that when these economic principles are determined, the solution of the engineering problems required for their fulfillment will be speedily realized.

I have the honor to suggest, therefore, that the two countries proceed with the appointment of commissioners to discuss jointly the problems presented in your note, and those which I have presented herein with a view to the formulation of a convention appropriate to the subject.

The Government of the United States will be glad to have this discussion extended to the further consideration of any outstanding problems affecting the Great Lakes and the St. Lawrence as suggested in your note.

Accept, sir, the renewed assurance of my highest consideration.

FRANK B. KELLOGG.

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NOTE OF APRIL 5, 1928, FROM MR. LAURENT BEAUDRY, FIRST SECRETARY OF THE CANADIAN LEGATION, TO THE SECRETARY OF STATE

SIR: I have the honor to refer to your note of March 12, 1928, on the St. Lawrence waterway project.

The Secretary of State for External Affairs has noted that while the United States is not in complete agreement with the representations contained in my note No. 30 of January 31, 1928, as to the relative benefits and ultimate costs to the two countries of the proposed improvement and the division of expenses to be borne by each country, it is inclined to regard as an acceptable basis of negotiation the suggestions of the national advisory committee summarized in my note as to the division between Canada and the United States of the tasks involved in the completion of the deep St. Lawrence waterway.

The Secretary of State for External Affairs has also noted that the United States agrees that a channel of 27 feet minimum depth would be advisable, accepts the principle that the works in the international section must be so operated as to control fluctuations of the outflow from Lake Ontario in such manner as to safeguard all interests on the purely Canadian sections, including the port of Montreal, and agrees that the design and operation of the works in the international section should be under joint technical control. It is noted also that the United States would be prepared to have the discussion extended to the consideration of any outstanding problems affecting the Great Lakes and the St. Lawrence watershed, as suggested in my previous note.

In your note under reference you raise some question as to the relative advantage of the waterway to each country and as to the validity of some of the items included on the Canadian side of the balance sheet presented for illustrative purposes by the National Advisory Committee, and refer also to the problems involved in the allocation of costs as between navigation and power. At the present stage it does not appear necessary to discuss these points in detail.

It is further noted that you do not favor the recommendation of the National Advisory Committee, which was an integral feature of its plan and of the division of tasks which it proposed, that the works on the national section should be given priority over the works on the international section in order to permit an agreed solution of the engineering difficulties in this area and to insure reasonable absorption of the power developed on the Canadian side. In view of the fact that the market for hydroelectric power in Canada, though large and rapidly expanding, has definite limitations, and that export of power is considered contrary to public policy, it is an essential factor in any plan economically feasible from the Canadian standpoint that, whether through the priority procedure set out by the National Advisory Committee or by some alternative method, the development of power to be utilized in Canada should not outrun the capacity of the Canadian market to absorb and thus to meet the proportion of the costs of the waterway fairly chargeable to power.

The National Advisory Committee laid emphasis on another phase of the situation—the necessity of reconciling the divergent views of the two sections of the joint board of engineers as to the best method of development in the international section of the St. Lawrence. Definite and agreed engineering proposals for the development of this section would appear to be a necessary preliminary to any computation of costs or decision as to the order of construction or division of tasks. His Majesty's Government in Canada has previously referred to the view of the National Advisory Committee, which it shares, that a conference should be held between the Canadian section of the joint board and engineers representing in the Province of Ontario. It would appear advisable that such a conference should be followed by reconsideration of the engineering problems in the international section by the whole joint board.

Reference was made in my previous note to certain constitutional questions affecting the Canadian situation, and to the intention of His Majesty's Government in Canada, in accordance with the wishes of the governments of Ontario and Quebec, to seek a solution by reference to the courts. Steps have since been taken to this end, and it is anticipated that the reference will come before the Supreme Court of Canada at an early date.

It was further indicated in my previous note that, with the constitutional question in process of solution, His Majesty's Government in Canada would be in a position, upon learning whether the Government of the United States considered that the procedure suggested by the National Advisory Committee formed an acceptable basis of negotiation, to consult with the Provinces of Ontario and Quebec upon the aspects of the problem with which they may be concerned. While the acceptance by the United States of this basis of negotiation is attended with important qualifications, yet the position of the Government of the United States has been made sufficiently clear and definite to permit the Government of Canada to take the necessary step thus contemplated and discuss with the Provinces the aspects in question. Following this consultation His Majesty's Government in Canada will be in a position to inform the Government of the United States further of its views on the proposals contained in your note of March 12.

I have the honor to be, with the highest consideration, sir,

Your most obedient, humble servant,

LAURENT BEAUDRY
(For the Minister).

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NOTE OF APRIL 7, 1928, FROM THE SECRETARY OF STATE TO THE CANADIAN MINISTER

SIR: I have the honor to receive your note of April 5, 1928, with reference to the negotiations between the Canadian Government and the United States looking to the construction of the deep St. Lawrence waterway. I note your suggestion that the position of the United States has been made sufficiently clear and definite to permit the Government of Canada to take the necessary steps contemplated and to discuss with the Provinces of Ontario and Quebec the aspects in question. I entirely agree with you that there is no reason why at this time the Government of Canada should not take up such discussion with the Provinces.

I note also that His Majesty's Government of Canada suggests that it would be advisable that definite and agreed engineering proposals for the development of the international section would appear to be necessary preliminary to any computation of costs or decision as to the order of construction or division of tasks and that a conference should be held between the Canadian section of the joint board and engineers representing the Province of Ontario. Further, that it would be advisable that such a conference should be followed by reconsideration of the engineering problems in the international section by the whole joint board. Of course, the Government of the United States fully realizes the desirability of the Canadian Government's consultation with the Provinces and with the Canadian section of the Joint Board of Engineers. The United States section of the joint board will be prepared at any time to take up with the full board and discuss and reconsider engineering problems connected with the construction of the international section. I have the honor to suggest, however, that it would seem as though the entire subject of treaty negotiation need not be postponed until the termination of these discussions and of the reconsideration by the Joint Board of Engineers and that it might be desirable for the negotiations to go on concurrently with the examination of such engineers, as their advice and assistance would be necessary. The United States will be prepared to cooperate to the fullest extent with the Canadian Government at any time for the purpose of accomplishing the improvement contemplated.

Accept, sir, the renewed assurance of my highest consideration.

FRANK B. KELLOGG.

Mr. WALSH of Montana. In this connection, I am in receipt of a telegram as follows:

NEW YORK, *April 20, 1928.*

Hon. THOMAS J. WALSH,
*Washington, D. C.:*

You have made a great reputation in the oil matter. You are supporting the St. Lawrence deep waterway project. Why not figure out who is behind the St. Lawrence project besides the wheat growers of the Middle West, who now have only 31,000,000 bushels to export annually and which exports, according to Hon. Herbert Hoover, will disappear within 15 years when we will consume all of our own wheat? Why not disclose the real backers, the invisible hand of the Power Trust and the railroads?

EDWARD C. CARRINGTON,
*Chairman Great Lakes-Hudson Deeper Waterway Association.*

Mr. President, the information given by the telegram ought to be exceedingly gratifying to some of the Members of this body who have been so sincerely endeavoring to develop internal waterway improvements. Apparently the railway companies have come to their senses or lost them, because they have apparently abandoned the effort to oppose the construction of competing water lines. I call this particularly to the attention of the Senator from Louisiana [Mr. RANSDELL] and the Senator from Missouri [Mr. HAWES]. They will be pleased to know

that the railroad companies have ceased their policy of opposing parallel and competing water lines.

Likewise it will be exceedingly gratifying to the Senator from California [Mr. JOHNSON] to have the information that the Power Trust has ceased its opposition to Government development of power projects. The senior Senator from New York [Mr. COPELAND] gave us, some time ago, the very interesting information that the St. Lawrence waterway matter is a project of the power interests. It is likewise interesting to know that the power interests have evidently now become advocates of the development of power projects throughout the country, or at least have become the sponsors for the development of power on the St. Lawrence River.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. COPELAND. I merely want to add that it is not only the Power Trust, but also Mr. Herbert Hoover, who is the chief advocate of such a proposition.

Mr. WALSH of Montana. This information that the power interests of the country have finally come around to the advocacy of Government ownership of the railroads leads me to call the attention of the Senate to some of the testimony which has been brought out by the Federal Trade Commission in the discharge of the duties devolved upon it pursuant to a resolution which was introduced by me some time ago. I feel that these revelations before the commission are deserving of greater publicity than has thus far been given to them by the press. I offer for the RECORD a summarization of some of the testimony which appears in the United States Daily of April 13. I desire, however, to refer to a few paragraphs thereof, and particularly to the opening, as follows:

[From the United States Daily, April 13]

PUBLICITY METHODS USED BY ILLINOIS UTILITIES DEFENDED—DIRECTOR OF COMMITTEE OF PUBLIC UTILITY INFORMATION EXPLAINS ACTIVITIES TO TRADE COMMISSION—SPREAD OF INFORMATION TERMED FIRST OBJECT—DISTRIBUTION OF MATERIAL IN OPPOSITION TO PUBLIC OPERATION DECLARED TO BE ONLY "INCIDENTAL"

Publicity methods employed by public-utility organizations of Illinois were inquired into April 12 at the public hearing before the Federal Trade Commission.

The first witnesses on this phase of the investigation being pursued in compliance with a Senate resolution were the director of the Illinois Committee on Public Utility Information, Bernard J. Mullaney, of Chicago, and the assistant director, Rob Roy MacGregor, of Chicago.

LITERATURE DISTRIBUTED

The committee, they explained, was organized in 1919 to disseminate information relating to public utilities. It has expended an average of $45,000 per year, chiefly on bulletins and pamphlets relating to the gas, electrical, street railway, and kindred industries, according to a document inserted in the record while Mr. Mullaney was testifying. It has distributed approximately 5,000,000 pieces of literature, Mr. Mullaney estimated.

Mr. Mullaney, who is vice president of the People's Gas Light & Coke Co., a Samuel Insull concern, and also vice president of the American Gas Association, told the examining counsel, Robert E. Healy, chief counsel of the commission, that while he unqualifiedly opposed to the Government going into business, the distribution of material in opposition to municipal and governmental operation of public utilities was not the prime purpose of the committee. This is only incidental to its main purpose, which is to spread reliable information regarding public utilities, he said.

MR. MACGREGOR IS QUESTIONED

The first witness at the hearing was Mr. MacGregor, who was asked to explain a memorandum he had written replying to a "hypothetical question" as to what he would suggest as material for a political campaign speech against "a Senator favoring Government ownership." The memorandum, as read by Mr. Healy, suggested that "logic or reason" should not be used, because this would be understood only by a "hand-picked audience." The writer further suggested that he would "pin the bolshevist idea" onto such a candidate.

I have here a copy of a memorandum which I shall also ask to have incorporated in the RECORD. This question is supposed to be addressed to Mr. MacGregor:

Mr. MACGREGOR: If you were running for a nomination for United States Senator against a man whose speeches have indicated that he favors Government ownership generally, and you had to get up a speech or series of speeches tackling him on that line—

What have we that you would find pertinent and useful?

B. J. M.

This is the matter they have which they would furnish as pertinent and useful as a kind of outline to any man who wanted to make a speech against a man running for the office of United States Senator and was supposed to be favorable to the idea of municipal or Government ownership:

Mr. MULLANEY: If I were running for United States Senator and my opponent was an advocate of Government ownership, I should develop the following thoughts in speaking against him:

Not all of the socialists are in the Socialist Party—they know that the best type of American citizen is opposed to the name. Not all of the parlor pinks are in Greenwich Village. Not all of the deep-dyed reds are wearing long hair and are building bombs. Not all of the Russian bolsheviks are in Russia.

To be a socialist, a pink, a red, or a bolshevist all you have to do is to think and act like they do, and then you are a member, working for the obnoxious things they stand for.

It is not only possible, but it happens, that such thinkers are affiliated with other groups of people. In fact, it is one of the principles of those who would overthrow our Government to "bore from within." To insidiously work for the vicious "cause" while posing as a worker in another party.

In fact, the ——— Party might harbor such persons. Let us all be thankful that they are few and that the best type of citizens nullify their efforts at the ballot box.

But if such a person—a red or a bolshevist—aspired to the honor of being elected to the United States Senate—the seat of government where the traditions of the American Government should be most sacred—we should become alarmed.

Yet, there is a man who has openly declared that he stands for the first, most-sought principle of the reds and bolsheviks—the principle that we shall no longer have America's greatest opportunity of carving our success by our individual efforts. That man is ———, who asks that you send him to the United States Senate to represent you and your views in that great body.

He favors the Government owning and operating some of our businesses, placing the workers under the dead hand of bureaucracy, taking away their right of bargaining for their rights, stifling any right of free voting by placing workers' jobs under the domination of politics.

He said that he favored it (when said)—

Government ownership means the furthering of the cause of the bolshevik. Even though an advocate doesn't label himself as a bolshevik, you may be sure that they will call him "comrade," for he is aiding their cause.

The principle of government ownership is the first and most sought principle of the bolsheviks. It is their opening wedge. They propose to start by taking over our most important public services, the railroads, the electric light and power, gas, electric railway, and telephone companies. When these important businesses are thoroughly socialized, when the workers are whipped into servility, then they propose to take over other businesses one by one. When our turn comes we don't know, but it is planned for.

It's a disease, and the best preventive for a general infection is not to let it get a start. Kill the first germs before they multiply and kill.

What's wrong with government ownership? The answer is, it doesn't and it won't work. It's been tried time and time again. And every time it has caused the downfall of the government which tried it. Workers refuse to be dogged by an endless chain of bureaus until they can't even raise their families the way they wish. They revolt.

The principle of the Russian bolshevik—those people with whom ———, my opponent, throws his lot—is to level everyone to the lowest state of poverty. Then they are all equal—equally miserable. In America we make people equal by trying to raise all to the highest level.

Government ownership is not a principle that is in accord with the traditions of the American Government. Is my opponent dissatisfied with America?

Maybe he thinks that great loss to the people of $——— when the Government operated the trains during the war and helped bring on high taxes should be repeated. (More examples of actual failures.)

There is no question but that the socialists, the pinks, reds, and bolshevists are watching this election. There is no question that they are secretly helping their "comrade" in his campaign.

The issue then to be decided on ——— in this State is: Are we going to sell out to these who would change our form of government?

* * * * * * *

This, of course, is not an attempt at writing a speech. My idea would be not to try logic or reason but to try to pin the bolshevik idea on my opponent. I do not believe that the theories of government ownership would be much use except before a hand-picked audience.

R. R. MACGREGOR.

I continue reading from the United States Daily the report of the testimony adduced on April 12.

Mr. MacGregor said this memorandum related to the campaign of no particular person, but was written purely in response to a "hypothetical question" that had been put to him. He admitted, in reply to a question by the presiding member of the Federal Trade Commission, Edgar A. McCulloch, that his thought was to raise prejudice against the

bolshevik idea for political purposes, reasserting his belief that logic or reason is of no use in a political discussion.

The witness said he did not prepare the memorandum for any particular person, when Mr. Healy suggested it might have been intended for the guidance of a candidate for the United States Senate.

SEEKS SUPPORT OF NEWSPAPERS

Mr. MacGregor was excused after questioning, and Mr. Mullaney was called to the stand. He testified that friendly relations between the public utilities of the State and its newspapers were fostered by the committee which he heads, whose primary purpose, he said, was "to inform the public of all phases of utility activities" and "to safeguard the property and interests of the investors." He was questioned regarding a letter sent to its members urging them, especially if they had advertising relations with the newspapers to strive for favorable notice in the news columns.

Mr. Mullaney denied any intention on his part to trade advertising for favorable news, declaring that it would be "foolish and bad practice to try to influence news columns by reason of advertising." He said that the weekly news bulletin issued by the committee was sent to more than 900 daily and weekly newspapers of Illinois, and that he estimated 5,000 columns of news matter was printed each month.

Mr. Mullaney said that the publicity organization built up in Illinois was the first of its kind, and was being used as the model for public utility organizations in other States. He said it issues speakers' bulletins, which its local committees are urged to place in the hands of persons who can use them; sponsors speakers favorable to public utilities and distributes bulletins and pamphlets on various phases of the industry.

He estimated that three-fourths of the high schools of Illinois use utilities literature prepared by his committee, asserting the pamphlets so distributed are made as "strictly informative" as possible. They deal with the gas, electrical, telephone, and street-car industries, and are sent to teachers first as samples and then in larger quantities, according to demand. He estimated that 8,000 to 10,000 of the pamphlets prepared for school children were distributed the first year of the committee's organization, and from 65,000 to 75,000 last year.

MUNICIPAL OWNERSHIP NOT AN ISSUE IN STATE

"Municipal ownership has not been a live issue in the State, so that propaganda against public ownership has not been necessary," said Mr. Mullaney.

"There has been no need to point out the inherent fallacies of public ownership," said the witness. When Commissioner McCulloch inquired further whether Mr. Mullaney was opposed to public ownership, he replied:

"Commissioner, of course, we're not heartily in favor of anything that will destroy our business."

He repeated that propaganda against public ownership was not the object of his organization.

"Any attitude we may have toward public ownership," said he, "is only incidental to our efforts, which are to point out the glaring inaccuracies cited by those in favor of public ownership. As for this committee being organized to agitate against or fight public ownership, that was furthest from our thoughts."

Mr. Mullaney said that Samuel Insull was the instigator of the Illinois committee on public utility information. He again testified that he was absolutely opposed to active participation in business by the Government when he was questioned regarding a speech he had made in London on this subject. In it he had asserted that "Government ownership is the massed advance agent of communism," and that "having the Government go into one line of business will ultimately conclude in its going into all lines."

Mr. Healy inquired into a document circulated among members of the committee, in which he said, "the advocates of municipal ownership were linked with communism." Mr. Mullaney said this was for private distribution among the membership only. Commissioner McCulloch remarked that this was "passing on a very serious charge."

COMMITTEE WAS FORMED TO AID STREET RAILWAYS

Mr. Mullaney concluded his testimony with a voluntary recital of the facts which he said were incidental to the history of the organization of the Illinois committee. It was first formed, he said, particularly because of the depressed economic condition of the electric street-railway industry just after the war. So acute were its circumstances and those of other utilities that official cognizance was taken by President Wilson, said Mr. Mullaney, and he quoted from an address by the President before a conference of the industry in which frankness and publicity were urged.

In consequence of the situation, Mr. Insull proposed to reach the people served and the stockholders alike by "open and bold" publicity methods, and undertook to devise a method of disseminating information regarding the industry's economic situation, said Mr. Mullaney. Accordingly, the organization and promotion of the committee was begun, he said.

At the inception, the subject of Government and municipal ownership was not mentioned, he continued. If it was dealt with later, this was because it came in the natural course of events and gross misinformation and fallacies of the proponents of public ownership, said he, expressing his belief that such projects as Boulder Dam, Muscle Shoals, the Colorado River Basin, and others were merely a part of a program to brand the industry as interstate in its nature, so that the Government might go into the proper province of private enterprise.

The next witness was Robert B. Prather, secretary-treasurer of the Great Lakes division of the National Electric Light Association, and holding the same office in the Illinois State Electric Association, Illinois Electric Railway Association, and the Illinois Gas Association. He testified he was formerly secretary of the State public-utilities commission of Illinois.

A letter from Mr. Prather to the then manager of the N. E. L. A., Mr. M. H. Aylesworth, was then inserted in the record by Mr. Healy in memorandum form, the contents of which were verified by the witness. It had been found in the files of Mr. Prather's office by an investigator for the Federal Trade Commission, W. Wooden.

Mr. Prather said it related to a "purely personal matter," but did not object to its introduction in evidence when Commissioner McCulloch ruled that "influences to be brought to bear on the legislature of a State come within the purview of the resolution."

Mr. Healy explained that the original had been destroyed by Mr. Prather the day before. Dated January 20, 1921, the full text of the memorandum read:

"The legislature is in session here and it looks like a very stormy session, and I could use very handily a little J. Walker to very good advantage, and it occurred to me that you could do me a very great favor if the first time you are coming west you would call up a friend of mine in New York and bring me half a dozen * * *"

Mr. Healy inquired into the letter. Mr. Prather denied having any ulterior purpose in mind in writing for liquor.

"Do you suppose," said he to Mr. Healy, "that six bottles of Johnny Walker would go very far among 200 members of the Illinois Legislature? I want to say that I never gave a bottle to a member of the Illinois Legislature in my life."

Another letter of similar purport, dated 1925, was also found in Mr. Prather's files by Mr. Wooden. According to Mr. Healy, who inserted the letter in the record without reading it, but mentioning that it advised Mr. Aylesworth that he (Mr. Prather) had to have "something to sweeten the palates of the legislature."

A confidential document, entitled "Red Activities in the United States," distributed by the Illinois Committee on Public Utility Information and listing various organizations, and persons said to be active in or tending toward "communistic, socialistic, and pacifistic" principles, was inserted in the record. It included, besides names correctly associated with these activities, the names of such organizations as the American Association of University Women, the American Farm Bureau Federation, American Federation of Teachers, National Education Association, National Council of Jewish Women, National League of Women Voters, the National Board of the Y. W. C. A., the Religious Society of Friends, and the Foreign Policy Association, all of which were said to be engaged in antiwar activities.

Of Mr. Prather, the commission counsel inquired regarding expenses of his office, his activities at the Illinois and Wisconsin State capitals, and his various duties.

And this makes me inquire, Mr. President, if it is possible that the "good old ladies"—as they were characterized by William Allen White—of the Daughters of the American Revolution have simply been taken in by this literature circulated by the Public Utilities Information Bureau.

I offer likewise for the RECORD the United States Daily of April 14, giving equally interesting proceedings of the day following.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

[From the United States Daily of Saturday, April 14, 1928]

LETTERS OFFERED TO SHOW PUBLICITY USED BY UTILITIES—FEDERAL TRADE COMMISSION INFORMED OF EFFORTS TO OBTAIN COOPERATION OF EDUCATORS—UNIVERSITY STUDENTS OFFERED SCHOLARSHIPS—CORRESPONDENCE OF ILLINOIS COMMITTEE ON PUBLIC UTILITY INFORMATION READ INTO RECORD AT HEARING

Identification of a mass of correspondence from the files of the Illinois Committee on Public Utility Information, largely comprising letters entered by counsel for the Federal Trade Commission as exhibits to show alleged efforts to maintain a liaison with educational institutions, occupied a further hearing April 13 into publicity phases of the public utilities investigation directed by the Senate.

Offers of scholarships to college and university students and of aid to professors to pursue researches or to public works relating to public utilities and the furnishing of speakers on public utility subjects were contained in the correspondence obtained by William B. Wooden, investigator for the commission, and entered into the record of the present proceedings by Robert E. Healy, chief counsel of the commission.

SESSION ADJOURNED TO APRIL 24

The witness who identified the documents was the assistant director of the Illinois Committee on Public Utility Information, Rob Roy MacGregor. Upon request of Mr. Healy the presiding officer of the hearing, Commissioner Edgar A. McCulloch, adjourned the session until April 24, when Mr. Healy announced that further testimony would be taken in connection with publicity methods pursued by different elements in the industry.

Mr. MacGregor identified various letters separately and in groups. One of the first letters read into the record was received from the Nebraska Power Co., which wrote of the need of "special work" in Nebraska "on account of Senators NORRIS and HOWELL." Another letter relating to "congressional propaganda," Mr. MacGregor said, he could not recall, and he told Mr. Healy he could not say that it related to the Reed committee's Senate campaign-fund investigation.

INTERESTED IN PUBLIC PROJECTS

The witness admitted having an active interest in the Muscle Shoals and Swing-Johnson bills and in the Walsh resolution. He said his organization had never done anything actively to defeat this legislation.

It did, however, circulate matters relating to these subjects to a State mailing list of 3,400, he said, adding that it was opposed to the Walsh resolution in line with its opposition to the general proposition of Government participation in business.

None of the matter his organization sends out to editors is in the nature of propaganda, Mr. MacGregor maintained. He said it prepares nothing that it does not regard as news, and no news matter containing opinions of its own.

Asked whether the Joint Committee of National Utility Associations was not the real head of his organization, Mr. MacGregor asserted that they worked together in opposition to the principle of Government ownership, but were otherwise not affiliated.

MODEL FOR OTHER COMMITTEES

The Illinois committee was shown in the testimony to be the "model" upon which similar information bureaus were established by utility groups in other States. Much of the correspondence placed in the record was from such organizations.

Mr. MacGregor said the committee sent a considerable amount of data to university professors, prepared articles for publication upon the request of editors, obtained speakers for appearance at meetings of civic and club organizations, and used various other avenues of publicity favorable to its cause.

Asked what means were not employed by the committee, he said it did no billboard advertising or other paid advertising and did not circulate motion pictures. Such publicity, he said, was left to the individual companies.

ENTIRE POPULATION OF STATE REACHED

"Will you agree," asked Mr. Healy, when the school literature phase of the inquiry was being developed, "that almost everybody beyond the eighth grade is reached before you get throug?"

"I should say," came the reply, "that almost everybody in the State is reached who can be reached by the methods we use."

The witness asserted the Illinois committee did not regard it worth while to circulate its pamphlets among pupils below the eighth grade.

Numerous college professors were named in letters exchanged between the directors of the various State utility information committees and their attitudes toward public utilities, especially with respect to public ownership, were discussed in the correspondence.

The files of the Illinois committee included an address made by Dean Ralph E. Heilman, of Northwestern University, before the Illinois State Normal College in 1924, which was printed and circulated by the Illinois committee. Dean Heilman was also requested, in a letter from B. F. Mullaney, director of the committee, to go over a "Municipal Credo," mentioned as having been prepared by Mr. Mullaney.

A letter to Dr. J. R. Benton, of the college of engineering of the University of Florida, was introduced, offering to aid in obtaining publishers for textbooks that might be in course of preparation that had to do with public utilities. It was stated that this was the kind of offer made to various colleges throughout the country.

OFFER OF AID TO OBTAIN PUBLISHER OF TEXTBOOK

Another letter contained a proposal to help arrange for Prof. E. E. Lincoln, formerly of the Harvard School of Business Administration, to write a textbook.

Various university professors were characterized in certain letters in so far as their views on public utilities were concerned. Of Prof. E. R. Dillavau, of the University of Illinois, it was stated that "generally his conclusions are as they should be."

A letter concerning Charles E. Merriam, of the University of Chicago, made the statement that "he is all wrong on the question you asked." In the same letter Prof. William B. Munro, Harvard economist, was labeled as "fair."

Another letter told of the appointment of Professor Splawn, formerly of the University of Texas, to the Texas State Railroad Commission. He was said to be "sound."

No explanation of the letters was sought from Mr. MacGregor. Most of his testimony was merely an identification of the correspondence.

One of the letters introduced at the afternoon session was a form letter circularized by the Michigan committee on public utility information and signed by its director, Arthur W. Stace. It contained a list of municipal leagues in the several States and showed their attitude toward the matter of public and private ownership of utilities.

Twenty-three States were listed. Colorado, Illinois, Iowa, Kansas, Louisiana, Minnesota, and Nebraska were shown to have leagues favorable to municipal ownership. Arkansas, New York, and Texas were labeled as "friendly" to private ownership. Wisconsin was labeled as "divided" and Michigan as "indifferent."

ATTITUDE OF STATES TO PUBLIC OWNERSHIP

The director of the New England Bureau of Public Service, Samuel T. McQuarrie, followed Mr. MacGregor to the stand. He said the bureau was formed for the purpose of creating a better understanding between the members and the public which it serves.

Distributing pamphlets, furnishing speakers, exhibiting certain motion-picture films and other methods of publicity, were mentioned by Mr. McQuarrie as among its activities. Radio is not generally utilized except by individual companies, one of which, the Edison Co., of Boston, has its own radio stations, he said.

NEWSPAPERS SELL NO NEWS SPACE

Mr. McQuarrie estimated that last year 7,403½-column inches of news matter and 1,504-column inches of editorial were published by New England newspapers as the result of the bureau's publicity efforts. He asserted that while the fact that the public utilities are substantial advertisers may weigh in their favor in the editorial rooms of newspapers, he knew that no news space could be bought and that no effort has been made to buy news space.

He said the information distributed by public utilities is no different from that sent out by automobile concerns, but Mr. Healy observed the automobile industry has not been charged with practices such as those charged against public utilities.

The witness showed that between January 5, 1925, and July 1, 1926, it had sponsored 1,137 speeches on public utilities. He was questioned at length regarding this and other publicity work of his bureau, with particular relation to the attention paid to educational institutions.

Mr. WALSH of Montana. Further, Mr. President, I read the Associated Press report of a more recent session of the commission inquiring into these matters:

Payment of substantial fees to former Senator Irvine L. Lenroot, of Wisconsin, and Richard Washburn Child, former ambassador to Italy, by the joint committee of National Utilities Associations, was revealed yesterday in the Federal Trade Commission's public utility financing investigation.

The disclosure came in the testimony of Ira L. Grimshaw, of New York, assistant director of the joint committee. He said Lenroot received $20,000 to oppose the Walsh resolution proposing the inquiry before the Senate Interstate Commerce Committee, and Child was paid $7,500 for writing a book for the joint committee about the proposed Boulder Dam project.

Producing an account book taken by the commission investigators from the files of the joint committee, Robert E. Healy, chief counsel for the commission, asked Grimshaw to identify certain payments noted in it.

Grimshaw said that Lenroot was given a $10,000 retainer early this year and that a like payment was made March 16, 1928. He also testified that $5,000 had been advanced to Ernest Greenwood, a former Washington newspaper man, for publicity service.

I pause to remark, Mr. President, that this same gentleman, Mr. Ernest Greenwood, came to my office some time ago, when we had under consideration the resolution to which reference has been made, or some time theretofore, and passed himself off to me as an ordinary newspaper man who was desirous of gathering information for the enlightenment of the public. I assumed him, of course, to be what he represented himself to be, and not the paid agent of people that were interested in legislation, and freely gave him answers to such questions as he addressed to me. Subsequently I found an article which he had published in one of the magazines giving a perfectly distorted view of the interview that was thus secured.

I continue:

HAD $1,000,000 ANNUALLY

J. Bart Campbell, a Washington newspaper man, was receiving $150 a month from the committee in payment for distribution information, he added.

George H. Francis, of New York, auditor for the joint committee and the National Electric Light Association, testified that besides its more than $1,000,000 yearly income, the association has handled a special fund for education and research at Harvard, Johns Hopkins, and Michigan Universities and other institutions.

The larger power companies contribute to this fund in addition to taking care of the deficiencies incurred by the association, he said.

Francis denied knowledge of any other special fund handled by the National Electric Light Association.

LIST OF CONTRIBUTORS

The sudden increase in the activity of the joint committee last year was gone into by Mr. Healy and Commissioner Edgar A. McCulloch. Under examination Grimshaw said the committee had only $700 when it was reorganized June 1, 1927, and within a few months had more than $400,000, had opened a Washington office and had increased activities and personnel.

The committee is composed of representatives of the National Electric Association, the American Gas Association, and the American Street Railway Association, he said.

Mr. Healy then introduced a list of contributors into the record, which was headed by the Insull interests, of Chicago, which contributed $61,000. The Electric Bond & Share Co., of New York, was second, with $60,000; the Byllesby group, of Wisconsin and Minnesota, $36,000; Consolidated Gas Co. group, of New York, $32,000; and the North American group, of Detroit, $28,000.

CAMPBELL'S WORK EXPLAINED

Maj. J. S. S. Richardson, of New York, head of the department of information of the joint committee, made a statement on the stand in behalf of J. Bart Campbell. He said Mr. Campbell is not an employee of the committee, but that the committee pays him $150 a month for news on public utilities, and that he is not a publicity man for the committee.

Richardson testified that the book prepared by Richard Washburn Child was a very elaborate affair, gotten up with the aid of competent engineers and edited by Dr. Frank Bohn.

Mr. Healy asked him if Doctor Bohn was the same man who collaborated with William D. Haywood, whom he described as a communist, in the writing of a socialistic book. Richardson said he did not know.

Following the testimony of A. H. Herrman, of Richmond, Va., treasurer of the Public Utility Association of Virginia, the hearing recessed until Wednesday morning.

Mr. VANDENBERG. Mr. President, will the Senator yield for a moment?

Mr. WALSH of Montana. I yield.

Mr. VANDENBERG. The Senator mentioned the name of Dr. Frank Bohn. Michigan happens to have a very distinguished and honorable Member of the House of Representatives by that precise name who has been greatly embarrassed by being confused with this person. I should like to testify, if the Senator will permit me, to my knowledge that our Doctor BOHN is not this gentleman.

Mr. WALSH of Montana. I am very glad to be interrupted for that purpose, so that justice will be done to the Member of the House. But, Mr. President, I submit that every reflecting man must realize how dangerous it is to our institutions and to public thought to have the children in the schools and the young people in the high schools of the country filled up with this kind of stuff. They become the future governors of our country; and to instill these ideas in the public mind in this way is simply tampering—no other word properly expresses the idea—with the instruction given in the public educational institutions of our country.

Mr. President, I desire to say that though these matters have been detailed before the commission, as was indicated when the matter was under consideration upon this floor, they will pass unnoticed by the great public; while if the investigation had proceeded as some of us thought it ought to, all of these revelations of sinister influences would be blazoned in such a way that the public would be advised about them. I felt it my duty to see that public attention was called to the matter in this way; and I shall take occasion in the future to call the attention of the Senate and the country to similar revelations which are coming out every day. The paper this morning tells us of some other testimony of the same character that went in on yesterday.

PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by Travis Snow Post, No. 5, the American Legion, of Torrington, Wyo., favoring the passage of legislation to provide for aided and directed settlement on Federal reclamation projects, which was referred to the Committee on Irrigation and Reclamation.

Mr. ROBINSON of Arkansas presented a letter in the nature of a memorial from M. D. L. Cook, of Little Rock, Ark., protesting against adoption of article 3 of the pending treaty between the United States and Panama providing for the use of concrete in road construction to the exclusion of other materials, which was referred to the Committee on Foreign Relations.

Mr. MOSES presented a petition of sundry employees of the navy yard at Portsmouth, N. H. (at Kittery, Me.), praying that the retirement law for Federal employees be so amended as to grant a maximum annuity of $1,200 per annum after 30 years in service, and also to grant optional retirement after 30 years of service provided the fiftieth birthday has been reached, which was referred to the Committee on Civil Service.

Mr. VANDENBERG presented numerous petitions signed by sundry citizens of the State of Michigan, praying for the passage of Senate bill 1418, the so-called fair trade act, which were referred to the Committee on Interstate Commerce.

Mr. COPELAND presented a petition of sundry citizens of New York City, N. Y., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

He also presented a resolution of the Italian Chamber of Commerce, of New York, N. Y., favoring the adoption of Senate Joint Resolution 6, requesting the President to proclaim October 12 as Columbus Day for the observance of the anniversary of the discovery of America, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Public Forum, of Brooklyn Heights, N. Y., favoring an equitable adjustment of the present controversy in the bituminous coal fields, which were referred to the Committee on Interstate Commerce.

JURISDICTION OF UNITED STATES DISTRICT COURTS

Mr. TYSON. Mr. President, I have received several letters from citizens of Tennessee, protesting against the passage of the bill (S. 3151) to limit the jurisdiction of the district courts of the United States, which I ask may lie on the table and be printed in the RECORD.

There being no objection, the letters were ordered to lie on the table and to be printed in the RECORD, as follows:

LAW DEPARTMENT,
THE NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY,
*Nashville, Tenn., April 6, 1928.*

Hon. L. D. TYSON,
*United States Senate, Washington, D. C.*

DEAR SENATOR TYSON: Supplementing my letter of yesterday, I am now advised that Senate bill 3151 was reported by the Judiciary Committee "without notice and without hearings." Our interests would like to have been heard in a matter of this importance. I am wondering if it is feasible to have this bill recommitted to give those of us who are interested and vitally affected an opportunity to express our views. The present law has been on the statute books or substantially so from almost the commencement of our Government, and I can not see any particular reason why it should be rushed through without giving those very much interested a chance to be heard.

Yours respectfully,

FITZGERALD HALL,
*Vice President and General Counsel.*

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HUGHES & HUGHES,
*Columbia, Tenn., April 7, 1928.*

Hon. L. D. TYSON,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: We have been advised of the amendments to the jurisdiction of Federal courts as contained in Senate bill 3151, and, being corporation attorneys, are vitally interested in the question involved.

Diversity of citizenship alone, we feel and have always felt, should confer jurisdiction of disputes between residents of different States, whether the parties be individuals or corporations, on the Federal courts.

But our representatives have seen fit first to provide that suits brought to recover an amount less than $2,000 should not be removable to the Federal court, which was later amended, increasing the amount to $3,000. There may be an excuse for this restriction on account of the small amount involved and on account of the fact that it is sometimes expensive to both plaintiff and the defendant to try a case in the Federal court where the situs of the court is not close to the place where the injury occurred or where the cause of action originated and the witnesses are located.

Although under an ideal state of facts and ideal conditions as to the selection of juries there should be no material difference in trying a case in Federal court from what one would experience in a State court.

Nevertheless every lawyer and every judge, as well as the better-informed laymen, are fully aware that such is not the case.

It is well known that where the plaintiff is an individual and the defendant is a corporation, and the plaintiff has by his pleading and his proof made a sufficient case upon which to go to the jury, that it is practically impossible for the defendant corporation to obtain justice at the hands of the ordinary jury encountered in the State courts.

This is not alone due to the method of selecting the jury in the State courts, but results because of the very great limitations against

the State trial judge's right to express any opinion as to the evidence introduced before the jury.

Of course, we can not assume that any jury can be as well qualified to weigh and pass upon evidence as is the trial judge, who has had many years' study preparing for his profession as well as many years' experience in the practice of law to qualify him to perform these functions, and yet in the State courts he is not allowed to express any opinion as to the evidence, to point out that which is important and that which is unimportant, or to call particular attention to the unreasonableness of testimony and signify which testimony he thinks is best supported by all the facts and circumstances.

All of these rights the trial judges of Federal courts possess, and it is imperative in order to do even-handed justice to the corporations and the individuals that all trial judges should have such power to exercise in their discretion.

It can not be claimed that the parties plaintiff do not recognize this distinction, for, of course, you are familiar enough with the history of such matters to know that even in towns and cities where both the State and Federal courts hold their sessions the plaintiff in every case brought against a foreign corporation will, if at all possible, join some resident defendant who is an employee of the defendant corporation, whether he be solvent or insolvent, merely for the purpose of obtaining local or State jurisdiction and thereby getting the benefit of the prejudices which everyone knows exists against corporations, and especially the feeling upon the part of the average juror that the rich defendant corporation will never miss the money which the plaintiff so badly needs.

And in nine cases out of ten, if they can not actually join a resident defendant employee, they will bring the cause in the State court against the corporation alone; and if a petition to remove is filed, will reduce the amount claimed to a sum less than $3,000 so as to avoid going into a court where they know exact justice will be done the corporation.

Among our clients are some railroad companies, and the passage of the Senate bill above referred to would do irreparable injury to such corporations.

For instance, there can be no more vital questions in the land to-day than those arising out of grade-crossing accident cases. The Supreme Court of the United States, the greatest judicial tribunal in the world, has reached what we conceive to be the absolutely correct view to be taken of such cases, and has declared what it terms to be a rule and standard of conduct which should be laid down once for all by the courts. We refer to the case of Baltimore & Ohio Railroad Co. *v.* Goodman, decided October 31, 1927, and reported in advance sheets of November 15, 1927, No. 2, page 22.

As you, of course, know, this decision is not binding upon our State courts.

The question of crossing accidents is not a local question, county question, or State question, but the number of accidents of this character, the number of grade crossings in existence, and the number of automobiles in operation in this country have made this a national question.

The rules of law in the various States applicable to such cases are vitally different and a very great proportion of the accidents occurring are to tourists or transients not within the boundary of their own State.

There were in the United States at the close of 1925, as we are informed, 232,755 grade crossings.

Of course, it is impossible to eliminate all of said crossings, it being estimated that to do so would cost more than the public debt, or about $20,000,000,000.

From 1917 to 1926, inclusive, there were in the United States 20,021 persons killed in crossing accidents and 55,771 persons injured, on an average of 2,000 deaths and 5,570 injuries per year through accidents at railroad crossings.

The statistics further show that the process of elimination of such crossings has been and is still being carried on by the railroads, but that in one recent year, while the railroads were eliminating 972 crossings, at a cost of about $100,000,000, 3,065 new grade crossing were constructed under conditions over which the railroads had no control, and the construction of which they could not prevent.

A railroad engineer must serve many years as fireman before he earns his right to the position of engineer, and he must be thoroughly familiar not only with the mechanism and operation of the engine but also with the rules governing its movement over the roads before he can occupy such a position, while on the other hand, in most States, and particularly ours, there is no qualification except possibly in some of the cities that the driver of an automobile has to meet except that in most States it is provided he shall be 16 years of age or over, which provision of law has met with utter disregard, and almost at any time you drive you will see children under the age of 16 years operating automobiles.

Of course, we are not statisticians, and can not vouch for the figures above quoted, but they are taken from an article that appeared under the title "Science and invention" in the Literary Digest of December 24, 1927, the author's name not being given, but we are sure you can secure his name from Funk & Wagnalls.

Certainly the figures given prove that this is a national and not a State question, and that one rule of law should apply to the whole Nation.

While this most desirable result probably can not be realized, it can be given very great encouragement and more nearly accomplished by defeat of the above-mentioned bill than in any other way we can think of at this time.

We are sorry to have written you at such great length, but we are so vitally interested in the question and so thoroughly convinced of the injustice of denying the corporations the principal avenue open to them of securing proper decisions from juries under proper instructions from the trial courts that we feel we should express our views fully on the subject.

We do not feel that the fact that we represent several corporations has in any way influenced our attitude as to this question, though, of course, it has given us the more frequent opportunity to observe those miscarriages of justice which we have herein referred to.

We hope you will give to this measure your usual careful attention and sincerely trust that you may oppose it.

In this connection we beg to advise that Mr. Otto Y. Schnering, president of the Baby Ruth Candy Co., and who has obtained national recognition as a safety authority, has some very interesting data on this subject of crossing accidents, and if you have a hearing on this bill we feel sure would be glad to give your committee such information as he possesses, though, of course, we never met the gentleman in question and can not be positive of this statement.

Respectfully yours,

GEO. T. HUGHES, Jr.

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BROWN & SPURLOCK,
*Chattanooga, Tenn., April 9, 1928.*

Hon. L. D. TYSON,
*United States Senate, Washington, D. C.*

DEAR SENATOR: The Judiciary Committee of the Senate has reported for passage, as I understand, a bill to abolish that jurisdiction of the Federal courts depending on diversity of citizenship. It is under this provision of the existing law that the State and Federal courts have had, since the foundation of the Government, concurrent jurisdiction of those controversies involving the application of general principles of the law. Because these courts, on this ground of common jurisdiction, construed and applied the same rules of law and followed the same procedure, there has always been a general tendency toward harmony in the decisions of all the States. Where there have been differences in opinions of the different State courts, on questions of commercial or general law, the decisions of the Supreme Court of the United States have been the reconciling factor. This would not have been so if the jurisdiction of the Federal courts had been confined to questions arising under the Constitution and laws of the United States. This does not mean that each State has not had its own local rules of property and statutory rights, because the Federal courts have always recognized the conclusive effect of State decisions on local questions.

The bill referred to is a radical departure from the rules and practices under which the laws of this country have been developed. If the United States courts can only take cognizance of Federal questions, then they become foreign courts in each of the States. To be consistent the new system should deprive the State courts of jurisdiction over Federal questions. In other words, there should no longer be any reason for conferring on State courts jurisdiction to try suits arising under the Federal employers' liability act, or of contracts and rights involved in interstate commerce. The time of the State courts is taken up largely in the trial of cases arising under the laws of the United States, and heretofore much time of the Federal courts has been consumed in the trial of cases depending on the diversity of citizenship. It would seem that the present statute means to say that this cooperation or exercise of concurrent jurisdiction must cease. It is this disruptive effect of the bill against which I protest more than on any other account.

Of course, the law which it is now proposed to change has always secured the nonresident a fair trial of his rights. There has never been any question of the propriety of this ground of jurisdiction unless by some person desiring the benefit of local prejudice. I can not understand how any person desiring a just administration of the law can see any reason for changing this old rule of law. I do not know whether the bill is intended as a reflection on the Federal courts or for their relief. It is true that they are degenerating into police courts, but the more appropriate remedy would be for Congress to cease the creation of crimes.

As one of your constituents, and as a lover of the law of the land as it has existed through all my life, I most respectfully ask that you oppose this bill.

Respectfully,

FRANK SPURLOCK.

TONNAGE OF VESSELS

Mr. TYSON. I ask unanimous consent to have inserted in the RECORD a letter which I have received from H. L. Ferguson, president of the National Council of American Shipbuilders.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS,
*New York, April 20, 1928.*

Hon. LAWRENCE D. TYSON,
*Senate Office Building, Washington, D. C.*

DEAR SIR: The National Council of American Shipbuilders invites your attention to the tabular statement below, taken from Lloyd's Register of Shipping, showing gross tonnage of vessels under construction in the various countries of the world at the end of the last quarter of 1927 and at the end of the first quarter of 1928:

| | Mar. 31, 1928 | Dec. 31, 1927 |
|---|---|---|
| Great Britain and Ireland | 1,440,842 | 1,579,713 |
| Germany | 443,939 | 472,295 |
| Italy | 171,016 | 183,216 |
| Holland | 162,973 | 174,887 |
| France | 103,494 | 115,029 |
| Denmark | 103,110 | 97,710 |
| Russia | 94,658 | 87,658 |
| Japan | 91,775 | 68,870 |
| Sweden | 91,075 | 100,700 |
| United States | 56,049 | 97,370 |
| Total | 2,758,931 | 2,977,448 |

At the end of 1927 the United States was building 97,370 gross tons, or 3¼ per cent of the world tonnage under construction.

At the end of the first quarter of 1928 the United States was building 56,049 gross tons, or 2 per cent of the world tonnage under construction.

At the end of 1927 the United States ranked number eight in the volume of tonnage under construction.

At the end of the first quarter of 1928 the United States ranked number 10, or at the bottom of the list in the percentage of world tonnage under construction by the chief maritime nations.

At the end of 1927 the amount of tonnage under construction in the United States was the lowest it had been at any similar period for 35 years. At the end of the first quarter of 1928 the condition was even worse, being only 58 per cent of what it had been at the end of 1927.

The foregoing analysis of the statement of Lloyd's Register of Shipping discloses that almost no construction of new merchant vessels is now in progress in the United States to replace or supplement the vessels now in operation in the foreign trade to meet the competition of modern high-speed vessels recently constructed and now being constructed by foreign nations for their international trade.

Is any more convincing argument than the above necessary to show the deplorable condition of the shipbuilding industry in the United States and of the merchant marine and the necessity for legislation at this session of Congress that will correct these conditions?

Yours very truly,

H. L. FERGUSON, *President.*

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon, as indicated:

A bill (S. 1855) to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians;

A bill (H. R. 7475) to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park (Rept. No. 907);

A bill (H. R. 10544) to abolish the office of administrative assistant and disbursing officer in the Library of Congress and to reassign the duties thereof (Rept. No. 908);

A bill (H. R. 11482) to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925; and

Joint resolution (S. J. Res. 82) providing for the erection of a public historical museum on the site of Fort Defiance, Defiance, Ohio (Rept. No. 905).

Mr. FESS also, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 92) to provide for a monument to Maj. Gen. William Crawford Gorgas, late Surgeon General of the United States Army, reported it with an amendment and submitted a report (No. 906) thereon.

Mr. DALE, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 4059) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Tennessee River at or near the mouth of Clarks River (Rept. No. 909);

A bill (S. 4060) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Canton, Ky. (Rept. No. 910); and

A bill (S. 4061) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Smithland, Ky. (Rept. No. 914).

Mr. DALE also, from the Committee on Commerce, to which was referred the bill (S. 4034) authorizing the Calhoun Bridge Co., an Illinois corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Illinois River at or near Grafton, Ill., reported it with an amendment and submitted a report (No. 911) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

A bill (S. 4045) granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the French Broad River on the Newport-Asheville (N. C.) road in Cocke County, Tenn. (Rept. No. 912); and

A bill (S. 4062) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Tennessee River at or near Egners Ferry, Ky. (Rept. No. 913).

Mr. ASHURST, from the Committee on Indian Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 2738) for the relief of C. R. Olberg (Rept. No. 915); and

A bill (S. 3779) to authorize the construction of a telephone line from Flagstaff to Kayenta on the Western Navajo Indian Reservation, Ariz. (Rept. No. 916).

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 441) to authorize an appropriation to pay half the cost of a bridge and road on the Hoopa Valley Reservation, Calif., reported it without amendment and submitted a report (No. 917) thereon.

OHIO RIVER BRIDGE

Mr. DALE. From the Committee on Commerce I report back favorably with an amendment the bill (S. 4046) authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky. I call the attention of the Senator from Kentucky [Mr. SACKETT] to the bill.

Mr. SACKETT. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The amendment was to strike out all after the enacting clause and in lieu thereof to insert:

That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the Henderson-Ohio River Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near Henderson, Henderson County, Ky., across said river to a point opposite in Vanderburg County, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon Henderson-Ohio River Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The Henderson-Ohio River Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until

changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. From the tolls charged for the use of such bridge, the Henderson-Ohio River Bridge Co., its successors and assigns, shall pay all reasonable operating costs, taxes, assessments, insurance, cost of maintenance, repairs, necessary replacements, and interest on the bonds and dividends on the stock issued to procure necessary funds for the construction of such bridge and its approaches and other costs incidental thereto; all other funds received for the use of such bridge, after the payment of the foregoing costs and charges, shall be set aside in the manner hereinafter provided as a sinking fund for retiring the bonds and the stock issued and sold by the Henderson-Ohio River Bridge Co., its successors and assigns, for the purpose of providing the funds with which to construct said bridge and its approaches. Any mortgage or deed of trust issued by the Henderson-Ohio River Bridge Co., its successors and assigns, to secure funds for the construction of said bridge and its approaches, shall provide for the appointment of the Kentucky State Highway Commission, or such bank or bank and trust company in Henderson County, Ky., as said commission may designate as trustee, and the net revenues received from the use of such bridge as provided for in this section shall be paid to the trustee and used for the payment or redemption at par, as soon as possible, of all bonds issued and sold in connection with the construction of such bridge; after all such bonds have been paid or retired, the trustee shall continue to act as such and shall apply the net proceeds from the use of such bridge as rapidly as possible to the retirement of the outstanding stock at par issued by the Henderson-Ohio River Bridge Co. in connection with the construction of such bridge. No bonds or stock issued and sold for the purpose of providing funds for the construction of said bridge, its approaches and appurtenances, shall bear interest or pay dividends at a rate exceeding 7 per cent per annum. Such bonds and stock so issued shall not exceed in the aggregate the total actual cost of constructing such bridge and its approaches and any real estate that may be necessarily required in connection therewith, and organization and financing charges, not exceeding 10 per cent of the actual cost of constructing such bridge and approaches and acquiring such real estate.

SEC. 5. When all of the bonds and stock issued and sold in connection with the construction of said bridge shall have been paid or redeemed, or shall have been called for payment or redemption, and the funds with which to redeem such as shall not have been presented for redemption shall have been provided, the bridge and its approaches and appurtenances shall thereupon be and become the property of the State of Kentucky, and the proper officials or agents of the Henderson-Ohio River Bridge Co., its successors and assigns, shall immediately, by proper deed of conveyance, convey, transfer, and assign to the State Highway Commission of the State of Kentucky the said bridge and its approaches and all real estate, franchises, and other property necessarily held in connection therewith. Thereafter such bridge shall be maintained and operated free of tolls. An accurate record of the costs of the bridge, its approaches and appurtenances, the expenditures for maintaining, repairing, and operating the same and for taxes, insurance, betterments, and other necessary charges and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. After the completion of such bridge, the State of Kentucky, through its State highway commission, or, with the consent and approval of the State highway commission, the county of Henderson, may, at any time, acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation, or expropriation, in accordance with the laws of the State of Kentucky governing the acquisition of private property for public purposes by condemnation or expropriation. If the bridge and its approaches and appurtenances are acquired by condemnation, the amount of damages or compensation to be allowed shall be such an amount as will equal the amount necessary to redeem and retire all the bonds and stock outstanding at the time of such condemnation proceedings.

SEC. 7. If such bridge shall at any time be taken over or acquired by the State of Kentucky, or by Henderson County, as provided by section 6 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund to repay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economic management and to provide a sinking fund sufficient to amortize the amount paid therefor, including the reasonable interest and financing cost, as soon as possible under reasonable charges. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls.

SEC. 8. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Henderson-Ohio River Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 9. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SACKETT. There are on the calendar two bills, the bill (S. 3837) authorizing the West Kentucky Bridge & Transportation Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky., and the bill (S. 4013) authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky., which should be indefinitely postponed. I make that motion.

The motion was agreed to.

TABLET OR MARKER AT MEDICINE LODGE, KANS.

Mr. FESS. From the Committee on the Library I report back favorably, without amendment, House bill 8132, authorizing the appropriation of $2,500 for the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding of the Indian peace council, at which treaties were made with the Plains Indians in October, 1867, and I submit a report (No. 902) thereon.

I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That the sum of $2,500 is hereby authorized to be appropriated to be expended, under the direction of the Secretary of the Interior, in the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding at Medicine Lodge, Kans., of the Indian peace council, at which treaties were made between the United States and the Kiowa, Comanche, Apache, Cheyenne, and Arapahoe Indians in October, 1867.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

URN PRESENTED BY REPUBLIC OF CUBA

Mr. FESS. From the Committee on the Library I report back favorably without amendment Senate Joint Resolution 125, authorizing the President of the United States to accept a monumental urn to be presented by the Republic of Cuba and providing for its erection on an appropriate site on the public grounds in the city of Washington, D. C., and I submit a report (No. 903) thereon.

I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

*Resolved, etc.*, That the President of the United States is hereby authorized to accept as a gift from the Republic of Cuba a monumental urn, which shall be erected on a site on the public grounds of the United States in the city of Washington, D. C., other than those of the Capitol, the Library of Congress, the White House, or the grounds south of the White House: *Provided*, That the site shall be chosen by the Director of Public Buildings and Public Parks of the National Capital with the approval of the Joint Committee on the Library of Congress and the National Commission of Fine Arts: *Provided further*, That the urn shall be erected under the direction and supervision of the said Director of Public Buildings and Public Parks, and there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, a sufficient sum to cover the entire cost of the erection and dedication of the said urn.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MONUMENT IN MEMORY OF PETER MUHLENBERG

Mr. FESS. From the Committee on the Library I report back favorably without amendment House Joint Resolution 239, authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg, and I submit a report (No. 904) thereon.

I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

*Resolved, etc.,* That the Peter Muhlenberg Memorial Association is authorized to erect, without expense to the United States, a monument in memory of Peter Muhlenberg, eminent statesman, clergyman, and soldier, as a gift to the people of the United States, in the public park lying between Ellicott Street, Connecticut Avenue, and Thirty-sixth Street NW., in the District of Columbia. Such monument shall not be erected until the plans and specifications therefor have been submitted to and approved by the Joint Committee on the Library and the Commission of Fine Arts. Such monument shall be erected under the supervision of the Director of Public Buildings and Public Parks of the National Capital.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. FESS. I move that the Committee on the Library be discharged from the further consideration of the joint resolution (S. J. Res. 126) authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg, and that it be indefinitely postponed.

The motion was agreed to.

PORTRAIT OF CHIEF JUSTICE MARSHALL

Mr. BRUCE. Mr. President, may I have the attention for a moment of the Senator from Ohio [Mr. FESS], the chairman of the Senate Committee on the Library? I should like to ask the Senator, as chairman of that committee, what, if anything, has been done in relation to the bill which seeks to have the Government purchase an original portrait of Chief Justice Marshall by the celebrated artist of Chief Justice Marshall's time, St. Memim. That portrait was offered to the Government through that bill; and the bill named—of course, more or less tentatively—$50,000 as the price for the portrait. Later on, I suggested that the committee might have the portrait valued by experts; and still later I was informed that some members of the Supreme Court of the United States were very much interested in the portrait, and desired to have an opportunity to inspect it; and still later I had reason to believe that the members of the Supreme Court were afforded an opportunity to inspect it.

Of course, any original portrait by a famous artist of any one of the great men of our early history has almost a priceless value. Some years ago a replica of George Washington sold by a neighbor of mine in the State of Maryland to a purchaser for $75,000. Without going into the problem of comparative fame, I should say that if a portrait of George Washington were worth that much, it might well be that a portrait of Chief Justice Marshall would be worth the same sum, approximately, anyhow.

I am not disposed to think that any committee of the Senate or of the House would be unduly insensible to the Government acquiring the ownership and possession of such a portrait as that, but as far I can see, there is no apparent interest taken in the matter at all, except to some extent by the chairman of the committee himself. I really think that if the committee does not take a little interest in it, I would be justified in asking the Members of the Senate generally to take a little interest in it, to see that that portrait becomes the property of the Government.

Mr. FESS. Mr. President, this portrait, which was brought to the committee some time ago, is one of the most famous and valuable in the country. It was made in 1808. The owner, who is a descendant of John Marshall himself, asked the privilege of bringing the portrait over from Baltimore to be viewed by members of the committee. I assented to that on condition that they would assume all risk, because the portrait is too valuable to be placed anywhere here unless under lock and key.

I will say to the Senator from Maryland that the price seems to be entirely beyond what our committee would want to consider. We have no national art gallery here. I should think that portrait ought to be picked up by some private individual having an appreciation of it. I might say that there is a replica of it in the Supreme Court room now. The original is with the committee.

Mr. BRUCE. If the Senator will allow me to interrupt, not a replica but a mere copy.

Mr. FESS. Yes; probably that is a better designation.

Mr. BRUCE. There is a vast difference between a replica and a copy.

Mr. FESS. I will say to the Senator that if he will come to the committee at 10 o'clock on Tuesday morning, we shall be glad to have him say anything he wants to say in regard to the matter.

Mr. BRUCE. I am very much obliged to the Senator. I shall make a point to attend the meeting.

INDIAN TRUST ESTATES

Mr. THOMAS. From the Committee on Indian Affairs I report back favorably without amendment the bill (S. 4222) to authorize the creation of Indian trust estates, and for other purposes, and I submit a report (No. 918) thereon. I ask for the immediate consideration of the bill.

Mr. CURTIS. Let the bill be reported. Will it lead to debate?

Mr. THOMAS. I think not. It relates to Indian trust estates.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior be, and he is hereby, authorized to permit, in his discretion and subject to his approval, any Indian over the age of 21 years, including the Quapaws, Five Civilized Tribes, and the Osages, having restricted funds or other property subject to the supervision of the Secretary of the Interior, to create and establish, out of the restricted funds or other property, trusts for the benefit of such Indian, his heirs, or other beneficiaries designated by him, such trusts to be created by contracts or agreements by and between the Indian and incorporated trust companies or such banks as may be authorized by law to act as fiduciaries or trustees: *Provided,* That unless otherwise ordered by the Secretary of the Interior the trustee shall be located in the State or Territory of the residence of the Indian creating the trust: *Provided further,* That no trust company or bank shall be trustee in any trust created under this act, which has paid or promised to pay to any person other than an officer or employee on the regular pay roll thereof, any charge, fee, commission, or remuneration for any service or influence in securing or attempting to secure for it the trusteeship in any trust.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized, upon the execution and approval of any trust agreement or contract as herein provided, to transfer, or cause to be transferred, to the trustee, from the individual restricted or trust funds or other restricted property of the respective Indian, the funds or property required by the terms of the approved agreement, and the funds or property so transferred shall in each case be held by the trustee subject to the terms and conditions of the trust agreement or contract creating the trust.

SEC. 3. That none of the restrictions upon the funds or property transferred under the terms of any such trust agreement or contract shall be in any manner released during the continuance of the restriction period provided by law, except as provided by the terms of such agreement or contract, and neither the corpus of said trust nor the income derived therefrom shall, during the restriction period provided by law, be subject to taxation, alienation, or encumbrance, nor to the satisfaction of any debt or other liability of any beneficiary of such trust during the said restriction period. The Secretary of the Interior shall at all times have sole authority to require an accounting of the trustee as to the administration thereof.

SEC. 4. That trust agreements or contracts executed and approved as herein provided shall not, during the restriction period provided by law, be revoked, except with the consent and approval of the Secretary of the Interior: *Provided,* That if any trust, trust agreement, or contract be annulled, revoked, or set aside by order of any court, or otherwise, prior to the date of the expiration of the restriction period provided by law, the principal or corpus of the trust estate, with all accrued and unpaid interest, shall be returned to the Secretary of the Interior as restricted individual Indian property.

SEC. 5. If, after the creation and approval of any trust, the Secretary of the Interior shall find that any trust has been created in violation of the provisions of this act, he shall submit the facts to the Attorney General, whose duty it shall be to institute appropriate proceedings in the Federal courts for the cancellation and annulment of said trust by court decree, and upon decree of annulment and cancellation, which shall be at the cost of the trustee, and after accounting, but without the allowance of any fee, charge, or commission for any services rendered by the trustee, all funds held by the trustee shall be paid to the Secretary of the Interior as restricted funds.

SEC. 6. That the Secretary of the Interior is hereby authorized to make rules and regulations for the purpose of carrying into effect the provisions of this act, and that the trust agreements and the trusts under this act shall be under such rules and regulations and subject to such restrictions as the Secretary of the Interior may prescribe.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment,

ordered to be engrossed for a third reading, read the third time, and passed.

DISTRICT JUDGE, NORTHERN DISTRICT OF ILLINOIS

Mr. DENEEN. From the Committee on the Judiciary I report back favorably, without amendment, the bill (S. 4183) authorizing the filling of a vacancy occurring in the office of district judge for the northern district of Illinois created by the act entitled "An act for the appointment of an additional circuit judge for the fourth judicial circuit, for the appointment of additional district judges for certain districts, providing for an annual conference of certain judges, and for other purposes," approved September 14, 1922.

Mr. President, I ask for the immediate consideration of the bill.

Mr. JONES. Does the bill provide for an additional judgeship?

Mr. DENEEN. No; it does not provide for an additional judgeship. It simply authorizes the President to make an appointment to fill a vacancy occurring in the northern district of Illinois.

Mr. ROBINSON of Arkansas. I think the bill ought to go to the calendar, and we can take it up a little later. There are a number of Senators about me here who have suggested that they want to look into it.

Mr. DENEEN. I have no objection to that course.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 4239) granting a pension to George L. Canady (with accompanying papers); and

A bill (S. 4240) granting an increase of pension to Eliza A. Porter (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4241) granting an increase of pension to Georgie A. Willey (with accompanying papers); and

A bill (S. 4242) granting an increase of pension to Mary J. Gooding (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4243) granting an increase of pension to Mary Belle Orr (with accompanying papers); and

A bill (S. 4244) granting an increase of pension to Anna Coffin Anderson (with accompanying papers); to the Committee on Pensions.

By Mr. BLEASE:

A bill (S. 4245) to prohibit the employment of certain persons within certain degrees of relationship in the various Government departments; to the Committee on Civil Service.

By Mr. DILL:

A bill (S. 4246) granting a pension to Carrie E. Aram; to the Committee on Pensions.

By Mr. ROBINSON of Arkansas:

A bill (S. 4247) for the relief of the First National Bank of Junction City, Ark.;

A bill (S. 4248) for the relief of the Merchants and Farmers Bank, Junction City, Ark.; and

A bill (S. 4249) for the relief of the National Bank of Commerce, El Dorado, Ark.; to the Committee on Claims.

By Mr. THOMAS:

A bill (S. 4250) for the relief of David E. Jones; to the Committee on Claims.

A bill (S. 4251) to amend section 303 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. MAYFIELD:

A bill (S. 4253) authorizing H. L. McKee, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Sabine at or near Port Arthur, Tex.; and

A bill (S. 4254) authorizing the State of Texas and the State of Louisiana to construct, maintain, and operate a free highway bridge across the Sabine River at or near Pendletons Ferry; to the Committee on Commerce.

WORLD WAR VETERANS' COMPENSATION

Mr. BRATTON. Mr. President, in July, 1926, a bill proposed by the senior Senator from Arizona [Mr. ASHURST] was enacted into law. It provided that veterans of the World War who had tuberculosis of a compensable degree, who had reached a state of complete arrest, should have their compensation fixed at a flat basis of $50 per month. There was considerable discussion on the floor of the Senate as to the reasons prompting the Senator from Arizona to propose that legislation. It was clearly expressed and understood that it was intended to give those men a definite, fixed status, with definite compensation that should be uninterfered with by the bureau.

In the administration of that act the bureau has departed from the intent of Congress, as I understood it then and as I understand it now. It has done that in this manner: An ex-service man may have received compensation. The bureau necessarily adjudicated that he had tuberculosis in a compensable degree at the time it began paying him. Later it was determined by the bureau itself that he had reached a state of complete arrest, and consequently his compensation was fixed at a definite figure of $50 per month.

Afterwards, and in contravention of the express intent of Congress, the bureau has disturbed and changed the status of men falling within that condition by determining that, notwithstanding the prior adjudication made by the bureau, actually the veteran never did have tuberculosis of a compensable degree. Consequently the veteran's compensation in many cases has been discontinued.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. ASHURST. I presume the Senator proposes some amendment?

Mr. BRATTON. I do.

Mr. ASHURST. Will the Senator please advise the Senate, and especially for my information, whether he proposes to alter, modify, amend, or in any way to change the language of the legislation which I introduced and to which he refers?

Mr. BRATTON. I do not, Mr. President. I propose an addition to the language enacted at the request of the Senator from Arizona, solely for the purpose of making it so clear that no one can misunderstand what was contemplated by his amendment.

Mr. ASHURST. I thank the Senator. From my glimpse of the Senator's amendment and from the Senator's statement I have no doubt his amendment would improve the legislation, but I would not consent to any legislation which might modify or change the language of the original legislation.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BRATTON. In just a moment. I do not propose that, Mr. President, because the legislation offered by the Senator from Arizona was excellent in its purpose, and if it had been administered as he intended it and as the Congress intended it there would be no occasion for additional legislation. My sole purpose is to supplement the legislation proposed by the Senator from Arizona.

Now I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Can the Senator inform the Senate as to whether there are a large number of ex-service men suffering with tuberculosis who are having their status changed in the manner in which the Senator points out the bureau is proceeding?

Mr. BRATTON. Mr. President, a number of men in the State of New Mexico have reported to me that they have been accorded that treatment, and I assume that condition prevails throughout the country generally and in the Southwest in particular.

Mr. LA FOLLETTE. I am heartily in sympathy with the Senator's efforts in the matter, and I trust the committee will give every consideration to it.

Mr. BRATTON. Concluding my explanation, Mr. President—and if the Senator from Arizona will now give me his attention—not changing the language in his legislation but adding thereto as an independent provision, I propose this:

That the third paragraph of subdivision (7) of section 202 of the World War veterans' act, 1924, as amended, be amended by striking out the period at the end thereof and inserting a colon and the following:

*Provided further,* That the rating of any person once awarded compensation under this provision shall not thereafter be so modified as to discontinue such compensation or to reduce it to less than $50 per month, and any such person whose rating has heretofore been so modified shall be restored his rating of tuberculous disease of a compensable degree, completely arrested, and payments thereunder shall be resumed from the date of the approval of this amendatory act.

Mr. ASHURST. Mr. President, of course I have not had opportunity to reflect carefully upon this, but from my grasp of the amendment as read and as stated by the Senator, I think it will improve the present law and will give relief in many cases.

Mr. BRATTON. Mr. President, I send the bill forward and ask that it be referred to the Committee on Finance; and I express the hope, in the presence of the chairman of the committee, that it may receive consideration by his committee during the present session of Congress.

Mr. SMOOT. Mr. President, in answer to the Senator, I will say that as soon as the revenue bill is out of the way a subcommittee of the Finance Committee is going to take up for consideration all pending bills before the Finance Committee with a view of reporting them to the full committee at the first opportunity.

Mr. BRATTON. I thank the Senator.

The bill (S. 4252) to amend subdivision (7) of section 202 of the World War veterans' act, 1924, as amended, was read twice by its title and referred to the Committee on Finance.

CHANGES OF REFERENCE

On motion of Mr. FESS, the Committee on the Library was discharged from the further consideration of the following bills, and they were referred to the Committee on Military Affairs:

A bill (S. 2034) to authorize the erection of a monument on the battle field of Saratoga;

A bill (S. 3050) to erect a tablet or marker to mark the site of the Battle of Kettle Creek, in Wilkes County, Ga., February 14, 1779; and

A bill (H. R. 8546) authorizing an appropriation of $2,500 for the erection of a tablet or marker at Lititz, Pa., to commemorate the burial place of 110 American soldiers who were wounded in the Battle of Brandywine and died in the military hospital at Lititz.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. AYRES, and Mr. OLIVER of Alabama were appointed managers on the part of the House at the conference.

NAVAL APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HALE, Mr. PHIPPS, and Mr. SWANSON conferees on the part of the Senate.

HEARINGS BEFORE THE COMMITTEE ON INTEROCEANIC CANALS

Mr. EDGE submitted the following resolution (S. Res. 209), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee of Interoceanic Canals, or any subcommittee thereof, be, and hereby is, authorized during the Seventieth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RAILWAY RATES ON GRAIN

Mr. WALSH of Montana. Mr. President, I desire to offer a Senate resolution, induced by the following paragraph of the letter addressed by the Government of Canada to the Government of the United States, to which reference was made a short while ago:

Partly as a result of the existence of competitive alternative outlets, railway rates in Canada are in general lower than in the United States. The rates on grain, which provides 52 per cent of the total traffic of western lines, are now below pre-war level. Material reductions have also been made in another bulk movement of importance to both eastern and western Canada, namely, coal. General commodity rates, which were the subject of the same percentage of relative increase in both countries, due to war conditions, have subsequently been reduced in Canada, in certain instances, to a greater extent than in the United States. In recent months a rate on grain has been established from the head of the Lakes to Quebec which approximates the charges incident to the movement by water by the present Great Lakes-St. Lawrence route, a route which, in Canada, has always exercised a restraining influence on railway rates. As the greater part of Canada's railway mileage is now owned and operated by the State, the St. Lawrence proposals, in so far as they may possibly affect the revenues of the railways, present considerations as to which Canada's point of view is necessarily somewhat different from that of the United States.

Mr. NORRIS. Mr. President, may I ask the Senator, before he introduces the resolution, from what he was reading?

Mr. WALSH of Montana. I was reading from the letter of the Government of Canada to the Government of the United States.

Mr. NORRIS. I thought I recognized that language. It is part of the official correspondence?

Mr. WALSH of Montana. It is part of the official correspondence, in which the Government of Canada advises that their railway rates have been reduced now to the pre-war level.

Mr. NORRIS. Even below the pre-war level.

Mr. WALSH of Montana. Below the pre-war level. I ask that the resolution be read, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The legislative clerk read the resolution (S. Res. 208), as follows:

*Resolved*, That the Secretary of Commerce be, and he hereby is, directed to transmit to the Senate information as follows:

1. What is the rate for the transportation of wheat by rail from the following points in the United States, to wit: Fargo, Devils Lake, Bismarck, Glasgow, Billings, Bozeman, Havre, Helena and Kalispell, to (a) Duluth, (b) New York, (c) Philadelphia, (d) Baltimore.

2. What is the rate from points in the western Provinces of Canada at distances from Fort William corresponding in distance from Duluth to the points west thereof first above listed to (a) Fort William, (b) Montreal.

3. What is the aggregate amount that would be realized annually by American shippers of (a) wheat, (b) of all grains over and above what they do realize during any 12-month period where the rates on such freight on American railroads are no higher than they are on the Canadian railroads.

4. To what extent are such lesser rates on the Canadian railroads (if they are less) due to charter provisions of said railroads and to what extent are such excessive rates on American railroads (if they are excessive) attributable to the act of Congress approved February 28, 1920.

Mr. NORRIS. Mr. President, may I ask the Senator from Montana another question?

Mr. WALSH of Montana. Certainly.

Mr. NORRIS. I did not notice that Chicago was included as one of the points the rates to which were inquired about. I think the Senator ought to include Chicago.

Mr. WALSH of Montana. I will be very glad to do so.

Mr. NORRIS. In addition to Duluth and these other points.

Mr. ROBINSON of Arkansas. Mr. President, I did not hear the reading of the resolution quite clearly. What is the act to which the Senator refers in the resolution?

Mr. WALSH of Montana. The act referred to is the railroad act of 1920.

Mr. ROBINSON of Arkansas. The transportation act?

Mr. WALSH of Montana. The transportation act.

Mr. FESS. Mr. President, will the Senator allow the resolution to go over until to-morrow?

Mr. WALSH of Montana. It is simply the ordinary resolution asking for information.

Mr. FESS. Is that all? Does it only ask for information?

Mr. WALSH of Montana. That is all.

Mr. NORBECK. Mr. President, if it is a resolution asking for information, I think it ought to ask for all the information instead of only a part of it. I sincerely hope that the Senator will allow the resolution to go over. We want to get all the information we can bearing on these matters.

Mr. ROBINSON of Arkansas. Of course, if the Senator desires, he can have the resolution go over.

Mr. REED of Pennsylvania. Mr. President, before the resolution goes over will the Senator permit me to suggest a possible amendment which I think might give us other information that would be enlightening? That is as to the difference in the methods of the grading of wheat between America and Canada.

I am told that the Canadian farmer and the Canadian exporter have an advantage over the American farmer and exporter of 4 to 5 cents a bushel of wheat, on the average, because of the fact that a very much stricter method of grading is adopted in the United States against United States wheat than is adopted in Canada against wheat that goes out from their ports, and that if American wheat were graded by the same methods that are adopted in Canada it would redound to

the advantage of the American farmer to the extent of 4 or 5 cents per bushel and would also increase the amount of grain passing through American ports.

Mr. ROBINSON of Arkansas. Does the Senator mean that that would affect the freight rates 4 or 5 cents a bushel?

Mr. REED of Pennsylvania. It would affect the yield to the farmer, because at present the farmer suffers from what is called dockage, for an arbitrarily assumed content of foreign matter, and that same dockage is not levied in the Canadian ports. American wheat which goes through Canadian ports yields a tribute to the Canadian exporter or broker of 4 or 5 cents, which the American farmer never gets because the grain of the farmer in America is subjected to dockage, and the farmer is paid by the middleman minus that dockage, which the middleman does not have to pay on his export of wheat to foreign countries. But the Senator from Massachusetts is more familiar with that matter than I.

Mr. WALSH of Massachusetts. I have much correspondence which I intend to introduce for the RECORD, possibly to-day or to-morrow.

Mr. REED of Pennsylvania. I believe the Senator will agree with me that that is an appropriate subject for which we might ask for information in this connection.

Mr. WALSH of Massachusetts. I quite agree with the Senator, but I think I shall take it up separately.

Mr. GLASS. Mr. President, may I suggest that the discussion be postponed until we can consider the resolution in regular order.

Mr. FESS. Let the resolution go over.

Mr. COPELAND. Mr. President, the Senator from Pennsylvania calls attention to a very important matter which has been urged upon us by the Senator from Massachusetts [Mr. WALSH] as the result of the grain-grading system used in this country. Almost all of the American wheat which is exported is sent through Montreal. We sent through Montreal of American wheat last year 93,000,000 bushels, while through our Atlantic ports we sent but 40,000,000 bushels, largely because of this 2 or 3 cent dockage rate imposed by the grading law. I am sure that matter should be brought to the attention of the Senate.

I hope the resolution of the Senator from Montana will prevail, because he will not get any comfort out of the report. When it comes back it will not help the cause of the St. Lawrence canal. So long as the rate on wheat from Saskatchewan and Alberta to the lake head is only 26 cents over the Canadian lines, while from his State of Montana to the lake head it is 44½ cents, there is no magic in the St. Lawrence canal which will solve the Senator's problem.

But I hope the information will be brought to the Senate. I am sure it will help to convince the Senate that if the canal is to be built, it should not be built by way of the St. Lawrence. American money should not be spent to develop a canal which will be almost exclusively of benefit to Canada and to England.

Mr. LA FOLLETTE. Mr. President, I feel constrained to ask for the regular order.

The VICE PRESIDENT. The resolution goes over under objection. The regular order is demanded. Morning business is closed. The calendar, under Rule VIII, is in order.

### NEW YORK STATE BARGE CANAL

Mr. COPELAND. I ask unanimous consent to have printed in the RECORD the reply of Edward C. Carrington, president of the Great Lakes-Hudson Deeper Waterway Association, to Hon. W. L. Harding, of Iowa, and an excerpt from the Encyclopedia Americana on the New York State Barge Canal.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[Reply of Edward C. Carrington, president of Great Lakes-Hudson Deeper Waterway Association, on the joint debate with Hon. W. L. Harding, of Iowa, on the issue: *"Resolved*, That the deep waterway connecting the Great Lakes with the Atlantic Ocean shall be by the St. Lawrence River rather than by the New York State route and Hudson River," Colonel Carrington speaking on the negative side and for the New York State route before the City Club of New York, April 17, 1928]

#### INTRODUCTION

Mr. Chairman, Governor Harding, ladies, and gentlemen, Governor Harding has done a big, generous thing to be willing to come here to-night in what is, using a phrase of the late William Jennings Bryan, "In the home of the enemy," to discuss these two canal proposals: One, opening the landlocked ports of the Great Lakes and the rich, fertile country adjoining thereon by way of the St. Lawrence River to the open sea, and the other opening up the Great Lakes ports and the rich manufacturing section abutting thereon by way of the barge canal and the historic Hudson River. I agree with him, and I am sure we all do, that the people of the lake section, some forty-odd million people, are entitled to a gateway to the open sea. As a matter of fact, our discussion to-night is limited by this moot resolution to the selection of one or the other of these two canal routes. Under this resolution it is inevitable that one or the other will be constructed, so that it is not pertinent for us to discuss the advisability as to whether a canal should be built from the Great Lakes to the Atlantic Ocean.

I read casually in the newspapers that some 17 States of the West had organized in favor of this St. Lawrence project, but I was not really concerned nor did I take seriously the idea of construction of a canal by way of the St. Lawrence River until I saw that Governor Harding was actually delivering orations in favor of the St. Lawrence River in the cities of Rochester and Syracuse—on the very banks of our own barge canal.

The only thing I can say is that I will attempt to be equally sportsmanlike and will give him a return engagement in either Des Moines or the city of Chicago at his convenience, provided the time is before the assembling of the conventions of the Democratic and Republican Parties.

If in the course of my remarks I may asperse the purposes and the motives of some of the so-called proponents of the St. Lawrence canal, I want Governor Harding to feel and you, ladies and gentlemen, to feel that it is in no sense an aspersion on him. Governor Harding is a lawyer by profession and so am I, and a lawyer who attempts to determine the merits of a case or the motives of his client forsakes the rôle to advocate and assumes the province of a judge and jury. He is entitled to represent a weak case and a wicked client without transgressing the ethics of his profession or any proprieties. I will answer his remarks from three different angles. My first two answers are physical answers. The other is an intangible one, based on political and historic reminiscence.

#### THE BARGE CANAL

My first answer to Governor Harding is a physical one, the route of the Barge Canal to New York. I do not believe that some of those who are publicly advocating the St. Lawrence canal want a canal built at all. You probably recall the story in Scriptures when the Patriarch Isaac, blinded by old age, was visited by his son Jacob. Jacob's mother incased the boy's hands and arms in the wool of a lamb and she prepared venison for the aged man. Greeting his son, the blind father said, "The hand is the hand of Esau, but the voice is the voice of Jacob." In this canal proposition the voice is the voice of Herbert Hoover, and Governor Harding's eloquent remarks to-night are merely the echo of that voice, but the hand is the hand of the frontiers corporation—the General Electric Co., the Du Ponts, and the New York Central Railroad.

If the people of the Middle West want a canal and I believe that many of them do, if the proponents of the St. Lawrence Canal really want to afford these people an outlet to the sea, our answer is we have given you this outlet in the Barge Canal to New York. We, the people of the great Empire State, while representing only 10 per cent of the population of the United States, yet pay 26 per cent of all the Federal taxes. And we, the people of the Empire State, through legislative amendments and a direct vote of approval, have dedicated to the people of the United States and the world, a barge canal that reaches from tidewater at the city of Troy to the Lakes of Erie and Ontario, a canal 800 miles long, a canal which represents in round figures a cost of $200,000,000—half the approximate cost of the Panama Canal—a canal which from Oswego on the shores of Lake Ontario reaches down and joins the main canal of some one hundred and sixty-odd miles from the city of Albany. So, if you want an outlet, Governor Harding, you and your friends of the great West, we say that by way of the Welland Canal, which within two years will be 30 feet deep, by way of Oswego, the Barge Canal and the Hudson River, you have a canal which in a very few years can be in practical operation and carry ships of 30 feet in draft.

We of New York are often alluded to in the West as being selfish, yet we built that canal and we charge no tolls to American and Canadian shippers. It is our dedication to the Nation in order that the great Middle West can have here an outlet to deep water by way of the Barge Canal and the canal which God Almighty made when he built the Hudson from Troy to the Atlantic Ocean. Moreover, we have brought the Atlantic Ocean, with the help of the United States Government, 150 miles nearer to Lake Ontario than it ever was before. The Federal Government is spending from $11,000,000 to $12,000,000 in dredging a channel, which in effect is a canal, from the upper reaches of the Hudson to Albany and which brings the latter 150 miles nearer to Lake Ontario and Oswego by way of the Barge Canal.

We had the courage, we the people of New York, the selfish people of New York, to build this canal, expending some $200,000,000 of our money, expecting no financial return as we charge no tolls, as a dedication to the national welfare, dedication upon the shrine of public service.

It is not a perfect waterway, either in its inception or its execution. It has only 12 feet depth when it should have a depth of from 27 to 30 feet. But it is a canal and it is rendering a public service as evidenced by the fact that last year it carried two million seven hundred thousand and odd tons of freight, an increase of some 300,000 tons over the same period in 1926.

From Oswego to Albany the distance is 160 miles, so that it requires only 160 miles, plus the Welland Canal, to have a Canadian-American route from the Great Lake ports to the deep channel of the Hudson River and to the open sea. By the all-American route from Lake Erie at Buffalo the distance to Albany is only 350 miles. Now, our friends of the West tell us, the people of New York, to junk our canal—forget it—and join with them in building a canal through 60 per cent to 70 per cent of Canadian territory, or more properly British territory. They tell us to junk our canal and ask New York to contribute 26 per cent of the total cost of an Anglo-American canal. And we say to them in the same spirit of public service, the same spirit of patriotism that we showed when we built the canal with our own money without the hope and expectation of financial reward, we say build the canal, utilizing our own canal and then the latter, plus the new improvements, will be made the last word in canal construction in the world.

Within 2 miles of the New York Barge Canal are 73½ per cent of the population of New York State, and within two hours' drive of the waterway live three-fourths of the population of the State, about 8,000,000 people, or 7 per cent of the population of the whole United States. So much for the Barge Canal.

PORT OF NEW YORK

Now, I come to my second answer to the distinguished gentleman's remarks. The port of New York—and I say this with not only civic and State pride but with national pride—it is the greatest port in all the world, so we offer to our brothers of the West, not only our Barge Canal, which we built at an expenditure of $200,000,000 and which has been called "Nature's gateway to the sea from the heart of the continent." We offer not only a canal reaching from Troy to the mouth of New York City, the harbor of New York, but we offer to our neighbors of the West the facilities of the greatest port of the world—the port of New York. Most of our guests here to-night are, I assume, residents like myself of New York City, and they, too, have a justifiable pride in our port.

Now, Governor Harding, do the good people of Iowa, Michigan, and Wisconsin know that during every 20 minutes of daylight all the year round, in each of the 365 days, a ship leaves the port of New York bound for some foreign port, whereas in Montreal when the ice breaks up in June, the first captain who makes the passage into port is feted and dined by the people of Montreal and given a gold cane in recognition of his feat? Compare this condition with the port of New York, where navigation is open all the year and where we send out a ship every 20 minutes loaded with commodities for ultimate consumption at points throughout the world. Another fact, my good friend, is that there are 77 steamship companies operating out of the port of New York.

I probably have one advantage over Governor Harding, not in size or appearance, but in the fact that I am a practical transportation man myself. I operate boats on the Hudson River and I know something about transportation. I know the reason why 77 steamship companies operate from New York rather than from Montreal—it is because they get cargoes. They bring in cargoes and they get cargoes going the other way. Cargoes originating in various parts of the country are brought to New York and are loaded aboard steamers and conveyed to any part of the world without undue delay at the point of loading.

There is an annual traffic that flows down from the Great Lakes into the New York territory of approximately 140,000,000 tons per year. The bulk of this reaches New York by the railroads. Less than 6 per cent goes to the Continent of Europe. Part of this is bulk freight. That is, freight in the form of coal, iron, limestone, and grain, nearly all of which is for domestic consumption. It is logical for this lake tonnage to come to a port where it will secure the earliest service to ultimate foreign ports. Ships sail from the port of New York to South America, the Orient, South Africa, and other distant points every week, and in some cases twice weekly, carrying varied cargoes. Whether cargoes might be an item of 10,000 tons of bulk wheat, a knocked-down automobile, crated machinery, or what not, if shipped to New York it will find a steamer either within a week or at the latest two weeks that will carry it to any part of the world, and that is one of the reasons why the port of New York has grown so great and why it is going to continue to be the greatest port of all the ports of the world.

Our brothers of the West complain that they are landlocked, which is true. We say you are entitled to an outlet to the sea, but, pending the accomplishment of that, you are being served from the port of New York by eight trunk-line railroads that carry commodities to the people of the Great Lakes section and bring back lake cargoes, and I am somewhat proud of the fact that these railroads were built from New York, stretching out around the mountains, through the mountains, and over the mountains, to give the blessings of transportation to the people of our Middle West.

Contrast the situation of the port of New York to that of Montreal in respect to railroad facilities. Two railroads serve Montreal. The Grand Trunk and the Canadian National, whereas eight railroads serve the people of the Middle West by way of New York. So again I say I am proud that we have such a port and, so far as I am concerned, I do resent any attempt to have it supplanted by a British port of export and entry.

ST. LAWRENCE PROJECT ECONOMICALLY UNSOUND

Now, being a transportation man, I know that a lake steamship is one thing, a barge canal boat is another thing, a Hudson River night line boat is something else, and an ocean-going steamship is another matter. As a matter of fact, lake freighters are built to accommodate themselves with a maximum draft of 21 feet. They are big, wide, slow scows of comparatively shallow draft. In construction their hulls and machinery represent as against cargo capacity one-fifth as against four-fifths, so that a lake freighter of 10,000 tons capacity has 2,000 tons dedicated to hull and machinery, while in an ocean vessel three-fifths of capacity is dedicated to hull and machinery. An ocean-going vessel of 10,000 tons can only carry 4,000 tons of cargo, against the lake freighter of the same net tonnage with its capacity of 8,000 tons of cargo.

The ideas of some that a lake boat might be available for ocean traffic has already been proved fallacious. During the late World War when the demand for ships was at its greatest they tried and they did take lake freighters, sawed in half, down the canal and riveted them together at Montreal. But these ships broke up. None of them ever reached European waters, for they could not stand the turbulence of the Atlantic Ocean. So, if I am a lake shipper, there is only one thing for me to do—that is, bring my lake freighter down to a port where it can lay alongside of an ocean liner, transfer its cargo direct, and the ocean liner then will distribute the stuff all over the world.

Nothing in the record of traffic statistics of the Great Lakes points to the likelihood of a movement of export or import freight by the St. Lawrence route sufficient to justify an expenditure such as contemplated, even though deep-sea vessels in sufficient numbers should be available. Successful steamship operators declare that costs of operating ocean-going vessels over a tortuous, fog-bound channel, 1,500 miles long, with locks necessary for a lift of 600 feet, would eat up all profits. Steamers fitted for ocean navigation are not fitted for profitable navigation on the Lakes, and vice versa. The low freight rates claimed by advocates of the St. Lawrence project could not be obtained by use of ocean-going vessels.

The per ton displacement cost and operation cost of ocean-going vessels is twice the cost per ton of lake vessels. The character of the traffic would be largely what it is now—mostly one-way movement of export grain, the season for shipment of which is comparatively short.

With it recognized by experts that it will be uneconomic and impracticable for ocean liners to travel to lake ports through a deep-water canal, and also for a lake freighter to travel to foreign ports, I believe the solution will be the traversing of these loaded lake freighters through a canal to a deep-water port and alongside an ocean liner for transfer of goods. I do think it is entirely feasible to have a lake freighter come down through the Barge Canal when the latter has been enlarged, either by way of the Welland Canal that connects Lakes Erie and Ontario and then down the Barge Canal from Oswego to Albany, or from Lake Erie by way of Buffalo through the Barge Canal to Albany or New York City and there lay alongside the ocean liners.

THE GRAIN SITUATION

Now, who is really behind this St. Lawrence route? The grain shippers of the Great Lakes and the Middle West and the power interests. Now, let me give you a few facts about grain shipment. We produced in this country last year some 833,000,000 bushels of wheat. We consumed of that 6 bushels per capita. Our 117,000,000 people used something like 600,000,000 bushels of wheat, or in round figures two-thirds of our entire wheat crop is consumed in our own country. An additional 100,000,000 bushels are required for seed. This leaves only in ordinary years some 31,000,000 bushels for export. Canada, with a population of some 8,000,000, roughly about the same population as that of Greater New York, consumes 85,000,000 bushels of wheat in ordinary years, thus leaving for export 325,000,000 bushels. I should not say leaving for export; it must be exported. They can not eat it themselves. It has therefore no market value in Canada, so it must be exported.

So the proposal is that we build a canal through 70 per cent British territory in order that we may be able to export 31,000,000 bushels of wheat and that Canada may be able to export 325,000,000 bushels of wheat. It is quite obvious that Canada should be for the St. Lawrence route.

Another fact to be borne in mind is that of our 31,000,000 bushels of wheat that we have for export, some of it is exported west to the countries of the Orient. Now, it is claimed that there would be a saving of some 10 cents per bushel in Canadian inspection of wheat against the more rigid American inspection. This means that it would yearly save the American farmer some $3,000,000, which, distributed among 44,000,000 people, would be less than 10 cents per capita—not enough to take them into a first-class movie.

Now, being a transportation man and not a brilliant lawyer like Governor Harding, there is another thing that I know, that insurance

is a big factor with shipping people, not only insurance on your hull and your ships but insurance on your cargoes. The insurance period closes after the 1st of November on the St. Lawrence River and because of fogs, cross-currents, and the proximity to icebergs the cost of insurance by way of Montreal is prohibitive.

Some two or three years ago Mr. Hoover made a speech before the Chamber of Commerce or the Merchants Association of New York. At that time he was willing to express himself on any public question. Since he has been the outstanding candidate for the Republican nomination, nobody has heard him express himself on but two public questions; first, a very silly proposal that the United States Constitution as expressed in the eighteenth amendment, the statute commonly known as the Volstead Act, should be observed. For a man in public service to say that, because he took the oath to obey the Constitution before he received his commission, is very distasteful to men, especially lawyers like Governor Harding and myself, for we know when we were admitted to the bar some years ago, we took the oath to obey the Constitution of the United States. And I will say that I have observed every passage and every part and spirit of that Constitution as the result of my oath except the eighteenth amendment. And I think I would almost rather be a drunkard than a hypocrite. And I am not saying that Mr. Hoover is a hypocrite. I do not think that he touches a drop, but if anybody is interested in my personal affairs I will say that I do. But inasmuch as Mr. Hoover is a Quaker, I assume he neither fights nor drinks. It is one of the creeds of his religion.

At this luncheon, at which Mr. Hoover seemed to have a power of speech, before he became silent on public questions, he said that in 15 years this country would export no wheat but would be importing it.

I recall that there used to be lines organized just to export cattle to Europe, but the exporting of cattle to Europe has practically disappeared. We eat all the good beef that we then exported. We do not have to export cattle, which were our best cattle—we eat them. And that is what we will do with out wheat. So that in so far as having a canal built to export wheat, in 15 years, before the canal is finished, wheat as an item of export will have disappeared from the markets of the United States.

Now, if the canal is built to carry out the wheat of the United States and the wheat of Canada, what return cargoes is it going to bring in? It is certainly not going to bring in wheat. It is going to bring in finished commodities in competition with the finished commodites of our own country.

Since the St. Lawrence waterway is to carry wheat, it is worth inquiring whose wheat is most likely to be carried. Obviously Canadian wheat. Canada possesses large acreage of cheap land that can be toiled with cheap labor and thereby enjoys an advantage in American markets. Our immigration laws set up a barrier against the importation into this country of cheap labor. Canada can undersell us in the matter of the production of wheat. The average price of occupied land in the Province of Manitoba is only $30 as compared with the average of $96 in Mr. Harding's State of Iowa.

Given transportation facilities on a free waterway by the St. Lawrence built with our money, the Canadian wheat surplus will determine the price of all wheat by the quotations of the Liverpool market. It is obvious therefore that the Canadian wheat farmers have a tremendous stake in the St. Lawrence route, while here it is only a small stake. And I am now addressing myself to the wheat growers of the United States.

Canadian manufacturing interests have a much greater stake in the St. Lawrence route than we have because their manufactured product is largely surplus, and in a sense we are only building a club with which to hit our own heads. They propose to us to build the waterway, pay one-half of the costs thereon, in order that they can sell their wheat and manufactured products, not only in the markets of the world but in our own country should our tariffs be lowered. As I have said before, the only commodity that would be carried through the canal in any large quantity is wheat. And the return cargo must be in finished goods, so that we are invited by our friends of the Great Lakes to build a waterway that will afford severe competition to our wheat growers and will bring foreign goods into competition in the Lake regions with goods manufactured in this country, particularly in your section.

Of course, we want to cultivate international good will, but sometimes it is properly said that charity begins at home. And it certainly does not appeal to me that we should be called upon to finance and assume one-half of the maintenance of a waterway by way of the St. Lawrence so that the goods of Hamburg and Liverpool can be delivered more cheaply to Winnipeg than can be delivered from our own country, because charity begins at home.

The heavy estimate of the building of the St. Lawrence route, as I have said before, is now generally admitted to be around $1,000,000,000. This cost doesn't frighten me in the least. A billion dollars? What is a billion dollars? We here in New York have already spent $650,000,000 on our subways, and we have just voted to spend $300,000,000 more, or a grand total of approximately $1,000,000,000 just for subways. We spent $50,000,000 in building a vehicular tunnel, connecting the States of New York and New Jersey, but why spend $1,000,000,000 so that we may export 31,000,000 bushels of wheat by the shorter route to northern European ports and to develop hydro-electric power in an area 75 per cent of which would be in Canadian territory.

Our British friends want to picture us as worshiping the dollar. They say we are nothing but pigs and money grubbers. Why, my friends, we have spent $50,000,000 a year in our merchant marine in order that the Stars and Stripes may be kept afloat on merchant vessels. Last year we spent $20,000,000 in seeing that our flag was still carried on the stern of our ocean-going merchant vessels, and this expenditure was made without any word of national complaint or criticism. We spent 5 per cent on $400,000,000 just out of sentiment. We operate the *Leviathan* at an annual loss of from $3,000,000 to $4,000,000. Why? Because we love sentiment. We love the flag. To keep that flag flying on that monster vessel costs us $3,000,000 to $4,000,000 a year.

### ST. LAWRENCE NOT SHORTER

Now, it has been claimed that the St. Lawrence route is 600 miles shorter than the all-American route by way of New York. Certainly it is 600 miles shorter if the northern route is taken around the north of Newfoundland and the north of Ireland, where conditions of navigation make it frequently almost impossible for a ship to negotiate this passage. But it only happens to be 400 miles shorter if the route is south of Newfoundland and south of Ireland. And for the ships entering the Mediterranean ports through Gibraltar the distance from Montreal is the same distance as by way of the port of New York.

If the cargo is going to the Orient, and there are many cargoes going to the Orient, to the eastern slope of South America or the western slope, or the western slope of the United States or Canada, the New York route, by way of the Panama Canal, is 1,650 miles shorter than is the St. Lawrence route. And it is a route that is open all the year without any prohibitive charge for insurance as compared to the others, a route where marine insurance is suspended from November until June, and whose main port is open only from five to six months of the year.

I do not believe the farmers, if they knew the full facts, would be interested in the St. Lawrence canal, even though they have heard over 100 speeches by Governor Harding. The fact that Senator WALSH of Montana came out the other day and indorsed the St. Lawrence canal project doesn't relieve my mind as to who is back of it. I believe this St. Lawrence plan is fathered either or both by the power interests and the railroads of the United States. It may be fathered by those, who recalling that the people of the State of New York, having spent $200,000,000, realize that New York will ultimately rebuild the Barge Canal themselves to a depth of 27 or 30 feet if necessary in order to give our friends of the Middle West an outlet to the sea unless they are headed off by some other plan.

Of course, the New York Central doesn't want a barge canal that is really a deep-water canal. We have spent $200,000,000, and, to be perfectly frank with you, we have just made a start. The Barge Canal will have to be rebuilt, and will probably have to be rebuilt so as to accommodate boats of from 27 to 30 feet draft. We are going to finish this canal, St. Lawrence canal or not. This deep waterway is going to be completed by way of Lake Erie and Lake Ontario to the mouth of the Hudson River.

We are all selfish, but, as a resident and citizen of New York, I do not want to see our $200,000,000 junked and thrown into discard. I do want to see self-propelled boats economically operated that may bring cargoes from the Great Lakes into the port of New York. If this is a selfish motive, then I freely admit it. I will go further and say that I am ambitious to see the Hudson Navigation Co. expand its freight service to the ports of the Great Lakes. I am ambitious to be the head of the company that builds the proper kind of boats to give that service. I hope to live to see the day that this will be accomplished.

Our friends of the West have talked, have organized, and spread propaganda for the St. Lawrence canal. But we have built and spent our money. We have bought the right to speak in the money we have expended in the Barge Canal.

Somebody said I was selfish in this thing because I happen to be the head of and the largest stockholder of the Hudson River Navigation Corporation. This institution is 97 years old, built before the New York Central was built. It has defied competition of two railroads, as well as two concrete highways on both sides of the river. I know as a transportation man that I can take the Barge Canal to-day and with proper self-propelled equipment make it a paying institution for the people of the State of New York. I know that I can bring these lake freighters through the Welland Canal, if necessary, down to Oswego, down the canal, bring them down, and unload them alongside of ocean-going liners and make money out of the canal and out of the company that operates it. And I can do the same thing through Lake Erie, by way of the all-American route, if it is deemed this is the ultimate route.

We have only made a start on the Barge Canal. Two hundred million dollars is only a start, but we are going to finish it, with or with-

out the aid of the Federal Government, with or without the cooperation of our friends of the Middle West. We would have to pay 26 per cent of the cost of the St. Lawrence canal. I guess we might as well pay the remaining 74 per cent out of our own money and have the credit of building a real deep-water all-American canal.

Secretary of the Navy Wilbur in a speech in Nebraska a few weeks ago said that we could build ships in British yards at one-half the construction cost of American yards—warships, submarines, cruisers, and what not—but the American people insist that we build them in American yards, with American workmanship and with the workers enjoying the American standard of living.

A very distinguished gentleman in a speech the other day at the Hotel Roosevelt said the British people dislike us and that the feeling is getting more and more bitter for three reasons: First, because we are insistent in collecting our war debt; second, because our tourists have gotten cheaper; third, because the British people know they are confronted with a great national trade rivalry movement between the two countries. And yet our friends of the Middle West want to spend $500,000,000 or more for a great waterway to be built through Canadian and British territory.

Again I want to point out that there are some, at least, insincere in their advocacy of the St. Lawrence plan. The two railroad lines—the Grand Trunk and the Canadian National Railways—which serve the city of Montreal are Government owned; owned by the people. It is inconceivable to me that these two Government-owned railroads and their stockholders, the Canadian public, will permit a competitive canal to be built. And bear in mind that the recent conference in London gave the Province of Quebec the power of veto, and certainly that Province is going to do nothing to permit either her Government-owned railroads or her city of Montreal to be made to suffer in any way.

I am only the head of a comparatively small transportation company, but I do know that the port of New York is going to maintain its supremacy—St. Lawrence canal or not.

You build the St. Lawrence canal. You people with your power in Congress, which is nothing more than the inequitable distribution of political power. Build the canal with 26 per cent of our money. Our answer will be that we will build our own canal, notwithstanding, because the port of New York, the greatest port in all the world, is not going to yield to Montreal or any other port, especially a British port.

### THE MIRAGE OF CHEAP POWER

Mr. Hoover says that the development of a great hydroelectric plant, furnishing electricity and effecting savings and economies in coal and fuel, is a justification for building the St. Lawrence canal. I am willing to concede, for the purpose of argument, that horsepower of some millions can be developed by the St. Lawrence. But they ask us to pay, in effect, 75 per cent of the cost of that power, and they will have to distribute it largely in this country. If it is a good power proposition, why don't the power trusts, the Du Pont interests, the General Electric, and the frontier corporations erect suitable development plants and develop the power? Why don't they make a treaty with Canada and arrive at the proper understanding with the State of New York? Why don't they do as was done on the Susquehanna River in Maryland and Pennsylvania, where there are two power developments? One of these plants sends current into Baltimore, and the other sends current into Philadelphia, both generated by the same river, without canal subsidies, and both financed by private enterprise and by private investors of these two companies. If we are to have a power development, let the people who want to create the power and who expect to sell it build the plant to make it and not ask for a subsidy ranging up possibly to a billion dollars.

The talk of cheap power is a beautiful mirage. In considering the proposed St. Lawrence development it is necessary to consider the costs of production, the cost of transmission, cost of distribution, possible markets, and legal problems. It is estimated that 5,000,000 horsepower can be developed at an outlay variously placed at from $150,000,000 to $300,000,000. Lines capable of bringing 500,000 horsepower into New England would cost $50,000,000 (S. Ferguson, vice president Hartford Electric Light Co.). This estimate is as good as any other and quite good enough to make it very plain that the transmission charges are a very considerable part of the problem.

Proponents of the Canadian superpower project assume the feeding of the power in blocks of 300,000 kilowatts into distribution systems which do not exist and which are not likely to exist, because—

The hydroelectric power plants on the St. Lawrence system would be shut down by ice each year, thus making the power of no use for general distribution, as such a power system could not compete with steam. In support of this statement attention is called to the fact that 11 water-power plants have been in operation on the St. Lawrence and Niagara Rivers for many years, and the system of ice control has failed in all but one case. Even if the ice-control problem did not render the claim for cheap power illusory, there remains the well-known axiom of electrification experts that electricity can not be economically distributed for a greater distance than 250 miles. The site of the projected plants on the St. Lawrence are over 250 miles from the great industrial centers of New England and New York, and consequently their vaunted cheap power would not be able to compete with steam-generated current in these centers.

To bring power to New England from the St. Lawrence would require a long, expensive transmission line, central distributing stations, distributing systems to tie into existing lines, and a transmission of large blocks of power to make it profitable. The cost and time necessary to do all this are largely problematical, but a close estimate is absolutely vital to the final economical solution.

### ENGINEERING DIFFICULTY OF THE ST. LAWRENCE PROJECT WELL-NIGH INSURMOUNTABLE

The undertaking is the greatest engineering problem ever studied. The difficulties to be encountered on the St. Lawrence exceed those faced and conquered either by engineers who harnessed the Nile or by the builders of the Panama Canal.

The man who executes the St. Lawrence project must be able to build temporary structures that must stand in the St. Lawrence for from 5 to 8 to 10 years. There are not only greater depths, volumes, and velocities than have hitherto been overcome, but in addition, the ice flow during the protracted winter season must be successfully resisted. The temporary structures must stand in a stream down which 675,000 tons of ice frequently pass every hour of the day for a period of weeks. That means 10,000 tons of ice a minute, or a trainload every 15 seconds. The day the temporary structure fails to withstand the onslaught upon it, about $10,000,000 of perfectly good money will vanish downstream. There are no facts that show such structures or works could actually be erected. No such obstacles are met with on the all-American route. There the project resolves itself into one of elementary excavation and the building of locks, sidewalls, etc., for which ample precedents exists.

### COSTS OF THE CANALS

The matter of costs of the two proposed routes is also of interest. The best real estimate that I can obtain of the St. Lawrence project is about $1,000,000,000.

The joint board of engineers estimates the cost of the St. Lawrence project at from $123,000,000 and $148,000,000. This estimate appears to be vastly underestimated. A former estimate for a 25-foot channel, with only 1,464,000 horsepower developed was $242,728,200. To obtain a 30-foot channel, with 4,100,000 horsepower developed the estimate was $508,197,300. The estimate of Col. Hugh L. Cooper, an independent engineer, for the total expenses of the project is $1,100,000,000. From our bitter experience with public undertakings of this kind it is safe to predict that the ultimate cost will be close to, if it does not exceed, the figure last named.

The St. Lawrence commission, in its report to President Coolidge of December 6, 1926, estimated the cost of the Lake Ontario-Hudson route, via the Welland Canal, at $506,000,000 and that of the all-American route at $631,000,000. Apart from the power developed on the St. Lawrence route, it is, therefore, apparent that the all-American route can be built as cheaply, if not cheaper, than the St. Lawrence project. Much is made of the advantages to be derived from the cheap power to be developed on the Canadian route. It is claimed that the returns from this source will amortize the entire cost of the project within a relatively brief time. These claims are not borne out by a close examination.

I have conferred with Mr. Olin H. Landreth, Maj. Elihu Church, and Mr. Frank Goodrich, three distinguished and eminent engineers, and they tell me that there is no especial difficulty in providing water necessary to make a canal opening up the Great Lakes to the Atlantic Ocean through the State of New York; that there is no especial engineering difficulty in the way of the accomplishment of the construction of the canal.

Outside of the popular support of the wheat growers, there is no popular or honest support for the St. Lawrence Canal or any support or interest in the St. Lawrence waterways except by those interested in the sale and exploitation of its territory.

This fact of creating a new waterway to ship goods to Europe is to my mind a huge joke. They haven't the purchasing power of our goods and their purchasing power will continue to get less. They would like to precipitate themselves upon us, but the immigration laws of the United States stand in the way like a stone fence. They would like to precipitate upon us their products and with their pauper labor but our tariff wall shuts them out; so what is the use of spending $1,000,000,000 of our money to send goods to people that can not pay for them. Unless it is that they send their goods over here so as to compete with ours.

We are not so much concerned in building a waterway by way of New York to serve Europe, but a waterway that is going to open the Great Lakes to our rich Southern States, our rich Gulf States, to ports of South America, on the east as well as the west side, a canal that will help to realize the great commercial blessings of the Panama Canal, so that goods from Duluth, Chicago, Cleveland, Erie, or Buffalo may be routed by all-water bill of lading by way of the Barge Canal, the Hudson River, Atlantic Ocean, Panama Canal to Los Angeles, Seattle, Hawaii, Philippines, China, Japan, and eastern Asia.

Join with us, good friends of the Middle West, and help us build a waterway so that your automobiles and automobile parts, your steel, and all the other great commodities that are fabricated on the Great Lakes may come by way of the Barge Canal, the Hudson River an all-water shipment, the cheapest form of transportation that man has ever devised, and reach all the ports of the world and there be consumed or finished.

I think, friends, I have covered the first and second answers of Mr. Harding's remarks in his very able presentation of the economies of the St. Lawrence project. And now for a moment I will very briefly touch upon a few of the political and international features of this debate.

POLITICAL AND INTERNATIONAL COMPLICATIONS RENDER THE CONSTRUCTION OF THE ST. LAWRENCE ROUTE IMPRACTICABLE

My time is almost up and I must hurry along.

Gov. Alfred E. Smith, the Democratic Governor of the State of New York, with the unanimous concurrence of both branches of the New York Legislature, the majority of both branches being Republican, offered to dedicate to the United States Government for the good of the Nation, the Barge Canal of New York providing the United States Government utilizes it for the purpose of constructing a ship-canal opening up the Great Lakes to the Atlantic Ocean either by way of the Welland Canal and Lake Ontario, the Barge Canal at Oswego, and the Hudson River or by way of Buffalo across the State of New York to the Hudson—the all-American route—so that there are no international difficulties in the way of the construction of the canal through the State of New York.

On the other hand, the construction of a canal by way of the St. Lawrence River, the building of the power plants which are to make available the hydroelectric power that will be thus generated, require not only a treaty with Canada, Quebec enjoying a veto power, but, as I take it, the assent of the sovereign State of New York.

In January, 1911, the United States of America passed what was known as the reciprocity treaty with Canada. After a bitter and acrimonious controversy in both branches of the United States Congress, the measure was finally passed and the bill was signed by President Taft. Immediately the price of all American agriculaural products dropped from 30 to 40 per cent. A duty of 42 cents per bushel is paid on wheat imported from Canada, and 14,000,000 bushels of wheat were actually imported from Canada into the United States during the calendar year of 1927.

On September 17, 1911, the Dominion of Canada rejected the reciprocity treaty, with the result that the Laurier government, which has been in power in Canada for 15 years, was wrecked, the political fortunes of William Howard Taft were wrecked, and the reciprocity measure was really in large part the basis of the schism in the Republican Party that resulted in the disruption of the party in 1912 and the consequent election of Woodrow Wilson.

A partnership with Great Britain has never been or ever will be satisfactory to the people of this country. George Washington in his Farewell Address advised us to keep out of foreign entanglements. The construction of a canal through 60 per cent of British territory is a foreign entanglement. A partnership compact was made between Great Britain and ourselves to construct the Nicaragua canal. This partnership proved unsatisfactory, as Britain immediately proceeded to gain control of the Nicaragua route by colonizing the personnel of the zone with British subjects. Great Britain sought to have this partnership arrangement extended to the Panama Canal after we had with American dollars purchased the French concession. Roosevelt denied them this right, with the result we built and control the Panama Canal ourselves. The British questioned our right to fortify the canal, and they did everything which was conceivably possible to embarrass us in the construction of the canal. Great Britain has embarrassed us with Mexico in the oil fields. They threatened to go to war with Venezuela over a boundary dispute, violating the Monroe doctrine, but were frightened off by Grover Cleveland, who compelled Great Britain to resort to arbitration. By lending aid and comfort in every possible way to the seceding Southern States in the Civil War, Great Britain endeavored to divide this Nation.

A compact was made recently whereby a naval ratio was to be maintained on the basis of five, five, and three. Great Britain and the United States were to be placed on an equal parity as to naval armament and Japan was to have three-fifths of the parity of each of these two great powers. Great Britain has quietly and subtly, but nevertheless effectively, outstripped us in naval armament so that this parity no longer exists.

All our great wars have been with Great Britain and in every war we have had with a foreign country, outside of the Great War, when we came to the rescue of Great Britain, Great Britain has been in sympathy with our enemies.

Some day, perhaps, the Lake ports, especially if they are opened up to the Atlantic Ocean, may need the protection of American destroyers, submarines, and cruisers, and do they want their vessels sent to protect their ports under the protection of the Union Jack and subject to the hostility of British guns?

I am one of those old-fashioned people who learned their history from the chapters of the Revolution and the War of 1812, and down in Baltimore, from where I came, the Star-Spangled Banner was written while British shells screamed across the ramparts of Fort McHenry.

The American Nation will never be too proud to fight, and I hope it will always be prepared to fight. Our flag was built out of British tyranny and hate. I pray God that it may wave forever, not over North or South or East or West, but over a God-loving, God-fearing, united Nation of free men.

[Reprinted from the 1928 Encyclopedia Americana]

THE NEW YORK STATE BARGE CANAL

The improvement of the New York State canals authorized by a vote of the people in 1903 has become popularly known as the Barge Canal. This phrase is without particular significance in itself, being but the shortened form of "Thousand-Ton Barge Canal," the name which was first given, based on the proposed size, but which is now a misnomer, since subsequent legislation has increased the capacity of the canal two or three fold.

The Barge Canal is the improvement of four branches of the State waterway system. These canals had already undergone various enlargements, but the Barge Canal is more than an enlargement; in several respects it is a radical change in form of construction. Of these changes three are especially prominent. First, the new canal has no towing path and consequently no animal towage. Again, electrically driven machinery replaces hand operation. But the greatest change is the substitution of river canalization for independent canals. When the original State canals were built the best practice of the time dictated a channel separated from the natural streams. Canal builders naturally sought the valleys, but they put their waterways away from and slightly above the stream beds. Modern practice, because of ability to cope with floods, boldly chooses the valley bottoms and makes the natural stream into a canal. This procedure has largely changed the locations of canals in New York, in some instances placing the new channel several miles from the old waterway. Briefly, to summarize the chief changes, the Barge Canal is a thorough modernization in size, construction, and equipment.

The four branches improved are: (1) The Erie, or main canal, which stretches across the State from east to west and joins the Hudson River with Lake Erie; (2) the Champlain, which runs northerly from the eastern terminus of the Erie and enters the head of Lake Champlain; (3) the Oswego, which starts north, midway on the line of the Erie, and reaches Lake Ontario; (4) the Cayuga and Seneca, which leaves the Erie a little to the west of the Oswego junction and extends south, first to Cayuga Lake and then to Seneca Lake.

The Barge Canal, while differing from the earlier canals in many respects, is really but a stage in the development of the State waterways. The original Erie and Champlain Canals, completed in 1825 and 1923, respectively, were so successful that a vertiable mania for canal building spread over both the State and Nation. In New York this agitation resulted in the building of several additional canals and in the enlargement of the original Erie within 11 years after its opening, and a few years later in the enlargement of the three other canals which are now parts of the Barge Canal improvement. This first enlargement was protracted through 26 years and even then was not entirely finished. About a decade later a popular feeling of opposition to canals became so strong as to bring about, within the next half dozen years, the abandonment of several lateral branches. However, shortly after this the adverse sentiment gave place to a favorable attitude, and an improvement was undertaken which proved to be the beginning of a reawakening of interest in canals that has endured until the present time.

This period of reawakening found its first expression in 1884 in the lengthening of locks. In 1892 came the first official suggestion of an enlargement similar to what has become the Barge Canal. The constitutional convention of 1894, recognizing the popular demand for improved canals, included an article in its proposed amendments whereby such improvement could be authorized. This enlargement, ordered by the people in 1895 and calling for 9-foot depth in the Erie and Oswego Canals and 7 feet in the Champlain Canal, owing to the exhaustion of funds was but partially completed.

At the beginning of 1899 the State found itself in a quandary. The old canals were antiquated; the attempted improvement was unavailable without considerable additional outlay. As a result a committee of eminent citizens was appointed with authority to study the whole situation and in effect to formulate a canal policy for the State. This committee reported to the legislature of 1900 giving rough estimates for completing the attempted enlargement and also for making improvements on lines substantially like those later adopted, and recommending for immediate action the making of careful surveys and estimates for the latter scheme. Almost contemporaneously with the work of this committee two Federal investigations had been in progress—the deep-waterways survey and a study of relative costs of transportation between Lakes and sea by ships and by barges. These investigations produced valuable data and helped mold public sentiment.

The recommended survey was made in 1900, with a report to the legislature in 1901. Inability of canal advocates to concentrate on any one plan delayed legislative action till 1903. Then, after a revision of estimates, the measure was referred for a vote at the 1903 fall election. It was carried by a substantial majority and authorized the expenditure of $101,000,000 for improving the Erie, Champlain, and Oswego Canals. Plans were begun at once, but the undertaking was so enormous that actual construction did not begin till the spring of 1905. In 1909, after surveys had been made, the Cayuga and Seneca Canal was ordered to be enlarged to Barge Canal dimensions by a second referendum, which appropriated $7,000,000. Construction progressed steadily till 1915, when it became necessary to provide $27,000,000 more for the purpose of completing the three canals first undertaken. This was done by another referendum and was necessitated largely by court awards for damage and property claims and in lesser measure by very greatly increased costs for labor and materials.

To provide suitable terminals for the new canals, a fund of $19,800,000 became available by a vote of the people in 1911. Several years' agitation preceded this action. In 1909 a commission composed of certain State officials had been appointed to investigate and report on the subject. In 1910 this commission was sent to Europe to study the terminals there.

The Barge Canal may be aptly called nature's gateway to the heart of the continent. Nature surely prepared the route. The Hudson, which has a safe and commodious harbor at its mouth, is the only navigable Atlantic-seaboard river in the United States which cuts the Coast Range of mountains. In the center of the State a second range makes way for a valley. At Little Falls a rocky barrier was pierced during the last glacial overflow by the waters of the Great Lakes. Also, natural watercourses across the State—one from east to west across the center, one from the extreme south to the extreme north across the eastern side, and one almost across from north to south at the center—are provisions which man has appreciated and utilized. Westward from the canals the Great Lakes extend a thousand miles inland.

There are 442.6 miles of construction in the new canals. The 358.7 miles of intervening lakes and adjoining rivers make a total of 801.3 miles—the length of the State waterway system of Barge Canal dimensions. Of this whole system, about 72 per cent of the length is in river or lake channel. Thus it appears that the Barge Canal is largely a river canalization scheme. A brief description of the route will give force to this statement.

The Hudson River from the ocean to the mouth of the Mohawk is the first link. The bed or valley of the Mohawk is utilized from the Hudson to the old portage near Rome. Then Wood Creek, Oneida Lake, and Oneida, Seneca, and Clyde Rivers are used, carrying the channel to the western part of the State, where the streams run north and the alignment of the old channel is retained for the new canal. The other branches of the Barge Canal occupy natural streams throughout most of their length, the Champlain branch lying in the canalized Hudson River and Wood Creek, the Oswego branch utilizing Oswego River, and the Cayuga and Seneca Canal occupying the bed of Seneca River. Also, Lake Champlain and Onondaga, Cross, Cayuga, and Seneca Lakes form parts of the waterway system.

There are various "land lines" for passing around dams, cutting off bends, and other purposes, and in the western part of the State the new channel is largely a widening and deepening of the old canal.

The dimensions of the Barge Canal are the same for all four branches. Briefly, the minimum channel in earth cutting in the independent or artificial canal or land line is 75 feet wide at bottom and 123 to 171 feet at water surface. In rock cutting, with nearly vertical sides, the width is 94 feet. In river and lake channels the width is from 150 to 200 feet. There is a depth of 12 feet throughout. The actual dimensions vary greatly, but the minimum size is fixed by law. The locks are of uniform horizontal dimensions. Chambers, from lower gates to upper breast wall, are 310 feet long and 45 feet wide. The width of the United States Government lock at Troy is 44.44 feet. Rules adopted for navigating the canal system limit the size of barges to 300 by 42 feet. There are no fixed bridges over the channel at less than 15½ feet above water level at the highest navigable stage.

The critical points in supplying water to canals are the summit levels. The new Erie Canal has one summit level (in the vicinity of Rome) and one half summit (at the Lake Erie end). A glance at the profile will show these summits and how the canal descends from them. The natural flow of the streams which are canalized to form the Barge Canal is in general sufficient to maintain the requisite depth of water in the levels between the locks and also to supply the water required for lockage and incidental operations.

The greatest independent water supply for the Erie Canal is that for the western section. Fortunately an almost unlimited supply is available by tapping the Niagara River. From here it is necessary to carry a continuous supply easterly to the Seneca River. In order to pass this water in requisite volume the canal bottom on the long levels has been given a proper grade, which provides for carrying at least 1,237 cubic feet per second. It is estimated that this supply is adequate, not only for 10,000,000 tons seasonal traffic, for which the Barge Canal is designed, but also for the maximum traffic which the canal is capable of handling, namely, from 18,500,000 to 20,000,000 tons per season. To furnish the Rome summit level the existing sources of supply are retained and two new reservoirs, Delta and Hinckley, are built. The old Rome level was supplied by an extensive system of reservoirs and feeders, built largely in the Adirondack region. This entire system is retained, together with such portions of the old canal as are needed to bring the waters to the Barge Canal.

The Champlain Canal has a summit level between Lake Champlain and the Hudson River. The corresponding summit of the old canal was supplied by a feeder which took its water from the Hudson at Glens Falls. This same Glens Falls feeder, improved, supplies the needs of the northern portion of the new Champlain Canal, while the southern portion lies in the channel of the Hudson.

Seneca and Cayuga Lakes, lying at the heads of their respective stretches of the Cayuga and Seneca Canal, form natural reservoirs to supply both this canal and the Erie branch between its junction with the Cayuga and Seneca Canal and Three River Point.

The Oswego Canal begins at Three River Point. Here Oneida and Seneca Rivers unite, bringing their natural flow and also a part of the supplies from the Rome level reservoirs and Lake Erie. As the canal is chiefly in the Oswego River, its needs are amply met.

Electric equipment on the canal is of the newest design. In general a hydroelectric power station at each lock supplies the needed energy for lighting and operating. Some stations supply more than one lock, substations being provided where necessary. Gasoline electric stations are used at movable dams, where the head of water needed for developing power is destroyed by the act of raising the dam. The turbines and generators in each station are in duplicate. Also hand-operating devices are available in case both sets of electric installation are disabled.

The Barge Canal locks are built of concrete throughout, both side and cross walls and floor. At a few points, where favorable rock is encountered, the concrete floor has been dispensed with. The lifts range from 6 feet to 40½ feet. Within each side wall runs a culvert for filling and emptying the lock. The culverts are connected with ports that open into the chamber at the bottom of the walls. These culverts vary in size, the dimensions being 5 by 7 feet for locks of 12 feet lift or less, 6 by 8 feet for lifts between 12 and 23 feet, and 7 by 9 feet when the lift is 23 feet or more. The lock gates are of the mitering, girder type, carrying the principal load as beams. They are built of steel, with single skin plates, but have white oak quoin and toe posts. The quoin post swings on a cast-steel pivot, set in the concrete, and is held at the top by an adjustable anchorage. The bearing is against cast-iron quoin plates set in the side walls. The lock gates are each opened and closed by a steel spar equipped with a heavy coil spring to absorb shock and secured to the gate by a bronze pin. This gate spar is also equipped with a rack actuated by a 7-horsepower motor acting through a train of gears designed to open or close the gates in about one minute. Movement of the gates is controlled from operating stands, located at each end of each side wall. The valves regulating the flow of water to the culverts are suspended on two chains, which pass over chain wheels near the top of the valve wells to suitable cast-iron counterweights. The chain wheels are mounted on a shaft rotated by a motor operating through a train of gears. The movement of the valves is controlled in a manner similar to the movement of the gates. Electric capstans, one at each end of each lock, are provided to control the movement of boats along the approach walls and to tow them into and out of the lock chamber.

Reinforced-concrete power stations, 20 by 30 feet in plan and about 20 feet high, are, in general, constructed adjacent to the various locks. The hydroelectric power stations, operated by the water in the canal, are each equipped with two vertical-shaft turbines, which in all but a few cases are directly connected to 50-kilowatt vertical-shaft generators, supplying direct current at 250 volts. The gasoline electric stations are each equipped with two generators directly connected to gasoline engines designed to operate at a speed of 600 revolutions per minute.

New York has recognized the supreme weakness of most American waterways—the lack of terminals and efficient freight-handling machinery—and is supplying these needs in the Barge Canal. However, it was eight years after the canal was authorized before the terminals were added. But their construction was pushed with such vigor that they were ready with the opening of the completed canal. These terminals are located at some 50 cities and villages along the canal as well as on some of their connecting natural watercourses.

The character of the terminal varies to meet the needs of each particular locality, but in general a terminal consists of a suitable place for dockage, the machinery for handling goods quickly and cheaply, a building for temporary storage, and in many places connections with adjacent railways. The purpose of the State is to furnish a place where any shipper or boatman may have the advantages of efficient terminal facilities at a reasonable cost. Recent legislation has vested the State public service commission with power to require connections to be built between railroads and canal terminals as well as authority to regulate freight rates and control combinations of rail and water routes.

Since the barge canal lies so largely in lake and river channel, various aids to navigation are needed, such as lighthouses, range towers, beacons, buoys, and markings on bridges. Lights, either fixed, flashing, or occulting, are displayed by night. The Federal practice of marking channels has been adopted, but with the interpretation that upstream means proceeding away from the ocean toward the interior, irrespective of local conditions of actual upstream or downstream. Thus in going westerly from the Hudson on the Erie Canal or in proceeding away from the Erie Canal on any of the other canals, red lights are on the right or starboard side of the channel and white lights are on the left or port side. The buoys and beacons which show red lights are painted red, while those which show white lights are painted white.

A study of the distribution of population in New York State reveals some important conditions. It is discovered that within 2 miles of the State waterways live 73½ per cent of the people of the State. If the distance is extended so as to include the territory within 5, 10, and 20 miles, the percentages are 77, 82, and 87, respectively. Looking from another angle, it appears that within 20 miles lies 46 per cent of the area of the whole State. If lines are drawn on a map—one at 50 and one at 70 miles from the waterways—we find that 71 and 88 per cent, respectively, of the area lie within them. These are the respective distances which motor trucks of 3½ and 2 tons' capacity can cover in a day's run, going and returning. This fertile field for motor-truck operation in connection with the enlarged canals is full of promise. The importance commercially of the conditions revealed by this study is not generally appreciated, but a little consideration will discover what it means to the State and to the country at large that there live within a half-hour's walk of the waterways, three-quarters of the population of the State, about 8,000,000 people, or 7 per cent of the whole United States population, whose products and whose supplies may have available a means of cheap transportation.

The barge canal is the essential connecting link between two extensive and important waterway systems, which are in part existent and in part only projected. To the west lie the Great Lakes. Four noteworthy canals, to connect with these lakes, are in a fair way to be built. At the seaboard a project known as the intracoastal canals would give an inside passage along a large portion of our Atlantic coast. The Federal Government has made surveys for most of these canals, and some it has already built. Of this whole vast scheme, the mileage now in existence is already great—1,500 miles in the Lakes and 800 miles in New York waterways. The intracoastal chain would add 1,800 miles and the projects adjacent to the Lakes at least 800 miles more.

At the beginning of the 1918 season the Federal Government, as a war measure, assumed control of the barge canal in so far as traffic was concerned and continued such control until the middle of the navigating season of 1921.

Certain statistical data follow: Erie Canal—340.7 miles long; 35 locks, 678.35 feet total lockage; 2 guard locks; 1 terminal lock. Champlain Canal—62.6 miles long; 11 locks, 182.25 feet total lockage; 2 junction locks. Oswego Canal—23.8 miles long; 7 locks, 118.6 feet total lockage. Cayuga and Seneca Canal—92.7 miles long, including Cayuga and Seneca Lakes; 4 locks, 71 feet total lockage. Fifty-seven locks, 2 guard locks, and 1 terminal lock, all of barge canal dimensions, and 12 smaller locks have been built. Construction has included 30 new dams, 5 old dams with new crests, and 5 old dams used without change; also 300 bridges and various other structures, including guard gates, culverts, spillways, bulkheads, wasteweirs, by-passes, flumes, terminals, gatehouses, power houses, warehouses, lighthouses, and range towers. The total number of all kinds of structures exceeds 700. Some entirely new types of structure, siphon spillways, and automatic crests on dams have been originated in barge canal construction, and some novel and bold adaptations in design have occurred, such as the bridge type of movable dam, the siphon lock, the sector gate, and an enormous Taintor gate. The first construction was begun on April 24, 1905; the first work on the Erie on June 7, 1905. The entire system was put into service in 1918. Construction was completed about two years later. The tonnage since 1918 follows:

| Year— | Net tons |
|---|---|
| 1918 | 1,159,270 |
| 1919 | 1,238,844 |
| 1920 | 1,421,434 |
| 1921 | 1,270,407 |
| 1922 | 1,875,434 |
| 1923 | 2,006,284 |
| 1924 | 2,032,317 |
| 1925 | 2,344,013 |
| 1926 | 2,369,367 |
| 1927 | 2,581,892 |

NOBLE E. WHITFORD.

(Revised by T. H. Farrell.)

FARMERS' PRODUCE MARKET

Mr. GLASS. Mr. President, I ask unanimous consent for the present further consideration of the bill (H. R. 8298) authorizing acquisition of a site for the farmers' produce market, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. TYDINGS. Mr. President, I offer an amendment to the bill, which I ask to have read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

The Commissioners of the District of Columbia are hereby authorized and directed to acquire by purchase or by condemnation, or partially by purchase and partly by condemnation as they may deem best in the public interest, suitable land, north of Pennsylvania Avenue, within the District of Columbia, for use by the District of Columbia in conducting and operating a market devoted to the wholesale and retail purchase and sale of products of the farm and such other market purposes as the said commissioners may deem proper. There shall be constructed on said land, after same has been acquired, buildings, structures, rest rooms for women, dormitories, and such other improvements and facilities as the said commissioners may deem necessary for the operation of a market and for the public convenience and comfort.

SEC. 2. For the acquisition of said land, for said market, there is authorized to be appropriated the sum of $300,000, or so much thereof as may be necessary, payable out of any funds in the Treasury of the United States not otherwise appropriated, and charged against the revenues of the District of Columbia as are other appropriations to cover the expenses of the government of the District of Columbia. There is also authorized to be appropriated in the same manner such sum as may be necessary for clearing, grading, removing buildings from the said lands and all incidental expenses in connection with preparing said land for use as a market, for construction of necessary buildings and other improvements thereon, and for expenses of conducting and operating said market, including personal services.

SEC. 3. The said commissioners are authorized and directed to fix and establish such reasonable rents, fees, and charges for use and occupancy of space on said market for the sale of commodities as they may determine and to change same from time to time. The said commissioners are also authorized to make and promulgate, and to amend when they deem desirable, all necessary rules and regulations regarding the operation of said market and the use or occupancy thereof, and to provide for the enforcement of such rules and regulations by prescribing reasonable penalties for violations thereof, not to exceed $25 for each offense; and said commissioners may enforce in any court of the District of Columbia having jurisdiction of minor offenses, and in the same manner as such minor offenses are now by law prosecuted and punished. The regulations herein provided for shall when adopted be published in one or more daily newspapers published in the District of Columbia and no penalty for violation of same shall be enforced until 30 days after such publication.

SEC. 4. Selection of the land acquired under the provisions of this act shall be made jointly by the Commissioners of the District of Columbia, the Director of the Office of Public Buildings and Public Parks of the National Capital, and the Secretary of Agriculture or some official of the Department of Agriculture designated by the said Secretary for that purpose.

SEC. 5. All moneys collected under the provisions of this act shall be paid into the Treasury of the United States to the credit of the District of Columbia.

BOULDER DAM

The VICE PRESIDENT. The Senator from Virginia will suspend. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, Senate bill 728.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

The VICE PRESIDENT. The Senator from Virginia [Mr. GLASS] is entitled to the floor. The Senate will receive a message from the House of Representatives.

DEATH OF REPRESENTATIVE MARTIN B. MADDEN

A message from the House of Representatives, by Mr. Chaffee, one of the clerks, communicated to the Senate the intelligence of the death of Hon. MARTIN B. MADDEN, a Representative from the State of Illinois, and transmitted the resolutions of the House thereon.

Mr. DENEEN. Mr. President, I ask the Chair to lay the resolutions of the House before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House, which will be read.

The Chief Clerk read the resolutions, as follows:

IN THE HOUSE OF REPRESENTATIVES,
*April 27, 1928.*

*Resolved*, That the House has heard with profound sorrow of the death of Hon. MARTIN B. MADDEN, a Representative from the State of Illinois.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect this House do now adjourn.

Mr. DENEEN. Mr. President, it is with profound sorrow that I announce to the Senate the death of Hon. MARTIN B. MADDEN, Member of Congress from the first district of Illinois, which occurred a few minutes ago at the other end of the Capitol. At a later date I shall ask the Senate to set apart a day on which fitting tribute may be paid to the life, character, and public services of the deceased Representative.

I send resolutions to the desk and ask for their adoption.

The VICE PRESIDENT. The clerk will read the resolutions submitted by the Senator from Illinois.

The resolutions (S. Res. 210) were read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. MARTIN B. MADDEN, late a Representative from the State of Illinois.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. DENEEN. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 2 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Saturday, April 28, 1928, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

FRIDAY, *April 27, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of heaven and earth, with new understanding and firmer assurance let us be summoned to our duties to-day. Passionate loyalty, springing from implicit faith that right makes might, is the power that lifts the world into the respect of angels and the love of God. We thank Thee that Thou art taught as Father and love as life's law; hence we would listen to Thy teachings and cherish Thy words as a precious heritage. There is no end to Thy loving purpose. There is a sea of blessedness, countless fathoms deep; undergirding the old earth is the arm of Thy never-failing mercy. O guide us when we can not see, comfort us when we are sad, deliver us when we are threatened, help us when we are weak and when all is over save us. In the presence of error—aye, when in the shadow of the strongholds of sin—inspire us to throw down the challenge. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate, had passed a bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4180. An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10141) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBINSON of Indiana, Mr. NORBECK, and Mr. STECK to be the conferees on the part of the Senate.

The message further announced that the Senate disagrees to the amendments of the House of Representatives to the bill (S. 1609) entitled, "An act recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the U. S. S. *Republic, American Trader, President Roosevelt, President Harding*, and the British steamship *Cameronia*, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. MCNARY, and Mr. FLETCHER to be the conferees on the part of the Senate.

### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1368. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch; and

S. 2900. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

### NAVAL APPROPRIATION BILL

Mr. FRENCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12286) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Idaho asks unanimous consent to take from the Speaker's table the naval appropriation bill, H. R. 12286, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. AYRES, and Mr. OLIVER of Alabama.

### ADDRESS OF HON. CHARES E. HUGHES

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech made last evening by former Secretary of State Charles E. Hughes on the results of the Parliamentary Conference at Habana.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Charles E. Hughes, president of the American Society of International Law, before that organization, in Washington, on the evening of Thursday, April 26, 1928:

### PAN AMERICANISM

Mr. HUGHES. The cooperation of independent States, reflecting the persuasions of reason, and neither intrigue nor the pressure of force, must of necessity make slow advances. It awaits the quieting of fears and emancipation from national obsessions. It depends not only on a growing perception of community of interests but also on a fair appreciation of the antagonism of interests. When we demand cooperation abroad, we are apt to overlook the difficulties which beset cooperation at home. Our politics gives us the measure of these difficulties. Some seem to think it easy to obtain agreement among independent States, although it is plain that the varied desires and policies of communities, parties, and groups among us, under a single government, cause interminable delays. We have a vast amount of talk in relation to serious problems, with a small proportion of accomplishment. In external affairs we may readily extend the area of discussion, but any important extension of the area of accord is a real achievement.

The cooperation of individuals is happily less restricted than that of governments. Economic forces have freer play, and except as government may intervene for the protection of national interests, economic opportunity is readily sought by all everywhere as the spirit of progress urges and intelligence shows the way. But governments are trustees of particular peoples, with their racial distinctions, their historic apprehensions, with their perception of local needs, and with their hard-won positions of advantage. To effect international cooperation there must be a sense of substantial national gain and no persistent fear of serious national loss.

Pan American cooperation should find a good start in our contiguity. But until recently this geographical relation had an aspect of irony. For our systems of communication belied our nearness. South America was for all practical purposes nearer to Europe than to North America. Now, with the Panama Canal, with multiplying facilities of travel by steamship, with improved methods of communication by mail, by wire, and without wire, we have a keen sense of neighborhood. Lindbergh's recent flights are a prophecy of a new intimacy. With no uncertainties of north Atlantic weather to bring to naught the best-laid plans, with abundant opportunities for the provision of airports and regular and frequent services, we are destined to become very well acquainted with each other and to have countless mutual interests but little dreamed of in the past.

History abundantly demonstrates that mere propinquity is not enough. Fortunately, in this hemisphere we have a common political inheritance in our devotion to the ideals of liberty. We are all sons of the American revolutions. We have all revolted against tyranny. We have erected throughout the American continents the standards of national freedom and independence. We have thus been drawn together by a

common sentiment which makes us neighbors in spirit. If anyone is disposed to scoff at this expression, and to emphasize differences and regrettable expressions of unneighborly points of view, let him consider conditions elsewhere throughout the world—the jealousies, distrust, historic animosities found in every region and, unless he is a hopeless cynic, I think that he will conclude that the relations of the American States do not suffer in comparison. On the contrary, the recent conference, quite apart from its specific achievements, afforded a welcome and striking demonstration of mutual friendliness which put to shame the prophets of evil. An international conference is a very uncertain affair, almost as uncertain as a trans-Atlantic air flight, so much may go wrong in fogs and contrary winds. When delegates come out of an American conference with a more friendly feeling and a stronger confidence in each other, an advance of enormous importance has been made, because the spirit of friendship is the vital breath of Pan Americanism.

In considering the essence and the scope of Pan American cooperation we must rid ourselves of certain illusions. One of these seems to be widely cherished in this country. That is, that there is an entity known as Latin America on the one side, dealing with an entity known as the United States on the other. Attendance at a conference of the American States will dispel this illusion. There is no such entity as Latin America. There are 20 States, which comprise what is called Latin America, and these have distinct characteristics, aspirations, and policies. Even in language, Brazil, with its vast territory, stands separate. There is, properly speaking, no concert of Latin-American States. There is no group of Latin-American States which has, or can claim to have, dominance over other Latin-American States. There is no desire on the part of any Latin-American State to have its policy or rights determined by any other Latin-American State or by any selected number of Latin-American States. The sentiment of national independence is a very real sentiment in all the Latin-American States. It means independence of other Latin-American States as well as independence of the United States. The idea that any one power, or three or four important powers, in Latin America could be endowed with authority to make decisions or to undertake to determine policies in Latin-American affairs affecting other States is a chimera.

Another illusion that should be dispelled is that the United States is seeking to dominate Latin America. To one who knows the sentiment of the American people, such an idea seems fantastic. But it is fostered by writers at home and elsewhere, and is encouraged by an appreciation of our enormous resources and power. The "Colossus of the North" is pictured to the imagination as a ruthless giant, without conscience and with unrestrained lust. We make no apologies for our prosperity and power. But the conception of the giant takes no thought of the limitations of its organism. The policy of the United States is in the control of the American people, acting through representative institutions. Executives and Congress must bow to public opinion. The dominant spirit of the American people is generous, liberal, instinct with love of independence and respect for it. If misguided persons, abusing the power with which they were temporarily intrusted, attempted to embark on a policy hostile to the proper enjoyment by the Latin-American Republics of their sovereignty and independence, that policy would speedily and justly be repudiated and the authors of it condemned. Even efforts in the interest of public order, for the purpose of assisting in the maintenance of a reasonable stability and of protecting lives and property, meet with constant criticism, and are carefully watched to prevent the hatching of any imperialistic scheme. Liberal sentiment in this country constantly grows. Appreciation of our difficulties in making popular government successful is more general. Disinclination to undertake enterprises foreign to the purposes of our Government increase. We are, indeed, jealous of our rights, and I trust that we shall always have the stamina to maintain them with self-respect and with proper regard for the rights of others. But the notion that we are looking for opportunities to intervene in the concerns of our neighbors and to take upon ourselves the burdens of managing them, that we are animated by a desire to dominate Latin America, is due to vague and unfounded fears, and especially to an utter misconception of public opinion in this country. However, it is a persistent notion, constantly inculcated, and the illusion is one that interferes with efforts at cooperation. We should endeavor, so far as possible, to eradicate it, and especially should we be solicitous to conduct all our relations with Latin-American States in such a manner as not to facilitate its spread.

Another illusion is that national aspirations can be changed by international conferences. The most that can be done is to find common ground, to show that some common undertaking is promotive of national benefit or at least not opposed to national interest. Nations coming into conference do not change their fundamental viewpoints. A conference gives the advantage of discussion, of getting away from the routine and dilatoriness of diplomatic note writing, of informal contacts removing prejudices and giving a clearer understanding of reasons for action or inaction. Among friends, it is of the greatest value. But, despite the convenience of direct intercourse at conferences, there are certain difficulties inherent in the method itself. Delegates have instructions which they should follow. This sometimes prevents entire freedom in discussion. But it is better that governments should act through their representatives than that the latter should play a lone hand. Individual ambitions may have an important part in determining attitudes on particular questions. Then there are many matters which could readily be resolved if common sense could have its sway, but fear of misdirected popular criticism at home may prevent acquiescence. I was grateful for the publicity of proceedings at the Habana conference. On the whole, it was helpful. But it must be recognized that publicity not of action but in the discussions which must precede action sometimes prevents reasonable adjustments.

Then, while a conference facilitates settlements which can not be had by ordinary diplomatic exchanges, there are questions which should be dealt with by direct communications between particular governments and which can not be successfully handled at a general conference. The tendency is to bring before a conference matters with which it is incompetent to deal, as one party or another may try to get the leverage of support through the introduction of a subject which is not of general concern. This suggests another illusion, which it is hard to destroy, that a conference should undertake questions which need diversity of treatment. For example, at the Habana conference it was sought to deal with the question of frontier police. But it soon became apparent that there were different exigencies on different frontiers, and that separate negotiations or agreements would be more satisfactory than a general convention. So, in relation to development of water power, diversity of treatment may be needed, and the States directly affected may find it to their advantage to make particular agreements that are mutually acceptable.

The success of Pan American conferences will depend not only on a keen forward look, with broad vision, but also on a discriminating self-restraint. This illustrates the importance of careful preparation of the program for conferences, and such preparation, fortunately, had been made for the sixth conference by the governing board of the Pan American Union. The subjects thus presented for consideration at the conference may be classified broadly as follows: (1) Those relating to the organization and functions of the Pan American Union; (2) the codification of international law; (3) problems of communication; (4) various specific objects of cooperation; (5) plans for conciliation and arbitration.

THE PAN AMERICAN UNION

This is the organ of Pan American cooperation, at once its symbol and instrument. The union is in effect the permanent committee of the Pan American conferences with general and particular duties assigned to it by the resolutions of the conferences. Its widening activities show the growth and direction of Pan American sentiment. First organized as a bureau under the administration of the Secretary of State of the United States, it was placed in 1902, by the Second Pan American Conference, under the control of a governing board composed of the diplomatic representatives of the American States with the Secretary of State of the United States as chairman. At the fifth conference, held at Santiago, Chile, in 1923, representation of the American Republics on the governing board was declared to be a matter of right and provision was made for the election by the governing board of its chairman and vice chairman. States having no diplomatic representatives accredited to the Government of the United States were to be entitled to appoint special representatives on the governing board. Desirous of providing a permanent basis of organization, the governing board, pursuant to a resolution of the fifth conference, prepared a project of convention on this subject, which was submitted to the sixth conference. The wisdom of sacrificing the flexibility of organization under resolutions of the conferences to the rigidity of a convention, which if made effective by the ratification of all the American States could not be altered save by another convention also ratified by all, may be doubted. But in the discussions it became manifest that if a convention were to be adopted, it should be confined to a general outline of organization, appropriate for a constitution, and without the details which would be more satisfactorily provided from time to time by the legislation (resolutions) of the conferences. The result was the adoption of a simplified form of convention for submission to the respective governments and also of a resolution for the continuance of the union under the resolutions already in force with certain modifications.

The significant action of the sixth conference in respect to the Pan American Union lay in its disposition of certain proposals as to organization and functions. Mexico proposed, and most ably and vigorously supported the proposal, that the governing board should be composed of special representatives of the governments appointed for that purpose; that there should be rotation in the offices of chairman and vice chairman annually in the alphabetical order of the countries, and that the office of director general should be filled annually and be held in turn by the chairmen of the Pan American committees of the respective countries in similar alphabetical order. The selection of diplomats accredited to Washington as the representatives of the States on the governing board was criticized with charming naiveté. It was urged that an accredited diplomat of a Latin-American Republic must be persona grata to the Government of the United States. He was subject to the subtle influences of the Capital at Washington. He was not the dependable, upstanding, or, as we should say, "100 per cent" representative that his country needed for the important duty of serving

on the governing board of the Pan American Union. It was necessary, it was said, to "de-diplomatize" the union. But these criticisms did not meet with favor. They found no support among those who were most intimately acquainted with the work of the union. The committee dealing with these subjects had the advantage of the presidency of Dr. Olaya Herrera, and of the unremitting labors of its reporter, Dr. Jacobo Varela, both of whom had long been identified with the union and had intimate knowledge of its problems. It was recognized at once by the delegates that the governments should be free to select any representatives they chose, but it did not appear that displacing their own diplomatic representatives would be to their advantage. Special representatives on the governing board, no less than the accredited diplomatic representatives, would act in accordance with the instructions of their governments. These instructions could be given to accredited representatives as well as to special representatives. The right, so rarely exercised, to refuse an agrément as to a proposed diplomatic representative could hardly be regarded as seriously interfering with the freedom of choice. Moreover, unless the work of the union was to be embarrassed by interruptions and delays, special representatives would have to remain continuously in Washington and might be equally susceptible to the seductions of this delightful city and to the pleasant sense of comradeship which happily pervades the intercourse of those endeavoring to promote friendship and to reach reasonable adjustments. If the special representatives were continually in attendance, as they should be, the presence of two representatives of the same country, one as its minister or ambassador and another as its representative on the governing board of the Pan American Union, would not only largely increase the expense of representation but could hardly fail to impair the prestige of both, to say nothing of the prestige of the union itself. The conference disposed of the question by recognizing the right of every government to appoint such representative as it desired and thus to displace its diplomatic representative if it saw fit. But to avoid any ground for a different construction of its action, the conference expressly provided that a government might select, as heretofore, its diplomatic representative to serve on the governing board.

The fifth conference had already provided for the free election of chairman and vice chairman on the governing board and the proposal for an artificial rotation was rejected. In the discussion it was made clear that the Government of the United States did not desire any special privilege in the organization of the union, that the Secretary of State of the United States did not seek any position of prominence on the governing board, but that he wished to be considered a coworker with his colleagues in advancing the purposes of the union. As to the office of director general, it was apparent that continuity and not rotation was desirable. The tributes to the efficiency of the work of the present director general were spontaneous and universal. The proposal for rotation in his office was withdrawn.

There was, however, a proposal made by Mexico as to the functions of the union which met with approval. This was that the union should not "exercise functions of a political character." The emphatic indorsement of this limitation was of the utmost significance. It may be difficult to define with precision what is meant by "functions of a political character," but the spirit and intent of the proposal can not be misunderstood. It meant that the union should not attempt to intrude upon the domain of the respective governments in relation to the policies which normally would be determined by them in the exercise of their proper authority and which lay outside the administrative activities, the duties of an educational and cultural nature, and the various inquiries and studies confided to the union by the direction of the international conferences. The Pan American Union was to be an executive instrumentality of the conferences and an organ of cooperation along established lines of endeavor, but was not to be a means by which any State or group of States could obtain a leverage to affect the policy of other States in regard to questions which the latter wished to determine for themselves.

The attitude of the delegates to the conference in this matter disclosed the futility of plans for making the Pan American Union an arbiter of the policies or action of the American Governments. It was felt that any attempt of this sort would not only fail of its objective, but if seriously prosecuted would destroy the union. I have frequently been amazed at the lack of proper appreciation on the part of many who discuss this question of the manner in which the governing board acts. The notion of this board as a tribunal or council of supervision or of general advice, as an instrumentality to deal with delicate international situations, takes no account of its actual constitution and methods. The members of the governing board represent their governments. They act under instructions. If any subject is brought before the board which is not one of the merest routine and does not fall within clearest precedents or past instructions, the request is at once made by the members of the board for an opportunity to consult their governments. And there are 21 of these governments, each insisting on equality. No action could be taken which would not be as directed by these governments, and most probably, in any matter of serious import involving the policies of one or more States, there would be division into groups and no effective action would be possible. There is no recognition of great powers as maintaining and directing a permanent council. The decision that the union should not have functions of a political character crystallized the general desire that no endeavors should be made by any government to use the union to put even moral pressure on other governments; that is, to influence their action in matters where they desire to exercise their independent authority as sovereign states. This not only indicated the strength of nationalistic sentiment, but also a shrewd perception of the only way in which the union itself could be preserved.

Oddly enough, the preamble of the convention for the organization of the Pan American Union gave more trouble than any of the provisions of the convention. This was due to a determined effort, despite the adoption of the resolution denying functions of a political character, to make the union a vehicle for disputes relating to tariffs or regulations for the import or export of commodities. The proposal was not a popular one and won no adherents. Manifestly, every American State has its views as to its import and export duties, its methods of raising revenue, its administrative regulations. It does not consider these artificial, but adopts such laws and rules as it believes to be in its interest. The Latin-American States were as tenacious of their rights in this respect as is the United States, and there was no desire at the conference, apart from the effort of a single delegation, to introduce the Pan American Union into that field. Questions between particular governments as to particular laws, regulations, or imposts are appropriately the subject for agreement, so far as possible, between these governments. The quickest way to end the usefulness of the union would be to promote its intervention in matters where the realization of national interest is keenest. While the specific proposals in the interest of such a mistaken policy were rejected, the conference adopted a preamble for the proposed convention, and provisions defining the functions of their union, which in their generality of description left nothing untouched with which the union could appropriately deal. The specific resolutions of the conference intrusted the union with a large number of special and varied undertakings for the purpose of effecting the declared purposes of the conference, of securing information on many subjects, and arranging for numerous conferences of a special and technical character. Thus, while delimiting its work and protecting it from a premature and unwise intrusion into controversies which it could not successfully compose, the Pan American Union was placed on a firmer basis than ever before, and its opportunities for usefulness as an administrative and informing agency of Pan American cooperation were greatly extended. This definite settlement of the status of the union in itself made the conference important and successful.

CODIFICATION OF INTERNATIONAL LAW

In the field of public international law 12 projects formulated by the commission of jurists at their meeting in Rio de Janeiro were presented. These included the project for pacific settlement of international disputes, to which I shall refer later. There were also two projects embraced in this group, relating to exchange of publications and interchange of professors and students, which belonged in another category, and accordingly the conference dealt with them in connection with proposals if intellectual cooperation. Of the remaining nine projects, seven were adopted with certain modifications; that is, those concerning status of aliens, treaties, diplomatic agents, consuls, maritime neutrality, asylum, and obligations of states in the event of civil strife.

On the remaining projects, entitled "The fundamental bases of international law" and "States—existence, equality, recognition," no action was taken, and further consideration was postponed until the next international conference of the American Republics. The reason lay in the fact that one of these projects contained a fragmentary and inadequate declaration on the subject of intervention. It declared briefly and simply that "No state may intervene in the internal affairs of another." This reduced the problem of codification of the law on this subject to an engaging and delusive simplicity. There was no definition of "intervention" and none of "internal affairs." No distinction between action that was justified in certain exigencies and action that was unjustified was attempted. The learning and the discriminating postulates of international law found no place in the text. The manifest defect of the project lay in its failure to set forth the rights and duties of States in any manner that could be regarded as satisfactory and could thus provide an appropriate context.

Dr. Victor Maurtua, of Peru, the reporter of the committee dealing with this subject, pointed out these defects in a brilliant exposition and proposed four declarations—(1) of the fundamental bases of the codification of international law, (2) of the definitions and rules of application of international law, (3) on Pan American unity and solidarity, and (4) in relation to the recognition of governments. Deeming it essential that the basis should be found in a statement of the principle of respect for fundamental rights, Doctor Maurtua proposed, as the first division of his report, the adoption of the declaration of the American Institute of International Law formulated at its first

meeting in Washington in 1916. This declaration, prepared by the leading jurists of Latin America and the United States, and approved by many others abroad, is as follows:

"I. Every nation has the right to exist and to protect and to conserve its existence; but this right neither implies the right nor justifies the act of the State to protect itself or to conserve its existence by the commission of unlawful acts against innocent and unoffending states.

"II. Every nation has the right to independence, in the sense that it has a right to the pursuit of happiness and is free to develop itself without interference or control from other states, provided that in so doing it does not interfere with or violate the rights of other states.

"III. Every nation is in law and before law the equal of every other nation belonging to the society of nations, and all nations have the right to claim and, according to the Declaration of Independence of the United States, 'to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitled them.'

"IV. Every nation has the right to territory within defined boundaries and to exercise exclusive jurisdiction over its territory, and all persons whether native or foreign found therein.

"V. Every nation entitled to a right by the law of nations is entitled to have that right respected and protected by all other nations, for right and duty are correlative, and the right of one is the duty of all to observe.

"VI. International law is at one and the same time both national and international—national in the sense that it is the law of the land and applicable as such to the decision of all questions involving its principles; international in the sense that it is the law of the society of nations and applicable as such to all questions between and among the members of the society of nations involving its principles."

Strange as it may seem to an impartial observer, the submission of this fair and comprehensive statement provoked a debate. It was unwelcome to some who desired the adoption of the incomplete statement of the original project. Occasion was afforded for eloquent assertions of the rights of sovereignty, of the sacredness of independence, which no one had any desire to challenge. The declaration of the American Institute with its appropriate reference to the duties of States seemed to some to qualify the attributes of sovereignty. The balanced precepts of international law were thus in danger of being forgotten in the zeal for a trumpet call in defense of the ideal of liberty to which we are all devoted. The matter was referred to a subcommittee. It would have been easy to modify the language of the declaration of the American Institute so as to remove any possible ground for the suggestion—although such an interpretation seemed to be unwarrantable—that it impinged on sovereignty.

Slight changes could have removed any possible ground for criticism. But there were some who refused to accept the declaration, insisting on the letter of the original project, and thus unanimity became impossible. In this situation, as we were dealing with the codification of international law which should have unanimous approval, a postponement of further discussion was deemed to be advisable. This partial failure was not without its compensations. It gave opportunity for frank interchanges in committee, in subcommittee, and finally in plenary session, which cleared the air, promoted a fairer appreciation of opposing views and made us at the close of the conference much better friends than we were at the beginning. We did not codify this part of international law, but we did better than that. We strengthened the ties which are deeper than the law and made firmer the mutual respect and confidence without which the law is of slight avail.

I can not undertake at this time to discuss the principles of codification or to present the details of the projects which the conference adopted. It must suffice to say that in the adoption of seven projects gratifying progress was made in this most difficult of international enterprises. I may, however, suggest some reflections which do not detract from the importance of the work thus accomplished. It is always necessary to guard against a particularistic tendency in an endeavor which can be successful only as there is a general acceptance of results. While the American Republics can make, and are making, a notable contribution to the effort of codifying international law, they can not change, even with respect to themselves, the rights and duties of other States under international law. They will succeed only as they are able, with a comprehensive view and technical skill, to formulate not their particular doctrines but the law, which rests on the consent of all civilized states. At the Habana conference it was frequently necessary to point out, as, for example, in dealing with the subject of maritime neutrality, that it would be a vain effort to seek to change the general law establishing the rights of all neutrals by a special agreement of the States which were represented at the conference. There may indeed be special cases justifying a limited departure. Thus, Bolivia is without access to the sea, and it was deemed appropriate to provide that in case of war between American Republics neutral States should permit the transportation of war materials through their territory to a State shut off from the sea, provided the neutral States should not consider that their vital interests would be affected by such action.

In codifying international law, the temptation is strong to endeavor to incorporate in the code not the law but a mere political doctrine. Doubtless codification, even in the limited sense, will involve reconciliation of differences in statement and of points of view. But it is quite a different matter to abandon the rules of international law that are well known in order to set up different rules which suit the policies of particular States. New rules may be advisable, but it should be recognized that in proposing them one enters the field of legislation, and success can be had not in showing a past assent but only in obtaining a new accord.

To the work of the codification of international law a political conference is not well adapted. Even jurists as delegates to such a conference may lose their juristic detachment and their allegiance to the law, may yield to their patriotic espousal of the policies which the governments of their countries desire to maintain. Still a code of international law, in order to gain technical force, aside from the weight it may deserve as an exposition, must obtain the approval of governments, and a political conference may be the ultimate means of securing this approval. Before such a conference jurists must do their work with thoroughness and impartiality. And then, as it seems to me, before a final political conference is held to frame projects of conventions, there should be a preliminary conference in which not only distinguished jurists but the foreign offices of governments, through the members of their official legal staffs, should participate so that any conflicting views of the legal advisers of governments may be known and, if possible, brought into harmony before a final political conference is convened. Governments appoint jurists for the preliminary work of drafting, with a complete reservation as to the final attitude they will take as governments. When projects have been drafted they are submitted by each government, I assume, to its technical legal staff, and the views of the latter are most probably incorporated in the instructions to the delegates that deal with the projects. Thus apparent agreements at meetings of commissions of jurists may prove to be illusory in the face of new difficulties raised in foreign offices even as to matters of law. Through preliminary meetings of jurists with the attendance of technical advisers of governments, some, if not all, of these difficulties might be removed. If through such meetings agreements on certain subjects can not be reached, it will in most instances, as it seems to me, be idle to bring such matters to the decision of a political conference composed of delegates chosen with reference to governmental policies rather than for the appropriate formulation of statements of the law. The Habana conference wisely adopted a broad resolution governing further endeavors in codification, and this resolution, as it seems to me, can be availed of to secure the necessary cooperation.

In the field of private international law or what is ordinarily called conflict of laws, an advance of great importance was made at the Habana conference through the adoption, with slight changes of the code of private international law, prepared by Dr. Antonio Sanchez de Bustamante (the president of the conference), as approved by the Commission of Jurists at their meeting at Rio de Janeiro. In view of our system of government in the United States, with our 48 States and our Federal Government of limited powers, the United States could not join in this action, but it viewed with sympathetic interest the efforts of the other American States to obtain legislative uniformity. The Bustamante code was accepted by 18 affirmative votes, with definitive reservations ultimately maintained by Argentina, Brazil, Salvador, and the Dominican Republic. In addition, the conference passed a number of resolutions looking to further studies in this field and took appropriate action to secure the continuance of the necessary preparatory work by the Commission of Jurists. Thus the avenue is open for substantial progress before the next international conference.

The conference approved the proposal of its committee for the creation of an international American commission of women to prepare studies on the subject of the civil and political equality of women, and recommended that the governments of the American States should study and adopt legal measures to concede to women certain rights which they do not at present enjoy in some of the Republics. The resolutions of the fifth conference with respect to the arbitration of commercial disputes were again adopted. It was also recommended that the American States adhere to the conventions of Brussels relating to assistance and salvage of September 23, 1910, to that of naval privilege and mortgage of April 10, 1926, and to that of the limitation of responsibility of shipowners of November, 1922.

### PROBLEMS OF COMMUNICATION

One of the most important achievements of the sixth conference was the adoption of a liberal convention relating to aviation. Inter-American commercial aviation is assured equality of treatment and facilities. On the suggestion of the United States, opportunity was given to the United States and Panama to agree with respect to air routes and terminals so that the Panama Canal may be properly safeguarded without interfering with the legitimate demands of commercial communication. The interest of the United States in adequately protecting the canal at all times and under all conditions was distinctly stated and freely recognized by all. The safeguarding of the canal by the United States is in the interest of all the American Republics.

Resolutions were adopted in relation to the Pan American Railway which, when completed, will connect the cities of the United States with those of South America. Two-thirds of the railway has already been constructed. There were also resolutions as to the construction of the Pan American motor highway through the Isthmus of Panama with two divisions reaching eastern and western South America. Facility in communication will bind us together with the indisoluble ties of multiplying and interrelated economic interests. In the most practical sense, we are just beginning our relations to Latin America.

VARIOUS COOPERATIVE EFFORTS

I wish that it were possible to review the variety of interests which were considered by the conference and the numerous resolutions which were adopted evincing a sincere desire to promote cooperation in every practical way. This was especially manifest in relation to sanitation and to public health problems, and with respect to intellectual cooperation. Action was taken looking to the organization of a Pan American Geographical Institute, to the creation of an American institute of intellectual cooperation, to the promotion of interchanges of professors and students, the establishment of scholarships and special foundations for instruction in Spanish, English, Portuguese, and French, and the study of commercial legislation and of the history of the commercial and diplomatic relations of the American Republics.

There was provision for the calling and organization of a large number of special conferences, for example, of journalists, of commercial associations, of bibliographical experts, of students of pedagogy, of municipalities, and in relation to plant and sanitary control, trademarks, agricultural cooperation, communication statistics, and for many investigations of important subjects. It is through these special conference and studies, rather than through the more spectacular political conferences, that we may look for the most important results of the collaboration, not of the governments, but of the peoples of the American Continent.

CONCILIATION AND ARBITRATION

This subject was reached too late to permit the conference to prepare a convention. An able report was submitted to the committee on public international law by Dr. Ricardo J. Alfaro, of Panama. After a brief discussion all the questions presented were referred to a subcommittee composed of representatives of Brazil, Argentina, Chile, Peru, Colombia, Cuba, Panama, and the United States. The subcommittee under the leadership of its chairman, Dr. Raul Fernandez, of Brazil, proposed the following resolution, which was approved unanimously by the full committee and adopted by the conference:

"*The Sixth International Conference of American States resolves*—

"Whereas the American Republics desire to express that they condemn war as an instrument of national policy in their mutual relations; and

"Whereas the American Republics have the most fervent desire to contribute in every possible manner to the development of international means for the pacific settlement of conflicts between States;

"1. That the American Republics adopt obligatory arbitration as the means which they will employ for the pacific solution of their international differences of a juridical character.

"2. That the American Republics will meet in Washington within the period of one year in a conference of conciliation and arbitration to give conventional form to the realization of this principle, with the minimum exceptions which they may consider indispensable to safeguard the independence and sovereignty of the States, as well as matters of a domestic concern, and to the exclusion also of matters involving the interest or referring to the action of a State not a party to the convention.

"3. That the Governments of the American Republics will send for this end plenipotentiary jurisconsults with instructions regarding the maximum and the minimum which they would accept in the extension of obligatory arbitral jurisdiction.

"4. That the convention or conventions of conciliation and arbitration, which may be concluded, should leave open a protocol for progressive arbitration which would permit the development of this beneficial institution up to its maximum.

"5. That the convention or conventions which may be agreed upon, after signature, should be submitted immediately to the respective Governments for their ratification in the shortest possible time."

The conference also adopted, on the proposal of Mexico, a resolution as follows:

"Considering—

"That the American nations should always be inspired in solid cooperation for justice and the general good;

"That nothing is so opposed to this cooperation as the use of violence;

"That there is no international controversy, however serious it may be, which can not be peacefully arranged if the parties desire in reality to arrive at a pacific settlement;

"That war of aggression constitutes an international crime against the human species:

"*Resolves*—

"1. All aggression is considered illicit and as such is declared prohibited;

"2. The American States will employ all pacific means to settle conflicts which may arise between them."

The subcommittee was of the view, and the full committee decided, that no change should be recommended in the provisions of the Gondra convention which had been adopted at the fifth conference at Santiago. This convention has been ratified by the United States, Brazil, Chile, Cuba, Haiti, Mexico, Paraguay, Uruguay, Venezuela, Guatemala, and Panama. It still awaits ratification by a large number of the signatory States. It provides for the establishment of commissions of inquiry to undertake the investigation of disputes which it has been impossible to settle through diplomatic channels or to submit to arbitration in accordance with existing treaties. The parties undertook not to begin mobilization or concentration of troops on the frontier of the other party, nor to engage in any hostile acts of preparations for hostilities, from the time steps are taken to convene the commission of inquiry until the commission has rendered its report (which must be within a year unless the time is extended by agreement) or until six months after the report, this time being available for renewed negotiations to bring about a settlement. It is hoped that this convention will soon come into force through the necessary ratifications. If a State joins in a declaration condemning war as an instrument of policy and desires to extend the range of arbitral settlement, it would seem reasonable to expect that it at least would ratify the Gondra convention.

Under the resolution of the Habana conference the way is now open for a conference of plenipotentiary jurisconsults to be held in Washington during the current year to prepare an agreement for obligatory arbitration. That conference should have important results. It is apparent, however, from the terms of the resolution that an agreement for compulsory arbitration in all cases is not to be expected. Exceptions were suggested in Doctor Alfaro's report. The resolution of the conference itself suggests "the minimum exceptions" which may be considered indispensable "to safeguard the independence and sovereignty of the States," and the exclusion of "matters of a domestic concern" and also of "matters involving the interest or referring to the action of a State not a party to the convention." These are familiar categories of exception. The phrasing may be regarded as better than the old formula excepting questions affecting "vital interests" and "honor." Any question, however appropriately justiciable, might come under such a description as the last mentioned, which makes an agreement for arbitration an engagement solemn in form but one which might be without force in fact when most needed.

But it should be observed that appropriate exceptions to an agreement to arbitrate, made as definite as possible and relating to matters which the American States would not in any event, consent to arbitrate, are not inconsistent with the renunciation of war as an instrument of national policy. A nation may be unwilling to arbitrate a question which it would have no idea of fighting about, except in self-defense. Domestic questions afford an illustration. This country may refuse to submit controversies over its immigration laws to arbitration, but it has no reason to believe that any question as to the policy of its exercise of authority over such a subject would lead to war. Reservations as to sovereignty and independence, domestic questions, and matters relating to the interest or action of States not parties to the convention are really intended to prevent intrusion and pressure in relation to matters not deemed to be justiciable. Although the right to demand arbitration is denied, complaints may be withdrawn or modified and amicable settlements may be found.

Granted the propriety of such exceptions as the resolution indicates, there still remains a broad opportunity for the arbitration of justiciable disputes lying outside the exceptions, and in this field provisions should be made for obligatory arbitration. Nations which renounce war can not do less than provide this remedy wherever it is practicable. Not to provide it in cases of "international differences of a juridical character," as the resolution phrases it, would be to show slight interest in the practical institutions of peace.

But if we are to have obligatory arbitration of justiciable disputes which are not within excepted categories of a definite character, it will be necessary in this country to have an important advance in policy. Let me recall the history of the past 30 years in relation to this matter. During the Cleveland administration there was a strong public sentiment in favor of a general arbitration treaty between the United States and Great Britain, this being considered a step toward a similar plan for all civilized nations.

The Olney-Pauncefote treaty was signed in 1897, with provisions for compulsory arbitration having a wide scope. This treaty was supported not only by President Cleveland, but President McKinley strongly indorsed it in his annual message, urging its early approval "not merely as a matter of policy but as a duty to mankind." But, notwithstanding the safeguards established by the treaty, the provisions for compulsory arbitration were not approved and the treaty failed. In 1904 Secretary Hay negotiated a number of arbitration treaties. He limited the provision for obligatory arbitration to "differences which may arise of a

legal nature or relating to the interpretation of treaties existing between the two contracting parties, and which it may not have been possible to settle by diplomacy." Even with this limitation, there was the further proviso that the differences should be such as "do not affect the vital interests, the independence, or the honor of the two contracting States, and do not concern the interests of third parties." It was also provided that the parties should conclude a special agreement in each individual case "defining clearly the matter in dispute and the scope of the powers of the arbitrators, and fixing the periods for the formation of the arbitral tribunal and the several stages of the procedure." This provision was amended in the Senate by the substitution of the phrase "special treaty" for "special agreement," so that in every case of arbitration it would be necessary to make a special treaty with the advice and consent of the Senate. In view of this change, Secretary Hay announced that the President would not submit the amendment to the other governments. The Hague conventions of 1899 and 1907 do not make recourse to the arbitral tribunal compulsory. In approving the second Hague convention, the Senate, after repeating the declaration of reservation made on behalf of the United States in connection with the first Hague convention, specifically resolved that the approval of the United States was "with the understanding that recourse to the permanent court for the settlement of differences can be had only by agreement thereto through general or special treaties of arbitration heretofore or hereafter concluded between the parties in dispute," and that the "'compromis' required by any treaty of arbitration to which the United States may be a party shall be settled only by agreement between the contracting parties unless such treaty shall expressly provide otherwise." The arbitration treaties subsequently negotiated by Secretary Root expressly stipulated that the special agreement for each individual arbitration should be made by the President, by and with the advice and consent of the Senate.

In 1911 the Taft administration submitted to the Senate broad arbitration conventions with Great Britain and with France. There was a provision that in case a question arose whether a particular difference was subject to arbitration under the treaty, the issue should be settled by a proposed joint high commission. This provision was struck out in the Senate, which also added a number of limiting reservations. In the amended form the treaties were not acceptable to the administration and remained unratified.

The arbitration treaties recently signed and proposed to take the place of the Root treaties define more precisely the classes of questions to be excepted and also contain the provisions for a special agreement to be made with the approval of the Senate in the case of each submission to arbitration.

It is appropriate, of course, in the case of a submission to arbitration under a general arbitration treaty that there should be a particular agreement, or "compromis," providing the details of procedure in the given case, or that provision should be made for determining these details if the parties are unable to agree. It is also true that the Senate is not likely to refuse approval to a "compromis" under a treaty of compulsory arbitration when the case is not considered as falling within the exceptions, the provision for approval in such a case being deemed to be merely procedural. But it is evident that great importance must attach to the definiteness of the exceptions provided in the treaty, as the more loosely these are stated the greater is the danger that the treaty will be ineffectual to accomplish its purpose, if at the time of dispute there is an indisposition to resort to arbitration. If we are prepared to join in an agreement for obligatory arbitration with the Latin-American States, we should know precisely what it means and have no stipulations which could be regarded as a reservation of the right to refuse arbitration in the cases which lie outside the excepted classes.

I trust that in the interest of our relation to the promotion of peaceful settlement of international controversies, the United States may be in a position to meet her sister Republics of Latin America in the coming arbitration conference with a clear-cut policy for genuinely obligatory arbitration of justiciable questions. Is it not possible to have appropriate exceptions plainly set forth, and in cases which are not within the exceptions, to have the agreement to submit to arbitration in such terms that all parties to it will recognize the obligation as being definite and inescapable? We could make no more hopeful endeavor to cement our friendship with Latin-American countries or to justify the leadership we desire to take in the cause of peace.

In conclusion permit me to give you a few personal impressions of the atmosphere of the conference, of men and methods. The Cuban Government and the Cuban people were most generous hosts. The beautiful and commodious buildings of the university were placed at the command of the conference and every facility was provided for the meetings of committees and for plenary sessions. The visit of President Coolidge was greeted with enthusiasm and President Machado gave lavishly of his time to attest his deep interest in the proceedings. The delegates from the Latin-American countries were men of exceptional ability. Among them were many distinguished jurists. They were men of large experience, with broad knowledge of affairs. It was a high privilege to come into intimate association with men of such character and distinction. Much is made of the differences between the Latin American and the Anglo-Saxon temperaments. The differences undoubtedly exist, but aside from the use of a different language, there was little to distinguish the assembly from those gatherings to which we are accustomed. For the most part the proceedings were direct and without more lost motion than is characteristic of conferences everywhere. I should expect as much prolixity, if not more, in our legislative bodies. Even the barrier of language, I was happy to find, was not a very serious one. A great deal was accomplished in a relatively short time. We had no filibusters.

The atmosphere of the conference was friendly. The constant association of the delegates brought them into fairly close intimacy and they learned to know each other well. This tended to promote esteem and to remove distrust. If there were any cabals, they did not prosper. Peoples can not know each other in the abstract. We judge nations by the men we meet rather than by the books we read. Whatever else may be said of the results of the conference at Habana, representative men met and learned to work together to the advantage of all our countries.

GEORGE HAND, JR.

Mr. MACGREGOR. Mr. Speaker, I call up a privileged resolution, House Resolution 156, from the Committee on Accounts.

The Clerk read the resolution, as follows:

House Resolution 156

*Resolved*, That there shall be paid, out of the contingent fund of the House, to George Hand, jr., son of George R. Hand, late clerk to Hon. CHARLES E. WINTER, an amount equal to six months' salary and an additional sum, not exceeding $250, to defray the funeral expenses of said George R. Hand.

The resolution was agreed to.

EUROPEAN CORN BORER—BRIDGE ACROSS THE WHITE RVER

The SPEAKER laid before the House the following order:

IN THE SENATE OF THE UNITED STATES.

*Ordered*, That the House of Representatives be respectfully requested to return to the Senate the bill (H. R. 12632) entitled "An act to provide for the eradication or control of the European corn borer."

The request was granted.

Also the following order:

IN THE SENATE OF THE UNITED STATES.

*Ordered*, That the House of Representatives be respectfully requested to return to the Senate the bill (S. 3511) entitled "An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark."

The request was granted.

ABUSE OF THE FRANKING PRIVILEGE

Mr. ANDREW. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House for 15 minutes. Is there objection?

Mr. McCLINTIC. Reserving the right to object, Mr. Speaker, I want to ask unanimous consent that I be given five minutes to reply.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that he may be permitted to address the House for five minutes at the conclusion of the remarks of the gentleman from Massachusetts. Is there objection?

There was no objection.

Mr. ANDREW. Mr. Speaker and gentlemen, yesterday on the floor of the House, when I was not present, the gentleman from Oklahoma used language in my regard which has been described by my fellow Members of the House as discourteous, intemperate, and unseemly. Some of that language has been stricken from the record, although it has appeared in the press. I am not particularly concerned with the character of the language which was used, except in so far as it reflects upon the dignity of the House, because I think more injury results to the reputation for judgment and good taste of the man who utters such opprobrious epithets than to the man against whom they are uttered. I have observed that in the revision of yesterday's RECORD a number of statements in the course of a running colloquy made by my colleagues in my behalf have been eliminated, and I have been informed that they were eliminated without the consent of the Speaker or of those who made the remarks.

Mr. McCLINTIC. Will the gentleman yield?

Mr. ANDREW. Yes; I yield to the gentleman.

Mr. McCLINTIC. I may be wrong, but I have understood that when permission is granted to revise and extend remarks in the RECORD it was wholly within the province of the Member

to take out anything that came from the other side. I may be wrong, but that was my understanding.

Mr. ANDREW. I understood the Speaker to make a ruling some weeks ago that in case of a running colloquy there could be no elimination or change in the colloquy without the consent of the parties concerned and of the Speaker. I am informed by some whose remarks were excised that it was done without their knowledge or consent.

However, I will let that pass. The gentleman from Oklahoma yesterday stated or implied that because of a difference of opinion between him and me on the needs of the Navy I had sought to injure his reputation. I do not feel called upon to comment upon or deny such an attribution of motive on my part, for it seems to me palpably absurd.

The gentleman further said that I had broadcast through the press of the country that he had misused his frank.

That I categorically deny. I have never said publicly or privately that he had misused his frank. In fact, I have said just the contrary. I have not even thought he had misused his frank. I have only felt sympathy for him, because it seemed to me that he had been imposed upon by others, who had so misused his frank.

My colleague stated before the Naval Affairs Committee a few days ago that he had turned over to Frederick J. Libby, the secretary and directing genius of an organization known as the National Council for the Prevention of War, which I believe a few years ago was known as the National Council for Disarmament, or something of the sort, some 20,000 copies of a speech which he made in the House in opposition to the naval construction program, and that this speech was turned over in franked envelopes, which were sealed in the folding room.

Such sealing, I may say, incidentally, as many of you know, is not an hermetical thing. It does not require "steaming" to open them. Such envelopes can be easily unsealed with the thumb, without in any way mutilating the envelope. My colleague was perfectly within his rights as I understand them in turning over these speeches in franked envelopes to Mr. Libby. I have never even in my own mind questioned his right to turn over any quantity of his speeches in envelopes to any organization whatever.

About a fortnight or so ago I received a letter from a veteran of the World War in my part of the country, a man who had a very gallant record in the war, and who on that account was especially interested in our national defense. He said that letters were being received by people in his vicinity from the National Council for Prevention of War, signed by Frederick J. Libby, appealing for funds for carrying on the purposes of that organization, and that these letters had come in a franked envelope. I wrote him at once and asked him to send me an example of such an envelope, with all of the inclosures that it contained. This letter came in due season. The envelope bore the frank of my colleague, who I trust is still my friend, Congressman McCLINTIC, and it contained a four-page speech of the Congressman, which was evidently frankable.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield?

Mr. ANDREW. I can not yield at present, because I want to tell the story, if I may. It also contained five other documents. It contained, first of all, a letter on the stationery of the National Council for the Prevention of War, signed by Frederick J. Libby, appealing for $100,000 or more to carry on the work of that organization during the present year. Secondly, it contained a subscription card, on which the recipient could pledge the amount of his contribution; third, it contained an envelope addressed to this organization, in which the subscription card could be inclosed and returned; fourth, it contained a pamphlet published by the National Council for the Prevention of War entitled "What Our Backers' Money Did in 1927." In this pamphlet it was stated that during 1927 this organization had distributed more than 1,000,000 pieces of "literature," which had been sent to 13,600 newspapers, to 75,000 ministers, and others; and that on the subject of the Navy construction bill, which had then just been before the House, 350,000 pieces of literature had been distributed against the President's naval program.

It further stated that a budget had been voted for the coming year of $113,000, that a staff of 11 persons was maintained in the two offices in Washington and California, with 7 stenographers, 14 clerks, and 3 speakers in the field. The fifth inclosure in this envelope was a pamphlet of the National Council for Prevention of War, giving the names of their officers and affiliated organizations, which I shall not read to you, their monthly budget and a general appeal for cooperation from the ministers, teachers, grange lecturers, editors, and club leaders of all sorts.

The envelope containing that letter was addressed by a stencil, and Mr. Libby's letter was addressed by the same stencil, as could easily be seen by anyone not a detective, by comparing the spacing of the letters and the defects in the type. It was evidently addressed by such a stencil as is used in an addressing machine. I will go further and say that this letter could not have been addressed in or sent from the office of my colleague the gentleman from Oklahoma [Mr. McCLINTIC] because the name that was stenciled on the letter and on the envelope was the name of a man who does not exist, except in the correspondence files of the National Council for Prevention of War. This World War veteran of whom I have spoken wrote me that for some time, with a desire to find out what kind of propaganda was being sent out to the press, to clergymen, and others throughout the country by the National Council for Prevention of War, propaganda against the foreign policy of the United States and against its policy of national defense, had corresponded with Mr. Libby under a fictitious name, giving, however, his own home address. The envelope and the letter were addressed to this fictitious name. I will say, further, that if I did not altogether trust the disavowal of my colleague Mr. McCLINTIC in this regard, that this fact alone would be sufficient to prove that Mr. McCLINTIC had nothing to do with the addressing of the envelope or the addressing of the heading of the letter which it contained.

About a week ago by accident there came into my office a distinguished Boston lawyer, who was pleading before the Supreme Court. He came to my office for another purpose. By hazard I asked him if, by any chance, he knew this veteran who had written to me. He replied, "I know him very well; I have known him for 10 years or more. He is a man entitled to every consideration and confidence, a keen, intelligent, and energetic young man." I asked this lawyer, knowing that this case would soon be under discussion, if he would not, when he returned to Boston, get in touch with the veteran and ask him to send a sworn affidavit, stating exactly what he had written to me.

And this he did, and I have here his affidavit. I should like to read this affidavit to the House, or have it read, because my colleague, I think unintentionally, stated yesterday that "he," meaning me, quoting from the RECORD, stated—

> he did not know where it came from; that it was apparent he did not know whether it came from a white man or a black man; he did not know whether the man was sufficiently educated to know its contents; he did not know whether it had ever been read to him before it was presented to him for his signature.

Of course, I never said anything of the sort, and it is on that account that I have tried to explain, with perhaps more detail than I should, the circumstances under which this matter came to my attention and how the affidavit happened to be written. With your consent, I will read this affidavit, which was sworn to before the Boston lawyer of whom I have spoken, Mr. Judson Hannigan, who is a notary public. I read:

AFFIDAVIT OF HAROLD M. WEEKS

On this 20th day of April, 1928, at Boston, Mass., personally appeared before me Harold M. Weeks, a citizen of the Commonwealth of Massachusetts, to me personally known for more than 10 years as a person of good moral character and of good reputation for truth and veracity, and made and signed the statement hereinafter following in my presence after having been sworn as follows: "I solemnly swear that the statement hereinafter made and by me subscribed is true; so help me God."

(Signed) JUDSON HANNIGAN,
*Notary Public.*

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SWORN STATEMENT OF HAROLD M. WEEKS

On or about March 29, 1928, there was delivered to my home at 101 Oakland Street, Wellesley, Mass., by a United States postal carrier, a long brown-paper envelope of the size and style sometimes employed by Congressmen in distributing copies of speeches to their constituents, and bearing in its upper right-hand corner the congressional frank of Congressman McCLINTIC. There was no postage stamp upon the envelope. The envelope bore the address "John Weeks, 101 Oakland Street, Wellesley Hills, Mass." This is the name under which for a period of several years I have received propaganda distributed by the National Council for the Prevention of War, whose offices are in Washington, D. C., and which is principally directed against the defense policies of the Federal Government.

The envelope was sealed. I broke the seal and took therefrom the following documents:

Pamphlet. What Our Backers' Money Did In 1927.

Pamphlet. What is the National Council?

Pledge card of the National Council for the Prevention of War.

Return envelope addressed to the same organization.

A speech directed against the naval shipbuilding program by Congressman McCLINTIC, of Oklahoma.

Letter signed by Frederick J. Libby, of the National Council for the Prevention of War.

On the same day I wrote Congressman ANDREW a letter about the instant use of the frank. As a result of a reply from him, I sent him the envelope and inclosures above referred to.

(Signed) HAROLD M. WEEKS.

I hereby certify that the statement hereinbefore set out is the statement to which the said Harold M. Weeks made oath and subscribed his name.

(Signed) JUDSON HANNIGAN,
*Notary Public.*

Witness to oath and signatures of Harold M. Weeks and Judson Hannigan:

MARIE T. MONTAGNE.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. ANDREW. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCLINTIC. I would like to ask the gentleman just one question there.

Mr. ANDREW. I do not want to argue, but I will answer a question for information. But first let me finish this.

Mr. HASTINGS. It has been represented that a very large amount of similar literature has been sent out by this organization and that my colleague [Mr. McCLINTIC] had turned over to this organization a very large number of speeches. Now, is it charged that anyone else has received literature of this character under the frank of Mr. McCLINTIC? I can understand that where an organization has speeches of his, where some of the envelopes came unsealed and a large amount of literature is being sent out, it could be done through a mistake. Hence I think it is very important to know whether or not it has been brought to the attention of any member of the committee or any Member of the House that a very large number of these documents under the frank of my colleague Representative McCLINTIC was sent out?

Mr. ANDREW. I will say to the gentleman this, that I have been informed that others have been received; but I have no other affidavit at the present moment.

Mr. HASTINGS. I want to say this, that——

Mr. ANDREW. I do not care to discuss that. The matter has all been turned over to the Post Office Department, under instructions of the Naval Affairs Committee, for investigation.

Mr. HASTINGS. No member of the Committee on Naval Affairs has any direct information that the frank was improperly used other than in this particular case?

Mr. ANDREW. I have been told of others who have received them, but I can not give you the specific information at this time.

Mr. RANKIN. Mr. Speaker, will the gentleman yield right there?

Mr. ANDREW. All I want to add is, if you have followed what I have tried to say, that I intended to make it clear that in my judgment my colleague is exonerated from participation in anything that was illegal. He only did what we have all done from time to time; that is, turned over to individuals and to organizations who asked for them certain quantities of speeches in envelopes.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield again?

Mr. ANDREW. Please wait a moment, until I have finished what I started to say.

The matter came before the Committee on Naval Affairs two or three days ago, and the committee voted to turn it over for investigation to the Postmaster General; and that has been done, and I have here a copy of the letter of transmittal, which I should like to have read into the RECORD at the end of my remarks.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield?

Mr. ANDREW. Certainly.

Mr. McCLINTIC. I would like for the gentleman to say whether or not he was advised to see me concerning this subject before the publicity was given out.

Mr. ANDREW. I regret as much as the gentleman or anyone else could regret that the publicity occurred. I intended and hoped to see you before there was any public discussion of the matter. I called you on the telephone, and I remember stopping you in the Hall one day and said that I wanted to see you, but you were hurrying to meet some one at lunch.

Mr. McCLINTIC. And if you had followed the usual practice and had advised me or come to see me there would not have been any publicity such as has occurred. Members of Congress should have the proper respect for each other, and especially those who serve together on the same committee. In view of the fact that it has brought about a lot of controversy, why did you not introduce a resolution giving some committee authority to bring witnesses in here and go to the bottom of it? I have never defended any organization that violated the law.

Mr. ANDREW. I am in accord with the spirit of the gentleman and I should like to see it done. I can say to the gentleman that I am as averse to any publicity as he is, and as is the man who brought my attention to these facts, because he said he did not want to be brought into a controversy, and he asked that his name be not mentioned. I regret the controversy as much as you do. But in some way these things slip out. I was called up one day by a correspondent who already had the story. I had spoken to only a few people about this, and in confidence, with the idea of finding what would be the best method of procedure. I had tried to see the gentleman and expected to talk the matter over with him before arriving at any decision. Then suddenly and without intention on my part the story appeared.

Mr. RANKIN. Will the gentleman yield?

Mr. ANDREW. Yes.

Mr. RANKIN. Did I understand the gentleman to say that the man who made this affidavit had been parading under an assumed name and had been receiving literature under an assumed name for 10 years?

Mr. ANDREW. I did not say "parading," nor "10 years."

Mr. RANKIN. Well, for some time?

Mr. ANDREW. I think so; yes.

Mr. RANKIN. That he had been receiving this literature under an assumed name for some time?

Mr. ANDREW. Yes; at his own address.

Mr. RANKIN. But had withheld his name?

Mr. ANDREW. Withheld his name from whom?

Mr. RANKIN. He had withheld his name from the people from whom he was getting this literature?

Mr. ANDREW. Yes; that is true. It was probably the only way he could get all of the information without attracting the suspicion of some of Mr. Libby's numerous agents.

Mr. RANKIN. Does not the gentleman think we are going far afield when we take the affidavit of a man who admits he has been parading under an assumed name, when he alleges one instance of the violation of the franking privilege?

Mr. ANDREW. I will leave that to the gentleman's judgment. I have told, as frankly as I could, the story as I know it. I feel it is a matter of serious consideration if the Government frank is used to collect money for any purpose, whether that purpose be to undermine the national defense or to disparage the foreign policy of this Government, as was the case in the use of the frank by Mr. Libby and the National Council for the Prevention of War, or for any other purpose. That is all I care to say to-day on the matter. [Applause.]

The letter sent to the Postmaster General, to which I have referred, is as follows:

APRIL 26, 1928.

To the POSTMASTER GENERAL,
*Washington, D. C.*

SIR: I am instructed by the House Committee on Naval Affairs to ask you to investigate the misuse of the franking privilege by Frederick J. Libby, executive secretary of the National Council for Prevention of War, as indicated in the affidavit and accompanying documents inclosed herewith. The committee, believing that the Post Office Department has jurisdiction in these matters, desires that a full investigation be made, and if this investigation establishes that the facts are as stated that appropriate action be taken in the courts or otherwise.

The affidavit signed and sworn to by Harold M. Weeks, of 101 Oakland Street, Wellesley Hills, Mass., affirms that Mr. Weeks received through the mail on or about March 29, 1928, a sealed and unstamped envelope bearing the frank of Congressman McCLINTIC and containing along with a speech of Congressman McCLINTIC's, which, of course, was frankable, five other documents which were not frankable. The envelope and the six inclosures are forwarded herewith. They include—

1. A letter on the stationery of the National Council for Prevention of War signed by Frederick J. Libby appealing for $100,000 or more to carry on the work of that organization.

2. A subscription card on which the recipient could pledge the amount of his contribution.

3. A return envelope addressed to the same organization.

4. A pamphlet published by the National Council for Prevention of War entitled "What Our Backers' Money Did in 1927," in which it is stated that during 1927 "more than 1,000,000 pieces of literature" were sent to 13,600 newspapers, 75,000 ministers, and others; that "350,000 pieces of literature" against the President's naval program alone were distributed; that a budget of $113,000 has been voted for 1928; and that a staff of 11 persons in their two offices in Washington and California, with 7 stenographers, 14 clerks, and 3 "speakers in the field" is being maintained.

5. A pamphlet of the National Council for Prevention of War giving the names of their officers and affiliated organizations, their monthly budget, and a general appeal for cooperation on the part of "ministers, teachers, editors, club leaders of all sorts, grange lecturers," etc.

The committee accepts without question the statement of Mr. McCLINTIC that the 20,000 franked envelopes containing his speech, which he placed at Mr. Libby's disposal, inclosed nothing else when turned over, and that this particular envelope with its inclosures was neither addressed in nor sent from the Congressman's office. That it was sent from the Libby offices would seem to be indicated by the fact that the address on the envelope and upon the heading of Mr. Libby's letter, which even a casual examination shows to have been printed from the same stencil, bore the name of a man who does not exist outside of the correspondence files of the National Council for Prevention of War. The signer of the affidavit, Mr. Harold M. Weeks, has used this name of John Weeks at his home address in Wellesley Hills, Mass., for several years in correspondence with the Libby organization for the purpose of keeping informed as to its propaganda against the defense policies of the National Government. Such being the case, the name and address on Mr. Libby's letter and on the envelope could only have been furnished by the National Council for Prevention of War.

It, of course, does not concern the Post Office Department that much of the so-called "literature" emanating from Mr. Libby's office is a tissue of deception, concealment, and misrepresentation, calculated to disparage the foreign policies of the American Government or to place hindrances in the way of our national defense. * * * But the Naval Affairs Committee of the House believes it clearly within the province of the Post Office Department to examine into such misuse of a Congressman's frank as seems indicated by the affidavit and inclosures transmitted herewith.

The signer of the affidavit writes that "he has made a sworn statement of the facts of the receipt by him of this franked envelope and its contents fully cognizant that if perjury was committed by him in so doing, he would go to jail."

The House Naval Affairs Committee turned over these documents with the request that the matter be promptly and thoroughly investigated and appropriate action taken.

Yours very truly,

A. PIATT ANDREW.

Mr. McCLINTIC. Mr. Speaker and Members of the House, the gentleman from Massachusetts could have avoided all of this controversy if he had done that which he was advised to do, namely, to see me before allowing this matter to receive a lot of undesirable and unnecessary publicity. He and I view this situation in the same way. We are not apart. He has made a very nice speech before this House, and I regret exceedingly that he did not follow certain suggestions that were made by men high up in his party council, and then I would have joined him in any way that is possible for the purpose of making an investigation. I am hoping that he will introduce a resolution so that we may go to the bottom of this thing, and if anybody has violated the franking privilege he ought to be censured in the very strongest terms possible, and I will not hesitate to do so.

Mr. ANDREW. Will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. ANDREW. I understand that the gentleman from Minnesota [Mr. MAAS] has introduced a resolution looking toward a general investigation along this line.

Mr. McCLINTIC. Will the gentleman support it?

Mr. ANDREW. I have told the gentleman all along that I would support it.

Mr. McCLINTIC. I will gladly join the gentleman. In my section of the country we do not give much credit to the kind of affidavit you have filed with the Post Office Department for the reason this person admits he has been living under an assumed name or carrying on a correspondence under an assumed name. I can not conceive of any reason why an honest man finds it necessary to deceive anyone, and if I were the Post Office Department investigators, I certainly should view with suspicion an affidavit of this kind when it is not supported by testimony from any other source. If my franking privilege has been violated and there was an intent on the part of those responsible, then others throughout the Nation would have received this same kind of literature as is complained of in the affidavit filed by the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW. Will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. ANDREW. I want to say on behalf of this veteran that he has not been living under an assumed name in any way.

Mr. McCLINTIC. Then I misunderstood the gentleman.

Mr. ANDREW. He has not been living under an assumed name. The only way in which he has ever assumed a name has been in correspondence with the National Council for the Prevention of War, and if he had not done so I think they would have found out that he was not a pacifist, but one who by his life and example evidenced his belief that our country must be prepared to defend its rights, the lives of its citizens, and its national policies. As soon as they found out that he would not have gotten their literature. His purpose was patriotic, and I can not see anything objectionable in his method.

Mr. McCLINTIC. In reply to the gentleman, it would seem that an organization that seeks to prevent war would be glad to have an opportunity to correspond with any person concerning this subject; anyhow, whether a person was named Jones, Smith, or Brown would have nothing to do with covering up his identity; therefore it does not seem to me that the explanation given in this connection has very much merit.

I want to say to the House that in view of the fact that the gentleman from Massachusetts has to-day exonerated me from any blame in any way in connection with the alleged charge of abuse of my franking privilege, I regret exceedingly that I felt it was necessary yesterday to make a speech in which I severely criticized him and the attitude he took in this matter. [Applause.]

I sincerely hope that it will not be necessary to take up any more of the time of this House speaking on this subject. I should prefer that a special committee be authorized with full power to look into every phase of the franking privilege; however, in view of the fact that this subject is to be considered by the Post Office Department, I desire to call attention to a letter which I have this day addressed to the Hon. Harry S. New, Postmaster General:

APRIL 27, 1928.

The Hon. HARRY STEWART NEW,

*Postmaster General, Washington, D. C.*

DEAR SIR: According to a statement published in the United States Daily under date of April 27, 1928, Congressman A. PIATT ANDREW has filed with you a copy of an affidavit and certain other inclosures which seek to substantiate the claim that my franking privilege has been violated and requests that a full investigation be made.

In this connection I desire to say that from the beginning of this controversy up to the present time I have repeatedly asked that a full investigation of this subject be made. Every record in my office is available for the use of any inspector that may be assigned to this case, and, in addition, I shall be glad to cooperate with your department in every way possible.

In the consideration of this matter I desire to have the department carefully consider the following facts:

(1) The envelopes and the speeches were printed at the Government Printing Office and were frankable matter;

(2) They were sealed by House Office Building folding room employees under Government supervision;

(3) After being sealed they were transported by the Post Office Department from the House Office Building to the office of the National Council for the Prevention of War to be addressed;

(4) For the reason that all of the envelopes had my name printed in the upper right-hand corner, such as were not delivered came back to my office, and myself and my secretary will testify that the several hundred which were opened contained nothing in them but the frankable matter, and it would seem that if the franking privilege had been violated some of the returned envelopes would have contained the unfrankable data;

(5) In addition, when this charge was first made, I carried over to the House of Representatives all of the unopened envelopes in my possession, and while delivering a speech I had an employee open the same in the presence of the Members of Congress for the purpose of finding out whether or not any of them contained extraneous matter, and no irregularities were found;

(6) I have made several speeches on this subject, and in each case have requested the opportunity of being confronted with any witness who claimed to have found extraneous matter in my franked envelope, and when an attempt was made to have this matter investigated by the Naval Affairs Committee I offered to pay the railroad fare of the one witness who filed an affidavit alleging misuse of my frank if those interested in the subject would bring him to Washington;

(7) The National Council for the Prevention of War makes the statement that several days after my sealed franked envelopes were mailed out a second letter, containing proper postage, was mailed to the same persons inclosing literature and other communications which were not frankable; therefore the same persons received both of these communications, and it would have been an easy matter for an unscrupulous individual to take the unfrankable matter, place it in my envelope, and mail the same to some Member of Congress, claiming that he had received it under my frank;

(8) To me it is inconceivable that an organization employing a number of persons would attempt to unseal by steaming or otherwise a lot of franked envelopes for the purpose of avoiding the payment of

postage; therefore the interrogating of those who looked after the mailing of these two classes of mail would seem to be advisable;

(9) The gentleman who presented the charge in this connection, Mr. A. PIATT ANDREW, in a speech to-day said, in substance, that the person who made this affidavit admitted that he had been corresponding with this organization for a number of years under an assumed name; that he did it for the purpose of finding out what was going on without allowing his identity to be known; and that such mail came to him under a name that was not his own. A perusal of the House debate to-day will show that Members of Congress have expressed themselves as having no confidence in this type of an individual;

(10) If this franking privilege has been violated, then your departmental investigators should be able to find others who received extraneous matter in my envelope, for if they do not, then the majority of the Members of Congress will feel that this is a trumped-up charge for the purpose of satisfying the enmity of the person who admits deception with respect to the correspondence he has been carrying on with the National Council for the Prevention of War; and

(11) I am going to suggest that your investigators secure from the National Council for the Prevention of War the mailing list that was used in this connection with respect to the State of Massachusetts, so that others who received the franked envelope may testify as to whether or not it contained anything that was not frankable.

In conclusion I desire to say that I would not hesitate to censure any organization that would abuse my franking privilege; neither would I ever permit anyone to be wrongfully accused of violating a law when there is sufficient testimony in the CONGRESSIONAL RECORD and elsewhere to show an animosity which may be construed to be of a nature that would cause a person to do a particular thing, having in mind the injurying of such an organization that is wholly out of line when it comes to his views on the subject of national defense. Therefore I respectfully request that this investigation be proceeded with as promptly as possible.

Very truly yours, J. V. MCCLINTIC, M. C.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for five minutes. Is there objection?

Mr. ASWELL. Mr. Speaker, I want to serve notice that after this speech I shall have to object.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, I believe that every Member of the House has a high regard for the post office. The Post Office Department renders a great public service. It does its work well. There is not a better set of employees cleaner and more loyal than the men and women in the Postal Service throughout the country. I rise this morning to protest against other departments seeking to misuse the Postal Department. The duties and functions of the post offices and postal employees are well defined by law. I have here in my hand an original letter sent out by a prohibition director which seeks to make use of the Post Office Department, or rather, let me say, to misuse the post office and its employees to do some snooping, spying, and some dirty work for the prohibition department. We do not want the post office employees to be contaminated by any prohibition administrator. The prohibition administrator of Pittsburgh is making use of the Post Office Department to spy upon prospective jurors in the Federal courts and to have postal employees, as well as other sources, obtain private, personal, political, religious, and family information concerning men who are to serve as jurors in the Federal court of the western district of Pennsylvania. I charge specifically that this information is sought for no good, valid, or lawful purposes. It is sought in order to be able to coerce the judgment of jurors or otherwise improperly use the information in order to influence the judgment of these jurors. First let me read the letter:

(Office of prohibition administrator, western judicial district of Pennsylvania and State of West Virginia)

TREASURY DEPARTMENT,
UNITED STATES PROHIBITION SERVICE,
*Pittsburgh, Pa., April 23, 1928.*

DEAR SIR: This office is very anxious to know something about the caliber of men who have been drawn for petit jury service for the May term of the United States district court, beginning Monday, May 21, 1928, at Pittsburgh.

Inclosed are forms to be filled out regarding the jurors belonging to your post-office district. Would you be good enough to furnish the information desired and return the forms to us at the earliest date possible?

We will greatly appreciate your favor.

Yours very truly,

JOHN D. PENNINGTON,
*Federal Prohibition Administrator.*

Now I will read the questionnaire referred to in the commissioner's letter and inclosed therein. I will say that each questionnaire contains the name and address of a juror drawn for petit jury service in the western district of Pennsylvania for the May term. Then each questionnaire contains a number, which I believe is for the purpose of identifying the source from whence the questionnaire is returned. I have purposely deleted the number and the name in the original which I have, but, of course, I will be glad to show the original to any of my colleagues. Now let me read the questionnaire:

1. Name (deleted by Mr. LAGUARDIA).
2. Address (deleted by Mr. LAGUARDIA).
3. Education.
4. Age.
5. Approximate wealth.
6. Occupation (deleted by Mr. LAGUARDIA).
7. If in business for himself, what business?
8. If employed by others, by whom?
9. If employed by a firm or corporation, who is his immediate superior or boss?
10. To what lodge does he belong?
11. To what church does he belong or attend?
12. Has this man ever been involved in any litigation?
13. Has this man ever been reported to have been in any crooked or shady transactions?
14. Is he a drinking man?
15. What friends, if any, does this man have among lawyers?
16. To what political party does he belong?
17. Who are the political friends of this man?
18. Do you know if any particular person controls or influences his vote, and if so whom?
19. What attitude does he have toward railroad corporations?
20. As to liquor questions:
    1. Is he dry?
    2. Is he wet?
21. How many children has he?
22. How many daughters and what are their ages?
23. In your opinion, would he make a good juror?

No. (number deleted by Mr. LAGUARDIA).

The House will note some very significant and pertinent questions. Some of the information which the prohibition administrator of Pittsburgh seeks to obtain I submit to every lawyer of the House would be improper to ask of the jurors by litigants in the courtroom. After all, in a court of justice the prohibition administrator and his office have no greater standing than any other litigant. Please note some of the questions and the information which the prohibition administrator is tabulating on each juror serving in the Federal court. After asking information concerning education and age, he asks as to the "approximate wealth." Every lawyer knows that question could not be asked of a juror in seeking to qualify or disqualify him at the trial of a case. Then asking as to the juror's business connections, it is sought to ascertain "who is his immediate superior or boss." Now, gentlemen, get this:

To what lodge does he belong?
To what church does he belong or attend?

What is the purpose of those two questions? Then there is this question—please give attention to these three questions:

To what political party does he belong?
Who are the political friends of this man?
Do you know if any particular person controls or influences his vote, and if so whom?

Not only through this spying and snooping system is it sought to ascertain the political affiliation of the juror, but also to what particular faction within the party he belongs and just who his political friends are. Do you gentlemen think that these questions are asked out of idle curiosity? Not at all. I charge that this information is sought not for the purpose of law enforcement, but of law evasion. Everybody knows that bootlegging has become political patronage in the city of Pittsburgh. Apparently Pennington wants to make sure that the political faction that he is playing with does not send any of their own henchmen to jail. [Laughter.] On the other hand, when he goes into the details as to just who are the juror's political friends, just who influences his vote, he can not escape answering the charge that a hand-picked jury of this kind could be used to hit and hit hard all who do not happen to be in right with a particular political group within a party.

Now, let me read one more question—

What attitude does he have toward railroad corporations?

Why that question? Why, surely, the administrator wants to make sure that juries will not commence prying into the affairs of railroad companies in Pennsylvania. Seemingly it is un-

lawful for anyone to transport liquor in Pennsylvania except railroad corporations. I make this statement because some of you will recall that when the predecessor of the present prohibition administrator in Pittsburgh was in office I charged right here on the floor of this House that besides his Government salary he was being paid by a railroad corporation in order to keep him on that job. I pointed out then that the mere fact that he accepted this extra pay from the railroad corporation was in violation of the law, and I then submitted the facts to the Attorney General, and asked for an indictment. I then pointed out that during his administration there were no investigations of railroads violating the prohibition law and there were no indictments.

I have prepared and shall introduce resolutions of inquiry calling upon the Post Office Department to inform this House how many of its employees and how much time has been given to do this work for the prohibition administrator of Pittsburgh. I shall also call upon the Comptroller General of the United States to demand upon what authority of law money appropriated for the Postal Service can be used by the Prohibition Department for unlawful and disgraceful purposes. I shall introduce a resolution demanding to know whether or not the prohibition administrator of Pittsburgh acted on orders or else with the knowledge and consent of the Secretary of the Treasury, and I shall introduce a resolution calling upon the Attorney General to make an explanation in this matter. That is all I have to say now. More later. [Applause.]

MINORITY VIEWS ON H. R. 6518

Mr. BACHMANN. Mr. Speaker, as a member of the Committee on the Civil Service, I ask unanimous consent to file minority views in reference to H. R. 6518, known as the Welch bill.

Mrs. ROGERS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. Is it true that certain salaries were decreased in this bill, because I feel sure it was not the understanding of the committee that any salaries would be decreased, and it would be manifestly unfair if we had recommended that any salaries be cut.

Mr. BACHMANN. In reporting the Welch bill, the committee struck out the recommendations of the Bureau of the Budget for four additional grades in certain branches of the service, thereby automatically decreasing the salaries of employees in the present grades of those branches. These decreases will range as high as $1,500. That is, in part, what is set forth in this minority report.

Mrs. ROGERS. And the report explains that?

Mr. BACHMANN. This report covers that.

Mr. LAGUARDIA. Otherwise the gentleman is in favor of what increases we can get now?

Mr. BACHMANN. Provided the provision recommended by the Bureau of the Budget asking that employees in the upper grades be increased to the amount of $9,000 is agreed to in accordance with their recommendation.

Mrs. ROGERS. I also favored the increases in the upper grades.

Mr. WOODRUM. Will the gentleman yield?

Mr. BACHMANN. Yes.

Mr. CRAMTON. Mr. Speaker, I ask for the regular order.

Mrs. ROGERS. Mr. Speaker, I withdraw my objection.

Mr. WOODRUM. I hope the gentleman will not demand the regular order.

Mr. CRAMTON. This bill is not before us for debate. The farm relief bill is before us now.

Mr. WOODRUM. Then, I object to the request.

Mr. BACHMANN. I hope the gentleman from Virginia will not object. The gentleman knows I reserved the right in committee day before yesterday to file these minority views. The gentleman himself is a member of the Civil Service Committee.

Mr. MADDEN. The gentleman has the right to file his report.

Mr. BACHMANN. The majority report has been filed.

Mr. WOODRUM. I reserve the right to object simply to clear up a little matter that will only take a second. The gentleman does not mean to leave the impression on the House, in answering the question of the lady from Massachusetts [Mrs. ROGERS], that the committee intentionally decreased any salaries?

Mr. BACHMANN. I want to leave the impression on the House that the committee unintentionally decreased these salaries.

Mr. MADDEN. Regular order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, I ask unanimous consent that in the consideration of the farm relief bill this afternoon it shall be in order to move to take a recess until 8 o'clock this evening and that only general debate shall be in order between the hours of 8 o'clock and not later than 11 o'clock this evening; and that whatever time is thus used in general debate shall be divided in the same proportion as is provided in the rule.

Mr. KINCHELOE. Reserving the right to object, Mr. Speaker, is this with the understanding that the time used in general debate will not be taken out of the 12 hours?

Mr. TILSON. It will not be taken out of the time under the rule, but is to be in addition and shall be divided in the same proportion as is provided in the rule.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that it shall be in order this afternoon to move that the House take a recess until 8 o'clock, the time between 8 o'clock, and not later than 11 o'clock, to be controlled equally between the gentleman from Iowa and the gentleman from Louisiana, such time not to be taken from the time for general debate provided under the rule.

Mr. HASTINGS and Mr. CRAMTON rose.

Mr. HASTINGS. Is it the purpose to move along about 5 o'clock or about the usual time that the committee rise?

Mr. TILSON. I would so understand, but it would be in order at any time for the chairman of the Committee on Agriculture to move to rise.

Mr. HASTINGS. But that is what is in contemplation now?

Mr. TILSON. That is what is in contemplation now; yes.

Mr. CRAMTON. Reserving the right to object, will it be understood that when the committee does rise in the evening that no other business of any kind will be transacted in the House except to adjourn?

Mr. TILSON. That is my request, that no business will be transacted except general debate on the farm relief bill.

Mr. KINCHELOE. Reserving the right to object, the Speaker stated that the time was to be divided equally between the gentleman from Iowa for the bill and the gentleman from Louisiana against the bill.

Mr. TILSON. This is the wording of the rule.

Mr. KINCHELOE. But it is with the understanding that it will be divided in the same proportion that the 12 hours has been divided?

Mr. HAUGEN. Yes; I will yield half of my time to the gentleman from Texas.

Mr. CRAMTON. Further reserving the right to object, if I can have the attention of the gentleman from Connecticut, my question does not seem to have been understood by others around me. I would like to have a definite understanding, that after the committee rises there will be no other business transacted in the House except to adjourn.

Mr. TILSON. My request is that no other business shall be in order except general debate on the farm relief bill.

Mr. OLIVER of Alabama. Do I understand that after the committee rises this afternoon, and before the House continues to recess, there will be no other business transacted?

Mr. TILSON. No; that is not exactly the understanding. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. TILSON. Would it be in order for the committee to take a recess?

The SPEAKER. The Chair thinks that would be in order by unanimous consent.

Mr. TILSON. Then I ask unanimous consent that it may be in order for the Committee of the Whole to take a recess instead of the House taking a recess.

Mr. CHINDBLOM. That would be giving the committee the power to pass on a recess. I think that is a dangerous practice. I think the House should direct the recess and not permit the committee to pass on the question. It is in violation of the rules and all precedents that have ever occurred.

The SPEAKER. The Chair thinks the House can make such an order by unanimous consent.

Mr. GREEN. Mr. Speaker, reserving the right to object, I would like to call the attention of the Agricultural Committee to the urgency of at once calling a meeting and bringing out suitable legislation for the relief of the farmers in southern Alabama, Georgia, and Florida in the recent flood in the way of buying seed and fertilizer.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut.

There was no objection.

THE AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of surplus agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. WILLIAM E. HULL].

Mr. WILLIAM E. HULL. Mr. Chairman, the farmer thinks that Congress has done something for every other industry except agriculture. He believes that he has been sinned against and that no one has been his protector. He believes that the Congress of the United States has not been diligent in supporting some measure for his benefit.

The Republican Party in 1924 said in their platform on agriculture:

> We recognize the agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor, which was destroyed by the Democratic Party through an unfortunate administration of legislation passed as a war measure.

The Republican Party should stand by this pledge, but the Republican Party should be no more responsible for farm legislation than the Democratic Party, because agriculture throughout this Nation covers a territory that is dominated by both parties.

In the Central West and the West the Republican Party controls. In the South, a large agricultural area, the Democratic Party is in power, and therefore this should not be a political measure; it should be one in which the Democratic Party and the Republican Party could unite and clasp the hands of friendship together in order to bring about a relief to agriculture.

We have one man in these United States of America who has been more prominent, more sincere, and more dominant than any other individual in the country for the relief of agriculture. He is a man of great political prominence, a man of great wealth, a man of great ability, with a sincerity that can be questioned by no one. In spite of his great wealth he has given his sincere support to this campaign for relief for no other purpose than to help his fellow man, the agriculturist. He said to me:

> Whether I am President or not matters little; I owe to the agricultural industry of the Nation my support for its relief.

This man is no other than Frank O. Lowden, of the State of Illinois. And, in order that I may bring before the Congress of the United States a few of his thoughts, I am going to quote him in several instances.

Frank O. Lowden said:

> The discussion over the farm situation has reached a new stage. It is being seen that it is not only the farmer who is involved. The business world is now viewing the problem as one in which business is vitally interested.

No one can doubt but what these words are words of truth; no one can doubt the fact that the business interests of this Nation are dependent upon the success of agriculture; no one can but say that if the agriculture of the Nation is destroyed or allowed to lapse, business will immediately feel the effect. If we are to keep up the prosperity of the Nation and go along as we are at the present time, it is absolutely necessary to keep the farmer in a position where he can pay his bills, where he can purchase the products that are manufactured in this country, where he can furnish the sinews that are carrying on to the factured products.

great manufacturing centers, by being able to buy the manu-

This country can not export its manufactured products on account of the high standard of living, thus creating a high price for the labor of the Nation. And therefore it is necessary for this country to develop itself and to be prosperous within itself, so that the factories can be kept running by the purchases made in the rural sections of the country. Frank O. Lowden has sent a message to the industrial section of this country—a word that should be heeded by those interested in industry.

I again quote Frank O. Lowden as follows:

> Nor am I unmindful of the great body of consumers of farm products. They are already paying in most instances as much and in many instances more than they should for the products of the farm. The trouble with the present system of marketing and distribution is that too small a part of what they pay goes to the producer and too large a part is absorbed in the cost of distribution.

It is not hard for any layman to analyze this statement, because we all know that the cost of distribution of farm products is away beyond what it should be. For instance, I will take apples that are raised in Washington and Oregon and shipped to New York. By the time they reach New York, we are obliged to pay as high as 10 and 15 cents for a small apple.

Go back to the time when I lived on a farm, apples were sold at from 20 to 25 cents a bushel; and here we are to-day purchasing the apples in the East that come from the West on a basis of 15 cents apiece. A vast difference in price and still the orchard man is not prosperous. The differential in price on apples from the producer to the consumer is caused by the transportation of the apples from the orchard to the market. The high standard of living of this Nation causes the railroads to advance their rates because they are obliged to pay an advanced price for materials for the railroads and a high price for the labor on the railroads. The cost of transportation and the profit of the middleman is the cause of the advance in price to the consumer. This also applies from the manufacturer to the farmer. The farmer is forced to pay a high price for the manufactured products on account of the high cost of wages and the high cost of transportation.

But there is another reason for the high cost of the selling of farm products and that is the middleman. In addition to the distributor's costs, the middleman, who buys from the producer and sells to the consumer, must make his profit. Speculation in all farm products is rife and results are that those who purchase are not only paying for the actual cost and a small profit to the farmer but he is paying the profit that goes to the middleman and to the retail man, and therefore the purchase price of the farm product becomes high. And so it would seem to me that this statement has delivered a message to the consumer that is worth his consideration.

Frank O. Lowden said:

> I know that agriculture can not flourish with industry prostrate, with railroads bankrupt, with commerce languishing. All I seek to do is to bring agriculture up to the level of these other forces in our national life.

This is a commendable statement; it shows the true frankness of the man; it shows that he is not trying to give agriculture an advantage over industry, but to bring it to a level with industry.

And again he said:

> The farmer is always confronted with this dilemma: If he produces too little, men and women and children will be but meagerly supplied with the necessities of life; if he produces too much, the surplus for the time may break the price he receives for his product to a point where it would have been better for him if he had let his fields lie fallow throughout the year.

A message of this kind to the poor people of the Nation is one for them to think about. If the farmer should decide that he would be better off financially by not tilling the soil and allowing his land to go without production, he probably would be better off from a standpoint of profit even though he would lose the interest on his investment. On the other hand, if he should follow this course, then what would happen? The production would be decreased; necessarily the costs would be increased. The farmer would benefit only to the extent that he would not lose by overproduction; but the poor people of the Nation, who are obliged to purchase the commodities of the farm to live, would be the sufferers. In that case, legislation might be required to make the farmer produce. But you can not expect the farmer to continue production at a loss. And so it becomes an absolute necessity that legislation should be passed that will regulate production and orderly marketing, and it is a duty of this Congress to try and put some legislation through that will at least make an attempt to do the very things that are indicated in this paragraph quoted from Frank O. Lowden, who further states:

> There must be substituted centralized selling agencies for each of the principal farm products if we would bring agriculture into its proper relation with the modern industrial and commercial world. In this way farmers, too, can follow their products all the way or nearly all the way to the consumer, just as industry so largely does. In this way farmers will acquire a voice in determining the prices which they are to receive. Speculation will be largely eliminated in agricultural products as it has been in industrial products. By this method they can carry burdensome occasional surpluses without demoralization of the markets in the meantime. They can make the tariff effective just as industry does, by selling a relatively small surplus abroad in the world's markets, and maintaining a domestic price level for domestic needs.

His idea is to stop, wherever it is possible, speculation on agricultural products. He believes that the tariff will be made effective to the farmer; he believes that we can export enough of the surplus to maintain a domestic price level for domestic needs.

If you can stabilize the prices upon farm products so that the consumer knows exactly what his food is to cost, then the consumer will arrange his budget so as to take care of the necessities of life that come from the farm. In this way the farmer will receive a reasonable profit for his products. The consumer will buy the products on a bas's fair to the farmer; the industry of the country will proceed to manufacture its products, and, in turn, sell them to the farmers of the Nation.

I want to close the few remarks that I have made by quoting Frank O Lowden again:

It may be that there is a better solution of the problem than the one that I have suggested. I am not insisting upon any particular remedy. I only say that there is a farm problem of the gravest importance, and that a solution must be found if we would preserve our civilization. There are many earnest men who believe there is no solution. I come across them with increasing frequency. They say that there has been always a conflict between rural and urban civilization; that in this conflict rural civilization always has gone down; that there is no reason why we should be an exception to the general rule; that a decaying agriculture always has marked the first stage in the decline of a nation; and that we are helpless in the grip of this relentless law of the rise and fall of nations.

I can not follow them in their despair of finding some power somewhere which will arrest this decay. I have more faith in the capacity of society to save itself. Our civilization has been marked by an increasing control of man over the forces of nature. So in the new era we shall learn how to make institutions respond to needs of men.

I now close this speech by saying to the Congress of the United States that the agricultural industry of the Nation is in need. Legislation should be passed that will at least make some attempt to bring relief to this fundamental industry. It is the duty of every Congressman, regardless of politics, to vote for this bill, and it would then be even better if the Nation would select a man who is conversant with the farm troubles, who is honest, who is sincere in all of his statements regarding agriculture, and who will give a good administration to the Nation, and that is no one but Frank O. Lowden.

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. JACOBSTEIN].

Mr. JACOBSTEIN. Mr. Chairman and Members of the House, I rise to explain very briefly the amendment that I have proposed to the present farm relief bill which is before the House, the effect of which would be to exclude fruits and vegetables from the operation of this bill in the event it became a law. The bill would then be operative as to all agricultural commodities, but the definition of an agricultural commodity is "a commodity which is not a fruit or vegetable."

I am seeking, in cooperation with many of my colleagues, to exclude fruits and vegetables from the operation of the entire bill, not merely from the operation of the equalization fee provision.

The Senate incorporated in the McNary-Haugen bill (S. 3555) Senator COPELAND'S amendment, which does the very thing that I am proposing in the House bill. You will find this amendment in the Senate bill under "General definitions," page 29, line 6, which reads:

The words "agricultural commodity" mean an agricultural commodity which is not a fruit or vegetable, or beef or beef products.

So far as I have been able to learn—and I have taken pains to inquire—growers, packers, and shippers of fruits and vegetables are opposed to being included in this farm relief bill. In the correspondence that I have received they state very clearly that they do not need this relief which the bill seeks to give them. Furthermore, they feel that if the bill became a law it would overstimulate the building of storing and marketing facilities. This would be so because of the loan provisions of the bill, by which a cooperative can secure capital on easy terms. This would lead to competition between newly built plants in competition with those now owned and operated by cooperative growers' associations who own their own equipment for marketing purposes. I shall insert at this point a memorandum which was submitted to me by Mr. Raymond G. Phillips, secretary of the International Apple Shippers' Association, which has its headquarters in my home city of Rochester, N. Y. This memorandum sets forth the argument not only of the apple shippers but of other cooperatives that are opposed to the inclusion of fruits and vegetables in this farm relief bill:

The International Apple Shippers' Association, headquarters Rochester, N. Y. (R. G. Phillips, secretary), is opposed to the inclusion of apples and pears in the farm relief bills, and asks that they be definitely excluded from all of the provisions of these bills.

The International Apple Shippers' Association is composed of the largest shippers, receivers, and exporters of apples in the United States, with a substantial membership in England, Scotland, continental Europe, Scandinavia, Cuba, Tasmania, and Canada. Our membership is in every producing section in the United States and in all important consuming markets.

Among our United States members are such growers' cooperative associations and organizations as—

1. Sebastopol Apple Growers Union, Sebastopol, Calif. (Largest apple cooperative organization in this territory.)
2. Hood River Apple Growers Association, Hood River, Oreg. (This organization ships 65 per cent of the tonnage of the Hood River Valley.)
3. Mosier Fruit Growers Association, Mosier, Oreg.
4. Northwestern Fruit Exchange, Wenatchee, Wash. (One of the largest growers' marketing organizations in the country.)
5. Wenatchee District Cooperative Association, Wenatchee, Wash. (The largest cooperative association in the Wenatchee district.)
6. The Yakima County Horticultural Union, Yakima, Wash.
7. The Yakima Fruit Growers Association, Yakima, Wash. (These two foregoing organizations are among the leading fruit growers' cooperative shipping organizations in the United States.)
8. Illinois Fruit Growers Association, Centralia, Ill. (The largest in the State.)
9. The Door County Fruit Growers Union, Sturgeon Bay, Wis. (This is the outstanding and only growers' organization in this apple section.)
10. The Adams County Fruit Packing and Distributing Co., Biglerville, Pa. (A large growers' marketing organization.)
11. Clintondale Fruit Growers Cooperative Association, Clintondale, N. Y. (The leading organization in eastern New York.)
12. Fennville Fruit Exchange, Fennville, Mich. (One of the outstanding organizations in Michigan.)
13. Nashoba Apple Packing Association, Littleton, Mass. (The leading growers' packing association in New England.)
14. Consolidated Apple Growers Exchange, Cornelia, Ga.

The foregoing are illustrative.

All of these and many more similar organizations, both within and without our membership, are opposed to the inclusion of apples in these bills.

The American Fruit Growers (Inc.), of Pittsburgh, with an investment of five to six million dollars in orchards and vegetable production throughout the United States, and shipping about 42,000 cars per year, are opposed.

The Montana Fruit Distributors, of Hamilton, Mont., producing and shipping 33 per cent to 50 per cent of the apples of Montana, are opposed to including fruit.

The president of the New York Horticultural Society, Mr. Burritt, is opposed.

In addition, we have scores of individual growers, firms, grower-owned cold storages and warehouses who are opposed.

Furthermore, our shipping members, comprising the leading shippers in all producing sections, are opposed, as well as our distributing and exporting members.

We are opposed to the inclusion of apples in the marketing agreement and equalization-fee provisions for the reasons set forth in our letter No. 284 attached hereto, and for the further reason that England would at once place preferential duties against us to protect her colonies.

We are opposed to their inclusion in section 6, because facilities at both ends of the line are already excellent and are constantly being improved.

Proposed forcible combinations through clearing-house associations will still further relocate the industry, to the prejudice of establishing sections, stimulate overproduction, and lead to disastrous cutthroat competition. The near-by sections will never combine with the remote or semiremote for the benefit of the latter any more than the Dutch combined with Great Britain to restrict the rubber output. On the other hand, the Dutch said godspeed to Great Britain, while the Dutch and others went out to produce their heads off and capture the British rubber market. The result is well known. All producers are injured. Relocation and decentralization have already been stimulated in our line by high freight rates and other costs, good roads, and motor trucks, in every case to the danger of long-established districts. If there is any further stimulation along this line, all the sections will be injured.

The minute one section starts to combine and restrict under these bills, that minute many other sections are going to jump in and overexpand, to the detriment of the whole industry.

Furthermore, a vast mass of competing factors are not even eligible to participate in section 6. Does anyone think they are going to quit cold? On the contrary, you will have intense competition, overstimulation, overproduction, and disorderly marketing.

Finally, the doctrine of force is back of this whole section—to compel growers to come in whether they wish to or not and regardless of economic necessity or economic wisdom.

We have seen quite enough of this and the results. Wrecked cooperatives, founded by professional promoters and agitators, growers losing their crops year after year, and assessments levied to pay off the debts when the corpse was buried.

Section 6 presents a fertile field for the professional promoter and the wielder of the big stick to drive people in. In fact, Mr. Omar Wright, vice president of the Illinois Bankers' Association, openly states that membership must be made compulsory and not optional. A remarkable doctrine.

We are opposed to being in the loan features of the bill for the reason that this industry doesn't need any loans from the Government Treasury. If, anything, we have too many facilities now to make both ends meet. Cold storages, warehouses, packing plants, by-product plants, etc., are more than ample. There are hundreds of grower-owned cold storages, packing houses, warehouses, packing, by-product, and other facilities, built and developed by their own initiative and financing in the regular way, which is as it should be. Any further stimulation by reaching the hand into the Government Treasury would not only be unnecessary but destructive of all that has already been developed.

The professional promoter, the propagandist, the theorist, with nothing to lose, would have a splendid opportunity and a fertile field under the loan provisions.

The industry has never asked to stick its hand in the Government Treasury. We have developed our own facilities as we should. Having done that, it is fundamentally wrong for the Government to come along and, in effect, erect competing facilities—for that is precisely what it amounts to.

No doubt there are certain persons who would like to get their hands into the Government money bags. Beyond question, there are those who would try to do so, regardless of experience, knowledge, or wisdom. The great mass of our particular part of the farm industry, however, is opposed to any such policy.

The present Capper-Volstead Act is ample to meet any legitimate and economically sound development in the fruit industry. Until this industry asks for Government donations and hand-outs don't force it on us.

We do not pretend to speak for wheat, cotton, etc., but so far as fruits and vegetables are concerned, there is too much financing rather than too little. A substantial mass of illegitimate and marginal production is given a shot in the arm year after year, to the undoing of the legitimate producer and the illegitimate. Under this system you surely will have the peasant farmer, but it won't be because of underfinancing.

If you stimulate any more production or any more facilities for fruit by loans from the Government Treasury, or in any other way, you are going to injure the industry instead of help it. You can't cure overproduction, high freight rates, high labor costs, and the high cost of everything that enters into production, by loans.

Senator GLASS on the floor of the Senate on April 11 admirably summed up the situation when he said:

"Mr. President, if the Senator will permit me, the fruit growers of Virginia have, and for a long time have had, their own organization. They have their own cold-storage plants. They have their own marketing facilities. They are perfectly independent of anything of this sort. They do not want their business interfered with by the Federal Government in any way, shape, or form. As the Senator from New York has so aptly said, they are not willing to occupy the humiliating position of undertaking to avail themselves of any advantages of legislation without accepting the responsibilities, and they want neither."

The loan provisions, so far as fruit is concerned, are a direct slap in the face of that great body of fruit growers that have developed their own industry and their own facilities. What incentive is there to any longer intelligently develop one's own facilities if the Government is going into the business of lending to various aggregations artificially stimulated by persons with axes to grind?

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. JACOBSTEIN. I yield.

Mr. MOORE of Virginia. I would like to say that the sentiment the gentleman has just expressed as being entertained by the people of New York State is generally entertained by the people of Virginia.

Mr. JACOBSTEIN. Yes; and the growers of fruit in Oregon, Washington, Illinois, Wisconsin, and most of the States of the Union have expressed themselves as favoring the amendment I am proposing. New York State, which I have the honor in part of representing, is a great fruit and vegetable growing State, and in it there are many grower cooperative associations. So far as I can learn, they are practically a unit in desiring to be excluded from the operation of this farm relief bill. I have discussed this matter with many of my colleagues from my State representing districts in which fruits and vegetables are grown, and they also have indicated their desire to have the amendment which I have proposed written into the House farm relief bill. The New York Representatives who have expressed themselves to me personally as favoring this amendment are the following:

Hon. H. J. PRATT (Ulster, Greene, and Columbia Counties).
Hon. HAMILTON FISH (Dutchess County).
Hon. A. D. SANDERS (Monroe County).
Hon. JOHN TABER (Auburn County).
Hon. CLARENCE MACGREGOR (Erie County).
Hon. WALLACE DEMPSEY (Niagara County).

I have also been informed that Members of the House representing the great fruit-growing sections in other States—in Washington, in Oregon, Massachusetts, Rhode Island, Pennsylvania, Virginia, Montana—that these sections likewise hold the same view.

Senator COPELAND has received many communications indorsing his amendment, of which the following is typical:

RADA, W. VA., *April 24, 1928.*

Hon. ROYAL S. COPELAND,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR COPELAND: The writer, who is president of the West Virginia State Horticultural Society, and a grower of apples, producing approximately 20,000 barrels yearly, has been requested by certain other large growers in this State to forward you copies of messages sent to Senator NEELY, Senator GOFF, and Congressman BOWMAN.

We feel that the majority of growers in this State are in accord with growers in your State, in that they want no connection with the McNary-Haugen bill or other legislation of this type.

We appreciate your efforts in endeavoring to have fruits and vegetables excluded from the McNary-Haugen bill, and trust that you will continue your fight to have your amendment adopted and included in the McNary-Haugen bill in its final form.

Very sincerely yours,

E. A. LEATHERMAN.

The messages of indorsement referred to in this communication were signed by the following fruit growers of West Virginia:

H. W. Miller, president Consolidated Orchard Co., Paw Paw, W. Va.
L. P. Miller, owner Chertland Orchard and Mount Dale Orchard, Paw Paw, W. Va.
P. R. Harrison, Martinsburg, W. Va.
E. Graham Wilson, Charles Town, W. Va.
E. A. Leatherman, Rada, W. Va.
Oakland Orchard Co., Charles Town, W. Va.
American Fruit Growers (Inc.), Martinsburg, W. Va.
Export Apple Co., Martinsburg, W. Va.

I have received many letters from men who are themselves farmers, or who are in close touch with the farm situation in my State, asking that fruit and vegetables be taken out from under the bill. I am listing herewith the names of these correspondents:

Samuel Fraser, Geneseo, N. Y.
John P. Street, secretary New York State Canners' Association, Rochester, N. Y.
John B. Frey Co., shippers of farm products, Rochester, N. Y.
Austin & Fosmire, wholesale fruit shippers, Spencerport, N. Y.
F. Hofman, shipper of fruits and vegetables, Rochester, N. Y.
Dixon Produce Co., Hall, N. Y.
Charles Dye, fruit distributor, Medina, N. Y.
Pennington-Black Co. (Inc.), Seneca Castle, N. Y.
Judson Snyder, Newark, N. Y.
Geneva Refrigerating Corporation, M. W. Black, manager.
Howard M. Lum, Hilton, N. Y.
W. P. Rogers, Williamson, N. Y.
F. W. Moffett, Rochester, N. Y.
H. B. Fiske & Co., Providence, R. I.
C. H. Musselman Co., Biglerville, Pa.
William H. Baggs, American Fruit Growers, Pittsburgh, Pa.
Sodus Cold Storage Co., Sodus, N. Y., with 15 signatures.
F. W. Cornwall, Shore Acres Fruit Farms, Pultneyville, N. Y., with petition signed by 14 growers and shippers of Wayne County, N. Y.

In conclusion, I repeat again that I hope Senator COPELAND'S amendment will be retained in the House bill, the effect of which would be to exclude fruits and vegetables from the operation of the act.

Mr. KETCHAM. Mr. Chairman and members of the committee, since coming to Congress, in 1921, I have consistently labored to the best of my ability to advocate and support legislation which I thought would be to the advantage of agriculture and for the good of the country. This course has been followed not only because of my direct connection with and my special interest in farm people, but also because I believe that a progressive and prosperous agriculture is a prime essential in the maintenance of world leadership by the United States. I am confident that this attitude reflects accurately that of the entire membership of the Committee on Agriculture, as well as a very large majority of the Members of the House.

A continuous flow of food supplies and raw materials is of vital importance to the great industrial centers of our country, and, on the other hand, these industrial centers are likewise vitally concerned in a thriving agriculture because that means a very important outlet for the products of their mills and factories. Every consideration, therefore, of class and sectional interest as well as public policy demands that all that legislation can possibly do to place agriculture on an equality with all other classes and groups of our people should be gladly and speedily done.

In a word, therefore, I believe that we are unanimously agreed that economic equality for agriculture as measured by price relationship is the goal toward which legislation should aim. Scores of suggestions have been offered by thoughtful, high-minded, and patriotic men for the consideration of those of us who bear legislative responsibility. Consideration of these suggestions as reflected in discussions, editorials, and resolutions has principally centered upon three proposals.

The first is that of cooperation and orderly marketing. It is practically agreed that if the cooperative movement could cover 75 to 80 per cent of the sale of all farm commodities the problem of price equality would thereby be solved. Remarkable progress in the cooperative movement has been made when we consider that it was first recognized by Federal statute in the Capper-Volstead Act of 1921. Cooperative organizations cover the land and reach into every farm commodity. Notwithstanding this rapid growth, not more than one-fifth of the total agricultural products are thus marketed. This leads us fairly to the conclusion that some supplementary legislation is necessary before agricultural equality can be secured.

The second legislative proposal very widely indorsed and very earnestly supported is known as the equalization-fee plan, which is the heart of the measure before the committee for consideration. Its merits and demerits have been very thoroughly presented in discussions here and elsewhere for the last four or five years.

In the time at my disposal I desire to present the merits of the third plan to place agriculture on a price equality, namely, the export debenture plan as embodied in H. R. 12892 and H. R. 12893, introduced by my colleague, Mr. JONES, of Texas, and myself.

Before proceeding to explain the export debenture plan, these brief statements are submitted in the interest of clear thinking:

First, as to the present relative price situation of agricultural commodities. Agriculture is and has been since 1921 seriously below the general price level. Taking 1913 as the average prewar condition at 100 as an index, the present condition of agriculture is shown by the fact that the labor index to-day is 2.28; transportation, 1.57; the all-commodity index, which represents average price levels of 400 commodities, is 1.52; while the agricultural commodity index is 1.38. Expressing in terms of percentage, then, the farm price of agricultural commodities is therefore 91 per cent. In 1921 this percentage was 69. There has been a remarkable improvement since that time, but in all fairness we should endeavor, so far as legislation can do it, to put agricultural commodities on a price parity with the all-commodity list.

Mr. MURPHY. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. MURPHY. Does the gentleman say that agricultural commodities now are just 9 per cent under the average of all other commodities?

Mr. KETCHAM. Yes; so far as the farm price is concerned.

Mr. MURPHY. They are 91 per cent of the average price of all other commodities?

Mr. KETCHAM. Yes; of the all-commodity list.

Mr. MURPHY. In other words, they are only 9 per cent to the bad?

Mr. KETCHAM. Conditions have improved from 69 per cent in 1921 to 91 per cent in March of this year.

Mr. MURPHY. And this has been done without any legislation?

Mr. KETCHAM. Not entirely without legislation. There have been some very excellent pieces of legislation written, as the gentleman will recall, since 1921.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. GARBER. As I understand it, the gentleman has taken 100 per cent as the basis?

Mr. KETCHAM. I have taken the conditions in 1913 as 100 per cent.

Mr. GARBER. And the present purchasing power of agricultural products is 91 per cent of the average of all other commodities.

Mr. KETCHAM. Yes.

Mr. GARBER. That would be nine points below the 100 basis for 1913.

Mr. KETCHAM. In purchasing power 9 per cent below. That is correct.

Mr. BURTNESS. And relatively, as I understand, that means a 9 per cent discount, not of net profits or anything of that sort, but a 9 per cent discount from the gross receipts of agriculture.

Mr. KETCHAM. In price relationship.

Mr. BURTNESS. And does the gentleman know of any other business that could have supported a 9 to 20 per cent loss of gross and have existed at all?

Mr. KETCHAM. I certainly think that very few lines of business would have been able to do it, other than agriculture.

Mr. BURTNESS. Some seem to think that 9 per cent is very small. I point out that that means not 9 per cent of net income or profit but 9 per cent of gross income, which means wiping out all of the profit, and going in on the capital invested.

Mr. LAGUARDIA. In order to get a proper comparison, what would be the percentage on the same index number, say, of the steel industry, automobiles, and textiles as compared to the 91 per cent for farms?

Mr. KETCHAM. I could get that information if the gentleman desires, but I have not got it at hand. I shall put it in.

Mr. SUMMERS of Washington. And does this refer to the wholesale commodity prices?

Mr. KETCHAM. The all-commodity index is the wholesale price, but that of agriculture is the farm price index.

Mr. SUMMERS of Washington. And so as to get a real picture, we ought to have the farm price on the 400, which will bring about a spread of about 20 or 25 per cent instead of 9 per cent.

Mr. KETCHAM. The second proposal which I think is essential to clear thinking is Federal legislation advantageous to labor, industry, and commerce which has been enacted in recent years. The Adamson law, immigration restriction, railroad-rate legislation, patent legislation, and the drawback provision of our tariff law may be cited as illustrations.

Third. If price equality is to be secured for agriculture, two methods are in sight—the repeal of the various acts which have raised other price levels or the enactment of legislation that will give agriculture a corresponding advantage so far as its commodity values are concerned.

Bear in mind, I am not finding fault with that legislation, but simply giving it as an illustration of how it has been deemed wise on the part of Congress to better the price position of the groups of people that are referred to in the legislation which has been enacted. I simply am calling attention to that situation and not finding fault.

Needless to say, all real friends of agriculture take the constructive view. Two plans have been submitted to put farmers on an equal basis in the price structure we have erected in the United States.

In that connection I am sure that all of you agree with me that the only constructive thing to do is to enact some legislation that will put the farmer in the price picture without resorting to that other questionable practice, which would do harm to the other groups and which always has been found to do immeasurable harm to agriculture, namely, to repeal the other legislation that has already been enacted.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. ARNOLD. Is there any inconsistency in the equalization plan and the debenture plan advocated by the gentleman which would interfere with the debenture plan being made a part of the general legislation, including the equalization plan?

Mr. KETCHAM. I have not given that subject any considerable thought, but I can see no particular inconsistency now.

Mr. ARNOLD. It seems to me that they are entirely consistent, and that the debenture feature might very well be added to the bill that we now have under consideration containing the equalization plan.

Mr. KETCHAM. That will be the subject of discussion a little bit later on. It is a very interesting inquiry at this point.

Mr. LANKFORD. I think if the debenture plan could be drafted on to the present McNary-Haugen bill it would not be inconsistent, and that the two plans could be worked together.

Mr. KETCHAM. Now, what is the export debenture plan? These are the fewest words I can use in describing what it is: It is a plan to provide for the payment upon exportable agricultural commodities, and the products of such commodities, export premiums, by means of export debentures, sufficient to equalize the difference between the cost of producing such commodities in the United States and the cost of producing such commodities in foreign countries.

I appreciate, of course, that this is a pretty comprehensive definition; but it puts it in the fewest words I can possibly use.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. LAGUARDIA. Who pays for it?

Mr. KETCHAM. That will appear in a moment, if you will let the argument run along consecutively.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. HARE. As I understand, it is proposed to include agricultural crops and the products of agricultural crops. Would that include cloth made from cotton?

Mr. KETCHAM. The portion of it that goes into export.

Mr. MURPHY. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. MURPHY. The gentleman states this would apply to cotton cloth. Would it apply to exports of coal?

Mr. KETCHAM. It would apply to exported agricultural products.

Mr. MURPHY. Would it be applicable to coal just as it is applicable to cotton?

Mr. KETCHAM. I have not given that thought. Perhaps some other committee could apply the principle to coal. We are talking now, you know, about agricultural production.

In the original form of the bill—H. R. 10568—the export-debenture plan was the sole proposition. However, because of the fact that there seems to be almost unanimous agreement among the friends of agriculture that any farm relief bill should have at least three other features, the friends of the idea have incorporated in the form of the bill before you the additional features of a Federal farm board, a loan provision which is practically identical with that in the McNary-Haugen bill, and also an insurance plan.

It is the intention of the sponsors of H. R. 12892 to move to substitute it for H. R. 12687 at the first opportunity given under the rules. If a point of order is made against it we are prepared to show that it is germane, and we sincerely hope the Chair will sustain our view. If it shall be held in order and should be substituted it will then be before the committee for amendment.

With that idea in mind it has seemed wise to take up the various provisions of the bill in order and explain its plan and purpose and to urge it as the most simple, direct, and feasible plan of securing equality for agriculture.

In the first place, the export debenture bill sets up a Federal farm board, which is to consist of the Secretary of Agriculture and four other members to be appointed by the President of the United States by and with the consent of the Senate. This is in contrast with the board of 12 members provided in the McNary-Haugen bill. This change is made in the interest of economy, the duties of the board under the export-debenture plan being fewer and less complicated than those imposed under the cumbersome equalization-fee organization.

Section 3 of the bill sets up the powers and duties of the board in connection with the administration of the act, the most important of which are the study of crop-price prospects, supply, and demand at home and abroad, with particular reference to the existence of a surplus. The advising of producers through organizations as to suitable programs of planting and breeding to avoid unnecessary crop surpluses and the determination of crop production conditions that depress or tend to depress the price of exportable commodities below the actual average cost during the preceding five years.

The loan provisions of the bill are to be used to assist cooperative associations or corporations created and controlled by them to aid in controlling seasonal or year's surplus production in the United States, either local or national in extent, in the interest of orderly marketing of that particular commodity.

Loans made by the board to cooperative associations and corporations organized by cooperatives shall bear interest at the rate of 4 per cent per annum and may not exceed $150,000,000.

If the board finds that its advice as to a program of planting or breeding of any agricultural commodity, as provided in section (3) (i), has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase as determined by the board, over the average planting or breeding of such commodity for the preceding five years, the board may refuse to make loans.

So much for the set-up of the Federal farm board and its powers and duties and the loan features of the bill.

Mr. GARBER. Mr. Chairman, will the gentleman yield there?

Mr. KETCHAM. Yes.

Mr. GARBER. The gentleman from Michigan is a member of the Committee on Agriculture and has made for years a study of the agricultural problem. I want to ask whether or not that prohibition on productive enterprise will operate as a satisfactory brake on the production that is stimulated by a premium on export?

Mr. KETCHAM. I do not think it will be a sufficient brake, but other brakes will be applied later in the bill. We have a number of brakes here which I would like to tell the gentleman from Oklahoma about.

Now, I believe the export debenture feature to be the heart of this bill, as I believe the equalization fee to be the heart of the bill now pending before the committee for consideration. This bill provides that when the board, by affirmative finding, determines that there have been surpluses that tend to depreciate the price, so that the American farmers are not receiving the cost of production by reason of the fact that they sell these crops in the world market, and therefore can not take advantage of the tariff on that particular article; if they find that these conditions exist, then they may promulgate regulations, and under these regulations the Secretary of the Treasury shall issue to the farmers, cooperative organizations, and other persons, including export corporations, export debentures upon any exportable and debenturable commodity upon which the board has determined that such debenture shall be issued. The export debenture shall be computed on the commodity or product effective at the time of the exportation.

For the first year the bill provides that the debenture rate shall be only one-half of the existing tariff rate. Upon those exportable commodities where there is no tariff the rate for the first year is fixed upon a comparative basis.

The exportable commodities are wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodities which may be designated by the board under section (7), together with food products and articles so named and designated.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. COLE of Iowa. Why issue a debenture when the end would be directly reached by the payment of money out of the Treasury? Why give the beneficiary a piece of paper?

Mr. KETCHAM. For the same reason that in the operation of a protective tariff we do not take the money directly out of the Treasury and put it directly into the pockets of the beneficiaries of that legislation. This is to be a complement, a completion, of the great system of protective legislation, that was designed by Alexander Hamilton over a hundred years ago.

Mr. COLE of Iowa. The farmer who makes the export gets the debenture, and he has to sell that himself and probably at a discount. Does not that reach the line of speculation?

Mr. KETCHAM. Well, I have a little suspicion that the gentleman's question is not entirely friendly. [Laughter.] At least I do not think I could make a convert of the gentleman even if I talked all the afternoon. The fairest consideration has been given to that very point, and we have asked every witness who we thought could give us information on that point, and this is the conclusion reached by all of them, that this debenture would be subject only to a very slight discount, and the amount of the debenture would come back to the farmer practically in its entire value. The bill puts the rate on wheat for the first year at 21 cents. All those familiar with these matters have advised us that the discount would be less than one-half of 1 per cent.

Mr. COLE of Iowa. Why have any discount at all if you are going to give this to the farmer as a subsidy? Why not give it to him direct in money instead of a piece of paper?

Mr. KETCHAM. If he does business himself, of course, he would have this export debenture, which would be to him an instrument of the United States Government, and it would have its full face value.

Mr. COLE of Iowa. Why not give him the money?

Mr. KETCHAM. I have given the reasons for it.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Certainly.

Mr. WILLIAMSON. I want to say, in partial answer to the question propounded by the gentleman from Iowa [Mr. COLE], that the payment of the debenture on the exported product would raise the price level on the entire crop.

Mr. KETCHAM. The gentleman from Iowa is only referring to the portion that was exported. Of course, the gentleman from South Dakota has correctly stated the theory of the bill, that it would operate not only to lift the price level to the extent of the debenture on that particular commodity, in so far as that portion which is exported is concerned, but that it

would be reflected back on the part that was sold in this country. The farmer would get cash for that sold at home. He would get the world price plus the debenture rate.

Mr. BRIGHAM. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. BRIGHAM. As I understand it, the debenture could only be used in paying import duties on other commodities?

Mr. KETCHAM. Yes; that is correct.

Mr. BRIGHAM. And the demand would depend somewhat upon the amount of goods imported?

Mr. KETCHAM. It would. But the very fact that the importation of goods goes far beyond any limit as to the amount of debentures. It would seem to me if I were an importer looking for something that would give me 100 cents on the dollar, and if I could get a discount of $25 on $10,000 of import duties, that as a good business man I would be looking around for an opportunity to do that very thing. That is the sum and substance which we think to be the operation so far as the debenture is concerned.

Mr. ANDRESEN. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. ANDRESEN. The purpose of all this legislation is to benefit the producer. Now, the export bounty is paid to the exporter, and can the gentleman tell the committee how it is going to be reflected back to the producer so that he gets the benefit of all this legislation?

Mr. KETCHAM. My answer to that is the same answer I would give in discussing the equalization fee. The advantages under the equalization fee, when they are reflected back to the farmer himself, are going to be subject to all the exigencies of trade. There can not be any question about that. To state it in plain language, the man who buys the wheat from the farmer is not going to pay any more for it than he would have to, so that the same laws will operate in one instance as in the other. Under this plan we have a definite amount of money which is to come to the crop that is to be exported, and in the case of the equalization fee you have a like advantage, but there is an assessment made upon the farmer himself.

Mr. ANDRESEN. And in the case of the equalization fee, when the farmer brings his product in for sale and pays his fee he gets the world price, plus the tariff, less the fee; but under the debenture plan, that goes to the exporter. Why can you not pay the debenture directly to the farmer when he sells instead of having it go to the exporter?

Mr. JONES. If the gentleman from Michigan will permit, in Sweden they leave the debenture at the customhouse and they get full value in cash.

Mr. MURPHY. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. MURPHY. I am a little curious to know how our European friends would look upon this sort of a plan of marketing our surplus?

Mr. KETCHAM. I will be very glad to answer that. I can see no reason why they should be disturbed at all, because the world price is not to be affected by this, but here in America our own farmers are to receive 21 cents more per bushel in order that they may go into the world market and compete.

Now, so far as rates are concerned, the basis of this entire legislation is this: That the American farmer is entitled to the difference in the cost of production between here and abroad. That is the theory upon which we build our protective tariffs.

The theory of the tariff applies to products flowing into the United States. It is particularly helpful to manufactured products. The surplus of agricultural commodities flows outward and comes in contact with world price conditions, and these world prices effect not only the portion that goes into export but likewise the domestic price of that particular commodity. The export debenture, therefore, is the same theory applied to agriculture as the tariff theory applies to manufacturing.

The proponents of the bill may differ in their views as to the tariff, but they are in agreement that under whatever system we operate, whether that of a high or low protective tariff, there should be some device in the system that will make the tariff provision operative upon farm products in which there is an exportable surplus as it does in connection with manufactured articles.

The debenture idea is not a new one; in fact, it was first advocated by Alexander Hamilton as a part of the original tariff system in the United States and was regarded by him as necessary to preserve equality of its operation upon our people of the great system which he believed essential to the development of the United States.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KETCHAM. Mr. Chairman, I yield myself another 15 minutes. As I said, we are proceeding in this legislation upon the theory that the protective-tariff principle has been generally accepted by the country, and it enables us to pay our laboring men a higher wage scale and still enable our manufacturers to meet world competition. We maintain that if that is logical—and we agree that it is—then certainly some device similar in its effect should be applied to the business of agriculture. We have searched high and low and we can find none that in our judgment is so direct, so simple, so practical, and where the cost to all the people of the country, whether it is from the Treasury or from the people in any other way, will be less than the cost that is provided in the bill we now have before us for consideration.

Mr. MURPHY. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. MURPHY. Will the gentleman tell the committee how it is planned to arrive at the cost of production abroad of these various commodities? The reason I ask that question is this: I represent a district where we manufacture pottery. I have been for two years trying to get the Tariff Commission to undertake to find the cost of the production of pottery in some country.

They spent a year on the cost of producing pottery in Germany. Then at the close of the year they found that Japan was making it a little cheaper, so they threw away all they had done in the preceding months and began another investigation, while the pottery industry in my district is languishing. Now, if a bureau or a department of the Government operates in that way, what chance are you going to have to find the cost in time to market your wheat or whatever you happen to have?

Mr. KETCHAM. Well, I can simply make a very general statement with reference to that. I am very sure the board set up and given the powers that are given it in our bill, would certainly have no difficulty in arriving at the fact that there is a very marked difference, at least, between the cost of production of wheat, shall we say, here and in the Argentine; and, if this be true, certainly an improvement over the present situation would be a very desirable one indeed. At least, no one can say but what based upon that proposition we would find a higher production cost in the United States than in the Argentine and in many of the other countries.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. KETCHAM. I am very sorry, gentlemen; but if you will be kind enough to let me complete the general statement I may say that Mr. JONES and myself have been given about two and a half hours, and possibly well toward three hours, and to the best of our ability we will undertake to answer the various inquiries that may be directed, but I think it best now that I take the remaining 10 minutes in running through, in a general way, the other provisions of the bill, and then leave the questions to a later time.

Mr. ANDRESEN. If the gentleman will permit just one short question, does the gentleman propose to offer this as an amendment or as a substitute for the bill?

Mr. KETCHAM. We propose, as I indicated a short while ago, at the proper time to offer this as a substitute for the bill now under consideration by the committee.

So far as rates are concerned, those of you who have read the bill have noted that for the first year we set up specific rates. Some one, of course, propounds the question immediately, How do you know that these rates are based upon proper determinations. And our answer, of course, is that we do not know; but we did feel that the urgency is so very great that we ought not to wait until a scientific determination can be made of the differences in the costs of production, and so we selected, for instance, as a basis for our reckoning, 21 cents on wheat, which is one-half of the tariff rate, and that is set up as a definite debenture rate for the first year. Following that first year, studies will be made and other debenture rates set up as costs of production here and abroad in the production of agricultural commodities shall be determined.

I may say that with 21 cents, one-half of the tariff on wheat, as the basis, we have gone through the debenture list that is mentioned in the bill and have set up rates that we think would be fairly comparable to the rate provided for wheat. I take it you will not be interested in my reading the rates.

Mr. BURTNESS. Generally speaking, it is one-half of the tariff?

Mr. KETCHAM. Generally speaking, it is one-half of the tariff except upon cotton where there is no tariff. There we attempted to set up a rate that was comparable, contrasting the varying units in wheat and cotton.

Mr. BURTNESS. Of course, on wheat the Tariff Commission has found that the actual difference in the cost of production is 42 cents.

Mr. KETCHAM. Yes; 42 cents.

I next call the attention of the committee to the flexible rates of the export debenture bill, which I think are very important.

I think it will be readily agreed that to-day agriculture is in its unfavorable situation by reason of the increased costs of production that have come in various ways, some of them, of course, by legislation, as I referred to a moment ago. It may be that in the days ahead, in the adjustment of tariff rates, the Tariff Commission will find reason for raising or lowering the tariff rates on many of these debenturable commodities. If this shall be found to be the case, then under the flexible provisions of the export debenture plan the board is given the power to likewise vary the debenture rates that may be set up. I think one of the most important features of the bill is this: That should these costs of production be equalized, or in other words, the commodity prices of the American farmer come to the level of the all-commodity list, then by the very terms and provisions of this bill, the debenture rates themselves pass out and the law becomes inoperative because it is no longer required, and I call the attention of gentlemen especially to that provision because I think it is extremely significant.

I do not know what all of you who are friends of agriculture believe, but this is my view: That in 5 or 10 years, with average conditions, as they have been in the last 8 or 10 years, all this price inequality will naturally cure itself, and when that price inequality is cured, and agriculture in its price levels comes to the all-commodity level, then I am sure we will not insist that there is not any call for this kind of legislation or for any special farm relief legislation. In other words, if the farmers to-day had their price relationships on a level with those of other industries, I do not believe they would be here asking for this legislation. Please do not forget that under the terms of the export debenture plan that as costs of production of farm commodities are reduced, or in other words, when the all-commodity price level is on an equality with the price level of farm commodities, this bill, by its own terms, automatically fades out of the picture so far as the debenture features are concerned. Its provisions would remain in force, however, for renewed application should situations like that which agriculture has faced since 1921 reappear. We are here urging the debenture plan to-day because we believe that now is the time, this is the year, when this maladjustment, so far as price relationships are concerned, ought to be corrected, and we believe that this measure can be enacted into law; and if enacted into law it can become operative within 60 days and may apply, if you please, to the crop season of 1928.

This, I am sure, is a very material consideration on the part of those of you who are anxious, more than anxious, desperate, for some sort of farm relief legislation that will be effective at the earliest possible moment.

Mr. JOHNSON of Washington and Mr. UNDERWOOD rose.

Mr. KETCHAM. I only have a few moments left.

Mr. JOHNSON of Washington. I will not press the gentleman.

Mr. KETCHAM. If the gentlemen will save their questions until I finish, I will be glad to answer them.

The concluding feature of the bill is the loan feature, which is similar to that in the McNary-Haugen bill, with one exception, which will be developed a bit later in the debate.

In a very rough, hurried, and sketchy way, these are the main provisions of the bill. I think possibly I could do no better in closing this part of the discussion to-day than to read for the information of the committee a few questions and the answers to them, which are very short, that get right to the heart of the proposition.

I am going to refer to the testimony given before the committee by a splendid gentleman from Illinois, Prof. Charles L. Stewart. At the conclusion of his testimony I asked him some direct and simple questions, which I want to read from the hearings, as follows:

Mr. KETCHAM. I have six questions I want to ask, and they can all be answered yes or no. I know it is hard for an economist to answer questions yes or no. It is pretty hard to give a categorical answer. But these are the vital things we men have to answer in the ordinary discussion of this bill. Will you please answer these questions?

In the first place, is this any radical or new departure from our traditional system?

Mr. STEWART. I think that it is amply founded upon precedent.

Mr. KETCHAM. Second, is it constitutional, in your judgment?

Mr. STEWART. It is.

Mr. KETCHAM. Third, is it economically sound?

Mr. STEWART. It can be administered so that it will be consistent with the welfare of producers and consumers.

Mr. KETCHAM. That is what you mean by "economically sound"?

Mr. STEWART. That is what I mean.

Mr. KETCHAM. In the fourth place, in your judgment, is it practicable?

Mr. STEWART. It is workable.

Mr. KETCHAM. That is what I want.

Mr. STEWART. And it should be consistent with the resources of the Federal Government.

Mr. KETCHAM. That is what I want, exactly. Now, will you say whether or not, in your judgment, this leads to dumping?

Mr. STEWART. In my judgment, it is not of that species of practice which would be classified by other countries as "dumping."

Mr. KETCHAM. Now, last, in your judgment are the penalty provisions against overproduction carried in this bill as direct and specifically applicable as they are in any other proposition that has been presented to us?

Mr. STEWART. That is a harder question to answer. I should say that you can make it so, if it is not that way.

Mr. KETCHAM. One further question: In contrast with any other plans, do you regard this as the simplest and the least free from machinery?

Mr. STEWART. Perhaps because I have studied it most, it is to me the simplest.

Now, I come directly to the point the gentleman from Oklahoma inquired about. May I say that in the form of the bill now before you for consideration the penalty provisions are very brief indeed, and I am sure they will appeal to you as being sufficiently powerful to act as a brake. This is the language of the bill:

(1) For a computed increase in production or acreage of less than 5 per cent, there shall be no reduction.

(2) For a computed increase in production or acreage of 5 per cent but less than 10 per cent, there shall be a reduction of 25 per cent.

(3) For a computed increase in production or acreage of 10 per cent but less than 15 per cent, there shall be a reduction of 50 per cent.

(4) For a computed increase in production or acreage of 15 per cent or more, the issuance of debentures shall be suspended for a period of one year.

I think that is entirely adequate.

Mr. BRIGHAM. Will the gentleman yield?

Mr. KETCHAM. I will.

Mr. BRIGHAM. Will the gentleman tell us how much money he thinks this bill would keep from going into the Federal Treasury?

Mr. KETCHAM. This bill will keep $146,000,000 from going into the United States Treasury.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON having taken the chair as Speaker pro tempore, Mr. HOCH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 3555, the agricultural surplus control bill, and had come to no resolution thereon.

## DEATH OF HON. MARTIN B. MADDEN

Mr. WILLIAMS. Mr. Speaker, it becomes my painful duty to announce to the House the death a moment ago of the Hon. MARTIN B. MADDEN, Member of Congress from the first district of the State of Illinois. Mr. MADDEN'S death brings to a close a career of great usefulness and of great length in our State. One of the most prominent business men of the State, for many years a member of the city council in the city of Chicago, where he served as chairman of the finance committee; for 24 years a Member of this House, where he has made as great a reputation as chairman of the Appropriations Committee as any who have ever served here. His death will be profoundly mourned by the people of the State he so ably served and so highly honored. At a future time there will be suitable and proper memorial exercises on his career. I submit the following resolutions:

House Resolution 177

*Resolved*, That the House has heard with profound sorrow of the death of Hon. MARTIN B. MADDEN, a Representative from the State of Illinois.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect the House do now adjourn.

The SPEAKER pro tempore. The Speaker will later appoint a committee to attend the funeral. The question is on agreeing to the resolutions.

The resolutions were agreed to.

Accordingly (at 1 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Saturday, April 28, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, April 28, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON EDUCATION

(10.30 a. m.)

To create a department of education (H. R. 7).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

## EXECUTIVE COMMUNICATIONS, ETC.

469. Under clause 2 of Rule XXIV, a letter from the Secretary of the Navy, transmitting draft of a proposed bill "Authorizing the Secretary of the Navy to assign to the Chief of Naval Operations, the public quarters originally constructed for the superintendent of the Naval Observatory in the District of Columbia," was taken from the Speaker's table and referred to the Committee on Naval Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MACGREGOR: Committee on Accounts. H. Res. 156. A resolution to pay George Hand, jr., son of George R. Hand, late clerk to Hon. CHARLES E. WINTER, a sum equal to six months' salary and $250 for funeral expenses (Rept. No. 1392). (Ordered to be printed.)

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JAMES: Committee on Military Affairs. H. R. 13331. A bill to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl; without amendment (Rept. No. 1393). Referred to the Committee of the Whole House.

Mr. HUDSPETH: Committee on Claims. H. R. 4083. A bill authorizing Porter Bros. & Biffle and others to bring suit against the United States of America for loss and damage sustained through erroneous certification by the Bureau of Animal Industry; without amendment (Rept. No. 1394). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER: A bill (H. R. 13370) authorizing the Secretary of the Navy to assign to the Chief of Naval Operations the public quarters originally constructed for the superintendent of the Naval Observatory in the District of Columbia; to the Committee on Naval Affairs.

By Mr. MORROW: A bill (H. R. 13371) authorizing appropriations to cover Mexico's proportionate share of the cost of operating the Rio Grande Federal irrigation project; to the Committee on Irrigation and Reclamation.

By Mr. PEAVEY: A bill (H. R. 13372) granting to the State of Wisconsin certain unappropriated public lands in meandered areas; to the Committee on the Public Lands.

By Mr. TATGENHORST: A bill (H. R. 13373) exempting building and loan associations from being adjudged involuntary bankrupts; to the Committee on the Judiciary.

By Mr. HILL of Alabama: Joint resolution (H. J. Res. 291) providing for the suspension of the provisions of section 7 of the act of March 1, 1911, requiring the consent of the State legislature for the acquisition of any unacquired lands within the present exterior boundaries of the Alabama National Forest until and including December 31, 1930; to the Committee on Agriculture.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FRENCH: A bill (H. R. 13374) granting a pension to Noble Henry; to the Committee on Pensions.

Also, a bill (H. R. 13375) granting a pension to Charlie Jackson, alias Kah-yah-pah-tas-in, alias Lilth-Ka-Meet-Sa; to the Committee on Pensions.

By Mr. IRWIN: A bill (H. R. 13376) granting an increase of pension to Margaret Clark; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 13377) granting an increase of pension to Will G. Travelstead; to the Committee on Pensions.

By Mr. REED of Arkansas: A bill (H. R. 13378) granting a pension to S. A. Ashcraft; to the Committee on Invalid Pensions.

By Mr. SEARS of Nebraska: A bill (H. R. 13379) to provide appointment of William O. Boger, first sergeant, detached enlisted men's list, Organized Reserves, Eighty-ninth Division, Army Building, Omaha, Nebr., a warrant officer in the United States Army; to the Committee on Military Affairs.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7272. By Mr. BACON: Petition of sundry citizens of Patchogue, Long Island, N. Y., in favor of the Lehlbach retirement bill (H. R. 25); to the Committee on the Civil Service.

7273. Also, petition of sundry residents of Brookhaven and Patchogue, Long Island, N. Y., urging passage of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7274. By Mr. CHINDBLOM: Petition sent by Mrs. S. E. Morrow, Zion, Ill., containing signatures of 24 citizens, urging the passage of legislation providing increased pensions for Civil War survivors and widows; to the Committee on Invalid Pensions.

7275. By Mr. JOHNSON of Texas: Petition of Judge Joe Y. McNutt, of Franklin, Tex., indorsing the Tyson-Fitzgerald bill (S. 777, H. R. 500) for the retirement of disabled emergency officers; to the Committee on Rules.

7276. By Mr. KETCHAM: Petition of J. B. Buck and 21 other residents of Hastings and Freeport, Mich., protesting against the passage of House bill 78, or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

7277. By Mr. LEAVITT: Petition of numerous citizens of Lewistown, Mont., urging increases in pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7278. By Mr. LINDSAY: Petition of Italian Chamber of Commerce in New York, indorsing and recommending favorable action by Congress on House Joint Resolution 84 and Senate Joint Resolution 6, authorizing the President to proclaim October 12 as Columbus day for the observance of the anniversary of the discovery of America; to the Committee on the Judiciary.

7279. Also, petition of American Association for Labor Legislation, 131 East Twenty-third Street, New York City, urging the prompt enactment of Senate bill 3565, providing for workmen's compensation in the District of Columbia, and House bill 11027, providing for vocational rehabilitation in the District of Columbia; to the Committee on the District of Columbia.

7280. Also, petition of C. I. T. Corporation, 1 Park Avenue, New York City, urging early consideration of House bill 12730, prescribing the procedure for forfeiture of vessels under the customs, navigation, and internal revenue laws; to the Committee on the Judiciary.

7281. Also, petition of E. S. Reynolds, 111 Broadway, New York City, urging favorable vote for the Tyson bill (S. 777), unamended, as expressing views of many veterans; to the Committee on World War Veterans' Legislation.

7282. Also, petition of Mother M. Spann, superioress, Ursuline Convent, Columbia, S. C., praying for the passage of Senate bill 3863, introduced by Senator COLE BLEASE, for indemnification for the burning of the Ursuline Convent and Academy when Columbia was occupied by the Union Army in 1865; to the Committee on War Claims.

7283. Also, petition of New York State Home Economics Association, Aurora, N. Y., urging support and passage of the Reed educational bill (H. R. 12241); to the Committee on Education.

7284. By Mr. O'CONNELL: Petition of the American Association for Labor Legislation, American Federation of Labor, favoring the passage of the Blaine bill (S. 3565) providing workmen's compensation; also the Summers bill (H. R. 11027) providing vocational rehabilitation of those crippled in the District of Columbia; to the Committee on Education.

7285. Also, petition of C. I. T. Corporation, 100 Park Avenue, New York City, favoring the passage of the Bachmann bill (H. R. 12730) prescribing the procedure for forfeiture of vessels under customs, navigation, and internal revenue laws; to the Committee on the Judiciary.

7286. Also, petition of B. F. Yoakum, New York City, suggesting certain amendments to the McNary-Haugen farm relief bill; to the Committee on Agriculture.

7287. Also, petition of E. S. Reynolds, 111 Broadway, New York City, favoring the passage of the Tyson bill (S. 777) unamended; to the Committee on World War Veterans' Legislation.

7288. Also, petition of the Frontier Development Co., Buffalo, N. Y., favoring the passage of the emergency officers' retirement bill (S. 777); to the Committee on World War Veterans' Legislation.

7289. Also, petition of the Paper Cutters, Binding Machine Operators, and Embossers' Protective Union, No. 119, New York City, favoring the enactment of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7290. By Mr. QUAYLE: Petition of New York State Home Economics Association, favoring the passage of the Reed bill (H. R. 12141) for vocational education; to the Committee on World War Veterans' Legislation.

7291. Also, petition of M. Fine & Sons, of New York, favoring the passage of the Hawes-Cooper bill (H. R. 7729); to the Committee on Labor.

7292. Also, petition of Frontier Development Co., of Buffalo, N. Y., favoring the passage of the Tyson-Fitzgerald bill, for the retirement of emergency officers; to the Committee on Military Affairs.

7293. Also, petition of National Board of Tobacco Salesmen's Association, of New York City, favoring the passage of the Robinson bill (H. R. 668) to amend section 1 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

7294. Also, petition of C. I. T. Corporation of New York City, favoring the passage of the Bachmann bill (H. R. 12730) prescribing the procedure for forfeiture of vessels under the customs, navigation, and internal revenue laws; to the Committee on the Judiciary.

7295. Also, petition of American Association for Labor Legislation, of New York City, favoring the passage of the Blaine bill (S. 3565) providing workmen's compensation for private employees in the District of Columbia; to the Committee on the District of Columbia.

7296. By Mr. SINCLAIR: Letter of C. E. Cunningham, cashier of the Commercial Bank, Williston, N. Dak., against the Oddie bill; to the Committee on the Post Office and Post Roads.

7297. By Mr. WINTER: Resolution re House bill 9956, from G. R. Anderson, commander Travis Snow Post, No. 5, Torrington, Wyo.; to the Committee on Irrigation and Reclamation.

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## SENATE

### SATURDAY, *April 28, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, who comest to us in an hour when we think not and in ways we least expect, we thank Thee that Thou hast clothed Thyself in our frail form, hast consented to walk our ways, endure our sorrows, and to taste for us the bitterness of death, look with loving pity upon those who have been called to drink the cup of tears, and be unto them a refuge in this their hour of utmost need.

Breathe into our hearts, O God, by the divine alchemy of Thy grace, such spirit of devotion to our tasks that when our summons comes we may receive that blessing which Thy well-beloved Son shall pronounce to all who love and serve Thee, saying, "Come ye blessed children of my Father, receive the kingdom prepared for you from the beginning of the world." Grant this, O Father, through Jesus Christ, our Mediator and Redeemer. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fess | King | Shortridge |
| Barkley | Fletcher | La Follette | Simmons |
| Bayard | Frazier | Locher | Smoot |
| Bingham | George | McKellar | Steck |
| Black | Gerry | McNary | Steiwer |
| Blaine | Goff | Mayfield | Stephens |
| Blease | Gooding | Neely | Swanson |
| Bratton | Gould | Norbeck | Thomas |
| Broussard | Greene | Norris | Tydings |
| Bruce | Hale | Nye | Tyson |
| Capper | Harris | Oddie | Vandenberg |
| Caraway | Harrison | Overman | Wagner |
| Copeland | Hayden | Phipps | Walsh, Mass. |
| Couzens | Heflin | Pittman | Walsh, Mont. |
| Curtis | Howell | Ransdell | Warren |
| Dale | Johnson | Robinson, Ark. | Waterman |
| Deneen | Jones | Sackett | Wheeler |
| Dill | Kendrick | Schall | |
| Edge | Keyes | Sheppard | |

Mr. GERRY. I wish to announce that the junior Senator from New Jersey [Mr. EDWARDS] is necessarily detained from the Senate by reason of illness in his family.

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had adopted the following resolution (H. Res. 178):

*Resolved*, That a committee of the House be appointed to take order for superintending the funeral of Hon. MARTIN B. MADDEN in the House of Representatives at 12 o'clock meridian on Sunday, April 29, 1928, and that the House of Representatives attend the same.

*Resolved*, That as a further mark of respect the remains of Mr. MADDEN be removed from Washington to Chicago, Ill., in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk of the House communicate these proceedings to the Senate and invite the Vice President and the Senate to attend the funeral in the House of Representatives and to appoint a committee to act with the committee of the House.

*Resolved*, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the General of the Army, and the Chief of Naval Operations to attend the funeral in the Hall of the House of Representatives.

The message also announced that, pursuant to House Resolution 178, the Speaker appointed the following committee on the part of the House to superintend the funeral of the late Representative MARTIN B. MADDEN, viz: Representatives D. R. ANTHONY, Jr., Kansas; BURTON L. FRENCH, Idaho; W. W. GRIEST, Pennsylvania; FRED A. BRITTEN, Illinois; LOUIS C. CRAMTON, Michigan; EDWARD E. DENISON, Illinois; EDWARD J. KING, Illinois; GEORGE H. TINKHAM, Massachusetts; EDWARD H. WASON, New Hampshire; THOMAS S. WILLIAMS, Illinois; WILLIAM R. WOOD, Indiana; MILTON W. SHREVE, Pennsylvania; ERNEST R. ACKERMAN, New Jersey; HENRY E. BARBOUR, California; CARL R. CHINDBLOM, Illinois; L. J. DICKINSON, Iowa; GUY U. HARDY, Colorado; FRANK MURPHY, Ohio; WALTER H. NEWTON, Minnesota; JOHN W. SUMMERS, Washington; RICHARD YATES, Illinois; FRANK CLAGUE, Minnesota; M. ALFRED MICHAELSON, Illinois; ELLIOTT W. SPROUL, Illinois; ROBERT L. BACON, New York; WILLIAM P. HOLADAY, Illinois; MORTON D. HULL, Illinois; WILLIAM E. HULL, Illinois; HENRY R. RATHBONE, Illinois; FRANK R. REID, Illinois; ROBERT G. SIMMONS, Nebraska; JOHN TABER, New York; MAURICE H. THATCHER, Kentucky; GEORGE A. WELSH, Pennsylvania; CHARLES ADKINS, Illinois; JOHN C. ALLEN, Illinois; ED. M. IRWIN, Illinois; WILLIAM R. JOHNSON, Illinois; JOHN T. BUCKBEE, Illinois; HOMER W. HALL, Illinois; HENRY T. RAINEY, Illinois; ADOLPH J. SABATH, Illinois; JOSEPH W. BYRNS, Tennessee; EDWARD T. TAYLOR, Colorado; JAMES P. BUCHANAN, Texas; WILLIAM B. OLIVER, Alabama; ANTHONY J. GRIFFIN, New York; WILLIAM A. AYRES, Kansas; THOMAS W. HARRISON, Virginia; WILLIAM W. HASTINGS, Oklahoma; THOMAS H. CULLEN, New York; JOHN J. CASEY, Pennsylvania; ROSS A. COLLINS, Mississippi; STANLEY H. KUNZ, Illinois; JOHN N. SANDLIN, Louisiana; WILLIAM W. ARNOLD, Illinois; THOMAS A. DOYLE, Illinois; FRED M. VINSON, Kentucky; J. EARL MAJOR, Illinois; and JAMES T. IGOE, Illinois.

The message further announced that the House insisted upon its amendments to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, disagreed to by the Senate, agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REID of Illinois, Mr. CURRY, Mr. ROY G. FITZGERALD, Mr. WILSON of Louisiana, and Mr. DRIVER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 13331) to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 3437) to provide for the conservation of fish, and for other purposes, and it was signed by the Vice President.

FUNERAL OF THE LATE REPRESENTATIVE MADDEN

Mr. CURTIS. Mr. President, I ask the Chair to lay the resolution from the House before the Senate; and in connection with it I propose a resolution, which I send to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The Chief Clerk read House Resolution No. 178.

Mr. CURTIS. I ask unanimous consent for the adoption of the resolution which I send to the desk.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 211), as follows:

*Resolved*, That the Senate accept the invitation of the House of Representatives to attend the funeral of Hon. MARTIN B. MADDEN, late a Representative from the State of Illinois, in the House of Representatives at 12 o'clock meridian on Sunday, April 29, 1928, and that a committee of 10 Senators be appointed by the Vice President to act with the committee appointed by the House of Representatives to take order for superintending the funeral.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was unanimously agreed to; and the Vice President appointed as members of the committee on the part of the Senate Mr. DENEEN, Mr. CURTIS, Mr. ROBINSON of Arkansas, Mr. WARREN, Mr. OVERMAN, Mr. SMOOT, Mr. WALSH of Montana, Mr. MCNARY, Mr. HARRISON, and Mr. STECK.

Mr. CURTIS. I ask unanimous consent that when the Senate concludes its business to-day it shall take a recess until 11.45 to-morrow for the purpose of enabling the Senate to attend the funeral in a body, and that at the conclusion of the funeral services the Senate shall stand adjourned until Monday at 12 o'clock noon.

The VICE PRESIDENT. Is there objection to the order requested by the Senator from Kansas? The Chair hears none.

EQUITABLE USE OF WATERS OF LOWER COLORADO RIVER

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Interior, transmitting, in response to Senate Resolution 181, agreed to April 20, 1928, copies of all correspondence on file in the Bureau of Reclamation regarding the equitable use of the waters of the lower Colorado River and the Rio Grande, which, with the accompanying papers, was ordered to lie on the table.

RIKER MISSISSIPPI SPILLWAY PLAN FOR FLOOD CONTROL

The VICE PRESIDENT laid before the Senate a communication from the Chief of Engineers, War Department, reporting in response to Senate Resolution 206, agreed to April 25, 1928 (submitted by Mr. FRAZIER), relative to the Riker Mississippi spillway plan for flood control, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
*Washington, April 28, 1928.*

The PRESIDENT OF THE SENATE,
*Washington, D. C.*

SIR: Referring to the resolution passed by the Senate April 25, 1928, requesting the Chief of Engineers to report to the Senate upon the merits of the Riker Mississippi spillway plan for flood control, I attended the hearing of the Committee on Commerce on February 11, 1928, and heard Mr. Riker describe to the committee his Mississippi spillway plan for flood control. My comments thereon are printed on pages 652 and 653 of the hearings before the Committee on Commerce, United States Senate, Seventieth Congress, first session, part 3.

On April 16 I examined the model of the Riker spillway plan on exhibition in the basement of the Senate Office Building.

Flood ways for the relief of the main river below the mouth of the Arkansas are essential for flood control of the Mississippi if the maximum possible flood is to be protected against. But flood ways in the St. Francis or Yazoo Valleys are not an essential part of the plan and would result in claims for damages as lands have not been subject to overflow frequently in recent years.

The levees proposed along the Riker flood ways are in my opinion too high for safety, and the estimated cost for the whole project—$785,000,000—is too low. The low unit cost for earthwork is out of line with the experience of contractors and of the Government on work of a similar nature. The dredge proposed by him for use in building these levees is of a design that has not been proved. Drainage of the alluvial valley itself would be expensive and unsatisfactory, as most of the water would have to be pumped. The proposed dams would be expensive and uncertain in their operation. There are other matters of hydraulics and engineering, such as capacity and velocity of flow in the spillway and erosion of the bed and banks of the spillway, that are open to objection, as, for example, the natural slope of the ground from Red River to the Gulf of Mexico is very small, and a cleared flood way 3 miles wide with such a small slope will have insufficient capacity to carry the water brought to it from above, and therefore more water would be thrown down the main Mississippi River and pass New Orleans than can be carried in its channel between existing levees.

In general the plan would involve much greater costs than are necessary to a sound solution and can not be depended upon to secure the desired results.

Respectfully,

EDGAR JADWIN,
*Major General, Chief of Engineers.*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the New Jersey Annual Conference of the Methodist Episcopal Church at Atlantic City, N. J., favoring the establishment of a bureau of peace to promote the best possible relationships with all nations, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented a resolution adopted by the West End Citizens Association, of Washington, D. C., indorsing Senate bill 3107 to regulate the practice of the healing art to protect public health in the District of Columbia, which was ordered to lie on the table.

Mr. JONES presented a petition of sundry citizens of Spokane, Wash., praying for the prompt passage of Senate bill 860, the so-called McKellar-Fitzgerald bill, allowing credit to postal and substitute postal employees for time served in the Army, Navy, or Marine Corps of the United States, which was referred to the Committee on Post Offices and Post Roads.

Mr. WARREN presented resolutions adopted by the Lions Club of Casper and Saratoga, in the State of Wyoming, favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which were referred to the Committee on Irrigation and Reclamation.

Mr. FESS presented petitions numerously signed by sundry citizens of the State of Ohio, praying for the passage of the so-called Gillett resolution, being the resolution (S. Res. 139) suggesting a further exchange of views relative to the World Court, which were referred to the Committee on Foreign Relations.

Mr. LOCHER presented petitions numerously signed by sundry citizens of the State of Ohio, praying for the passage of the so-called Gillett resolution, being the resolution (S. Res. 139) suggesting a further exchange of views relative to the World Court, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution adopted by the Ashland Community Club, of Ashland, Kans., favoring the passage of the so-called Capper universal draft bill, which was referred to the Committee on Military Affairs.

Mr. WALSH of Massachusetts presented a petition of sundry members of the Woman's Interdenominational Union of Philadelphia, in annual session, April 23, 1928, authorizing the indorsement by the union, representing 52,129 members of various religious denominations throughout the United States and 23 interdenominational groups, of Senate Joint Resolution 122, providing for the reunion of families of alien declarants, and praying for its passage, which was referred to the Committee on Immigration.

He also presented telegrams signed by Miss Esther L. Anderson, general secretary Young Women's Christian Association, Springfield, Mass.; Mrs. A. J. Armstrong, president Adult Class First Unitarian Church, Erie, Pa.; and Miss Violet C. Baur, secretary League of Women Voters of Erie County, Pa., and letters from Sundry citizens of Dorchester, Mass., Detroit, Mich., and Los Angeles, Calif., all praying for the passage of Senate Joint Resolution 122, providing for the reunion of families of alien declarants, which were referred to the Committee on Immigration.

He also presented letters, in the nature of petitions, from Miss Frances C. Moore, executive secretary Young Women's Christian Association, Worcester, Mass.; Mrs. W. Spore, secre-

tary Young Women's Christian Association, Austin, Tex.; Mrs. Joel B. Davis, chairman Kensington Branch, Young Women's Christian Association, Philadelphia, Pa.; Mr. Aaron M. Lopez, executive director Jewish Welfare Society, Erie, Pa., and petitions of sundry citizens and members of the Young Women's Christian Association, Milwaukee, Wis., and Philadelphia, Pa.; the Yale Graduates' Discussion Group, New Haven, Conn., and the Woman's Center, Young Women's Christian Association, Detroit, Mich., all praying for the passage of Senate Joint Resolution 122, providing for the reunion of families of alien declarants, which were referred to the Committee on Immigration.

PERMANENT COURT OF INTERNATIONAL JUSTICE

Mr. SHORTRIDGE. Mr. President, I present a petition accompanied by a letter addressed to me from Mr. George M. Day, of the department of economics and sociology of the Occidental College, Los Angeles, Calif. The petition is signed by the members of the faculty of the college, the purport being that the United States adhere to the Court of International Justice. I move that the petition be referred to the Committee on Foreign Relations and printed in the RECORD with the names of the signers.

There being no objection, the petition and accompanying letter were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD with the signatures attached, as follows:

OCCIDENTAL COLLEGE,
*Los Angeles, Calif., April 24, 1928.*

DEAR SENATOR SHORTRIDGE: May I commend to your interest the attached petition forwarded by the members of Occidental College to you in the hope that their interest in the Gillett resolution will be shared by you.

May we respectfully request that this petition, with its complete names of signatures, be inserted in the CONGRESSIONAL RECORD, where it will undoubtedly prove of interest to the other Members of the Senate.

Respectfully,

GEORGE M. DAY,
*Department of Economics and Sociology.*

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OCCIDENTAL COLLEGE,
*Los Angeles, Calif.*

The undersigned members of the faculty of Occidental College hereby express deep interest in the adherence of the United States to the Permanent Court of International Justice and urge every member of the Foreign Relations Committee to support the following Gillett resolution:

Resolution

Whereas the Senate on January 27, 1926, by a vote of 76 to 17 gave its advice and consent to the adherence of the United States to the Permanent Court of International Justice upon certain conditions and with certain reservations; and

Whereas the signatory States in transmitting their replies reverred to "such further exchange of views as the Government of the United States may think useful": Therefore be it

*Resolved*, That the Senate of the United States respectfully suggests to the President the advisability of a further exchange of views with the signatory States in order to establish whether the differences between the United States and the signatory States can be satisfactorily adjusted.

Signers of resolution, Occidental College, Los Angeles, Calif.: Remsen D. Bird, president of the college; Thomas G. Burt, dean of the college; Irene T. Myers, dean of women; Wallace Emerson, assistant professor of education; Ernestine A. Kinney, instructor of education; Lowell J. Chawner, registrar; John Parke Young, professor of economics; Robert G. Cleland, vice president and professor of history; Julia A. Opal, director of student activities; Arthur G. Coons, assistant professor of economics; James Huntley Sinclair, professor of education; George M. Day, professor of economics and sociology; G. A. Thompson, associate professor of English; B. F. Stelter, professor of English; Wm. B. Allison, professor of Spanish; F. W. Brid, professor of political science; Wm. G. Bell, professor of French; J. Hudson Ballard, professor of religion; Ernest E. Allen, professor of mathematics; D. J. Teviotdale, instructor in economics; Hugh S. Lowther, professor of Latin; Martin J. Stormzand, professor of education; Elbert E. Chandler, professor of chemistry.

FLOOD CONTROL

Mr. FRAZIER. I present resolutions recently adopted by the board of direction of the American Society of Civil Engineers, relative to the Mississippi flood-control problem. I think the petition is very apropos at this time, the flood control bill being before the Senate and House. I ask that the resolutions be printed in the RECORD and lie on the table.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolutions regarding control of Mississippi River floods unanimously adopted by the board of direction of the American Society of Civil Engineers

Whereas the control of Mississippi River floods affects important interests other than navigation, including agriculture, railway and highway transportation, the operation of industry and business, and the water supply and sanitation of municipalities; and

Whereas many features of the proposed control and regulating works will be unprecedented in design and magnitude, and will cost much more than any works heretofore undertaken by the Federal Government; and

Whereas no representative commercial or industrial organization would undertake a task of comparable nature without the most thorough review and analysis of the character, details, and scope of the proposed plans by competent agencies independent of the personnel selected for the accomplishment of the task: Now, therefore, be it

*Resolved*, That the board of direction of the American Society of Civil Engineers—

First. Commends the President for his position in insisting upon the very important principle of local participation in the cost of protection, in proportion to the benefits derived, and in proportion to the resources and responsibilities of the interests affected;

Second. Approves the principle of placing the responsibility for construction in an executive department;

Third. Inasmuch as a great amount of flood-control work on the Mississippi River remains unfinished, which already has been approved by the Congress or is generally agreed upon as essential to any comprehensive plan, that the Congress be requested to make appropriations without delay for such work, to be constructed at once without waiting for the completion of a general plan;

Fourth. Earnestly recommends the creation of a board of at least nine disinterested engineers, chosen by the President for their outstanding training, experience, and accomplishments in hydraulic and river-control problems, and in the design, organization, and construction of large and important public works—this board to confer with the departmental officials responsible for the preparation of plans, and to make a complete review and analysis and a report to the Congress on the scope and the technical and economic features of the comprehensive plan and program;

Fifth. In view of the paucity of data, incompleteness of surveys, and lack of information necessary for solving many controversial features of the Mississippi River problems, that Congress be requested to authorize and appropriate sufficient funds for such studies, and the creation of such a board to carry on such work and to report to the next Congress.

HYDRAULIC MINING INVESTIGATIONS, CALIFORNIA (S. DOC. NO. 90)

Mr. JONES presented a letter from Maj. Gen. Edgar Jadwin, Chief of Engineers, relative to hydraulic mining investigations in the State of California, which, with the accompanying reports and data, was ordered to be printed as a document with illustrations.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 10139) for the relief of Edmund F. Hubbard, reported it without amendment and submitted a report (No. 919) thereon.

Mr. McKELLAR, from the Committee on the Library, to which was referred the bill (S. 3171) providing for a Presidents' plaza and memorial in the city of Nashville, State of Tennessee, to Andrew Jackson, James K. Polk, and Andrew Johnson, former Presidents of the United States, reported it without amendment and submitted a report (No. 920) thereon.

Mr. NYE, from the Committee on Claims, to which was referred the bill (H. R. 3029) for the relief of Vern E. Townsend, reported it without amendment and submitted a report (No. 921) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 3752) to amend section 3 of an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes," approved March 12, 1926, reported it without amendment and submitted a report (No. 922) thereon.

Mr. NORBECK, from the Committee on Pensions, to which was referred the bill (H. R. 12381) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such

soldiers and sailors, reported it with amendments and submitted a report (No. 923) thereon.

Mr. BINGHAM, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 4216) to authorize the adjustment and settlement of claims for armory drill pay (Rept. No. 924); and

A bill (S. 4235) to amend section 12 of the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes," approved July 2, 1926 (Rept. No. 925).

ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On April 27, 1928:

S. 1368. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Martha A. Hauch; and

S. 2900. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

On April 28, 1928:

S. 3437. An act to provide for the conservation of fish, and for other purposes.

DISTINGUISHED-FLYING CROSS

Mr. BINGHAM. Mr. President, from the Committee on Military Affairs I report back favorably, with amendments, the bill (S. 4218) to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut?

Mr. BLEASE. Mr. President, I object.

Mr. ROBINSON of Arkansas. Mr. President, I hope the Senator from South Carolina will not object to the consideration of the bill.

Mr. BLEASE. I am coming to the belief that this question of hero worship has gone far enough, and I do object.

Mr. BINGHAM. Mr. President, will the Senator permit me to make a brief explanation?

Mr. BLEASE. I have no objection to that.

Mr. BINGHAM. When we passed the bill with regard to the distinguished-flying cross we made no provision permitting the President to present it to any aviators except those in the Army, Navy, and Marine Corps. There was no provision made to permit us to give it to distinguished foreign aviators who might arrive in this country.

May I say to the Senator from South Carolina that whenever any of our aviators have crossed the ocean into foreign lands, either the first naval aviators to cross the north Atlantic, Commander Read and his friends, or Colonel Lindbergh, or Chamberlin, or any of the others, when they have arrived in foreign countries it has been the universal custom of the governments of those countries to give our aviators decorations? It is only a matter of common courtesy, it seems to me, that we should be permitted to do the same thing in return.

Since the law at present does not permit it, we have incorporated in the bill, reported unanimously from the Committee on Military Affairs, although the Senator from South Carolina was not present at the meeting, a provision permitting the President to give the distinguished-flying cross to the Italian, Col. Francesco de Pinedo, who made his wonderful flight last summer, and to the Frenchmen, Lieut. Commander Joseph Le Brix and Lieut. Dieudonne Costes, who were received on the floor of the Senate not very long ago, as well as to the two German aviators and the Irish aviator who are at present our guests in Washington.

In vew of the fact that this is only a matter of international comity, reciprocating the courtesies which our own aviators have received in foreign lands, I hope very much my good friend the Senator from South Carolina will be willing to withdraw his objection.

Mr. ROBINSON of Arkansas. Mr. President, I wish to make a brief statement. I trust there will be no objection to the consideration of the bill. It is a recognition of the achievements of these distinguished foreigners which I regard as peculiarly appropriate at this time. It would be, in my judgment, regrettable if the recognition contemplated by the bill should be denied. I ask the Senator from South Carolina if he will not withdraw the objection and permit the Senate to consider the bill?

Mr. BLEASE. No; I will not withdraw the objection.

Mr. ROBINSON of Arkansas. Then I give notice that when the opportune time arrives I shall move the consideration of the bill.

Mr. BLEASE. Mr. President, when this Congress favors a bill which will allow honors to our boys, which will allow our boys who went across the water and fought and who have been certified for bravery, to receive the honors due them as shown by those certificates which are now in the office of the Secretary of War, then I shall consent to the further bestowal of honors of this kind. I think before we go so far as to continually pass bills here conferring medals of honor and crosses of honor and other such things upon people of foreign governments we owe fair treatment to our boys who went abroad to fight for this country—one of whom is a Member of this body—and who have been cited for bravery; and yet Congress sits here year after year giving them no opportunity to receive their citations.

I think it is high time for the Senate and for the body at the other end of the Capitol to give recognition to the American boys who have already been cited for bravery, but who have been deprived of receiving the honors which should be conferred upon them. I think it is time for the Senate to stop the conferring of honors upon people of other nations and to look after our own American boys who have been cited for bravery and who certainly should have the honors recommended conferred upon them.

I have no objection to the bill, so far as the bill itself is concerned, but I do object to going on and on in this way, and at the same time choking off and refusing to give identical honors to American boys, and still conferring them upon foreigners. That is the reason why I object. I am willing that the American people should know my objection and my reason. I am willing to go back to my people, who have boys entitled to citations, and ask them whether they are willing to continue to confer honors upon foreigners and at the same time, after their sons have been cited for bravery, not permit them to receive the honors which have been recommended for them or to receive the recognition which their officers have said they deserve.

Mr. President, I ask permission to have inserted as a part of my remarks a message I sent to Colonel Lindbergh at Paris, France, at the time of his flight.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

COLUMBIA, S. C., *May 21, 1927.*

LINDBERGH,

*Paris, France:*

I congratulate you upon your success. Wish we had more Americans like you who trust in their own knowledge and their God for success and receive dictation from no one.

COLE L. BLEASE.

Mr. ROBINSON of Arkansas. Mr. President, I am anxious to afford to American soldiers and veterans every recognition which may be appropriately accorded them. I do feel that it would be very unfortunate to deny the recognition carried in this bill because of the failure of any Senator or Senators to present measures here appropriately recognizing the services of American soldiers and sailors.

I do not know whether it is permitted under the procedure of the Senate at this juncture to make the motion which I said a moment ago I would make. I inquire whether it is in order?

The VICE PRESIDENT. Under Rule XXVI action would have to be postponed for one day if objection was made.

Mr. ROBINSON of Arkansas. Very well. I give notice that if the Senator from South Carolina persists in his objection, I shall move, unless some other Senator makes the motion, to proceed to the consideration of the bill when it is permissible to do so. I regret that the recognition to which I believe these great aviators are entitled should be denied them for any length of time by arbitrary objection made in the Senate.

Mr. FESS. Mr. President, in my judgment there has never been any achievement more inspiring than that which some of these aviators have accomplished; and I should like to have this expression made at this time, if the Senator from South Carolina will be kind enough to withdraw his objection.

Mr. BLEASE. Mr. President, having made the point which I wished to impress on the American people as to the neglect of their own children, I will withdraw the point.

Mr. ROBINSON of Arkansas. I thank the Senator.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill which had been reported from the Committee on Military Affairs, with an amendment, to add at the end of the bill the following clauses:

That the President be, and is hereby, authorized to present the distinguished-flying cross to Col. Francesco de Pinedo in recognition of his

extraordinary achievement in making an aerial journey of 25,000 miles by flying boat in the course of which he arrived in the United States by air from Rome.

That the President be, and is hereby, authorized to present the distinguished-flying cross to Dieudonne Costes and Joseph Le Brix in recognition of their extraordinary achievement in an aerial journey of 35,000 miles in the course of which they arrived in the United States by air after making the first nonstop flight across the South Atlantic.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "To authorize the President to present the distinguished-flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph La Brix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl."

COL. CHARLES A. LINDBERGH

Mr. FESS. Mr. President, I desire to make an inquiry of the Senator from Arkansas.

The Senator from Arkansas introduced a bill in regard to Colonel Lindbergh as to striking a medal. We passed it unanimously, and it went over to the House. There another measure similar to it, I think identical, was introduced, and the House passed the House measure. Instead of acting upon our bill they sent the House joint resolution back here.

Mr. ROBINSON of Arkansas. Mr. President, to me it is inexplicable that with a bill passed unanimously through this body, the body at the other end of the Capitol would fail to take action on the Senate bill, after the Senate bill had been received by the House of Representatives, and proceed to the consideration of a House measure.

The littleness of spirit that is involved in that course can not, however, be characterized appropriately under the rules of the Senate; and I shall be glad to move the consideration of the House joint resolution if the procedure in the Senate permits that action at this time. I ask unanimous consent that the Committee on the Library be discharged from the further consideration of the House joint resolution and that the Senate proceed now to its consideration.

Mr. FESS. The committee have already acted favorably on it.

Mr. BRUCE. Mr. President, may I ask what measure this is?

Mr. ROBINSON of Arkansas. This is a House joint resolution to confer a medal on Colonel Lindbergh. The Senate had already passed a bill introduced by myself, and sent that bill to the House. The House took no action on the Senate bill, but passed a House joint resolution, which is similar, and I now ask unanimous consent for the present consideration of the House joint resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. FLETCHER. Mr. President, do I correctly understand that the Senator from Ohio has reported the joint resolution?

Mr. FESS. The joint resolution was acted upon by the committee; but the procedure of the House was so unusual that the committee asked me not to report it until I got the consent of the author of the Senate bill. We are ready to report it at any time.

Mr. ROBINSON of Arkansas. I ask, then, that the committee be discharged from the further consideration of the joint resolution and that it be put on its passage.

Mr. HEFLIN. Are the measures identical?

Mr. ROBINSON of Arkansas. No; they are not identical, but they are very similar.

Mr. FESS. Mr. President, I ask for a few moments' delay, until I can get hold of the joint resolution.

Mr. ROBINSON of Arkansas. Why not let us pass it? I ask unanimous consent that the committee be discharged from the further consideration of the House joint resolution and that the Senate proceed to its consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 192) to provide for the coinage of a medal in commemoration of the achievements of Col. Charles A. Lindbergh, which was read, as follows:

*Resolved, etc.*, That in recognition of the achievements of Col. Charles A. Lindbergh the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Col. Charles A. Lindbergh a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. For such purpose there is authorized to be appropriated the sum of $1,500.

SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor), and the appropriations used for carrying out the provisions of this section shall be reimbursed out of the proceeds of such sale.

Mr. BINGHAM. Mr. President, the House joint resolution is not as good a measure as the one which the Senator from Arkansas introduced. It seems to me that the joint resolution ought to be amended so as to conform to the measure which the Senator from Arkansas introduced and which the Senate passed. The Treasury Department, as I understand, has reported that the House joint resolution is not in as good form as was the bill presented by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I know; but I would not withhold for one hour a recognition to Colonel Lindbergh because of the obstinacy of the body at the other end of the Capitol. I do not want to be in the attitude of taking that course.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

GOLD-STAR MOTHERS

Mr. BRATTON. Mr. President, may I have the attention of the Senator from Connecticut [Mr. BINGHAM]? While we are discussing subjects of the character of those that we have been talking about, I call the attention of the Senator from Connecticut to a bill, H. R. 5494, commonly called the gold-star mothers' bill. It passed the House more than two months ago. It is still pending before the Committee on Military Affairs in the Senate. The session is drawing toward its close. I am so much interested in the passage of that bill in some appropriate form that I am prompted to ask the Senator from Connecticut what the prospects are for allowing the Senate to consider that measure at some reasonably early date.

Mr. BINGHAM. Mr. President, the bill to which the Senator refers is now before a subcommittee of which I am a member, and it would have been considered earlier had we not had a great many other matters before us. It is the intention of the subcommittee to consider the bill at an early date. I will say to the Senator that there are a good many objections to it; there are a good many amendments that have been suggested; there are people who desire to be heard, and it is our intention to have a hearing at an early date.

Mr. BRATTON. With that assurance, I shall make no further observation about that measure now, but I take occasion, while I have the floor, to say that I think legislation of that nature is sufficiently important that it must receive the attention of the committee and the Senate itself before this session of the Congress adjourns. I am sure the Senator from Connecticut will see that expedition is had in connection with the bill before the committee.

LINCOLN ELLSWORTH

Mr. COPELAND. Mr. President, I am so much in sympathy with what has been done this morning with reference to the foreign fliers and Colonel Lindbergh that I did not rise before to speak about another matter, but we have pending before us a proposal to give a medal to Lincoln Ellsworth.

Sometimes we forget our own heroes. Here is a man who went over the North Pole, and his companion was honored by his government—a foreign government—while we have done nothing. I assume, from what I am told by the Senator from Connecticut [Mr. BINGHAM]—who seems to be in charge of all honors to aviators—that there is pending, in process of formulation, a bill which will take care of Lincoln Ellsworth. Am I correct in that assumption, may I ask the Senator from Connecticut?

Mr. BINGHAM. Mr. President, the Senate Military Affairs Committee has had under consideration several bills for giving medals to American aviators for their heroic flights. At present the chairman of the committee is not here, but my recollection is that at a recent meeting of the committee it was determined to put into one bill all American aviators who were deemed deserving of the thanks of Congress; and I suggested to the Senator from New York that the name of Lincoln Ellsworth might, with propriety, be included in that omnibus bill.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Connecticut is going to object to the consideration of this bill at this time, I want to serve notice upon him that it is my intention to move to discharge the committee from the consideration of Senate bill 3919, and to proceed to its consideration.

This bill has been pending here for a long time, and is now pending on the calendar. I have received a letter which, unfortunately, I have not at hand just now, not anticipating that these matters would be raised this morning, from Commander Richard E. Byrd, whose name is well known to all Senators

and to almost every citizen of the United States as one of the greatest explorers of modern times, pointing out the fact that this recognition to Lincoln Ellsworth ought to have been accorded more promptly than it is being done.

I ask the Senator from Connecticut if he will not permit the Senate to dispose of this matter at this time?

Mr. BINGHAM. Mr. President, I hope the Senator will withdraw that request.

Mr. ROBINSON of Arkansas. I will not withdraw the request; and I intend to move at the first opportunity to discharge the committee from the consideration of the bill, and to proceed to its consideration.

Mr. BINGHAM. Mr. President, the bill to which the Senator refers is not before the committee. It is on the calendar.

Mr. ROBINSON of Arkansas. Then I shall move to proceed to the consideration of the bill on the calendar. The Senator's correction is justified.

Mr. FLETCHER. Mr. President, I think the motion is out of order.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

Mr. FLETCHER. I call for the regular order.

The VICE PRESIDENT. The motion is not in order until 1 o'clock.

Mr. ROBINSON of Arkansas. I realize that, and that the Senator from Florida and the Senator from Connecticut, by objecting, can postpone the consideration of this bill; but I give notice now that when it is in order I shall move its consideration.

Mr. FLETCHER. There is no reason for giving any notice of that sort, because it could be done anyhow; but what I wanted to say to the Senator from Arkansas is that there is a question before the Senate Military Affairs Committee as to the exact form of the honor which was intended to be bestowed.

Mr. ROBINSON of Arkansas. Why, the complete answer to that statement is that the Committee on Military Affairs has reported the bill.

Mr. BINGHAM. Mr. President, the Senator is mistaken. It was reported from the Committee on Commerce.

Mr. FLETCHER. We want, if we can, to follow some harmonious procedure here. In other words, what we are trying to do is to bestow proper recognition on these heroes, these men of great courage and fortitude and skill; but we want to make it uniform and confer the same sort of honor, the same sort of medal, the same sort of distinction, or, perhaps, the same sort of recognition, in one case as we do in others.

In some bills a medal is provided for. In other bills something else is provided for—the thanks of Congress, or a decoration, and that sort of thing. What is troubling the Committee on Military Affairs has been to make this legislation uniform. Am I not correct in that?

Mr. BINGHAM. That is correct.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. FLETCHER. Yes.

Mr. ROBINSON of Arkansas. When I proposed to have the Committee on Military Affairs discharged from the consideration of the bill, I was informed by the Senator from Connecticut that it was not necessary to do that, because the bill is on the calendar, having already been reported. Now, it appears that it has been reported from one great committee of the Senate, and that the Committee on Military Affairs has withheld action on the bill since the 5th of December, 1927, when the bill was referred to the committee.

I think it is high time that this bill should be disposed of. I do not believe that it would be adequate under the circumstances to pass an omnibus bill recognizing a great many other aviators in connection with the achievement of this very distinguished person. I have sent to my office for the letter to which I referred a few moments ago. When it reaches the Senate I shall ask to have the letter read at the clerk's desk.

This is a proposal to recognize one of the greatest achievements of modern times by a renowned American aviator. It authorizes the granting of a gold medal to Lincoln Ellsworth, the distinguished American explorer, who made a polar flight in 1925 and a transpolar flight in 1926.

I doubt if the records of modern times contain a more thrilling and interesting story than that which relates to the achievements of Lincoln Ellsworth. Through storms and the unvoyaged currents of the air, in company with distinguished foreign aviators, after he had been unable to secure financial support and assistance from his own country and the people of his own country, he succeeded in this polar flight.

Lincoln Ellsworth is a modest man, who has never rushed into the public press as a means of exploiting his triumphs. He has never sought any recognition here or elsewhere. He has been content to remain in practical obscurity.

When men like Commander Byrd feel aggrieved at the failure of the Congress to volunteer appropriate and admittedly deserved recognition to brave, daring men like Lincoln Ellsworth, if we are going to pursue or continue the policy of conferring special medals on men who perform extraordinary achievements, we ought to do this, and we ought to do it without delay.

We do not have to discharge the committee, because the committee—one of the great committees of the Senate—has reported favorably, and I have heard it said by some who now stand in the way of the passage of this bill that the bill should not pass because Lincoln Ellsworth braved the perils of the polar storms in company with foreign aviators. This morning I appealed to the Senate to authorize the President to confer a medal on a group of foreign aviators. Objection was temporarily made because we should first recognize men like Lincoln Ellsworth.

For four months this bill has been in the pigeonholes of the Committee on Military Affairs.

Mr. BINGHAM. Mr. President, will the Senator permit me to interrupt him?

Mr. ROBINSON of Arkansas. I yield.

Mr. BINGHAM. The Senator is mistaken. The bill was never referred to the Committee on Military Affairs. The Senator has it mixed up with some other bill; I do not know what measure. The bill originated in the Committee on Commerce and was very properly reported by that committee. It was never pigeonholed anywhere. It has been on the calendar for some time. The Committee on Military Affairs has never had anything to do with it.

Mr. ROBINSON of Arkansas. I thought I was following the correction the Senator from Connecticut made during an early period of my remarks.

Mr. BINGHAM. Will the Senator yield at that point?

Mr. ROBINSON of Arkansas. If the bill has been reported by a committee, and the jurisdiction of the committee has not been challenged, I do not know why we should wait for another committee, to which the bill has not been referred, according to the statement of the Senator from Connecticut, to take some action, which it may or may not take, merely because the Senator from Connecticut is on that committee. What jurisdiction has the Military Affairs Committee of this bill if the bill has never been referred to it? And why should the Military Affairs Committee insist on preventing action upon it?

Mr. WARREN. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Arkansas. I yield, of course.

Mr. WARREN. I never heard of the bill in the Committee on Military Affairs, as far as I am concerned; so I judge it never has been before the committee. I wish to say that I shall support the measure which the Senator from Arkansas apparently proposes now to bring up.

Mr. ROBINSON of Arkansas. I thank the Senator from Wyoming. He displays his usual spirit of good will, fairness, and frankness.

Mr. COPELAND. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. COPELAND. I hope there will be no question about the passage of this bill. I want to say to the Senator from Arkansas that the bill was reported at the last session of Congress, and was on the calendar. Then it was considered again by the Committee on Commerce, and, in deference to the Senator from Connecticut, certain changes were made in the bill. There is no reason in the world why the bill should not be acted on at to-day's session.

Mr. ROBINSON of Arkansas. Mr. President, we have gone out of our way this morning, properly, as I insisted, to recognize by medal the services and achievements of foreign aviators.

Mr. MAYFIELD. Mr. President, if the Senator will yield, speaking about measures being referred to the Committee on Military Affairs, I direct attention to the fact that the measure known as the gold-star mothers' measure, which passed the House some time ago, providing for a pilgrimage to the battle fields of France of the mothers of American soldiers who gave up their lives in France, has been referred to a subcommittee of the Committee on Military Affairs, and I understand that it is impossible to get a hearing on it.

Mr. ROBINSON of Arkansas. Mr. President, we have a most amazing situation here. The bill of which I am speaking was introduced in the Senate by the Senator from New York [Mr. COPELAND], referred to the Committee on Commerce, and by that committee favorably reported. No member of the Committee on Military Affairs, or any other Senator, ever raised

any question as to the jurisdiction of the Committee on Commerce.

As I understand it, the Committee on Military Affairs neither took nor attempted to take any action. The bill is on the calendar; it is not before the Committee on Military Affairs. A motion will be required to refer it to that committee, to give the Military Affairs Committee the right even to consider the bill. That motion has not been made, and it is not proposed to be made now.

I feel justified in taking the position that if the Congress is to confer this honor, it ought to do it graciously. A perusal of the letter from Commander Byrd, to which I have referred and which I shall presently ask to have read to the Senate, will disclose just how little it is for us, while conferring medals on renowned foreign aviators, to deny a medal to an American, whose achievement was unparalleled in the history of the United States, merely because he was compelled to take flight in a foreign machine and to associate himself with foreign aviators.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BRATTON. The bill has received action by the Committee on Commerce and never has been referred to the Committee on Military Affairs.

Mr. ROBINSON of Arkansas. That is true.

Mr. BRATTON. May I inquire of the Senator in what way the Committee on Military Affairs, or any member of that committee, is now attempting to preclude action on the bill?

Mr. ROBINSON of Arkansas. By objecting to the consideration of this bill and forcing me to make the motion I am going to make just as soon as the opportunity arises.

Mr. President, I now ask that there be read to the Senate the letter from Commander Byrd to which I have referred.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

BYRD ANTARCTIC EXPEDITION,
*Boston, Mass., April 2, 1928.*

Senator JOSEPH T. ROBINSON,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: Here is the information concerning Lincoln Ellsworth:

It gives me much pleasure to send it to you, and I trust it will be of some value.

Lincoln Ellsworth has always been an idealist and a dreamer. Even as a youngster he dreamed of exploring. His mind turned to the Arctic.

His first chance came in 1913 when George Borup selected him as the third member, along with McMillan, of the original Crocker Land expedition, but lost his chance to go when Borup was drowned a few weeks before the expedition was due to start.

Previous to meeting Borup, Ellsworth was connected for five years with the Grand Trunk Pacific Railway as an engineer on most of their exploration surveys looking for a route across the continent.

When Ellsworth learned that Peary advocated the use of airplanes for exploration in the Arctic he obtained an introduction to him from Henry Fairfield Osborne. He went over the matter with Peary and was most anxious to go into the Arctic with airplanes, but his father opposed his going and Ellsworth had no money himself.

He then went to see Gilbert Grosvenor, of the National Geographic Society, about the project; but, without funds and without any previous experience, it was impossible for him to get backing.

This did not discourage him. In 1916 he went to the Curtiss Aviation School at Norfolk to try to learn aviation. He waited a week there to try to get training, but without success.

There were countless people ahead of him. He then attempted to secure his father's aid to buy the ice steamer *Carluk* and join Stefansson. Henry Fairfield Osborne repeatedly interceded with Mr. Ellsworth for his son, but without success. The affair kept dragging until Stefansson had to go to Canada for the necessary aid to carry through his expedition.

Before the war, early in 1917, Ellsworth joined the ambulance service and sailed for France. There he made a great effort to get into the Franco-American Flying Corps, but was told by Doctor Gros, medical officer of the organization, that, though he was physically fit, he was 14 years beyond the age limit for pilots. He was then 37.

While in Paris he received an urgent letter from Henry Fairfield Osborne saying that he had just lunched with Amundsen and that he—Amundsen—was going to "steal Ellsworth's thunder," as he was planning to fly across the Arctic.

Shortly after this Amundsen himself came to Paris. Ellsworth wanted to join his Arctic ship the *Maude*, but Amundsen said the personnel was all made up.

Shortly afterwards America joined the war. As he was too old to pilot, Ellsworth filled out his papers to be an airplane observer, took his physical test, passed, and was enlisted in the American Army as a second-class private.

There was no observation training school in France. He was sent to Tours and, in spite of the regulation about age, was started in as a pilot with the French. He learned to "solo" and received from the French his one wing badge in recognition of it.

On account of his age, he was not given a fair show as a pilot, and, fearing that he would never get over the line, he again requested duty as an airplane observer.

He was then taken down with flu-pneumonia and was quite ill.

He still persisted, however, in his desire to go to an observation school, but as there was no such school in France, he had to be sent back to the States. He had no more than filled out his papers when the armistice took place.

The pneumonia left him incapacitated for almost three years and he had two relapses of pleurisy.

In 1924, not having been able to get sufficient backing to go into the Arctic, he organized the Ellsworth expedition to Peru, and together, with Dr. Joseph T. Singewald, jr.—under the auspices of the Johns Hopkins University—he ran the first complete geologic cross section of the Andes through central Peru.

During all these years Ellsworth never gave up his great desire to go into the Arctic, and he continued to make every effort possible to obtain backing in America, but without success. It seems to me that this has a very important bearing on his final tie-up with a foreign expedition.

Later he was for three years a field assistant of the United States Biological Survey which contributed both to the National and American Museum of Natural History.

At the end of that time he returned from his duties in South America and was about to start back again to continue his work in the Andes, when he learned that Amundsen was in America. Here he felt was an opportunity to get into exploration work in the Arctic.

He called on Amundsen at the Waldorf and convinced him of his great desire to go into the Arctic. Amundsen himself had also been disappointed in raising money for his air flight, and had brought with him all of his belongings as he intended to go to Wainright and to live there indefinitely unless he could raise some money.

Hoping that the expedition could be organized in America and that it could fly the American flag exclusively, Ellsworth made a determined effort to raise some funds. He went to Washington and interviewed a number of people, but was unable to interest anyone.

After considerable effort to raise money, Amundsen and Ellsworth found that the only people interested enough to help was the Norwegian Aero Club.

When Ellsworth's father found that he was determined to go into the Arctic to explore, and that he would probably try to get up there "whether or no," he decided to help the expedition. Ellsworth was an only son, and his father's desire to keep him from the dangers of flying in the Arctic had only been natural.

On May 20, 1925, the Amundsen-Ellsworth North Pole flight started from Kings Bay, Spitzbergen. Ellsworth had command of and navigated one of the planes and Amundsen had command of the other plane. All went well with the expedition until they met fog and then, through no fault of their own, they got lost, but managed to land on the polar sea without injuring any of the personnel and without breaking up the planes. Subsequently, however, one of the planes was lost in an ice jam and the remaining personnel of six had to depend upon the one plane to get back to civilization.

They had landed on the polar sea at latitude 87° 44′ north, 136 miles from the North Pole. It was a colossal task for those six men to level down one of the ice fields so that they could take off with the plane. It took 25 days of superhuman effort to do this, and during that time the Norwegian and American flags waved side by side.

Finally, on the twenty-fifth day, the crew of six just managed to get off the snow, almost hitting a hunk of ice as they got into the air, and they got back safely to Spitzbergen and were picked up by a whaling steamer and brought back to civilization. Their plane, the *N-25*, was afterwards salvaged and is still flying.

This is one of the greatest epics of adventure in all history, the expedition traversing areas on the polar sea never before explored.

Amundsen and Ellsworth then decided that, due to the hazards of a forced landing on the polar sea, it would be better to attempt to reach the pole by airship. They still were unable to get backing in the United States. The Norwegian Aero Club agreed to back them and since the only suitable airship within the means of the expedition that was available was in Italy, they went to that country to purchase the airship.

The airship was named the *Norge*, and out of courtesy to Nobile, the designer of the ship and its navigator, the organization was called the Amundsen-Ellsworth-Nobile expedition.

The expedition reached Kings Bay, Spitzbergen, the first part of May, 1926, and at 8.55 a. m. on the 11th of May set out for Alaska. The airship reached the North Pole at 11.30 a. m. May 12, and Ellsworth dropped the American flag. They then continued on across the polar sea to Point Barrow, Alaska, and until they got within sight of

Point Barrow every bit of the way from the pole was over unexplored areas, a total distance of 1,200 miles.

This is one of the greatest pieces of exploration in all history and one of the greatest flights on record.

The distance they had traveled across the Arctic Ocean from Spitzbergen to Point Barrow was 1,950 miles. They reached Point Barrow at 6.50 p. m., Greenwich meridian time, on May 13, 1926, 46 hours 45 minutes after leaving Kings Bay.

After reaching Point Barrow the expedition continued on to Tellier, Alaska, reaching there about 8 a. m., Greenwich time, May 14, after having been in the air 71 hours, having bisected a million miles of unknown arctic regions by a trail approximately 100 miles in width, except where fog obstructed the view.

This expedition would not have been possible without the initiative and help of Lincoln Ellsworth. His was a very great accomplishment and has earned him a place in history.

He has received scant recognition for his magnificent contribution to science, and I feel very keenly that our Government should give this splendid American some recognition.

His success was the result of long endeavor and years of preparation, and it seems a pity that our country has given him so little credit.

It is interesting to note that so great did the Italians consider the achievement of this expedition that the Italian Government promoted Nobile from colonel to general and made him military head of the air department to which he belonged.

Faithfully yours,

R. E. BYRD.

Mr. ROBINSON of Arkansas. Mr. President, the hour of 1 o'clock having arrived, I desire to submit a motion that the Senate proceed to the consideration of the bill (S. 3919) awarding a gold medal to Lincoln Ellsworth.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. HEFLIN. Mr. President, before the Senator proceeds will he let me call up a bill?

Mr. ROBINSON of Arkansas. I yield to the Senator from Alabama if it will not lead to any discussion.

Mr. HEFLIN. I ask unanimous consent for the present consideration of Calendar No. 866, being the bill (S. 3845) to prohibit predictions with respect to cotton or grain prices in any report, bulletin, or other publication issued by any department or other establishment in the executive branch of the Government.

Mr. McNARY. Mr. President, a parliamentary inquiry.

Mr. HEFLIN. I am going to be away from the Senate for two or three days, and I am very anxious to get the bill passed and over to the House, so they can get to work on it there.

The VICE PRESIDENT. The Senator from Oregon will state his parliamentary inquiry.

Mr. McNARY. Under what order are we proceeding? How far have we proceeded with morning business?

The VICE PRESIDENT. Reports of committees were called for, but, the hour of 1 o'clock having arrived, the motion submitted by the Senator from Arkansas was in order.

Mr. McNARY. This despite the fact that morning business has not been concluded?

The VICE PRESIDENT. Yes.

Mr. HEFLIN. The Senator from Arkansas had already moved to take up his bill when I asked him to yield to me, and then we got into this discussion.

Mr. McNARY. For what purpose did the Senator yield?

Mr. HEFLIN. To enable me to call up Calendar 866, Senate bill 3845.

Mr. McNARY. May we have the bill read?

The VICE PRESIDENT. The bill will be read.

The Chief Clerk read the bill by title.

Mr. HEFLIN. The word "grain" has been stricken out of the bill.

Mr. BINGHAM. Mr. President, are we not considering the other bill? I inquire because, on behalf of the Senator from Rhode Island [Mr. METCALF], I shall have to object to the request of the Senator from Alabama.

Mr. ROBINSON of Arkansas. I yielded to the Senator from Alabama to enable him to call up his bill.

Mr. HEFLIN. I want to make this request in the open. I am going to continue to make it in the open. I am preparing a speech upon the subject, and I want those who are interposing objections to the bill to know that I am going to discuss it and give their names. I have their names here in the RECORD, and I am going to give the reasons why some of them are objecting.

Mr. NORBECK. Mr. President, if the Senator from Alabama will refrain from making a speech, I will vote for his bill. [Laughter.]

Mr. HEFLIN. Mr. President, the Senator from Arkansas yielded to me to call up the bill by unanimous consent. If he would permit me to move its consideration——

Mr. ROBINSON of Arkansas. Objection having been made, it is not in order to proceed with the discussion of the Senator's bill at this time. The Senator from Alabama, of course, understands that. Objection was made in behalf of a Senator who is absent.

The VICE PRESIDENT. Objection is made to the request of the Senator from Alabama. The Senator from Arkansas is entitled to the floor.

Mr. ROBINSON of Arkansas. Mr. President, I merely wish to take a moment or two. As I said, the hour of 1 o'clock having arrived, I have submitted the motion, it has been agreed to, and the bill is now before the Senate. I merely wish to point out to the Senate that not only has another committee of the Senate than the Committee on Military Affairs reported the bill or a similar bill, and that the Committee on Military Affairs has never sought jurisdiction of it, but there is, in fact, no reason why the Committee on Military Affairs should assume to direct the legislation. It was a commercial achievement, in no sense a military achievement, and no reason occurs to my mind why the Senator from Connecticut, who speaks for the Military Affairs Committee and frequently controls its action, should assume to object to the consideration of the bill.

Mr. SWANSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. SWANSON. Mr. President, I want to appeal to the Senator from Connecticut not to oppose the bill. The only difference of opinion seems to be whether Lincoln Ellsworth shall have a vote of thanks by Congress or shall have a gold medal. The important thing is to determine whether the man has done something to deserve a vote of thanks by Congress or a gold medal. If he has done it, I am not going to begrudge giving him anything he should have. I believe we should be generous and give him a medal so he may transmit it to his family.

I did not know anything about this matter until Commander Byrd discussed it with me. This man has received no recognition and has been shown less appreciation than anyone else connected with these wonderful achievements. It does seem to me, after this long delay, and considering the heroic achievements involved, that the Senator from Connecticut should withdraw his objection and let us unanimously pass the bill to reward this act of heroism combined with years of hard work and toil.

Mr. BINGHAM. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Connecticut.

Mr. BINGHAM. The Senator from Arkansas has placed a construction on my opposition to the bill that is not fair. I never objected to it because it was referred to the Committee on Commerce. Indeed, that was the committee to which it should have been referred. I should have liked to have had a hearing before that committee, but due to some misunderstanding that privilege was not accorded me. However, that has nothing whatsoever to do with my objection to it.

Mr. ROBINSON of Arkansas. Will the Senator allow me to ask him a question?

Mr. BINGHAM. So many statements have been made as to the basis of my objection to this measure being the committee to which the bill was referred, that I think, in fairness, I ought to be allowed to state that that has nothing whatsoever to do with it at all. The only reason why I mentioned to the Committee on Military Affairs this morning was the debate had in that committee when the Senator from Iowa [Mr. BROOKHART] introduced a bill a few days ago to give the congressional medal of honor to one of the trans-Atlantic flyers, I think, Mr. Chamberlin. That bill is before the Committee on Military Affairs. We considered the subject of what was the right thing to be done for our trans-Atlantic and transoceanic flyers in order to give them that recognition which everybody wants to see them have.

I am sure that no one will accuse me of wanting to see an aviator get any less than his due. Indeed, I have repeatedly asked that measures be passed to give aviators their due, and only day before yesterday I introduced an amendment to the bill giving the German flyers the distinguished flying cross so as to provide for other aviators who had crossed the ocean from Europe.

My objection to the pending bill has nothing whatever to do with any such petty technicalities as the Senator from Arkansas seems to imply. When I may secure the floor in my own right I desire to make a statement in regard to my opposition to

giving a gold medal to that very distinguished American explorer, whom I admire, against whom I hold nothing at all, Mr. Lincoln Ellsworth. When the Senator from Arkansas will let me have the floor for that purpose I shall be glad to state my objections, which are in no way personal or based on any action of any committee to which it was referred or anything which the Military Affairs Committee now has before it.

Mr. ROBINSON of Arkansas. The Senator has complained that the Committee on Commerce denied him the opportunity of a hearing. I ask if he requested the Committee on Commerce for a hearing on the bill before the committee had reported it?

Mr. BINGHAM. I spoke to the chairman of the committee last year when the matter was up. The chairman of the committee knew I was interested in it. The committee held no hearings on it that I was aware of and I knew nothing about the action until the bill was reported. Then I asked that the bill might go back to the committee so I could be heard. But that has nothing to do whatever with my objection to the bill. At the same time I wish I might have had the opportunity of presenting to the committee the facts which I shall present to the Senate when I secure the floor in my own right.

Mr. ROBINSON of Arkansas. The Senator may present them now if he desires to do so. I wanted to conclude my own statement, however. I have shown that it is not a matter for the Military Affairs Committee. Even if it had not already been decided by the Committee on Commerce, the Military Affairs Committee would not have jurisdiction. That was prompted by the statement of the Senator from Connecticut that the Military Affairs Committee was preparing a bill or contemplated preparing a bill which would take care of a number of aviators in an omnibus measure.

I do not understand yet the ground of opposition which the Senator asserts to the bill. If it is on the theory that the bill provides for a gold medal, and he would like to do something else, I would not consent to that change now, for it would imply that Lincoln Ellsworth is not worthy of the recognition which this bill seeks to confer on him. I think, in accordance with Commander Byrd, that his achievement was one of the most daring, courageous, brilliant, and renowned recorded in modern history.

I regret that the Senator from Connecticut, who was willing to confer a medal on foreign aviators, whose achievements may or may not be compared with that of Lincoln Ellsworth, and whom I supported just a few moments ago with all the ardor that I could, finds some mysterious reason, which requires an address on his part to explain, for opposing the passage of this bill.

I desire to ask that the report of the committee on the bill be incorporated in the RECORD in connection with my remarks. It will disclose, as also does the letter of Commander Byrd, how great, how brilliant was this unrewarded and unrecognized triumph of Lincoln Ellsworth.

The VICE PRESIDENT. Without objection, it is so ordered. The report is as follows:

[Senate Report No. 831, Seventieth Congress, first session]

A MEDAL OF HONOR TO LINCOLN ELLSWORTH

Mr. COPELAND, from the Committee on Commerce, submitted the following report (to accompany S. 3919):

The Committee on Commerce, to whom was referred the bill, presents the following report recommending the passage of S. 3919.

The purpose of this bill is to indicate to Lincoln Ellsworth the appreciation of the American people for his conspicuous courage, sagacity, and perservance, shown in his famous polar flight of 1925 and the transpolar flight of 1926.

By request of the committee, Mr. Harold T. Clark, a personal friend of Lincoln Ellsworth, was requested to present a memorandum regarding Mr. Ellsworth and his contribution to the cause of exploration and the advancement of American commerce. His letter is printed herewith and the memorandum follows:

"Lincoln Ellsworth, civil engineer and explorer, was born in Chicago, Ill., May 12, 1880, the son of James William and Eva (Butler) Ellsworth.

"On both his father's and mother's sides his ancestors have been Americans for many generations, there being numbered among them some of the leading figures in the early history of New England. When the Western Reserve was opened in Ohio several representatives of the line were among the early settlers.

"Mr. Ellsworth was educated at the Hill School, Pottstown, Pa., and in the School of Mines and Engineering at Columbia University.

"Fascinated in early youth by the exhibits of northern life, sledges, skiis, and other gear of Arctic and Antarctic expeditions on view in the American Museum of Natural History in New York City, he became an omnivorous reader of all stories and accounts of those who had ventured into the frozen wastes of the world and carefully traced the progress of their expeditions on the relief maps which are on the walls of the museum. It was then he resolved to explore the Arctic unknown. Nansen's Farthest North played an important part in leading to this determination. After two years of special courses in the engineering school of Columbia University he worked as axman and chainman for the Grand Trunk Pacific surveys in Ontario and Saskatchewan, this being the work nearest in keeping with his ambitions he could then secure.

"When this work was completed he spent three months as a leveler and making underground surveys in Pennsylvania coal mines, then followed a year when he was assistant engineer on surveys for the Kougarock Mining Co. of Nome, Alaska. Returning to Pennsylvania from Alaska, Lincoln Ellsworth built 180 coke ovens in five months for a mining company. The lure of the open and his ambition for exploration, however, predominated, and he was successively transit man of the Grand Trunk Pacific exploratory survey, mountain division, which laid the line from Edmonton west to Yellowhead Pass, Alberta; transit man on location of the location survey of Coeur d'Alene Mountains, Wash.; resident engineer in charge of party on topographical and town-site work in Prince Rupert, British Columbia; and transit man and resident engineer on double-track construction for the Canadian Pacific Railway in Ontario.

"During these years he was continually seeking an opportunity to organize his own or to become a part of an Arctic expedition. Finally he was chosen, wholly because of his personal qualifications, the third member of the Crocker Land polar expedition organized by George Borup. The time before the scheduled start of this quest Mr. Ellsworth profitably spent studying astronomical observation under the auspices of the American Museum of Natural History, meteorology with the United States Coast and Geodetic Survey, and further took instruction in geographical surveying at the Royal Geographic Society in London. The project, however, was doomed when Mr. Borup was accidentally drowned soon before the proposed start.

"Following this disappointment Lincoln Ellsworth accepted the post of field assistant of the United States Biological Survey and for three years studied the animal distribution of North America and collected specimens from Mexico to Alaska. In the meantime no stone was left upturned in his effort to become an Arctic explorer. Dr. Henry Fairfield Osborn, of the American Museum of Natural History, for years made every effort to place him with an expedition and to get backers for an Ellsworth Arctic expedition, all to no avail. Officers of the National Geographic Society of America were appealed to and Ellsworth had a conference with Peary at which, among other things, the feasibility of using airplanes in Arctic exploration was discussed. Nothing materialized for no one could be found to finance such an expedition.

"Early in 1917, before the entrance of the United States in the World War, Ellsworth joined the ambulance service and sailed for France. There he made a great effort to get into the Franco-American Flying Corps, but was told by Doctor Gros, medical officer of the organization, that, though he was physically fit, he was 14 years beyond the age limit for pilots. He was then 37.

"While in Paris he received an urgent letter from Dr. Henry Fairfield Osborn, saying that he had just lunched with Amundsen and that he, Amundsen, was going to 'steal Ellsworth's thunder,' as he was planning to fly across the Arctic.

"Shortly after this Amundsen himself came to Paris. Ellsworth wanted to join the *Maud*, but Amundsen said the personnel was all made up.

"Shortly afterwards America joined the war. As he was too old to pilot, Ellsworth filled out his papers to be an observer, took his physical test, passed, and was enlisted in the American Army as a second-class private.

"There was no observation training school in France. He was sent to Tours, and, in spite of the regulation about age, was started in as a pilot with the French. He learned to 'solo' and received from the French his one-wing badge in recognition of it.

"On account of his age he had trouble in being sent to the front as a pilot, and fearing that he might never get over the line he again requested duty as an airplane observer.

"He was then taken down with flu-pneumonia and was quite ill.

"He still persisted, however, in his desire to go to an observation school, but as there was no such school in France, he had to be sent back to the States. He had no more than filled out his papers when the armistice took place.

"The pneumonia left him incapacitated for almost three years and he had two relapses of pleurisy.

"After the war, with still no apparent opportunity to go 'North,' he went in 1924 as coleader of the Ellsworth expedition of Johns Hopkins University with Dr. Joseph T. Singewald, jr., and made the first geological survey of the Andes Mountains in Peru. After returning to New York and while preparing to again go to South America he saw in the paper that Amundsen was in New York and came into touch with him. They agreed to join forces, with their object an exploratory trip across the polar sea which then consisted of 1,000,000 square miles of unknown.

"Ellsworth had but $25,000. His father was continually discouraging his ambition for polar exploration and literally offered him castles,

villas, a life of ease, and all the comforts offered by the arts and culture of the centuries of the world's civilization. However, his purpose never wavered, and at last his father was persuaded to contribute $85,000 to an Amundsen-Ellsworth expedition.

This was but enough for two airplanes, and the original plan was to fly from Spitzbergen to the pole with these; land, refuel one from the other, which was to be abandoned, and go on to Alaska. Every effort was made to get American backing and sponsorship for the flight, but no money or interest could be aroused. Ellsworth made an attempt to borrow parachutes, instruments, and equipment from the Government at Washington; but, although members of the Air Service were interested, he was informed that no help could be given except by act of Congress, and that it seemed impossible to secure such action. At last the Aero Club of Norway was appealed to, and they agreed to sponsor the trip, but only if it was agreed to make of it a reconnoitering expedition as far as the pole. It was necessary for Amundsen and Ellsworth to accept these terms.

On the Amundsen-Ellsworth expedition in 1925 Ellsworth navigated one plane and Amundsen the other. These flew from Spitzbergen to a point 136 miles from the North Pole, where they landed and spent 25 days. It was then found necessary to abandon one of the planes. The six men on the expedition then returned to Spitzbergen after a very narrow escape. While the party was still caught on the ice Ellsworth saved Dietrichsen and Omdal, two members of the expedition, from drowning. A brief account of this appears in the extract from Boy's Life for March, 1928, hereto attached.

In describing this incident, on page 248 of Our Polar Flight, Dietrichsen wrote:

"We had both had a narrow escape and we have to thank Ellsworth's self-possession and quickness that we escaped with our lives. The honor which he received later—the gold medal for bravery—pleased Omdal and myself as much as it pleased him. It was well earned."

In his first public lecture about this airplane expedition in the National Theater at Oslo, August 14, 1925, before the King and Queen of Norway and the American minister, Amundsen paid a glowing tribute to Ellsworth and stated that "when he saved Dietrichsen and Omdal from drowning he saved the whole expedition, and he, therefore, deeply appreciated the King's act in conferring on Ellsworth the gold medal for the saving of life."

This airplane expedition of 1925 was intended as a reconnoitering expedition in preparation for the transpolar flight which took place in 1926. The scientific results of both of these expeditions are well set forth in the report hereunto attached.

In preparation for the transpolar flight a most careful study had been made of available airships. Because of the stormy conditions which might prevail in the Arctic and which were in fact encountered over Alaska, where the *Norge* battled a 75-mile gale for 31 hours, it was decided that the most desirable type of airship would be a semirigid one. The United States did not have a dirigible of this type. The *Shenandoah* was a rigid one and as subsequent events so tragically proved was not suitable for such an expedition. The only airship in the world which seemed to meet the needs was the one belonging to Italy, which was only about half the size of the *Shenandoah* and was semirigid. This airship was purchased and renamed the *Norge*.

In an article by Captain Amundsen in the New York Times for Sunday, March 14, 1926, entitled "The coming polar flight," he wrote as follows:

"That is our main purpose—to find land. If it is found, it will be priceless. No matter how small it may be, a bit of land that blooms in the summer as does Alaska would be an invaluable connecting link between America and Europe and Asia. It is only 2,000 miles from Alaska to Spitzbergen, not farther than Alcock and Brown flew on their transatlantic flight. Consider what a stopping place in the middle would have meant to those aviators. It would make possible commercial air lines that would greatly reduce distances between Europe and Asia. Some day commercial aviation will travel routes across the pole—there is no doubt of that—and this land would then be a way station. And it would have a strategic value that can not be measured in money.

"The Amundsen-Ellsworth expedition expects to fly in a dirigible from Spitzbergen to Point Barrow, Alaska. That will take us in almost a straight line across the pole and through the center of the unexplored part of the area in the polar sea.

"We have only one objective in view. That is to get to Point Barrow, and, of course, to do all that is possible on the way in exploration. If we have time, we will circle about any interesting thing that we wish to examine carefully. We may chart out a much larger part of the unexplored region than we could do in a straight flight. But the main purpose is to get across. Only the best men have been selected. We are taking only those who are expert in their respective fields.

"Lincoln Ellsworth and I will be the leaders. We will work, however, more as a team of specialists.

"He—Lincoln Ellsworth—has been a tower of strength to us, and he is an explorer of resources, courage, and ability."

In My Life as an Explorer, at page 136, Amundsen wrote:

"I intended that the *Norge* expedition should be primarily a Norwegian-American enterprise, as I had planned it a year before. * * * Ellsworth and I have been congenial companions in dangers and achievement. I was delighted to share the national honors with my beloved American friend. * * * The expedition was Ellsworth's and mine. It was our idea."

At the American Embassy in Oslo, Norway, on April 10, Minister Swenson handed to Lincoln Ellsworth, on behalf of the President of the United States, an American flag to be dropped at the North Pole, in the acceptance of which Mr. Ellsworth responded:

"Mr. Minister, I am deeply conscious of the significance of this occasion. I am proud to be an American, prouder to-day than I have ever been in my life, because I have been intrusted by my President to carry the flag of my country to the North Pole, to be left there together with those of Norway and Italy, in commemoration of the transpolar flight by the three nations who participated. Through the ages to come, Mr. Minister, may the significance of those three flags, lying entwined together in the bleak arctic waste, ever remain as a symbol between the nations who left them, because the spirit in which they were planted was one of devotion to a common ideal, 'to seek, to find, and not to yield,' in an effort to add to man's knowledge concerning the planet on which he lives.

"The significance of this occasion is deep with another meaning also which can not be overlooked. We are upon the threshold of a new era in exploration—it is a milestone in the progress of civilization. For almost 400 years the Arctic has zealously guarded her secrets against man's invasion. But man will ever persist until the last secret is won. What they may eventually be worth in sheer dollars and cents no one can foretell, but the nations who have paid the price with their manhood to learn them, will not have paid in vain, for there is a gain in 'going exploring.' The work in hand imperiously and ruthlessly demands many of the best gifts of manhood, both of body and mind. It tempers the will for the conquests of difficulties, it is a school in manliness. But beyond that, driving man forward on the path of evolution is its greatest illusion—its complete devotion to an idea. Out of man's passionate curiosity as to the ways of nature has come this civilization we live in. Man peering into space, looking in every direction and striving to understand, is the creator and the builder."

An interesting editorial appears in Boy's Life for April, 1928. It is as follows:

[From editorial page of Boy's Life, April, 1928]

LINCOLN ELLSWORTH

"Lincoln Ellsworth's manhood has been the fulfillment of boyhood dreams. If for no other reason his place is secure in the heart of American boys in whom the pioneer instinct and the desire for worthwhile adventure runs strong. But his accomplishments, even in the day of adventure by land and sea and air, make him stand out as a giant. He was the last man to see the buffalo in its wild state, he explored the Andes, he spent years in the high Rockies of America and Canada. But through all of this the lure of the Arctic, which fired his imagination as a boy, was calling to him. His answer to that challenge is a story that will live as long as men and boys honor the courage, fortitude, daring, and imagination that spurred the pioneer and explorer to penetrate the unknown, to tame the wilderness, and seek knowledge at any cost."

The committee desires to call attention to the speech of Congressman ROY O. WOODRUFF, of Michigan, delivered in the House of Representatives on Friday, the 25th of February, 1927. In this Mr. WOODRUFF outlines the accomplishments and significance of the Byrd Arctic expedition and the Amundsen-Ellsworth-Nobile expedition. He points out the major geographic and navigational achievements of the Amundsen-Ellsworth-Nobile expedition. These men contributed valuable astronomic observations and reductions, magnetic observations and reductions. Valuable meteorologic and climatologic data were gathered as well as data regarding polar glaciology. The zoological and botanical observations, the use of the radio, advancement of aeronautics, and valuable engineering conclusions are other products of this venture.

In a letter to Senator COPELAND, Commander Byrd said: "I want to tell you again how deeply we all appreciate what you are doing for Lincoln Ellsworth." This brave pioneer has urged that Congress honor Ellsworth in the manner proposed.

The director of the American Geographical Society, under date of April 10, wrote to Senator COPELAND as follows:

AMERICAN GEOGRAPHICAL SOCIETY,
*New York, April 10, 1928.*

Senator ROYAL S. COPELAND,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I write on behalf of Mr. Lincoln Ellsworth, who, with Amundsen, made the transpolar flight in the *Norge*. It has been a matter of surprise to me that he has not received the honor that he so abundantly deserves, of a congressional medal. Doubtless you have had the matter under consideration, and if so I want to add my support to whatever agencies favor him and to assure you that it

would give me great satisfaction to see him thus honored. I hope that whatever Congress does may be done with sufficient promptness so that the satisfaction that he would take in such an honor would not be diminished by long delay.

I have made no attempt in this letter to appraise his work in detail or to analyze it, or even to argue the merits of the case. I take it that all this is quite unnecessary; that you are as fully informed as I am as to the nature and value of his work, and that like myself you desire to honor him.

Faithfully yours,

ISAIAH BOWMAN, *Director.*

The propriety and justice of this act must be apparent to every citizen. Such an achievement appeals to the imagination of the American people. It is only right that this action should be taken at the earliest possible moment.

Mr. JONES. Mr. President, I think I should make a brief statement in view of what has been said with reference to the action of the Committee on Commerce. I did know that the Senator from Connecticut was interested in the measure in opposition to it. I think he was a member of the committee in the preceding Congress when a similar bill came up, and expressed his opposition to it.

The Senator said he spoke to me about a hearing. I have no doubt that he did, although I must say that I have no recollection of it, and there was no reason in the world why the committee should not give the Senator from Connecticut a hearing if it knew he desired it. It must have slipped my mind, because I did not call the matter to the attention of the committee, and action was taken. I regret that very much. Whatever failure there was in the committee in not giving hearings is due to my not remembering the request of the Senator from Connecticut. I am very sorry, indeed, that I did so, because I know of no reason in the world why there should not be a hearing given to him with reference to this or any other measure.

Mr. COPELAND. Mr. President, I would like to call the attention of the Senator from Connecticut to this fact: Last year, when my bill came before the Committee on Commerce the Senator from Connecticut was in opposition to the form of the bill. He has never expressed to me any other feeling than a desire to honor Mr. Ellsworth, but he did not like the form of the bill. This year, when I introduced the bill again and it was referred to the Committee on Commerce, I endeavored to express the view and the feeling, as I understood them, of the Senator from Connecticut, and made the suggested change so that instead of giving the congressional medal, the bill provides for the giving of a medal.

I appeal to the Senator from Connecticut not in any way to tarnish the glory and the joy that will come from the granting of this medal or its receipt. I know perfectly well the Senator from Connecticut has lofty ideals. He is interested in the great subject of aviation.

He has contributed largely to our knowledge on the subject of aviation; but here is one of our citizens who has performed a brave deed which we think entitles him to a distinction of some sort at the hands of Congress. I know that the Senator from Connecticut takes the same view. Perhaps this is not the best way to recognize it, and we want to do it in the best way possible; but this is what is proposed. If we deviate from this course, if we change our action, or perhaps if we defeat this action, we only give sorrow where we ought to give joy.

The Senator from Connecticut has manfully expressed his views. He has been candid with the Senate. Let us not spoil this day of triumph for Lincoln Ellsworth, however, by any question about the form of the bill, but let us enact it into law at the earliest possible moment.

Mr. BINGHAM. Mr. President, I had hoped to be spared from the necessity of making these remarks for the very reasons to which the Senator from New York refers. Debates in regard to honors are best held in private. I had talked over the matter with him in private, and I thought it was agreed that the Senate should not be asked to do more for this distinguished explorer than we did for the first American aviator to cross the Atlantic Ocean.

Mr. COPELAND. Mr. President, will the Senator yield at that point? I want the Senator to bear in mind that I did not bring up this motion this morning.

Mr. BINGHAM. I understand that perfectly.

Mr. COPELAND. In a colloquy with the Senator, I asked what his plan was; but the bill is now before us. Through no fault or virtue of mine, through no fault or virtue of the Senator from Connecticut, it is here. Now, let us not spoil this day. Let us not in any way reflect upon this man by anything which may be considered a criticism either of him or his friends, among whom I am numbered, by our way of proceeding in this matter.

The Senator from Connecticut has expressed his view. I hope that he will let the matter rest there, and let the bill pass.

Mr. BINGHAM. Mr. President, would the Senator who introduced the bill be willing to substitute the thanks of Congress for a gold medal?

Mr. ROBINSON of Arkansas. I would not, Mr. President. After the debate has proceeded as it has, I would not consent to any change of that nature. Of course, the Senator can offer an amendment—he understands that very well—and if it prevails that will decide the matter.

Mr. BINGHAM. Mr. President, in view of the fact that the Congress of the United States, as regards the first flight across the Atlantic Ocean, commanded by an American naval officer, Commander Read, gave no recognition of it for many, many years, and only recently in this Congress recognized the first trans-Atlantic flight by giving to Commander Read the thanks of Congress and not a medal, I move at the proper place in the bill, in lines 3 and 4, in place of the words "the President of the United States is hereby authorized to present a gold medal," to substitute the words "that the thanks of Congress are hereby given."

Mr. ROBINSON of Arkansas. Mr. President, I merely want to say that I am opposed to that amendment. I think it would be very unfortunate to deny this medal after a committee of the Congress has recommended that it be granted.

Mr. BRUCE. Mr. President, may I suggest to the Senator from Connecticut that he might amend in such a way as to confer a medal on Commander Read, too. Is he living?

Mr. BINGHAM. Yes, indeed.

Mr. BRUCE. It might be done, and I am bound to say that I hope it will be done.

Mr. ROBINSON of Arkansas. Certainly, at an opportune time, when such a proposition is presented.

Mr. BRUCE. I am simply going to say that I think one of the meanest things in the world is to do a thing that is essentially generous and magnanimous and yet at the same time do it in such an ungracious, niggardly, or begrudging manner as to destroy altogether the moral effect of it. I think we have had too much of that sort of thing in the Senate.

Mr. HEFLIN. Mr. President, if the amendment offered by the Senator from Connecticut prevails it will be a very humiliating thing to this young man. He knows that the matter is up for consideration; and it will be humiliating to him to be told that Congress has refused to give him a medal, but that it did write him a letter sending to him its best regards, and expressing appreciation for what he has done. The fact must be borne home to him that the Congress does not appreciate what he has done, and that, when the effort was made to give him a medal, when it has been recommended by a committee of Congress, Congress after debating the matter decided not to do it, and just sent him a letter.

I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on the amendment of the Senator from Connecticut [Mr. BINGHAM].

The amendment was rejected.

Mr. BINGHAM. Mr. President, as I stated, my objections to this are in no sense personal and have nothing to do with the action of the committee.

When the matter was first brought to my attention last year I stated clearly my objections to giving a gold medal for the transpolar flight of the airship *Norge*. My reasons are these:

This flight of the airship *Norge* from Italy to Spitzbergen, and later across the pole to Point Barrow in Alaska, was a great achievement. There is no question whatever about that. To whom belongs the chief credit for that achievement?

The chief credit belongs in the first place to the man who designed the airship, who was the great Italian airship designer, Captain Nobile, later made a colonel, and for this flight made a general. The credit belongs in the second place to the pilot who navigated that ship, and his crew. The pilot was the great Italian, Captain Nobile. The crew who navigated it and who maneuvered it were Italians. It brought tremendous credit to Italy, and deservedly, for the first great successful airship flight over the polar ice. It was recognized by Italy as a tremendous achievement. It was acclaimed throughout Italy as being a magnificent thing for that country.

The officer who had designed the ship, who was in command of it, and who flew it, was given promotion to the grade of general and decorated by the King of Italy. Nothing that I am saying is in the slightest degree intended to reflect on the achievement or on those who accomplished it.

The name of the ship was the *Norge*, because the Norwegian Aero Club had by various arrangements succeeded in raising a certain amount of money to help pay the expenses of the expedition.

The first flag to be dropped when this ship got over the North Pole, by arrangement, was the Norwegian flag. That was the first flag to be carried to the North Pole by airship. A few days previously, in an American airplane, the great American aviator, Commander Byrd—who now so generously comes before us with this letter presented by the Senator from Arkansas [Mr. ROBINSON] and asks for recognition for his competitor, Lincoln Ellsworth—was the first to fly to the North Pole in an airplane, an American airplane, with an American pilot whom we honored yesterday at Arlington.

Mr. President, just what was it that Lincoln Ellsworth did in this connection? First, in order that I may not be misunderstood, let me say frankly that Lincoln Ellsworth is a great explorer. As Commander Byrd says, he is an idealist, a born explorer, who has taken part in certain remarkably interesting expeditions. For this it would have been natural that he should have been recognized by the geographical societies of this country, who have it in their power—and it is, indeed, their duty—to recognize the work of exploration, and to give to the great explorers medals recognizing exploration.

The American Geographical Society—which, I believe, is the oldest in this country, and which is very particular in regard to its medals—considered giving a medal to Lincoln Ellsworth for his geographical exploration. It had the matter under consideration for a very long time. The director of the American Geographical Society writes me that they had given to Lincoln Ellsworth more attention than to any other explorer. His deeds are well known. Yet they have given him no medal for his exploration; and the reason is that they feel that their medals should be given to Americans who lead American expeditions.

But we are asked to confer a gold medal, not upon an aviator, for Mr. Ellsworth is not an aviator; not upon an airship pilot, for he is not an airship pilot; but upon a fine, upstanding young American, against whom there is not a word of criticism, who took money which he inherited from his father, money made in this country, and used it, not for the credit of American aviation, not for the credit of American airships, not for the credit of American airship pilots, but for the credit of foreign airship designers, foreign airship pilots, and the work of a foreign crew. Is that the business of the American Congress?

Mr. President, I have no objection to what Mr. Ellsworth did, if a man chooses to do it. Nevertheless, as I said to Commander Byrd in a conversation the other day over this very matter when he came to see me to ask me to withdraw my objection, "What would you say if the Congress of the United States were to say, 'We will confer a gold medal on any young rich American who is willing to put up half a million dollars to buy 10 French airplanes, and hire 10 or a dozen French aviators to fly to the South Pole as fast as possible, and beat you to it?' Would you think that was a fine thing for the Congress of the United States to do?" Of course, to that he made no answer. Yet that is what we are now asked to do.

We are asked to give a gold medal to a rich young American who took his money to bring great credit to an Italian airship designer, an Italian airship pilot, an Italian crew, and an airship bearing the name of Norway. Possibly for the sake of the comity of nations we ought to confer medals on all those concerned in that transpolar expedition; but there is no mention here of any gold medal for Colonel Nobile—or General Nobile, as he was made after this expedition—or any gold medal for Amundsen, who helped to raise the money in Norway for it. It seems to me a very extraordinary thing for the Congress of the United States, which is so chary of its gold medals that it has not even given gold medals to the men who first flew across the Atlantic, and who are officers and men of the United States Navy, and which neglected them entirely for years and paid no attention whatsoever to their exploits, now, because of the public interest in aviation, to go so far in the other direction as to desire to give a gold medal to a rich young American who hired some foreigners to do a very distinguished piece of work, even though he had a very praiseworthy part in it.

That, Mr. President, has been my objection to it from the beginning, as those interested in the bill have known. It is my earnest and whole-hearted desire to promote American aviation, and to do everything in my power to promote the designing of the best airplanes and the best airships in this country. I desire to promote American airplane pilots and American airship pilots and to do everything in my power to give them credit for their heroic acts. The distinguished-flying crosses which we this morning voted to confer on certain distinguished foreigners visiting this country, partly at my suggestion, were originally authorized in the bill creating such medals at my suggestion. I mention that, Mr. President, in no way to boast but rather to explain, because of the attack that has been made on me on the floor. My attitude has always been to try and promote aviation. My actions in this matter are in no way personal. Nevertheless, I believe that the Congress of the United States, when it confers gold medals for things of this kind, should be just as careful to see to it that it is conferring a gold medal upon an American for an American achievement as is the American Geographical Society.

Mr. BRUCE. Mr. President——

Mr. BINGHAM. I yield to the Senator from Maryland.

Mr. BRUCE. I want to ask the Senator whether he does not think, however, that Ellsworth contributed something besides money to this enterprise? Of course, money was indispensable to its successful consummation, and he was fortunate to be in position to contribute that; but did he not contribute to the original conception of the enterprise? Was it not his energy and activity that organized it and correlated all the forces leading to its triumphant consummation?

Mr. ROBINSON of Arkansas. Mr. President, he was actually in command of one of the planes during a portion of the expedition, and it was called the Amundsen-Ellsworth-Nobile expedition.

Mr. BINGHAM. The Senator is mistaken. No planes were used on that expedition, but on an earlier one to which I had not yet referred.

Mr. BRUCE. I recall the fact that only last year one of the most splendid banquets at which I have ever been was given in Baltimore to Mr. Van Lear Black, one of the most conspicuous citizens of that city, whose achievement consisted in the fact that he had conceived the idea of flying, with the aid of a Dutch pilot, from Holland to the Far East. In doing this he exhibited such a high degree of courage, intelligence, and foresight, and such a keen eye to the proper adaptation of means to ends that his admiring fellow citizens thought him worthy, as I have intimated, of a splendid banquet. At that banquet, gathered not merely from friendship—though Mr. Black has a host of friends in Baltimore—but from public motives, were the most representative citizens of the city of Baltimore, such as bankers, manufacturers, merchants, lawyers, and doctors. I think all the persons who were present might well have thought that they would not have gone too far even if they had conferred a gold medal on Mr. Van Lear Black, not simply because of the hazards that he had incurred but because of the energy, the skill, the foresight, the resource that he had shown in organizing his flight.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. BINGHAM. Yes.

Mr. ROBINSON of Arkansas. Some time ago, in his remarks, the Senator implied, as I understand him, that the Geographical Society had doubt as to whether this distinction should be conferred. I want to call his attention to the fact that there is already in the RECORD a letter from the Director of the American Geographic Society of New York, as follows:

> It has been a matter of surprise to me that he has not received the honor that he so abundantly deserves of a congressional medal. Doubtless you have had the matter under consideration, and if so I want to add my support to whatever agencies favor him and to assure you that it would give me great satisfaction to see him thus honored.

In addition to that suggestion, I want to point out that for some mysterious reason the Senator from Connecticut is referring to Lincoln Ellsworth as a rich young man. I think that reference, and the plain implication that it carries, is unworthy of this debate and this measure.

Mr. BINGHAM. The reference was not made with the slightest idea of casting any reflection on him.

Mr. ROBINSON of Arkansas. I do not know why. I heard the Senator myself, three times at least, talk about this "rich young man"; as if that had any relationship to the proposal to give this gallant, brilliant, daring young American a recognition that he so richly deserves in the opinion of everyone in the Senate, except the Senator from Connecticut, including that gallant old soldier from Wyoming, Senator WARREN.

Mr. FLETCHER. Mr. President, the Senator was going through the accomplishments and achievements and the actual things done by Mr. Ellsworth, but he had not reached this point mentioned in the bill, "made his famous polar flight of 1925, and the transpolar flight of 1926." To what does that refer, if I may ask?

Mr. BINGHAM. Mr. President, there were two occasions on which Lincoln Ellsworth and Mr. Amundsen went to the Arctic. On the first occasion they took two airplanes, two seaplanes. My recollection is that those planes were built either in Norway or in Germany, and the pilots were either Norwegian

or German. There were no American pilots concerned with that.

Mr. FLETCHER. He was a passenger?

Mr. BINGHAM. He was a navigator of one of the planes, and Amundsen was the navigator of the other plane. On that flight, the Senator will remember, one of the planes fell, and they, with great difficulty, got back to civilization at all. It is the testimony of Amundsen and others on the expedition that the return to civilization depended in no small degree upon the heroism and ability of Mr. Ellsworth.

Mr. BRUCE. Mr. President——

Mr. BINGHAM. Will the Senator kindly permit me to reply to the question of the Senator from Florida?

The transpolar flight of 1926 is the flight to which I have been referring, the flight of the airship *Norge*. Some of my friends here even object to the fact that I referred to Mr. Ellsworth as a rich young man. Had he not been a rich young man the expedition could not have occurred. It was his money that bought the airship. I have no objection to anyone being a rich young man. But it seems to me that for the Congress of the United States to give a gold medal to a young American who can afford to buy an airship—let us put it in that way, so that the Senator from Arkansas may not think I am casting any aspersions upon him because of his wealth, for that would be the last thing I should desire to do—it seems to me a most extraordinary thing that the Congress of the United States should be asked to give a gold medal to a young American who bought a foreign airship and hired a foreign airship crew. He could have gone to one of the American manufacturers of airships—for instance, to a company in Ohio that makes excellent airships, and has made them; and, by a strange coincidence, the very money he spent originally came from Ohio, and it seems to me it would have been a very natural thing to do to have gone to the Ohio company which makes airships and to have taken American airship pilots, of whom there were several second to none in the world, and to have organized an all-American expedition to the North Pole in an American airship, with an American pilot; and I can say to the Senator that I would like to have been the first, if possible, to have asked Congress for recognition of such an all-American expedition.

Mr. SWANSON. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. SWANSON. What is the issue here? It is inferred we should not give the reward for heroism, should not give the reward for sacrifice, should not give the reward for the great risk and danger Mr. Ellsworth took, but it must be supplemented by his using an American airplane, aircraft. I deny that the American people feel that way. I deny that the very people who built the aircraft would like for that to be the measure of reward for heroism. I for one will never vote to give a medal, and insist as a condition precedent that the aircraft must be bought in America.

Mr. ROBINSON of Arkansas. We ought to have made Lafayette buy his uniform in the United States.

Mr. SWANSON. I do not believe in that principle. Heroism does not know any State. Heroism does not know any nation. Sacrifice and heroism know only the people who are willing to take risks of danger that ordinary people will not take, and when an American citizen does that anywhere, under any circumstances, his heroism and sacrifice and risk stir my blood, whether he went in a plane from Ohio or from Langley Field, in Virginia. So help me God, I am voting to give the medal for heroism, and not for the plane he flew in.

Mr. BINGHAM. Well, Mr. President, of course it is very easy to get eloquent expressions of the sort we have just had from the Senator from Virginia about a matter of this kind. And it is a little difficult to consider the actual facts coolly.

With regard to this great transpolar flight, the evidence is that Mr. Ellsworth was chiefly a passenger. He had nothing to do with navigating the airship. He went along as the owner of the airship and as an observer. It does not appear to me that that took unusual sacrifice or heroism. Perhaps I am mistaken.

If we are going to give gold medals to any young American who is able to afford it, and is willing to be taken along as a passenger on a heroic expedition, well and good, if that is to be our policy. But let me call to the attention of the Senator from Virginia, to whose oratory we have just listened, the fact that, although American naval officers and American enlisted men first flew across the North Atlantic nearly eight years ago, he never on this floor offered a bill to give them a gold medal or any recognition for their heroism and sacrifice.

Mr. SWANSON. Mr. President, if any one had offered a bill to bestow a gold medal for that heroic action, I would not have humiliated those men by saying, "We will give them the thanks of Congress." If they deserve it, give it to them. If they do not deserve it, do not give it to them. But why should justice be refused to a man because another man did not get justice?

I understood the Senator to say that if this had been an American expedition, manned with an American crew, and in an American airplane, the Senator would be here voting to award the gold medal. I say that I do not believe the American people are disposed to inquire, in rewarding heroism and sacrifice and risk, as to where the recipients got the plane.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. COPELAND. Let me ask the Senator a question. He is more interested in aviation than anybody else in the Senate. He has been our mentor and guide here. Why has not the Senator from Connecticut introduced a bill to honor the flight of the first plane that crossed the Atlantic?

Mr. BINGHAM. I will say to the Senator that I did prepare a bill with that end in view, but since Commander Read came from the State of New Hampshire, I did not desire to have it appear that I was trying to take away any credit from the representatives of that State, and I showed the bill to one of the Senators from New Hampshire, who prepared a bill which he thought was better than the one I showed him, he introduced it, and in due course the Naval Affairs Committee reported the bill and the Congress passed it without anyone's objection.

It seemed to me, in view of the fact that the Congress has been content to merely give the thanks of Congress for that great event, it was more or less casting a shadow on the first flight across the Atlantic to give a gold medal of an unusual sort, as the Senator will recognize this is, for something which is not as great a credit to our country and our fellow citizens as that particular event.

Mr. SWANSON. Mr. President, if the Senator will permit, the bill to which the Senator refers was sent to the Naval Affairs Committee, and I thought he and his friends wanted it promptly reported. His bill was here for Commander Byrd. I insisted and put through one for Floyd Bennett, giving him the same honors and the same rights, though he was not from my State, because I believe heroism deserves the generous reward of the Nation. I think this man is entitled to something for his conspicuous flight or nothing, and if he has been brave enough and has sacrificed enough and has been bold enough to spend $500,000, as a rich man, instead of indulging in luxury, instead of dissipation, to do a heroic thing, I think he deserves credit for that more than condemnation. I would like to encourage men who have fortunes, instead of spending their lives in luxury and all kinds of dissipation, to take a risk, to be men, to go to the North Pole, to take a risk and show heroism, instead of being dudes around these dissipated social functions. I commend this man for having done this deed, and I am glad to vote him a medal for the sacrifice.

Mr. BINGHAM. Mr. President, it seems to me very strange to hear on this floor a statement that the Congress of the United States is prepared to vote gold medals to any young American who chooses to go out of his way to expose his life and to promote the deeds of foreign aviators by hiring them to take risks, who is going to bring honor to other countries rather than to his own country. The transpolar flight mentioned in this bill is not one that brought credit to America. It brought the very greatest credit to Italy, and was properly recognized by Italy. It brought great credit to Norway, and was properly recognized by Norway, but I can not see where it brought credit to this country, notwithstanding the heroism of the observer who went along as the owner of the airship, and who deserves credit for having promoted the enterprise.

But we are nearing the hour of 2 o'clock, and I have no desire to prevent a vote on this bill, so I shall conclude briefly.

I merely wished to express the reasons why I have opposed this legislation for the past year in order that Senators might fully understand the facts in the case. If, with full understanding, it is the wish of Congress to give gold medals for this kind of thing, I shall be glad to try to see to it in the future that explorers and aviators who do similar acts get similar recognition by the Congress in order that justice may be done.

Mr. BRUCE. Mr. President, if the Senator will permit me, I had no intention at all of impugning his motives about this matter. I did not mean to intimate that his motives did not deserve as much respect as did mine or those of any other Senator.

Mr. SWANSON. I have high respect for the Senator.

Mr. BRUCE. As far as Commander Read is concerned, I am ready to vote a medal for him, too.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment. If there be no amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAYARD:

A bill (S. 4255) granting an increase of pension to Martha A. Smith (with an accompanying paper); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 4256) granting an increase of pension to Mary Ann Shepard (with accompanying papers); to the Committee on Pensions.

By Mr. NORBECK (by request):

A bill (S. 4257) to authorize the payment of certain salaries or compensation to Federal officials and employees by the treasurer of the Territory of Alaska; to the Committee on Territories and Insular Possessions.

By Mr. DILL:

A bill (S. 4258) granting a pension to Mary A. McClure;

A bill (S. 4259) granting a pension to Absalom J. Price; and

A bill (S. 4260) granting a pension to Andrew J. Smith; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4261) for the relief of Clarence Joseph Deutsch; to the Committee on Naval Affairs.

A bill (S. 4262) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. FRAZIER (by request):

A bill (S. 4263) to authorize the collection of penalties and fees for stock trespassing on Indian lands; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 4264) to amend the packers and stockyards act, 1921; to the Committee on Agriculture and Forestry.

By Mr. FESS (for Mr. WATSON):

A bill (S. 4265) granting a pension to Anna Wheeler; and

A bill (S. 4266) granting a pension to Harriet S. Fredericks; to the Committee on Pensions.

By Mr. THOMAS:

A joint resolution (S. J. Res. 139) for the relief of the Iowa Tribe of Indians; to the Committee on Indian Affairs.

RAILWAY RATES ON GRAIN

Mr. WALSH of Massachusetts submitted an amendment intended to be proposed by him to the resolution (S. Res. 208) calling for certain information from the Secretary of Commerce relative to freight rates on wheat, which was ordered to lie on the table and to be printed.

REGULATION OF POSTAL RATES

Mr. COPELAND submitted three amendments intended to be proposed by him to the bill (H. R. 12030) to amend Title II of an act approved February 28, 1928 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes, which were ordered to lie on the table and to be printed.

COMMITTEE SERVICE

On motion of Mr. ROBINSON of Arkansas, it was—

*Ordered*, That Mr. HAYDEN be assigned to service on the Committee on Mines and Mining; that Mr. SHEPPARD be assigned to service on the Committee on Education and Labor; that Mr. THOMAS be assigned to service on the Committee on the Library; that Mr. GEORGE be excused from further service on the Committee on Military Affairs and assigned to service on the Committee on Foreign Relations; and that Mr. LOCHER be assigned to service on the Committee on Military Affairs.

RIKER MISSISSIPPI SPILLWAY

Mr. FRAZIER submitted the following concurrent resolution (S. Con. Res. 17), which was referred to the Committee on Commerce:

Whereas Senate Joint Resolution 7, Seventieth Congress, first session, provided for joint hearings upon the merits of the Riker Mississippi spillway project; and

Whereas said Senate resolution asked for an appropriation of $6,000 to construct a model of the Riker Mississippi spillway in the basement of the Senate Office Building; and

Whereas it was stated by the chairman of the Commerce Committee that such an appropriation could not be secured (if at all) in time to permit the construction of the model for consideration by this Congress; and

Whereas to avoid any such delay Mr. Carroll L. Riker built the aforesaid model at his own expense, at a cost of more than $5,000, with the reasonable expectation that the joint hearing requested in the aforesaid resolution would be accorded him; and

Whereas the Commerce Committee of the Senate and the Flood Control Committee of the House, during their extended hearings, have acquired great knowledge concerning the subject of flood control, and therefore an expression of opinion upon the subject by a joint committee to be selected from the aforesaid committees should bear great weight in future consideration of this matter by Congress: Therefore be it

*Resolved by the Senate (the House of Representatives concurring)*, That a joint committee consisting of members of the Commerce Committee of the Senate and the Flood Control Committee of the House, to be appointed by the respective committees, is hereby authorized and requested to conduct hearings upon the merits of the Riker Mississippi spillway project for control and utilization of the waters of the Mississippi and Missouri Rivers and ramifications; and which said committee shall call and (if necessary) subpœna at least three disinterested civilian engineers which the American Society of Engineers will be requested to select for their outstanding training, experience, and accomplishments in hydraulic engineering, and in addition thereto Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, and General Bixby, Chief of Engineers, retired, as experts upon the various factors involved in the proposed project.

Mr. FRAZIER submitted the following resolution (S. Res. 212), which was referred to the Committee on Commerce:

Whereas Senate Joint Resolution 7, Seventieth Congress, first session, provided for joint hearings upon the merits of the Riker Mississippi spillway project; and

Whereas said Senate resolution asked for an appropriation of $6,000 to construct a model of the Riker Mississippi spillway in the base of the Senate Office Building; and

Whereas it was stated by the chairman of the Commerce Committee that such an appropriation could not be secured (if at all) in time to permit the construction of the model for consideration by this Congress; and

Whereas to avoid any such delay Mr. Carroll L. Riker built the aforesaid model at his own expense, at a cost of more than $5,000, with the reasonable expectation that the joint hearing requested in the aforesaid resolution would be accorded him; and

Whereas the Commerce Committee of the Senate during its extended hearings has acquired great knowledge concerning the subject of flood control, and expression of opinion upon the subject by it should bear great weight in future consideration of this matter by Congress: Now, therefore, be it

*Resolved*, That the Commerce Committee of the Senate is hereby authorized and requested to conduct hearings upon the merits of the Riker Mississippi spillway for control and utilization of the waters of the Mississippi River below Cairo, Ill., and for the drainage of the valley; and which said committee shall call and (if necessary) subpœna at least three disinterested civilian engineers which the American Society of Civil Engineers shall be requested to select for their outstanding training, experience, and accomplishments in hydraulic engineering, and in addition thereto Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, and General Bixby, Chief of Engineers, retired, as experts upon the various factors involved in the proposed project.

TAX ASSESSMENT OF SENIOR SENATOR FROM MICHIGAN

Mr. LA FOLLETTE submitted the following resolution (S. Res. 213), which was referred to the Committee on the Judiciary:

Whereas the senior Senator from Michigan, Mr. COUZENS, on April 12, 1928, presented to the Senate certain statements which indicate—

(a) That a Senator of the United States was subjected to intimidation in a threat of a huge additional tax assessment by the Bureau of Internal Revenue at the time a committee of which the Senator was chairman was investigating the Bureau of Internal Revenue; and

(b) That David H. Blair, Commissioner of Internal Revenue, formally advised the taxpayer, the senior Senator from Michigan, that the Bureau of Internal Revenue had no information to justify the original assessment in this case, and investigation later revealed the Bureau had extensive information in its files to show that the original assessment had been investigated many times and always had been approved; and

(c) That there is evidence of collusion between high bureau officials and so-called tax experts in an endeavor to extort a huge fee from the taxpayer; and

(d) That these facts were revealed to David H. Blair, Commissioner of Internal Revenue, and there is no evidence of any action taken by him to thoroughly investigate these circumstances; and

Whereas there is involved in this statement by the senior Senator from Michigan, Mr. COUZENS, the honor of the United States Senate and the liberty of action on the part of Senators of the United States; and

Whereas it is due the United States Senate, the Bureau of Internal Revenue, the Treasury Department, the senior Senator from Michigan, and officials of the Treasury Department that each and every fact relating to this transaction be investigated immediately: Therefore be it

*Resolved*, That the statements made to the United States Senate on April 12, 1928, by the senior Senator from Michigan, Mr. COUZENS, be referred to the Committee on the Judiciary; and that the Committee on the Judiciary, or any subcommittee thereof, is authorized and instructed immediately to proceed to investigate these circumstances; and that in making this investigation the Committee on the Judiciary, or any subcommittee thereof, may subpœna books, papers, and documents in any way related to these circumstances and this transaction, and any and all persons who may be associated with or have any relation to the transaction; and that the committee, or any subcommittee thereof, has authority to sit during this session of Congress, or the recesses of this Congress, and shall report to the Senate in writing at the earliest opportunity.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On April 26, 1928:

S. 205. An act to authorize the Secretary of the Treasury to pay the claim of Mary Clerkin;

S. 802. An act for the relief of Frank Hanley;

S. 1377. An act for the relief of Lieut. Robert Stanley Robertson, jr., United States Navy; and

S. 2442. An act for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy.

On April 27, 1928:

S. 463. An act for the relief of David J. Williams;

S. 484. An act for the relief of Joe W. Williams;

S. 1758. An act for the relief of Fred A. Knauf;

S. 1848. An act for the relief of Frank Dixon; and

S. 2008. An act for the relief of the parents of Wyman Henry Beckstead.

On April 28, 1928:

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove*; and

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.).

VIEWS ON GOVERNMENT

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Senator BRATTON, of New Mexico, on April 19, 1928 (Patriots' Day), before the Knights of Columbus at Boston, Mass.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My pleasure in being here is increased when I think of the appropriateness of commemorating the historic event which transpired 153 years ago to-day, when the British made an overt and open attack on the Americans at Lexington under the command of that patriot, Capt. John Parker. That was epoch making in its character. It was important within itself and was increasingly so because it preceded other engagements in the great struggle we call the Revolutionary War, so pregnant with wonderful possibilities concerning the entire civilized world. It is to pay tribute to those veterans who stood in defense of liberty and freedom for themselves, their families, their fellow men, and the unborn generations to follow that we have come together this evening. Not only so, but we may well reflect upon the other valorous deeds preceding and concurrent with the establishment of American independence. It is reassuring to know that men in this busy and prosperous State in the New England section of the country are not too engaged nor engrossed with modern things bearing relation to business and professional affairs to stop and even turn backward into the shades of antiquity for the purpose of paying tribute to our forbears who founded this country at a tremendous sacrifice in order that freemen might live here in peace and happiness. It was President Harding who took delight in referring to them as the Founding Fathers. It was through their foresight, bravery, and manhood that our Nation, now incomparable in its record with anything in the history of the world, was set upon the highway of national existence. Let us pause long enough to consider what a tremendous change would have followed those eventful days of 1775 and the immediately subsequent years had our forbears failed to meet the challenge that was hurled against freedom and independence; had they failed through almost superhuman courage to overcome the apparently insurmountable difficulties and odds. What if they had faltered, submitted, or surrendered?

The entire Republic of mankind would have been affected. The world would be entirely different to-day. We are independent and free. We possess more than one-third of the combined wealth of the world and only about one-sixteenth of the population. Even though we are absorbed with many complicated questions, both domestic and foreign, we must never become too busy to keep freshly in mind the innumerable acts of bravery, valor, and ingenuity of those stalwart men and noble-hearted women who wrought our national existence at a stupendous cost. They must never be forgotten. They and their record must be kept green with the moss of repetition. This period of history must be taught throughout the length and breadth of the land in every appropriate way. The childhood of the country should receive it through every proper channel. The adult population should review it with pride.

The magnificent part taken by your own State in those colorful days should be known and duly appreciated by every real American. No State has a record more resplendent with events of importance and glory than has Massachusetts. She was among the leaders from the Boston Tea Party even to this very hour. During the Revolutionary War she gave an inspiring account of herself. Immediately following the war, when the Colonies were groping and grappling with their problems, some advocating an association or union of some kind, the exact nature of which was vague and indefinite, while others favored complete independence and dissociation from each other, Massachusetts took her rightful place in molding sentiment among her people as well as the inhabitants of her neighboring Colonies which led the New World into paths of right decision and success. Later, when steps were taken to formulate the convention at Philadelphia for the contemplated purpose of amending and thus improving the Articles of Confederation, your own State was again to the fore. When the delegates determined that it was expedient to depart from the purpose for which they had been selected and, instead of amending the Articles of Confederation, to write a completely new document to be called the Constitution of the United States, the State of which you rightfully are proud, was not remiss in meeting her obligation. She played her part in provoking discussion through the press and elsewhere which had much to do with the final ratification and adoption of that most remarkable document, guaranteeing protection to life and property. From that eventful period until now, Massachusetts has never failed either as a sovereign State or as an integral part of the Union. She met every obligation devolving upon her during the recent World War, by furnishing means, munitions, men, and patriotism.

With this marvelous record, it is perfectly natural to find such a splendid aggregation of men assembled here for the laudable purpose for which you have gathered. Your object is to pay tribute to the men and sentiment blended and typified into the event in commemoration of which we meet. Not only so, but it is altogether appropriate that the assemblage should be held by the distinguished organization to which you belong and which you represent. Knighthood, in the generally accepted sense of the term, has enjoyed a well-understood meaning since its origin in the distant days of history. It has signified an attribute of chivalry, dignity, and bravery. Knighthood in this organization carries a significant meaning which constitutes a challenge to every man fortunate enough to possess it. That challenge is to meet every duty devolving upon you as men, citizens, and Knights of Columbus and to discharge it well. Many duties constantly are resting upon American citizens to-day. Science has done much for mankind. It has lengthened the span of life almost 20 years; it has reduced infant mortality to a minimum; through reclamation it has carried water into the desert and converted vast areas of waste into highly productive assets; it has developed hydroelectric energy at the natural power site and carried it hundreds of miles where homes are lighted, factory wheels are turned, railways are propelled, gigantic machinery is operated, and the burdens of man in innumerable ways have been made lighter. Indeed, science has mastered the sea, the air, and the depths beneath the sea. There is none among us who can forget that wonderful scientific achievement of so recent date when a lone and unknown American boy took to the air in the United States and landed safely in France. Even so, there is much for men yet to do. These are momentous times. We enjoy peace, but I sometimes think there is as much to do then as in times of national conflict. It is the duty of every man to educate himself in order that he may serve his fellow man in the largest possible way. This within itself is a stupendous challenge. When we speak of education we do not mean merely passing the courses or curricula of college or university. That is not a completed education. It is merely a beginning. The time was not long ago when education was looked upon as a means of gaining or earning a living. We have corrected that error now, because education is generally regarded as a means of living. Not how to make a living but how to live. In this sense education is never completed. It runs with the race of life. In this sense the educated man always wants those about him to enjoy the advantages of education, and consequently he is ever engaged in advocating it and encourage others, particularly the youth, to equip themselves in this manner so that they may know how to live.

Education therefore means harmony, brotherly love, union of forces, and Christian companionship, as well as steady progress toward improved conditions and better things. I can not depart from this thought without saying that your distinguished organization has stood at the front in the encouragement of real education in the sense with which I have endeavored to present the subject. That is a cause for much deep and sincere gratification.

Another thing with which we should concern ourselves is to see that one of our organic principles of government; namely, religious tolerance and freedom is perpetuated and made safe as one of the tenets

of our existence. It must be preserved and perpetuated if our well-being is not to become imperiled. The right to entertain our own concept respecting religious beliefs has been advocated by the outstanding men of the Nation at every period since its foundation. An emphatic declaration upon the subject was made in Jefferson's first inaugural address. He said that the principles of our Government rested upon "equal and exact justice to all men, of whatever state or persuasion, religious or political." Later he announced the doctrine of "freedom of religion, freedom of the press, and of the person." In this Jefferson does not stand alone. Leaders in every age, without respect to political affiliation, have joined in the advocacy and urge of this life-giving principle as a part of our existence and well-being. Frankness compels all of us to admit that there are those who are engaged in an effort to proscribe others with respect to religious freedom. Such a course is narrow, intolerant, and death dealing in its results. Nothing is more dangerous to our peace and happiness. We must hold fast to the doctrine that freedom of religion is an inalienable right of every free man in this country. When intolerance enters through the door, freedom departs through the window. The religious views of any man should not be considered as a factor in the equasion of his usefulness as a citizen or suitability as a public official. It should never be taken into account in determining his qualification for public service. To do so strikes at the very warp and woof of our independence. It tends toward internal bondage. So dangerous and destructive is this tendency on the part of some of our citizenry that every right-thinking individual should accept it as a challenge and throw himself with his full force against it. It must be annihilated else we become impaled with danger.

Another condition which concerns our well-being is the startling indifference on the part of the masses with respect to exercising the right of suffrage. Statistics tell us that less than 30 per cent of the qualified electors throughout the country have voted during recent years. This is a terrible indictment and yet it is literally true. The laxity with which people have treated this right of freemen is appalling. It becomes increasingly alarming when we realize that the safety of the country lies in having a live, active, virile citizenry awake to the needs of the hour and jealous in their perpetuity. When more than 70 per cent of those who are entitled to vote fail to exercise that right, it augers for bad results. But, you say, what is the remedy? How can this ill be cured? My answer would be a recrudesence in the study of the history and policy of our Government, both State and National. I fear that the rapid schedule over which we travel has tended to cause us to push aside consideration of such matters, making them give way to other things having a more direct bearing upon our immediate affairs. Obviously we can not appreciate citizenship in our country, nor respond to its rightful demands, unless we know and understand something of our Government; the things for which it stands; the protection which it grants. Neither can we give ourselves to the solution of any of the problems of the day unless we learn something about them. A study of public questions is essential to a well-guided leadership. Incidentally we have some gigantic problems just now. They command the serious application of our entire population. Some of these are Muscle Shoals, Boulder Dam, Mississippi River, reduction of taxes, and other matters too numerous to justify enumeration here. In addition the so-called St. Lawrence River waterway problem, a matter nearer to yourselves, soon will confront us with a demand for its solution. Too, we must evolve a definite policy concerning our foreign relations. Much is being said about our position in Nicaragua. It is discussed almost daily in the Senate. Do the people generally have a settled opinion as to whether we were justified in sending marines there originally, also as to whether we are now justified in keeping them there? Have they determined whether our action in this regard is in harmony or in conflict with the Monroe doctrine? How can they help determine that question without becoming familiar with the facts; and yet it is their very affair. I urge a more diligent study of public questions, with the result that the masses of people shall know more about them and can take a more active part in their solution. The best means of accomplishing this is an active participation in political party activities. I do not mean to advance the cause of any political party. It would be highly inappropriate for me to do so here. I apprehend that there are many Democrats and numerous Republicans listening to me. You are here without reference to being party adherents.

I do not covet having the air in this beautiful room surcharged with partisan politics when I have concluded my remarks. I content myself with urging an active alliance with one of the dominant political parties. In other words, it is my belief that we should have party control and party responsibility. Let the party in power, possessed of the facilities with which to serve the public, be responsible to the people. Neither am I urging that every man run for public office. I appeal to the laymen of the country, who are bearing the burdens of the day, to become more active in public affairs and devote more of their time and talents to the welfare of society, because politics always affects society. Demand clean men of the highest order as candidates and straight, clean-cut issues. When this is done I shall entertain no fears about the welfare of the country. I have implicit confidence in the American people. I hold that the heart of the American people is sound and right; that they despise corruption in public office regardless of party affiliation. We saw a recent illustration of this. The State of Illinois elected Frank L. Smith as a Senator from that State. He came to Washington, presented his credentials, and demanded his seat in the Senate of the United States. It was made known to the Senate that while he was chairman of the Utilities Commission of the State of Illinois he accepted campaign contributions exceeding $125,000 from Mr. Samuel Insull, a man heavily interested in public-utilities companies transacting business in that State, in violation of a State statute providing that no member of the commission should accept any such contribution from an agent or employee of any utility company. On this account Mr. Smith was suspended at the bar of the Senate. After a hearing before the proper committee he was finally denied the right to take the oath or hold membership. He submitted himself as a candidate before the people of Illinois in the recent primary. His issue was vindication from the reflection thus cast upon him and the sovereign State of Illinois. The Republicans of that State rejected him by an overwhelming majority, thus putting themselves on record as demanding purity among their public officials. It illustrates in a most forceful way the truth of my declaration that the people, without regard to party lines, want clean government. They want honesty, efficiency, and economy in governmental affairs. The party that can give the largest measure of this will find a welcome among the people. On the other hand, the party that realizes this demand and adheres to it will, in the final outcome, be the most successful.

The question raised by the action of the Senate in rejecting Mr. Smith is an important one which should receive the serious consideration of the inhabitants of this State as well as all others. It is held by some that the power of the Senate in its inquiry into the right of a Senator elect to take his seat is confined to his age, residence, and inhabitance. This is denied by others who believe that no such limitation applies. I have reached the conclusion that, under the two pertinent sections of the Constitution, the Senate is not limited, but may reject upon any ground sufficient, in its judgment. One section of the Constitution provides that in order to be elected to the Senate of the United States a person must be more than 30 years of age, nine years a citizen of the United States, and an inhabitant of the State from which he is elected. Another section provides that each branch of the Congress shall be the sole judge of the election, returns, and qualification of its Members. In my opinion the one provision should not be regarded as a restriction upon the other unless that was manifestly the intention of the framers of the instrument, or unless it is necessary to do so in order to give harmonious effect to the two provisions involved, as well as the entire instrument. I believe no such condition is presented here. The provision with respect to age, residence, and inhabitance is a restriction upon the several States. It provides that no one of them shall elect a person to the Senate unless he has attained that age, has been a citizen of the United States for that period, and is an inhabitant of his State at the time of his election. That plainly is designed to bring about unity among Senators. It is intended to prevent one State from providing certain qualifications, like the ownership of real estate, being the head of a family or other provisions of that character, while another State might provide an entirely different set of requirements. The restriction, according to my belief, is directed against the several States. It in no manner affects the House or Senate. The other provision is directed to each branch of the Congress. It is a grant of power to inquire into the election, returns, and qualifications of its Members. There are no limitations to be found there. The grant is without restriction. The result of this process of reasoning is that the two provisions of the Constitution can be given full force and effect without the slightest conflict and the entire instrument can be brought to a harmonious result. In such case there is no occasion for adopting a construction which makes one provision restrict or abridge the other.

The action of the Senate, which received concurrence of the majority of that body, may not express the interpretation of the statute desired by the people. Accordingly, attention should be arrested, discussion provoked, and sentiment molded to the end that correction shall be made in the proper and orderly way. That is my purpose in bringing the subject matter before you this evening. That is my sole desire.

Captain Parker and his comrades, as well as all other patriots who suffered and sacrificed, fought that a nation might be founded here upon the principles of freedom and independence. That was their joint purpose and common hope. Among these was the right of every freeman to raise his voice without interference in the solution of all public questions. They demanded that no feudal system should find its place here. It was upon those lofty principles that this country started upon its national course. During recent years the country was utterly astounded at the excessively large sums of money that were gathered and expended in connection with the election of certain candidates for office. Nothing comparable with the enormity of these sums was ever known in the entire history of the land. This means corruption and debauchery. It means dishonesty in public life. Such things run squarely afoul with the principles for which our forefathers suffered and bled. It means that they struggled in vain. Such acts of corruption and debauchery, regardless of the political party in which

they are found, must meet with a stern rebuke. They must suffer universal condemnation. They must be stricken down, else the principles upon which our Government rests will be subordinated to them. The two can not stand together.

While we are engaged in reviewing the history and wonderful achievement of our country, I address myself to another matter which I deem to be vital. I refer to the startlingly rapid growth of bureaucracy. This is a danger that is lurking but always present. There has been a steady and never-varying policy during the last decade to create bureaus and commissions at Washington and elsewhere throughout the country to administer law upon every conceivable subject. It has been the policy of the Congress in the enactment of laws to create a bureau or commission and then provide that such agency shall administer the law under such rules and regulations as it may prescribe. This is the tendency of a great percentage of the modern legislation. The result is that rules and regulations are promulgated; they have the same binding force and effect as a statute duly enacted by the Congress. These bureaus are always grasping for additional power. They are never satisfied. They constantly desire an expansion of their prerogatives. This has become so true that they are not servants of the people, but masters of the people. They master you, and yet you never have the opportunity to vote for or against them except in a most indirect and remote way. We now have hundreds of these agencies busily engaged in supervising all kinds of industrial and commercial activities. For this millions of dollars are spent annually. This danger has been referred to as the sleeping paralysis of the Republic. I fully agree with the characterization. It is subtle in its steady grasp but increasingly firm in its mastery of every avenue of government. If I can arouse you to this one danger and send you away as apostles of warning, I shall be abundantly recompensed for my time and travel in coming here.

I have not essayed to be oratorical. It has been my purpose to leave some thought with you upon which you may dwell after I have departed. If anything I have said will provoke thought or discussion among you, I shall have accomplished my purpose abundantly. May your State continue to be prosperous; may you continue to be happy personally and useful in building a greater civilization.

### PROHIBITION ENFORCEMENT

Mr. BRUCE. Mr. President, I ask that a statement made in Philadelphia on April 24, 1928, by William Dudley Foulke, of Indiana, formerly a member of the Civil Service Commission, in relation to the bill now pending in the Senate, proposing to cover in the prohibition agents who failed on the recent civil-service examination, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### SELECTION OF PROHIBITION ENFORCEMENT OFFICERS

When George William Curtis, Carl Schurz, Theodore Roosevelt, and their associates first undertook the work of civil-service reform, what was their primary object? To eradicate the spoils system. Of this system Lincoln had said, pointing to the crowds of office seekers who beset the White House, "There is a graver danger to our Republic than the rebellion itself." "The bribery chest" (as Roosevelt called it) of the hundreds of thousands of officers was at the disposal of the members of the party in power to use for their own purposes in corrupting the whole electorate by holding out these places as the rewards of political activity and support. The inefficiency of the service and the wasteful expenditure of the millions required to sustain it was a mere incident; the gravamen of the evil was that it infected the moral and patriotic fiber of the Republic. Think you that those who devoted so much of their lives to this cause without hope of reward would have done so for the mere purpose of saving the Government some money or somewhat improving the output of public service? No; it was to save the lifeblood of America from the infection of the spoils of office.

A great deal has been accomplished. Over 400,000 places in the Federal civil service have been withdrawn from patronage; nine States and a considerable number of cities have been more or less protected by the substitution of competitive tests for political appointments. But the work has not yet been half done. Indeed, there are evidences everywhere that the enemies of clean government are attacking us to-day with a fury and venom as dangerous as in the first days of our struggle.

Nowhere has this more clearly appeared than in the Prohibition Enforcement Unit. Let us review for a moment the history of that branch of the service.

I shall say nothing of the intrinsic merits of prohibition itself; but while the amendment and the laws exist it is the plain duty of the Government to enforce them and to appoint for this purpose a corps of officials, competent, honest, and energetic, who will devote their energies to this enforcement and not to lining their own pockets by bribery—not to help carry the district for their Congressman nor to advance the interest of the person or party to whom they owe their appointments. And yet the latter things have been the objects to which their official activities have been hitherto largely devoted. Why is this?

When Volstead and Wayne B. Wheeler drew the law on the demand of the Anti-Saloon League they put in a provision that all the field force engaged in actual enforcement and not mere clerical duties should be excepted from the provisions of the civil service act—that is, that it should become the object of mere congressional or other political patronage. The Anti-Saloon League feared that perhaps under civil-service examinations some agents or other officers would get in who were not in favor of prohibition. The Anti-Saloon League wanted none but its own creatures or adherents and believed it could get these by patronage and favor better than by impartial tests. Therefore at this time it favored excepting these places from the civil service law. Congressmen would no doubt help them to get good prohibitionists who would do just what they wanted. They thought they could control these appointments themselves. So these propagandists of temperance and Christian morality joined hands with the spoilsmen. No doubt some of them would have been in favor of the merit system then, but Wayne B. Wheeler told them, as he also told us, that it was not "practicable." Various Congressmen who wanted these places for their own retainers told the heads of the Anti-Saloon League that they could not get votes enough to pass the Volstead bill if they did not let the Congressmen have the appointments. This was not true. Public opinion at that time demanded the law so strongly not only as a temperance measure but as a war necessity that these Congressmen would have been left at home had they refused to support it. The immense majority in Congress and all the State legislatures which supported the eighteenth amendment had shown this. But the timid representatives of the Anti-Saloon League trembled in their boots under the threat and gave to the Congressmen all the plunder they wanted in the shape of offices in return for their votes.

This transaction had many of the moral attributes of bald, naked bribery. The moral principles of the church organizations taking part in the political deal seemed to be limited to one thing—to prohibition. This sacred cause justified any means, however discreditable, to accomplish it. Political corruption and debauchery were unimportant in comparison, and they might even be tolerated and encouraged. The preachers and bishops who took part in this trade might have called it in others "Jesuitical."

The places thus made political plunder were financially of immense value. Officials in the Prohibition Unit have made many millions of dollars by prostituting their officers and aiding the bootleggers to defeat the law. They have been participants in fraud, hijacking, piracy, and murder. Witness the testimony given in countless criminal trials in which they were involved.

When these public officers were thus sold to venal politicians, what happened? At the time the Volstead Act was passed the Democrats were in power, and these thousands of places were distributed by Democratic Congressmen among their Democratic henchmen, who waxed fat upon the proceeds of their venality. When Harding came in the Democratic rascals were turned out and Republican rascals turned in to fill their places, waxing fatter still, for they had a much longer opportunity. The enforcement service became putrid in its corruption. True, it still contained some honest men who risked their lives to carry out the law; yet in general it was so corrupt that the very name of prohibition agent soon became a byword for venality. President Harding declared that this nonenforcement and betrayal of the law had become a national scandal.

The Anti-Saloon League kept telling us month after month, year after year, that things were getting better while we all knew they were getting worse. Deaths from alcoholism were increasing, arrests, prosecutions, convictions, and violations of the law kept growing constantly. Intemperance, which at first had declined rapidly, soon began to increase, and as shown by police-court records, kept going back again, year after year, closer and closer to its pre-Volstead level, while crimes of far graver character, homicides, burglaries, bank robberies, and hold-ups increased as never before until there are more than 10,000 homicides every year. Of course, all of this was not due to bad men in the Prohibition Service, but they had much to do with it, not only as participants but by encouraging that general defiance of law of which they furnished such nauseating and conspicuous examples. My friends, you know these things are true, you know that this service was thoroughly debauched.

Now, who was responsible? Not only these degraded and criminal officers of the Prohibition Unit, but the Congressmen and other politicians who recommended them for appointment, and the Anti-Saloon League which afterwards certified to the high qualifications of vast numbers of these precious scoundrels before they could get their appointments. It is true that after a while the Anti-Saloon League and Wayne B. Wheeler, its counsel, found out their mistake, and then they claimed that they had been in favor of the merit system all the time but had been overawed by the representations of Congressmen that they could not get votes enough to pass the bill unless they gave Congress the patronage. That made their conduct only more reprehensible. If they had honestly believed in the spoils system, there might have been some excuse, but thus to become the traders of offices for votes when they knew it to be wrong was not only weak but immoral.

And after they found out how badly the spoils system worked, what did they do? They introduced a bill to classify this service and to cover into it all the precious rascals who had been appointed under the spoils system and thus make more permanent the iniquities they had brought into the service. We opposed this bill with all our power and it was not enacted. Then they took a further step by way of compromise. They offered to let the mere subordinates be examined in competition with outsiders but proposed to "cover in" all the more important and higher administrative officers. But it was in these high places that corruption was most rampant. Many of those higher up were the most guilty of all, and we were just as unwilling to keep in these more important miscreants as we were to keep in their less guilty subordinates. So we urged President Coolidge to recommend to Congress that the whole enforcement unit be classified and that all the officers in the bureau, high and low, should have to compete with other applicants from the outside on equal terms. He made this recommendation in two successive messages.

The spoilsmen in Congress were now in a dilemma. They could not vote to perpetuate this bureau thus defiled with iniquity and at the same time keep the support of their constituents, and so they delayed as long as possible and finally voted in the last session of Congress for the bill we wanted.

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NATIONAL CIVIL SERVICE REFORM LEAGUE,
*New York City.*

To the EDITOR:

The following is an extract from an address by Hon. William Dudley Foulke, of Richmond, Ind., to the Council of the National Civil Service Reform League at its meeting in Philadelphia on Tuesday evening, April 24. Mr. Foulke, who is a former president of the league and a former member of the United States Civil Service Commission by appointment of President Roosevelt, first reviews the entire history of the scandals in the Prohibition Enforcement Bureau, due to political manipulation and the facts that led up to the recent examinations held by the United States Civil Service Commission for the incumbents of prohibition enforcement offices. After reciting the fact of the passage of the bill requiring examinations at the last session of Congress, Mr. Foulke goes on to say:

"A filibuster in the Senate at the close of the last session prevented the passage of the deficiency appropriation bill and the Civil Service Commission was deprived of the means of providing the necessary examinations. They went ahead as far as they could and some examinations for the higher administrative officers were held, but examinations for the great mass of subordinates could not be held until the present session of Congress, when at last that body passed the deficiency appropriation bill and gave the commission the necessary funds. Year after year had gone by, nearly eight in all, and at last the commission has begun to hold examinations. The first of these was the written test to show the intelligence of the applicant. This examination was to be followed by inquiries into his personality and character.

"What happened after this first examination? It was found that not less than two-thirds of the worthies foisted upon the country by Congressmen and other politicians, with the cooperation of the Anti-Saloon League, were incapable of answering correctly even 60 per cent of the written questions asked. It became evident that they were devoid even of the necessary intelligence to perform their duties, to say nothing of their honesty and moral qualifications. What a commentary on political patronage!

"And now the spoilsmongers, driven to the wall, betake themselves to the pitiable excuse that it was not the fault of these officials that they could not pass, but of the Civil Service Commission, who had made these examinations too hard. And the questions asked, it was said, were not proper tests at all. That is the same wretched pretense that has been made for now, nearly 40 years, by every patronage peddler in America. It is the same false accusation that was utterly refuted by Theodore Roosevelt when he was Civil Service Commissioner, and it has been overthrown ever since wherever it lifted its venomous head.

"Of course, no perfect tests have ever been devised, nor can they be. But the questions asked of these applicants referred only to the duties they were expected to perform and were eminently practical and reasonable—witness the following:

"'Assume that you are a prohibition officer working occasionally with agents Jenkins and Thompson, both of whom you have known for about six months. During the progress of an important investigation upon which all three of you are engaged, agent Jenkins approaches you with a statement that Thompson is crooked and is negotiating regularly with violators of the national prohibition act. Assume such facts as you may desire, not inconsistent with those given here, and state in approximately 150 words what, in your opinion, you should do under the circumstances.'

"Can you devise anything fairer to test general intelligence such as would be required of an applicant for the place of prohibition officer?

"Yet one of the applicants in far less than 150 words answers the question: 'There is no truth in the charge.' Though this was a mere problem to test the applicants' judgment, it may well be asked whether applicants like this should be 'covered in' by special act of Congress.

"Of course, mistakes may be made in the ratings of some of these applicants—when this is true, they can be remedied by rerating when the commission is satisfied that a mistake has been made and this has been done in many cases, but to say that good and bad must all be kept in office is as ridiculous as to say that there ought to be a general jail delivery because one or two convicted men were found to be innocent.

"For in spite of the practical character of the examination there are some, even among those who have heretofore protested their devotion to the merit system, who say, not merely that the commission should make the examination easier and give these incompetents another chance (that would be bad enough), but that they should thus be 'covered in' despite their ascertained unfitness by a special act of Congress which would thus perpetuate the scandals they have already created.

"Two bills have been introduced in Congress for this purpose, one in the Senate by Senator BROOKHART, of Iowa (S. 1995), and the other (H. R. 11193) in the House of Representatives by Mr. ROBINSON of Iowa. These were referred to the Committees on the Civil Service of the two Houses, respectively, and the Senate bill has already been favorably reported, and is likely to pass at any time.

"By this proposed bill all the enormous expenditure authorized by this Congress already appropriated and spent to hold the examinations is to be thrown into the wastebasket.

"Moreover, the outsiders who took the examination in good faith are entitled to consideration in connection with filling these positions and it would be monstrously unjust to permit the offices to which they are entitled to be filled in violation of their rights by the retention of those who are now filling these places. Nothing could more discourage honest competition nor more deeply discredit the merit system than such dishonorable treatment.

"Yet the critics take no account of this at all. They tell us, moreover, that civil-service reformers have now got quite beyond the need of protecting the country from spoils into that purer region where they may confine their energies to devising a 'system of scientific employment.' As if such a system were of any value whatever where the régime of political plunder still holds sway. The argument by which these critics would continue the perpetuation of spoils is this: 'The evidence as to the efficacy of former tests,' they say, 'is none too reassuring. Every investigation which has been made shows that the written tests in use are highly unreliable. Were the prohibition officers tested actually ignorant or were the tests themselves seriously at fault as measuring instruments? Would it not be better to let the operating officer decide who should go and who should stay?' Now, if operating officers were always free agents, honest, impartial, and skillful, they might make the selection better than could be done by any formal tests. But they are not free agents, but are subject to politicians high in office, appointed under the patronage system. Can these politicians be trusted to eliminate the patronage that has given them their places and to retain only the best employees? Will they not select and retain their subordinates on the orders—recommendations they are called, but woe to him who disregards them—of the politicians, Congressmen, or bosses who gave them their own positions, in such a way as will best please their patrons? They are not impartial nor disinterested.

"Often the operating officer can not even turn out the rascal who has dishonored the service lest some Senator, Representative, or other politician will demand his reinstatement and the officer, fearing that he may himself lose his place, weakly submits to what the politician requires.

"Even if it were true, as our critics say, that 'prohibition authorities declare that the Civil Service Commission has eliminated employees whom they think highly of about as frequently as those whose performance is not satisfactory,' this would mean little, for some of these operating officers themselves seem to think highly of those who have aided them in the perpetuation of political spoils. But it is not true that the 'prohibition authorities' have in general given this kind of testimony. As a rule the tests given have generally weeded out the least efficient. And in the formation of the tests the commission has had the aid, sympathy, and support of high prohibition authorities.

"Another argument of our critics is this: 'If you exclude all the men who could not answer even 60 per cent of the questions there may not be eligibles enough to carry on the work and prohibition enforcement will be demoralized for months.'

"How could this be? The men now in office, of course, will be retained until the new list of eligibles is ready and the new appointments made.

"And it would be far better to have the Prohibition Bureau demoralized for some months than to have it demoralized permanently by keeping in the present variegated assortment of politicians appointed by politicians for political or personal ends. Nearly all the men in the service, high and low, are Republicans. Most of them are spoilsmen who accepted office given to them as a personal and political favor. How can you trust these men to eliminate the unfit through their own action and keep in only those who are qualified? Have they done it during all these years?

"The wiseacres who are criticizing the commission's examination rather than repudiating the ignorant applicants who failed to pass, say that the examination must have been a bad one because the mortality was highest, not in the wet East where corruption was common but in the South and West where prohibition is favored. What sort of an argument is this? The examination held by the commission was merely a test of their intelligence. No question regarding their personality or character was included in it at all. These questions were to come later with the oral examination and with the character investigation. How is a test of a candidate's general intelligence affected by the opinions in regard to prohibition of the section of the country from which he comes, or even by his own opinions or by those of his 'angel'—Congressman or otherwise—who has secured the place for him? Who will say that either the drys or the wets have any special monopoly or advantage in general intelligence? When the advocates of retaining these spoilsmen are so hard put to it that they have to resort to such claptrap as this for argument, it is safe to conclude that their logic may be very weak in other particulars.

"But even if it were desirable that all of these political appointees should be covered in, although they could not pass the examination, there is no need whatever of a new act of Congress to accomplish this great eleemosynary scheme for the protection of the incompetent. The President has full power to cover them all in under the law as it stands. The civil service act provides that the President may except any person or persons from its provisions. Why do the critics insist that Congress shall direct him to do it? It is because they know that he does not desire to keep these places any longer in the hands of political spoilsmen, for he has already twice recommended in his message that the tests should be given equally to all, to those already in the service and to applicants from the outside.

"Which can best be trusted, a President like Mr. Coolidge, who seeks no new term of office for himself and is quite above the thirst for peddling patronage in the Prohibition Bureau, or rather the politicians in Congress, many of whom still want it for themselves? Shame on the man who urges these specious arguments in order to perpetuate the iniquity which exists to-day.

"It is said that some of those in the Prohibition Bureau (who are themselves political appointees) complain that the Civil Service Commission did not consult them in preparing the examination questions. Should the commission confide in the impartiality of men appointed by partisan politics to keep the service out of partisan politics? Should they trust without discrimination the officials of a bureau so deeply honeycombed with inefficiency and corruption to help prepare tests which would undo their own evil course? Should they have the opportunity to disseminate among officials and employees of this bureau a knowledge of what the questions were to be so that some unworthy member could inform favored applicants just how to answer them? The commission did well to keep its own counsel and prepare its tests with advisers of its own selection both in the bureau and outside.

"It is said that it is the general custom to 'cover in' all those in service when a particular branch is classified and that to require them to compete with outsiders is quite unusual. That is true in branches of the service that have done their work with reasonable efficiency untainted by gross scandal, though there are many instances where the employees have been required to compete with outsiders to retain their places to the manifest advantage of the service. But the Prohibition Enforcement Bureau has been for years thoroughly debauched and corrupted.

"Do you say this is all past history and that we have now an administration which is redeeming that past and that all will go well hereafter? We have heard that song for years, and if the corps of miscreants who have caused these scandals are now all covered in, to be dismissed only by those already in the service, we will hear it for another generation.

"It was only last September that Maj. Chester O. Mills, who had been appointed Federal administrator in the largest district in America, thus reports its condition:

"'Gen. Lincoln C. Andrews, who was then in charge of prohibition enforcement, had notified the public,' says Major Mills, 'as he had repeatedly assured me, that politics would have no place in enforcement. * * * Gradually orders to exclude politicians were modified. I was told to advise with the local party leaders regarding appointments to the force of 240 men working under me. * * * In scores of cases involving useless and venal agents, suspected alcohol promoters, and outlaw breweries I felt the working of the political machine, whose wheels do not grind slowly, although they grind exceeding fine. Through weeks and months contests with the politicians multiplied, bickering increased, until finally action taken against the worst agents I have ever encountered provoked the politicians into open mutiny. * * * They complained that out of the 240 men in my district, nearly one-tenth of the entire Federal dry force, 103 were Democrats. The full roster was submitted to the bosses for inspection. There were only 12 Democrats on the force. * * * General Andrews ordered me to consult Charles D. Hilles, the national committeeman of the Republican Party from New York. Mr. Hilles and I had a conference lasting two and one-half hours. * * * He pointed out that the patronage system prevailed in every prohibition district throughout the country and that my territory would not be an exception.'

"Major Mills now gives a list of the various convicted criminals and other jailbirds who were foisted on him by the Republican politicians.

"'A typical recommendation for a dry agent's job is one from Chairman Livingston: "This is to certify that Samuel Gross is an enrolled Republican." If the candidate was not hired, a long series of letters and telephone conversations resulted. If he was fired, two and three times that volume of forensic literature developed. * * * Prohibition as at present operated is a party spoils system. Three-fourths of the 2,500 dry agents are ward-heelers and sycophants, named by the politicians, and the politicians, whether professionally wet or professionally dry, want prohibition, because they regard prohibition as they regard postmasterships—a reservoir of jobs for henchmen and as favors for friends.'

"It is hardly necessary to add that the politicians secured Major Mills's removal.

"That the bureau is largely filled to-day with grafters is evident from Commissioner James M. Doran's statement last January to the United Press, in which he says, criticizing the Civil Service Commission, 'The examinations have created a corps of discontents and grafters. These men have been advised by the commission that they failed in the examinations and sooner or later must leave the service. Consequently they are discontented, and many are "selling out."'

"Why would they be selling out unless they were already venal and corrupt? The bureau is at this very moment honeycombed with men who are betraying and ready to betray their trust.

"Commissioner Doran is further quoted as saying of the civil-service examination, 'It is certain to cause discontent and make potential grafters among the rejected personnel.'

"As the New York Times remarks in an editorial, 'Could there be a sweeter testimonial to the virtue of his flock?' Why should the authors and beneficiaries of this corruption remain and keep their ill-gotten appointments in spite of their proved incompetency? Why should they be in a better position than competent outsiders who are able to pass the examinations in which they failed?

"'The results,' says the critics, 'are too uncertain to justify the use of the tests for eliminating employees who have undergone an expensive training course and have met the requirements of their superiors.' The course has indeed been expensive, not only in the money wasted by corruption but in the degraded morality and general lawlessness whose contagion has infected the whole body politic. And now we are told that we must not eliminate in this manner the political hirelings who have 'met the requirements' of their political patrons. These requirments have too often involved not only mere partisan activity but even the willful violation of the law they are sworn to enforce.

"Need it be said that this sort of an argument, whether it proceed from a willful desire to cripple the civil-service system and discredit its advocates or merely from ignorance of the inevitable results of such evil counsel, will be hailed with delight by every political plunderer who is anxious to see the spoils system retained and the deep infamy of the prohibition service indefinitely perpetuated. The views of the man who promulgates such doctrines should neither be indorsed nor followed by those who love the honor of our country."

## FARM RELIEF

Mr. BAYARD. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting letter from Mr. B. F. Yoakum in relation to the McNary-Haugen bill.

The VICE PRESIDENT. Without objection, it is so ordered. The letter is as follows:

NEW YORK, *April 23, 1928.*

HON. GILBERT N. HAUGEN,
*Chairman of the Committee of Agriculture,*
*House of Representatives, Washington, D. C.*

DEAR MR. HAUGEN: Knowing how sincerely you favor farm relief and how earnestly you have worked to that end, I want to say before the final "die is cast" that many of us who could not support the McNary-Haugen bill hoped that some measure might be reported by your committee that would overcome its objections and put the business of farming on a permanently self-supporting basis.

The present bill, while meeting some of the objections which the President in his veto message of the original McNary-Haugen bill pointed out, is in its basic principles and most important features unchanged.

The "equalization fee," which the Attorney General pronounced unconstitutional, remains. True, an alternative plan is provided, but, as you said in your letter to the Greene County (Mo.) Farmers' Association, the backers of the measure believe that this fee is "the all-essential feature of the bill." I see that you have included a clause that if any one provision is held invalid the remainder of the act shall stand. But as this "equalization fee" is still the backbone of the bill, if that is declared unconstitutional it would be mainly loan legislation.

If the "equalization fee" remains, its collection would not be imposed during high prices; therefore the farmer would be taxed at a time of low prices, when he is least able to bear it. He would have no say as to when this tax would be imposed, as the Federal Farm Loan Board would have the power to declare a marketing emergency and impose the fee, with or without the request of the commodity advisory councils or representatives of the producers. The door is thus opened for the worst kind of tyranny, taxation without representation.

Under the new bill the producers would have no voice whatever in the choice of this board which would control the destinies of millions of farmers. It would be, like various other Federal commissions, purely appointive. Mr. Coolidge would, we may be confident, name men he considered best fitted for the task, but some other Executive might not be so scrupulous. The board would necessarily be political in character and might become an ideal resting place for "lame ducks" and politicians whose alleged friendship for the farmer is their chief stock in trade.

With the equalization fee out the bill becomes principally a matter of loans to cooperative or other corporations. No one more strongly favors cooperation in marketing than I do, but to be effective it must be nation-wide "farm-commodity marketing." In no other way can marketing of crops be controlled so as to establish and maintain stabilized prices. Worthy as they are, the hundreds of scattered cooperatives can not separately accomplish the desired result. They must be brought together and each farm commodity organized on a national basis, controlled and managed by its rightful owners, the farmers.

The bill does not provide for this nor for any effective marketing system national in scope. It does provide for huge governmental loans. At first $250,000,000 was pronounced ample. Now the amount has been raised to $400,000,000, and no man can tell what the eventual limit might be. Government loans and appropriations grow by what they feed on, and this is staggering to begin with, with no benefit to marketing.

The farm bill lobbyists have not sold the McNary-Haugen bill to farmers on its merits; they have sold it to farmers on a false theory. The average farmer has been led to believe that in some way he will get a share of the $400,000,000. It has not been made clear to the average real farmer that the assessment of an equalization fee constitutes a claim against them from which there is no escape.

The bill does not touch the chief cause of the trouble, which is the tremendous spread between the producer and consumer, the immense profits made by dealers in whose interest the bill will work. An efficient nation-wide marketing-control system would remedy this, assuring a larger return to farmers and not raising prices to consumers.

"Farm commodity marketing" should be placed on a nation-wide business basis where it could stand alone as other big businesses do. Marketing of farm products should be controlled by the farmers themselves. A real farm commodity marketing system which would put agriculture on a permanently profitable basis can be established to market separately standard farm commodities for an expenditure on each commodity not in excess of the amount provided for in your bill for the board's expenses the first 12 months—that is, $500,000. The only loans for such commodities as wheat or cotton would be for organization purposes to be repaid from the first crop. These loans would be so small that they could easily be repaid without a fraction of risk by the Government.

The enforcement of the equalization fee and other features of the bill will require an army of employees and Government agents, detectives, and spies; and if every farmer or dealer who does not pay the fee is to be prosecuted, it will soon clog the courts.

Even $400,000,000 would be a small price to pay if this bill would accomplish the promised results and put agriculture on a profitable basis. But many of us who have studied the question for years know that it will not do so.

Furthermore, what is the use of passing a bill that in its present shape merely invites a presidential veto? Such a bill would not be of any use nor would it be good politics. To force another veto would so strengthen the President with farmers that they would force him to relinquish his hopes of turning the reins of government over to some one else.

Farmers have suffered so long and encountered such financial losses that necessity is forcing them to do some thinking on their own account. When further legislation is enacted they want it of a kind that will enable them to build up their industry on a sound, enduring, and profitable basis. They want to run their business on its merits. Thousands of farmers tell me this personally and by letter. They realize that "he who suffers all he can, can suffer no more."

If your bill, before it is put upon its final passage in the House, were so amended that it would provide for the establishment of a real "farm commodity marketing" system, provide for a combination of cooperatives and the organization of "farm commodity marketing" national in scope, under the management and control of marketing boards composed of producers of the respective commodities, giving farmers the power and authority to conduct their own marketing on business principles, such a measure would meet with the general approval of the people and I believe that of the President.

Sincerely yours,

B. F. YOAKUM.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, returned to the Senate, in compliance with its requests, the following bills:

S. 3511. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark.;

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; and

H. R. 12632. An act to provide for the eradication or control of the European corn borer.

The message further announced that the House had passed without amendment the bill (S. 4046) authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11026) to provide for the coordination of the public-health activities of the Government, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PARKER, Mr. MAPES, and Mr. LEA were appointed managers on the part of the House at the conference.

## COORDINATION OF PUBLIC-HEALTH ACTIVITIES

The PRESIDING OFFICER (Mr. ODDIE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11026) to provide for the coordination of the public-health activities of the Government, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JONES, Mr. MCNARY, and Mr. FLETCHER conferees on the part of the Senate.

## DISTINGUISHED-FLYING CROSS

The bill (H. R. 13331) to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, was read twice by its title.

Mr. BINGHAM. I ask unanimous consent for the present consideration of the bill that I may move to amend it so as to conform with the bill which the Senate passed by unanimous consent earlier in the day.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. BINGHAM. I move to insert in the bill immediately after the enacting clause the following:

That the President be, and is hereby, authorized to present the distinguished-flying cross to Col. Francesco de Pinedo in recognition of his extraordinary achievement in making an aerial journey of 25,000 miles by flying boat in the course of which he arrived in the United States by air from Rome.

That the President be and is hereby authorized to present the distinguished-flying cross to Dieudonne Costes and Joseph Le Brix in recognition of their extraordinary achievement in an aerial journey of 35,000 miles in the course of which they arrived in the United States by air after making the first nonstop flight across the South Atlantic.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "To authorize the President to present the distinguished-flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph Le Brix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl."

Mr. BINGHAM. I move to reconsider the vote by which the bill (S. 4218) to authorize the President to present the distinguished-flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph Le Brix, Ehrenfried Gunther von Huenefeld,

James C. FitzMaurice, and Hermann Koehl was passed, and that the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PENSIONS AND INCREASE OF PENSIONS

Mr. NORBECK submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10141) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4 and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the figures proposed to be inserted by said amendment insert "$60"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with amendments as follows:

Page 2 of the engrossed amendment, in the case of Arthur E. Wilcox, strike out the figures "12" and in lieu thereof insert the figures "20."

Page 7, in the case of Catarino Armijo, strike out the figures "12" and in lieu thereof insert the figure "6."

Page 7, strike out the language "The name of William L. Curry, late scout in the United States Army, Nez Perce Indian war, and pay him a pension at the rate of $30 per month."

Page 7, in the case of George W. Peck, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 8, in the case of Andrew J. Stewart, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 9, strike out the language "The name of Joseph Baker, who served as Indian scout, United States Army, and pay him a pension at the rate of $50 per month."

Page 10, in the case of Ella M. Beckett, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 10, in the case of Effie I. Disney, strike out the figures "30" and in lieu thereof insert the figures "12."

Page 10, in the case of Anna M. Sherman, strike out the figures "30" and in lieu thereof insert the figures "12."

Page 11, strike out the language "The name of John L. Baxter, late a scout with the United States Army, Bannock Indian war, and pay him a pension at the rate of $20 per month to commence March 4, 1927."

Page 11, in the case of Frank H. Wilson, strike out the figures "17" and in lieu thereof insert the figures "12."

Page 18, in the case of Wilbur B. Swafford, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 18, strike out the language "The name of Bascom Prater, late of Company E, Second Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $8 per month."

Page 20, strike out the language "The name of Edward L. Schmiedemann, late of Company B, First Regiment Nebraska National Guard Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving."

Page 20, strike out the language "The name of Milous Day, late of Company D, First Regiment of Capital Guards Kentucky Infantry, and pay him a pension at the rate of $50 per month."

Page 20, strike out the language "The name of Samuel H. Anderson, late an employee of the Quartermaster Department in the Yellowstone Expedition, and pay him a pension at the rate of $20 per month."

Page 20, strike out the language "The name of George R. Odle, late of Capt. D. B. Randall's Company, Idaho Volunteers, Nez Perce Indian War, and pay him a pension at the rate of $20 per month."

Page 21, in the case of William Franklin De Spain, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of James W. Allen, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of Francis H. Kearney, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of Charles A. Packwood, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of Hubert L. Bassett, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 23, in the case of Sarah R. Bates, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 23, in the case of Charles E. Finch, strike out the figures "20" and in lieu thereof insert the figures "12."

And the Senate agree to the same.

ARTHUR R. ROBINSON,
PETER NORBECK,
*Managers on the part of the Senate.*

HAROLD KNUTSON,
J. M. ROBSION,
WM. C. HAMMER,
*Managers on the part of the House.*

The report was agreed to.

AMENDMENT OF TRANSPORTATION ACT, 1920

Mr. COPELAND. Mr. President, I gave notice the other day that I desired to have a reconsideration of the vote by which the bill (S. 3723) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was passed, and to have the bill recalled from the House. As the time is very short, I ask if it will be acceptable to the Senator from Maryland if we let that go over?

Mr. BRUCE. I think we could discuss it very briefly, if the Senators who are interested in the Boulder Dam bill would allow us a few minutes.

Mr. COPELAND. My only purpose in calling this bill back is to offer some brief amendments which would place the Clyde, Mallory, and Southern Steamship Lines on the same basis as the Merchants & Miners Transportation Line, included in this bill. If I may ask the Senate unanimous consent to have the vote by which the bill was passed be reconsidered, in order that these amendments may be entered, I shall do so.

The PRESIDING OFFICER. Is there objection to the reconsideration of the vote by which the bill was passed?

Mr. BRUCE. Indeed, I object most strongly.

The PRESIDING OFFICER. There is objection.

Mr. BRUCE. Request was made to recall the bill from the House, as I see it, without any valid reason at all after it had been passed by the Senate, and I propose, of course, to resist a motion for a reconsideration.

Mr. COPELAND. I coupled with my request for reconsideration the suggestion of the adoption of these amendments, so as to place all these lines on the same basis. I would have no desire to interfere with the passage of the bill.

The PRESIDING OFFICER. There is objection to the reconsideration of the vote.

Mr. COPELAND. Mr. President, may I ask for a reconsideration of the vote by which the bill was passed and the adoption of these amendments in the same motion?

Mr. FESS. That can not be done, Mr. President.

The PRESIDING OFFICER. It must be in the form of a request for unanimous consent and not in the form of a motion.

Mr. COPELAND. Is there objection to that?

Mr. FESS. That can not be done, Mr. President.

Mr. BLACK. Mr. President, I do not like to object to a request of that kind, but I was the only member of the Committee on Interstate Commerce who voted against a favorable report on the original bill.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 728, the Boulder Dam bill.

Mr. BRUCE. Mr. President, I ask unanimous consent, and I hope the Senators interested in the Boulder Dam bill will unite in the unanimous consent, that we be allowed just a few moments for the purpose of disposing of the pending motion. It will take a very brief time, so far as I am concerned.

Mr. JOHNSON. Mr. President, I regret exceedingly that I can not consent to it. We have a morning hour for that purpose. Our bill will never be proceeded with if we accede to such requests.

Mr. BRUCE. I will say to the Senator that the Senate is going to have several days of discussion in relation to his bill. All we are asking is just a few moments to dispose of the matter which we have been discussing. Here is a bill which passed the Senate and went to the House, was passed by the Senate after it had been approved by the Committee on Interstate Commerce, and after it went to the House this motion is made for a reconsideration in order to let into the benefits of the bill three steamship companies which apparently had taken no notice of the bill during the time it was before the committee and during the time it was pending in the Senate.

Mr. JOHNSON. Much as I regret it, it is obvious that the matter is going to require debate. I see the Senator from Alabama [Mr. BLACK] upon his feet. I do not know whether he is interested. The Senator from New York [Mr. COPELAND] is interested. The morning hour is provided for the consideration of such matters. I am facing a filibuster upon the particular bill in which I am interested, and, therefore, I feel it incumbent upon me to ask that we proceed with the unfinished business.

Mr. BLACK. Mr. President, I am not going to debate the matter. I just want it to be of record that I have voted against the motion when it is taken up. I do not desire to debate it.

Mr. BRUCE. There is nothing to do but to submit.

Mr. JOHNSON. I am sorry, but I desire to proceed with the Boulder Dam bill.

BOULDER DAM

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. PITTMAN obtained the floor.

Mr. BRATTON. Mr. President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I yield.

Mr. BRATTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fess | La Follette | Sheppard |
| Barkley | Fletcher | Locher | Shortridge |
| Bayard | Frazier | McKellar | Simmons |
| Bingham | George | McMaster | Smith |
| Black | Gerry | McNary | Steiwer |
| Blaine | Goff | Mayfield | Stephens |
| Blease | Gould | Neely | Swanson |
| Bratton | Hale | Norbeck | Thomas |
| Brookhart | Harris | Norris | Tydings |
| Broussard | Harrison | Nye | Tyson |
| Bruce | Hawes | Oddie | Vandenberg |
| Capper | Hayden | Overman | Wagner |
| Caraway | Heflin | Phipps | Walsh, Mass. |
| Copeland | Johnson | Pittman | Walsh, Mont. |
| Curtis | Jones | Ransdell | Warren |
| Dale | Kendrick | Robinson, Ark. | Waterman |
| Deneen | Keyes | Sackett | Wheeler |
| Dill | King | Schall | |

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present. The Senator from Nevada will proceed.

Mr. PITTMAN. Mr. President, I do not at the present time intend to discuss this entire legislation. I rise principally for the purpose of discussing the chief committee amendment, which is found upon page 6 of the bill, lines 5 to 12, inclusive, and which reads as follows:

> If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract, or contracts, executed under this act, then, immediately after the settlement of such periodical payments, he shall pay to the State of Arizona 18¾ per cent of such excess revenues and to the State of Nevada 18¾ per cent of such excess revenues.

Mr. President, I have heard it charged that that is a revolutionary policy. I wish to state now that it is the uniform policy of the Congress, which was first established in 1908 in connection with forest reserves. The same policy was adopted in the oil leasing bill of 1920 and in the Federal water power act of 1920. Before I conclude I shall cite the provisions of such acts.

It is thought that the States of Arizona and Nevada are attempting to force a bonus out of the Federal Government. There is no such intention whatever. I had the honor to present a resolution at the Denver conference, where the seven States were in conference over the Colorado River legislation last year. That resolution stated the rights of States in waters, the rights of States in the beds and banks of navigable streams. The resolution was worded in the language of the Supreme Court of the United States, which had stated that it is the settled law of the country that beds and banks of navigable streams are owned by the States.

The resolution stated, almost in the direct language of the Supreme Court of the United States, that the waters of the State are under the sovereign control of the State except in one case, and that case is where the State has surrendered its sovereignty over the waters through the interstate commerce clause of the Constitution. In that clause the States gave the Congress of the United States control over all navigable waters for the purpose of commerce. Outside of that clause, no authority was delegated to the Congress of the United States or the Federal Government over any of the waters of the country.

Mr. KING. Mr. President, will the Senator submit to an interruption? However, if he does not wish the continuity of his remarks disturbed, I shall not ask it.

Mr. PITTMAN. I would rather not yield just now. If the Senator will remember his question and ask it at a later time, I shall be glad to answer him.

Mr. KING. I just wanted to suggest that the interstate commerce clause merely gives control to the Federal Government to prevent interference with navigation.

Mr. PITTMAN. I am sorry I can not agree with that statement. I think that the interstate commerce clause has been interpreted to place in the exclusive jurisdiction of Congress the right to do anything with streams that may prevent interference with navigation or that may facilitate navigation. I am frankly stating that one exception. That is the admitted law.

The resolution to which I have referred did not assert the right of a State to tax any Government property, either a dam or reservoir or electric power, if it was Government property. It did assert, however, that the States had the right, being the owners of the beds and banks of the river, to charge any corporation or individual for the use of that land or even to prevent them from using it.

That resolution holds that when the Congress of the United States, under the delegated powers of the Constitution, takes possession of State land—that is, the bed of the river—and uses it for a national purpose for the benefit of the whole country, the policy adopted in the past by Congress should prevail, and that is that the States in all justice and morality should be granted by Congress some compensation for having taken away their taxable property for the benefit of the whole United States. Mind you, that was agreed to by six of the seven States. The State of California simply asked leave not to have to vote on the subject for other reasons than the law.

Let me for a brief moment digress from my argument with regard to this particular subject. It is perfectly evident to all of us that there is such violent opposition to certain provisions of the bill that unlimited debate is threatened in the last hours of this session of the Senate. I do not say that in criticism nor with any reflection upon anyone. We have pursued the practice here, when legislation was sufficiently obnoxious and of sufficient vital importance, of exercising the right of unlimited debate to prevent its passage.

Here is what I want to call to the attention of the Senate in all seriousness. The opposition is not to the amendment which I have read. Arizona is in favor of the amendment which I have read. Utah is in favor of the amendment which I have read. Every one of the Colorado River States is in favor of the amendment I have read. In my opinion California's statement before the conference at Denver shows that they are in favor of the principle.

It is not that which is causing the opposition to the bill. The opposition to the bill is by reason of other provisions of the bill and by reason of the failure to include provisions which those Senators who are opposing it believe are essential to a just bill.

What I am getting at is this: How do we know at this moment what the bill is going to be when we come to vote upon it? Is not the proper thing to do to find out what is going to be in the bill before we oppose the bill? The bill is only suggested by the committee. It is not the act of the Senate. It is not the act of the Congress. We are here to consider a suggestion by the committee. The suggestion of the committee should have weight, of course, because the committee has spent two or three years in investigating the matter, and has spent two or three years working on the legislation. But under the practice of the Senate the bill is open to the consideration of any amendment that any Senator sees fit to offer. If, for instance, the provision of the bill which raises some opposition, namely, that it may be only ratified by six States instead of seven interested States, were changed so that the bill should not go into effect until seven States had ratified it, what objection could the Senators from Utah and Arizona have to it? None whatever, in my opinion, because that would refer the act to their States and their States would pass on it as to whether or not it protected their rights.

So I say that it is not the proper procedure to fight the bill before there is an opportunity to consider the recommendations of the committee as to changes and to consider any recommendations that may be made in the form of amendments by any Senator whatever.

The opposition to the bill loses nothing by attempting to perfect the bill. The same opportunity to fight the bill, if it is not perfected, will exist as it always did. This is an important measure, one of the most important measures that has ever come before this body. We have to deal with the protection, or the proposed protection, of the Mississippi River lands from

floods. Those floods, when they come, eventually recede, even though they cause great destruction. We have a flood situation on the Colorado River that, while it may not be of the magnitude of the situation on the Mississippi, is far more dangerous and far more serious than the floods of the Mississippi River. The floods of the Mississippi River come and go, and have done so through the ages. If the floods of the Colorado ever break into Imperial Valley—which is from two to three hundred feet below sea level, and below the bed of the Colorado River—we will have an irreparable destruction.

There is not a Member of this body who does not desire to protect against that impending destruction. I say "impending destruction" because all of the evidence discloses that that river has built up a delta to such an extent that there is no grade to it, no flow, and no channel; there is but one place for the river to go, and that is into Imperial Valley, if great floods come down the Colorado.

All of us want to protect that valley. It is our duty to do it, the same as it was to protect the Mississippi Valley; but here is the situation:

Senators say, "Build a dam sufficiently high to impound 10,000,000 acre-feet of water, because the holding back of 10,000,000 acre-feet of water will prevent the danger of this flood going into Imperial Valley." It will for 1 year, 2 years, 5 years, 10 years; it will until that capacity is reduced by the settling of silt in the reservoir. How long will that take? Mind you, there is no engineering way to get the silt out of a reservoir. When it is filled up its usefulness is ended.

A reservoir of 10,000,000 acre-feet capacity would not have 10,000,000 acre-feet capacity after the first year, and it would steadily decrease. The water of that river deposits 100,000 acre-feet of silt every year. In other words, it deposits silt that will cover 100,000 acres of land 1 foot deep every year. In building a reservoir that is going to cost this Government a large sum of money in any case it is foolish to build it to last merely 5 years or 10 years. It should be built of sufficient capacity that it will require a number of years to fill it up; and therefore there should be a dam high enough to take care not only of the flood waters but of the silt.

The cost of a dam high enough to impound 10,000,000 acre-feet of water, that would be of value only for a few years, is almost if not quite half as much as the cost of a dam that would not fill up with silt for 300 years. Not only that; a dam that would hold back only the necessary 10,000,000 acre-feet of water, with a steadily decreasing efficiency, would be a total loss to the United States Government, because there never would be any return from it. A dam 550 feet high would last not only for 300 years but the disposal by the Government of the incidental power created by such a dam would pay back the Government every cent of the investment, with interest at 4 per cent per annum.

Which is the practical thing to do? There is not any question about it. I say to you that those who are opposing this bill are in favor of this legislation. The country gets the impression that there is a tremendous opposition against the building of this dam.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. PITTMAN. Yes.

Mr. ASHURST. Surely the Senator does not mean to say that those who are opposing this bill are in favor of the bill or the legislation.

Mr. PITTMAN. No; I do not.

Mr. ASHURST. The Senator can not speak for me upon that point.

Mr. PITTMAN. The confusion arose by reason of my inability to convey my meaning, because there is no difference between the Senator from Arizona and myself.

Mr. ASHURST. The Senator may draw any conclusion he desires. I am opposed to the bill. He is in favor of it if his amendments are adopted.

Mr. PITTMAN. I mean there is no difference in regard to what I mean by this legislation; that is all. I mean by that that the Senator from Arizona, as well as the Senator from Nevada, desires to protect the Imperial Valley against destruction and also the lands on the Arizona side.

Mr. ASHURST. Will the Senator yield? I really would prefer not to interrupt the Senator, but I must.

Mr. PITTMAN. That is all right.

Mr. ASHURST. Yes, Mr. President; the Senator from Arizona—and I shall take the liberty to say, with the kind permission of my colleague [Mr. HAYDEN], who sits here—that both Senators from Arizona are not only in favor of flood control for Imperial Valley, and that in the committee I offered an amendment appropriating $30,000,000, nonreimbursable and a gratuity out of the Federal Treasury, as a free gift to Imperial Valley for flood control, and the senior Senator from California [Mr. JOHNSON] voted against it. Is that the truth?

Mr. JOHNSON. Part of the truth.

Mr. ASHURST. It is the whole truth, sir.

Mr. JOHNSON. No, no; when the Senator speaks for the Senator from California, he does not speak of the whole situation. Here is a unified scheme with a definite plan that has been presented here session after session. To say merely that a flood-control dam shall be erected in the Colorado River means that the purposes of the whole plan would go to naught, save in the single direction of an inadequate flood control.

Mr. ASHURST. Mr. President, with the permission of the Senator from Nevada, I wish to ask the Senator from California is it not a fact that I offered an amendment to this bill in the Irrigation Committee appropriating as a gratuity out of the Federal Treasury $30,000,000 for flood control for Imperial Valley? Is that true?

Mr. JOHNSON. It is so that the Senator from Arizona offered an amendment by which there would be a flood control——

Mr. ASHURST. No; I did not ask that question.

Mr. JOHNSON. Wait a minute; I will answer it in my own way.

Mr. ASHURST. Well, then, answer it. Did I or did I not offer an amendment appropriating $30,000,000 as a free gift for flood control for Imperial Valley?

Mr. JOHNSON. I will answer the Senator's question.

Mr. ASHURST. The Senator is dodging the question. I ask him to answer it, and not dodge it, but to answer it like a man.

Mr. HARRIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON. I do not like the offensive manner——

Mr. ASHURST. And I do not like the Senator's dodging of my question. He shall be required to answer.

Mr. PITTMAN. Mr. President, I decline to yield any further.

Mr. JOHNSON. Mr. President, will the Senator from Nevada yield to me? I do not propose, by the Senator from Arizona or any other person, to be accused of dodging anything in this controversy. I proceeded to answer him, and answer him adequately and accurately. I proceed to answer him adequately and accurately now.

The question that arose in the committee arose over whether or not there should be an appropriation for flood control and flood control alone. To that, of course, I objected. That, of course, was not offered, in my opinion, in good faith by the Senator from Arizona, because it foreclosed them from every conceivable claim that they were making before that committee, and every claim that they make now in respect to this particular measure.

Mr. PITTMAN. Mr. President, I do not want this controversy to go on.

Mr. ASHURST. The Senator must yield until I at least challenge the statement that has just been made.

Mr. PITTMAN. Will the Senator try to be brief?

Mr. ASHURST. I will.

Mr. PITTMAN. I wish to go on with my remarks.

Mr. ASHURST. It is strange that the Senator from California, who in committee voted against my amendment for flood control for Imperial Valley, should now try to escape from his dilemma by impugning my good faith. I have served here 16 years, sir, and he is the first Senator who ever accused me of bad faith.

Mr. PITTMAN. I refuse to yield further, Mr. President.

Mr. ASHURST. I repudiate the intimation of the Senator from California, and I say it is unworthy of him.

Mr. PITTMAN. I refuse to yield any longer.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. JOHNSON. Mr. President, will the Senator from Nevada yield?

Mr. PITTMAN. I will not, to anyone. I do not intend to stand here and have this debate broken up by a controversy of this kind.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I do not intend to yield to any Senator for any purpose. I am afraid even of the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I was asking the Senator to yield in the interest of peace.

Mr. PITTMAN. I am afraid that what caused this diversion was the fact that I stated that I thought everyone, while not in favor of this bill, was in favor of legislation. I intended by that statement to draw a distinction between the bill and legislation. I only had in mind legislation for the protection of

Imperial Valley—not this bill, but some legislation—and therefore I am sorry that I was misinterpreted.

I reiterate that the purpose of this legislation—still drawing the distinction between legislation and bills—is unquestionably meritorious. I have never heard its merits denied, and therefore I come back again to the question that the only dispute arises over the language and form of the bill. If there is a difference over the language and the form of the bill, why should we not first attempt to agree on the language and the form of the bill before we condemn a bill?

When we finally vote on the bill, it may not be this bill at all. It may be a substitute bill. It may be entirely changed by amendments. I think, therefore, that the orderly, intelligent way to consider legislation is not to say, "I am opposed to the legislation because the bill is not in the form in which I want it," but for Senators first to find out whether they can put it in the form that they want it; and if they are not successful, and still have objections to it, then, of course, we understand their rights and duties in the matter.

I have diverted from the particular amendment I started to argue for the simple reason that I think we stand in our own light; I think we fight the interests of our own communities if we obstruct a bill dealing with legislation that we want and do not attempt to offer any other legislation in its place.

Arizona is not in as great danger as California from these floods, of course, because its land is not below sea level; but there is a large area there that needs flood protection, and should have it. This bill provides that if the seven-State agreement entered into between Wyoming, Colorado, Utah, New Mexico, Nevada, Arizona, and California with regard to the development of that river is agreed to by six States, the law shall go into effect. The Senators from Arizona and the State of Arizona have always contended that that agreement should not go into effect unless ratified by all seven States. That is a question, Senators, of dispute; but I say to you now, if this bill should be amended by the Senate, in its judgment, saying that the act should not take effect until all seven States had ratified it, what objections could the Senators from Arizona, Utah, or anywhere else make to this bill? None at all. They would not object to having the bill referred to their legislatures to determine whether or not it was protective of their States. Why fight this bill until you find out whether or not it can be amended so as to require seven-State ratification?

I state now that if a seven-State ratification amendment were agreed to instead of the six-State provision in this bill, there would be no legitimate grounds for any of the Representatives of the seven States to fight it, because it would be transferring the fight from this floor to the States themselves. Why is not that possible? Why fight this bill, then, until you find out whether or not it can be re-formed according to your particular ideas, whatever they are?

The seven States want this legislation. Ever since 1918 their representatives have been convening and discussing this proposition for the purpose of bringing about legislation of this kind, not in the form of this bill—I do not want anyone to rise to make that point—but legislation of this general kind. It has been a matter of serious consideration for years. An agreement or treaty was drawn up under the authority of Congress with regard to the development of the river; but that treaty was not ratified by the State of Arizona, and consequently it has never gone into effect. Arizona contends that no legislation should go into effect until it has been ratified by her; but an amendment may be offered here by Arizona or Utah or the representative of any other of the seven States requiring seven-State ratification.

Mr. HAYDEN. Mr. President, I will state to the Senator that such an amendment will be offered.

Mr. PITTMAN. Then, if such an amendment will be offered, why not get down to it now and offer it instead of discussing the bill before it is offered? I think it is a serious proposition. I think every Senator who has an amendment to offer to this bill should offer it, let it lie on the table, and have it printed, so that we can consider it, and we should proceed to consider those amendments.

Mr. BRATTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. PITTMAN. I do.

Mr. BRATTON. In that connection I desire to call the attention of the Senator from Nevada to the fact that I have offered an amendment, had it printed, and it is lying on the table now providing that the act shall not go into effect until each and all of the seven States have ratified the compact, if that can be done within 12 months from the time the bill is passed. If not, then construction may proceed on the basis of a six-State ratification, with a certain limitation as to the maximum use of water in the State of California.

At the appropriate time I shall advance that amendment and discuss it, but I call the attention of the Senator from Nevada to the fact that an amendment looking in that direction has been offered, has been printed, and now lies on the table.

Mr. PITTMAN. I think the Senator has followed the proper procedure.

Mr. ASHURST. I shall promise not to quarrel with the Senator from California——

Mr. PITTMAN. I am very sorry I can not yield now. I am afraid of the Senator.

Mr. ASHURST. I think the Senator should yield at this juncture.

Mr. PITTMAN. Very well; I yield.

Mr. ASHURST. The Senator said it is the duty of the Arizona Senators to introduce an amendment proposing a seven-State ratification. Day before yesterday I introduced the following amendment. May I read it? It is very short?

Mr. PITTMAN. Why not just tell what it is? It is printed.

Mr. ASHURST. No; let me read, for it provides as follows:

Amendment by Mr. ASHURST: *Provided*, That no appropriation for construction under the gravity plan shall be made until a compact shall have been entered into between the States of Wyoming, Colorado, Utah, New Mexico, Nevada, California, and Arizona, either to determine the allocation of waters and definite storage elevation and areas or to determine the basic principles that for all times shall govern these matters: *And provided further*, That the passage of this act shall not in any respect whatever prejudice, affect, or militate against the rights of the State of Arizona or the residents or the people thereof, touching any matter, or thing, or property, or property interests relative to the construction of the Colorado River Boulder Dam project.

That amendment is an exact rescript of the amendments adopted at the suggestion of the Senator from Idaho [Mr. BORAH] and at the suggestion of the Senator from Montana [Mr. WHEELER] with reference to the Columbia Basin project.

My learned friend from Nevada descants ably, as he always does, and intimates that I have been guilty of some remissness, whereas in truth that is the first amendment that I offered. I hope he will not now imply that Arizona has been guilty of remissness or delay.

Mr. PITTMAN. I am not doing so. Just the exact opposite; I said the Senator had done his duty.

Mr. ASHURST. Very well. I thank the Senator for yielding.

Mr. PITTMAN. Both the Senator from Arizona and the Senator from New Mexico have done their duty, as I see it, humble as my opinion may be, in presenting these amendments. I know the Senator desires to get action on his amendment, and I am going to help him get action.

Mr. ASHURST. Will the Senator vote for my amendment?

Mr. PITTMAN. I have not considered it. I may and I may not. I mean by that, the Senator has introduced that amendment for the purpose of getting an expression of the Senate on it, and I am going to help him all I can to get an expression of the Senate on it.

Mr. ASHURST. I hope the Senator will vote for it.

Mr. PITTMAN. I may after I shall have considered it.

This has been a diversion. Let me get back to the amendment. I only stated what I thought it was the duty of the Senate to do in this matter. I will read this amendment once more, and then I am about to close. I want the Senate to understand the amendment. It is found on page 6 of the bill, lines 5 to 12, inclusive, and reads:

If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract or contracts executed under this act, then, immediately after the settlement of such periodical payments, he shall pay to the State of Arizona 18¾ per cent of such excess revenues and to the State of Nevada 18¾ per cent of such excess revenues.

Let us see what that means. This bill provides that before the Secretary of the Interior can start any construction he must have contracts that will insure the return of the money to the Government with 4 per cent interest. It provides that those payments must be made within 50 years. It means that those payments are to be annual, or semiannual, or at some other periodical times.

How much money does it take to pay this back? Let me give the Senate exactly what the Government says about this. Listen to this: Dam, including interest, $55,000,000; power plant, $35,000,000; all-American canal, $35,000,000. That includes interest during the amortization period. This bill pro-

vides that the all-American canal shall be built under the reclamation act, which means that the lands benefited are to pay for it. So we eliminate that item of $35,000,000.

"Dam, $55,000,000." That has to be paid for out of the sale of power. If the plant that generates the electricity is built by the Government, that will be another $35,000,000; and that will have to be paid out of the sale of power.

Under this bill the Secretary of the Interior is given the option either to build this plant or to contract for the use of the water and let the individual build the plant. In any event, the only charge against the power is for the dam and the power plant, or the dam alone. What is the result? It has been estimated that in 35 years this power could be sold at less than 2 mills per kilowatt-hour, and the Government's total investment with interest paid back. But here comes a question. If the Government sells the power for exactly the amount that will meet each annual payment, or periodical payment, and there happens to be some injury to the dam, or to the transmission lines, or to the power house, then there would be a deficit at that time. Consequently, good, economic business management requires that there shall be a reserve, with the result that instead of the power being sold at exact cost, it will be sold at some price above cost. That will be annually an excess revenue over and above the amount required to pay the Government its amortization fee, which means the principal with interest.

This bill gives the Secretary of the Interior the absolute, exclusive power to fix the price at which the power is sold. If he sells the power at cost, then there is no revenue for the State of Arizona or to the State of Nevada. If he sells the power at a quarter of a mill above cost, then the States of Arizona and Nevada get only 37½ per cent of the quarter of a mill, which is a negligible sum. In any event, the testimony shows that under that amendment the returns of revenue to the State would be far less than the taxes they would receive from private individuals, if the dam were built by individuals or corporations.

It is said, however, it is a revolutionary policy. We are not urging the right to tax Government property, we are not urging the right to tax hydroelectric energy created by the Government. We know legally that can not be done. If it could be done, we would not have to be here asking for Congress to do justice.

Senators will remember when we passed the forest reserve act in 1902. What did Congress do in that act? The Congress of the United States, having absolute, exclusive jurisdiction over the public lands of this country, said that the forests of this country were being destroyed, watersheds were being destroyed, and it was absolutely necessary, for the national safety and the national welfare, that we withdraw these great forest areas and prevent them from going into private ownership; and we passed the act of 1902.

What was the result of that? Great national conservation had been accomplished; but it almost destroyed certain counties in the United States. It did destroy some of them. There were counties in the great areas that were forest areas of the West that are now forest reserves, where towns had been built up on the lumber industry, and when the Government of the United States, for the purpose of national conservation, went in there and withdrew all that immense timber area, larger than the State of Rhode Island, in some cases larger than the State of Connecticut, when they withdrew all that land from ever going into private ownership, for the purpose of conserving those forests, those towns which had been built up for the purpose of carrying on the lumber industry found themselves without sufficient taxable property to support town or county government.

What happened? In 1908 the Congress of the United States realized that no particular community should be made to suffer for the benefit of the whole Nation, and passed the act of May 23, 1908 (35 Stat. L. 260), which provided:

* * * That hereafter 25 per cent of all money received from each forest reserve during any fiscal year, including the year ending June 30, 1908, shall be paid at the end thereof by the Secretary of the Treasury to the State or Territory in which said reserve is situated, to be expended as the State or territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which the forest reserve is situated: *Provided*, That when any forest reserve is in more than one State or Territory or county the distributive share to each from the proceeds of said reserve shall be proportional to its area therein.

What was that? Twenty-five per cent of the gross receipts from the forest reserves, and yet, as we know, the forest reserves have never made any money since they were created. But the Congress in its wisdom, after the policy which had proven so destructive to counties and States, thought it right to compensate them when they were destroyed for the benefit of the whole Nation.

At the last session Congress passed a bill to pay to certain counties in Oregon a sum equal to the taxes they would have received had not the lands gone into forest reserves. That was done because those counties had been practically destroyed by the withdrawing of land from going into private ownership and becoming subject to taxation.

That was with regard to forest reserves. Let us see what the next step was. We passed an act to conserve the oil resources of this country. The oil resources of the country were only found in certain sections of the United States, in certain Western States. Before we passed the act of March 11, 1920, those great oil lands were subject to acquisition by citizens of the United States and corporations organized under the laws of the States, and when they became subject to the ownership of those individuals and corporations, they were subject to the taxation of the States. The Congress of the United States came to the conclusion that the oil resources of this country were essential to its protection, were essential to put it on a commercial equality with other countries, and they found it necessary to pass an act, in 1920, authorizing the Secretary of the Interior to withdraw from acquisition by individuals all of these great areas of oil lands. The whole Nation was benefited, but every State where these great oil lands were found was proportionately damaged. Every county in the withdrawn area was practically destroyed, and every town within the withdrawn area was practically destroyed for the time being.

What happened? The Congress of the United States, after having fixed the policy with regard to forest reserves in 1908, in its wisdom and in justice to those States which had been deprived of their property for the benefit of the whole Nation, put this in the oil leasing law:

SEC. 35. That 10 per cent of all money received from sales, bonuses, royalties, and rentals under the provisions of this act, excepting those from Alaska, shall be paid into the Treasury of the United States and credited to miscellaneous receipts; for past production 70 per cent, and for future production 52½ per cent of the amounts derived from such bonuses, royalties, and rentals shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress, known as the reclamation act, approved June 17, 1902, and for past production 20 per cent, and for future production 37½ per cent of the amounts derived from such bonuses, royalties, and rentals shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct.

Thirty-seven and a half per cent is the exact amount that is provided in this amendment which I have just read. They gave not only 37½ per cent of the royalties to the States when the lands were withdrawn, but they gave an additional 52½ per cent to the reclamation fund, and the Government kept only 10 per cent to administer the act. That was because Congress, when it passed the act of 1908 giving 25 per cent of the receipts of forest reserves, had already had enough experience with conservation so that they knew it absolutely destroyed certain counties and towns for the benefit of the whole country. So, when they passed this oil act they put the same 37½ per cent in there for the State, 52½ per cent to the reclamation fund, and 10 per cent to the Federal Government.

That was not all. It is said that this is a new policy. We passed here on June 10, 1920, what we called the Federal power act. This dam could be built under the Federal power act if the Government did not see fit to build it. Why? The Federal power act only provided this, that the Government of the United States, through the Interior Department, might lease the use of its public lands to anyone desiring to build a power project. But that was not all. What else did the act say in regard to that? It provided:

(d) To issue licenses to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of the United States or any State thereof, or to any State or municipality for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses, transmission lines, or other project works necessary or convenient for the development and improvement of navigation.

Then, having done that, they went further and stated this:

That each applicant for a license hereunder shall submit to the commission—

(b) Satisfactory evidence that the applicant has complied with the requirements of the laws of the State or States within which the pro-

posed project is to be located with respect to bed and banks and to the appropriation, diversion, and use of water for power purposes and with respect to the right to engage in the business of developing, transmitting, and distributing power, and in any other business necessary to effect the purposes of a license under this act.

I call attention to the fact that Congress at that time recognized that the States do own the beds and banks of navigable streams, that they do have sovereignty over the water, with the exception that the Congress was granted in the Constitution power to control the waters for navigable purposes. Before it would let any license for the use of the public land for power purposes, it required that the applicants should comply with the laws of the State relative to the use of the beds and banks of the rivers, and the use of water over which the State had sovereignty.

That act was intended to govern deals with private corporations and citizens. The Congress of the United States, under the Constitution, the State having delegated that authority, has the right to use the State lands. It has a right to use the lands owned by the States in the bed of a river and on the banks of a river, because the Supreme Court of the United States has held that when the States granted the right to Congress to regulate navigation on rivers, the incidental right of using the land of the State in the bed and on the banks of the river was essential. We do not question that at all. We do not question that the Congress of the United States has the right to use the lands of Arizona and Nevada upon which to build a dam, notwithstanding the fact that the great benefits will be bestowed 250 miles below in another State. We are only calling attention to the justness of the situation.

If the Government did not reach out and take this great power site, the only power site in our State, for flood control, and if a private corporation then did it, that private corporation would have to comply with the laws of our State, and the dam and the power house it built would be subject to taxation and help to support our State. But we are not urging that. We say there are circumstances connected with the whole transaction which justify the United States Government in doing this work itself. As a matter of fact, it is the duty of the United States Government to do the work out of the funds of the Nation, as it should do along the Mississippi River, and not at the expense of a single State or two States or three States.

The Federal power act of 1920 provided that the Federal Power Commission should fix the fees and that the license fees should pay for the use of public lands. It was all right to charge for the use of public lands, but how would the State get paid for the use of its lands? Congress in passing the act realized that the States were being deprived of something, and what did we put in the act? In the act we find this provision, in section 17, page 11, of Public, 220, Sixty-seventh Congress:

> That all proceeds from any Indian reservation shall be placed to the credit of the Indians on such reservation. All other charges arising from licenses hereunder shall be paid into the Treasury of the United States, subject to the following distribution: Twelve and one-half per cent thereof is hereby appropriated to be paid into the Treasury of the United States and credited to "miscellaneous receipts"; 50 per cent of the charges arising from licenses hereunder for the occupancy and use of public lands, national monuments, national forests, and national parks shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress known as the reclamation act, approved June 17, 1902; and 37½ per cent of the charges arising from licenses hereunder for the occupancy and use of national forests, national parks, public lands, and national monuments, from development within the boundaries of any States shall be paid by the Secretary of the Treasury to such State.

That is the exact amount we have provided in the committee amendment to the pending bill. But, mind you, in that case the States not only get 37½ per cent of the fees charged for the use of public lands, but the dam and plants are to be built by private corporations and private individuals and are to be subject to the regular taxation of the States. In this case it would not be subject to taxation. Under this bill all we will get out of it is 37½ per cent of the profits, which amount we would have gotten under the Federal power act, together with additional revenues from taxation.

Just think of it! Not only does the Congress of the United States, under the power of the Constitution, take the beds and banks of the rivers that belong to the States of Arizona and Nevada for national purposes, but it takes over 400,000 acres of the public lands in Nevada as a reservoir site. It withdraws permanently and forever 400,000 acres of public lands in our State so that they can never come into private ownership and can never be subjected to taxation, and this is done for the purpose of carrying out a great national policy.

But we have not any objection. We have stood for every conservation act that has ever been brought up. To-day nearly one-half of the State of Arizona is taken up by Indian reservations and forest reserves. The Government has prevented them from ever becoming taxable by the State. The same situation exists in Nevada. We do not object, but we do say that the Congress of the United States discovered in 1908 that the forest act of 1902 had destroyed cities and counties, had interfered with the credit of whole States, and then the Congress passed an act providing that 25 per cent of the receipts from sales of timber fees and for grazing should go into the State treasury and into the treasuries of those counties that were interfered with. That was the beginning of the policy.

Then when we reserved forever the land with oil underlying it, so it could not go into private ownership and be taxable, again the Congress said there must be some compensation to the States which are injured for the benefit of the whole United States, and provided not only 37½ per cent of the royalties, the same 37½ per cent that we propose to divide between the States of Arizona and Nevada in this case, but an additional 50 per cent was provided to go into the reclamation fund for the benefit of those States. Again, when we passed the Federal power act Congress recognized that the States own the beds and banks of navigable streams and have sovereignty over the waters thereof, subject only to the superior authority granted by the Constitution to Congress to use them for navigation, and in that act provided that 37½ per cent of the revenues from licenses issued by the Federal Power Commission should go to the States wherein a dam was built.

Away back in 1860 the Federal Government granted every other section of land in certain parts of Oregon to aid the building of a railroad from Portland to the State line, but the railroad company did not comply with the law which required them to sell that land to settlers at $2.50 per acre, so the Government took the land away from the railroad company and made it into forest reserves, and thus logging ceased and lumbering ceased and manufacturing ceased, and those towns died which were built up there on the strength of the belief that the lands were going to be sold and be subject to taxation. The Congress of the United States at the last session appropriated money to pay these counties the taxes which they would have received for the land if it had gone into private ownership as originally intended.

Do not confuse the proposition. We are not insisting for one moment that we have any right to tax a dam built by the Government of the United States or a power plant built by the Government, or anything owned or built by the Government. We say that Congress has the authority to do justice in this matter, and all we have asked is that if in any year there is in the hands of the Secretary of the Treasury a revenue larger than enough to meet the annual payments on the principal and interest of amortization that then the two States of Arizona and Nevada shall have 37½ per cent of that excess revenue, and that 62½ per cent shall be retained by the Government as a safety reserve fund to meet any deficit that may come in subsequent annual payments.

It is a fair and reasonable proposition, and it is in absolute accord with the whole policy of the Congress which was established away back in 1908 and followed consistently ever since that time. We do not ask that a cent be added to the cost of the power, not a cent. The bill provides that the Secretary of the Interior may sell the power at any price he fixes, and that if there is no excess revenue over and above the amount necessary to pay the Government with interest then the States of Arizona and Nevada get nothing. If there is an excess over that amount, they only get 37½ per cent of it. It is a plain and simple proposition.

Mr. SIMMONS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from North Carolina?

Mr. PITTMAN. I yield.

Mr. SIMMONS. I am a member of the committee which reported the bill, but the Senator from Nevada knows that I am a member of two other committees, the Committee on Commerce and the Committee on Finance, who are holding meetings at the same hour every day, and that I was not able to attend the meetings of the committee having the Boulder Dam bill in charge. I am not as familiar with the bill as I would like to be.

The Senator spoke about the number of acres of land which the Government would take away from the State of Nevada for the purpose of establishing a reservoir. I understand that when the Government establishes a forest reserve out of Government-owned land, the Senator claims, by reason of the fact that those lands are withdrawn from purposes of production or any use to which they are susceptible of being put, that the

Government, for the purpose of recouping the State for the loss sustained by reason of that withdrawal, has provided that the State in which the reservation is located shall receive a certain percentage of the profits derived from the use of such withdrawn areas.

Mr. PITTMAN. That is correct.

Mr. SIMMONS. The Senator claims that where the Government goes into a section where it owns no land, as in my State, for instance, and buys large tracts of land for the purpose of establishing a forest reserve, provision is therefore made in the act that to recoup the State for the losses sustained by the nonuse of the area the State shall receive a part of the profits derived.

Mr. PITTMAN. That is correct.

Mr. SIMMONS. I do not understand that the Senator is contending that when the Government decides to take over this vast area in his State for the purpose of establishing a reservoir, the Government shall not pay the owners of those lands their reasonable value?

Mr. PITTMAN. The land out there is not privately owned.

Mr. SIMMONS. Is it owned by the State?

Mr. PITTMAN. No; it is owned by the United States Government. It is in the same position as were the forest lands. The forest lands were owned by the Government and were withdrawn from entry or acquisition, and in lieu of withdrawing them from taxation as in the Senator's State, where private lands were taken by the Government through purchase, the Government pays the State 25 per cent of the gross receipts for such forest reserves

Mr. SIMMONS. Yes; I understand the Senator. I am well aware of how the Government would go and take charge of these lands, and I assumed, of course, that if they were privately owned the Government would pay for them; but I understand now that they are publicly owned. The Government owns the lands?

Mr. PITTMAN. Yes; and simply withdraws them.

Mr. SIMMONS. The Senator said that we ought to put the State of Nevada, with respect to those lands, upon the same footing that we have placed other States in which lands were withdrawn for forest reserves by the Government.

Mr. PITTMAN. Or for oil purposes.

Mr. SIMMONS. That is the Senator's contention, is it not?

Mr. PITTMAN. That is correct. The whole situation is that no State can maintain its sovereignty in the proper way and can not exist without the power of taxation or, necessarily, without property to tax. Eighty-seven and one-half per cent of the lands of Nevada are public lands. We have very large areas there which have been withdrawn as forest reserves. We have large areas withdrawn there as oil lands on the theory that they may have oil under them. We have one Indian reservation, for instance, larger than the State of Rhode Island, with only 400 Indians living on it.

What I am getting at is this: We have reached the constitutional limit of our taxation, and instead of acts to encourage land going into private ownership and being taxable the natural tendency is the other way.

Mr. WALSH of Montana. The unnatural tendency.

Mr. PITTMAN. No; I think the tendency for conservation is natural. I think all of us favor the conservation of our forests, and in a great many cases the burden rests chiefly on the State where it is taken. Sometimes, as I said, it has destroyed whole counties and towns, as it did in Oregon. I believe in the conservation of our oil reserves. I do not think our Navy could compete with any navy in the world that had oil if we did not have oil. I do not believe our commerce could compete with the commerce of any other nation of the world if they had oil and we did not have it. Conservation of oil is essential. When we passed the act giving the Secretary of the Interior blanket power to draw lines around millions of acres of land, with the provision that that land shall never go into private ownership, it was a good step. It was done for the benefit of the Nation.

Mr. SIMMONS. The Government owns a great deal of land that has never yet been declared forest reserves, does it not?

Mr. PITTMAN. Oh, yes; a great deal.

Mr. SIMMONS. Those lands do not pay any taxes.

Mr. PITTMAN. No; they do not.

Mr. SIMMONS. It seems to me the Senator's position is very much stronger as to those lands which are appropriated by the Government for a specific purpose, whether it be as a forest reserve or whether it be for the purpose of a reservoir, when he puts it upon the ground that by that act it brings that particular Government-owned land into utility, but a utility which destroys altogether its value for any other purpose except that specific purpose.

Mr. PITTMAN. That is true.

Mr. SIMMONS. And that the State, therefore, loses any possibility of obtaining any revenue from that land in the future. Now, if it was publicly owned land and not in a reserve, or the Government was leasing those lands out and the Government was permitting them to be logged in a proper way so as to preserve the forests and not destroy them, the community would get the benefit of those operations. But in this particular case the community can never hereafter get any income from the use of these lands.

Mr. PITTMAN. That is exactly the situation.

Mr. SIMMONS. I think if the Senator will put it upon that ground he will be upon a pretty solid and logical foundation.

Mr. PITTMAN. Those 420,000 acres of land will be covered with water in a reservoir. All the land in that area—and there is a lot of it—will be covered forever. All the irrigable land within that district—and there is a lot of it, because it would not be a reservoir unless it was low land along the river—will be covered with water and destroyed forever. The only great dam site in the State of Nevada is this dam site. It happens that the walls rise there perpendicularly for thousands of feet, narrow, straight up, hard, granite rock; and it happens that on the Nevada side above that dam there is a great basin running over into Nevada covering 420,000 acres of land, and that basin is to be covered with this water.

Private individuals want this dam site, of course, because it is a remarkable site. You could build the dam a thousand feet high if you wanted to. The amount of power you could create is enormous. The city of Los Angeles, through its agents, when we were out there with our committee two or three years ago, stated that if the Government did not want to build a dam there Los Angeles would built it. There is no doubt that the people want to build the dam.

If an individual built that dam under the Federal power act, what would happen to Nevada? Under the Federal power act the licensee would have to get permission to use the bed and the bank of the river which are owned by the State of Nevada. He would have to get permission to use the water, which the State of Nevada has the sovereignty over except as against the United States Government under the interstate-commerce clause; and when he built that dam at a cost of $55,000,000, and when he built that power house at a cost of $35,000,000, it would be subject to taxation by the State of Nevada at the regular rate of taxation that exists. In other words, since our taxation rate in Las Vegas is about 5 per cent, $5 on the hundred, the taxes that we would receive from that enterprise would be over $750,000 a year.

Now, what do we do by this amendment? We are simply following out the policy even as to the exact percentage that was fixed in the oil leasing bill and the Federal power act; that is, that if there are any excess revenues in any year over and above the amount necessary to pay the Government the principal and interest for that year, the excess revenue shall be divided between the Federal Government and the States—that is, 62½ per cent to the Federal Government and 37½ per cent to the States of Arizona and Nevada.

That is 37½ per cent of the net receipts. Under the forest reserve act, when they buy lands in the State of the Senator from North Carolina and make a forest reserve out of them, they pay you 25 per cent of the gross receipts, not of the net receipts. This amendment is 37½ per cent of the net receipts.

I do not know that I desire to say anything more on this matter. I rose in the first place only for the purpose of refuting the idea that there was something new or revolutionary in this amendment. Why not let us get down to the consideration of some of these amendments?

I feel like asking unanimous consent now that we consider committee amendments first, beginning with the amendment that I have just read, and, after the committee amendments are considered, that we then proceed to consider any and all amendments that may be offered. I will not ask that if there is any indication of any objection.

Mr. ASHURST. Mr. President, in reply to the question of the Senator I will say that the concluding part of his speech was an able speech. The earlier part, of course, was worth listening to; but the concluding part of the Senator's speech was a worthy and able speech. Now, the Senator asks me a direct question.

Mr. PITTMAN. No; I will not do it. I was only feeling out the Senator's position in the matter.

Mr. ASHURST. I think it is a proper question.

Mr. PITTMAN. I will withdraw the question. I have not made a formal request.

Mr. President, I ask unanimous consent that I may place in the RECORD at the end of my remarks the resolution that was adopted at the meeting of the governors and commissioners of the seven Colorado River States on August 29, 1927:

Resolution offered by Senator KEY PITTMAN on behalf of the Nevada commission to the Conference of Governors and the Commissioners of the Colorado Basin States in session at Denver, Colo., August 29, 1927

Whereas it is the settled law of this country that the ownership of and dominion and sovereignty over lands covered by navigable waters within the limits of the several States of the Union belong to the respective States within which they are found, with the consequent right to use or dispose of any portion thereof, when that can be done without substantial impairment of the interests of the public in the waters, and subject always to the paramount right of Congress to control their navigation so far as may be necessary for the regulation of commerce with foreign nations and among the States; and

Whereas it is the settled law of this country that subject to the settlement of controversies between them by interstate compact or decision of the Supreme Court of the United States and subject always to the paramount right of Congress to control the navigation of navigable streams so far as may be necessary for the regulation of commerce with foreign nations and among the States, the exclusive sovereignty over all of the waters within the limits of the several States belongs to the respective States within which they are found, and the sovereignty over waters constituting the boundary between two States is equal in each of such respective States; and

Whereas it is the sense of this conference that the exercise by the United States Government of the delegated constitutional authority to control navigation for the regulation of interstate and foreign commerce does not confer upon such Government the use of waters for any other purposes which are not plainly adapted to that end, and does not divest the States of their sovereignty over such waters for any other public purpose that will not interfere with navigation: Therefore be it

*Resolved*, That it is the sense of this conference of governors and the duly authorized and appointed commissioners of the States of Arizona, California, Colorado, New Mexico, Nevada, Utah, and Wyoming, constituting the Colorado River Basin States, assembled at Denver, Colo., this 23d day of September, 1927, that:

The rights of the States under such settled law shall be maintained.

The States have a legal right to demand and receive compensation for the use of their lands and waters, except from the United States, for the use of such lands and waters to regulate interstate and foreign commerce.

The State or States upon whose land a dam and reservoir is built by the United States Government, or whose waters are used in connection with a dam built by the United States Government to generate hydroelectric energy, are entitled to the preferred right to acquire the hydroelectric energy so generated or to acquire the use of such dam and reservoir for the generation of hydroelectric energy upon undertaking to pay to the United States Government the charges that may be made for such hydroelectric energy or for the use of such dam and reservoir to amortize the Government investment, together with interest thereon, or in lieu thereof agree upon any other method of compensation for the use of their waters.

We, the undersigned committee, to which has been referred the foregoing resolution, as presented to the conference on August 29, 1927, by Senator KEY PITTMAN, having adopted certain amendments unanimously, which are now incorporated therein, we recommend that the resolution set out above be adopted.

KEY PITTMAN,
FRANCIS C. WILSON,
WM. R. WALLACE,
CHARLES E. WINTER,
A. H. FAVOUR,
DELPH E. CARPENTER.

Mr. ASHURST. Mr. President, I would not speak this afternoon except for the colloquy which just took place between the senior Senator from California [Mr. JOHNSON] and myself.

I have known the senior Senator from California I do not know exactly how many years—at least more than 30 years. I have known the junior Senator from California [Mr. SHORTRIDGE] much longer than that. I regret that the debate on this question of such transcendent importance should have been opened by a challenge of my good faith, such as has just been made by the senior Senator from California; and I am persuaded that as the shades of this murky and gloomy afternoon draw closer about us he will regret much that he should have charged me with a lack of good faith.

Mr. JOHNSON. Mr. President, let me suggest to the Senator that I regret the entire incident equally with him. Let it pass entirely.

Mr. ASHURST. Let me now repeat what I have said before in this forum, namely:

I do not know in the entire history of our country of a State that was ever more ably represented in the Senate of the United States than is the State of California in the person of her two sitting Members—Mr. JOHNSON and Mr. SHORTRIDGE. I have no reason to enlarge upon the abilities of these two gentlemen or to indulge in any excessive euology of them. Before coming to the Senate they were preeminent among the lawyers of their State. I have met them at the bar of the judicial forum; each was a foeman worthy of anyone's steel. All important and grave is this question to my State. I shall not by any intendment, or by any word be betrayed into any characterization of the motives of the Senators from California, and I freely grant that their motives are just as high as my own motives. I believe they are attempting to follow the light as they see the light, and I respectfully insist and demand that the senior Senator from California shall grant the same consideration to others.

Mr. President, I learned in my youth, in the companionship of gay and gallant cowboys about whom clustered a dash of chivalry, that those men who are always so ready to accuse other men of bad faith would better look into their own hearts and search their own consciences. I long ago learned in the company of gentlemen that those who are guilty of intentional bad manners are capable of crime. I do not mean these remarks to refer to anything that has taken place this afternoon, because we are under high tension and are worn down.

The Senators from California have been ably and aggressively pressing this bill for years and they would be more than human, or less than human, if they did not feel some irritation over my determined opposition to their bill. Therefore, I give assurances that although we may be vanquished and Arizona's hope of future development choked and strangled by "Johnson grass" I shall indulge in nothing unworthy or unbecoming a Senator.

The advocates of this bill, with masterly skill, have dramatized the possible menace to Imperial Valley from flood, and with histrionic ability that would arouse the envy of an Edwin Booth or a Richard Mansfield they have made some parts of the country believe that Imperial Valley is in constant danger of being overwhelmed by the waters of the Colorado River unless this particular bill is enacted into law.

If the advocates of the Swing-Johnson bill had exercised energy and good judgment, Imperial Valley would to-day have been protected from floods of the Colorado River, and the all-American canal would have been nearing completion; but, most unfortunately for Imperial Valley, the advocates of this bill have preferred to spend their time and energy in planning how most effectively to exploit Arizona's resources rather than to spend their time and energy in securing the relief which Congress would quickly and amply grant. Just so long as Imperial Valley continues to be beguiled by those urban Pollyannas who seek to acquire Arizona's potential hydroelectric energy, just so long will Imperial Valley be imperiled.

California seeks not flood control but hydroelectric power. Flood control may be the excuse, but power is the substance of the demand for this bill. Arizona has never stood in the way and does not now stand in the way of ample appropriations for flood control on the Colorado River. California has never been willing to have an engineering investigation made of the Colorado River under the terms of section 3 of the flood control act of March 1, 1917.

Politically, financially, industrially, socially, and economically California is one of the most powerful States of the Union, and if her congressional delegation had labored for Imperial Valley along flood-control lines success would have long ago abundantly crowned such efforts.

If the sword of Damocles is suspended over Imperial Valley and if the waters of wrath are held in check only by a tricky guard of sand, let the California delegation but ask for appropriations and the relief prayed for will be promptly granted by Congress.

In the Senate Committee on Irrigation and Reclamation I offered the following amendment to this bill:

*Provided*, That the sum of $30,000,000 shall be allocated to flood control and shall not be reimbursable to the United States.

This amendment was rejected by the committee upon the suggestion of the proponents of this legislation, as was another amendment which directed that the Boulder Canyon Dam be built to only such height as would provide flood control.

More than five years ago my colleague and I visited Imperial Valley. He will speak for himself; he is well able to do so; and I will speak for myself. I then became convinced that ultimately flood control would be necessary for Imperial Valley. Later, to wit, about two and one-half years ago, in company with the two Senators from California and other Senators, I again visited Imperial Valley, and my belief that ultimately flood control for Imperial Valley was necessary was strength-

ened and reinforced. I hold that opinion now, hence I repeat that in the committee considering this Boulder Dam bill, S. 728, now before us, I was convinced that it was my duty, if you will pardon me, somewhat to take the lead on flood control, and hence I offered the proper amendment.

The Senators from California voted against these amendments; I do not question their motives in thus voting, but in view of such vote they are now estopped to talk of a demand for flood control. I here disclaim any motive other than that of a sincere desire to use such ability as I possessed to assist in preventing floods from ever overwhelming Imperial Valley. But simply because Imperial Valley requires flood control is no reason why Arizona should be robbed.

The Senator from California is too astute and too sagacious to fail to perceive that it will be 10 years before Boulder Canyon Dam, if authorized, could afford flood control to Imperial Valley—some engineers say 12 years. I felt that it was our duty to take some step looking toward flood control, because the senior Senator [Mr. JOHNSON] said that the peril was immediate and that the waters of wrath would almost any moment overwhelm Imperial Valley and destroy a zone which produces $70,000,000 or more worth of greenery every year and which has within it 70,000 people. I have no memory for injuries done to me; and let me say of the Senators from California that I would prefer to gild the refined gold of their many virtues rather than to spend any time darkening the shadows of their few defects.

Mr. SIMMONS. Mr. President, may I ask the Senator one question?

Mr. ASHURST. I yield, but must hurry along.

Mr. SIMMONS. I know. It is just a simple question, and the Senator can answer it in a word. What is estimated to be the cost of constructing a dam which would be adequate for the purposes of flood control at that point?

Mr. ASHURST. The Senator knows that I am not an engineer; but from the best advices I am able to obtain, the ultimate cost of a good flood-control dam that would save Imperial Valley would be $28,000,000; but making all allowances, it would be about $30,000,000.

Mr. SIMMONS. And the Senator thinks that with $30,000,000 we can at that point establish such works as are necessary to protect that valley from floods?

Mr. ASHURST. I do; and I call upon all the engineers of America to say whether I am wrong or right.

Mr. WALSH of Montana. Mr. President——

Mr. ASHURST. I yield to the Senator.

Mr. WALSH of Montana. Is it not the idea, however, that if the entire amount is expended to carry out the program as the bill outlines it, which would likewise include the protection necessary, the entire cost would be reimbursed by the avails coming from the improvement, so that the flood-control feature would not be so much outlay from the Treasury at all—that is, so much gone? That is, if the entire project is constructed, the revenues derived from it will take care of the expenditures?

Mr. ASHURST. That is the point where the difference begins, Mr. President. I believe that flood control is a national duty, but because a valley needs flood control it does not necessarily follow that the Federal Government must furnish hydroelectric power and potable water also.

Mr. SIMMONS. The effect of that is, as I understand, that if we confine our works down there to flood control only there would be no income derived from that?

Mr. ASHURST. Manifestly not; and there should not be; and there should be no revenue from flood control.

Mr. SIMMONS. But if we go further and construct a power plant, then there will be an income derived, and the States want to participate in it?

Mr. ASHURST. The difficulty arises from the fact that because Imperial Valley will ultimately require flood control, the city of Los Angeles and other coastal cities make such need for flood control the basis for a demand that hydroelectric energy and potable water shall be furnished to them at Government expense, just as flood control is to be furnished to Imperial Valley at Government expense. The Federal Government can not undertake to furnish hydroelectric energy and potable water to Los Angeles unless at the same time the Government is also willing to furnish hydroelectric energy and potable water to Richmond, Boston, Rochester, Atlanta, Minneapolis, and all other cities applying for the same.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator.

Mr. JOHNSON. The income would not be derived solely from the construction of the power plant. It could be derived either from the leasing of the water, without any power plant at all, or from the leasing of units of water in a power plant.

If the Senator will permit me, very quietly and I trust courteously, to respond in just a word to what he has said——

Mr. ASHURST. Certainly.

Mr. JOHNSON. The Senator presented the amendments that he suggests. I sent them to the Interior Department—I have the letter here from the Interior Department—and they declined absolutely to consent to any such basic appropriation. We have carried a bill for years now upon the theory that we were not going to ask a penny from the United States Government ultimately; that the scheme itself would pay for the project. There had been no estimates of a flood-control dam. There had been no budgetary requirements required with. There had been nothing at all except the suggestion that was made by the Senator from Arizona in the amendments that he presented. It was an utter impossibility to transmute this project into a flood-control dam at this particular locality; and, in addition to that, it set entirely at variance every single representation we had made concerning the payment of the particular project; and, beyond that, there is another problem that is only secondary in importance to flood-control, and that is the control of the water that goes down into Mexico.

You could not, with a low flood-control dam—and I have engineering assurances in that regard—control the flow for Mexican lands. The only way in which you can have an absolute control, so they assure me, is by the high dam and the possibilities of regulation with great storage.

Mr. ASHURST. On the contrary, I insist that when you build your dam 550 feet high and generate 550,000 firm, primary horsepower of electrical energy, annually, which is equivalent to all the horsepower generated at Niagara in 1917, you must constantly, and during every minute, allow enormous quantities of water to flow over the dam, for in order to generate this 550,000 primary horsepower the water flow must be constant. It must not be interrupted a moment; but through the years to come who is going to recapture the water after it has passed over the dam? Answer. Mexico and California.

Now, let us examine the arithmetic of this question.

Here [indicating] is a map showing the Colorado River Basin. All of Arizona, except a few hundred square miles in the south, is within the Colorado River Basin. Arizona furnishes 28 per cent of all the waters of the Colorado River.

California furnishes not a drop of water to the Colorado River. Senators, the fact that California furnishes no water to the Colorado River is no reason why she should not have some water from the river, but it is a reason why she should not have practically all the water of the river.

Through her tributaries Arizona furnishes 28 per cent of the waters of the Colorado. The great artery of the Colorado River for 300 or more miles meanders upon her bosom; the river then forms the boundary line between Arizona and Nevada for 100 miles or more. Then, in a meandered line, the river flows [indicating] to the Gulf of California—California, on the western side, furnishing the western bank—the waters debouching into the Gulf of California after flowing through Mexico not quite a hundred miles. Perceive on the map all of Arizona's area within the Colorado River drainage basin, and California's 2½ per cent of her area within the basin. California has appropriated nearly all of the normal flow of the stream and taken it to Imperial Valley, until at times you could play baseball in the bed of the stream below Yuma.

I say to those Senators who honor me by listening, here [indicating] is the Boulder Canyon Dam site, where it is proposed to build the dam. Arizona furnishes one bank of the stream, Nevada the other. California has no dam site and seeks that one site between Arizona and Nevada. The Hand that formed the configuration of the country there and painted it in colors warranted never to fade, in His judgment saw fit to place the dam site between Arizona and Nevada, and southern California now caught within the dizzying whirligig of her dazzling expansion looks eagerly, if not greedily, toward the resources of her sister States. Southern California has been great in her growth, stupendous in her growth. Not elsewhere in the history of the world has such an event occurred as has taken place in southern California in the lifetime of the youngest Member of this body. A proud city of a million souls has grown up at Los Angeles within 30 years. Thrusting out avidly for more expansion, it says, "We must have more water for potable purposes; we must prepare for 6,000,000 people." Hence it demands one-tenth of the river for domestic water and demands that the Government shall generate the electrical energy to pump this water from the Boulder Reservoir, 250 miles to Los Angeles, and this spirit of enterprise and "boosting" causes her to be oblivious to Arizona's claims and just rights.

The senior Senator from Nevada [Mr. PITTMAN] in the concluding quarter hour of his speech made, in my judgment, an

argument that will never be answered, when he pointed out that it was the moral duty of this Government to pay to Arizona and Nevada something for the great resource the Government proposes to take from Arizona and Nevada and give to California. Senators may not see this resource, but it is there and is valuable. There are invisible values. We can not see, we can not weigh nor count, some values. Truth, justice, and credit are not tangible; they are rather invisible and intangible values. That dam site at Boulder is worth—shall I say millions of dollars, although it may appear intangible. I do not hesitate to say it is worth hundreds of millions of dollars to California. Yet in committee the Senators from California fought against and voted against an amendment proposing to pay these two States, Arizona and Nevada, an insignificant sum annually for this resource which California is trying to capture and take from them.

Human nature is the same everywhere. Power, greed, and authority generate an appetite for more power, greed, and authority, and in pursuit of expansion men and nations disregard the rights of smaller nations and weaker men. When we perceive what California is trying to do by this bill, is it any wonder that the Governor of the State of Utah said—

> I am amazed that nobody has ever arisen in the United States Senate and denounced the infamous proposition as it deserves.

Although we hope to do so, Arizona has not yet produced any coal or any oil. Hydroelectric power and petroleum gasoline are the great horses of God that are always on the road, and that never grow weary. Rob us of our hydroelectric power, we shall always be stunted and dwarfed. You know what hydroelectric power means to a State that has as yet no coal and oil developed. Is it any wonder, therefore, that we, with militant and determined resistance, insist that our State shall have its just due in any bill you pass dealing with our waters?

You, sir, may I say to the Senator from Montana, took good care to put an amendment on the Columbia Basin bill that no water should be taken from Montana until the States agreed. Are you going to vote against us on this? Are you going to demand that the scales be balanced justly for you but deny the same measure of justice to others? I shall observe how you vote on such a proposition.

California, with 2½ per cent of the Colorado River Basin, and furnishing no water thereto, demands the right to be the sovereign distributor of water and the power which belongs to Arizona. The vandals who rushed to the sack of Rome would have blushed to have proposed such a thing.

My friend the Senator from Massachusetts [Mr. WALSH], sotto voce, says to me, "Take it easy." I ask him, if other States should combine and confederate to rob his State of its only great resource, would he "take it easy?" In mixing a dose of poison for the other fellow, it is always well to go into a closet and say, "How would I like to take a cup of this same medicine for myself?" I have mixed doses for other men, but when I was about to administer them, somehow that still, small voice told me, "How would you like to take it yourself?" and I dashed the cup to the ground, for I am unwilling to commend to another's lip a cup I refuse to press to my own.

Mr. WALSH of Massachusetts. I referred to the Senator's physical strength.

Mr. ASHURST. My physical efficiency is superb. Let no man doubt that my voice, my heart, knees, or backbone will ever play traitor to me in this fight. But if, perchance, I stumble in this fight to the death, my worthy colleague will pick me up, and other men here with impulses for fair play will pick me up. Do you know that if this measure were to come up on its merits, and nobody here were seeking the Presidency, or seeking to be reelected, the Senators from California would be required to give justice to Arizona before they could make any headway on this bill?

The desire of some Senators for delegates to the coming national conventions and the desire of some others for certificates of reelection have induced them to yield to propaganda sent out for the bill, although these yielding Senators know nothing of the demerits of the bill.

It seems as if a desire to capture delegates to national conventions or a desire for certificates of reelection to this body may be likened unto the conscience of which Shakespeare spoke, which "makes cowards of us all."

Much of the southwest portion of Arizona is largely desert, and some of it a real desert, where the scorching sun sends down its shafts of heat like pitiless flails and blazes like a disk of burnished brass, and where only the cacti upthrust their arms into the brazen heat. The soil is, however, very rich, and when water is applied thereto in abundance these lands will produce crops of a highly valuable character.

Mr. President, as the years have lengthened out, pioneers have endured this heat, endured the thirst and distress incident to such surroundings, have gone forward and reclaimed the desert, and if Arizona may be assured of her equitable share of the waters of the Colorado River, more of this land will be reclaimed and brought into cultivation.

I direct attention to the city of Phoenix and its environs in the Salt River Valley.

There is a smiling civilization; there is a superb city built upon a site once occupied by peoples of antiquity, who achieved a culture not wholly contemptible, but who disappeared centuries before Montezuma ascended the throne of the Aztecs. So this modern, graceful Phoenix has literally "risen from her ashes." She must guard her water supply for her thirsty lands surrounding her, and other like sections of the State must likewise guard their waters if they would flourish. We do not covet California's water, but California seeks to stunt our growth by capturing our water. Amidst the flood of misrepresentation that has poured over Senators regarding the Boulder Dam bill I find one statement that ought to have some attention. The Power Trust! If there be a single Senator here, or a person in the United States, who believes that Arizona in opposing this bill is influenced by the Power Trust, let him say so. Insinuations are the refuge of a coward.

If men have charges to make, let them make them. I repeat, insinuations are the refuge of a coward. Arizona has no connection with or interest in any Power Trust. Montana has two great Senators, and when one of her great Senators introduced a resolution to inquire into the Power Trust, the two Senators from Arizona voted with him; but all of the Senators but one who are for this bill voted against him. Does he know that? Does he charge Arizona with being actuated by the Power Trust? Arizona stood with him. I commend that to the Senator from Montana before he makes any reflection upon Arizona as being connected with any Power Trust. Arizona's Senators voted with him and the proponents but one [Senator JOHNSON] voted against the Senator from Montana.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield to the great Senator from Montana.

Mr. WALSH of Montana. I trust the Senator does not impute to me any intimation of any character whatever that the Senators from Arizona were playing the game of the Power Trust. In fact, I may say that this is the first time I ever heard it suggested from any source whatever that the two Senators from Arizona were actuated by any desire but the most sincere purpose to subserve the interests of their State.

Mr. ASHURST. I accept the Senator's statement.

There is one newspaper of such influence, of such character, of such worth, that I must not pass by its editorial of yesterday morning. I refer to the New York Times. That paper, in an editorial entitled "Harnessing the Colorado"—I was about to say "harassing the Colorado"—quoted at length from Mr. Harry Chandler, of Los Angeles, who the New York Times says is a pioneer in the development of Imperial Valley, and argues for the Boulder Dam bill.

I have no desire here or elsewhere to rake the dying embers on an ancient feud between Mr. Chandler and his interests and myself. But the editorial in question from this paper concludes by saying:

> Dwellers in the Imperial Valley are constantly threatened by the flood waters of the Colorado. Here is an imperative and urgent need. Congress should not allow the appeal of the valley for protection to go unheeded.

The New York Times is a paper that would welcome a correction. If the construction of the Boulder Dam were authorized, it would be some years before the dam would afford any protection from floods in Imperial Valley. So I say, in reply to that editorial, let the Congress pass a bill granting flood control to Imperial Valley and take up the question as to whether Los Angeles should have potable water at the expense of the Government, and whether Los Angeles and other coastal cities should have electrical energy at the expense of the Government, and thrash these questions out later. But the Senators from California undoubtedly fear that if a flood-control dam should be built at Boulder or at any other place on the Colorado River it might in some way destroy their hope of securing potable water for their coastal cities or electrical energy at Government expense for those cities.

These California Senators anticipate the difficulties of the future. That is only a common part of their magnificent strategy at the bar and in the Senate. But let no one be de-

ceived about Boulder Canyon Reservoir affording any flood control to the Imperial Valley within the lifetime of anyone now occupying a seat in the United States Senate.

The proposed dam at Boulder or Black Canyon, as authorized by this act, would be at least 675 feet high. It would be "550 feet above the present water level" and "125 feet below the water level to bedrock." (A. P. Davis, Senate hearings on S. 320, p. 493.)

There is no dam now in existence comparable with it. It would be equal in height above the water level to the Washington Monument. In this connection the testimony of Col. William Kelly (House hearings on H. R. 2903, April 23, 1924, pp. 1251, 1252) is pertinent:

Colonel KELLY. As you go up in height the mere weight of the dam itself puts a pressure on the foundations that runs into very large figures. On the Washington Monument that pressure was great enough to cause the stones to sprawl at the edges around the bottom of the monument. * * * In addition to the weight of the structure itself you have the pressure of the water behind it which greatly increases the stresses, especially on the downstream part of the foundation. In order to keep these stresses within reasonable limits the dam has got to be widened out and made very wide at the base.

In this connection I again direct your attention to the fact that the foundations of the dam will be at least 125 feet below the water surface. This is a greater depth than has ever been used as a foundation for any other dam, and its total height from bedrock to crest will be 675 feet. Continuing Colonel Kelly's statement, he said:

Up until a few years ago the usual practice on gravity dams was to keep the maximum stress below 20 tons per square foot. The Reclamation Service, in designing some of their higher dams like Arrow Rock, found that in order to comply with that requirement they had to expand the dam at the base to such an extent that the cost became very great. They consequently made use of the arch principle in combination with the gravity section or weight of the dam and allowed a maximum stress of 30 tons per square foot.

The Reclamation Service, evidently in an attempt to keep the estimates of the cost of Boulder Dam within the bounds of reason, felt that it was necessary that some further modification be made, but away from the principle of safety, because, continuing to quote from the testimony of Colonel Kelly:

In the design of this Boulder Canyon high dam they again found that going up to 600 feet, 30 tons per square foot required a dam of abnormal dimensions, and their design proposes to have an allowable maximum stress of 40 tons per square foot on that 600-foot dam.

Mr. President, it would be disgraceful for me to refer in improper terms to the recent collapse of the St. Francis Dam, near Los Angeles. All men of character and conscience regretted that calamity. Success in this world soars aloft on high and rapid wing, and surely the unfortunate collapse of that dam was the hanging out of a red-lantern danger signal advising that we must be certain in these great projects that we give safety and security. The only way to proceed is to be sure of the foundation. Let engineers of national repute, engineers of large ability, be given opportunity to pass upon and approve this project, and you then will have removed what is now an insuperable obstacle in your path.

When California statesmen shall extend the hand of amity and justice, when California statesmen shall extend the hand of friendship, Arizona will go half way. When California statesmen shall speak with the voice of reason instead of the voice of selfishness, with the voice of calm diplomacy instead of with a forked tongue, then Arizona will be willing to assist them in what they believe to be an enterprise of gigantic magnitude. I denounce this present Boulder Dam bill in the name of that fair play which most bullies and all prize fighters respect.

Mr. President, I ask unanimous consent to insert at the conclusion of my remarks certain editorials regarding the Boulder Dam question.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorials are as follows:

[From the Ottumwa, Iowa, Daily Courier]

DEFEAT IS DESERVED

Senator ASHURST, of Arizona, threatens to talk the Boulder Dam bill to death if and when it comes up for action in the Senate. He led a successful filibuster against the project in the last Congress and thinks himself well able to lead another in case of necessity.

In his minority report differing from the favorable findings of the Senate Committee on Irrigation and Reclamation Mr. ASHURST has provided texts to keep opponents of the measure talking for a long time should a second filibuster be undertaken.

In that report he lists and enlarges upon 15 objections to the Boulder Dam proposal. His first objection is that the bill would authorize an invasion of Arizona by the Federal Government over the State's protest—an unconstitutional trespass on the State's sovereignty. Other objections are, in effect, that the bill discriminates in numerous ways against the States in the upper basin of the Colorado River, and in favor of California, which, though it contains only 2½ per cent of the basin and contributes no water, would appropriate 38 per cent of the water supply made available by the dam.

The final and completely unanswerable objection urged, not only by Senator ASHURST but by numerous other opponents of the project, is that the bill, which would authorize the expenditure of many millions of dollars of Government money, makes no provision for a review of the plans by competent engineers and financial experts to guarantee the practicability and safety of the dam.

More than anything else the Boulder Dam bill is a California power project. The seven States that would be affected directly by the dam's construction have reached no agreement as to the distribution of the water supply. Altogether the huge project, which would be loaded upon the shoulders of the Nation's taxpayers mainly for the benefit of private interests, richly deserves defeat.

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[From the Chicago Tribune, April 10, 1928]

IS BOULDER DAM TO SUCCEED TEAPOT DOME?

The analysis of the Boulder Dam project by Harper Leech, of the Tribune, leaves little doubt of the true character of the proposal. If the thing goes through, the scandal, we believe, will be fully comparable to Teapot Dome, if it does not surpass it. The intent appears to be no less infamous.

The propagandists say that Boulder Dam is required to control the floods which threaten the Imperial Valley. If so, the proposed site is not best for the purpose. The propagandists say further that the electricity which can be generated at the dam will pay the whole expense of the project. Mr. Leech believes the cost of electricity from the dam delivered at the consuming centers would be higher than the cost of steam-generated electricity. Where electricity from the dam would be cheap there is only desert and an occasional ranch house to use it.

Little doubt remains that the driving power behind the colossal Boulder Dam propaganda is the desire of owners of desert real estate to get rich at Government expense. There is evidence that they propose to do this by a manipulation of water rights to their own advantage. We can see little distinction in morals between a conspiracy for oil and a conspiracy for water when in both the rôle of the Government is to enrich the private individual who happens to be on the ground floor.

Whatever advantage there is appears, indeed, to be on the side of the oil conspirators. From them, at least, the Government was going to get fuel tanks at strategic places and fuel oil to put in the tanks. Some of the tanks have been built. The Nation, as such, gets nothing from Boulder Dam except expensive and perhaps inadequate flood control, uneconomical electricity, and more farm lands at a time when fewer rather than more farms are needed. The Government pays the bill, which is likely to exceed by far the original estimate of $125,000,000, and the speculators get the profit.

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[From the Chicago Tribune, April 16, 1928]

BOULDER DAM NEEDS INVESTIGATING

Senator ASHURST, of Arizona, has opened the attack on the Boulder Dam bill in the Senate by filing a minority report as a member of the Irrigation Committee. Senator ASHURST is attacking the bill as a spokesman for Arizona. He says the bill is a "reckless and relentless assault" on his State in that it deprives Arizona of its fair share of water for irrigation and of the power to be generated at the dam.

Mr. ASHURST had already threatened a filibuster against the bill.

We are persuaded that the Boulder Dam proposal should be defeated. The expenditure of $125,000,000 of the taxpayers' money, primarily for the benefit of real-estate speculators, would be worse than unwise; it would be a scandal as odious as Teapot Dome.

If ever a filibuster were justified, the one threatened by Senator ASHURST is justified. Unfortunately, the filibuster can serve to prevent action at this session only and the project is certain to be revived at the next. A sweeping inquiry is likely to prove more serviceable. It will show, among other things, the sources of the astonishing propaganda in favor of the dam and whose pockets will be lined if the dam is built.

There has been no such inquiry. Hearings on the bill have been conducted by the Committees on Irrigation of the two Houses, but the members from the States of the Rockies and westward dominate the two committees. The Senate committee consists of 15 members. Only three of them are from States east of the divide. Of the three, one is a Nebraskan and the other a Texan. Western Nebraska and much of Texas are arid. Only one member of the committee, SIMMONS, of North Carolina, is not likely to have a pet irrigation project for which he desires the approval of his fellow members of the committee. To talk of

a fair hearing on the merits of an irrigation project before such a committee of back scratchers is to talk arrant nonsense.

The situation in the House is similar. The House Committee on Irrigation and Reclamation is made up of 17 members. Of the 17, 12 are from mountainous and arid States. The 12 are not likely to insist upon a careful analysis of any irrigation project. They do not want the precedent of holding such inquiries to be established.

Mr. ASHURST has dramatized his position as a fight for Arizona against California. That is good political medicine in Arizona, but it will not engage the sympathy of the citizenry in the Mississippi Valley and eastward, where rather more than three-fourths of the citizenry and very nearly all the taxpayers live. If an injustice to Arizona is threatened, it is nothing compared with the injustice to the taxpayers, whose representatives are, therefore, Mr. ASHURST'S natural allies in this fight. If he will broaden the basis of his opposition to include them, he will have far greater chances of winning out. The taxpayers and their representatives will support him in a demand for an investigation and the investigation will not only save Arizona's rights but prevent a national disgrace.

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[From the Chicago Tribune, April 17, 1928]

MR. ASHURST ON BOULDER DAM

Senator ASHURST, of Arizona, threatens to talk the Boulder Dam bill to death, if and when it comes up for action in the Federal Senate. He led a successful filibuster against the project in the last Congress, and thinks himself well able to lead another in case of necessity.

In his minority report, differing from the favorable findings of the Senate Committee on Irrigation and Reclamation, Mr. ASHURST has provided texts to keep opponents of the measure talking for a long time should a second filibuster be undertaken. In that report he lists and enlarges upon 15 objections to the Boulder Dam proposal. His first objection is that the bill would authorize an invasion of Arizona by the Federal Government over the State's protest—an unconstitutional trespass on the State's sovereignty. Other objections are, in effect, that the bill discriminates in numerous ways against the States in the upper basin of the Colorado River, and in favor of California, which, though it contains only 2½ per cent of the basin and contributes no water, would appropriate 38 per cent of the water supply made available by the dam.

The final and completely unanswerable objection urged, not only by Senator ASHURST but by numerous other opponents of the project, is that the bill which would authorize the expenditure of many millions of dollars of Government money makes no provision for a review of the plans by competent engineers and financial experts to guarantee the practicability and safety of the dam.

More than anything else, the Boulder Dam bill is a California power project. The seven States that would be affected directly by the dam's construction have reached no agreement as to the distribution of the water supply. Altogether the huge project, which would be loaded upon the shoulders of the Nation's taxpayers mainly for the benefit of private interests, richly deserves defeat.

Mr. ODDIE. Mr. President, I do not intend to discuss this Boulder Canyon legislation at length now because of the lateness of the hour. It has been gone into quite fully, and we will hear more from it at a later time. But at this time I want to make one reflection on the physical character of the dam site at Boulder Canyon.

The Senator from Arizona has just referred to a recent very distressing disaster that occurred to a dam in southern California. The reason for that disaster has been brought out, namely, that one of the sides of that dam was built into a rock formation which was not of a permanent or strong enough character to support a dam of that size. That is most unfortunate and distressing. I do not cast any reflection upon or criticize the engineers who constructed the dam, because what they did has been done. Human intelligence or human judgment might or might not have been at fault.

Mr. President, the site at Boulder Canyon is as perfect a site as has ever been selected for a dam. I personally would not object to another investigation of the site by proper engineers under proper appointment. Boulder Canyon offers a site on which great precipices rise nearly 2,000 feet on each side of the river, forming a narrow chasm for miles. The rock is solid granite. The Department of the Interior some years ago made an investigation of the site. A large amount of money was expended in boring. They found a solid rock foundation for a great depth and for indefinite distance into the sides of the canyon. There is no better site in the world than Boulder Canyon for a dam—a safe site, a site that will maintain a dam and hold it as solid as Gibraltar for all time to come.

Mr. President, I thoroughly approve this legislation and shall have more to say on it at a later time.

RECESS

Mr. CURTIS. I ask that the unanimous-consent order be carried out at this time and that the Senate take a recess until to-morrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon the Senate (at 4 o'clock and 2 minutes p. m.), under the order previously entered, took a recess until to-morrow, Sunday, April 29, 1928, at 11.45 o'clock a. m.

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## HOUSE OF REPRESENTATIVES

SATURDAY *April 28, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the Father of our Lord Jesus Christ, a strange, mysterious, yet merciful guest has fixed this day. The shadow of death has fallen across our common path. O in the hope and glory of Thy promise, let these moments whisper unto us as they pass by. We thank Thee that the resources of our wearied lives are in the heavenly regions, where the dreams of love and faith come true. We would brush aside the shadow of distress with the heart of a child who sees his Father's face and breathe the vigor of the everlasting hills. We silently wait; do Thou quiet the restless pulse of care. The air is chilled; a familiar voice is unheard; a prince among men has fallen. We thank Thee for such a life given to the Republic, for its genius and for its potencies—aye, for a life that walked in the pride of personal honor. As we meditate upon his memory, his fortitude, his unselfish love for country and for all men, grant us Thy benediction. Reach forth Thy arm of infinite love and encircle those who sorrow. Over the sea and through the storm may they see Thy face and hold Thy hand. When we have passed through the afternoon of life and face the sunset skies, O may the morning skies scatter the shadows and let it be daylight everywhere. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was presented to the House of Representatives by Mr. Latta, one of his secretaries, who also announced that on the following dates the President had approved and signed bills and a joint resolution of the House of the following titles:

On April 26, 1928:

H. R. 11023. An act to add certain lands to the Lassen Volcanic National Park in the Sierra Nevada Mountains, of the State of California;

H. R. 11685. An act to accept the cession by the State of California of exclusive jurisdiction over the lands embraced within the Lassen Volcanic National Park, and for other purposes; and

H. R. 12441. An act to amend section 2 of an act entitled "An act in reference to writs of error," approved January 31, 1928, Public, No. 10, Seventieth Congress.

On April 27, 1928:

H. R. 10437. An act granting double pension in all cases to widows and dependents when an officer or enlisted man of the Navy dies from an injury in line of duty as the result of a submarine accident;

On April 28, 1928:

H. J. Res. 244. Joint resolution authorizing a modification of the adopted project for Oakland Harbor, Calif.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H. R. 8132. An act authorizing the appropriation of $2,500 for the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding of the Indian peace council, at which treaties were made with the Plains Indians in October, 1867; and

H. J. Res. 239. House joint resolution authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4046. An act authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.;

S. 4222. An act to authorize the creation of Indian trust estates, and for other purposes; and

S. J. Res. 125. Joint resolution authorizing the President of the United States to accept a monumental urn to be presented by the Republic of Cuba, and providing for its erection on an appropriate site on the public grounds in the city of Washington, D. C.

The message further announced that the Senate insists upon its amendments to the bill (H. R. 12286) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1929, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HALE, Mr. PHIPPS, and Mr. SWANSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House of Representatives to the bill (S. 3740) entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. MCNARY, Mr. JOHNSON, Mr. FLETCHER, and Mr. RANSDELL to be the conferees on the part of the Senate.

The message further announced that the Senate had passed the following resolution:

Senate Resolution 210

APRIL 27, 1928.

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. MARTIN B. MADDEN, late a Representative from the State of Illinois.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

JOINT RESOLUTIONS AND BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that on April 27, 1928, they presented to the President of the United States for his approval joint resolutions and bills of the House of the following titles:

H. J. Res. 145. Joint resolution to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Ton Huan Yah, alleged to have been killed by members of the armed forces of the United States;

H. J. Res. 146. Joint resolution to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps;

H. J. Res. 147. Joint resolution for the relief of the estate of the late Max D. Kirjassoff;

H. J. Res. 148. Joint resolution to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama;

H. J. Res. 149. Joint resolution to authorize an appropriation for the compensation of William Wiseman;

H. J. Res. 150. Joint resolution to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam;

H. J. Res. 151. Joint resolution to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps;

H. J. Res. 152. Joint resolution authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928;

H. J. Res. 230. Joint resolution to provide for the membership of the United States in the American International Institute for the Protection of Childhood;

H. J. Res. 244. Joint resolution authorizing a modification of the adopted project for Oakland Harbor, Calif.;

H. J. Res. 259. Joint resolution authorizing assistance in the construction of an inter-American highway on the Western Hemisphere;

H. J. Res. 262. Joint resolution requesting the President to extend to the Republics of America an invitation to attend a conference of conciliation and arbitration to be held at Washington during 1928 or 1929;

H. R. 484. An act to amend section 10 of the plant quarantine act, approved August 20, 1912;

H. R. 2654. An act for the relief of Anton Anderson;

H. R. 4068. An act for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army;

H. R. 4126. An act authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land;

H. R. 6103. An act to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for fiscal year ending June 30, 1884," and for other purposes;

H. R. 6862. An act authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States;

H. R. 7184. An act authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill.;

H. R. 7722. An act authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards;

H. R. 8128. An act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory;

H. R. 8487. To adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 9047. An act to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif.;

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives and assigns, to construct, maintain, and operate a bridge across the Wabash River, at or near McGregors Ferry, in White County, Ill.;

H. R. 9569. An act authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone, on February 5, 1921, by United States Army motor truck;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River, at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek, Kanawha Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River, at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River, at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River, at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11279. An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes.

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River, at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North, at Fargo, N. Dak.;

H. R. 11478. An act to amend an act to allot lands to children on the Crow Reservation, Mont.;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River, at or near Weslaco, Tex.;

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas, to construct, maintain, and operate a bridge across the White River, at or near Cotter, Ark.;

H. R. 11625. An act granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River, at or near Glasgow, Mont.;

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States, or the district courts of the United States, to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue, against the United States, for the use or

manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States, under date of July 2, 1907;

H. R. 12179. An act to provide for the reimbursement of the Government of Great Britain, on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia, in 1920; and

H. R. 12320. An act to amend the longshoremen's and harbor workers' compensation act.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3437. An act to provide for the conservation of fish, and for other purposes.

MY RECORD IN CONGRESS

Mr. BLACK of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon my record in Congress, and to insert in connection therewith one brief letter bearing upon that record as a part of my remarks.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD upon the subject of his record in Congress, and to print therewith a letter. Is there objection?

There was no objection.

Mr. BLACK of Texas. Mr. Speaker, I am glad that we live in a republic where the people are the source of power and where public officials must account to them for the way they have discharged the duties of their office. During the time I have been a Member of Congress I have lived in the strictest union, the closest correspondence, the most unreserved communication with my constituents. Their wishes have at all times had great weight with me; their opinions, high respect, and their business has had my unremitted attention. In the performance of this service I am sensible of the fact that I have not been infallible, and doubtless at times have erred in judgment. But conscious that at all times I have discharged my duty with honesty and fidelity, I stand squarely upon my record, and am ready at all times to submit it to the people for their approval or disapproval. Any Member of Congress who has been active and who has taken a definite stand on important measures must expect to be criticized. The only way he could avoid that would be to make his record wholly a negative one and do nothing and be nothing.

I wish to take this opportunity to answer some of the charges which have been brought against me in my district by my opponent, concerning my support of certain measures which have been before the House of Representatives since I have been a Member. Inasmuch as this criticism has been directed against my official record, I feel that it is proper that I should answer it through the CONGRESSIONAL RECORD. The people are entitled to have the fullest publicity concerning the record of their Member of Congress. I am glad to give it to them.

WORLD WAR VETERAN LEGISLATION

It has been charged by my opponent that I was the only Member of Congress who voted against a bill righting a wrong perpetrated against ex-service men. What are the facts?

The bill referred to was to amend the World War adjusted compensation act and was taken up in the House of Representatives on July 1, 1926, and on page 12568 of the CONGRESSIONAL RECORD will be found my statement of objection to the bill. These objections were confined to section 4 of the bill, which section sought to remove the payments to be made by the Veterans' Bureau under the adjusted service compensation act from the audit of the comptroller. I have the highest confidence in the present Director of the Veterans' Bureau, Gen. Frank T. Hines, but I can not forget our experience with former Director Charles R. Forbes, who was sent to Leavenworth Penitentiary for misconducting the Veterans' Bureau. Therefore, when this bill was before the House it was then my opinion—and it is still my opinion—that all expenditures by the Veterans' Bureau should be under the independent audit of the Comptroller General. For that reason it is true that I was the only Member of the House that voted against it. But what of it? The important question is not whether I was the only one voting against the bill in that form, but whether I was right or wrong. Taxpayers have some rights in these matters, and one of these rights is that every dollar of expenditure of public funds of any department of the Federal Government, including the Veterans' Bureau, shall be subjected to the independent audit of the Comptroller General. The ex-service men are just as much interested in having this done as anyone else.

This bill, after it passed the House, was sent to the Senate, and when it got to the Senate the very section 4 to which I objected was amended by striking out the objectionable matter in it. The bill, after passing the Senate with section 4 thus amended, came back to the House, and the Senate amendment was unanimously accepted by the House, the bill thereby passing in that amended form without a single dissenting vote. These proceedings are found on page 13028 of the CONGRESSIONAL RECORD of July 3, 1926. Therefore, the statement that I voted to make the soldiers pay for a lost rifle, or other equipment lost during the war, is entirely false. There never was any such bill before the House. Was I right in insisting that the provision to which I objected should come out of the bill? Let the Comptroller General of the United States say. He says in a letter to me dated April 17, 1928, as follows:

> Had the provision quoted been retained in the law as enacted the accounting officers, in the settlement of the accounts of the disbursing officers of the Veterans' Bureau involving payments under the appropriations referred to, would have been required to allow credit for all payments made upon authorization by the director, regardless of the fact that the payment may have been for a purpose or object not within the scope of the appropriation, or that the amount may have been incorrectly computed, or that the identical item may have been previously paid, or that, through inadvertence or otherwise, the payment was made to the wrong person.
>
> In other words, if the provision had been enacted the accounting officers would have been compelled to confine their examination as to the legality of the payments to a determination as to whether the Director of the Veterans' Bureau had authorized the payment and would have been precluded from making an independent determination as to whether the appropriated moneys had or had not in fact reached the particular veterans, or their widows, dependents, etc., for whose benefit the Congress had provided them, or in the correct amounts, and in the place of a normal accounting procedure—such as prevails generally throughout the Government—there would have been substituted an abnormal accounting procedure, whereby the director would have adjudicated, awarded, and distributed the millions of public money provided by the Congress annually for veterans and their beneficiaries without any independent accounting check on his action.

Therefore I respectfully submit that I deserve credit rather than blame for calling attention to this bad provision of the bill and assisting in having it removed. It is easy enough for a Member of Congress, for fear of incurring criticism, to sit around and let everything go by, good or bad, but if the people are to be protected against bad legislation those who represent them must be constantly on guard to protect their interests. I have tried to do that to the exent of my abiliy.

MY AMENDMENTS TO THE WAR RISK INSURANCE ACT

Now, let us go a little further back and see who was the friend of the private soldier. When the original war risk insurance act was before the House of Representatives in 1917 it carried provisions which would have paid much greater benefits to a disabled officer than to a disabled private soldier, and would also have carried forward these same discriminations to the dependents of a private soldier. I offered a series of amendments to equalize and make uniform the benefits of this war risk insurance act, and these amendments were adopted by an overwhelming vote in the House and were accepted by the Senate and thereupon became a part of the law of the land. The purpose and effect of these amendments is briefly explained in the following account, which was published at the time by the Survey, one of the leading magazines of the country:

> By a vote of 139 to 3 the House wrote into the soldiers' and sailors' insurance bill, before its passage on September 13, the principle of equal care as between the dependents of officers and of private soldiers and sailors. The amendments offered by Representative BLACK of Texas, indorsed in this decisive fashion, provide that the payment to be made to the dependents of soldiers and sailors killed or totally disabled shall be specific rather than based on a percentage of the pay of the dead or disabled man.
>
> Congressman BLACK, with a number of other Members of the House, assailed the committee's plan of compensation, based on the rate of pay of the soldier or officer, as being an attempt to establish class and caste in America "while we are carrying on a war for democracy." Mr. BLACK termed it "Preserving the distinction of rank and pay beyond the borders of the grave."
>
> Representative Alexander, of Missouri, one of the Members who had charge of the bill in the House, gave his entire approval to the Black amendments, when the measure was finally passed. He said:
>
> "It was clearly demonstrated in the debate that the House considered it only fair that there be established complete equality in treatment, as to this compensation on the Government's part, of the dependents of all in the service."

MY RECORD IN SUPPORT OF WORLD WAR VETERAN LEGISLATION

What are the facts with reference to my support of legislation for the benefit of World War veterans? The facts are that I have voted for every important law which has been enacted for the benefit of World War veterans. These include war

risk insurance act of 1917, and the amendments thereto; act providing for vocational training of disabled veterans; act to create Veterans' Bureau and to improve the facilities and service of such bureau by establishing regional officers of the bureau in the several States of the Union; act to enable the Director of the Veterans' Bureau to provide for the construction of additional hospital facilities for persons who served in the World War and the Spanish-American War; act to provide adjusted compensation for veterans of the World War, approved May 17, 1924, and amendments thereto. In fact I do not recall a single important law for the benefit of World War veterans now on the statute books which I have not actually supported and helped to pass.

At the present session of Congress I have voted for the Johnson bill, to liberalize the veterans' act of 1924, and for the Rogers bill, to appropriate $15,000,000 to provide additional hospital facilities for sick and disabled veterans.

In addition to my support of these measures, I have been glad to assist disabled ex-service men to secure proper consideration of their claims pending with the Veterans' Bureau for hospitalization, compensation, and other benefits under the acts passed by Congress, and will be glad to continue to do so. There is scarcely a community in the first congressional district but where it has been my privilege to render service of that kind. I would make no mention of it now, except for the effort being made by my opponent to create the feeling that I have been hostile to veterans.

FOREIGN DEBT SETTLEMENTS

It has been charged by my opponent that I voted to give France over $4,000,000,000 and to place the debt upon the backs of the American people.

Here are the facts:

| | |
|---|---|
| The total amount loaned France | $2,933,405,070.15 |
| Sale of surplus war materials | 407,341,145.01 |
| Total amount of principal owed us by France | 3,340,746,215.16 |

Under the terms of the French debt settlement, for which I voted, France is to pay us over a period of 62 years $6,847,674,104.17. This is every cent of the principal and $3,506,927,889.01 interest. I may say further that this French debt settlement, although ratified by the American House of Representatives by a vote of 236 to 112, has never been ratified by the French Parliament. They claim it is more than they can pay and have thus far refused to ratify it. It is my belief, however, that the terms we have accorded to France are liberal enough, and I shall be against their further modification.

Let me say this further word with reference to these foreign debt settlements: Not a cent of the principal of the debt was canceled. The interest agreed upon with the various debtor nations was such as the United States Debt Commission and Congress believed the debtor nations were able to pay. Since the settlements were agreed upon and ratified by Congress we have collected in principal and interest, up to February 27, 1928, the sum of $837,590,942.34. And this money has been used in payment on our national debt and thereby lightens the burdens of the American taxpayers. The aggregate amount of principal and interest which will be collected this year on these foreign debts is $210,000,000; in 1930 these payments will increase to $217,000,000 annually, and after 1935 the annual payments will be $300,000,000. The Secretary of the Treasury estimates that our collections on these debt settlements for the next 10 years will aggregate $2,616,800,000. These payments will not only greatly lighten the burdens of our American taxpayers, but by reason of the fact that most of the money is used in the retirement of Liberty bonds it will greatly reduce the interest rate which our own Government will have to pay on its own obligations and in that way will enable us to refund the remaining Liberty bonds at a very much lower rate of interest than they now bear.

Now, there were three schools of thought in the United States regarding these foreign debt settlements. One group—not a very large one, but rather persistent—wanted to cancel out the debts entirely. Another group wanted every cent of the principal and the full war-time rate of interest which we were paying at the time the loans were made collected. Now that would be all right if it could be done, but it could not be done. In one of Shakespeare's plays one of the characters is made to say: "Why, I can call the dead to life." The other character in the dialogue replies, "Yes; and so can I; but the trouble is they will not answer when I call."

Now the trouble about all this talk about making the foreign nations which owe put the money on the barrel head and pay us immediately in cash is that it can not be done. It takes two parties to make an agreement, and the nations which owed us refused to enter into agreements which, they said, they could not fulfill. Our American Debt Commission early in the negotiations with the nations which owed us laid down three fundamental principles.

First, that the principal sum of the debt should be paid in full without a cent of cancellation. Second, that annual payments over a term of years should be given, so that the payments could be met. Third, that in determining the rate of interest which should be paid each nation should be considered separately. The capacity of the debtor nation to pay should be determined.

Under these principles the debt settlements were arrived at, and I think this country and the world are very much better off than they would be if the debt settlements had been left unratified and we were collecting nothing and the interest was still piling up on the principal. Suppose enough Congressmen had taken the viewpoint of these critics and had refused to ratify the debt settlements. Our debt on paper would, of course, be still piling up and would look mighty big, but we would not be getting any cash, and the economic recovery of Europe and the world would be immeasurably retarded.

Europe is America's best customer, especially for our cotton. Economic recovery has progressed to the point where it is estimated that Europe has taken close to 15,000,000 bales of American cotton during the past two years. What would have happened to us if these markets had been still in a demoralized condition by reason of the foreign debt settlements still hanging fire? Who would have benefited by it? Certainly not the United States.

MY PROHIBITION RECORD

It has been charged by my opponent that I have not by my votes supported prohibition. Well, I will give my record on that subject and let my constituents judge. Nothing speaks better than the record.

In the first place, I voted to submit the prohibition amendment to the several States for their ratification, and after it had been ratified I voted for the national prohibition act to enforce it. The final vote on the national prohibition act before it was sent to the President for his signature was taken in the House of Representatives on October 10, 1919, and I was present and voted "aye." The bill was then sent to the President, and he vetoed it, and the bill was taken up in the House of Representatives on October 27, 1919, to pass it over the veto of the President. On this vote to pass the national prohibition act over the veto of the President 198 Members of Congress were absent and did not vote at all, but I was one of the 175 Members present who voted "aye." The vote to pass the bill over the veto of the President was 175 to 55. It was upon this vote that the prohibition act became the law of the land, and is still the law of the land.

So if a Member of Congress who voted to submit the prohibition amendment and then voted for the act to enforce it, and then voted to pass it over the veto of the President, has not the record of a prohibitionist, then I do not know what it takes to make that kind of a record.

The late Wayne B. Wheeler, who was for years the leader of the prohibition forces of America, on June 7, 1924, wrote me the following unsolicited letter:

HON. EUGENE BLACK, M. C.,
*Washington, D. C.*

DEAR MR. BLACK: At the close of another session of Congress I want to thank you for the splendid cooperation and help you have given in maintaining prohibition and its enforcement through national legislation. Our opponents are planning to defeat Congressmen with dry records in the hope that it will prevent their successors from following their example. The people of your district stand for law enforcement, and I feel sure they will not allow you to suffer because of the splendid record you have made.

Yours cordially,

W. B. WHEELER.

Mr. Speaker, I have never previously referred to this letter from Mr. Wheeler for the very simple reason that my prohibition record has never before been attacked by anyone in my district, so far as I know. I only refer to it now to show how utterly absurd and false is the attack which my opponent has made against my prohibition record.

RAILROAD LEGISLATION

I have been attacked for my vote in favor of the transportation act of 1920, and the statement has been made by my opponent that I voted to give the railroads $1,500,000,000. That, of course, is not true. Here are the facts about the Government operation of railroads:

In December, 1917, President Wilson, under the war power granted him by law, took over the railroads as a measure of national defense. He appointed Mr. McAdoo, then Secretary of the Treasury, Director General of Railroads; and from the

time Mr. McAdoo took charge all the receipts and revenues derived from the operation of railroads were under the control of the Government. Out of these funds were paid the operating expenses of the railroads, such as salaries and wages to employees, cost of fuel and materials, taxes, and other such items of expenses, and the balance, if any, was left on hand to pay the rental agreed upon with the railroads for the use of their property. The question naturally at once arose as to what the annual rental should be. The Government had two methods from which to choose to settle the question. One was to make contracts with the railroads by mutual agreement and the other was to let them go into the United States Court of Claims and prove up their claims.

It must be remembered that under the Constitution of the United States you can not take private property without the payment of compensation, and that rule of law applies whether the Government purchases the property outright or whether it merely takes over its use. Therefore even if one believes that the Government should have seized the railroads and should not have paid them one cent for the use of their property he must remember that under the Constitution and laws of the United States it could not be done. The Constitution and laws require that compensation shall be paid. Therefore, Mr. McAdoo made the proposition to take three years—1914, 1915, and 1916—and get the average return for three years and use that average as a basis for the annual rental of the railroads while under Government control. The railroads accepted that proposition and the contracts were made on that basis. As to whether that basis was fair or not, let Mr. McAdoo himself testify. He said in the hearings before the House committee:

> You have heard the arguments of the carriers as to why the proposed rental is too small and you doubtless will hear argument as to why it is too large. Any matter of such complexity might be made the subject of endless debate and there might be a hundred different views each perfectly honest and well informed as to the precise basis that would be the best, but after hearing all that has been suggested from every standpoint since the President's proclamation taking over the railroads, I have remained convinced that the basis proposed is fair and reasonable, and that is what Congress ought to direct their attention to, and that is what the courts would impose if the question were remitted to the courts.

Therefore when Congress voted the money to pay these annual rentals which Mr. McAdoo, as director general, had agreed upon, we were not voting any bonus or gift to the railroads but were voting to fulfill a contractual obligation which even if Congress had repudiated the courts would have enforced.

I do not consider there would be any advantage gained at this late date to enter into discussion as to the wisdom or unwisdom of President Wilson's act in taking over the railroads. I will simply say that at the time they were taken over our allies were being pressed on the battle fields of Europe and it was necessary to speed up war preparations in every possible way and to subordinate all transportation rules and practices to the one supreme end of winning the war. That was done, and it is doubtful if it could have been as well done without the Government being in complete control of the entire transportation facilities of the country.

It is perfectly easy to stand up at this late date and criticize it, but it must be remembered that those charged with responsibility in those stirring times had to take action at a time when action was needed, and President Wilson, as the Commander in Chief of the Army and Navy, took it, and I do not think anyone need apologize for it. If by unifying the transportation system of the country under one responsible head, he speeded up war preparations so as to shorten the period of the war, even for one month, then the lives of our American soldier boys, to say nothing of the lives of our allies, and even of the enemy, which were saved by it were worth every cent that it cost.

Congress voted the necessary money to pay the annual rentals which accrued during the period of Government control just as we voted the money to pay other war expenses. After the war ended President Wilson asked Congress to pass legislation turning the railroads back to their owners and to provide a more unified transportation system for the future. In response to that message, delivered by President Wilson to Congress December 2, 1919, Congress passed the transportation act of 1920, commonly known as the Esch-Cummins law.

Now, I have no desire to evade any responsibility of my own or to shoulder it on anyone else; but if the enactment of the Esch-Cummins law was a betrayal of the people into the hands of Wall Street, as my opponent has said, then that great man, who will go down in history as one of the great Presidents of the United States, Woodrow Wilson, was guilty of the same offense, because he signed and approved the Esch-Cummins law, and it became the law of the land by reason of his signature. Many other distinguished Democrats voted for it, among them being Senator ROBINSON, of Arkansas, Democratic leader of the Senate; Senators CARTER GLASS, of Virginia; John Sharp Williams, of Mississippi; and THOMAS WALSH, of Montana.

I think no one would accuse Senator WALSH, for example, of being in league with Wall Street and the railroads, and yet Senator WALSH voted for the Esch-Cummins railroad bill just the same as I did. And let me pause here long enough to say that I think that Senator WALSH in exposing the crookedness of Sinclair and Doheny and Fall in the oil scandals has rendered the country one of the most conspicuous acts of public service that has been rendered by anyone for the last quarter of a century. I regard him as one of the ablest and most valuable men in public life to-day.

It has been charged by my opponent that the Esch-Cummins law directed the Interstate Commerce Commission to pay a return of 5½ to 6 per cent on watered and inflated stocks. What are the facts? The Esch-Cummins bill itself does not set any value whatever on the railroads. It directs the Interstate Commerce Commission to find the value of the entire railroad mileage of the United States, and after finding this value to fix rates which under honest, efficient, and economical management will yield a reasonable return, not greater than 6 per cent, upon the value of the property actually used in transportation. If any particular railroad earns more than 6 per cent, then one-half of the excess goes into the hands of the Government. The Interstate Commerce Commission found the aggregate value of the railroads at the time of turning them back to their owners to be $18,900,000,000. The facts upon which this valuation is based were not ascertained under the Esch-Cummins bill at all but under the La Follette Valuation Act of 1913, an act prepared by the late Senator Robert M. La Follette and which was passed in 1913, before I came to Congress. The valuations which the Interstate Commerce Commission has given to the railroads under the terms of that act may or may not be correct, but it is the best information we have.

It has been a tremendous job to value the more than 250,000 miles of railroads in the United States, together with all the railroad property and equipment, and has taken 15 years to complete. The railroads are now contesting the valuations which have been fixed by the Interstate Commerce Commission, and the test case which has been brought is the celebrated case of the St. Louis & O'Fallon Railway Co. against the United States of America and the Interstate Commerce Commission. This is to be a test case for all the railroads, and on account of the enormous sums involved in its ultimate determination it has been termed the most important law suit ever brought to trial in the United States. The railroads are contending for a much higher valuation on their property than has been fixed by the Interstate Commerce Commission. The case was first tried in the District Court of the United States, Eastern District of Missouri, and I am glad to state that the decision was a complete victory for the United States. The final decisions will, of course, be by the Supreme Court of the United States. The brief of the counsel for the United States in that case has been sent to me by one of the Government's counsel, and I am glad to say that on page 38 of the brief, citation is made of a speech which I delivered in the House of Representatives on February 21, 1920, in support of the Government's contention as to the rule of rate making. Now, while, of course, I feel some satisfaction in the fact that an argument which I made in Congress should be cited by the Government in so important a case as the St. Louis & O'Fallon Railway case, yet I do not make mention of the fact to boast in any way. I simply say this, that if the charges of my opposition are true, that I have been the tool of Wall Street, then the counsel of the Government would hardly be citing an argument which I had made in Congress against the contention of the railroads and in favor of the contention of the United States Government.

### GUARANTY TO THE RAILROADS

It is charged that under the Esch-Cummins bill the railroads are now guaranteed a net return of 6 per cent. That is an untrue statement. Not a word of truth in it. They now have no guaranty of any kind of net return under the terms of the bill. All guaranty of net return to railroads expired six months after they were returned to their owners from under Government control. That was nearly eight years ago. This Esch-Cummins law contains, for example, the first stock and bond law ever enacted by the United States Congress for the regulation and control of railroad stocks and bonds. Since the adoption of that act no railroad in the United States can issue any stocks or bonds without coming before the Interstate Commerce Commission and making satisfactory showing that

the money is necessary to go actually into the railroad and be expended under accounting methods prescribed by the Interstate Commerce Commission. It is the most salutary and effective check against watered stock and bonds issued on fictitious valuation ever enacted by the Congress of the United States.

Nothing that could possibly be done would play more into the hands of those who want to issue watered stocks and float bond issues based on fictitious valuation than to vote to repeal this stock-and-bond provision of the Esch-Cummins bill. Now, I have this one more word to say about the railroad question. If the Democrats win the election this fall, in all probability the transportation question will again be taken up for study to see what improvements can be made in the law for the public good. No one will cooperate more readily in such a study than I will. The only interest in the world that I have in the whole transportation question is to safeguard the public interest and give the people the very best transportation service it is possible to give at the lowest possible cost. Upon that platform I am willing to stand and submit my cause to the people for their approval or disapproval.

AGRICULTURE

With reference to agriculture, I have actively supported and helped to pass the following legislation:

First. Farm loan act: When I came to Congress there was no farm loan act. Under the able leadership of President Wilson the farm loan act was enacted, and under its provisions 12 Federal land banks were established. The one for our State is located at Houston, Tex. Up to the present time the land banks in the United States have loaned more than one billion and a half dollars to more than 400,000 farmers in the United States. Our own Federal land bank at Houston, Tex., has loaned $170,000,000 to 58,000 farmers in Texas and bringing the operations of the land bank closer home it has loaned nearly $7,000,000 in our own congressional district to nearly 4,000 farmers. The average loan in our district is less than $2,000, showing that the system is being used by the real home owners. This money has been loaned at a low rate of interest, much lower than that which prevailed when the farm loan act was passed, and has been loaned on long terms of payment.

During the war when the bonds of the Federal farm loan system were unsalable on account of the marketing of so many Liberty bonds, I supported and helped pass a law directing the Secretary of the Treasury to purchase up to $200,000,000 of the farm-loan bonds in order that the system might continue right along in making loans to the farmers. In compliance with this law the Secretary of the Treasury purchased $195,000,000 of the bonds and the proceeds were used in making loans to farmers. I am glad to say that the Treasury of the United States did not lose a single dollar on these operations. All of these bonds have now gone into the hands of private investors and the farm loan system is now able to sell its own bonds bearing an interest rate of 4¼ per cent, and loan farmers their money at 5 per cent. I take pride in the fact that early in my congressional career I was one of those who actively helped to pass the farm loan act, and as a member of the Committee on Banking and Currency of the House I have been at all times its steadfast friend and supporter. I also helped to frame and pass the intermediate credits act.

Second. Good roads law: Another act which was passed soon after I came to Congress, and which I helped to pass, was the Federal good roads law. I well remember in my first campaign I advocated that the Federal Government should cease spending money for river navigation where there was no navigation and use that money in the building of better highways. I have kept faith with that promise. We passed a Federal highway act which provided for the building of improved highways by the States and Federal Government in cooperation with each other. In that act we provided that the Federal funds should be apportioned to the several States in proportion to their area, population, and mileage of roads. Under that basis of apportionment the State of Texas has received much the largest amount of any State in the Union. Total allotments which have been made to Texas by the United States Government under this good roads act, including fiscal year 1929, is $49,606,279. This money has been used in aiding the construction of more than 6,000 miles of hard-surfaced highways in Texas.

Third. Farm organization law, under which persons engaged in the production of agricultural products are permitted to act together in associations, corporate or otherwise, for cooperative marketing of their farm products in interstate and foreign commerce.

Fourth. Hoch-Smith resolution, requiring the Interstate Commerce Commission to effect such lawful changes in the freight-rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture, including livestock, at the lowest possible rate. Under this resolution the commission has made certain reductions in freight rates on farm products and is holding hearings on the applications for freight-rate reductions on other important commodities, such as wheat, cotton, cottonseed, and livestock.

Fifth. Immigration law: Another thing which I advocated in my very first campaign for Congress was restriction of foreign immigration. In fulfillment of these views I voted for the restrictive immigration act of 1917, the restrictive immigration act of 1921, and the act of 1924, known as the Johnson Immigration Act.

The Johnson Immigration Act, which I helped to pass and which is now the law of the land, preserves the basic immigration law of 1917, retains the principle of numerical limitation as inaugurated in the act of 1921, reduces the quota admissible in any one year from 3 per cent to 2 per cent, provides a method of selection of immigrants at the source rather than to permit them to come to this country and land at the immigration stations without previous inspection, provides entire and absolute exclusion of those who are not eligible to become naturalized citizens under our naturalization laws.

CONCLUSION

I am one who believes implicitly that the judgment of the people can be relied upon if they get the facts straight. In making these statements about my record in Congress I have tried to state the facts exactly as they are.

I leave the verdict to the people of my district.

COORDINATION OF PUBLIC HEALTH ACTIVITIES

Mr. PARKER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11026) to provide for the coordination of the public-health activities, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill (H. R. 11026), with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GARNER of Texas. Reserving the right to object, will the gentleman state whether this is agreeable to the ranking minority member of the committee?

Mr. PARKER. It is. This is the public health bill. What I am doing is done at the request of the committee.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. PARKER, Mr. MAPES, and Mr. LEA.

EHRENFRIED GUNTHER VON HUENEFELD, JAMES C. FITZMAURICE, AND HERMANN KOEHL

Mr. JAMES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13331) to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, which I send to the desk and ask to have read.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the President be, and he is hereby, authorized to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, in recognition of their extraordinary achievement in making the first nonstop westward trans-Atlantic flight by airplane from Europe to North America.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed..

A motion to reconsider the vote by which the bill was passed was laid on the table.

INTERNATIONAL CONVENTION FOR PROTECTION OF LITERARY WORK

Mr. VESTAL. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 286, to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of House Joint Resolution 286, which the Clerk will report by title.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 for the expenses of a delegate to represent the United States at the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works, to be held in Rome, Italy, on May 8, 1928; including transportation, subsistence, or per diem in lieu of subsistence (notwithstanding the provisions of any other act), and such miscellaneous and other expenses as the President shall deem proper.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.

ACCEPTANCE OF STATUE OF ANDREW JACKSON

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the several addresses made upon the occasion of the presentation of the statue of Andrew Jackson in Statuary Hall on Sunday, April 15, 1928, and other matter pertinent to the exercises then had, including the biographical sketch prepared by Hon. John Trotwood Moore, State librarian and archivist of Tennessee, which was published in the official program.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by printing the account of the exercises recently held in respect to placing of the statue of Andrew Jackson in Statuary Hall. Is there objection?

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, does not the gentleman think it would be well to have those addresses printed as a House document also?

Mr. GARRETT of Tennessee. Of course, the gentleman understands that later there will be issued, in accordance with custom, a very handsome bound volume. I should be happy, however, to have it printed as a House document now if it can be done under the printing law.

Mr. CHINDBLOM. Those volumes will not be available to the Members?

Mr. GARRETT of Tennessee. Not for quite a while.

Mr. CHINDBLOM. By citizens who are interested in the matter?

Mr. GARRETT of Tennessee. I should like to add to my remarks the statement that I have not conferred with the Committee on Printing about the matter of having it printed as a document, and I think there is a statute or rule about that.

Mr. TILSON. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. TILSON. The printing of this kind of matter in the CONGRESSIONAL RECORD is quite unsatisfactory. The gentleman knows that when it appears in the required small 6-point type it is difficult to read. It seems to me that this being of considerable importance, it might be printed as a House document or in some other way rather than simply in small type in the RECORD. It is not a satisfactory way to print it.

Mr. GARRETT of Tennessee. It is not completely satisfactory, but this is a way of preserving it for the printing of the volume which eventually will be issued. For instance, in the case of one or two of the addresses there is only one copy outstanding. I have those, and I would like to have them printed in the RECORD.

Mr. TILSON. I have no objection to its being printed in the RECORD.

Mr. LOWREY. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. LOWREY. When the statue of Doctor Curry was unveiled we had a very elaborate bound edition of the exercises had on that occasion distributed through the Members, giving us about five copies each. I am hoping that when this volume is published it will be in larger numbers that will give us more copies than that, and I hope it may be published at an early date. I hope the gentleman will press that to publication as soon as possible in larger number.

The SPEAKER. The gentleman from Tennessee asks that the addresses delivered at the exercises referred to and other matter pertinent thereto shall be printed in the CONGRESSIONAL RECORD. Is there objection?

There was no objection.

The matter referred to is here printed in full as follows:

BIOGRAPHICAL SKETCH

By John Trotwood Moore

Andrew Jackson, seventh President of the United States: Born in Waxhaw settlement, in what was then Mecklenburg, but now Union County, N. C., March 15, 1767.

His father, by the same name, with his wife, Elizabeth Hutchinson, and two small boys, Hugh and Robert, had immigrated to America two years before and settled on Twelve Mile Creek in the Waxhaw settlement of North Carolina. He entered a small tract of inferior land on which he made only a small first payment, built for his family a log cabin, but succumbed to pneumonia and overwork two weeks before his son was born.

Her support gone, almost penniless, with two small boys and expecting daily the birth of a third child, Betty Jackson, cheerful, energetic, and of indomitable courage, put her boys and the few belongings she had in a single wagon and started to the home of her sister, Jane Hutchinson Crawford, 12 miles away near the old Waxhaw Church in South Carolina for a temporary home for herself and her boys. Taken ill before reaching her destination, she stopped at the log cabin of another sister, Peggy Hutchinson McKemey, just over on the North Carolina side, where Andrew Jackson was born on the night of March 15, 1767.

A log cabin, but the great hand of destiny had studded the sky of his horoscope above the cradle in that cabin with stars of immortality which later fell in showers around him to lighten the long hard road of his journey. He grew up at his Uncle Crawford's home, went to Old Field Schools, and helped his mother work on the farm until 13, when partisan war broke in all its cruelty and fury on the settlement. He saw his eldest brother, Hugh, 17, killed fighting for his country at Stono. Entered with his brother Robert, saw Tarleton surprise and murder 113 of his neighbors and wound 150 more at the old Waxhaw Church, helped his mother nurse them, shouldered his musket at 14 years of age, and fought the invaders of his country at Hanging Rock; was captured with his brother Robert, ordered by a bullying, brow-beating Hessian to black his boots, refused and defied him, when both boys were struck down with the Hessian's saber, Robert dying of the cut on his head and the smallpox; Andrew, with the same disease, nursed back to life by his mother, who in turn died of it and was buried in an unknown grave near Charleston, S. C.

When Andrew Jackson, major general of the United States Army, 34 years afterwards, stood on his impregnable breastworks below New Orleans, with his deadly Tennessee and Kentucky riflemen four lines deep behind it, and saw the flower of Britain's Napoleon conquerors coming so gamely but surely on into the trap of annihilation his military genius had set for them, he turned to an officer behind him, and these words came from his grim set lips this verdict of his Scotch-Irish Calvinism: "And now we'll give them a taste of Waxhaw!"

After the war he taught school, studied law under Hon. Spruce McKay in Salisbury, N. C., and when 21 years old followed the covered-wagon trail across the mountains into the western country of North Carolina, now the State of Tennessee, landing in Nashville in the fall of 1788. Here by his integrity, shrewdness, common sense, fearless courage, and resolute iron will in 10 years he attained every office he asked for at the hands of the people: First Representative in Congress from Tennessee, 1796; Senator, 1797; judge of the Superior Court of Law and Equity, 1798; once again Senator, he voluntarily resigned as soon as he thought he had finished the work. He resigned more offices than were ever held by any citizen of the Republic.

As major general of Tennessee Militia (1802–1814), he turned the disastrous tide that had brought humiliation and defeat to America in the year 1813 by destroying the powerful Creek Nation of Indians, on whom the British relied to help them hold the southern coast, and made possible the treaty of Ghent. But even before it was signed (December 24, 1814) he stopped the British General Keane's army of 3,000 seasoned soldiers—Napoleon war fighters—and drove them back in a night attack on an open plain with less than half Keane's force in a fight that has no parallel in history. Two weeks later he entirely routed and destroyed a veteran British army of twice his own force, led by Gen. Sir Edward M. Pakenham, their ablest general save Wellington, and drove them and their navy of 50 battleships, the same that had helped destroy and burn Washington four months before, into the sea. This battle, though won two weeks after the treaty, has in the light of more recent history proved to be the most brilliant and far-reaching in our own history. It has made over a century of peace between the English-speaking peoples, showing the folly of two great peoples with the same ideals, religion, and language fighting each other, and it assured us the integrity and possession of the Louisiana Purchase, comprising 14 of our great States.

Elected President in 1828 after the bitterest and most merciless campaign of slander and hate ever waged against any candidate for that high office—the first President of the plain people of America to enter the White House—he retired after eight years of strenuous work, but left to the people a heritage which is to-day the fixed tenets of the faith of the Republic; no autocracy of wealth; no dissolution of the Union; no privileges of power at the expense of the weak, and that established soundness in banks and money that has made it possible for the Federal reserve of to-day.

In history he has been persistently misrepresented by the ignorant or malicious as uncouth and unlettered, rough, and ungentle. The reverse is the truth; his letters and papers are beyond criticism, with the fire of purpose in them. In character he was courteous, gentle,

romantic, tender, and deeply religious, but unflinchingly stern, when duty called.

He was the first gentleman of his rough day—his blood lines on both sides running to the old Kings of Scotland. Thomas Jefferson said he had the finest manners of any Senator in the old Philadelphia Congress of 1797. His love affair with Rachel Donelson is the greatest, tenderest, and most devoted in all history. He was the knight errant of every woman who knew him and both the Cæsar and the Sir Galahad of every man who called him friend. No other man in American history so completely and thoroughly accomplished every thing of any kind he ever attempted. In spite of his long life of stern devotion to principle and duty, Thomas Benton says he found him in his old age with a child on one knee and a pet lamb on the other, and when he died at sunset on a beautiful Sabbath, June 9, 1845, his last words were to console his weeping servants around him with the positive assurance that they would meet him in heaven. And so, in the fullness of life and of every honor his people could bestow upon him, at the age of 78, childlike and lamblike, his great spirit went to his Maker.

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ADDRESS OF MRS. FLORA MYERS GILLENTINE, PRESIDING OFFICER, PAST STATE REGENT, TENNESSEE DAUGHTERS OF THE AMERICAN REVOLUTION, PAST VICE PRESIDENT GENERAL, DAUGHTERS OF THE AMERICAN REVOLUTION

Man's test is memory's treasured store;
What past, he holds for conning o'er.

Memory is a vital rung in the ladder on which man has climbed above the level of the beast. Through it the inspiration and experience, not only of his own past, but of that of the race, is at his daily service.

Official recognition of the constant need of a reminder resulted in the congressional act of 1864, by which—

"The President is authorized to invite all the States to provide and furnish statutes in marble or bronze, not exceeding two in number for each State, of deceased persons who have been citizens thereof and illustrious for their historic renown or for distinguished civic or military services * * *. The same shall be placed in the old Hall of the House of Representatives * * * which is set apart, or so much thereof as may be necessary, as a national Statuary Hall for the purpose herein indicated."

In response to this invitation, Tennessee is proud now to place in the Nation's Capitol this statue, cast in bronze, mounted on Tennessee marble, of her most dynamic and colorful son, Andrew Jackson, confident that not even her gleaming marble can prove more enduring than the potent influence of his personality and example, more pure than the spotless honesty of his character, more unyielding than his iron will when enlisted in the popular service. Our trail to this shrine was not dim. It was worn deep by his tread in the flesh responding to the call to national service. No less than five times did he tread it in response to popular call—each time to the Nation's good. In 1797, as Senator, he set an example worthy of observance in that body even to the present day—saying little, but thoughtfully pondering his problem. In 1829 he came, a militant crusader to crush an insidious monopoly and insist that the Nation's spyglass embrace in its sweep the western horizon as well as the eastern seascape.

But Jackson's services were not all in Washington. My embarrassment in pointing his claims to a people's grateful remembrance lies in their very abundance. Tennessee's "marvel militia" and its supreme court both bore his stamp. Its constitution echoed his voice. He was the original "Florida booster," and soon held the whole territory on an option for the Nation. Napoleon-conquering veterans crumbled before his cotton-bale barricade. Even a Horseshoe Bend afforded Indians no talismanic defense against his luck, plus his pluck.

From another point of view he merits immortality. In many respects Andrew Jackson was the first real American, a typical frontier product. He was the first President to be called from the heart of the Nation—the first to discover a trail back eastward across the mountains to the White House; he was the first Chief Executive to sponsor unreservedly the direct and universal rule of the whole people; the first to make of the presidential office a commanding, directing agency in the accomplishment of programs approved by the popular will in regular elections. He was the first of the sturdy, self-taught "personages of the ranks" to be called to the exalted office of the presidency.

For such exalted position perhaps none have ever entered upon its duties with less of scholastic preparation; perhaps none have ever equaled him in the extent and value of accomplishment. His was a genius for effective service ranging over many fields. The baton of the marshal, the bench of the judge, the commission of the territorial governor, the floor of Congress, the chair of the Chief Executive, all found in him a dominating, original, and conspicuously successful master.

It is eminently fitting that this presentation be made in the year 1928, the hundredth anniversary of the Nation's call to Jackson to take the helm of Government. To-day there is unusual need that that same Nation recall for its guidance his spirit, his zeal, his political faith. The continuance of that thorough-going, universal democracy which he did so much to establish is being widely questioned. While plutocracy plucks at power with its questionable millions shall democracy be thus openly bought in this slave's market? In such a day well may a grateful people point to the prophet-statesman, Andrew Jackson, and borrowing the old slogan declare in his stirring voice; "Let the people rule." To such a dedication are we called; to a dedication as complete, to a zeal as tireless, to a loyalty as unswerving, to a fearlessness as militant, and to a patriotism as dynamic.

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PRAYER BY REV. NEWTON P. PATTERSON, D. D., PASTOR OF THE FIRST PRESBYTERIAN CHURCH, WHERE GENERAL JACKSON WAS A REGULAR WORSHIPER AND PEW HOLDER FOR EIGHT YEARS

Almighty God, our heavenly Father, we are met together in Statuary Hall in our National Capitol for the purpose of honoring the name and memory of the seventh President of these United States of America—Gen. Andrew Jackson. We turn our hearts and minds to Thee in humble recognition of Thy sovereignty. We acknowledge Thee as the God and Father of us all.

We invoke Thy blessings upon us as we gather together here in this fellowship. In this fellowship may we realize health, holiness, and happiness. We recognize Thee and pray that in Thy love we may have life, hope, and peace. Purify our thoughts with the breath of Thy presence, that the deepest yearning of our being may be ennobled by the power of our faith and exalted by the sanctity of reason into the majesty of prayer. Free us from the narrow, lonely lives we live into a larger, freer, more abundant life—a holy communion of mortals in the immortal realm.

O Spirit of Holiness, kindle in us a flame of pure aspiration to consume all grosser passions. Hold before us constantly the brilliancy of that life which actuated the noble Jackson of the earlier centuries. Let the light of Thy countenance shine upon our way, and, if it may be, make us reflectors of that same light to shine upon the pathway of others who may follow after us.

In the midst of hurrying days and the very shifting human scenes teach us how to live in the sanctuary of the eternal and in good and wholesome fellowship with each other and even with all mankind. Let not the glitter and hardness of a complex civilization blind us to the fact that we are citizens of the larger units—municipalities, States, or even the Nation—but are citizens of a world-wide brotherhood. Fill our minds with wisdom, fill our hearts with tenderness, and our hands with humble and useful service. Take all reluctance out of our obedience and all bitterness out of our endurance, and let Thy laws become songs in the house of our pilgrimage. Unite us with all lovers of goodness and give us courage and faithfulness to follow the ways of Thy teachings in spirit and in truth.

To Thy loving-kindness we offer our prayer in the name of Him who walked the road of the great loving heart, even Jesus Christ, our Lord and Master. Amen.

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PRESENTATION OF STATUE BY GOV. HENRY H. HORTON

Mr. President, in behalf of the people of the State of Tennessee I present to you, as Chief Executive of the Nation, for its Hall of Fame, this statue of a great President, a great statesman, and a great soldier, but, greater still, this statue of a man.

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ADDRESS OF PRESIDENT COOLIDGE

Fellow countrymen, one of the great sources of the strength of our country has been the pioneering spirit. It was characteristic of those who first settled on our shores and was the cause of a resistless march to the Pacific Ocean. Our people have ever been going forth into the forest and over the plain to establish themselves in the region of the unknown. They have sought for new fields to conquer. They have been pioneers, however, not only in the physical world but in the realm of ideas. In science and invention, and especially in the art of government and of social relations, they have taken a dominant part. The frontier has long since disappeared, the opportunity for exploration into unfrequented lands is gone, we seek no additional territory, but the ambition to enter uncharted regions of industry, of enterprise, of social relations, and of thought continues with increasing fervor.

We would miss much of the significance and meaning of the history of the United States unless we took into account this outstanding quality. Our whole outlook has been greatly influenced by it. It is the complete antithesis of all systems of class and caste. Under some theories of human society, theories which have been of value in their time in effecting the organization of a people and bringing them into that condition of order which is the necessary preliminary of enlightened progress, all persons were born to a certain station and oftentimes to a certain locality, which they were supposed to hold during their lifetime. They found that not only their place in life, but also their thought, had been previously ordained for them. It was for the purpose of escaping from this doctrine that this Nation came into existence. The people who came here were seeking freedom of action and freedom of mind. The great revelation of our country has been that men are not born to servitude and obscurity. They are born

to all the possibilities of a glorious station which can be won by their own achieving.

This is our national epic, exemplified in the lives of those whom we are most desirous to honor. It is the story of small beginnings which have developed into great concerns. It is the life of men born amid the surroundings of great hardship and great privations, who, through their own exertions and the confidence which their character has inspired in their fellow men, have risen to positions of influence and importance in private affairs and public office. It is a record of untiring effort, undaunted courage, and persevering will, all of which have set an inextinguishable mark upon the history of our country.

One of the outstanding figures which so well represents this development of our national life is Andrew Jackson, the seventh President of the United States. He was born in such obscurity in 1767 that two States have claimed his birthplace, though he himself stated that it was South Carolina. Only two years previously his parents had come from County Antrim, Ireland. A few days before his birth his father died. When he was only 14 his mother passed away, leaving her son entirely alone and without property. She was a Scotch Presbyterian of marked piety and cherished the hope that her boy would become a minister. We can catch but a fleeting glance of her as she passes off the stage of existence, but it is sufficient to win our admiration and create a desire for a better acquaintance. Her memory must have been an inspiration to the great man she bore.

The young man had some common-school education, sufficient for the transaction of ordinary business affairs, but while he was constantly seeking for practical information he never came to care for learning for its own sake. Thrown on his own resources as he was, he grew up proud and high tempered, oftentimes violent in his disposition, and considerably interested in the sports of the countryside. He soon started to study law and began its practice when he was scarcely 21. In 1788 he established himself on the soil of Tennessee, where he was destined to become her most renowned citizen. The next year he was solicitor of one of the districts and the year following United States attorney. In 1796 he was chosen the first Member of Congress from the new State. He showed that he held opinions of his own by opposing a resolution in the House commending President Washington on his last annual address. At the age of 30 he was elected to the United States Senate, but resigned at the end of the first session, and the following year became a justice of the Tennessee Supreme Court, where he served six years and resigned. It was during this interval that he became a major general of militia. While he had held many public offices, he had likewise resigned from many. In 1804 he sought appointment as Governor of New Orleans, and apparently never forgave President Jefferson for refusing his request.

From this date until he was given a command in the War of 1812 he spent considerable time tilling the soil, in which he was moderately successful. His high temper brought him into some quarrels. The society of that day was in the flux, customs were in the making, men were obliged to rely somewhat on themselves for the defense of what they believed to be their rights.

Placed in command of 2,500 volunteers, in 1813 he marched toward New Orleans. When he had reached Natchez, Miss., he was directed to disband his forces. Because this would leave them stranded, he had the order modified and marched back to Tennessee. The hardships which he endured on this march won for him the title of Old Hickory. An uprising of the Creek Indians in Mississippi and Alabama caused him to be sent into that district, where he forced them to terms of peace. It was during 1814 that he became a full major general in the Regular Army, in command of the Department of the South. From that time on he became a national figure. In the late fall he invaded Florida, then a Spanish Province, it was claimed without orders, and captured Pensacola on the ground that it was a base used by English troops. Going from there to New Orleans, he began the defense of that city. He was attacked by the British and defeated them in the famous battle of the 8th of January, 1815.

Though a treaty of peace had been signed at Ghent on the 24th of December, news of it did not reach New Orleans until February 19, and official notice not until March 13. This impetuous warrior took a personal satisfaction in a victory over some of the troops who had humbled Napoleon, especially because of a scar from a British saber, which he had received in childhood during the Revolutionary War. This brilliant achievement did much to redeem other reverses which our forces had suffered on land. It revealed the remarkable fighting qualities of the hardy frontier riflemen when they were properly led, as the almost unbroken line of victories on the water had demonstrated the remarkable capacity of our sailors. General Jackson had now become undoubtedly the foremost military hero of his country.

His turbulent temper still followed him. New Orleans being under martial law, he was soon engaged in altercations with the civil authorities. He did not hesitate to arrest judges and the United States attorney when they interfered with his orders. A curious sequence followed. When civil authority was resumed he submitted to a fine of $1,000 for contempt of court. "I have during the invasion," he said, "exerted every one of my facilities for the defense and preservation of the Constitution and the laws. * * * Considering obedience to the laws, even when we think them unjustly applied, is the first duty of the citizen. * * * I entreat you to remember the example I have given you of respectful submission to the administration of justice." Nearly 30 years later the Congress remitted the fine with interest.

This was a most significant statement. It might well have been pondered by those who were undertaking to argue away the Constitution after General Jackson became President. Here was a man who stood ready to fight a duel, if he thought the circumstances required it, of an impetuous nature and impatient of all restraint, yet clearly announcing the supremacy of law. More than that, he was acting upon that principle. When the city was under martial law he required that his orders should be obeyed, as he clearly had a right to do. When it was under civil law, he cheerfully submitted to a judgment of the court which he thought unjust. He believed that at all times and in all places the duly constituted authority of law should be supreme.

During the next few years he was engaged in the Indian wars. He again invaded Florida. If he had any order for this, it was not authentic. St. Marks and Pensacola, which he had captured, were restored, and the general's course was defended on the theory that he was pursuing an enemy. After the purchase of Florida was ratified in 1821, Jackson became its first governor. The Army being reduced, he was discharged as a major general. He remained in Florida long enough to come into conflict with the former Spanish governor and the judge, after which he resigned and returned to his home. Notwithstanding the many animosities that he had aroused, he remained an outstanding, popular figure.

Already, he was being considered for the Presidency. He was again sent to the United States Senate in 1823, where he voted for increased tariff rates and certain internal improvements. He was in the presidential race in the national campaign in 1824, receiving 99 electoral votes against 84 for Adams, 41 for Crawford, and 37 for Clay. This threw the election into the House of Representatives, where John Quincy Adams secured the votes of 13 States against 7 for Jackson and 4 for Crawford. The support of Clay went to Adams on the theory that a civilian was preferable to a military man. The appointment of Clay as Secretary of State was, therefore, severely criticized by the followers of General Jackson. Following his past custom he resigned from the Senate in 1825.

In the campaign of 1828 General Jackson achieved a remarkable victory, securing 178 electoral votes, while John Quincy Adams received but 83. The popular vote was 648,000 against 508,000. John C. Calhoun was reelected Vice President. He undoubtedly expected to succeed President Jackson, who had been an advocate of one term, and the Vice President had several of his friends in the Cabinet. Except for the Secretary of State, Martin Van Buren, and Secretary of War, the President was little influenced by his Cabinet. He often sought the advice of other men on questions of policy. He was regarded as a President of the people, and in seeking to remove their burdens and improve their condition he favored economy and payment of the public debt. When this should be done, he favored dividing the surplus revenues among the States. He also criticized the United States Bank and advised taking up the question of extending its charter, which was not to expire until 1836. During 1830 he broke with Calhoun, which necessitated a reorganization of the Cabinet. He vetoed the bill to assist in constructing a highway in Kentucky, on the old principle that widespread internal improvements were unconstitutional.

The President was soon engaged in his great contest to prevent the recharter of the United States Bank. A great amount of bitterness prevailed and there was a broad appeal to class prejudice. Those supporting the bank were charged with representing an aristocratic tendency in society intent upon creating an overmastering money power. Those who opposed it contended that they were defending the rights of the people and resisting the encroachment of monopoly. At the same time they questioned the constitutional power of the Congress to establish a bank. The bill, however, was passed late in the spring of 1832, just as the presidential campaign was beginning, and was promptly vetoed by the President in a message of great force and character.

The popularity of his administration was demonstrated at the election, where he received 219 electoral votes against 67 for all others. Students of his career have thought that he considered this a complete approval of his entire public life and a complete disapproval of all those who had ever differed with him on any subject. But with the work he had before him, it was fortunate that he had secured such a popular indorsement and was well endowed with self-confidence, backed by an iron will.

South Carolina had been very much opposed to the duties imposed by the tariff law. On November 24, 1832, that State passed its famous nullification ordinance, which undertook to set aside the tariff within its territory. This policy had been discussed in the Senate in the famous debate between Webster and Hayne in January, 1830. At a Jefferson Day dinner, the following April, President Jackson had proposed the toast: "Our Federal Union—it must be preserved." At the same time Calhoun had argued that liberty was of more importance

than the Union. Without reference to his former views on the tariff or State rights, when this ordinance was passed President Jackson declared: "The duty of the Executive is a plain one. The laws will be executed and the Union preserved by all the constitutional and legal means he is invested with."

He soon followed this with a proclamation denying the right of secession, refuting the power of a State to set aside an act of Congress, and asserting the supremacy of the Federal Constitution. This proclamation has been regarded as one of the best state papers of any American President. It was thoroughly nationalist in spirit and had a profound effect. While the President was seeking authority to enforce the tariff laws Clay secured the passage of a compromise tariff measure, whereat South Carolina repealed the ordinance. A service of this nature, rather at variance with some of the positions he had formerly taken and some of the policies strongly supported in his own party, could only have been performed by a great man.

His fight on the bank was not yet ended. His next move was an attempt to withdraw the public deposits. Two Secretaries of the Treasury refused to take this action; and being displaced in turn, Taney became Secretary of the Treasury long enough to transfer the Government funds to State banks. The elections of 1834 returned a majority favorable to the Jackson policies, so the bank charter expired in 1836. Of course a violent change of this nature, affecting the financial policies of the Nation, was bound to have an economic effect throughout the country. Government funds in local banks were used for speculation, which, as usual, brought the reaction of depression. Opinions have differed concerning the United States Bank, but no one doubts the great courage of President Jackson in opposing it or the public approbation he received in support of his policy. A great financial contest of such a nature was bound to have some depressing effect upon values all over the Nation. But the President had won so completely that two resolutions of criticism for removing the deposits, passed by the Senate in 1834, were expunged from the Journal on January 16, 1837.

For his successor he dictated the nomination of Van Buren and saw him elected by a good margin. He had already made Van Buren Vice President to retaliate upon Calhoun, who had cast the deciding vote refusing to confirm him as minister to England.

The latter months of the administration saw reflected in the country the need of a better currency and banking system, but the national debt had been all paid off and the revenues were so large that provision was made for their distribution among the States in return for negotiable certificates of deposit. This policy was questioned by the President in his message of 1836 and did not prove to be salutary.

On the 7th of March, 1837, he set out for his old home, the Hermitage. He had triumphed over opponents who were considered then, and rank now, among the great statesmen of his day. Calhoun had gone down on nullification. The great figure of Daniel Webster had stood with the President on that issue but had opposed his banking policies. Clay had compromised and lost. In his travels about the country it was evident that he was idolized by the people. He never failed to support what he believed to be their interests. As the first Congressman from Tennessee he set a high standard in the Federal service which that State has never failed to maintain. If at times he was high tempered and overbearing, there is no fairer story of chivalrous devotion and affectionate consideration than that which he lavished upon his wife. In her benign presence he was all submission.

History accords him one of the high positions among the great names of our country. He gave to the nationalist spirit through loyalty to the Union a new strength which was decisive for many years. His management of our foreign affairs was such as to secure a wholesome respect for our Government and the rights of its citizens. He left the Treasury without obligations and with a surplus. Coming up from the people, he demonstrated that there is sufficient substance in self-government to solve important public questions and rise superior to a perplexing crisis. Like a true pioneer, he broke through all the restraints and impediments into which he was born, and leaving behind the provincialisms and prejudices of his day, pushed out toward a larger freedom and a sounder Government, carrying the country with him.

In recognition of the great qualities of her most illustrious son, the State of Tennessee has presented his statue to the National Government. In gratitude for the preeminent service which he rendered, I, as President of the United States, accept it, to stand here in the Hall of Fame so long as this Capitol shall endure.

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ADDRESS BY GOV. HENRY H. HORTON

Mr. President, gentlemen of the Senate and House of Representatives, Daughters of the American Revolution, ladies, and gentlemen, as chief executive of the Commonwealth which has given to the Nation the seventh, the eleventh, and the seventeenth Presidents of the United States, there devolves upon me the pleasing duty of presenting to his country's Hall of Fame the statue of Andrew Jackson, the first of Tennessee's sons to wear this wreath of memory and immortality. This privilege, indeed, is mine, but the authority comes from the people of the State of Tennessee, unanimously voiced by the sixty-fifth session of the legislature of the State and embodied in its public acts. Their generous appropriation made possible this statue of her great son to rest on this its pedestal of achievement and in the Capitol of the Nation, where as Chief Executive for eight years he earned his greatest fame. It is fitting and appropriate that he should stand here, companionate with many of his colleagues and colaborers, who, while they lived, faltered not with him in sacrifices and service and now in death share with him the veneration and love of their countrymen. He stands indeed among his friends. What heroic souls of granite and bronze welcome him into their marbled Valhalla.

Washington, colossal in that integrity and simplicity, which alone is greatness, was first to recognize in the courage and steadfastness of the young practitioner before the wilderness courts, the coming usefulness of the man and signed his commission as prosecuting attorney in the extreme frontier district of Miro, in western North Carolina—now Nashville and middle Tennessee. Webster, from the granite hills of his native New Hampshire—greatest of the New World's orators, the Demosthenes of democracy, the fire of whose logic and eloquence was the artillery that hurled Jackson's solid shots from the White House against the foregatherers of disunion: "Liberty and union, now and forever, one and inseparable."

Benton, the great Senator whom Tennessee gave to Missouri, the youngest and most beloved of Jackson's trusted lieutenants who led his Tennesseeans down the old Natchez Trace to avenge Frenchtown and the River Basin—the Old Bullion of Democracy, the author of the expunging resolution that wiped from the records the false accusations of his old chief's enemies. Francis P. Blair, from the same State, Jackson's greatest editor and adviser, and William Allen, of Ohio, and Lewis Cass; and here, in graceful hunting shirt of the frontiersman, the leggings of the Indian, and the bowie blade of the Texan, stands Sam Houston, 100 years ago to-day Tennessee's popular young governor. As a youth of 20 it was he who led Jackson's Tennesseeans to victory over the Creek barricade of death with a barbed arrow in his groin and two bullets that shattered his breast, ending the war that made famous his chief. From President of the Republic of Texas he rode horseback a thousand miles to close his old chief's dying eyes. What a galaxy of ghostly greatness surrounds us!

Here, in this Hall, Madison was twice inaugurated President of the United States—in 1809 and 1813. Monroe, for his second term, in 1821, and Millard Fillmore on the 10th day of July, 1850. Here Clay presided as Speaker, Webster thundered, John Quincy Adams died, and Abraham Lincoln began to live. Like the angel aerial of fiery light they have passed into the twilight in flames of glory that have kindled to white heat the souls of men. Indeed, Jackson stands among his peers.

It is not my purpose in this brief time assigned me to dwell on the life and character of Andrew Jackson. This has been reserved for others who will follow and complete these exercises. But permit me to picture him as we of Tennessee love most to remember him: Not on the field of battle; conqueror of the Creeks and winner of the most brilliant and far-reaching victory ever fought on American soil; not as a justice of our supreme court, nor as Congressman, Senator, or even as Chief Executive of a Nation—the first to turn Jefferson's great vision of democracy into a reality—but we would speak of him as the kindly neighbor, the devoted friend, thoughtful of others, given to charity, as approachable as a county squire and as generous as the prince that he was—the country gentleman of the Hermitage. We would tell of him as the best farmer of Davidson County, with the best-tilled land and the cleanest fence corners, the most noted breeder of Black Poll cattle and black-faced sheep, the greatest breeder and patron of blooded horses, who took no man's dust nor distance and carried him over the long wilderness road with the same tireless gameness that filled his own great soul. We would tell of how he built neighborhood schools and churches chiefly with his own funds and the help of his neighbors.

The little brick Presbyterian church he built for his beloved Rachel still stands a shrine at the Hermitage. From his own abundant crops his teams put corn in the cribs of the destitute and bacon in their larders. He had that rugged gift of honesty that made men believe in him—made the world believe in him. We would illustrate this by his personal credit, which was so strong that his name on the notes of a bank in far-away Philadelphia or New York sold at a premium. We might show you in the archives of our State a canceled warrant where in the emergency of the crisis of the defense of New Orleans he borrowed $25,000 on his own note after they had turned down the draft of the Secretary of War. We might show you his canceled check for $1,000, his fine paid to the civil courts of New Orleans for the astounding contempt of saving their city from capture. How he pledged his credit to borrow $300,000 from the treasury of Tennessee to fight the Creek War and Battle of New Orleans, ending in a blaze of glory for American arms in the war which, until he came upon the field, had only brought us humiliation and defeat. We might show how he voluntarily gave up his first home in Tennessee—Hunter's Hill—and in all 30,000 acres of land to pay an indorsement debt and moved further into the wilderness to live in a log cabin he called the Hermitage, even after his fame had encompassed the world. That log cabin to-day is a shrine; and though dead for over three-quarters of a century, Andrew Jackson is to-day the most influential, the most personal, the greatest inspiration, and the most alive citizen of the State.

ADDRESS OF MRS. ARTHUR S. BUCHANAN, STATE REGENT, DAUGHTERS OF THE AMERICAN REVOLUTION

I feel that it is a great privilege on this epochal occasion for Tennesseeans to pay a brief tribute from the Tennessee Society of the Daughters of the American Revolution to our hero-statesman, President Andrew Jackson.

It has been a great privilege to hear our honored governor present this statue to the Nation, and a great pleasure to hear the President of the United States accept it with such gracious words of appreciation.

It is good to see President Jackson standing here; too long has he been absent from this galaxy of heroes, and I believe there is no man in this great company who served his time and his country more ably and conscientiously than did he.

We are used to breeding heroes in Tennessee; our stalwart, storm-tossed, virile State has ever had a place in the national picture "near the flashing of the guns." It was a fitting background for this bold, dynamic figure.

Jackson's was always a name to conjure with. His soldiers worshipped him, and they do say that amid the mist-clad hills of Tennessee you may still catch the echo of his bugle calling his volunteers to arms.

We wonder as we see him standing here—his old friends and foes grouped about him—if he is dreaming backward over that long life of his, so packed with incident, adventure, and achievement, that it might be called the great American epic. Is he thinking of the bitter hardships of his childhood, lighted only with his mother's love and the blaze of his boyish courage, or dreaming of his hardy youth when he helped to build a great Commonwealth? Does he recall the ensanguined fields of his Indian warfare? Does he remember New Orleans, where he went flaming from his Tennessee mountains to defend with his untrained volunteers a thousand miles of coast without a fort garrisoned or adequately armed? Does he dream of his bitter political battles, when his keen intellect and singular power of directness pierced the splendid rhetoric and finished periods of the orators of that stirring time, sharper than any two-edged sword?

Does he remember nullification and smile across the Chamber at Calhoun? Does he remember the removal of the United States deposits from the great bank—the consternation of the financiers? And does he again rear that old white-crested head and say, "By the Eetrnal, sirs, I take the responsibility"?

Alas, he may not answer us, but we can say that with love and pride Tennessee has given into the keeping of the Nation he helped to build and which he loved so well this statue of Gen. Andrew Jackson.

"From a patriot's dream
And a soldier's sword
Was liberty won.
May the trails that they blazed
And the standards they raised
Live on and on."

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ADDRESS OF MRS. ALFRED J. BROSSEAU, PRESIDENT GENERAL NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION

It is particularly fitting that in the great Capitol of a great Nation there should be unveiled this marble bust in honor of the seventh President of the United States.

By such act the devoted and admiring men and women of Andrew Jackson's adopted State are not only placing an imperishable memorial in the Hall of Fame but they are also honoring themselves and the fine old State of Tennessee as well.

Our young Republic had few such patriots as this remarkable man. His country was his all-absorbing passion and he glorified every act of service by his sacrificial patriotism.

No other actor in the great drama of our colonial history has created more vivid and lasting mental pictures. No one individual has thrilled the student of that stirring period to a greater extent than this soldier who fought relentlessly under the strain of physical handicaps that would have rendered the average human being impotent.

One historian said of Andrew Jackson: "It is no wonder that this slender 6-footer should have been called 'Old Hickory,' for he could be bent in the heat and anguish of conflict but never could be broken."

Seldom quiet in body, mind, or spirit—often in the thick of some terrible conflict—he always retained the respect of those whom he opposed and not infrequently fought and vanquished. Indeed, the soul of that intrepid soldier-patriot will go marching on long after the more peaceable ones of earth have been forgotten.

I need not reiterate, for all the world knows that the administration of Andrew Jackson as President of the United States furnishes an illustration of the influence that one far-visioned man can exert in shaping the destinies of a country. Under a Chief Executive less inflexible, courageous, and intelligent the young country could hardly, with its existing handicaps, have made such remarkable progress.

To women the infinitely tender side of this tempestuous man will ever carry a singular appeal. His beautiful devotion to his wife, Rachel, has placed him among the truly great lovers of the world. The sunset of her life came just as the culminating honors and rewards of his career were reached and his days thereafter were deeply shadowed.

In this workaday world; in these restive times when pleasure, pain, misunderstanding, and inordinate ambition crowd close upon the softer, sweeter aspects of existence, such a picture of true devotion and beautiful felicity should be cherished.

In dwelling upon this phase of Andrew Jackson's remarkable and colorful life I feel as though I were opening a long-closed door and inhaling the fragrance of old lavender. In our minds and hearts may the honoring of him to-day run the gamut of human emotions, from the pinnacle of unselfish service and great achievement down to the simplicity of tender domestic ties and love of home.

Especially significant is the acceptance of this splendid memorial to a President of the far South by a President of the distant North. Time rolls back the curtain of life and the two great leaders clasp hands across the ages.

To Washington—this pied-à-terre of common ownership—have journeyed reverent sons and daughters of Andrew Jackson's own Southland. Down from the North have come many to greet and to share with them in this public tribute to their beloved statesman.

May all such gatherings of mutual interest tend toward a better and a higher patriotism, toward a deeper understanding and stronger ties of comradeship between the States which Andrew Jackson kept united because he believed in national unity.

Were he here to-day he would, I am sure, share the sentiments expressed in the following bit of verse written by a young soldier of the North during the World War:

"Here's to the blue of the wind-swept North,
When we meet on the fields of France;
May the spirit of Grant be with you all
As the sons of the North advance.

"And here's to the gray of the sun-kissed South,
When we meet on the fields of France;
May the spirit of Lee be with you all
As the sons of the South advance.

"And here's to the Blue and Gray as one,
When we meet on the fields of France;
May the spirit of God be with you all
As the sons of the Flag advance."

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ADDRESS OF MR. CLAUDE G. BOWERS

Andrew Jackson, above all men, was the sword bearer of democracy in America. He translated the democratic philosophy of Jefferson into reality. He found the masses of the people potentially free; he made them free. He found popular government challenged by the most powerful financial institution of his time, and, accepting the challenge, he smote it hip and thigh and sent it staggering back before his blows to wait for better times.

Because he was the most picturesque of the Presidents, too many perhaps are prone to think of him as the D'Artagnan of the far frontier, a rough and ready fighter of the forest, honest, but impetuous to the point of temerity. We love him for his physical courage that never quailed before man born of woman. We picture him as a child of poverty and obscurity fighting for our independence and proudly bearing the scars upon his breast; as the impulsive dare-devil who broke through the barbed-wire entanglements of diplomacy in the memorable dash on Florida; and as the dynamic commander of the little band of soldiers of the woods who met the enemy at New Orleans and brilliantly avenged the humiliations of an unhappy war. We love him for his flaming passions, the dexterity of his sword, and the unvarying gallantry of his conduct—and all these things are fine. But it is not for these that men do reverence to his memory through succeeding generations; and not for these that we unveil this statue here to-day. Peace hath higher tests of manhood than battle ever knew, and Jackson's greatest services to the people were not with sword and musket in his hand but with a passionate devotion to liberty and democracy in his heart.

With independence won, we see this youthful veteran of the war turn his face to the western wilderness to fight another battle for its redemption to the purposes of man. We like to think of him braving the perils of the onward march at the head of a procession of hardy, liberty-loving men in coonskin cap and buckskin breeches. Because nature made him a leader, the men of the settlements and the log cabins in the clearings turned to him in the molding of a society that should be dedicated to liberty and democracy forever. He was the Thomas Jefferson of the Cumberland. He felt what Jefferson reasoned out. He found liberty in the unfettered life about him and democracy in the sanity and sound sense of stalwart men carving an empire out of the wilderness and depending wholly on their own brain and brawn. And he felt that men capable of creating organized society are entitled to control it. His was the democracy that blossoms freest at the edge of the woods.

Thus these bold conquerors of wild places turned to him to lead them to the ways of stability and order; and they followed him on foot and horseback along the streams and over the narrow trails to the constitutional convention at Knoxville. It did its work with that facility and felicity that goes with the doing of sound elemental things which are

always simple; and all the intervening years have not improved on the spirit of that first fundamental law.

Every man was given the right to vote, and Jackson fought for the principle all his life.

Every citizen was given the right to speak his honest thought, and he always stood for that.

Every man and woman should have the right to worship God according to the dictates of the conscience, and Jackson was always the synonym of toleration.

And in that document was one provision that breathed the very soul of Jackson, exacting from every future legislator the solemn pledge "never to consent to any act or thing whatever that shall have even a tendency to lessen the rights of the people." That pledge he took and kept, and here in later years he fought that fight and won a victory that consolidated and vindicated all the triumphs of democracy from the time of the landing of the Pilgrim Fathers.

ORGANIZER OF DEMOCRACY

Andrew Jackson was the organizer of democracy. He found the masses helpless and futile in the midst of their tools, and he taught them how to use them. He mobilized the scattered forces of ordinary men; vitalized them with his energy, fired them with his faith, and made sharpshooters of them, every one. He made the trapper in the wilderness, the worker on the wharf, the toiler in the factory, and the farmer in the field realize that the Government is his government in days of peace as well as when he is solemnly reminded of it in days of battle.

Thus he found politics an exclusive thing; he made it democratic. He regimented the masses in each community, coordinated their activities, and created leaders in every hamlet and bade them follow them as they had followed him upon the field of battle.

When they reminded him that these men of the masses were untrained in government, he answered that in a democracy it was high time to train them. When the timid cringed at the thought of these crude folk being awakened to a realization of their civic power, he consoled himself with the reflection that they were the same crude folk who battled behind him at New Orleans. He knew that men good enough to die for the Republic are good enough to have a voice in the determination of its destiny; and he knew that a nation that will exact a life and withhold a civic right is not fit to live.

Thus for some years he sat at the Hermitage busy with his pen, perfecting and consolidating a political organization along popular lines that penetrated to every nook and corner; and when at length he sounded the clarion call to battle the people rose en masse, crowded the highways with their marching columns, trampling down prejudice and precedent, and moving on to victory.

When Andrew Jackson vitalized and dynamitized American democracy he rendered a greater service to the Nation than through any of his splendid triumphs in the field. Jefferson gave the people the machinery of democracy; Jackson made them mechanicians. Jefferson gave them an idea, and Jackson gave them a sword.

HIS FIGHT ON THE BANK

Some historians are chortling still because Jackson threw open the people's house to the people, who crowded in with muddy boots to celebrate his triumph. He knew that nations are made by such as these from the corn rows and the woods and shops, and not by the gamblers in stocks and bonds.

And Jackson was sorely needed at the helm 100 years ago. There was one outstanding question then—whether America should be dominated by a democracy or plutocracy. A financial group under the direction of the National Bank had seized on power. It had its ramifications everywhere. Its lobby here held open house. When Nicholas Biddle, of the bank, came down he came as the conqueror comes, almost with flying banners and the roll of drums, and representatives of the people hastened to his presence at his beck and call, and he made it worth their while. Statesmen, not a few, were given money, and he called it loans, without security. Newspapers, all too many, were subsidized to do the master's work, and he called it loans for the encouragement of the press. The greatest statesman of them all, whose rounded periods our children still recite, sat in this very Capitol when the fight between Jackson and the bank began and wrote to Biddle soliciting "a refreshment of my retainer."

And when Jackson was warned that this great money power, with its control of credit and its corruption squad in public places, was too powerful to attack he swore by the Eternal that if any set of men had that much power they had too much power in a democracy to live.

We know the story of the memorable fight that followed. The grim old warrior grappled with the Congress and prevailed, and the fight was finally waged before the people. It was a major conflict between men and money, and as in all such struggles it seemed at first that the heavy artillery was on the side of money.

It controlled the greater portions of the press by subsidy or through snobbery. It used its money to flood the country with poison propaganda. It forced business to do its bidding through its control of credit. It called in loans and restricted credit to curtail the work of industry, and when laborers were turned out into the street its orators, the greatest and most persuasive in the land, mingled hypocritical sympathy with denunciations of the tyrant who was wrecking the business fabric of the Nation. When the fight was fiercest and the heavy artillery of the combined forces of snobbery and plutocracy were belching thunder, and some of the stoutest hearted of his supporters quailed, he stood alone, unmoved, uncompromising at Rip Raps in Virginia looking out upon the sea and said: "Providence may change my determination, but man can no more do it than he can remove these ripraps which have resisted the rolling of the ocean from the beginning of time."

And the people had faith in Jackson because he had faith in them, and moving in mighty columns to the attack they scored a victory that literally preserved democracy in America and set an inspiring example for posterity to follow.

TRIUMPHS OF FOREIGN POLICY

As he had made the people preeminent in the State, he made the Republic respected as it never had been before among the nations of the world. In the field of foreign relations his administration was marked by a procession of triumphs under the flag of peace. Where his predecessors had, with one exception, kept the peace, he linked peace with a prestige such as we had never known before.

No President has ever been more wisely served in the State Department. Martin Van Buren, suave, courtly, and learned in the laws of nations; Edward Livingston, brilliant, polished, cautious, and courageous, whose name was known to thinkers in every capital because of his famous code; John Forsyth, familiar with the courts and chancelleries, with velvet glove concealing well the iron hand within—these were the mentors of his foreign policy.

And through these he wrought results that lifted the young Republic to a position of dignity and respect among the powers. He found a general disposition to presume upon our weakness; he changed it by a show of strength. He found our claims to indemnity for spoliations lightly brushed aside through four administrations; he forced the consideration and the recognition of these claims.

Thus France for 30 years had refused to consider our claim for spoliations in the Napoleonic wars; he forced a settlement and she paid. Thus Naples saw the drift and paid, and Denmark fell in line, followed by Portugal and Spain, and wiped out old liabilities with indemnities. He sought results on the justice of our claims, without the rattling of the sword; but when the pirates of Sumatra stole our goods and murdered our people on the seas his shimmering sword instantly was out waving our infant Navy to the scene, and these outlaws of far waters were driven to their dens and notice served on all mankind that Americans everywhere are covered by the protection of our flag, and followed, if need be, by the thunder of our guns.

But the supreme triumph which marked the first awakening of the world to the advent of a new power among the nations came with the triumphant culmination of the controversy with the French. Long years before treaties of indemnity had been negotiated with every nation in the world—with all but us. Jackson determined to compel an equal consideration for our claims. A treaty was signed whereby France was to pay the indemnity and we were to admit French wines duty free. Congress immediately carried out our part of the agreement; the House of Deputies manifested no disposition to conform. Session after session passed with no suggestion of an appropriation. Jackson sent Livingston to France to persuade a settlement; and when Lafayette suggested that because of the political situation in France there would be no settlement until Jackson struck a vigorous note, he asked authority from Congress to make reprisals on French commerce as a last resort. Instantly the storm broke in both countries, to serve party politics in both. At length, with diplomatic relations broken and the two Nations on the verge of war, England offered mediation. Jackson accepted, with the Jacksonian proviso that the decision must go our way; France, having no will to war, played blind to the proviso, and in the end, with the money paid, America had scored a diplomatic triumph of the first magnitude.

Now, there was no real quarrel between the peoples of the two Nations; their friendship, deep seated in sacred memories forbade. There was no real quarrel between the two executives; they were agreed. If we were driven to the verge of war, it was because of party politics in the French House of Deputies and the American Congress. It was a politicians' quarrel, vicious and dishonorable, and an infamous quarrel, ready to wreck an ancient friendship to serve a petty party end.

It was in connection with that quarrel that a scene occurred in this very Hall reflecting glory on two great Americans which historians have seemed loath to touch upon, albeit one of the most inspiring in our history.

The debate on Jackson's policy was on here in what was then the House. The Whigs were making hypocritical attacks on Jackson as rash and dangerous. And then an old man rose from his seat over there, where later he fell, dying at his post of duty. If he was no friend of Jackson—and he was not—he was ever the friend of his country. He had been defeated by Jackson for reelection to the Presidency,

and he was not on speaking terms. He was a leader of the opposing party. But the old man rose, prodded by the pettiness of his associates, to protest against the cowardly proposal to abandon the treaty. And vibrant with feeling, the partisan absorbed in the patriot, he declared that Jackson's conduct "was high spirited and lofty, such as became the individual from whom it emanated." And here in this Hall again, answering a sophisticated party speech of Webster's, who had said that on legalistic grounds he would have opposed Jackson's policy if the enemy had been hammering at the gates, the old man brushed Jackson's party friends aside to assume the leadership, and his voice rang like a clarion: "Sir, for a man uttering such sentiments there would be but one step more, a natural and an easy one for him to take, and that would be to join the enemy in hammering at the gates."

With the Whigs dazed by the revolt and Jackson's supporters shouting their approval, and another son of Tennessee, James K. Polk, in the chair vainly pounding for order, John Quincy Adams sank into his seat. A bronze tablet over there is said to mark the spot where Adams fell; to me it means the spot where Adams rose to the heights of patriotic manhood in magnificent defense of the robust Americanism of Andrew Jackson.

A MANY-SIDED MAN

Andrew Jackson was a many-sided man. We think of him as a fighter, lusty, and gusty, and so he was; but he was a lover, too. In all the records of romance you'll search in vain for a more beautiful story of devotion than that of this grim man for his lost Rachel. Her picture stood through all the bitter days of his administrations on the table in his room, and every night this warrior lighted his kerosene lamp and read a while in Rachel's Bible as a tribute to her memory. There is something more than charming in the picture of this old man, who had fought his enemies tooth and nail throughout the day, walking the White House floor at night with a crying baby in his arms.

He was the soul of gallantry. He liked shirt sleeves, old shoes, and pipes, but in the presence of a woman he was the soul of chivalry; and many a worldly woman who went to be amused by the crudity of a woodsman went away with the conviction that she had met one of the finest gentlemen of the age.

He had the genius of adaptability. One day he rode up aristocratic Beacon Street in Boston on his way to Harvard to receive a degree. The blinds were drawn as an affront, albeit the aristocrats were peeking through, unable to resist the presence of a hero; and in his home near by John Quincy Adams sat grumbling over the degradation of his alma mater. And at the ceremonies at the university Jackson bore himself with such propriety and dignity and played his part with such consummate grace that the intelligencia was captivated by his charm.

He was a consummate actor. No one knew better when to play the lion and when the fox. Some of the historians have simulated a fastidious shock because of his mad scenes before the distress committees sent with bank money in their pockets to divert him from his course, and they have conveyed the impression that the old man was half insane with rage. But we have the evidence of an opponent who came upon him as a delegation was departing to find him shaking with laughter until the tears rolled down his cheeks. "They thought me mad, Wise; they thought me mad. Well, I can do my share of the play acting if the stage is right." No; he never lost his head in a crisis, and in his most tempestuous moments he thought as straight as he shot from among the cotton bales of New Orleans.

But first and foremost he was the happy warrior of civil liberty and democracy, and he fought for both from early manhood to trembling age. For the service of the average man he dwelt ever in his tent, alert, awake, his sword unsheathed and ready. The people loved him because he loved them first.

Here was a man who rose to supreme power and never forgot the side of the barricade on which he was born. His devotion to human rights did not blind him to the legitimate rights of property. He was not an enemy of business; he discriminated between business and brigandage, and he was so much the friend of honest business that he fought to make it free.

His love of liberty did not make him heedless of the need of stability and order, and he worshipped that liberty only which is made pregnant by the law.

His devotion to the sovereign rights of the States did not overshadow his love of the Union, and he who spoke in action rather than in words made one superb oration in a sentence—"The Federal Union; it must and it shall be preserved."

He was a perfect judge of men and motives, and in the selection of his lieutenants he was wiser than the politicians of his day or the historians of our own. If some of these lieutenants could not read Homer in the original, all of them could translate the heartbeats of the people of the plains.

A lover of liberty, he gave his blood to it; a crusader of democracy, he gave his life to it; and liberty and democracy in America will never die so long as the people treasure the memory of his battles and follow the shimmer of Andrew Jackson's sword.

PRESENTATION OF THE SCULPTRESS

The PRESIDING OFFICER. At this time I wish to present the sculptress, Miss Belle Kinney, who collaborated with her illustrious husband, Leopold Scholz, in the creation of this statue of Andrew Jackson. Miss Kinney is a native of Tennessee.

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ADDRESS OF MRS. JAMES E. CALDWELL, REPRESENTING THE HISTORICAL SOCIETIES IN ANDREW JACKSON'S DISTRICT

Women are the preservers of history, the priestesses of the past, and their ears shall not be deaf to the voices of time. We shall remember the deeds of our heroes and see that they have just recognition.

Tennessee could fill this hall with statues of her illustrious sons, three of whom were Presidents of the United States—Jackson, Polk, and Johnson—the great empire builders who added one-third of the territory to our glorious America.

We gather here this afternoon to honor Gen. Andrew Jackson, a man known to all readers of history wherever the English language is spoken.

As this statue was made possible through the efforts of the Daughters of the American Revolution of our State, aided by the pennies of our school children, it is fitting and appropriate to make mention of his domestic and family life.

General Jackson was a great warrior, but a greater patriot because of his love of country, home, and family. In his beautiful home, the Hermitage, near Nashville, Tenn., one feels the presence of his strong personality in the pictures, the state and personal papers, while his refinement of nature and taste is shown in the artistic furnishings and the quaint old flower garden, intact to-day, with the classic tomb erected by Jackson to his wife. He shows his chivalrous nature in the inscription to his beloved Rachel: "A being so gentle slander might wound, but could not dishonor."

All through his troubled life as President the one soothing thought was his home in fair Tennessee. To finish his work and rest once more under the shelter of the Hermitage was his constant thought, and now at last—

"Deep in the shadow of the friendly trees,
In that old garden of the Hermitage,
All color-crammed like some rare-pictured page
Whose quaint old patterns still essay to please;
Deep scarred and warworn, ends his pilgrimage,
Among the lily bells and wandering bees.

"His troubled heart, fierce with world's unrest,
No longer throbs while beating to the tread
Of bugle-summoned, fear-defying horde;
But dust to dust, and still breast to breast,
Bravely content beside his gentle dead,
The warrior to the lover yields his sword."

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BENEDICTION

And now may the God of peace that brought again from the dead our Lord Jesus, that great Shepherd of the sheep, through the blood of the everlasting covenant, make you perfect in every good work to do His will, working in you that which is well pleasing in His sight, through Jesus Christ, to whom be glory for ever and ever. Amen.

FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3740, entitled "A bill for the control of floods on the Mississippi River and its tributaries, and for other purposes," insist on the House amendments, and agree to the conference asked for.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill S. 3740, insist on the amendments of the House, and agree to the conference asked for. Is there objection?

There was no objection, and the Speaker appointed as conferees on the part of the House Mr. REID of Illinois, Mr. CURRY, Mr. ROY G. FITZGERALD, Mr. WILSON of Louisiana, and Mr. DRIVER.

BRIDGE ACROSS THE OHIO RIVER AT OR NEAR HENDERSON, KY.

Mr. DENISON. Mr. Speaker, on behalf of the Committee on Interstate and Foreign Commerce, I ask unanimous consent to take from the Speaker's table the bill S. 4046 and pass it, an identical bill having been reported by the House committee.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill S. 4046 and consider it, a similar House bill being reported. The Clerk will report it by title.

The Clerk read as follows:

A bill (S. 4046) authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the Henderson-Ohio River Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation at or near Henderson, Henderson County, Ky., across said river to a point opposite in Vanderburgh County, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon Henderson-Ohio River Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Henderson-Ohio River Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. From the tolls charged for the use of such bridge, the Henderson-Ohio River Bridge Co., its successors and assigns, shall pay all reasonable operating costs, taxes, assessments, insurance, cost of maintenance, repairs, necessary replacements, and interest on the bonds and dividends on the stock issued to procure necessary funds for the construction of such bridge and its approaches and other costs incidental thereto; all other funds received for the use of such bridge, after the payment of the foregoing costs and charges, shall be set aside in the manner hereinafter provided as a sinking fund for retiring the bonds and the stock issued and sold by the Henderson-Ohio River Bridge Co., its successors and assigns, for the purpose of providing the funds with which to construct said bridge and its approaches. Any mortgage or deed of trust issued by the Henderson-Ohio River Bridge Co., its successors and assigns, to secure funds for the construction of said bridge and its approaches, shall provide for the appointment of the Kentucky State Highway Commission, or such bank and trust company in Henderson County, Ky., as said commission may designate as trustee, and the net revenues received from the use of such bridge as provided for in this section, shall be paid to the trustee and used for the payment or redemption, at par, as soon as possible, of all bonds issued and sold in connection with the construction of such bridge; after all such bonds have been paid or retired, the trustee shall continue to act as such and shall apply the net proceeds from the use of such bridge as rapidly as possible to the retirement of the outstanding stock at par issued by the Henderson-Ohio River Bridge Co. in connection with the construction of such bridge. No bonds or stock issued and sold for the purpose of providing funds for the construction of said bridge, its approaches and appurtenances, shall bear interest or pay dividends at a rate exceeding 7 per centum per annum. Such bonds and stock so issued shall not exceed in the aggregate the total actual cost of constructing such bridge and its approaches and any real estate that may be necessarily required in connection therewith, and organization and financing charges, not exceeding 10 per centum of the actual cost of constructing such bridge and approaches and acquiring such real estate.

SEC. 5. When all of the bonds and stock issued and sold in connection with the construction of said bridge shall have been paid or redeemed, or shall have been called for payment or redemption, and the funds with which to redeem such as shall not have been presented for redemption shall have been provided, the bridge and its approaches and appurtenances shall thereupon be and become the property of the State of Kentucky, and the proper officials or agents of the Henderson-Ohio River Bridge Co., its successors and assigns, shall immediately, by proper deed of conveyance, convey, transfer, and assign to the State Highway Commission of the State of Kentucky, the said bridge and its approaches and all real estate, franchises, and other property necessarily held in connection therewith. Thereafter such bridge shall be maintained and operated free of tolls. An accurate record of the costs of the bridge, its approaches and appurtenances, the expenditures for maintaining, repairing, and operating the same and for taxes, insurance, betterments, and other necessary charges and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. After the completion of such bridge, the State of Kentucky, through its State highway commission, or, with the consent and approval of the State highway commission, the county of Henderson may, at any time, acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation, or expropriation, in accordance with the laws of the State of Kentucky governing the acquisition of private property for public purposes by condemnation or expropriation. If the bridge and its approaches and appurtenances are acquired by condemnation, the amount of damages or compensation to be allowed shall be such an amount as will equal the amount necessary to redeem and retire all the bonds and stock outstanding at the time of such condemnation proceedings.

SEC. 7. If such bridge shall at any time be taken over or acquired by the State of Kentucky, or by Henderson County, as provided by section 6 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund to repay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economic management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including the reasonable interest and financing cost, as soon as possible under reasonable charges. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls.

SEC. 8. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Henderson-Ohio River Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 9. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. Without objection, the similar House bill will be laid on the table.

There was no objection.

RETURN OF A SENATE BILL

The SPEAKER. The Chair lays before the House the following order of the Senate, which the Clerk will report.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES.

*Ordered,* That the House of Representatives be respectfully requested to return to the Senate the bill (S. 3723) entitled "An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920."

The SPEAKER. Without objection, the request is agreed to.

There was no objection.

RETURN OF A SENATE JOINT RESOLUTION

The SPEAKER. The Chair lays before the House the following order of the Senate, which the Clerk will report.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES.

*Ordered,* That the House of Representatives be respectfully requested to return to the Senate the resolution (S. J. Res. 129) entitled "Joint resolution to provide for the eradication of the pink bollworm and authorizing an appropriation therefor."

The SPEAKER. Without objection, the request will be agreed to.

Mr. BUCHANAN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas objects. The order will remain on the Speaker's table.

VETO MESSAGE FROM THE PRESIDENT—NATIONAL RIFLE MATCHES (H. DOC. NO. 251)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Military Affairs and ordered to be printed.

*To the House of Representatives:*

Herewith is returned, without approval, H. R. 8550, a bill to amend section 133 of the national defense act, specifying the members of the National Board for the Promotion of Rifle Practice and directing that there shall be held an annual competition to be known as the national matches.

The bill provides a board to perform Federal functions at Federal expense, to be constituted of 5 officials of the Government and 51 members to be appointed by officers and agencies which are not a part of the Federal Government. The method of appointment of Federal officers is clearly defined by Article II, sections 1 and 2, of the Constitution of the United States.

I have been advised by the Attorney General that this bill is unconstitutional because it takes away from the executive branch of the Government and vests in persons not in any branch of the Federal service the power and duty to make appointments to and removals from posts in the Federal service.

The bill provides that the competition and school shall be held under such regulations as may be prescribed by the National Board for the Promotion of Rifle Practice, which regulations shall be subject to the approval of the Secretary of War. The effect of this provision is to take away from the proper Government officials the authority to make rules for the national matches and the small-arms firing school. The Secretary of War may approve or disapprove the rules and regulations prescribed by the national board but is apparently without the power to amend or to make new ones. The Secretary of War should continue to make the rules and regulations for these activities as he has done in the past, and this important function should not be delegated. The Secretary of War now has the advice of the National Board for the Promotion of Rifle Practice, which is limited to 21 members, and which functions at small expense in an entirely satisfactory manner. Through this board he is enabled to keep abreast of the needs of the citizen for this training.

A meeting of this board, consisting of 56 members, will cost approximately $7,500 plus $500 a day after the first day. The length of time that it will remain in session in order to carry out the duties prescribed in the bill can not be determined. This may vary from one day to an indeterminable number of days with the consequent additional expense. The executive committee of from seven to nine members, elected by the board, is given duties of a continuing nature and it is evident that it can not perform these duties without expenditures for travel and personal expenses in addition to those resulting from the annual meeting of the entire board.

A study of the appropriations made in recent years will show that exclusive of the sum, approximately $500,000 appropriated annually for the national matches, over $3,500,000 has been provided for small-arms ammunition for training annually in marksmanship the Army of the United States, the citizens' military training camps, the Reserve Officers' Training Corps, and some sixteen hundred rifle clubs.

The creation of a board charged with the duties prescribed in this bill is a wide departure from present law, and is in violation of sound principles of operation. This is further shown by the provision for the election by the board of a committee of from seven to nine members, charged with the executive functions of supervising and carrying out the regulations of the board. While it might be possible for this committee to designate one of its members to act for the committee, there is nothing in the bill which would prevent the committee from acting as a whole with the attendant increase in expense and confusion. The operation of this board as constituted by the bill will not result in any increase of efficiency over present procedure, while it must necessarily result in an appreciable increase in cost.

The bill authorizes the appropriation of an undetermined and indefinite amount annually as a part of the sum appropriated for national defense, while at the same time it places the expenditures of the appropriation under a group not a part of either the War or Navy Departments. I can not approve the principle of authorizing an appropriation for national defense unless the sums appropriated are to be expended under the immediate direction and supervision of those charged with the defense plans of the Nation.

To summarize, I consider the proposed legislation undesirable because it is unconstitutional in part; because it charges the War Department with the expense of certain activities over which the War Department will have little control, and takes from the War Department control it now exercises over certain matters affecting national defense; and because it authorizes an appropriation of an indefinite sum. Convinced as I am of the unwisdom of enacting this bill into law, I am constrained to return it without my approval.

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 28, 1928.*

The bill is as follows:

*Be it enacted, etc.,* That the act entitled "An act for the promotion of rifle practice throughout the United States," approved February 14, 1927 (44 Stat. 1095), which adds an additional paragraph to section 113 of the national defense act, is hereby amended to read as follows: "That there shall be held an annual competition, known as the national matches, for the purpose of competing for a national trophy, medals, and other prizes to be provided, together with a small-arms firing school, which competition and school shall be held annually under such regulations as may be prescribed by the National Board for the Promotion of Rifle Practice, which regulations shall be subject to the approval of the Secretary of War."

SEC. 2. Hereafter the National Board for the Promotion of Rifle Practice shall consist of the Assistant Secretary of War, the Assistant Secretary of the Navy, one member of the Regular Army to be designated by the Secretary of War, one member from the Navy to be designated by the Secretary of the Navy, one member from the Marine Corps to be designated by the commandant of the United States Marine Corps, one member from the Militia Bureau to be designated by the chief of the bureau, one member from each State to be designated by the governor of the State, one member from the District of Columbia to be designated by the commanding general, District of Columbia, and one member from the National Rifle Association of America to be designated by the executive committee thereof. Members of said board shall hold office during the pleasure of the appointing power.

The Assistant Secretary of War shall be president of the board and the Assistant Secretary of the Navy shall be vice president and perform the duties of the president in his absence or upon his request.

Said board is charged with prescribing rules and regulations for the promotion of small-arms practice in the United States, for the conduct of the national matches and the Small-Arms Firing School, and also for the conduct of the office of the director of civilian marksmanship, subject to the approval of the Secretary of War.

Said board and its executive committee shall serve without pay except to receive actual traveling and hotel expenses while absent from their respective homes for the performance of their duties and under such regulations as the Secretary of War may direct.

Said board shall meet once annually upon the call of the president of the board, at such time and place as he may designate, for the performance of its duties as prescribed in this act.

Seventeen members shall constitute a quorum for the transaction of business at such meeting.

At this meeting of the board an executive committee shall be elected of not less than seven nor more than nine members, which said committee shall have supervision over, and carry out the regulations of the board relating to, small-arms practice, the national matches, and the Small-Arms Firing School, and the director of civilian marksmanship.

SEC. 3. The national matches contemplated in this act shall consist of rifle and pistol matches for the national trophy, medals, and other prizes mentioned in section 1 above, to be open to Army, Navy, Marine Corps, National Guard, or Organized Militia of the several States, Territories, and District of Columbia, rifle clubs, and civilians, together with a small-arms firing school to be connected therewith and competitions for which trophies and medals are provided by the National Rifle Association of America; and for the cost and expenditures required for and incident to the conduct of the same, including the personal expenses of the board and executive committee, the sum necessary for the above-named purposes is hereby authorized to be appropriated annually as a part of the total sum appropriated for the national defense: *Provided,* That no competitor shall be entitled to commutation of rations in excess of $1.50 per day, and when meals are furnished no greater expense than that sum per man per day for the period the contest is in progress: *Provided further,* That in lieu of traveling expense and commutation of rations while traveling the sum of 5 cents per mile may be paid to civilian competitors, and such travel pay for the return trip may be paid in advance of the performance of the travel.

SEC. 4. For the incidental expenses of the national board for the promotion of rifle practice, including books, pamphlets, badges, trophies, prizes, and medals to be expended for such purposes, the sum of not more than $7,500 is hereby authorized to be appropriated annually.

The SPEAKER. The message will be spread upon the Journal.

On motion of Mr. JAMES, the bill and message were referred to the Committee on Military Affairs of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. BULWINKLE, for two weeks, on account of personal business; and

To Mr. JOHNSON of Washington, for 12 days, on account of death of his mother at Los Angeles, Calif.

FUNERAL OF HON. MARTIN B. MADDEN

Mr. TILSON. Mr. Speaker, I ask immediate consideration of a resolution, a copy of which is at the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 178

*Resolved,* That a committee of the House be appointed to take order for superintending the funeral of Hon. MARTIN B. MADDEN in the House of Representatives at 12 o'clock meridian on Sunday, April 29, 1928, and that the House of Representatives attend the same.

*Resolved,* That as a further mark of respect the remains of Mr. MADDEN be removed from Washington to Chicago, Ill., in charge of the Sergeant at Arms, attended by the committee, who shall have full power

to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk of the House communicate these proceedings to the Senate and invite the Vice President and the Senate to attend the funeral in the House of Representatives and to appoint a committee to act with the committee of the House.

*Resolved*, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the General of the Army, and the Chief of Naval Operations to attend the funeral in the Hall of the House of Representatives.

Mr. TILSON. Mr. Speaker, I move the adoption of the resolution.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following committee: D. R. ANTHONY, Jr., Kansas; BURTON L. FRENCH, Idaho; W. W. GRIEST, Pennsylvania; FRED A. BRITTEN, Illinois; LOUIS C. CRAMTON, Michigan; EDWARD E. DENISON, Illinois; EDWARD J. KING, Illinois; GEORGE H. TINKHAM, Massachusetts; EDWARD H. WASON, New Hampshire; THOMAS S. WILLIAMS, Illinois; WILLIAM R. WOOD, Indiana; MILTON W. SHREVE, Pennsylvania; ERNEST R. ACKERMAN, New Jersey; HENRY E. BARBOUR, California; CARL R. CHINDBLOM, Illinois; L. J. DICKINSON, Iowa; GUY U. HARDY, Colorado; FRANK MURPHY, Ohio; WALTER H. NEWTON, Minnesota; JOHN W. SUMMERS, Washington; RICHARD YATES, Illinois; FRANK CLAGUE, Minnesota; M. ALFRED MICHAELSON, Illinois; ELLIOTT W. SPROUL, Illinois; ROBERT L. BACON, New York; WILLIAM P. HOLADAY, Illinois; MORTON D. HULL, Illinois; JOHN TABER, New York; MAURICE H. THATCHER, Kentucky; GEORGE A. WELSH, Pennsylvania; CHARLES ADKINS, Illinois; JOHN C. ALLEN, Illinois; ED. M. IRWIN, Illinois; WILLIAM R. JOHNSON, Illinois; JOHN T. BUCKBEE, Illinois; HOMER W. HALL, Illinois; HENRY T. RAINEY, Illinois; ADOLPH J. SABATH, Illinois; JOSEPH W. BYRNS, Tennessee; EDWARD T. TAYLOR, Colorado; JAMES P. BUCHANAN, Texas; WILLIAM B. OLIVER, Alabama; ANTHONY J. GRIFFIN, New York; WILLIAM A. AYRES, Kansas; THOMAS W. HARRISON, Virginia; WILLIAM W. HASTINGS, Oklahoma; THOMAS H. CULLEN, New York; JOHN J. CASEY, Pennsylvania; ROSS A. COLLINS, Mississippi; STANLEY H. KUNZ, Illinois; JOHN N. SANDLIN, Louisiana; WILLIAM W. ARNOLD, Illinois; WILLIAM E. HULL, Illinois; HENRY R. RATHBONE, Illinois; FRANK R. REID, Illinois; ROBERT G. SIMMONS, Nebraska; THOMAS A. DOYLE, Illinois; FRED M. VINSON, Kentucky; J. EARL MAJOR, Illinois; and JAMES T. IGOE, Illinois.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, in accordance with the resolution that has just been adopted, I move that the House do now adjourn until 12 o'clock to-morrow.

The motion was agreed to; accordingly (at 12 o'clock and 31 minutes p. m.) the House adjourned until to-morrow, Sunday, April 29, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, April 30, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON EDUCATION

(7.30 p. m.)

To consider bills on the committee calendar.

COMMITTEE ON INSULAR AFFAIRS

(10.30 a. m.)

To amend the organic act of Porto Rico, approved March 2, 1917 (H. R. 7010).

COMMITTEE ON EDUCATION

(10.30 a. m.)

To create a department of education (H. R. 7).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To amend the act of October 28, 1919, known as the national prohibition act, as amended and supplemented, for the purpose of enforcing the eighteenth amendment to the Constitution more efficiently and preventing evasions thereof (H. R. 11410).

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JOHNSON of Indiana: Committee on Interstate and Foreign Commerce. H. R. 12563. A bill authorizing the West Kentucky Bridge & Transportation Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.; with amendment (Rept. No. 1395). Referred to the House Calendar.

Mr. JOHNSON of Indiana: Committee on Interstate and Foreign Commerce. H. R. 12810. A bill authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.; with amendment (Rept. No. 1396). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 12909. A bill granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the French Broad River on the Newport-Asheville, North Carolina, road in Cocke County, Tenn.; with amendment (Rept. No. 1397). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 12913. A bill to extend the times for commencing and completing the construction of a bridge across the Allegheny River at or near the borough of Eldred, McKean County, Pa.; without amendment (Rept. No. 1398). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 12985. A bill authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River; with amendment (Rept. No. 1399). Referred to the House Calendar.

Mr. NEWTON: Committee on Interstate and Foreign Commerce. H. R. 13069. A bill granting the consent of Congress to the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near Aitkin, Minn.; without amendment (Rept. No. 1400). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 13252. A bill authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.; without amendment (Rept. No. 1401). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURTON: Committee on Foreign Affairs. H. J. Res. 286. A joint resolution to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works; without amendment (Rept. No. 1402). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 9300. A bill for the relief of Joseph N. Marin; with amendment (Rept. No. 1403). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Missouri: Committee on Naval Affairs. H. R. 9597. A bill for the relief of Fred Elias Horton; without amendment (Rept. No. 1404). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Missouri: Committee on Naval Affairs. H. R. 11045. A bill to confer jurisdiction upon the Court of Claims to hear and determine the claim of Clara Percy; without amendment (Rept. No. 1405). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2011) granting an increase of pension to Catherine Sperling; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7825) to correct the military record of Michael S. Spillane; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 12791) granting a pension to Agnes W. Case; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 12854) granting a pension to Cordelia Stokes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DRIVER: A bill (H. R. 13380) authorizing D. T. Hargraves and John W. Dulaney, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Helena, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. SPEAKS: A bill (H. R. 13381) to amend the national defense act; to the Committee on Military Affairs.

By Mr. GARBER: A bill (H. R. 13382) to amend section 200 of the World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

By Mr. WHITE of Maine: A bill (H. R. 13383) to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries; to the Committee on the Merchant Marine and Fisheries.

By Mr. LAGUARDIA: Resolution (H. Res. 179) directing the Postmaster General to furnish to the House of Representatives certain information for use of prohibition officials, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, resolution (H. Res. 180) directing the Attorney General to furnish to the House of Representatives certain information concerning prohibition enforcement, and for other purposes; to the Committee on the Judiciary.

Also, resolution (H. Res. 181) directing the Secretary of the Treasury to furnish to the House of Representatives certain information concerning the enforcement of the prohibition act, and for other purposes; to the Committee on the Judiciary.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 13384) granting a pension to Belle M. Harris; to the Committee on Pensions.

Also, a bill (H. R. 13385) for the relief of Maj. Welton M. Modisette; to the Committee on War Claims.

By Mr. FOSS: A bill (H. R. 13386) granting an increase of pension to Hannah Connery; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 13387) granting an increase of pension to Della Langdon; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 13388) to remit the duty on a carillon of bells imported for St. Stephen's Church, Cohasset, Mass.; to the Committee on Ways and Means.

Also, a bill (H. R. 13389) to remit the duty on an addition to a carillon of bells imported for St. Stephen's Church, Cohasset, Mass.; to the Committee on Ways and Means.

By Mr. HICKEY: A bill (H. R. 13390) granting an increase of pension to Martha A. Harper; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 13391) for the relief of J. W. Nelson; to the Committee on Claims.

By Mr. MAJOR of Missouri: A bill (H. R. 13392) granting a pension to Irene Lynch; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13393) granting an increase of pension to Louelle Simpson; to the Committee on Invalid Pensions.

By Mr. SEARS of Florida: A bill (H. R. 13394) to authorize a preliminary examination and survey of the St. Johns River, Fla., in the general vicinity of Dames Point and New Berlin; to the Committee on Rivers and Harbors.

By Mr. THATCHER: A bill (H. R. 13395) granting an increase of pension to Mary Hughes; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13396) granting an increase of pension to Elizabeth Burgess; to the Committee on Invalid Pensions.

By Mr. WHITE of Colorado: A bill (H. R. 13397) authorizing the promotion on the retired list of the Navy of Herschel Paul Cook, lieutenant, junior grade; to the Committee on Naval Affairs.

By Mr. ZIHLMAN: A bill (H. R. 13398) granting an increase of pension to Emma E. Sinnisen; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7298. Petition of employees of the United States navy yard, Portsmouth, N. H., urging that the present retirement law be so amended as to grant a maximum annuity of $1,200 per annum after 30 years of service; also that urging optional retirement after 30 years' service; to the Committee on Naval Affairs.

7299. Petition of the New Jersey Conference of the Methodist Episcopal Church, held in Atlantic City, N. J., that Congress consider the establishment of a bureau of peace to promote the best possible relationships with all nations; to the Committee on Foreign Affairs.

7300. Petition of citizens of Washington, D. C., protesting against the Lankford Sunday blue law; to the Committee on the District of Columbia.

7301. By Mr. COOPER of Wisconsin: Petition of residents of Beloit and other places in Wisconsin, protesting against the passage of the Lankford Sunday bill (H. R. 78) or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

7302. By Mr. DAVENPORT: Petition of Byron S. Potts and other members of the Bacon Post, Veterans of the Civil War, at Utica, N. Y., urging the passage of a bill to increase the pensions of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7303. By Mr. GRIEST: Petition of Mina Rohrer, George E. Downey, Daisy M. Detterline, and other residents of Lancaster, Pa., urging enactment of a law providing increased rates of pension for Civil War survivors and Civil War widows; to the Committee on Invalid Pensions.

7304. By Mr. LOZIER: Petition of 42 citizens of Marceline, Mo., urging the enactment of more liberal pension laws; to the Committee on Invalid Pensions.

7305. Also, petition of 16 citizens of Hale, Mo., urging the enactment of more liberal pension laws; to the Committee on Invalid Pensions.

7306. By Mr. O'CONNELL: Petition of the General Harrison Gray Otis Post, No. 1537, Veterans of Foreign Wars of the United States, Los Angeles, Calif., favoring the passage of House bill 6523, the Wurzbach bill; to the Committee on Military Affairs.

7307. By Mr. HADLEY: Petition of residents of Washington State, protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

7308. By Mr. O'CONNELL: Petition of Harry Stamm, of Brooklyn, N. Y., and 12 other citizens of Brooklyn, N. Y., protesting against the passage of the Lankford bill for compulsory Sunday observance; to the Committee on the District of Columbia.

7309. Also, petition of the Ellay Co. (Inc.), of New York City, favoring the old rate of postage of 1 cent on third-class matter; to the Committee on the Post Office and Post Roads.

7310. By Mr. PORTER: Petition of citizens of Tarentum, Pa., favoring the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7311. Also, resolution of the American Legion, Department of Pennsylvania, York, Pa., urging the enactment into law of legislation for the retirement of emergency Army officers; to the Committee on Military Affairs.

7312. By Mr. RATHBONE: Petition signed by approximately 80 residents of Chicago, Ill., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

7313. By Mr. WINTER: Resolution re House bill 9956, from E. W. Powell, president Casper Lions Club, Casper, Wyo., and F. H. Healey, president Saratoga Lions Club, Saratoga, Wyo.; to the Committee on Irrigation and Reclamation.

# SENATE

## SUNDAY *April 29, 1928*

*(Legislative day of Saturday, April 28, 1928)*

The Senate reassembled at 11.45 o'clock a. m., on the expiration of the recess.

### FUNERAL OF THE LATE REPRESENTATIVE MADDEN

The VICE PRESIDENT. In accordance with Senate Resolution 211, the Senate will now proceed to the Hall of the House of Representatives to attend the funeral of the late Representative MARTIN B. MADDEN, of Illinois, and at the conclusion of the exercises will stand adjourned until 12 o'clock noon to-morrow.

The Senate, preceded by the Sergeant at Arms, the Vice President, and the Secretary, proceeded to the Hall of the House of Representatives; and on the conclusion of the exercises there, pursuant to the order heretofore entered, stood adjourned until to-morrow, Monday, April 30, 1928, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

SUNDAY *April 29, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit that we may perfectly love Thee and worthily magnify Thy Holy Name. Amen.

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the reading of the Journal may be dispensed with. Is there objection?

There was no objection.

### RECESS

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Chair during the funeral services.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the House stand in recess subject to the call of the Chair. Is there objection?

There was no objection.

Accordingly, at 12 o'clock and 1 minute p. m., the House stood in recess.

### FUNERAL OF THE LATE REPRESENTATIVE MARTIN B. MADDEN

At 12.15 the Vice President and Members of the Senate entered the Chamber and occupied the seats assigned to them, the Vice President occupying a seat at the Speaker's table.

Then came members of the diplomatic corps, the Chief of Staff of the United States Army, the Chief of Naval Operations United States Navy, the Commandant of the Marine Corps, the Chief Justice and Justices of the Supreme Court, and the President of the United States with members of his Cabinet.

The body of the late Mr. MADDEN lay in state in the space in front of the Clerk's desk.

The male quartet of the Metropolitan Memorial Methodist Episcopal Church sang the hymn, "Some Blessed Day."

The Chaplain of the House offered the following prayer:

"There shall be no night there"—weird loneliness and awful silence are broken as our hearts move on through the stillness at the bidding of the voice divine. "O grave where is thy victory?" Through its gloom and anguish our faith arises and we feel ourselves immortal. O God we thank Thee for this great soul who has fallen amid his earthly labor and glory. How great are Thy mysteries and how inscrutable are Thy ways, yet Thy voice is heard. It is heard in solemn warning; it is heard in sweet encouragement to virtue; it is heard in the monitions of conscience and in the aspirations of our better natures. In all these ways Thou dost come to us with the sacred message of wisdom and love. He has left us blessed memory: His heights of thought were the hilltops of the common heart. His broad philanthropy reached over all classes with revealing benediction. His loftiness of patriotism fell upon the ears of the reluctant and stupid and summoned them to higher plane. His great nature touched poverty, toil, wealth, and station and took away their curse. We praise Thee for this statesman whose conscience was ever the pilot of his reason. Heavenly Father of love and mercy, no one but Thou canst know the pain that weighs upon her, as wife and mother, she conceals the grief in her pure, holy breast. His common lot, sorrows and joys she shared and blest him with the ascending power of angelic devotion. God bestow great comfort upon her and all members of the hearthstone. Help us all to rise above tempest and storm into the upper air of spiritual outlook, where there are palaces not made with hands and crowns of glory that never fade away. Through Jesus Christ, our Lord, Amen.

The Chaplain of the House read the burial office.

The male quartet sang the hymn, "Nearer My God, to Thee."

The SPEAKER. Eulogies will be pronounced by the Vice President of the United States and by Hon. JOSEPH W. BYRNS, the ranking minority member of the committee of which Mr. MADDEN was chairman.

The VICE PRESIDENT. We stand at the bier of one whose life has been chiefly devoted to public service. In the minds of all—rising even above the grief at the loss of a dear friend and associate—is the continuing thought of the greatness of that service and the self-sacrifice it entailed.

The life of our friend from his early days in poverty to the day of his death has been one of unremitting toil. No sooner had his industry and ability relieved him, in his earlier days, of the necessity of manual work than he turned with indefatigable industry to public service, for his city and State at first, and then for our Government. His life is the familiar American epic of the rise from humble and hard circumstances to the heights of power in our great Republic. But upon this solemn occasion we who have been his associates and know his work and its burdens, borne in their full measure at all times, especially during the last few years, when at one elbow sat public responsibility and at the other expected death, may draw from his life the lesson of true statesmanship.

In such an hour as this our inner minds form that last final judgment of the life, character, and accomplishments of a dead friend. It is probably the only entirely impartial judgment which we have ever passed upon him. We do not always give verbal expression of it, for, as the Romans say, such always must be good. But, as each one of us knows, the judgment of a life in retrospect is that which endures. "A tree is best measured when it is down."

The rise of a man to a position of power and continued usefulness in Congress is never an accident. For the making of a real career Congress is useful only to the man who is useful to Congress. Here the great law of compensation is always at work—swift and inexorable.

To him who does not recognize that true progress in life, under any condition, is inseparably associated with self-denial, Congress offers the temptation of quick notoriety at its heavy cost in loss of public respect.

The pitfalls in Congress are many for him who follows the easy quest of notoriety which, when not based upon accomplishment, is worth nothing. He who enters Congress primarily to work for a career is embarked upon a doubtful venture. Work is not an incident of a career, but a career is the incident of real work. This truth is evidenced by the life of our friend.

Mr. MADDEN was a man whose career of enduring public usefulness in these bodies was based upon toil, during a long period in which he remained in comparative obscurity. This was when he was acquainting himself with the actual business of Government which he proposed to know as he knew his own business.

When one has courage along with industry to inform himself, no mere eloquence in opposition can detract attention from his utterances or lessen their great influence. When MARTIN B. MADDEN rose in his seat to speak upon any question involving the greater business policies of the American Government he spent no time in decorating fact with rhetoric or digressive oratory, and yet no man in either House commanded to a greater degree the attention of his colleagues or the country at large.

We now remember the cry of the hostile crowd in the past withstood in the public interest, not as a political factor affecting political decisions, but only as that which demonstrates the possession of courage, strength, and character, devoted to the permanent public benefit, in him who has died.

We now see that after all the highest decoration one can carry to his grave is that of general public respect—that in the long run this comes only to the statesman who, standing for the ultimate public interest at political risk, is willing at times to defy the clamor of uninformed majorities until through facts and reason he wins them to his position.

We now realize that in the quiet of the night and in his committee room, and outside of office hours, the unremitting labor of this devoted public servant finally brings to him an inarticulate judgment shared by all—"Well done, thou good and faithful servant."

He died as he would have died and as we would have had him die—still at work, despite the feebleness of his advanced years and illness, at his desk in the Capitol and in the arms of a comrade in work. He died with the harness of battle upon him.

He died in the fullness of his moral strength and influence, with his mind, as always, upon the never-ending tasks before him and duty to be done. He died in the consciousness that the results of his constructive work are felt in a better government and in a happier life of our people.

Mr. BYRNS. It is difficult for me to suitably express myself on this sad occasion. MARTIN MADDEN was my friend. I loved him deeply. As I stand here to-day I am conscious of

a sense of great personal loss. My hand and heart reach out to his bereaved family with a sincere sympathy and understanding because my own grief is so poignant. There is not one of you who has come here to-day to mourn over him and pay tribute to his memory who feels otherwise. His honest, intelligent, and faithful service here commanded your respect. His personality and his great heart won your love.

We all know that a leader has fallen, a truly great man has passed away; a great legislator and statesman; a splendid, outstanding citizen; an able and highly successful business man; a devoted and tender husband and father; a good and intensely loyal friend. This epitomizes the life and record of Hon. MARTIN B. MADDEN, whose sudden death on April 27 deeply grieved his colleagues and shocked the entire country.

During the morning he had been busily engaged conducting hearings preliminary to the preparation of the last appropriation bill for the session. The committee had taken a short midday recess. Shortly before time for it to reassemble its great chairman, while sitting at his desk, suddenly received his final summons and his noble spirit took flight to the great beyond. He died as he would like to have died—at his post of duty, actively engaged in the service of his country, to which he had for so many years devoted his splendid talents.

No brave soldier who ever fell in battle more truly sacrificed himself for his country than did he, for his death was hastened by the herculean labors he performed as chairman of the great Committee on Appropriations, and his close attention and leadership in all the important legislation of the Congress. Only a short while before his death he came from a sick bed to confer with the President and other leaders of his party relative to one of the most important measures pending in Congress.

In the last few years of his life his family and friends often urged him to slow up in his public activities and to devote more attention to the conservation of his health. But that high sense of duty which controlled his every act and which was the guiding star of his whole career impelled him to drive onward at full speed until the very last. The arduous duties performed by him as chairman of the Appropriations Committee are not readily appreciated by the public generally. It is not a spectacular service nor one which is carried to the public on the front pages of the newspapers, but it is a service which demands constant, intelligent, and faithful labor. None save those who were associated with him in Congress or who were charged with the administration of our national affairs can appreciate to the fullest extent the value of his service—a service which entitles him to rank as one of the greatest of the many great men who have presided over the Committee on Appropriations in the years that have passed.

The committee room affords the best opportunity for close study of a colleague and even greater opportunity to know the character and worth of the man who presides over it as chairman. Any selfishness, littleness, or disposition to neglect his duty would be exposed. I have served under MARTIN MADDEN'S leadership for nearly nine years. I have had that close, intimate contact possible only under an association of this kind, and I voice the sentiments of every member of his committee when I say that these characteristics were foreign to his character. My affection and respect for him steadily grew with the years.

His service here has ceased, but as surely as this world of ours is constantly swinging forward into the dawn the soul of MARTIN MADDEN has gone forward into a broader and freer spiritual being, and somehow and somewhere will continue to serve.

He was an ardent Republican. He earnestly believed in the principles of his party, and because he believed in them he never lost an opportunity to fight for them. But at the same time he was broad-minded and tolerant in all of his views, and never allowed partisanship to interfere with his personal friendships or permitted it to influence his position on public questions which did not strictly involve matters of party policy.

He was honest, both intellectually and morally. He despised sham and duplicity. His sense of fairness was evidenced by his attitude in the committee. He insisted at all times that the committee hearings and the reports submitted should fully disclose all the facts and thus give to everyone who wished the fullest opportunity to know all the facts bearing on any and all items in appropriation bills.

He was always kind and considerate. He delighted to do his colleagues and his fellow men a favor and responded readily to every call which did not violate his sense of duty. He had the keen perspective and farseeing vision of a constructive statesman and a sound business man, but he stood like a stone wall against extravagance and wastefulness of public moneys, and it would be impossible to even conservatively estimate the many millions of dollars which were saved to the Treasury through his efforts.

Through his business acumen he amassed considerable wealth and through the medium of his financial power he brightened the lives of many who to-day mourn him as a benefactor.

He practiced in his daily life the religion taught and lived by the Man of Galilee. Just two weeks ago in this Chamber at almost this very hour in eulogizing a departed friend and colleague, he gave expression to his views on this subject when he said:

> I was taught to believe, and I still believe it, that we will meet again, and what a joy it is to breathe that thought. It is an inspiration to live right and we men who are open to the criticism of the unjust, as we are frequently, we men who give ourselves to the world, so to speak, particularly to our country, without hope of emolument or reward, do so because we are interested not in ourselves, not in our particular neighbor, but in the Nation, in the world and its advancement, in the movement forward of the human race. Most of us do not have to serve here for a living. Thank God we do not, but we choose to serve because we want a broader field in which to render the service we think our Nation needs than we could render in other fields.

As he said of his deceased friend we can truly say of him:

> He served at a great personal sacrifice. He served because he loved his country and because he loved his fellows, and he was willing to make any kind of a sacrifice that his life might not be lived in vain.

Paraphrasing what he said on that occasion we exclaim, Oh, what a man he was, and what a life he lived, and how we can afford to emulate him! It is men of his type who make for the richness of the patriotism, devotion, and unselfishness in men that build up the nations of the world and makes them move forward to better things—greater liberty, greater happiness, and greater prosperity for humanity.

Those of us who worship the Living God, although we can not always understand His ways, are fortified by our unswerving trust in Him and are comforted even in death. Though we lose those nearest and dearest to our hearts we are given the courage to say: Thy will be done. Fortified and sustained by "unfaltering trust" death is not hideous to one who lived a life like MARTIN MADDEN'S—rather is it beautiful—this step from this world to eternity. Liszt beautifully expressed this thought when he wrote his "Preludes," the theme of which is that each event and each period of our lives are but preludes to that vast and beautiful harmony which we call death. MARTIN MADDEN'S life was a series of such preludes.

And now we must say "Farewell"—the saddest word in our language. Good-by, dear friend. We will try to exemplify the courageous spirit manifested throughout your life in bearing the grief at our parting. And I must let these flowers with their petaled lips and perfumed breath speak in beauty and fragrance the sentiments which I am myself unable to utter.

The male quartet sang the hymn, "Beautiful Isle of Somewhere."

The CHAPLAIN. And now unto Him who is able to keep you from falling and present you faultless before the presence of His glory with great joy, unto the only wise God, our Savior, be glory and majesty, dominion and power, both now and ever. And now may grace, mercy, and peace from God the Father, Son, and Holy Spirit, abide with us and keep us always. Amen and amen.

The President of the United States, with members of his Cabinet, the Chief Justice and the Justices of the Supreme Court, the representatives of the Army and the Navy, members of the diplomatic corps, and the Vice President and Members of the Senate retired from the Chamber.

### AFTER RECESS

The House was called to order by the Speaker at 12.57 p. m.

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the proceedings during the recess may be printed in the RECORD under the proceedings of to-day.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the proceedings during the recess be printed in the RECORD. Is there objection?

There was no objection.

### ADJOURNMENT

Mr. TILSON. Mr. Speaker, as a further mark of respect to our deceased colleague, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 59 minutes p. m.) the House adjourned until to-morrow, Monday, April 30, 1928, at 12 o'clock noon.

## SENATE

### MONDAY, *April 30, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God, who hast formed and designed us for companionship with Thee, and hast called us to walk with Thee unafraid, show to us the life that serves Thee in the quiet discharge of each day's duty, that ennobles all our work by doing it as unto Thee. We ask Thee not to lift us out of toil but to prove Thy power within it; not for tasks more suited to our strength but for strength more suited to our tasks. Give to us the vision that moves, the strength that endures, that we may find a divine calling in the humblest claim of life and our abundant fruition in work well done; through Him who came to earth disguised in lowliness, Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of Saturday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 286) to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works, in which it requested the concurrence of the Senate.

#### DEVELOPMENT OF THE CAPITOL GROUNDS (H. DOC. NO. 252)

The VICE PRESIDENT laid before the Senate a report of the Commission for the Enlarging of the Capitol Grounds recommending the passage of legislation authorizing the Architect of the Capitol to proceed with a plan, as outlined, for the development of the Capitol area, which was referred to the Committee on Public Buildings and Grounds, ordered to be printed as a document, and printed in the RECORD, as follows:

APRIL 24, 1928.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES.

SIR: Under the act entitled "An act to create a commission to be known as the Commission for the Enlarging of the Capitol Grounds, and for other purposes," approved April 11, 1928, there was created the following commission for enlarging the Capitol Grounds:

The Vice President of the United States, the Speaker of the House of Representatives of the United States, the chairman and ranking minority member of the Senate Committee on Public Buildings and Grounds, the chairman and ranking minority member of the House Committee on Public Buildings and Grounds, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol. In the act referred to, the duty placed upon the commission is as follows:

"The commission is authorized to consider plans and estimates for the creation of a park area to enlarge the Capitol Grounds, including the plans showing the original scheme for the development of this area and the alternative scheme for the development of this and added areas, and to recommend to the Congress such original and alternative plans or schemes with estimates of costs therefor, together with recommendations for the purchase of such other areas as may be considered necessary to give to the plans for the enlargement of the Capitol Grounds a suitable landscape treatment for the Capitol Building in relation to the landscape treatment with the proposed arrangement of the Mall area."

From February 12, 1901, up to the passage of the sundry civil act of June 25, 1910, the intent to set apart the area to the north of the Capitol is clearly set forth in the legislation which provided for relocation of railroad tracks and the combining in a union station of the two separate railroad stations furnishing means of reaching by train the National Capital. Sundry civil act of June 25, 1910, declared it to be the purpose of Congress to ultimately acquire all of the squares Nos. 632, 633, 634, 680, 681, 682, 683, 684, 685, 721, 722, and 723 in the city of Washington, District of Columbia.

After various delays owing to different causes, among them being the World War, the completion of this purchase was not consummated until payment of the final voucher August 17, 1927. The property thus acquired was undeveloped for the purposes of a park and contained not only temporary buildings known as the Government hotels but also many other buildings the removal of which was necessary in order that the ground purchased should be in a condition to be further developed for park purposes. During the year 1927, 34 houses in squares 633, 683, and 684 were razed, the foundations removed, and the excavations filled. There still remains to be razed the Maltby Building, the Government hotels, the Senate garage, and the buildings occupied by the Senate as folding rooms. When the buildings just referred to have been removed the necessary grading of the entire area can be undertaken. Legislative act approved February 23, 1927, provided for the removal of the buildings not occupied by Government activities and the preparation of plans for the development of this area as a park, thereby extending the present grounds of the Capitol.

In the performance of its duties the commission has considered two sets of plans prepared under the direction of the Architect of the Capitol. These plans and the relative cost of each are as follows:

Scheme A contemplates the treatment of this area as a park and the location of a new avenue commencing at the western fountain in front of the Union Station and running in a southwesterly direction and ending at the Peace Monument at the foot of the Capitol Grounds. This plan contemplates in its development the cutting off of a small portion of the northwest corner of the present Capitol Grounds. The cost of the development of this scheme, known as Scheme A, with its contemplated improvements, is $1,585,465. Its disadvantages are—

The cutting off of a section of the present Capitol Grounds.

The bisecting of the area acquired as indicated by the squares previously named making a suitable treatment of this acquired property extremely difficult.

The avenue as contemplated would cross B Street where there is a 7 per cent grade, making the traffic conditions dangerous.

Scheme B provides for an avenue starting from the western fountain in front of Union Station running in a southwesterly direction, crossing B Street near the corner of Second Street and joining Pennsylvania Avenue between Second and Third Streets NW., thereby suitably connecting with the plan for the development of the Mall. This scheme virtually enlarges the present Capitol Grounds by extending the line of traffic one square west, thus diverting traffic from its present proximity to the west boundary of the Capitol Grounds. It also provides for the closing of North Capitol Street at D Street and detours the traffic to New Jersey Avenue and Delaware Avenue leaving North Capitol Street open for a vista street. It makes possible the closing of C Street to vehicular travel if provision is made for retaining existing street-car lines. This scheme provides for the placing of tracks in a subway crossing under Delaware Avenue and passing them under a terrace in such a way that the grounds afford an unbroken aspect. Included in this rearrangement the street-car lines and tracks on Delaware Avenue are removed and replaced on First Street NE., making a direct line to the Union Station with a car stop beneath Delaware Avenue for the C Street line with a convenient subway connection with the basement in the Senate Office Building. By the closing of North Capitol Street and C Street it becomes possible to treat the area of four city blocks as a park worthy to be called an extension of the Capitol Grounds. Scheme B also provides for a shelter for automobiles used in connection with the Capitol in the form of an underground garage with its floor approximately at the level of C Street and extending from Delaware Avenue to New Jersey Avenue by which a space for parking automobiles and trucks is amply provided.

These studies have been discussed at length with the Federal City Park and Planning Commission and the Fine Arts Commission, and the location of the avenue as presented in Scheme B was approved by both commissions. It is true that this scheme involves the acquisition of some private property, particularly the triangular points of the corners of blocks 630 and 631 at the intersection of North Capitol and D Streets and New Jersey Avenue and C Street, respectively. The resulting advantage of this is that by clipping the corners of those blocks there are produced facades of buildings facing the Capitol Park instead of leaving sharp angles projecting into it.

Scheme B contemplates the acquisition of land at the north end of Union Square, comprising blocks 631, lot 1; block 630, lots 1, 2, and 818; reservation 12; block 574, lot 800; and the western half of block 633 and square 575.

Pursuant to the authority of law and having in mind the unquestioned desire of Congress for a proper and artistic development of the Capitol Grounds and their environs as a harmonious factor in relation to the beautification of the city of Washington, the commission recommends the adoption of Scheme B. This plan in detail and in point of superiority over any alternative plans is as follows:

It contemplates an avenue starting from the western fountain in front of Union Station proceeding in a southwesterly direction to that portion of Pennsylvania Avenue between Second and Third Streets, to be known as Union Square in the proposed development of the Mall area. This gives a marginal avenue with a direct connection to Pennsylvania Avenue in a formal and splendid manner. This avenue crosses B Street at a point where the grade is suitable for a street crossing. This deflects travel which would go directly to the northwestern corner of the Capitol Grounds if Scheme A had been recommended. By the adoption of Scheme B and the rearrangement of existing streets in the 12 squares now owned by the Government, it makes possible the treatment of a large area in a suitable manner which could not be done if this large area were bisected by an avenue as in Scheme A. It provides thereby for a suitable approach to the Capitol from the north, the removal of such car lines, the building of terraces, the lowering of street-car tracks so that there are no cars seen between

the Union Station and the Capitol, makes this view of the Capitol far more attractive than any other plan developed.

The cost of Scheme B is for improvements, $1,871,021; for acquisition of land, $3,041,393; total, $4,912,414.

The commission recommends the enactment of legislation which will authorize the Architect of the Capitol to proceed with the adopted plan as outlined herein. Its consummation involving as it does the purchase of land and buildings, perhaps condemnation proceedings, the removal of buildings, the cutting of new streets, the removal of tracks, etc., will require considerable time.

In order that the development of the Capitol Grounds may progress as the Congress evidently seriously intended as early as 1901, the commission urges early action on the recommendations herein contained.

Respectfully submitted.

CHARLES G. DAWES,
*Vice President of the United States.*
NICHOLAS LONGWORTH,
*Speaker of the House of Representatives of the United States.*
HENRY W. KEYES,
*Chairman Senate Committee on Public Buildings and Grounds.*
FRITZ G. LANHAM,
*Ranking Minority Member of the House Committee on Public Buildings and Grounds.*
RICHARD N. ELLIOTT,
*Chairman House Committee on Public Buildings and Grounds.*
JAS. A. REED,
*Ranking Minority Member of the Senate Committee on Public Buildings and Grounds.*
JOSEPH T. ROBINSON,
*Minority Leader of the United States Senate.*
FINIS J. GARRETT,
*Minority Leader of the House of Representatives.*
DAVID LYNN,
*Architect of the Capitol.*

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MEMORANDUM

For the information of the Congress it is stated that certain parcels of land in which the title is vested in the District of Columbia have not been acquired by the commission, intrusted with the purchase of land within the 12 squares referred to, for the reason that there is no authority vested in the District of Columbia to convey the land in question. The parcels of land are as follows: Square 633. Lots 51, 52, 53, 67, 68, 70, 71, 72, 73, and 74, commonly known as the Arthur School property, containing 19,590 square feet, improved by a brick eight-room schoolhouse.

Square 722 contains parcels totaling 3,016 square feet, consisting of ground originally withheld by the District of Columbia for alley purposes.

Square 682, lot 12, a strip of ground 5 feet in width and taporing to zero. Area not given.

Square 721, a part of old E Street, a remainder created by readjustment of the street to conform to the contour lines of the Plaza. Area not given.

## CLAIM OF PRIVATE RALPH RHEES, UNITED STATES ARMY

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States relative to the claim of Ralph Rhees, United States Army, which, with the accompanying report, was referred to the Committee on Claims.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 286) to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works was read twice by its title and referred to the Committee on Foreign Relations.

## EFFECT OF GRAIN GRADING UPON EXPORTS FROM AMERICAN PORTS

Mr. WALSH of Massachusetts. Mr. President, recently several Senators and representative citizens of commercial, maritime and port development associations of seaport States along the Atlantic coast from Maine to Virginia have been in conference seeking to find a solution of the disadvantages which Atlantic seaports in the United States experience owing to the diversion of American grain by export shipment through Montreal and other Canadian ports.

The extent to which our American ports have been affected by the difference in the systems of grain inspection in recent years is startling.

Our exports of grain vary enormously from about 135,000,000 bushels in some years to as low as 40,000,000 bushels. When our exports are exceedingly high American grain cleared through Canada average 35 to 40 per cent. In the low year of 1924–25 it was more than 50 per cent. For the fiscal year ended June 30, 1927, the amount of American grain that cleared the port of Montreal was approximately 67,000,000 bushels, and in the fiscal year of 1922 it was 34,000,000 bushels, nearly 100 per cent increase since the difference in the systems of grading grain was inaugurated. So long as there is an advantage whereby importers can dispose of No. 3 American wheat as No. 2 by export through Montreal they are going to do it. It is doubtful if we can meet the situation by lowering American grades, for most of the grain graded in Montreal now is American grain and Montreal can retaliate by further lowering the grades. We could respond to that only by continued lowering, and we would get to the point where American grain would be discredited and only Canadian grain remain.

Naturally the ports nearest the Canadian ports of Montreal, St. John, and Halifax have suffered most, but every port along the seaboard has felt, and is feeling, the effects of this discrimination in the grading of American grain for export.

One Atlantic port, which formerly had four trans-Atlantic lines engaged in this business, has now but one line, and its shipments of grain have been reduced to almost zero. It is only a matter of time, if the present tendency continues, when the larger part of the exportation of American grain will be through Canadian ports.

There are several reasons for this situation. It is due, in part at least, because of the different methods employed by Canadian officials in the grading of American grain shipped for export, from those employed by United States officials in grading grain that is exported through American ports.

A conference at which Secretary Jardine was present, held some weeks ago by the representatives of the ports concerned and the several Senators interested, resulted in Secretary Jardine stating that he would give the matter further careful consideration, for the matter has been for years before his department, and report later what, if anything, could be done to remove the obstacles that are resulting so disastrously in diminishing the exportation of American grain through our own ports.

Recently I received a letter from Secretary Jardine in which he states his conclusions. He does not think favorably of proposed legislation that was discussed at the conference held. He now suggests negotiations through the State Department.

I request, in order that all who have an interest may know what the present situation is, that the letter which Secretary Jardine addressed to me on April 12, stating his final conclusion, and letters written by me to Secretary Jardine and to Secretary Kellogg, be printed in the CONGRESSIONAL RECORD.

Mr. COPELAND. Mr. President, before the request is granted I desire to say that we ought to express our gratification for the able manner in which the Senator from Massachusetts has gone into this matter so very thoroughly. It is a matter of great concern when we find that 93,000,000 bushels of American wheat went out through Montreal, while we exported through our Atlantic ports less than 40,000,000 bushels. I am very happy that the energetic Senator from Massachusetts has moved in the matter. It is a question of great importance.

Mr. WALSH of Massachusetts. I will say to the Senator from New York that the figures he mentions are included in the letters which I have asked to have placed in the RECORD. I will also say to the Senator that in a few days I expect to address the Senate somewhat at length upon the subject, and also submit a resolution asking that some action on the subject be undertaken.

The VICE PRESIDENT. Without objection, the letters referred to by the Senator from Massachusetts will be printed in the RECORD.

The letters are as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, April 12, 1928.*

Hon. DAVID I. WALSH,
*United States Senate.*

DEAR SENATOR WALSH: Following my recent conference with you and representatives of the North Atlantic ports I have given careful consideration to the difficulties growing out of the grading by Canadian officials of United States grain that is being exported through Montreal. I have also discussed the matter fully with the Secretary of State. In view of the fact that the grain involved is beyond the confines of the United States it is doubtful whether administrative action under existing law, such as the United States grain standards act or new legislation supplementing it, would be effective in caring for the situation. It does appear, however, that some good may be accomplished by closer negotiations with Canadian officials, and the Secretary of State has undertaken this.

I do not feel that a further conference with the interests represented at our meeting would serve any useful purpose. I shall be glad to let you know the outcome of the negotiations with the Canadian officials.

Sincerely yours,

W. M. JARDINE, *Secretary.*

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APRIL 21, 1928.

Hon. WILLIAM M. JARDINE,

*Secretary of Agriculture, Washington, D. C.*

MY DEAR SECRETARY JARDINE: I acknowledge your letter of April 12.

I think all parties concerned recognize the difficulties inherent in the present situation, yet the fact remains that the consequences to our American ports and American commerce by reason of the diversion of our export grain trade to Canadian ports are so grave that it seems to me we should not lightly conclude that the only relief lies in the ability of our State Department to persuade Canada to rectify her existing grain regulations as will result in restoring to us the export trade Canada is now enjoying.

At our recent conference you pointed to the fact that since 1920 American grain cleared through Montreal for export has increased from about 5 per cent to about 35 per cent, and that it is tending to still greater increase. Others cited figures to show that export grain shipments through Boston and Portland, Me., had faded almost to zero.

Though rail rates play some part in this condition, our difficulty is largely due to the fact that American grain exported through Canada is not subject to the same inspection which is imposed on it here—that American wheat passes through Canadian ports at lower grades than through American ports—that the "dockage" imposed here and not imposed in Canada represents a difference of several cents a bushel to the profit of the exporter who ships through Montreal.

I note that you write that "some good may be accomplished by closer negotiations with Canadian officials." I trust that may prove to be true. But I believe that there should be concerted endeavors, in part by administrative action by your department, in part by pressure upon Canada through diplomatic channels, and in part, perhaps, by legislative action with a view toward retaliatory action to Canada and a withdrawal of some of the privileges we now accord to her exporters.

Unless there is some indication in the near future that the diplomatic negotiations to which you allude are to be productive of effective results, I shall feel obliged to ask Congress to canvass all aspects of the existing perils to American trade and commerce due to encroachments from Canada.

Sincerely yours,

DAVID I. WALSH.

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APRIL 21, 1928.

Hon. FRANK B. KELLOGG,

*Secretary of State, State Department, Washington, D. C.*

MY DEAR SECRETARY KELLOGG: With other Senators whose constituents have similar concern to my own over the diversion to Canada of American export grain trade, which rightly belongs to our own ports and our own ships, I have recently been in consultation with Secretary of Agriculture Jardine on this subject with a view to discovering what steps, administrative or legislative, ought to be taken by this Government to counteract this increasingly serious situation.

Secretary Jardine now advises me that this subject is receiving the attention of your department, and that negotiations with Canada are now in progress on this score. I hope that a strong assertion of American interests in its own export trade may result in a modification by Canada of its present policy with respect to American grain shipments. I rely upon you to advise me as promptly as the circumstances permit of the success of these negotiations.

For your information I inclose copy of my own reply to Secretary Jardine's recent communication to me on this subject.

Sincerely yours,

DAVID I. WALSH.

BOULDER DAM

Mr. WALSH of Montana. Mr. President, a few days ago I had inserted in the RECORD a report of some of the testimony taken by the Federal Trade Commission relating to public utilities. Because no particular publicity has been given the matter by the press generally, I ask that there be inserted in the RECORD an article appearing in Saturday's Washington Herald setting forth in general some of the testimony adduced the day before. I desire to read a few extracts from it. The first is as follows:

Propaganda against the Boulder Dam bill proved the main, if not the exclusive, activity of the power people, whose funds include the $1,100,000 being spent by the National Electric Light Association this year and the $400,000 collected since last June 1 by the joint committee of utility associations, the more specialized agent of anti-Boulder Dam activity.

I call the attention of the Senate particularly to the following:

2. Judge Healy put into the record a letter by Oxley to the Pennsylvania State utility information director asking for a list of State legislators in Pennsylvania because "we have a particular piece of work which we wish to do with them."

I call attention also to the following:

4. The minutes of the National Electric Light Association's public policy committee, headed by Russell H. Ballard, president of the Southern California Edison Co., threw light on the motive for an annual payment of $30,000 a year to the Harvard University School of Business Administration. The committee is on record as approving this payment on the ground that it will result in a text-book from Harvard on public regulation of utilities and "a textbook covering this ground would better appear under academic auspices than as a publication of the association."

Again:

5. The public policy committee voted to add to the $150,000 appropriated by the Puget Sound Power & Light Co. to attempt a publicity campaign demonstrating the failure of the Seattle municipally owned electric light plant. The policy committee said:

"Seattle's rates are continually cited as lower than those charged by privately owned plants; the claim of successful results of such a policy in Seattle is dangerous and requires refutation."

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The article referred to is as follows:

POWER INQUIRY DIGS DEEPER IN PROPAGANDA'S FAR-FLUNG NET—HAND OF GIANT CORPORATIONS FASTENED ON NEWSPAPERS AND SCHOOLS, PROBERS FIND—METHODS UNPARALLELED

By Edwin J. Clapp

The hearing yesterday in the Federal Trade Commission's investigation of the power lobby brought out the unparalleled methods by which the public utility interests have got hold of the newspapers and schools which form the public opinion of the country, and the legislators who pass its laws.

In solemn review, Judge Healy, counsel of the commission, conducted a parade of subsidized professors and writers who prepared books and delivered lectures paid for by the power lobby, which then disseminated this literature through the country disguised as bona fide investigations by impartial scientific men.

STUCK TO PROPAGANDA

Propaganda against the Boulder Dam bill proved the main, if not the exclusive, activity of the power people, whose funds include the $1,100,000 being spent by the National Electric Light Association this year and the $400,000 collected since last June 1 by the joint committee of utility associations, the more specialized agent of anti-Boulder Dam activity.

Among the day's revelations of the marvelous workings of light and power in the year 1928 were the following:

1. George F. Oxley, publicity director for the National Electric Light Association, defended the practice of inspiring newspaper editorials with the novel explanation that "it is absolutely fair for me to put into the hands of the editor material so that he can reflect on his own views in editorials."

2. Judge Healy put into the record a letter by Oxley to the Pennsylvania State utility information director asking for a list of State legislators in Pennsylvania because "we have a particular piece of work which we wish to do with them."

$100 A WEEK FOR BOHN

3. Dr. Frank Bohn, a writer, was revealed as recipient of a retainer of $100 a week from the joint committee of National Utility Associations while he was publishing power articles in the Sunday edition of the New York Times of October 2, 1927, and October 30, 1927.

4. The minutes of the National Electric Light Association's public policy committee, headed by Russell H. Ballard, president of the Southern California Edison Co., threw light on the motive for an annual payment of $30,000 a year to the Harvard University School of Business Administration. The committee is on record as approving this payment on the ground that it will result in a textbook from Harvard on public regulation of utilities and "a textbook covering this ground would better appear under academic auspices than as a publication of the association."

5. The public policy committee voted to add to the $150,000 appropriated by the Puget Sound Power & Light Co. to attempt a publicity campaign demonstrating the failure of the Seattle municipally owned electric-light plant. The policy committee said:

"Seattle's rates are continually cited as lower than those charged by privately owned plants; the claim of successful results of such a policy in Seattle is dangerous and requires refutation."

6. Paul Clapp, managing director of the National Electric Light Association, testified to a swing around the circle in the Southwest and Southeast, organizing meetings of utility executives, subordinate officials, and employees to stir up "generally diffused" opposition to the Swing-Johnson bill for Boulder Dam.

7. Alfred Fisher, director of the Missouri committee on public-utility information, in 1926 reported to Oxley that "the most important work done by the Missouri committee last year was in directing the attention of the industry to textbooks in public schools. You will agree with me that it would be most unwise to give this work any publicity." He added: "It is a matter for executive session between leaders of the industry, writers of textbooks, and printers thereof."

8. Prof. Theodore J. Grayson, of the University of Pennsylvania, is shown as the recipient of $407.27 as "fees and expenses" for a public lecture delivered in New Orleans last October. The news report of the lecture, sent to editors by Grayson as a Pennsylvania professor, discloses that he classed Boulder Dam advocates with socialists. This designation would include such supporters of the legislation as the Los Angeles Chamber of Commerce, John Hays Hammond, Gen. George W. Goethals, and President Coolidge.

$291.50 FOR A LECTURE

Grayson received an additional $291.50 for a lecture at Richmond on December 1 last, and $288.29 for another address at Geneva, N. Y., on December 31. Judge Stephen B. Davis, New York head of the power lobby, in a letter to the Federal Trade Commission of March 21, 1928, wrote that "Mr. Grayson is an official of the New Jersey Public Utility Association as well as a college professor." The commission has also learned he is a Philadelphia lawyer, attorney for the New Jersey Water Service Co.

Doctor Bohn was shown to have been paid $100 a week from July 16 to November 23, 1927. Maj. J. S. S. Richardson, publicity director of the joint committee, testified Thursday Bohn was paid this sum for "editing." His activity during this period included an article, "Superpower era of electricity," published in the Sunday New York Times of October 2, 1927, and an article, "The struggle over Government versus private development of water power," in the Sunday New York Times of October 30, 1927. In the October 30 article Doctor Bohn carefully balanced the advantages of public versus private ownership, with the balance always slightly in favor of private ownership.

ADDRESSES SOUGHT

The doctor's services were further explained in a letter of September 16, 1927, written by George F. Oxley, of the National Electric Light Association, to Thorne Brown, director of the Mid West of the National Electric Light Association, and reading:

"I am taking up with the joint committee the question of whether it is possible to arrange for Mr. Frank Bohn to make two or three additional addresses while he is in your division, and I am asking Judge Davis to correspond with you direct."

Perhaps the most amusing exhibit in the hearing is a letter written by Prof. E. A. Stewart, of the University of Minnesota, in 1925, to Dr. S. S. Wyer, long-established writer against public ownership, whose wares have been broadcast by the National Electric Light Association and the joint committee. Stewart thanks Wyer for sending him a pamphlet disputing the success of the Government-owned power system of the Province of Ontario. The professor writes that after reading a few of the excerpts contained in Wyer's pamphlet, "I couldn't help but think of the song:

"'Hallelujah! Thine the glory,
Hallelujah, Amen.
Hallelujah, Thine the glory,
Revive us again!'"

TRIES IT HIMSELF

Professor Stewart became so affected by the Wyer effort that he has recently himself made an elaborate report on what he calls the failure of the Ontario plan for providing cheap electricity for farmers. The pamphlet is being given nation-wide distribution by a Minneapolis public utility.

Dr. S. S. Wyer is author of the latest anti-Boulder Dam pamphlet entitled "Study of the Boulder Dam Project," by Samuel S. Wyer, consulting engineer. This pamphlet, issued by the Ohio State Chamber of Commerce on January 30, 1928, and one of the exhibits introduced into the record, has been distributed broadcast through the country and put into the hands of every Representative and Senator.

The Ohio State Chamber of Commerce came into the picture yesterday when George B. Chandler, its secretary, was shown by exhibits and testimony to have labored for an anti-Boulder Dam resolution at a meeting of State chambers of commerce officials assembled in Atlantic City.

He actually succeeded in getting such a resolution considered favorably by the Connecticut Chamber of Commerce. However, they insisted upon expert advice as to what to do about Boulder Dam, and voted against it only after an adverse resolution had been prepared and submitted by Samuel Ferguson, president of the Hartford Electric Light Co.

WANTED AN INQUIRY

The next move for delaying action on Boulder Dam was prefigured by a resolution presented at the February 16, 1928, meeting of the public policy committee of the National Electric Light Association. The minutes of this session contain the following item:

"Mr. Paul A. Schollkopf, of the Niagara Falls Power Co., presented to the committee the desirability of securing an independent engineering investigation on the Colorado River. It was suggested that the United States Chamber of Commerce might properly set up a commission with the object in view of determining the soundest possible engineering treatment of the river, such a study to be started promptly in order that it may be completed early this fall."

The power lobby's method of working the newspapers is nicely illustrated in a letter of January 19, 1926, written by Oxley, of the light association, to Richardson, then head of the Pennsylvania public service information committee:

"Inclosed please find uncorrected proof of an editorial which will be published in the January 21 issue of the Progressive Labor World, which, of course, you know. Arrangements have been made to have the revised proofs of the editorial in the hands of Charles Penrose to-morrow.

"I thought it might be possible for you to call the editorial to the attention of some of your newspaper friends and perhaps the Associated Press representatives with a view to having them list at least a part of it for use in some other paper in the city."

GREENWOOD'S BOOK

Yesterday's hearings gave further information regarding the propaganda book, "Aladdin, U. S. A.," by Ernest Greenwood, former member of the District of Columbia school board. The book was financed by the National Electric Light Association, which advanced $5,000 in money to Greenwood and then purchased 5,000 copies for $7,500 from Harper & Bros., publishers, "in anticipation of reselling" to public utility companies.

Oxley, in a letter of January 8, 1928, "to member company executives," urged the wide distribution of the book and added the following quaint comment on its scientific value:

"Thomas A. Edison has written a foreword to the book and authorized the use of an autographed photograph as frontispiece. This, of course, will add to the value and convincing quality of the material in the book."

On January 13, 1928, Oxley again circularized "member company executives" with a "pamphlet reprint of an article by Ernest Greenwood which will appear in the February issue of the Industrial Digest." The magazine article, attached to Oxley's letter, was entitled "Panning public utilities," and the subtitle was "What is the basis of the popular pastime of picking on organizations with clean business records which always have paid dividends to their security holders?"

WOMAN URGES BOOK

Sophia Malicki, chairman of the women's committee of the National Electric Light Association, on March 22, 1928, addressed an appeal to "chairmen of women's committees":

"'Aladdin, U. S. A.,' by Ernest Greenwood, is a book every member of the electrical industry ought to read. Students and club members frequently ask for material on the industry; this book is an authoritative source. Teachers and librarians will appreciate having the book brought to their attention or given them."

Further data were produced with respect to the trip to Washington made by ex-Gov. James G. Scrugham, of Nevada, in January, to confer with Judge Stephen B. Davis, director of the joint committee of National Utility Associations, which is leading the fight against Boulder Dam. For this trip Governor Scrugham was paid $600 expense money. The controversy is still unsettled as to whether Scrugham invited himself to the conference or was invited by Judge Davis. Governor Scrugham has been an outstanding advocate of Boulder Dam legislation.

The exact date of the Scrugham-Davis conference was established as January 19 by an entry in an expense memorandum prepared by Judge Davis, accounting for a matter of $3,395.04 of special expenses from December 9, 1927, to January 25, 1928. Attention was called to the fact that from January 12 to January 27 Judge Davis and George B. Cortelyou, president of the Consolidated Gas Co., of New York, and chairman of the joint committee, were together in Washington, as shown by an item of $1,282.14, described as expended for "Mayflower Hotel—Mr. Cortelyou and Judge Davis, railroad tickets, meals, and incidentals."

Scrugham apparently arrived in Washington in the middle of this period. Davis and Cortelyou were obviously in Washington fighting the Walsh resolution for investigation of the so-called Power Trust, for the resolution was defeated after Senate committee hearings on January 16 to 21, inclusive.

Yesterday afternoon the commission's hearings adjourned until next Wednesday to give time to digest the trunk full of additional subpœnaed documents dumped in the hearing room yesterday.

ODDIE SCORES SCRUGHAM FOR POWER LOBBY PAY

Senator TASKER ODDIE, of Nevada, yesterday made a statement criticizing ex-Gov. James G. Scrugham, of Nevada, for accepting money from the power lobby:

"I was amazed that ex-Governor Scrugham should have accepted money from the power interests which are trying to defeat the Boulder Dam legislation.

"This partly accounts for some of the opposition on the part of Secretary Work and ex-Governor Scrugham to myself and to some of the important features of my stand on Boulder Dam legislation.

"Secretary Work and ex-Governor Scrugham have been working very closely together, and ex-Governor Scrugham is Secretary Work's personal representative on these matters in Nevada.

"Their attacks on my policy, in my opinion, were for the purpose of embarrassing the Boulder Dam legislation which we are trying to get through.

"I can see now where some of this influence came from."

Mr. ASHURST. Mr. President, following the example set by the Senator from Montana, who is a past master in filling the RECORD with articles from the press, the time has arrived when I should declare the fact that there is a more insidious lobby here for the Boulder Dam bill than there is against the Boulder Dam bill.

I have no criticism of the Senator from Montana for filling the RECORD. His resolution proposing to allow him to investigate the Power Trust was defeated and my colleague and I voted with him. Doubtless he feels that if he could have disseminated this information from his committee rather than have it filtered out through the Federal Trade Commission it might have some favorable effect upon certain presidential aspirations.

I ask the clerk to read from the Evening Tribune of San Diego, Calif., of date of April 20.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[From the San Diego Tribune, April 20, 1928]

SEEK FUNDS HERE FOR BOULDER LOBBY

C. A. Hall and George Whitlock, of the American Conservation Club of Imperial Valley, are in San Diego seeking funds to help swell the $100,000 total necessary to maintain the lobby in Washington this year to "put through" the Boulder Canyon Dam legislation.

"The people of the valley can't carry all the load," declared Hall yesterday; "and they are appealing to San Diego County, which will benefit almost as much as Imperial from the dam construction, to help carry on the work."

I regret that the Senator's resolution to allow him to investigate the Power Trust was not adopted. The Senator is a thorough investigator and holds the scales fairly. I ask him now to hold the scales fairly on the Boulder Dam question and to print in the RECORD the views of both sides instead of one. A man fit to aspire to the Presidency ought not to present one side only of a great controversy.

Mr. WALSH of Montana. Mr. President, I merely desire to say that I am particularly interested in the investigation that is being conducted by the Federal Trade Commission. It is natural that I should be. But the Boulder Dam question is a mere incident of that investigation.

PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. ROBINSON of Arkansas. Mr. President, I desire to submit a resolution and ask its reference to the Committee to Audit and Control the Contingent Expenses of the Senate. The resolution provides for the appointment of a special committee of five Members of the Senate to inquire into expenditures in connection with the presidential campaign. It is believed that the committee created under similar resolutions previously adopted by the Senate have served a useful and a wholesome purpose and many Senators believe that such a resolution and such a committee would prove helpful in informing the public and the Senate in connection with this important subject.

I submit the resolution, which I believe to be in form identical with that proposed four years ago by the Senator from Idaho [Mr. BORAH] and adopted by the Senate, and ask that it be reported and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The clerk will report the resolution.

The Chief Clerk read the resolution (S. Res. 214), as follows:

*Resolved*, That a special committee of five be appointed by the Presiding Officer of the Senate to investigate forthwith and report to the Senate as soon as possible the campaign expenditures of the various presidential candidates in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage and the providing of funds for setting up contesting delegations, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in any necessary remedial legislation.

That said committee is hereby empowered to sit and act at such time and place as it may deem necessary; to require, by subpœna or otherwise, the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding $1 per printed page. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The expense thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by the Laramie Council of Industry of Laramie, Wyo., favoring the passage of legislation to establish a mining experiment station in Wyoming, which was referred to the Committee on Mines and Mining.

Mr. JONES presented telegrams and letters in the nature of memorials from various organizations, attorneys, and citizens of the State of Washington, remonstrating against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which were ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of Senate bill 1093, the so-called Caraway bill, prohibiting the sale of cotton and grain in future markets, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of Senate bill 1094, amending the practice and procedure in the Federal courts, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, favoring the passage of House bill 5641, the so-called Parker-Watson bill, to limit the unification of carriers engaged in interstate commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which was referred to the Committee on Irrigation and Reclamation.

Mr. CAPPER presented resolutions adopted by the Lions Club of Winfield, Kans., favoring the passage of the so-called Capper-Johnson universal draft bill, which were referred to the Committee on Military Affairs.

LANDOWNERS IN THE ATCHAFALAYA FLOOD WAY

Mr. STECK presented a letter from H. R. Trewin, secretary St. Martin Land Co., of Cedar Rapids, Iowa, relative to lands in the Atchafalaya flood way in connection with flood-control plans, which was referred to the Committee on Commerce.

JURISDICTION OF DISTRICT COURTS

Mr. SHORTRIDGE presented telegrams in the nature of memorials from Messrs. Brobeck, Phleger & Harrison; Miller & Boyken; Sloss & Ackerman; Francis V. Keesling; Herbert W. Clark; Ira S. Lillick, all attorneys at law, of San Francisco, and a letter in the nature of a memorial from William H. Barry, manager Master Printers Association, of Los Angeles, all in the State of California, remonstrating against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which were ordered to lie on the table and to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,
*United States Senate, Washington, D. C.:*

We are informed that Senate Judiciary Committee has approved Senate bill 3151, which would have the effect of depriving Federal courts of jurisdiction in equity to protect private litigants in their rights under Federal Constitution. We respectfully protest against this legislation as being unwise and dangerous and urge you to oppose its adoption.

BROBECK, PHLEGER & HARRISON.

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SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,
*Senate Office Building, Washington, D. C.:*

As practicing attorneys in Federal court we desire to express our disapproval of Senate bill No. 3151, taking certain jurisdiction from United States district courts and giving it to State courts, and hope you will see fit to vigorously oppose passage in Senate.

MILLER & BOYKEN.

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SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,
*United States Senator, Washington, D. C.:*

We earnestly hope and urge you will oppose passage of Senate bill 3151, favorably reported by Judiciary Committee. Proposed legislation would deprive Federal courts of jurisdiction in many cases in which resort to those courts has been shown by experience of over a century to be necessary to insure impartial administration of justice.

SLOSS & ACKERMAN.

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SAN FRANCISCO, CALIF., *April 21, 1928.*

Hon. SAMUEL M. SHORTRIDGE,
*United States Senator, Washington, D. C.:*

I urge your opposition to Senate bill 3151, now in Senate Judiciary Committee, abolishing right to remove cases to Federal courts on ground of diversity of citizenship, because it is subversive of the principle which extends to citizens of diverse citizenship the protection of Federal courts.

FRANCIS V. KEESLING.

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SAN FRANCISCO, CALIF., *April 12, 1928.*

Senator SAMUEL M. SHORTRIDGE,
*Senate Office Building, Washington, D. C.:*

We protest most earnestly against Senate bill 3151, attempting to deprive United States courts of jurisdiction which they have had for many years and giving this to State courts. Necessary result would be conflict of decisions in different States and would remove great bulwark of protection to property interests. Have canvassed sentiment among many prominent attorneys in San Francisco, and they are all unanimous in condemnation of bill. Would be great blow to stability and certainty of law and distinctly a backward rather than a forward step. My partners join me in asking you to use your utmost efforts to prevent the passage of this most pernicious bill.

HERBERT W. CLARK.

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SAN FRANCISCO, CALIF., *April 13, 1928.*

Hon. SAMUEL M. SHORTRIDGE,
*The Senate, Washington, D. C.:*

In common with other lawyers to whom we have spoken and with what we understand is the consensus of opinion, we desire to most earnestly protest against adoption of Senate bill 3151, which we understand alters forum for constitutional questions. My six associates join me in this protest.

IRA S. LILLICK.

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MASTER PRINTERS ASSOCIATION,
OFFICE OF SECRETARY-MANAGER,
*Los Angeles, April 11, 1928.*

Senator SAMUEL M. SHORTRIDGE,
*United States Senate, Washington, D. C.*

DEAR SIR: This association has been informed that S. 3151, by Senator NORRIS, of Nebraska, is another assault on our Federal judicial system. We are appealing to you as the only defender against radicalism that California has in the United States Senate to throw your strength against this revolutionary measure which, if enacted into law, would wreck the whole scheme of the Federal judicial system.

Very truly yours,

MASTER PRINTERS ASSOCIATION,
WM. H. BARRY, *Manager.*

Mr. FLETCHER. Mr. President, there is pending before the Senate a very important bill, S. 3151, to limit the jurisdiction of district courts of the United States. For general enlightenment on the subject I offer and ask to have printed in the RECORD an editorial appearing in the American Bar Association Journal of April, 1928; also an editorial appearing in the Florida Times-Union of April 28, 1928, and a letter from John J. Swearingen, of Bartow, Fla., on the same subject.

Mr. WALSH of Montana. Mr. President, will the Senator kindly tell us what the bill is?

Mr. FLETCHER. It is a bill reported from the Judiciary Committee, introduced by the Senator from Nebraska [Mr. NORRIS], to amend the code so as to limit the jurisdiction of Federal courts, particularly with reference to adverse citizenship.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the American Bar Association Journal]

WHITTLING AWAY AT THE FEDERAL TRIBUNALS

Bills which vitally concern the administration of justice in the Federal courts are pending in Congress. They deserve and should receive the attention of the entire bar.

The Caraway bill is the effort, made familiar at previous sessions, to destroy the power of Federal judges to comment on the credibility of witnesses or the weight of evidence. It has been passed by the Senate and is pending before the House Judiciary Committee.

The American Bar Association is on record as being strongly against this measure. And with good reason. It runs counter to a principle which lies at the heart of the present general movement for the improvement of the administration of criminal justice. Restoration to the State judges of the common-law power of the judge to do exactly the thing complained of in this bill is recognized as a needed step by the various bodies that have been giving most attention to the subject.

If just verdicts are the objects of trials, why deprive the jury of the help it so plainly needs? Juries are not versed in the fine art of weighing the evidence. The judge by his comment has the opportunity to give them the valuable aid of his long experience in weighing and analyzing testimony; he can explain to them the processes by which they can find the truth and distinguish it from error.

The Federal judges have this power now and it works well. It is to a large extent the secret of the greater efficiency of the Federal courts as compared with a large majority of the State courts. The efficiency of English courts in the administration of criminal justice rests to a large extent on this power. To throw it away in the Federal district courts would be a step backward, and one that the Nation can not afford to have taken.

Two other pending bills would affect the jurisdiction of the United States district courts in cases where it is grounded on diversity of citizenship. One (S. 3151) would take away all jurisdiction in such cases, and it has been reported favorably by the Judiciary Committee of the Senate. The other (H. R. 6679) raises the amount necessary to give jurisdiction in such cases from $3,000 to $10,000, and the subcommittee of the Judiciary Committee has reported to that body in favor of an increase to $5,000.

The report of the Senate Judiciary Committee on the Senate bill to take this jurisdiction entirely away observes that "the only reason why this kind of jurisdiction was originally given to United States courts in preference to State courts was because it was believed that a prejudice would exist in State courts against nonresident litigants. Whatever reason may have existed for this belief, it is certain it has long since disappeared and there is no reason now why a nonresident litigant can not get the same justice in State courts that is secured by residents of the State."

In spite of the categorical way in which it is stated, probably very few practicing lawyers would agree with this generalization. In an address at the San Francisco meeting of the American Bar Association, Chief Justice Taft, while disclaiming any discussion of legislative policy, made the following pertinent remarks by way of comment on the proposal to relieve the Federal courts of congestion by taking away this jurisdiction:

"I venture to think that there may be a strong dissent from the view that danger of local prejudice in State courts against nonresidents is at an end. Litigants from the eastern part of the country who are expected to invest their capital in the West or South will hardly concede the proposition that their interests as creditors will be as sure of impartial judicial consideration in a Western or Southern State as in a Federal court.

"The material question is not so much whether the justice administered is actually impartial and fair, as it is whether it is thought to be so by those who are considering the wisdom of investing their capital in States where that capital is needed for the promotion of enterprises and industrial and commercial progress. No single element—and I want to emphasize this because I don't think it is always thought of—no single element in our governmental system has done so much to secure capital for the legitimate development of enterprises throughout the West and South as the existence of Federal courts there, with a jurisdiction to hear diverse citizenship cases."

The committee report in question further observes that "there is no logical reason why there should be an arbitrary distinction as to the amount in controversy. If there is any reason why the United States

district court should have jurisdiction of cases between citizens of different States, where the amount in controversy is over $3,000, it would seem only just and fair that it should likewise have similar jurisdiction where the amount is under $3,000."

Not necessarily. Assuming that there is a reason why the United States district courts should have jurisdiction in diverse citizenship cases—and a very good reason was suggested above—it does not by any means follow that a distinction as to jurisdictional amount is illogical or unfair. If the legislators are of the opinion that the danger of prejudice or partiality, for instance, may arise in the case of litigation involving fairly large amounts and is quite unlikely in the case of less important litigation, it is entirely logical and fair for it to decide, in the light of experience and all the facts obtainable, on the amount required to give jurisdiction. Legislation is familiar with such distinctions, which are not arbitrary but represent a working formula giving due weight to various factors. Congress has heretofore found the device worth while.

Another measure is known as the Shipstead injunction bill and its purpose is to add a new section to chapter 2 of the Judicial Code, reading as follows:

"Equity courts shall have jurisdiction to protect property when there is no remedy at law; for the purpose of determining such jurisdiction, nothing shall be held to be property unless it is tangible and transferable, and all laws and parts of laws inconsistent herewith are hereby repealed."

The proposal on its face would leave the equity courts free in a proper case to employ the writ of injunction to protect physical property—using the word tangible in its customary sense—but would deprive them of the authority to exercise this power where the property in question was intangible, though it might conceivably be much more valuable and more likely to suffer irreparable injury than the tangible property.

For example, the plant would have a right to this protection, but the right to carry on one's business, the right to work, the right to engage in an occupation or profession, the right to employ, would be deprived of it as not being "tangible property."

The bill also deprives the Federal courts of jurisdiction in equity suits on complaint of the United States as well as of private citizens. It undertakes to deprive these courts of jurisdiction in all cases where there is any remedy at law, notwithstanding that the remedy is inadequate. It does not apply alone to labor disputes, where the conflict over the use of injunctions is fiercest—but also deprives all intangible property of protection by means of injunctions.

A proposal so drastic in character—so narrow in its conception of the sort of "property" that is entitled to the full protection of the courts—so extensive in scope and in possible consequences, can not commend itself to the bar as a sober and reasoned effort to improve the administration of justice. It will also doubtless strike many members of the bar as something that can not be done—as an attempt to take away an inherent judicial power with which the legislature has no right to interfere.

As above suggested, the bar should give each of these measures its attention and express its opinion upon them personally and through its accredited organizations. The powers, jurisdiction, and functioning of the Federal courts are matters that peculiarly concern its members, and a strictly professional and impartial view is greatly needed to counteract the political atmosphere in which these proposed changes are brought forward.

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[From the Florida Times Union, April 28, 1928]

NO DEMAND FOR CHANGE IN LAW

There is no demand whatever, so far as has been noted, for changing the law that for a century and a half has made effective the provision of the Constitution for the establishment and maintenance of Federal courts, which change is proposed in Senate bill 3151, introduced by Senator NORRIS, of Nebraska, and reported to the Senate by the Judiciary Committee of that legislative body.

On the other hand, there are emphatic protests against the bill, including that of the Chief Justice of the United States Supreme Court, who is reported to have said that this bill has features that can be regarded only as most undesirable and harmful. Similar criticism, more freely expressed, however, comes from prominent members of the bar and from individual attorneys at law who have made careful study of this proposed change in the law whereby it is proposed to limit and restrict the jurisdiction of the district courts of the United States to an extent regarded as highly prejudicial to the best interests of the people, and especially of those who have occasion to seek the protection of their interests through the Federal courts.

It is true that the Senate Judiciary Committee has reported the bill to the Senate where it now reposes, to be taken up at any time for final action. But, as called to public attention recently, the Judiciary Committee did not consider it worth while to give opportunity for a hearing of those opposed to the bill, Senator NORRIS, chairman of the Judiciary Committee, explaining that he thought hearings on the bill were not necessary. He further stated that the bill, for which he stands sponsor, is "purely a question of practice that the lawyers on the Judiciary Committee understand as well as other attorneys." To this, reply has been made to the effect that "anyone who read the list of the Senators who now compose the Judiciary Committee will note a sad falling off from the time when eminent lawyers like Edmunds and Thurman, to mention no more, were its ornament and protection."

Notwithstanding the statement made by Senator NORRIS, as above quoted, eminent lawyers, men gifted with understanding and also possessing a high sense of right and justice, have expressed their emphatic disapproval of the Norris bill, asserting, in the language of one such, who has made a painstaking and thorough study of this bill and its effect, that "the bill if enacted would inflict incalculable harm upon the citizens of this country," as was set forth in a preceding article published in these columns.

It is impossible here to discuss Senate bill 3151 in all its various details and to set forth the various forms of disaster it portends and threatens to bring upon the people in the form of revised or amended law that is wholly unnecessary. Moreover, in its present stage the bill is one calling for the immediate and serious attention of Members of Congress, Senators and Representatives from Florida, as from other States, who can not desire to see the interests of their constituents imperiled, their rights and privileges under present law swept away, with the jurisdiction of certain courts that stand as guardians of the property and investment rights of the people curtailed to an extent that makes such courts powerless to aid the people when the latter are called upon to defend their rights and privileges under the law that extends certain guaranties to them and that provides the ways and means by which such guaranties may be enforced legally and justly as well as expeditiously.

This newspaper, therefore, has served its readers and the people generally when it has called public attention to a bill so filled with danger as is Senate bill 3151, and it now remains for the people, through their representatives in Congress, to demand that this bill shall not be enacted into law. Immediate action by letter, telegram, or by personal appeal, however, is necessary, as final action on the bill is likely to be hastened in the rush incident to early adjournment of Congress.

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BARTOW, FLA., *April 27, 1928.*

Hon. DUNCAN U. FLETCHER,
*Washington, D. C.*

DEAR SENATOR: The Associated Industries of Florida from Jacksonville have called our attention, as well as the other members of the bar, I presume, in Florida, to a proposed amendment to section 24 of Judicial Code pertaining to the original jurisdiction of United States district courts, in which said amendment the diversity of citizenship is stricken. That would practically eliminate the transfer of cases from the State to the Federal court, which, in the humble opinion of the writer, is not, for all the reasons with which you are familiar, and which I might repeat, altogether fair to many litigants who find themselves involved in litigation in the various State courts.

I always hesitate to impose my views on pending legislation on you gentlemen who are there on the job and make this your business; but when called on at times by those who feel the right so to do, we are more or less forced to pass our opinion on for what it is worth.

Thanking you, I am,

Yours very truly,

JOHN J. SWEARINGEN.

SHAKESPERIANA COLLECTION

Mr. FESS. Mr. President, the Capital of the United States is rapidly becoming one of the world's greatest centers of culture. One of the most recent evidences of that is the proposal of Mr. Henry C. Folger, of New York, to house permanently the most remarkable collection of Shakespeare writings that has ever been collected, including some of the original copies, such as the Merchant of Venice and others, valued, it is said, at $100,000. Mr. Folger has expressed a desire to deposit this great collection permanently in Washington. He proposes to erect a building east of the Library here in the Capital for a permanent housing and dedicate this remarkable collection to the culture of the American public.

Recently a rather descriptive account was given of this collection in the United States Daily. I think it ought to be published in the RECORD for a better dissemination than it has had. I therefore ask unanimous consent that it may be inserted in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the United States Daily, Washington, Friday, March 23, 1928]

HENRY C. FOLGER WILL ERECT BUILDING ADJACENT TO LIBRARY OF CONGRESS IN WASHINGTON

Plans of Henry C. Folger, of New York, to erect on land immediately adjacent to the proposed extension of the Library of Congress a building to house his collection of Shakesperiana, described as "one of the finest in existence," and to dedicate the building and collection to the American people was announced March 22 by the Library of Congress.

The building is to be located on the northern half of square 760, fronting on East Capitol Street. This area in the square was eliminated from a bill just introduced in Congress proposing the acquisition of the remainder of square 760 and all of square 761, to the rear of the Library, to be used for extension of the present Library structure.

GREAT SHAKESPERIANA COLLECTION

The full text of the announcement follows:

A prospect of extraordinary interest to scholars and to connoisseurs has just been disclosed in connection with a bill recently reported by the House Committee on the Library, the bill (H. R. 9355) for the acquisition of the two squares (760 and 761) to the rear of the Library, with a view to the erection thereon of a structure auxiliary to the present building.

It is that a considerable portion of the land originally included in the bill—in fact, the entire northern half of square 760, fronting on East Capitol Street and known as Grant Row—has been acquired by the owner of one of the finest existing collections of Shakesperiana, with the intention of constructing thereon a suitable building, placing in it his collection, and endowing it with an ample fund for its maintenance and further development, the whole dedicated to the public.

In reporting out the bill, therefore, the committee recommends that this tract be omitted from the area proposed to be acquired for the Government, the report explaining the omission by the statement that the tract "is to be developed in a project that will not merely not interfere with the utilization of the residue of the two squares for Library uses but be fully consistent with it and, indeed, prove cooperative with the larger purposes of the Library as an institution."

No further particulars accompany the reports, but they are now released by the librarian, Mr. Putnam.

20,000 VOLUMES IN LIBRARY

The collection itself—the result of years of patient effort and costly expenditure—though developed very quietly and held rather privately, has a world fame for its editions and its numerous variant copies of the works of Shakespeare himself, and of his Elizabethan contemporaries.

No catalogue of it has been before the public; but from time to time its treasures have been disclosed through some "census" of the existing Shakespeare rarities (quartos or first folios), or note of some extraordinary acquisition, as of a copy of the first "collected" edition preceding the first folio. Some years ago it was estimated to contain about 20,000 volumes; and in the quality of its items it is not surpassed even by the British Museum.

The building that Mr. Folger proposes for it will, he assures the committee, be in full harmony with the monumental character of the group with which it will be associated. This implies that, as seen from Capitol Square, it will prove a fitting vista through the gap formed by the Library of Congress on the south side of East Capitol Street and the proposed Supreme Court building on the north.

His further assurance of an ample endowment for its maintenance and the further development of the collection perfects the project in its general outlines.

In the completeness of its provisions, as well as in the distinction within its field of the subject matter involved, it has had no parallel in Washington since the establishment of the Freer Gallery. And the selection of Washington for it—as "the ideal place"—and this proximity to the Library of Congress as "the ideal site," carries extraordinary promise of what the National Capital and Capitol Hill may become as a center for cultural studies.

CONTROL NOT IMPORTANT

Asked whether the Folger Library would be under the general jurisdiction of the Library of Congress, as the Freer Gallery is of the Smithsonian, Mr. Putnam stated that Mr. Folger had not indicated such an intention. He added that the matter (of jurisdiction) was, however, relatively immaterial.

"What is of prime importance," he remarked, "is that this collection will, in its service to scholarship and to culture, be linked with the service of the National Library. Also, that the sort of material that it includes (the expensive rarities) is the sort that the Library of Congress could not possibly acquire out of the public funds.

"As an example, therefore, of the cooperation of individual citizens which may amplify and complement what the Government itself has developed here in the promotion of scholarship, it should exercise a far-reaching influence."

As to the effect of Mr. Folger's project upon the plans for the Library of Congress itself, Mr. Putnam pointed out that the immediate effect was to reduce the proposed acquisition by one-fourth, leaving, however, a residue (square 761 and one-half of square 760) as large as the area covered by the present Library Building.

It reduces also by $180,000 the amount proposed to be appropriated, leaving this as $600,000 instead of the $780,000 originally proposed. It will also simplify and economize the treatment of the proposed auxiliary library structure, the frontage on East Capitol Street being taken care of in a dignified way by the façade of the building to be erected by Mr. Folger.

In brief, Mr. Folger's project fits so neatly into the official one that if the two squares were already Government property, this northern section might well have been dedicated to it.

Mr. Folger (born in New York City in 1857) is a graduate of Amherst College (class of 1879), from which he has also a master's degree in arts and an honorary doctorate of letters, conferred in 1914. During law studies at Columbia he entered the service of the Standard Oil Co. of New Jersey, and from 1911 on was for some years president of the Standard Oil of New York.

His outside interest, amounting to an avocation, has been the study of Shakespeare and of the Elizabethan drama and the collection of this library of Shakespeariana. He has contributed many monographs to the critical literature of the subject.

REPORTS OF COMMITTEES

Mr. WATERMAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 1643) for the relief of Joseph J. Baylin (Rept. No. 926); and

A bill (H. R. 4229) for the relief of Jennie Wyant and others (Rept. No. 927).

Mr. TYSON, from the Committee on Military Affairs, to which was referred the bill (S. 1587) for the relief of Nelson K. Holderman, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

Mr. STECK, from the Committee on Military Affairs, to which was referred the bill (S. 2894) for the relief of Robert O. Edwards, reported it without amendment and submitted a report (No. 928) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6908) for the relief of Michael Ilitz, reported it with an amendment and submitted a report (No. 929) thereon.

Mr. BLAINE, from the Committee on Military Affairs, to which was referred the bill (H. R. 7227) for the relief of William H. Dotson, reported it without amendment and submitted a report (No. 930) thereon.

He also, from the same committee, to which was referred the bill (S. 3690) to correct the military record of Harley O. Hacker, reported it with amendments and submitted a report (No. 931) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7992) for the relief of Sally Mattie Macready, widow of Edward Daniel Macready, reported adversely thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 3828) to amend Public Law No. 254, approved June 20, 1906, known as the organic school law, so as to relieve individual members of the Board of Education of personal liability for acts of the board, reported it with amendments and submitted a report (No. 932) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4135) to conserve the water resources and to encourage reforestation of the watersheds of Los Angeles County by the withdrawal of certain public lands included within the Angeles National Forest from location and entry under the mining laws, reported it without amendment and submitted a report (No. 933) thereon.

Mr. McNARY. From the Committee on Agriculture and Forestry I report back adversely the joint resolution (H. J. Res. 26) authorizing the Secretary of Agriculture to dispose of real property, located in Hernando County, Fla., known as the Brooksville Plant Introduction Garden, no longer required for plant introduction purposes, and I move that it be indefinitely postponed, a similar resolution, Senate Joint Resolution 95, having been previously approved by the President.

The motion was agreed to.

Mr. REED of Pennsylvania, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 244) to enable members of the Reserve Officers' Training Corps who have interrupted the course of training prescribed in the act of June 4, 1920, to resume such training and amending accordingly section 47c of that act (Rept. No. 934);

A bill (H. R. 4588) authorizing an appropriation for the repair and resurfacing of roads on the Fort Baker Military Reservation, Calif. (Rept. No. 935);

A bill (H. R. 5789) to provide for the gratuitous issue of service medals and similar devices, for the replacement of the same, and for other purposes (Rept. No. 936);

A bill (H. R. 5806) to authorize the purchase of real estate by the War Department (Rept. No. 937);

A bill (H. R. 6652) to fix the pay and allowances of chaplain at the United States Military Academy (Rept. No. 938);

A bill (H. R. 7752) to limit the issue of reserve supplies or equipment held by the War Department (Rept. No. 939);

A bill (H. R. 7937) to authorize mapping agencies of the Government to assist in preparation of military maps (Rept. No. 940);

A bill (H. R. 11808) to authorize an appropriation for the purchase of land at Selfridge Field, Mich. (Rept. No. 941); and

A bill (H. R. 11809) to authorize an appropriation to complete the purchase of real estate in Hawaii (Rept. No. 942).

Mr. REED of Pennsylvania, also, from the Committee on Military Affairs, to which was referred the bill (H. R. 8105) to provide for the membership of the Board of Visitors, United States Military Academy, and for other purposes, reported it with an amendment and submitted a report (No. 943) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 1537) for the relief of William R. Connolly (Rept. No. 944);

A bill (H. R. 6436) for the relief of Mary E. O'Connor (Rept. No. 945); and

A bill (H. R. 10192) for the relief of Lois Wilson (Rept. No. 946).

Mr. BAYARD also, from the Committee on Claims, to which was referred the bill (H. R. 2473) for the relief of Louie June, reported it with an amendment and submitted a report (No. 947) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (H. R. 1598) to provide for the retirement of August Wolters as a first sergeant in the United States Army, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

He also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 3372) for the relief of George M. Browder and F. N. Browder (Rept. No. 948);

A bill (H. R. 3442) for the relief of Clifford J. Sanghove (Rept. No. 949);

A bill (H. R. 3936) for the relief of M. M. Edwards (Rept. No. 950); and

A bill (H. R. 7061) for the relief of William V. Tynes (Rept. No. 951).

Mr. MAYFIELD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 3216) for the relief of Margaret T. Head, administratrix (Rept. No. 952); and

A bill (H. R. 4993) for the relief of William Thurman Enoch (Rept. No. 953).

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5968) for the relief of Byron Brown Ralston, reported it without amendment and submitted a report (No. 954) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4012) for the relief of Charles R. Sies, reported it without amendment.

Mr. CAPPER, from the Committee on Claims, to which were referred the following amendments, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 1529) for the relief of the heirs of John Eimer (Rept. No. 955);

A bill (H. R. 5398) for the relief of the heirs of the late Dr. Thomas C. Longino (Rept. No. 956); and

A bill (H. R. 11741) for the relief of Thomas Edwin Huffman (Rept. No. 957).

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (H. R. 8808) for the relief of Charles R. Wareham, reported it without amendment and submitted a report (No. 958) thereon.

He also, from the same committee, to which was referred the bill (S. 513) for the relief of the Hottum-Kennedy Dry Dock Co., of Memphis, Tenn., reported it with an amendment and submitted a report (No. 959) thereon.

Mr. WATERMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 8229) for the appointment of an additional circuit judge for the sixth judicial circuit, reported it without amendment.

### ELIZABETH A. MANION

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 149, to pay to Elizabeth A. Manion a sum equal to six months' compensation of her deceased sister, Mary Kenny.

Mr. BAYARD. I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to, as follows:

*Resolved*, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate to Elizabeth A. Manion, sister of Mary Kenny, who was an attendant in charge of the ladies' retiring room in the Senate Office Building, six months' compensation at the rate she was receiving by law at the time of her death, the said sum to be considered inclusive of funeral expenses and all other allowances.

### HEARINGS BEFORE THE COMMITTEE ON INTEROCEANIC CANALS

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 209 and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to, as follows:

*Resolved*, That the Committee of Interoceanic Canals, or any subcommittee thereof, be, and hereby is, authorized during the Seventieth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

### INVESTIGATION OF SINKING OF SUBMARINE "S–4"

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 205, providing for an investigation of the sinking of the submarine *S–4*, and ask unanimous consent for its immediate consideration.

Mr. KING. Let the resolution be read. First I will inquire, Is the report of the committee a unanimous one?

Mr. FESS. It is.

Mr. KING. And does the Senator from Virginia [Mr. SWANSON] approve of it? I do not see him here.

Mr. FESS. If the Senator wishes, we will let it go over.

Mr. KING. I should not want to object if the Senator from Virginia, the ranking Democratic member of the committee, approves of it.

Mr. WARREN. Mr. President, may I ask the Senator what amount is designated as the limit of expense?

Mr. FESS. Ten thousand dollars.

Mr. WALSH of Massachusetts. Mr. President, what was the inquiry of the Senator from Utah?

Mr. KING. Whether the resolution is unanimously reported and whether it has the approval of the Senator from Virginia.

Mr. WALSH of Massachusetts. Let it be read.

Mr. McKELLAR. I ask to have the resolution read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 205) submitted by Mr. ODDIE April 23, 1928, as follows:

*Resolved*, That the Committee on Naval Affairs or a duly authorized subcommittee thereof is hereby authorized and directed to make a full and complete investigation of the sinking of the submarine *S–4* in collision on December 17, 1927, with the United States Coast Guard destroyer *Paulding* off the Massachusetts coast, and the rescue and salvage operations carried on by the United States Navy subsequent thereto; and to report thereon to the Senate as soon as practicable, giving the results of its investigation and with such recommendations as it deems advisable. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistance, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of such stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee, which shall not be in excess of $10,000, shall be paid from the contingent fund of the Senate.

Mr. SWANSON entered the Chamber.

Mr. WALSH of Massachusetts. Mr. President, I will say to the Senator from Utah that the chairman of the Committee on Naval Affairs [Mr. HALE] has already appointed a subcommittee who are investigating the disaster to the submarine *S–4*. This

resolution provides the funds to enable that subcommittee to carry on the investigation, and is approved by the Committee to Audit and Control the Contingent Expenses of the Senate, of which I am a member, and from which the Senator from Ohio is now making the report.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

INVESTIGATION OF SALT CREEK OIL LEASES

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, with an amendment, Senate Resolution 202, and ask the attention of the Senator from Nebraska [Mr. NORRIS] to it. The resolution is reported with an amendment in the nature of a substitute.

Mr. WARREN. May we have the amendment read?

The VICE PRESIDENT. The amendment, in the nature of a substitute, will be read.

The CHIEF CLERK. The committee proposes to strike out all after the word "*Resolved*" and to insert:

That the Committee on Public Lands and Surveys, or any subcommittee thereof, in addition to the authority conferred upon it by S. Res. 282, in the Sixty-seventh Congress, and S. Res. 101, in the Seventieth Congress, be, and it is hereby, authorized and directed to make a full and complete investigation as to the occupation, leasing of, and contracts for oil and oil lands in the Salt Creek field in the State of Wyoming, and any other adjacent Government oil lands, for the purpose of ascertaining whether said occupation, leases, or contracts, or any of them, were illegal or fraudulent, and whether the assigning of any such leases or contracts, or the operation under said leases or contracts, has given to any individual, agency, association, partnership, or corporation a monopoly in the production or distribution of oil, or whether the said leases or contracts or assignment of leases or contracts, or operation thereof has tended toward the creation or organization of any monopoly in the production or distribution of oil; and to ascertain and report to the Senate whether said occupation, leases, or contracts, or any of them, are illegal or fraudulent and could or should be annulled or canceled by the United States Government; and, if the said leases or contracts or the assignment of any of said leases or contracts or the operation thereof has been illegal or fraudulent, or has resulted in a monopoly or tended toward a monopoly, to report to the Senate what, if any, legislation should be enacted by Congress for the purpose of curing such evils.

The authority conferred upon said committee by said S. Res. 282, in the Sixty-seventh Congress, and S. Res. 101, in the Seventieth Congress, is hereby extended and continued for the purpose of the additional investigation herein provided for, to the same extent and as fully as though the said resolution were incorporated herein.

The said committee or subcommittee is hereby authorized to sit, act, and perform its duties at such times and places as it deems necessary or proper; to require by subpœna or otherwise the attendance of witnesses; to require the production of books, papers, documents, and other evidence; and to employ counsel, experts, and other assistants. The cost of stenographic service to report such hearings shall not exceed 25 cents per hundred words. The chairman of the committee or subcommittee, or any member thereof, may sign subpœnas and administer oaths to witnesses; and every person duly summoned before said committee or subcommittee who refuses or fails to obey the process of said committee or subcommittee, or appears and refuses to answer questions pertinent to the investigation, shall be punished as prescribed by law.

The cost of the aforementioned investigation and continued investigations shall be paid out of the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate, and shall not exceed the sum of $40,000, in addition to the amount heretofore authorized.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WARREN. What is the amount that is still at the disposal of the committee in addition to the sum provided by this resolution?

Mr. FESS. My memory is that there is $8,000 still available.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

SENATOR FROM MAINE

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 174 and ask unanimous consent for its immediate consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for expenses of inquiries and investigations, fiscal year 1927, contingent fund of the Senate, to Hon. ARTHUR R. GOULD, a Senator from the State of Maine, $10,906.04, in full reimbursement for all expenses incurred, including fees and expenses of his attorneys, in defending charges made against him and ordered to be investigated by S. Res. 296, agreed to January 3, 1927.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 4267) for the relief of Edward Hewitt; and

A bill (S. 4268) for the relief of George H. Clayberger; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 4269) to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"; to the Committee on Civil Service.

By Mr. VANDENBERG:

A bill (S. 4270) to admit Stephen Komarik permanently to the United States; to the Committee on Immigration.

By Mr. TYDINGS:

A bill (S. 4271) creating a commission to investigate and report on the relocation of the food-distributing district of the District of Columbia to be moved to make way for the public-building program, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 4272) to carry out the provisions of the Court of Claims in the case of Martha J. Briscoe, widow of John A. Briscoe; to the Committee on Claims.

By Mr. JONES:

A bill (S. 4273) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. GOFF:

A bill (S. 4274) for the relief of James Evans; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 4275) interpreting the construction to be placed upon the words "child" and "children" as used in certain sections of the acts approved May 18, 1920, June 10, 1922, and June 1, 1926; to the Committee on Military Affairs.

By Mr. SWANSON:

A bill (S. 4276) granting a pension to Edith Bolling Wilson; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4277) granting an increase of pension to David Klingensmith; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4278) granting an increase of pension to Sarah J. Skillings (with accompanying papers); to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 4279) granting an increase of pension to Anna B. Hutchinson (with accompanying papers); and

A bill (S. 4280) granting an increase of pension to Elizabeth Meyer (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4281) granting a pension to Don I. Littell;

A bill (S. 4282) granting a pension to Francis Warren Lavely (with accompanying papers); and

A bill (S. 4283) granting an increase of pension to Lenna Longanecker (with accompanying papers); to the Committee on Pensions.

By Mr. EDWARDS:

A bill (S. 4285) granting a pension to Eliza S. Hull (with accompanying papers); and

A bill (S. 4286) granting a pension to Catherine Ryan (with accompanying papers); to the Committee on Pensions.

AMENDMENT OF TRANSPORTATION ACT OF 1920

Mr. COPELAND. Mr. President, the other day I entered a motion to reconsider the votes by which the bill (S. 3723) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was read the third time and passed. I

desire to withdraw that motion, and to introduce a bill to cover the amendments I had in mind. I ask that the bill be referred to the Committee on Interstate Commerce, and request that there may be early action upon it.

The VICE PRESIDENT. Without objection, the motion to reconsider the votes by which Senate bill 3723 was read the third time and passed will be withdrawn, and the bill now introduced by the Senator from New York will be read twice by its title and referred as he has requested.

The bill (S. 4284) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was read twice by its title and referred to the Committee on Interstate Commerce.

HERBERT HOOVER

Mr. BLEASE. Mr. President, I ask permission to have printed in the RECORD without reading an article from the China Weekly Review, published at Shanghai, China, Saturday, March 31, 1928; also an article from a paper published in this city called Politics, being an editorial entitled "Jekyll and Hyde"; also an article from the same paper entitled "Hoover no friend of the farmers"; and on page 2 of the same paper an article entitled "FESS defeated for delegate will still be the keynoter"; also an article entitled "Hoover's first vote cast for Woodrow Wilson in 1916." I shall not take the time of the Senate now, but later shall ask for a few moments to discuss one phase of the articles.

The VICE PRESIDENT. Without objection, it is so ordered. The articles are as follows:

[From the China Weekly Review, Shanghai, China, Saturday, March 31, 1928]

According to Mr. Hoover's biographical sketch which appears in the 1926–27 American Who's Who, his connection with China is indicated in the following sentence: "Professional work in mines, railways, metallurgical works in the United States, Mexico, Canada, Australia, Italy, Great Britain, South Africa, India, China, Russia, etc., 1895–1913." However, an earlier issue of the American Who's Who, the 1916–17 issue, contains more information, as the following excerpt shows: "Chief engineer, Chinese Imperial Bureau of Mines, 1899, doing extensive exploration in interior of China. Took part in the defense of Tientsin during Boxer disturbance, 1900. Representative of bondholders in construction of Ching Wang Tao Harbor, 1900; general manager Chinese Engineering & Mining Co., 1901." Hoover and his wife came to China prior to the Boxer uprising, and according to the report which has been widely published was employed by the Chinese to conduct a mining survey of Shansi, Shensi, and the Manchuria Provinces. He was about 25 years old at the time. Soon after his arrival in north China the Boxer trouble developed and he and Mrs. Hoover were bottled up in Tientsin and assisted in the defense of that city against the Boxer forces. Since there was general talk of foreign intervention and the division of China among the powers, the Chinese feared that the extensive coal beds at Chinwantao, popularly known as the Kaiping mines, would be seized by either the Russians or the Japanese. In order to prevent this the Chinese, in accordance with their usual practice in times of international crisis, transferred the title to the mines to Hoover, thus making them, technically at least, an American property and safe from seizure by the Russians or Japanese. The understanding which existed between the Chinese authorities of Chihli Province and Mr. Hoover at the time is not known, but according to report Mr. Hoover went to America for the purpose of obtaining capital for the development of the properties. Being unsuccessful in New York he proceeded to London, where the money was forthcoming and where the Chinese Engineering & Mining Co. (Ltd.) was incorporated. This organization was the father of the present Kailan Mining Administration, the largest coal-producing property in the Chinese Republic. The Kailan Mining Administration is a British corporation, which is supposed to contain a considerable Chinese share interest.

The only criticism which has ever been made regarding Mr. Hoover's record in China hinges on the organization of the Chinese Engineering & Mining Co. (Ltd.), which was incorporated in London for the purpose of taking over and developing the Kaiping coal mines. One of the few living Chinese officials who passed through the exciting Boxer events at Tientsin in 1900 and 1901 is Mr. Tong Shao-yi, former premier in the Peking Government and veteran member of the Kuomintang, who is now living in retirement in his home village in Kwangtung Province. Several years ago, when Hoover was first mentioned for the presidential nomination, the writer of these paragraphs, upon instructions of an American newspaper of which he was correspondent in China, interviewed Mr. Tong Shao-yi regarding Mr. Hoover's connection with the Kaiping mines. Mr. Tong talked very frankly on the subject and stated that the only criticism which any Chinese had in reference to Mr. Hoover's activities at the time was based on a complaint that he had incorporated the Chinese coal interests as a British property. Many Chinese, according to Mr. Tong, thought at the time that Mr. Hoover should have incorporated the properties under American law, or had simply retained the title in his own name until the subsidence of the Boxer trouble and then transferred the property back to the Chinese provincial authorities. One Chinese, Chang Yen-mao, did make a trip to London and, according to report, instituted an action in the British law courts to have the Kaiping mines returned to Chinese control. He lost his case and the British Chinese Engineering & Mining Co. immediately proceeded to develop the properties. This apparently is all there is to the story, except a rumor which has been circulated recently that Hoover became a British subject at the time, which, of course, has no basis in fact whatsoever, and which probably originated from the fact that he participated in the incorporation of the coal properties as a British enterprise. When Mr. Tong Shao-yi was asked flatly whether he approved or disapproved of Mr. Hoover's action at the time, Mr. Tong declined to make a statement.

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[From Politics, Washington, D. C., April 28, 1928]

JEKYLL AND HYDE

In 1920 there was no concealment of the fact that the firm of Dr. Jekyll Hoover and Mr. Hyde Hoover belonged to the Democratic Party and, as has been previously related in these columns, ran as such in the presidential primaries of several States. In that same year there isn't the shadow of doubt that President Wilson wished a third nomination for himself and was not at all pleased that the San Francisco convention ignored his desire. Next to himself, his preference was for Herbert Hoover, who had consistently upheld all the Wilson policies, even going so far as to indorse the President's plea for a partisan Congress, though at a prior period there had been a statement from him to the effect that "politics was adjourned."

It goes without saying that Mr. Wilson must have entertained the belief that his protégé was a regular Democrat, else he could not have entertained the notion of putting him over as his own successor. It was all well enough to give a place in his Cabinet to Bainbridge Colby, a former henchman of Theodore Roosevelt, and a defeated candidate for the United States Senate on the Bull Moose ticket, or to give secondary offices to nondescripts and misfits like Dudley Field Malone, but the Presidency was a horse of another color. As great as was the power and prestige of the President, he was far too sagacious to have cherished the idea that he could put over the candidacy of any aspirant to the highest office in America about whose Democracy there was the least doubt.

The matter of Hoover's eligibility was discussed by members of the Wilson Cabinet, but while several of them were sympathetic in order to please their chief, there was no enthusiastic response from this source; not that any of them voiced hostility to him on the ground of his membership in the opposition party; they took it for granted that his Democracy was of the simon-pure brand. Hoover himself had so recently returned to America that he had not made up his mind in which camp to alight; his identification with a Democratic administration had not made him a zealous convert, and up to that time he had failed to score a big hit with the G. O. P. In fact, in a political way his mind was confused. In England he had favored the Liberal Party, and when asked here what his party affiliations were proclaimed himself a Liberal, either by reason of his constitutional tendency to avoid a straight-out committal or else because he was too new an inhabitant of the United States of America to recognize that there were differences between the two major organizations.

The country at large, though, had formed the very definite opinion that Hoover was a Democrat by reason of the favor he enjoyed at the White House. For the same identical reason multitudes of Americans to-day believe that he has the cordial though silent approval of President Coolidge and that sooner or later Mr. Coolidge will come out openly in an indorsement of the ex-Briton for the Presidency. So sure were the Democrats of Ohio, Vermont, and Michigan that he spoke their language they entered him in their State primaries, in 1920, and in Michigan he was such a red-hot favorite that he carried the State by a heavy vote over McAdoo, Bryan, and other competitors.

Hats off to the man who can turn such a trick as to "stand in" with two Chief Executives of warring parties and conflicting policies and adapt himself to both without turning a hair. Here is the chameleon outdone. In England a Liberal, in America a Democrat and a Republican by turns. In the vernacular of the sporting world Sir 'Erbert "plays both ends against the middle," and up to date he has worked it with amazing success without experiencing half the difficulty he encountered in getting possession of Chang Yen Mao's valuable coal properties. The Chinese went to the mat with him and got back their coal mines by decision of a London judge; over here they fall for him. Why not, seeing that he had the O. K. of a Democratic President and poses as the legatee of the present holder of that office?

The populace is ever prone to accept a tip from the most august quarter from which political suggestion can come. Andrew Jackson told his countrymen he wanted Martin Van Buren as his successor; Roosevelt did the same friendly act for Taft, and in both cases the result was victory. In these instances there was no hostile public criticism, but at the present time Messrs. Lowden, CURTIS, WATSON, and GOFF fail to see anything admirable in Hoover's retention in the Cabinet and the resulting advantage given him by his occupancy of this post of proximity to the White House.

It must be conceded that it is no ordinary politician that can win the imprimatur of two Chief Executives. Here we have Doctor Jekyll Hoover (Democrat) certified as proper timber to guide the destinies of the Nation in 1920 and eight years later find Mr. Hyde Hoover (Republican) pictured as worthy of G. O. P. support for the same great rôle. Was old P. T. Bœrnum much in error when he declared the American people loved to be humbugged?

In connection with his own success in humbuggery the shrewd Barnum made use of all the arts of publicity known in his day, but this modern disciple of his has gone the old master a lot better, with no very great difference in methods. Barnum was a wonderful advertiser and here is where his successor shines. Who but Hoover could have commandeered the claque that has given him the amazing amount of publicity he has been enjoying? What other candidate ever had such constant adulation of the press? "The little dogs and all, Tray, Blanche, and Sweetheart" have barked his praises in endless columns of the newspapers and in the pages of many magazines and yet not one of them barks that he has ever done anything for the party he claims to represent; not a yelp to tell of his sinister exploitation of luckless orientals; not a whining reminder that he tried to defeat every Republican who ran for Congress in 1918.

Meanwhile the "great English statesman" is said to be not altogether happy. Sustained by the supposedly overwhelming propaganda of his organized bureau of publicity he had not counted on the digging up of a record that should have been covered with the oblivion of vanished years. As smart as the claque was it could not forestall the exposé of those enterprises in the Far East. The claque and its hero are much put out about this, for it's deucedly annoying; so much so, in fact, that if the candidate had known of the revelations there is the best ground for believing he never would have stretched forth his hand for the prize he covets but will never obtain.

HOOVER NO FRIEND OF THE FARMERS

EDITOR POLITICS:

In the issue of the Enid Eagle, Friday, April 13, is an article headed "Jardine takes up defense of Secretary Hoover." He brands charges against Hoover of working a hardship on farmers as false. I am surprised at Jardine, as we farmers, upon whom hinge all other industries of our country, had perfect faith in him as our friend and coworker.

During the late war Mr. Hoover, as food administrator, worked a hardship on the entire farming interests of our country. Farmers remember when wheat was bringing $2.80 per bushel; Mr. Hoover put a minimum price on it which made the price of wheat in Enid, Okla., $1.80 per bushel. One dollar a bushel less, yet kept the price of flour up to high mark for many weeks after. One farmer, 10 miles southeast of Enid, lost by Hoover's reign $1,300 on his wheat crop. This is only one instance of many thousands who lost like amounts. Farmers were buying tons of mill feed, paying same price as before drop in wheat.

I had gone to raising hogs—had 75 head. Hogs were bringing on the market $23 per hundred, and corn on the Enid, Okla., market was $2.25 per bushel. Hoover put a minimum price of $15.50 per hundred on hogs. One bushel of corn puts on 10 pounds of pork. It took $2.25 worth of corn to put on $1.50 worth of pork. Yet Hoover kept on crying "Raise more hogs." It put me, and many others, out of business. Mr. Hoover now pretends to be the farmers' friend. It doesn't take a man with an extra large brain to see why. It worked a very great hardship on the farmers. Some were able to stand it. Many farms were mortgaged. Many could not make the riffle and were closed out. It would be hard to estimate the enormous loss to the farmers. Hoover is a man for the monopolies. These are facts that can not be denied.

R. K. WILSON.

FESS DEFEATED FOR DELEGATE WILL STILL BE THE KEYNOTER

Senator SIMEON D. FESS, of Ohio, chosen to make the keynote speech at the Republican National Convention in Kansas City June 12, failed to win a place among the delegates at large from his own State. His defeat, however, will not mean that his place will be taken by another. The permanent chairman of the convention necessarily must be a member of the convention, but the temporary organization can invite anyone to make the opening address. In 1924, for instance, Dr. Marion Burton was personally selected by President Coolidge to make the keynote address, and was formally invited by the convention. Doubtless this will be done in the case of Senator FESS.

As a candidate for delegate at large, FESS was pledged as a Willis delegate, with Senator CURTIS as his second choice. Since the death of Senator Willis, FESS has been looked upon as favorable to Secretary Hoover's nomination, notwithstanding his pledge to CURTIS. It is inconceivable that, in the circumstances, the Ohio Senator could or would use his position to favor the Commerce Secretary.

Ten years ago, when Hoover joined President Wilson in an appeal to the country for the election of a Democratic Congress, FESS, then chairman of the Republican congressional committee, in the strongest terms denounced Hoover, then food administrator, as an internationalist, questioning his Republicanism, and declaring the Republican Party could not nominate him. In a formal reply to the appeal of Hoover and Samuel Gompers, FESS, as head of the congressional committee, issued this unequivocal statement:

"American voters will not be deceived with specious appeals from Democratic headquarters that a Republican Congress will be interpreted in Europe as against the war. They know as well as Europe knows that every country fighting Germany has a coalition government, adopted since the war began, as an effective war measure, and that ours is the only great country at war which has been conducted on strictly party lines. Europe as well as America knows the attitude of Republicans, whose record is before the world, both on war and peace.

"As to Gompers's psychological appeals, no voter will be stampeded by a report made to order, both as to time and character, and both of which were not only expected but announced by us some days ago. As to Hoover's appeal in an attempt to capitalize the blood of our sons fighting and dying in France, the voters will properly interpret such prostitution of official station the day before election. The Food Administration need only fear such results of investigation as findings in the interest of public welfare compel it. The character of his appeal to be continued uninterrupted and the basis upon which he puts it arouse new interest in his department."

Is it possible that at this date Senator FESS can have changed his mind about the man he so bitterly denounced? Is it possible that the man who would have accepted the Democratic presidential nomination in 1920, and who carried the Democratic presidential primary in Michigan that year, can be regarded now by the man who will make the keynote speech of his party at Kansas City, as a true Republican?

A leopard can not change its spots.

HOOVER'S FIRST VOTE CAST FOR WOODROW WILSON IN 1916

Herbert Hoover's first vote in a national election in America was cast for Woodrow Wilson, Democratic candidate for President in 1916. This statement was made by Senator COLE BLEASE, of South Carolina, on the floor of the Senate. The South Carolinian quoted verbatim, he declared, from a statement made by a Senator when Hoover's name was up for confirmation as a member of President Harding's Cabinet. The statement said:

"This man, Herbert C. Hoover, has spent all his grown-up life in the employ of British corporations in England and Australia. He never voted in the United States until 1916 for Woodrow Wilson."

Senator BLEASE gave this as the first of four reasons why Hoover should never be President of the United States. The other reasons were:

Second. When Americans—in the United States—were paying 10 cents a pound loaf for green, soggy "substitute" bread, England, France, and Belgium were paying 3½ and 4 cents a pound loaf for all-flour, American wheat bread, furnished them by Herbert C. Hoover, the American.

Third. He never accounted for $11,000,000 of the $33,000,000 placed in his hands by the "American Charities (Inc.)" for the starving children of central Europe. Repeated efforts and interrogations by New York publications failed to elicit any response from Herbert C. Hoover or his subordinate in office.

Fourth. When newly appearing in American affairs he, with friends, speculated in American wheat up to $50,000,000 at a time in the Far East. No denial was ever made.

WHITE RIVER BRIDGE NEAR COTTER, ARK.

The VICE PRESIDENT laid before the Senate the bill (S. 3511) granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark., which had been returned from the House of Representatives in compliance with the request of the Senate.

Mr. CARAWAY. Mr. President, a bill providing for the construction of that bridge has passed the House, and the Senate concurred in it after this bill had passed the Senate. I therefore ask that the votes by which this bill was read the third time and passed be reconsidered and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, the votes by which the bill was read the third time and passed are reconsidered, and the bill will be indefinitely postponed.

ANNUAL REPORT OF FEDERAL FARM LOAN BUREAU

Mr. BLEASE. Mr. President, I submit a resolution, which I ask to have read, and then I shall ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 215), as follows:

Whereas by act of Congress, July, 1916, known as the farm loan act, it becomes the duty of the Secretary of the Treasury to annually transmit to the Congress the annual report of the Federal Farm Loan Bureau of said department for the purpose of advising the Congress and the public of the true financial condition of the 12 district farmer-

owned Federal land banks and of the privately capitalized joint-stock land banks chartered under said act; and

Whereas said report has not to this late date been filed with Congress, whereas prior to 1927 said report was always available for the deliberation of Members early in January, that necessary remedies might be adopted to safeguard and strengthen a system intended for the financial support of American agriculture; and

Whereas we have reason to believe that the said Secretary of the Treasury now has available said annual report for the last fiscal year, and is again withholding same from the public until after the adjournment of this session of Congress, as he did in 1927, which is contrary to the intent of demanding an annual report, and which deprives thousands of farmer-owners of the 12 district land banks of knowledge of the real condition of their banks; and

Whereas a national scandal is now impending with respect to the financial condition of 6 of the 12 district Federal land banks, due to the failure of the political appointees who have been named to act for the Farm Loan Bureau in the operation of these banks, which the farmer stockholders now fully own; and

Whereas so grave has become the condition in one of these banks that the Committee on Banking and Currency is now considering a resolution which calls for a full investigation of the entire system as a result of startling revelations recently come to light; and

Whereas the financial welfare of thousands of farmer-owners of these district Federal land banks, whose banks are now manipulated by political appointees, is at stake, and their property may be so depressed that it become beyond repair unless Congress is immediately advised of the condition, permitting of necessary remedies; and

Whereas political appointees of the Farm Loan Bureau and the Treasury Department have assured Members of Congress, and are now carrying on a propaganda program among farm-paper and newspaper editors, in order to suppress the real truth being printed, or necessary legislative action taken by this session of Congress; said annual report being the only basis upon which intelligent conclusions may be reached: Therefore be it

*Resolved,* That the Secretary of the Treasury be, and is hereby, directed to immediately transmit to the Senate the annual report of the Farm Loan Bureau for the past fiscal year which he is now withholding from release unnecessarily.

Mr. CURTIS. Mr. President, I have no objection to the adoption of a resolution requesting the Secretary of the Treasury to make the report referred to; but I think it would be unfair to the Secretary to charge that he was unjustly withholding the report unless we had more facts. If the Senator will amend his resolution.

SEVERAL SENATORS. Let it go over.

Mr. CURTIS. Several Senators have asked that the resolution go over, under the rule. I will talk with the Senator about it. I ask that it go over, under the rule.

The VICE PRESIDENT. The resolution will go over, under the rule.

Mr. BLEASE. I ask that the letter which I send to the desk be printed in the RECORD following the resolution.

The VICE PRESIDENT. Without objection, it will be so ordered.

The letter is as follows:

[Extract from letter of farm borrower of Russianized Federal land bank]

WHERE IS THE FARM LOAN BOARD'S REPORT?

Members of the Senate and House should insist upon the Federal Farm Loan Bureau of the Treasury filing with them, in accordance with the farm loan act, the annual report of their administration of the 12 district Federal land banks, and of the transactions of the more than 50 privately capitalized joint stock land banks. This report has been withhheld more than four months, because the Farm Loan Bureau and Andrew W. Mellon, chairman ex officio of the board, fear to let the public know the deplorable facts while the Congress is in session.

SOVIETS FEAR FACTS

This same trick was played on Congress last year when the Farm Loan Bureau, under the domination of Mellon, neglected to file their report until after Congress adjourned, when it was too late for the representatives to take necessary action to remedy many failures of the political hirelings of Mellon, who are now engaged in wrecking the Federal farm loan system and who for the past few months have been busily engaged, under the guidance and leadership of Eugene Meyer, in passing out propaganda about the country to the effect that "everything is all right with the system." If that is so, where is their annual report? Why has not this report of their stewardship of the administration and supervision of the system long since been made public?

CONGRESS SHOULD ACT NOW

The Senate should adopt a resolution demanding that the Farm Loan Board's report be transmitted by Mellon, as becomes his public duty. No longer should the hirelings of the Treasury be permitted to suppress the report of their sovietized manipulations of the 12 district Federal land banks, which, in common with Russianized methods, they stole from the farmers, through a tricky piece of legislation, and which they now hold under their political domination contrary to the Constitution of the United States. By all means, Congress should act now if they wish to return to the folks "back home" with clean hands. No honest representative of the people can consistently say that he has done his best by his people and by the country at large if he is partner (through silence) in permitting his suppression of essential facts to continue longer.

Each and every year prior to 1927 the annual report of the Farm Loan Bureau was released by the Secretary of the Treasury early in the new year session, and printed as a public document and distributed. This year and last, due to the acknowledged miserable failure of the political manipulators of the system, this report has been suppressed and withheld by Mellon, until after the session of Congress adjourned, to permit of no possible action of remedy. How can honest legislators permit this to be repeated this year, in face of the nation-wide scandal now pending, and of the enormous amount of facts revealed by Senator BLEASE, calling for the most rigid investigation of the entire political banking system?

SCANDAL NOW PENDING IN BACKGROUND

Of the 12 district Federal land banks, the capital stock of which is owned by the farmer borrowers, who likewise assume all the liability, half, or 6 now find themselves confronted with a pending scandal. The Farm Loan Bureau and the political directors of these banks are hoping that they can keep the lid on until after Congress adjourns. Some of the most startling revelations are sure to result from facts which are now available, and only a little time will now be needed before the bomb explodes and these banks find their names on the front pages of the daily press, assuming news proportions along with Teapot Dome and Sinclair's oil manipulations. The politicians are anxious to stay on, yet wish to get out before the explosion. Such is the life of the political banker; he lives in deadly fear, both night and day.

In view of the pending scandal, the illegal manipulations of Mellon and his hireling—Dewey—of the Treasury, in closing up the Kansas City, Mo., joint stock land bank, of Department of Justice hirelings forcefully entering private chambers in the offices of this bank and stealing—that is the only word that accurately describes the act—stealing the papers of that bank, forcing it into the hands of a receiver, named by Mellon, who is and has been Mellon's tool in manipulating the affairs of that bank ever since—in view of these and many other illegal acts of the present gang in possession of the farmer's land-banking system, it becomes necessary that the report of the Farm Loan Board be immediately released by Mellon and that a searching investigation of the entire system be set in action immediately by the Senate, in accordance with Senator BLEASE's resolution.

MEYER PASSES OUT PROPAGANDA

Since the facts have been inserted in the CONGRESSIONAL RECORD by Senator BLEASE regarding the true conditions of the farm loan system—a deplorable situation, which is growing worse and worse each day—Farm Loan Commissioner Eugene Meyer and his political hirelings have been busy traveling about the country visiting farm-paper and other editors in an endeavor to suppress the news of their political shortcomings. In customary Republican paroxysms they have tried the slapping on the back of method of assuring one and all that "I am not only great, but also good." Few of the farm-paper editors can swallow this bitter dose—they hear too often and too much from their farmer readers "back home." Some of the larger papers did for a time fall for Meyer's propaganda, but the New York Times, in a notable exposure of the present political methods, revealed to Meyer just how much of his stock they would have; immediately after Meyer's agents visited their offices an exposure article appeared with a two-colmn blackface-type headline. As Abe Lincoln said, "You can't fool all of 'em all of the time."

Senators! Insist that Mellon release that annual report. He has smothered the true facts long enough. Give us facts, not propaganda!

EVA MAY DUNN

Mr. BORAH submitted the following resolution (S. Res. 216), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved,* That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for "Miscellaneous items, contingent fund of the Senate, fiscal year 1927," to Eva May Dunn, daughter of Reese R. Dutton, late an employee of the Senate, under supervision of the Sergeant at Arms, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMERICAN EXPORTS

Mr. McKELLAR. Mr. President, on yesterday the New York Times, one of our greatest newspapers, published a very interesting article on "What America sells abroad." A large number of products are set out. I thought at first that it referred only to manufactured products, but apparently it does not. It in-

cludes raw products as well. I ask that it be printed in the RECORD, together with a further statement.

Both cotton and lumber were left out of this enumeration entirely. I desire to call attention to the fact that cotton in 1926 constituted $814,400,000 of our exports, more than half as much again as any other product mentioned in the list, and likewise that our sales of lumber abroad amounted to $106,000,000.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

WHAT AMERICA SELLS ABROAD

The following table shows the relative amounts of various products sold by American concerns abroad. The figures do not include goods manufactured in foreign factories of American companies:

| Commodity | Value of exports (1926) | Proportion of world output from United States of America |
|---|---|---|
| 1. Petroleum and products | $556,000,000 | 70 |
| 2. Automobiles | 320,000,000 | 85 |
| 3. Machinery | 280,000,000 | (1) |
| Agricultural | 86,000,000 | 60 |
| Mining and pumping | 38,000,000 | (1) |
| Metal working | 19,000,000 | (1) |
| Printing | 11,000,000 | (1) |
| Textile | 10,000,000 | (1) |
| Sewing machines | 11,000,000 | (1) |
| Locomotives | 5,000,000 | (1) |
| Typesetting | 4,000,000 | (1) |
| Paper mill | 4,000,000 | (1) |
| Shoe | 1,000,000 | 65 |
| 4. Meat and products | 227,000,000 | (1) |
| 5. Metal (except iron and steel) | 200,000,000 | (1) |
| Copper | 121,000,000 | 55 |
| Lead | 13,000,000 | 40 |
| Zinc | 13,000,000 | (1) |
| Aluminum | 9,000,000 | (1) |
| 6. Steel | 174,000,000 | 52 |
| 7. Tobacco | 157,000,000 | (1) |
| 8. Chemicals | 105,000,000 | (1) |
| Medicinal preparations | 20,000,000 | (1) |
| Paints and pigments | 19,000,000 | (1) |
| Toilet preparations | 17,000,000 | (1) |
| 9. Electrical apparatus | 84,000,000 | 52 |
| 10. Rubber | 59,000,000 | (1) |
| 11. Office equipment | 36,000,000 | (1) |
| Typewriters | 19,000,000 | (1) |
| Calculating machines | 9,000,000 | (1) |
| Cash registers | 6,000,000 | (1) |
| 12. Moving pictures | 16,000,000 | 90 |
| 13. Cameras and supplies | 10,000,000 | (1) |
| 14. Safety razors | 10,000,000 | (1) |

(1) Indicates figures are not available.

ESTATE OF HALLER NUTT, DECEASED

Mr. STEPHENS. Mr. President, Order of Business 908, Senate bill 1769, is similar to a bill which has twice passed the Senate. It has the approval of the War Department and the Bureau of the Budget. I ask unanimous consent for its immediate consideration.

Mr. KING. Let it be read.

The VICE PRESIDENT. The Secretary will read the bill.

The Chief Clerk read the bill (S. 1769) for the relief of the legal representative of Haller Nutt, deceased, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Sargeant Prentiss Knut, administrator de bonis non cum testamento annexo of the estate of Haller Nutt, deceased, late of Natchez, Miss., out of any money in the Treasury not otherwise appropriated, the sum of $131,328, due the estate of the said Haller Nutt for one mill and 700 bales of cotton taken for use by the United States military authorities, in compliance with the findings of the Court of Claims reported to Congress February 18, 1915.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RAILWAY RATES ON GRAIN

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The Chief Clerk read Senate Resolution 208, submitted by Mr. WALSH of Montana on the 27th instant, as follows:

*Resolved*, That the Secretary of Commerce be, and he hereby is, directed to transmit to the Senate information as follows:

1. What is the rate for the transportation of wheat by rail from the following points in the United States, to wit: Fargo, Devils Lake, Bismarck, Glasgow, Billings, Bozeman, Havre, Helena, and Kalispell to (a) Duluth, (b) New York, (c) Philadelphia, (d) Baltimore.

2. What is the rate from points in the western Provinces of Canada at distances from Fort William corresponding in distance from Duluth to the points west thereof first above listed to (a) Fort William, (b) Montreal.

3. What is the aggregate amount that would be realized annually by American shippers of (a) wheat, (b) of all grains over and above what they do realize during any 12-month period where the rates on such freight on American railroads are no higher than they are on the Canadian railroads.

4. To what extent are such lesser rates on the Canadian railroads (if they are less) due to charter provisions of said railroads and to what extent are such excessive rates on American railroads (if they are excessive) attributable to the act of Congress approved February 28, 1920.

Mr. WALSH of Massachusetts. Mr. President, I would like to offer a short amendment to the resolution. I move, on page 1, line 8, after the word "Baltimore," that the word "Boston" be inserted, so that the rates to and from Boston will be included.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 1, line 8, after the word "Baltimore," insert a comma and "(e) Boston."

Mr. WALSH of Montana. I have no objection to that.

Mr. JONES. Mr. President, may I ask the Senator from Montana if he does not think this inquiry should be directed to the Interstate Commerce Commission?

Mr. WALSH of Montana. If the Senator from Washington will pardon me, and if the Senator from Nebraska will give me his attention, I understand the Senator from Nebraska asked when the resolution was presented that Chicago be included also, and I am very glad to have that done. I ask that a similar amendment be made including Chicago.

Mr. JONES. I do not understand that the Secretary of Commerce has the data.

Mr. WALSH of Montana. I directed the inquiry to the Secretary of Commerce because the Commerce Department is our statistical department in relation to all commercial matters.

Mr. JONES. That is true, but I do not think they have data with reference to freight rates and charges.

Mr. WALSH of Montana. They can easily secure them. However, if it seems desirable, it is quite satisfactory to me to substitute the Interstate Commerce Commission.

Mr. JONES. I believe that would be better.

Mr. WALSH of Montana. Very well.

Mr. FLETCHER. Mr. President, I am inclined to think that is correct. I do not believe the Commerce Department can tell anything about the rates.

Mr. JONES. No; I think not.

Mr. FLETCHER. If we are going into a question of rates, we shall have to go to the Interstate Commerce Commission, or, perhaps, the Shipping Board might have the information.

Mr. NORBECK. Mr. President, if I understood this resolution as it was read, it also called upon the department to tell what the effect of the transportation act of 1920 was on rates, did it not?

Mr. WALSH of Montana. Only on wheat and other grain rates.

Mr. NORBECK. Is that included now?

Mr. WALSH of Montana. Yes.

Mr. NORBECK. Permit me to suggest that if we are to ask for the effect of Federal law on transportation, we should go a little further and ask the effect of all the laws instead of singling out the last one. I would like to offer an amendment that we also ask the effect of Federal legislation of the last 8 or 10 years, so as to include the Adamson law and the other laws.

I would also suggest another amendment; that is, that we inquire what effect the Government subsidies may have. I understand Canada at one time had a positive subsidy to the railroads in the hauling of the interior agricultural products.

Mr. WALSH of Monana. That part of it is covered by the resolution.

Mr. WALSH of Massachusetts. I hope the Senator from South Dakota will not press the matter to which he has just referred. An investigation is to be made along that line, going into the whole question of Canadian subsidies and Canadian preferential tariffs, and I hope the Senator will not confuse that with the resolution offered by the Senator from Montana,

which is simply to get information, which will be helpful in the other investigation that is to be made, and in which I know the Senator will be interested.

Mr. NORBECK. My suggestion as to the inquiry about the subsidy was dropped when the Senator from Montana assured me that it is already incorporated in his resolution.

Mr. WALSH of Massachusetts. I thought his resolution confined itself pretty closely to rates.

Mr. NORBECK. I offer this amendment, that they also make inquiry as to the effect of Federal laws and regulations enacted in the last 10 years on railroad rates.

Mr. WALSH of Montana. I trust the Senator from South Dakota will not press that request for an amendment to this resolution. I hoped to get it through without any opposition whatever.

I included the provision as to the act of 1920 because that deals particularly with rates. If we go into the question as to what effect general legislation will have upon the matter, I am sure the Interstate Commerce Commission will reply that the matter is too controversial to warrant them in expressing any views about the matter at all. Indeed, I entertained some doubt as to whether it would be proper to ask either the Secretary of Commerce or the Interstate Commerce Commission for information concerning the effect even of the act of 1920, which deals specifically with rates. The provisions are familiar to all. But if we go into the field into which the Senator from South Dakota desires to enter the Interstate Commerce Commission would be obliged to take into consideration also the effect of improvements in the art, the building of greater locomotives, and the reduction in the number of men employed. There are a thousand considerations that have influenced rates as a whole. I feel perfectly certain that the commission will be unable to answer questions of that character. At least, they have no information on file that will enable them to answer.

Mr. NORBECK. Mr. President, there has been an astonishing increase in railway rates in this country, and an absolute unwillingness on the part of Congress to discuss the causes underlying it. If the building of a large locomotive is a matter of inquiry, let us have it. If the question of higher wages is a proper matter of inquiry, let us know about it. Let us not be fooling ourselves all the time. Can we not have the facts or as much as they can furnish in some reasonable time?

Mr. WALSH of Montana. The trouble about it is that the commission would be obliged to say to us that they have no information upon the subject.

Mr. NORBECK. I am willing to modify the request so as to let them make brief statements on it without going into the details, but to give us information they may have available on those questions.

Mr. WALSH of Montana. If the Senator will put his amendment into form——

Mr. NORRIS. Mr. President, I would like to suggest to the Senator from South Dakota that there is really incorporated in the suggested amendment an important thing, about which I would very much like to have information, but it is a subject of investigation, it is a subject on which the views of men will disagree, and they will not agree as to what caused this or that.

I would be glad to have the judgment of the Interstate Commerce Commission, but I dislike to see the matter handled through an amendment to this resolution, which really has for its object ascertaining as to whether there is a difference in freight rates, particularly from the great West, on agricultural products, especially on wheat, between Canadian railroads and American railroads; and, if there is such a difference, the cause of it. The same things that have operated on railroads in the United States, speaking in a general way, have operated also on railroads in Canada. The question of larger locomotives and stronger bridges and heavier rails is the same on both sides of the line, and as to whether legislation has tended to increase rates or not is a question that can also be discussed as applying both to Canada and to the United States.

The interesting thing about the Senator's resolution is that it will result in our obtaining official acknowledgment of the fact that the rates in Canada, particularly on wheat, are lower than they are in the United States. I would like to have an official statement of that kind. Most of us know about it in a general way, but if we couple it up with the amendment that is suggested, I want to say to the Senator that it will delay it, in the first place, and, in the next place, it will bring into the resolution a controversial question that ought not to be in it.

Mr. NORBECK. I think there can be nothing more controversial than the Esch-Cummins Act, and the Senator from Montana has included that, but has left out all the Democratic legislation.

Mr. NORRIS. As I heard the resolution read, it seems to me the criticism that could be justly made to it is that it did refer to that act. I do not think we ought to refer to any act. Let us find out, first, whether the railroad rates are lower in Canada than they are here. Let us get that information.

Mr. NORBECK. That is exactly all we want. But I ask the Senator whether he will not broaden the resolution so as to include not only the rates on wheat but freight rates generally?

Mr. WALSH of Montana. I have not the slightest objection to that, but that is a rather large order.

Mr. NORBECK. If the Senator will do that, I will drop the other matter for the time being; but I want to push it later.

Mr. NORRIS. I hope the Senator from South Dakota will introduce a resolution along the lines he has suggested.

The PRESIDING OFFICER (Mr. MCNARY in the chair). The question is on agreeing to the resolution as modified.

Mr. JONES. Mr. President, I understand the resolution has been amended so as to direct the inquiry to the Interstate Commerce Commission.

The PRESIDING OFFICER. It was so modified.

The resolution was agreed to as modified, as follows:

*Resolved*, That the Interstate Commerce Commission be, and it is hereby, directed to transmit to the Senate information as follows:

1. What is the rate for the transportation of wheat by rail from the following points in the United States, to wit, Fargo, Devils Lake, Bismarck, Glasgow, Billings, Bozeman, Havre, Helena, and Kalispell to (a) Duluth, (b) New York, (c) Philadelphia, (d) Baltimore, (e) Boston, (f) Chicago.

2. What is the rate from points in the western Provinces of Canada at distances from Fort William corresponding in distance from Duluth to the points west thereof first above listed to (a) Fort William, (b) Montreal.

3. What is the aggregate amount that would be realized annually by American shippers of (a) wheat, (b) all grains over and above what they do realize during any 12-month period were the rates on such freight on American railroads no higher than they are on the Canadian railroads.

4. To what extent are such lesser rates on the Canadian railroads (if they are less) due to charter provisions of said railroads and to what extent are such excessive rates on American railroads (if they are excessive) attributable to the act of Congress approved February 28, 1920.

5. And any other information they may have with reference to freight rates generally on American as compared with Canadian railways.

### PROHIBITION ENFORCEMENT

Mr. BRUCE. Mr. President, anyone who is at all familiar with the operations of the Anti-Saloon League knows that the mainsprings of its activities are "boodle" and "bunk." It is a hybrid organization, partly ecclesiastical and partly political, ecclesiastical enough to be a menace to the State and political enough to be a discredit to the church.

Mr. CURTIS. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. CURTIS. This being Monday morning and calendar day, I desire to know if debate is in order without unanimous consent?

The PRESIDING OFFICER. Not without unanimous consent.

Mr. CURTIS. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded.

Mr. BRUCE. That is all right. Somehow or other that principle of unanimous consent is always invoked when any Senator has a word to say against the Anti-Saloon League.

### PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate Resolution 214, submitted by the senior Senator from Arkansas [Mr. ROBINSON] this morning. I report it with an amendment and ask for its present consideration. I ask the attention of the Senator from Arkansas [Mr. ROBINSON].

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, to add at the end of the resolution:

The sum of $25,000 is authorized to be appropriated to carry out the purpose of the resolution.

Mr. ROBINSON of Arkansas. I have no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BRUCE. Mr. President, I desire to speak on the resolution and continue my remarks, which were cut off so abruptly by the Senator from Kansas.

Mr. LA FOLLETTE. Regular order!

The PRESIDING OFFICER. The Senator has a right to debate the resolution.

Mr. BRUCE. Mr. President, I was saying that this organization, the Anti-Saloon League, is partly ecclesiastical and partly political.

As an illustration of the "bunk" that it is in the habit of endeavoring to palm off on the public I wish to call attention to an interview with Dr. Otto Melle, president of the Methodist Theological Seminary at Frankfort on the Main, in Germany, which is reported in the Baltimore Sun of the 25th instant. That report quotes Dr. F. Scott McBride, the present general superintendent of the Anti-Saloon League, who is rattling around at random in the shoes of the late Wayne B. Wheeler, as saying that Doctor Melle has just made the following statement:

I have been three days in Washington, and spent three days in New York before coming here, during all of which time I have not seen a person who appeared to have been drinking, nor have I been offered a glass of beer or wine.

Think of that! He was in Washington for two days, on or about the 25th of this month, and did not see a single drunken person and did not see a single evidence of inebriety.

On that very day—that is to say, the 25th instant—I called attention to a statement of the evening before in the Washington Star to this effect:

Sixty-four arrests on charges of sale, possession, and transportation of intoxicants were reported in Washington during the 48 hours which ended at 8 o'clock this morning.

So much for violations of the Volstead Act. The same statement further affirms that the seizures included 348 quarts of whisky, 152 quarts of brandy, 84 quarts of alcohol, 23 quarts of gin, 326 bottles of beer, 2,000 gallons of mash, and one still. The statement further affirms that 144 persons were arrested for intoxication during the two-day period.

Think of such an interview, which, if not positively mendacious, was utterly misleading, being formally put forth by McBride, the general superintendent of the Anti-Saloon League, for the purpose of influencing public opinion in this country. What faith, I ask, is to be placed in any statements of McBride or of the Anti-Saloon League if the columns of the press can be so shamefully perverted for such a deceptive purpose.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

*Resolved*, That a special committee of five be appointed by the Presiding Officer of the Senate to investigate forthwith and report to the Senate as soon as possible the campaign expenditures of the various presidential candidates in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage and the providing of funds for setting up contesting delegations, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in any necessary remedial legislation.

That said committee is hereby empowered to sit and act at such time and place as it may deem necessary; to require, by subpœna or otherwise, the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding $1 per printed page. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The expense thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The sum of $25,000 is authorized to be appropriated to carry out the purpose of the resolution.

## THE IMMIGRATION QUESTION

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a statement recently published in the journal known as Southwestern Resources, under date of April 27, 1928, entitled "Uncalled-for denunciation of Senators," and relating particularly to the subject of immigration.

There being on objection, the article was ordered to be printed in the RECORD, as follows:

### UNCALLED-FOR DENUNCIATION OF SENATORS

On March 2 some members of the executive committee of the South Texas Chamber of Commerce got together in San Antonio (six men in all) and passed some resolutions denouncing United States Senators SHEPPARD and MAYFIELD "as not entitled to further public trust" because of action (or nonaction) on the subject of Mexican immigration.

There are a million or more people in the territory covered by the South Texas Chamber of Commerce, and the vast majority certainly do not approve of the resolutions these six men put forth in their name.

This is a similar case to that of the three tailors of Tooley Street that passed resolutions in the name of "We, the people of London."

These resolutions were as follows:

"Whereas neither of the United States Senators from Texas have seen fit to absolutely oppose before the Immigration Committee of the United States Senate the favorable reporting of legislation (popularly known as the Box bill) for the further restriction of Mexican immigration to the United States; and

"Whereas if this legislation is passed the entire population of the western and southwestern regions of the United States will suffer irreparable financial loss due to the fact that the regions mentioned are dependent on agricultural and stock raising for their commercial assistance and that these industries can not be maintained in their present state of development if deprived of this labor: Now, therefore, be it

"*Resolved by the executive committee of the chamber of commerce*, That in the judgment of said committee these men have failed in their obligations to the citizens of Texas and are not entitled to further public trust."

We are strongly against the Box bill limiting the immigration from Mexico as provided in that bill as any of the western or southwestern people, and have said so. But we realize that we are a very small minority of the people of the United States in this matter and are not able to force our desires on Congress or Congressmen.

We fully recognize the fact that if the Box bill is passed by the present Congress it will do enormous harm to west and southwest Texas, and we do not want it to pass. In this respect perhaps 75 per cent of the people of Texas and 90 per cent of the people of the United States are either against us or do not care whether the law is passed or not, and this is no time for us to become bellicose or unruly in our attitude on the bill. We positively can not accomplish anything by adopting that attitude.

If the members of the executive committee who passed the resolutions that our Senators "are not entitled to further public trust" would read the proceedings of Congress and the leading magazines and newspapers of other parts of the country they would at once come to the conclusion that we are up against a hard proposition. They would see further that diplomatic reasons alone are stemming the tide favoring the Box bill.

So we are in the nature of supplicants and not battlers in the front-line trenches.

Practically all the scientific and educational forces are against us, for the reason, as alleged, they see a future from a large immigration from Mexico similar to that realized from such an immigration from Asia and Africa.

The Box bill, we feel confident, will not be passed by the present Congress. but a bill of similar nature, permitting a larger percentage, perhaps, of immigration from countries of the Western Hemisphere than from Europe, as was provided, we believe, by the Watson bill, will inevitably become a law in the future.

We in this part of the country should therefore realize now that the thing to do is to provide ways and means for keeping the Mexican labor we have and that received during the next few years for longer terms by providing tenement, school, and social accommodations, as has already been done by several of our large farm and land developers.

Any plan for "seasonal" labor from a foreign country can not prove satisfactory to our people or to our Government. It would be a source of constant irritation for many reasons. So the thing to do is to get labor into this country and keep it here.

These resolutions denouncing our United States Senators will put us in a bad light in other parts of the country, for the people there will think our plea is purely one of selfish aggrandizement if we display an unruly temper, whereas the question is one of profound economic importance to us. We have begun developments of lands and farms, which will run through a term of years, founded upon getting Mexican labor, the only kind of labor suited for the work, and if we are suddenly shut off from this labor it will do a vast lot of harm to the country, and the bill should be put off for a couple of years and then the quota increased.

Senator SHEPPARD and Senator MAYFIELD have sedulously and continually worked for the benefit of our western and southwestern section, and we feel sure that they will do what they can for us in their capacity as representatives of all people of Texas.

PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. WALSH of Massachusetts. Mr. President, I observe in the resolution which the Senator from Arkansas [Mr. ROBINSON] submitted this morning, calling for an investigation into the expenditures of money in presidential campaigns, no reference to the amount of money that may be expended by candidates.

Mr. ROBINSON of Arkansas. The Committee to Audit and Control the Contingent Expenses of the Senate reported an amendment, to which I agreed, and which was adopted, carrying not to exceed $25,000 for that purpose.

Mr. WALSH of Massachusetts. As a member of the committee I approved of that amendment, but that is not the matter to which I am calling the Senator's attention. To my mind, no investigation into the use of money by a candidate for public office can be effective unless there is a limit upon the amount of money which he can use. I would like to see the Senator from Arkansas, or some other Senator who is not a candidate for office this year, present a resolution limiting the amount of money that a candidate for the Senate can use, so far as the Senate can express its sentiment upon that question. I think an attempt two years ago was made to fix such a limit, but the resolution was prevented from being adopted by a filibuster. It seems to me that the work of the committee investigating the use of funds to bring about the election of United States Senators could be made very much more effective if some limit was defined on the amount that could be used by a candidate, or by an organization which is promoting the candidacy of a particular candidate. I should like the Senator's view on that suggestion.

Mr. ROBINSON of Arkansas. I shall be glad to give consideration to the suggestion of the Senator from Massachusetts and confer with him and other Senators upon the very important subject about which he has just spoken.

The principle of the resolution which the Senate has just passed is that the public and the Senate, as well as other legislative agencies, are entitled to know what influences are being exerted to secure the selection of high public officers like the President of the United States. It is believed that publicity concerning that important question will be helpful in preventing the methods and practices which have prevailed in some previous campaigns and which ought never to occur in elections in any country, much less in the United States.

Mr. CARAWAY. Mr. President, I want to call the attention of the Senator from Massachusetts to the fact that, having served on the investigating committee in 1924, even a resolution limiting the amount that one might expend for his candidacy will utterly fail of its good intentions and purposes unless it takes into consideration two other things. One is the habit of grouping the expenses under a plan for supporting 5 or 6 or 8 or 10 candidates. Under the group system a million dollars may be expended, and when we try to find out if they have expended it to elect somebody to the Senate they will say that it included the State, county, and municipal tickets and therefore they can say they expended nothing for the senatorial candidate, although he was on the ticket and got the benefit of the entire expenditure. If the Senator has in view trying to prepare a resolution along the line suggested, I hope he will take that into consideration.

Mr. WALSH of Massachusetts. I appreciate the soundness of the suggestion the Senator from Arkansas makes. It is a common method devised to hide personal expenditures and expenses.

Mr. CARAWAY. Yes; and I call the Senator's attention to the fact that if the resolution is to be effective it must also take into consideration expenditures made by independent committees, in which case the candidate will declare he knew nothing about the expenditures and had nothing to do with them. I have in mind where more than a million dollars was expended, in effect to support one candidate, but was expended by independent committees to support two candidates. The resolution ought therefore to take into consideration that situation and make provision for limiting group expenses. It ought to be made unlawful to expend money by committees or individuals in aid of a candidate or the candidacy of a candidate without the written consent of that candidate so that the candidate can not say, "I have no knowledge of the expenditure." If those two things are not taken into account, such a resolution would be ineffective.

Mr. WALSH of Massachusetts. I wish the Senator might prepare such a resolution. I think it ought to be offered by some one who will not be a candidate in the approaching election. The Senator's experience on the previous committee investigating the elections of 1924 and 1926 ought to be very helpful.

Mr. CARAWAY. Those two things have been the means of enabling candidates and others to conceal every illegal and corrupt expenditure that they might have made.

Mr. WALSH of Massachusetts. Of course, the purpose of the resolution offered by the Senator's colleague is that it gives publicity to the use of money. It makes it possible for the committee to inquire where abuses are alleged to exist, and let the public know what is going on.

Mr. CARAWAY. I will say that I think it does more than that, and it is about all it does do. It shows what frightfully bad memories people who handle campaign funds have. I remember the president of one of the greatest railroads in this country who, when testifying, remembered where he lived and of what railroad he was president, but beyond that his memory was an absolute blank. How he ever got home I have no idea yet, without some one leading him home. I remember a man who lived in a very large city and whose uncle handles the money of the country. He knew who his kin people were. He knew the city in which he was born. He knew what his politics were. But beyond that his memory was as blank as that of a new-born babe.

These investigations do not bring results unless we are willing to go back in the investigation and try to ascertain how much the organized committees spent, because they would not admit they had any of the money. I remember laboring with Mr. Patten, of Chicago, who at one time had the reputation of cornering the wheat supply of the country. Patten's memory was so bad that he said he was a farmer. He told us with all solemnity that he reckoned that might be called his occupation. He did not know anything about the expenditures that his committee was making. I remember very distinctly that the very distinguished former Senator from the Senator's own State, Mr. Butler, was conscious of the fact that if he had money he could control the election, and he thought somebody in connection with the machinery of the party was going to have the money, but he did not know who it was.

Unless a resolution takes into consideration every item that is expended, whether expended by independent committees or by the candidates themselves, we shall sometimes be compelled to whitewash the most corrupt use of money.

Mr. WALSH of Massachusetts. Does not the Senator think that a resolution indicating that it is the sense of the Senate that not more than a certain sum shall be used would be beneficial in keeping down the use of money?

Mr. CARAWAY. I think it would; but I think that the resolution, as I said a moment ago, ought to provide that the use of money shall be considered whether it has been spent with or without the knowledge of the candidate. Charge the candidate with that knowledge. If his friends want to put him in a position where he may forfeit his seat by making undue and improper expenditures in his behalf, then it is for them to determine.

Mr. ROBINSON of Arkansas. Mr. President, of course that would have to be safeguarded so that some one who was an enemy of the candidate could not make expenditures in behalf of the candidate so as to charge him with those expenditures. It is going to be quite difficult to prepare a statute which will prove effective to prevent improper expenditures in these great campaigns.

Mr. WALSH of Massachusetts. I think it is impossible.

Mr. ROBINSON of Arkansas. But I believe that the resolution just passed is undoubtedly broad enough to comprehend the circumstances and the facts pointed out by my colleague the junior Senator from Arkansas. The question is whether the committee will be able to procure the information.

Mr. CARAWAY. The result will be that sometimes we shall be compelled actually to whitewash a corrupt use of money because we can not definitely connect the candidate with the expenditure.

The Senator from Kansas [Mr. CURTIS] has been on his feet for several minutes, and I presume he desires to ask for the regular order; so I desist.

Mr. CURTIS. Mr. President, I do not desire to cut the Senator off, but I think we ought to proceed with the regular order.

The PRESIDING OFFICER. The regular order is demanded.

PERSONAL EXPLANATION—BOULDER DAM

Mr. BRUCE. Mr. President, I rise to a question of personal privilege.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). The Senator will state it.

Mr. BRUCE. In connection with the propagandist clippings inserted in the RECORD this morning by the Senator from Mon-

tana [Mr. WALSH], my attention is called to this statement in the Washington Herald. Speaking of the Boulder Dam bill the reporter says:

JOHNSON—

That is to say, the Senator from California, Mr. JOHNSON—

JOHNSON earlier had given evidence that he was fully aware of resumption of the filibuster which was employed in the last session by a handful of Senators to defeat the bill.

Then in large type, that kind of type which might technically be known as scandalous or sensational type in newspaper or printing-house jargon, the report adds:

BRUCE evades it.

Then the report continues:

When the bill came to the attention of the Senate yesterday afternoon for the third successive day, BRUCE, of Maryland, counted by the bill's foes as one of their number, asked for an opportunity to discuss another matter.

JOHNSON reminded BRUCE that the Senate allows two hours every day for discussion of extraneous matters, and said BRUCE should have availed himself of that time.

Of course, there is not the slightest foundation for the suggestion that I had any filibustering purpose in asking the Senator from California [Mr. JOHNSON] to give way to the Senator from New York [Mr. COPELAND] and myself for a few minutes, in order that we might discuss the motion of the Senator from New York for the reconsideration of a bill giving the Merchants & Miners Transportation Co. the benefit of the guarantee provisions of the transportation act of 1920, which had been passed by the Senate and had gone to the House, and on motion of the Senator from New York had been returned to the Senate, so that its text might be considered in connection with the motion of the Senator from New York to reconsider.

Perhaps some Senators will recall that when I made the request of the Senator from California I expressed my readiness to limit the discussion to a few minutes. Never in my life have I attempted to impose any filibustering obstacle in the pathway of any legislative measure, either in the General Assembly of Maryland or in this body. I had no intent, of course, to filibuster in relation to the bill to which I have referred when I made the request that I did of the Senator from California.

The very fact that I offered to limit discussion to a few minutes demonstrates beyond the cavil of doubt that I could not have harbored any such idea. If this is the best in the way of truthful inference that the Washington Herald can do, I hope that it will take my advice and renounce its character as a general newspaper organ and become the special organ of Mr. F. J. McBride, general superintendent of the Anti-Saloon League.

## THE CALENDAR

The PRESIDING OFFICER. The calendar, under Rule VIII, is in order, and the clerk will state the first bill on the calendar.

Mr. JONES. Mr. President, because the Senator from Connecticut [Mr. BINGHAM], who is now absent from the Chamber, desires to be here when the calendar is called, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edwards | La Follette | Sheppard |
| Barkley | Fess | Locher | Shipstead |
| Bayard | Fletcher | McKellar | Shortridge |
| Bingham | Frazier | McMaster | Simmons |
| Black | George | McNary | Smith |
| Blaine | Gerry | Mayfield | Smoot |
| Blease | Glass | Metcalf | Steck |
| Borah | Goff | Moses | Steiwer |
| Bratton | Gooding | Neely | Stephens |
| Brookhart | Gould | Norbeck | Swanson |
| Broussard | Greene | Norris | Tydings |
| Bruce | Hale | Nye | Tyson |
| Capper | Harris | Oddie | Vandenberg |
| Caraway | Hayden | Overman | Wagner |
| Copeland | Heflin | Phipps | Walsh, Mass. |
| Couzens | Howell | Pittman | Walsh, Mont. |
| Curtis | Johnson | Ransdell | Warren |
| Cutting | Jones | Reed, Pa. | Waterman |
| Dale | Kendrick | Robinson, Ark. | Wheeler |
| Dill | Keyes | Sackett | |
| Edge | King | Schall | |

Mr. GERRY. I wish to announce that the senior Senator from Mississippi [Mr. HARRISON] and the junior Senator from Oklahoma [Mr. THOMAS] are detained from the Senate as members of the committee appointed to attend the funeral of the late Representative MARTIN B. MADDEN, of Illinois.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Eighty-two Senators have answered to their names. A quorum is present. The Secretary will state the first bill on the calendar.

The first business on the calendar was the bill (S. 1182) to provide for the naming of certain highways through State and Federal cooperation, and for other purposes.

Mr. McNARY. Mr. President, on two former occasions the junior Senator from Wisconsin [Mr. BLAINE] asked that this bill might go over. I fear that it would be unfair to him if I at this time should ask to have the bill considered; so, without any prejudice whatsoever, and probably with the privilege of calling it up later in the day, I ask that it go over at this time.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2447) for the relief of the stockholders of the First National Bank of Newton, Mass., was announced as next in order.

Mr. KING. That bill has been objected to a number of times. The Senator from New Mexico heretofore has objected. I ask that it may go over.

The PRESIDING OFFICER. The bill will be passed over.

## LOUISE A. WOOD

The bill (S. 61) granting an increase of pension to Louise A. Wood was announced as next in order.

Mr. KING. Let that go over.

Mr. BINGHAM. Mr. President, will the Senator withhold his objection for a moment? I think it is not generally understood that Mrs. Wood is at the present time receiving from the United States Government a pension of $30 a month. The Republic of Cuba, in recognition of the services which General Wood rendered to Cuba, is giving Mrs. Wood a pension, if my recollection is correct, of about $500 a month. It seems to me that in a case of this kind, where we all recognize the tremendous services that General Wood rendered to the Republic in helping us toward preparedness in the days before the war, in his services in Cuba, in the Philippines, and afterwards as Chief of Staff, we owe his memory some special honor.

There is no question that if it had not been for General Wood's action in starting the Plattsburg camps there would have been many more, perhaps thousands more, of our boys killed at the front, due to bad leadership on the part of officers. As a matter of fact, hundreds and thousands of officers received proper training, due to General Wood's far-sighted statesmanship and ability. It seems to me that the least that can be done at the present time is for us to give adequate recognition to his widow.

I hope the Senator will withdraw his objection and permit the bill to pass.

Mr. COPELAND. Mr. President, I join the Senator from Connecticut in the sentiments he has expressed. I hope we may do honor to the memory of this great man by making ample provision for his widow. I hope the Senator will withdraw his objection, and let the bill pass.

Mr. SMOOT. Mr. President, I was a member of the Committee on Pensions for about 20 years. It was a rule of that committee that pensions granted to widows of generals of the Civil War should not exceed $75 per month. I do not know whether the committee has made any other ruling or not, but I do know that that was the rule while I was a member, for about 20 years.

If this bill becomes a law—and nothing in the world would please me better than to pay honor to the widow of General Wood—I can not see how we can avoid passing similar legislation for the widows of the Civil War and the other wars. We have gone this far with pensions, Mr. President. We grant the widow of a President of the United States a pension of $5,000.

Mr. ROBINSON of Arkansas. That is, in some instances.

Mr. SMOOT. I know of none, I will say to the Senator, with the exception of the one to which I am going to call attention in a moment.

Mr. ROBINSON of Arkansas. There is one surviving widow of a former President of the United States for whom no provision has been made.

Mr. SMOOT. I will state the reason, and I was going to refer to it, so that there would be no misunderstanding of the statement I made. President Harrison's second wife was not granted a pension of $5,000 because of the fact that she never was in the White House, and never was his wife while he was President.

Mr. ROBINSON of Arkansas. I desire to call the Senator's attention to the fact that there is another exception. That is the case of the widow of Woodrow Wilson.

Mr. SMOOT. Is that because she did not want it, or would not accept it?

Mr. ROBINSON of Arkansas. No, Mr. President; no provision has been made for her. The Senate passed a bill, but it never has passed the other body.

Mr. SMOOT. I understood—and not only that, but there will not be a question about it——

Mr. ROBINSON of Arkansas. Oh, well, but there was a question.

Mr. GLASS. There was a question about it.

Mr. ROBINSON of Arkansas. That is the difficulty. The bill passed this body, but it failed of passage in another body.

Mr. SMOOT. But I understood, Mr. President—I do not know whether it is so or not, but I have seen it in print—that Mrs. Woodrow Wilson requested that no action be taken on the bill.

Mr. ROBINSON of Arkansas. No.

Mr. SWANSON. No.

Mr. SMOOT. Then, if that is not so, a wrong has been done Mrs. Wilson, and it ought to be corrected.

Mr. ROBINSON of Arkansas. Oh, yes. We know that. We realize it fully. I feel quite resentful about it.

Mr. SMOOT. So would I, just as much as the Senator from Arkansas would. She is entitled to the pension if she is not drawing it and has not said that she would not accept it.

Mr. SWANSON. I introduced a bill for the purpose, and it was unanimously approved by the committee and by this body. It passed this body unanimously. There was not a dissenting vote here. It went to the House and met some opposition there that prevented its consideration.

Mr. SMOOT. I do not know what it was, Mr. President; but I will say that if that is the case there was a wrong done Mrs. Wilson which ought to be corrected.

Mr. ROBINSON of Arkansas. Mr. President, if some other Senator does not do it, I propose to introduce a general bill providing that all widows of former Presidents of the United States shall be entitled to a reasonable pension, or to some reasonable provision.

Mr. SMOOT. I will say to the Senator that I will support such a measure with all my heart. It ought to be done.

Mr. ROBINSON of Arkansas. I think we ought to do that.

Mr. FLETCHER. I think it has been the rule heretofore to grant pensions only when the President died in office.

Mr. SMOOT. Oh, no. Mrs. Roosevelt had a pension voted to her.

Mr. LA FOLLETTE. Mr. President, I call for the regular order.

Mr. FLETCHER. I think Mrs. Roosevelt's case was the only one.

Mr. SMOOT. No, Mr. President; I do not know anything about the rule of the House, but I will say to the Senator that the rule of the Senate for 21 years——

Mr. McKELLAR. I object to the further consideration of the bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BINGHAM. Mr. President, I move that the Senate proceed to the consideration of the bill, notwithstanding the objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut.

The motion was rejected.

### DAVID M'D. SHEARER

The bill (S. 2720) for the relief of David McD. Shearer was considered as in Committee of the Whole, and was read, as follows:

*Be it enacted, etc.,* That the claim of David McD. Shearer for compensation for the adoption and use by the Government of the United States of certain inventions relating to reinforced concrete revetment and construction and laying of same, made by said David McD. Shearer, and for which letters patent of the United States, Nos. 1173879, 1173880, and 1229152 were issued to him, be, and the same is hereby, referred to the Court of Claims, which court is hereby vested with jurisdiction in the premises, and whose duty it shall be to hear and determine, first, whether the said David McD. Shearer was the first and original inventor of the inventions described in said letters patent or any of them; and if said court shall find that he was such first and original inventor of any of the same; then to determine, second, what amount of compensation, if any, he is justly entitled to receive from the United States for the use of his said inventions, or any of them, either before or since the date of said letters patent, up to the time of adjudication, and for a full and entire transfer of said several patents to the United States; and in determining the amount of compensation, if any, for the use of said inventions and transfer of said patents, the court shall take into consideration, as bearing on the question of reducing or increasing such compensation if, and so far as the facts may warrant, the facts, if proved, that while the said David McD. Shearer was engaged in perfecting the inventions he was in the service of the United States as a junior engineer superintendent in charge of willow-bank revetment construction under the Mississippi River Commission, and whether and, if at all, to what extent said inventions or any of them were discovered or developed during the working hours of his Government service, and to what extent his said inventions for protection of river channels and banks differ from the methods previously used in material, method of laying, permanency, and value, and whether and, if at all, to what extent the expense of making experiments, trials, and tests for the purpose of perfecting said inventions was paid by the United States, and if any such expense was incurred by the United States, whether and, if at all, to what extent the United States received compensation for such expense.

Either party may appeal to the Supreme Court of the United States upon any such question where appeals now lie in other cases, arising during the progress of the hearing of said claim, and from any judgment in said case, at any time within 90 days after the rendition thereof; and any judgment rendered in favor of the claimant shall be paid in the same manner as other judgments of the said Court of Claims; and the payment of such judgment shall vest the full and absolute right to said patents, and each of them, in the United States.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### SINKING OF SUBMARINE "S–4"

The resolution (S. Res. 109) creating a committee of the Senate to investigate the sinking of the submarine *S–4* was announced as next in order.

Mr. JONES. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. SWANSON subsequently said: Mr. President, Senate Resolution 109, creating a committee of the Senate to investigate the sinking of the submarine *S–4*, was disposed of to-day by the adoption of a resolution directing that the investigation be conducted. I ask that Senate Resolution 109 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it will be indefinitely postponed.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 4180) authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 13331) to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl.

### BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1939) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I have spoken to the Senator from South Dakota [Mr. NORBECK] concerning a possible amendment. He is not here, and I ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 132) to authorize the President to appoint Le Roy K. Pemberton a first lieutenant, Officers' Reserve Corps, United States Army, was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely. Without objection, it will be indefinitely postponed.

Mr. JONES. No, Mr. President; the Senator from California [Mr. SHORTRIDGE] is interested in that measure and would like to have it remain on the calendar.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2053) to establish a military record for Daniel P. Tafe was announced as next in order.

The PRESIDING OFFICER. This bill also is reported adversely.

Mr. REED of Pennsylvania. Let it go over.

Mr. JONES. I think the same request ought to be made there.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 141) for the relief of Felix Medler was announced as next in order.

The PRESIDING OFFICER. This bill also is reported adversely.

Mr. REED of Pennsylvania. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2787) providing for the appointment of governors of the non-Christian Provinces in the Philippine Islands by the Governor General without the consent of the Philippine Senate was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States prohibiting war was announced as next in order.

Mr. BAYARD. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. FRAZIER. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 1.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota.

The motion was rejected.

The bill (S. 133) for the relief of Kenneth B. Turner was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely.

Mr. REED of Pennsylvania. The Senator from California [Mr. SHORTRIDGE] has expressed a desire to discuss these four bills that are adversely reported. I ask, therefore, that this bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

STANDARDS FOR HAMPERS, ROUND-STAVE BASKETS, ETC.

The bill (S. 2148) to fix standards for hampers, round-stave baskets, and splint baskets for fruits and vegetables, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. BAYARD. Mr. President, will the Senator withdraw his objection?

Mr. McKELLAR. I will withold it while the Senator makes a statement.

Mr. McNARY. Mr. President, with great care I have tried to meet every objection to this bill, and I know of no Senator who has given it any study who has any remaining objection. Has the Senator an objection unto himself?

Mr. McKELLAR. Yes; I have letters from many, many users of baskets and such containers as are here mentioned in my State, and they are unanimously opposed to it so far as I can find out.

Mr. McNARY. Is not that limited to the ⅝-bushel hamper? I can answer the question. It is.

Mr. McKELLAR. I am not sure about that. I can not say about it.

Mr. McNARY. I am sure about it.

Mr. McKELLAR. But I know that they are very much opposed to the terms of this bill. The Senator will recall that I objected once before in order to have an opportunity to look into it, and when I looked at my correspondence I found that every letter—and I have had many letters about it—was opposed to the bill.

Mr. GLASS. If the Senator will examine his correspondence, I imagine he will find that the objection was to the omission of the ⅝-bushel receptacle. The Virginia fruit growers raised the same objection, and I understand that has been remedied.

Mr. McNARY. Absolutely. That is precisely the situation in Tennessee. I am quite conversant with the proposition. I am not going to force the bill on the Senator by moving to take it up this morning; but about two weeks ago the Senator from Tennessee said that he would look over his correspondence and let me know. At the next opportunity I shall insist upon the bill coming before the Senate.

Mr. McKELLAR. All right.

The PRESIDING OFFICER. Does the Senator from Tennessee object?

Mr. McKELLAR. I do.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2149) authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance was announced as next in order.

Mr. McNARY. Mr. President, I want that bill to go over for the purpose of collecting some data which I desire to submit for the RECORD when I ask to have it considered.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1414) for the prevention and removal of obstructions and burdens upon interstate commerce in cottonseed oil by regulating transactions on future exchanges, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this bill involves certain matters which are now in process of adjustment. I ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF CLASSIFIED SERVICE TO SERVICE POSTMASTERS

The bill (S. 1728) placing service postmasters in the classified service was announced as next in order.

Mr. BLEASE. Let that go over.

Mr. BRUCE. Mr. President, I was not in the Senate Chamber when the calendar was taken up. Is it in order to make a motion that this bill be taken up for consideration despite the objection?

The PRESIDING OFFICER. It is.

Mr. BRUCE. Then I move that it be taken up for consideration despite the objection.

The PRESIDING OFFICER. The question on the motion of the Senator from Maryland. [Putting the question.] By the sound the noes seem to have it.

Mr. JONES. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, before the vote is taken, I should like to know what this bill is about.

Mr. BRUCE. It is a bill to place service postmasters in the classified service. That is to say, it is a bill to provide that where a postmaster comes out of the classified service and is made a postmaster he shall not lose his classified status but shall be eligible to transfer to some position in the classified service.

Mr. SWANSON. Mr. President, it will take all day——

Mr. LA FOLLETTE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The motion to take up the bill is not debatable.

Mr. BLEASE. Mr. President, allow me to say just a word. It may save some time.

Mr. JONES. I object.

Mr. LA FOLLETTE. I call for the regular order.

Mr. BLEASE. I just wish to say that if this bill is taken up, there will be nothing else done before 2 o'clock.

Mr. LA FOLLETTE. I demand the regular order.

Mr. BLEASE. That is all I wanted to say.

The PRESIDING OFFICER. The motion is not debatable. The roll will be called.

The legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. CURTIS (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. Not knowing how he would vote if present, I withhold my vote.

Mr. SMITH (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON.] In his absence, I withhold my vote.

The roll call was concluded.

Mr. JONES. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired with the Senator from Florida [Mr. TRAMMELL].

I also desire to announce that the Senator from Illinois [Mr. DENEEN] is necessarily absent on business of the Senate.

Mr. BROUSSARD. I have a pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Oklahoma [Mr. THOMAS], and vote nay.

Mr. GERRY. I wish to announce the following general pairs:

The senior Senator from Missouri [Mr. REED] with the senior Senator from Massachusetts [Mr. GILLETT];

The senior Senator from Alabama [Mr. HEFLIN] with the senior Senator from Oklahoma [Mr. PINE];

The junior Senator from Missouri [Mr. HAWES] with the senior Senator from Vermont [Mr. GREENE]; and

The senior Senator from Mississippi [Mr. HARRISON] with the Senator from Illinois [Mr. DENEEN].

I am not advised how these Senators would vote on this question.

The result was announced—yeas 31, nays 25, as follows:

YEAS—31

| | | | |
|---|---|---|---|
| Blaine | Frazier | La Follette | Schall |
| Brookhart | Goff | McMaster | Shipstead |
| Bruce | Gooding | McNary | Steiwer |
| Capper | Hale | Metcalf | Stephens |
| Couzens | Harris | Norris | Vandenberg |
| Cutting | Howell | Nye | Walsh, Mass. |
| Dale | Jones | Oddie | Waterman |
| Edge | Kendrick | Sackett | |

NAYS—25

| | | | |
|---|---|---|---|
| Bayard | Fletcher | Phipps | Tydings |
| Bingham | Glass | Reed, Pa. | Tyson |
| Black | Hayden | Sheppard | Walsh, Mont. |
| Blease | King | Simmons | Warren |
| Borah | McKellar | Smoot | |
| Broussard | Mayfield | Steck | |
| Caraway | Overman | Swanson | |

NOT VOTING—38

| | | | |
|---|---|---|---|
| Ashurst | Curtis | Edwards | Gillett |
| Barkley | Deneen | Fess | Gould |
| Bratton | Dill | George | Greene |
| Copeland | du Pont | Gerry | Harrison |

| | | | |
|---|---|---|---|
| Hawes | Moses | Reed, Mo. | Trammell |
| Heflin | Neely | Robinson, Ark. | Wagner |
| Johnson | Norbeck | Robinson, Ind. | Watson |
| Keyes | Pine | Shortridge | Wheeler |
| Locher | Pittman | Smith | |
| McLean | Ransdell | Thomas | |

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1728) placing service postmasters in the classified service.

Mr. BLEASE. Mr. President, of course we have differences of opinion and all of us are credited with being honest in the opinions we have, but it is impossible for me to see how any man can vote for this bill who advocates civil service and advocates competency in office.

This bill is not a civil service bill under which a man would stand an examination, and after he stood his examination would be appointed to a post office. It provides that if a man is a postmaster without any civil-service examination whatever, without any test as to his competency, as to whether he can fill the position adequately or not——

Mr. BRUCE. Mr. President, may I interrupt the Senator for a moment? I do not think the Senator has grasped the meaning of the bill. It relates only to a person who has been promoted, appointed, or transferred from the classified civil service to the position of postmaster.

Mr. BLEASE. I grasp the situation exactly. The bill should be entitled "A bill to perpetuate Republican postmasters in office for life." That is what it means, nothing more and nothing less. That is God's plain-spoken truth.

Mr. BRUCE. If the Senator will permit me, I might say it is a bill to perpetuate the postmasters in their positions whether Republicans or Democrats.

Mr. BLEASE. How many Democratic postmasters have we?

Mr. BRUCE. How many were there during Mr. Wilson's time?

Mr. BLEASE. I am no defender of Mr. Wilson's administration, thank God.

Mr. BRUCE. How many were there during Mr. Cleveland's time?

Mr. BLEASE. I am not a defender of Cleveland. Ben Tillman gave him the devil from the time he got here until he left.

Mr. BRUCE. I am afraid the Senator's status as a Democrat is incapable of definition.

Mr. BLEASE. Probably it is. I am glad that it is, too, Mr. President, when I consider some things they have done in the past.

Mr. President, I want to read a letter I received regarding this bill. I have two or three of them to read, and I can assure any Senator who wants to go to lunch that it will be 2 o'clock before I get through.

This letter is as follows:

PITNEY-BOWES POSTAGE METER CO.,
*New York, April 25, 1928.*

Hon. COLE L. BLEASE,
*United States Senate, Washington, D. C.*

Reference Senate bill 3890.

DEAR SENATOR BLEASE: Ex-Congressman Frank Mondell, employed by the Standard Mailing Machines Co., of Everett, Mass., with Mr. Bascom Slemp to force the above-mentioned bill through Congress in opposition to the Post Office Department, stated at the hearings before the Senate Committee on Post Offices and Post Roads last Monday, April 23, that he was sending to each member of the committee copies of letters from users of the Standard Co.'s machines purporting to represent a public demand for the passage of this legislation.

To properly judge the value of these letters we attach photostatic copy of the circular appeal sent out by the Standard Mailing Machines Co. announcing the measures they have taken to promote this legislation, with a brief reply to the points raised.

We call your attention to the fact that the concerns who have written have no just cause for complaint, because their equipment was purchased with a full knowledge of the postal regulations (unless they were not properly represented to them), which have always required 300 pieces of nonmetered permit matter in one mailing.

The Standard Co. manufacture a postage-printing device offering no protective features whatever to the revenues of the Post Office Department, and so far as the collection of postage is concerned no different from hand stamps, printing presses, multigraphs, etc. They are endeavoring to have such devices recognized on terms of complete equality with devices known as postage meters specifically authorized by the Post Office Department for the advance collection of postage, operating under Government lock and seal, and inaccessible to the user. Such devices are in daily operation by over 200 nationally known concerns throughout the country, whose mailings would be unnecessarily curtailed by the passage of this bill. This system has operated for seven years without failure in any respect whatever.

Smaller devices to bring this meritorious system within the scope of smaller mailers are already approved by the Post Office Department. The passage of this bill would not only prevent this development but would break down the entire system as now operating.

The record of the hearings before the Senate committee fully exposes the futility of this legislation, but for your convenience we are inclosing a short summary of the objections to the bill.

Sincerely yours,

W. H. WHEELER, Jr.,
*Vice President and General Manager.*

I have also a letter from the Standard Mailing Machines Co., of Everett, Mass., which is signed by J. M. Holmes, president.

Mr. BLACK. Mr. President, will the Senator yield for a statement along the line he has suggested about the purpose of the bill?

Mr. BLEASE. I yield.

Mr. BLACK. Down in Alabama quite recently there was an examination held for a very small post office. One lady, who is very capable, stood the examination successfully. Unfortunately for her, however, she happens to be a Democrat. So, when the question of the appointment came up, we were informed that it is impossible, under the rules promulgated, for this lady to be appointed, even though she is the only one who has successfully passed the examination, because it is absolutely essential that they have three eligibles who have passed the examination before they make an appointment. If they do not have three, they have no right to appoint this one, even though she has met every test which they have proposed for her. Therefore she has not been appointed, and there will soon be a new examination, according to what rules I am not informed, but perhaps some of those tests may be a little more lenient the next time.

Mr. BLEASE. I thank the Senator. I can give him some similar instances in my own State.

Mr. BRUCE. Mr. President, if the Senator will permit me to interrupt, perhaps that lady was left alone because the other two dropped out for the very purpose of shutting her out from the fruits of her success.

Mr. BLACK. They attempted to stand the examination, and could not. They failed, but she passed; and now it is said that although she passed, she is not qualified until two others pass some kind of an examination.

Mr. BLEASE. Mr. President, I want particularly to read a section of this letter, because I may not have time to read it all.

Mr. BRUCE. May I interrupt the Senator again?

Mr. BLEASE. Certainly.

Mr. BRUCE. Does the Senator think there is anything unreasonable and unjust in a law which is careful to provide that before the appointing power makes an appointment there shall be at least three persons eligible, so that a proper opportunity to find just the right person shall be afforded?

Mr. BLACK. I think it is not just, when they have an examination and one meets all the tests they propose, to say to that one, "You shall not have the office." It leaves too much opportunity to do exactly what they are doing, to appoint those of the political persuasion they desire.

Mr. BRUCE. Then the Senator is quarreling with every civil service statute that has ever been enacted by Congress, because they all require that there shall be an examination, and then from an eligible list consisting of not less than a certain number of persons the choice shall be made. The idea is that the appointing power should have some little latitude of selection so as to get the proper person.

Mr. BLACK. I am quarreling with any system which permits any lady who stands the test, and needs the position, and is capable of filling it, to be deprived of getting the job by reason of those higher up hiding behind a rule of that kind. This is a very small post office. The probability is that it is impossible to get three to stand the test. I do not know whether they can or not. Certainly they have not done so up to date, and the whole object is to appoint a person of the particular persuasion that they desire. If that is quarreling with the system, then I am against the system.

Mr. BRUCE. The object of the law is to obtain the very best person who is available for the position, not from any chivalrous motive of any kind to bestow an office anywhere on a lady.

Mr. SMITH. Mr. President, if my colleague will allow me, I want to ask the Senator from Maryland if it is his idea that the written test is merely the mental test, and then the examining board should have some latitude in finding out the other qualifications, personal qualifications, that may enable one taking the examination to be placed ahead of the one who had the better mental qualifications; in other words, to give the examining board latitude to select the best person if he is mentally equipped, though he may not make as high a grade mentally as the other?

Mr. BRUCE. All that is foreign to the purpose of this bill. The bill simply provides that where some person has been examined and has been appointed as the result of ascertained merit, and has become the incumbent of a position under the civil-service system, then, when he is appointed to a postmastership, he shall not lose his civil-service status, but that he shall remain in the civil service without term, just as he was in the civil service without term before. In other words, it is to preserve the permanency of tenure, that is all, even after a man has become a postmaster, that he enjoyed in the classified service before he had become a postmaster.

Mr. SMITH. I understand thoroughly the purpose of the bill, but I was asking the Senator from Maryland——

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 728.

Mr. SMITH. I am inclined to agree with the Senator that we can not know what the proper qualifications may be simply by a mental examination or by an educational test, and I rather think that having two or three on the eligible list from which to select is in principle sound.

Mr. BRUCE. Absolutely. I am very much obliged to the Senator from South Carolina for making the suggestion he has. The very idea of having an eligible list is to give some latitude of selection to the appointing power, and especially to give an opportunity to the appointing power, among other things, to determine whether mere scholastic qualifications should be heeded.

Mr. SMITH. There might be some of them as to whom there is no evidence which can be presented by a mere mental examination, and the appointing power ought to have some latitude in which to find out what are the other qualifications.

Mr. BRUCE. I thank the Senator for his very apt suggestion.

Mr. BLEASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BLEASE. Does the bill now take its place on the calendar again?

The PRESIDING OFFICER. The bill is now returned to the calendar.

Mr. BLEASE. There can be no further consideration of it to-day, the hour of 2 o'clock having been reached?

The PRESIDING OFFICER. The Senator from South Carolina is correct. The bill goes back to its place on the calendar.

BOULDER DAM

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. SMOOT addressed the Senate. After having spoken for 2 hours and 15 minutes, he yielded the floor for the day. His speech is published entire in the RECORD of May 1, commencing on page 7515.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 1, 1928, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate April 30, 1928*

PROMOTIONS IN THE FOREIGN SERVICE

*From Foreign Service officer of class 2 to Foreign Service officer of class 1*

Clarence E. Gauss, of Connecticut.
Edward J. Norton, of Tennessee.

*From Foreign Service officer of class 3 to Foreign Service officer of class 2*

Willys R. Peck, of California.
Mahlon Fay Perkins, of California.

*From Foreign Service officer of class 4 to Foreign Service officer of class 3*

Coert du Bois, of California.
Dana G. Munro, of New Jersey.

*From Foreign Service officer of class 5 to Foreign Service officer of class 4*

John P. Hurley, of New York.
Herschel V. Johnson, of North Carolina.
O. Gaylord Marsh, of Washington.

*From Foreign Service officer of class 6 to Foreign Service officer of class 5*

Lucien Memminger, of South Carolina.
Jefferson Patterson, of Ohio.
R. A. Wallace Treat, of Ohio.

*From Foreign Service officer of class 7 to Foreign Service officer of class 6*

Raymond Davis, of Maine.
Donald R. Heath, of Kansas.
Renwick S. McNiece, of Utah.
George P. Shaw, of California.

*From Foreign Service officer of class 8 to Foreign Service officer of class 7*

Charles A. Bay, of Minnesota.
Herbert S. Bursley, of the District of Columbia.
Samuel J. Fletcher, of Maine.
Lynn W. Franklin, of Maryland.
Raymond H. Geist, of Ohio.
Stuart E. Grummon, of New Jersey.
Charles H. Heisler, of Delaware.
Walter H. McKinney, of Michigan.
Fletcher Warren, of Texas.

ASSISTANT COMMISSIONER OF INTERNAL REVENUE

Harris F. Mires, of Tacoma, Wash., to be assistant to the Commissioner of Internal Revenue, in place of Charles R. Nash, resigned.

COAST GUARD OF THE UNITED STATES

*To be lieutenants, junior grade*

Lieut. (Junior Grade) (temporary) Clifford D. Feak.
Lieut. (Junior Grade) (temporary) Eugene S. Endom.
Lieut. (Junior Grade) (temporary) Philip E. Shaw.
Lieut. (Junior Grade) (temporary) George N. Bernier.
Ensign (temporary) Leonard M. Melka.
Ensign (temporary) Earle G. Brooks.

*To be ensigns*

Ensign (temporary) Frank K. Johnson.
Ensign (temporary) Chester W. Thompson.
Ensign (temporary) Frederick G. Eastman.
Ensign (temporary) Leslie D. Edwards.
Ensign (temporary) Edwin C. Whitfield.
Ensign (temporary) DeEarle M. Logsdon.

The above-named officers have met the requirements for appointment in the regular Coast Guard as set forth in section 5 of the act of July 3, 1926.

*To be lieutenants (temporary)*

Lieut. (Junior Grade) (temporary) Chester McP. Anderson.
Lieut. (Junior Grade) (temporary) Arthur J. Craig.
Lieut. (Junior Grade) (temporary) Harold B. Adams.
Lieut. (Junior Grade) (temporary) William J. Austermann.
Lieut. (Junior Grade) (temporary) William H. Jacobson.
Lieut. (Junior Grade) (temporary) Edward S. Moale.

*To be lieutenants (junior grade) (temporary)*

Ensign (temporary) Edward W. Holtz.
Ensign (temporary) Ernest A. Ninness.
Ensign (temporary) Hugh V. Hopkins.
Ensign (temporary) Edward E. Hahn, jr.
Ensign (temporary) William Bowman.
Ensign (temporary) Archibald J. Maclean.
Ensign (temporary) Chester A. A. Anderson.
Ensign (temporary) Ellis P. Skolfield.
Ensign (temporary) Dorian E. Todd.

The above-named temporary commissioned officers are recommended for promotion in accordance with the provisions of section 4 (c) of the act approved April 21, 1924.

APPOINTMENTS IN THE REGULAR ARMY

*To be professor of chemistry, mineralogy, and geology at the United States Military Academy*

Lieut. Col. Chauncey Lee Fenton, Coast Artillery Corps, from October 17, 1928, vice Prof. Wirt Robinson, to be retired from active service October 16, 1928.

PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Lieut. Col. Harry Newton Cootes, Cavalry, from April 19, 1928.

Lieut. Col. Charles Haskell Morrow, Infantry, from April 23, 1928.

*To be lieutenant colonels*

Maj. Charles School Blakely, Field Artillery, from April 19, 1928.

Maj. Charles Thomas Smart, Infantry, from April 23, 1928.

Maj. George Bowditch Hunter, Cavalry, from April 23, 1928.

*To be majors*

Capt. Harry Langdon Reeder, Infantry, from April 19, 1928.
Capt. Jay Edward Gilfillan, Infantry, from April 23, 1928.
Capt. Richard Jaquelin Marshall, Quartermaster Corps, from April 23, 1928.
Capt. Leon Edward Ryder, Cavalry, from April 24, 1928.

*To be captains*

First Lieut. Kenyon Putnam Flagg, Coast Artillery Corps, from April 19, 1928.
First Lieut. Joseph Burske Hafer, Coast Artillery Corps, from April 23, 1928.
First Lieut. Edward Lucien Supple, Coast Artillery Corps, from April 23, 1928.
First Lieut. Samuel McCullough, Coast Artillery Corps, from April 24, 1928.

*To be first lieutenants*

Second Lieut. Russell Emerson Bates, Coast Artillery Corps, from April 19, 1928.
Second Lieut. Earl Shuman Gruver, Infantry, from April 22, 1928.
Second Lieut. Warren Cole Stout, Field Artillery, from April 23, 1928.
Second Lieut. David Barbour Barton, Signal Corps, from April 23, 1928.
Second Lieut. Paul Russell Covey, Field Artillery, from April 24, 1928.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 30, 1928*

REAPPOINTMENT IN THE ARMY

GENERAL OFFICER

Brig. Gen. James Sumner Jones to be brigadier general, Adjutant General's Department Reserve.

POSTMASTERS

FLORIDA

James A. Zipperer, Madison.

ILLINOIS

Louis A. Luetgert, Elmhurst.
William R. Fletcher, Joliet.

INDIANA

Harley O. Poor, Etna Green.

KANSAS

Myron Johnson, Oakley.

KENTUCKY

James A. Hargan, Camp Knox.
Edward B. Ray, Canmer.
Sam H. Fisher, McRoberts.

MAINE

Ralph A. Bessey, Canton.

NEW HAMPSHIRE

Fred W. Smith, North Woodstock.

OHIO

Michael J. Meek, McDonald.
Harry L. McClarran, Wooster.

OREGON

Charles W. Perry, Richland.

PENNSYLVANIA

William T. Davies, Forest City.
Gertrude Klinefelter, Jonestown.
Frank P. Lightner, Loysville.

RHODE ISLAND

David Ross, Ashton.

TENNESSEE

Velnia T. Riley, Algood.
James F. Toney, jr., Erwin.
Alice L. Needham, Trimble.

TEXAS

Sol D. Smith, Granbury.
Olive Raoul, Gustine.
Daniel B. Gilmore, McGregor.
Duane B. Scarborough, Oakwood.
Thomas B. Higgins, Reagan.
Homer H. Turner, Rockdale.
Jesse L. Holcomb, Seminary Hill.
Clarence V. McMahan, Waco.
Alice Pipes, White Deer.

UTAH

Edward J. Young, jr., Vernal.

## HOUSE OF REPRESENTATIVES

MONDAY, *April 30, 1928*

The House met at 12 o'clock noon.

Rabbi William Franklin Rosenblum, of the Washington Hebrew Congregation, Washington, D. C., offered the following prayer:

O Lord, our God, master of the universe, in whose hands are the souls of all the living and the spirits of all flesh, Thou who knowest and orderest all things well, and before whose presence we bow in adoration and submission, hallowed be Thy name.

On this day we resume our labors of service to our country and to our Nation from which we paused to render tribute to a colleague and friend who has gone to sit in the assembly on high. His voice will no longer sound in these Halls, his presence no more abide in our midst, who but yesterday was eager and alert in the performance of his duties, even as we are at this hour.

O our God, now that Thy visitation is past, may we draw waters of chastening from the wells of salvation. May we reconsecrate ourselves to our work in meekness and in humility, and thus, in acknowledging our smallness in Thy sight, hallow ourselves and ennoble our deeds in the sight of our fellow men.

May our deliberations and decisions reflect our convictions. May we remain blind to artifice and blandishment, deaf to the sweet accents of flattery or the ominous murmurings of complaint. May we have regard only for the advancement of our Nation, the welfare of its citizens and the peace of humanity, and thus bear witness before all the world that Thou art our ruler, and that Thine is the power and the glory and the majesty. Amen. Amen.

The Journals of the proceedings of Saturday, April 28, and Sunday, April 29, were read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House of Representatives was requested, a bill of the House of the following title:

H. R. 13331. An act to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 192. Joint resolution to provide for the coinage of a medal in commemoration of the achievements of Col. Charles A. Lindbergh.

The message further announced that the Senate had passed bills of the following titles, in which the concurrence of the House was requested:

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920.

S. 3919. An act awarding a gold medal to Lincoln Ellsworth.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11026) entitled "An act to provide for the coordination of the public-health activities of the Government, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. MCNARY, and Mr. FLETCHER to be the conferrees on the part of the Senate.

The message further announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10141) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors."

The message also announced that the Senate did, on April 28, 1928, pass the following resolution:

*Resolved*, That the Senate accept the invitation of the House of Representatives to attend the funeral of Hon. MARTIN B. MADDEN, late a Representative from the State of Illinois, in the House of Representatives at 12 o'clock meridian on Sunday, April 29, 1928, and that a committee of 10 Senators be appointed by the Vice President to act with the committee appointed by the House of Representatives to take order for superintending the funeral.

The message further announced that pursuant to the foregoing resolution, the Vice President had appointed Mr. DENEEN, Mr. CURTIS, Mr. ROBINSON of Arkansas, Mr. WARREN, Mr. OVERMAN, Mr. SMOOT, Mr. WALSH of Montana, Mr. MCNARY, Mr. HARRISON, and Mr. STECK members of the committee on the part

of the Senate to act with the committee appointed by the House of Representatives to take order for superintending the funeral of the deceased.

SENATE BILLS REFERRED

Bills of the following titles were taken from the Speaker's table and, under the rule, referred to the appropriate committees, as follows:

S. 3693. An act authorizing the city of Council Bluffs, Iowa, and the city of Omaha, Nebr., or either of them, to construct, maintain, and operate a free highway bridge across the Missouri River between Council Bluffs, Iowa, and Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

ATTENDANCE OF MARINE BAND AT THE CONFEDERATE VETERANS' REUNION, LITTLE ROCK, ARK.

Mr. VINSON of Georgia. Mr. Speaker, I am directed by the ranking member of the Naval Affairs Committee in the city, Mr. DARROW, to ask unanimous consent to call up the bill (H. R. 13252) authorizing the attendance of the Marine Band at the Confederate veterans' reunion at Little Rock, Ark.

The SPEAKER. The gentleman from Georgia asks unanimous consent to call up the bill H. R. 13252 and consider the same. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that a Senate bill—S. 4180—of the same purport be substituted for the House bill.

The SPEAKER. The gentleman from Georgia asks unanimous consent that a similar Senate bill be substituted for the House bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the President is authorized to permit the United States Marine Band to attend and give concerts at the Confederate Veterans' Reunion to be held at Little Rock, Ark., May 8 to 11, 1928.

SEC. 2. For the purpose of defraying the expenses of the band in attending such reunion there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $7,872, or so much thereof as may be necessary.

Mr. UNDERHILL. Mr. Speaker, as I caught the reading, the sum of $13,252 is appropriated and not authorized.

Mr. VINSON of Georgia. This is the Senate bill, and I am asking to substitute this for the House bill. The House bill authorizes the appropriation, but the Senate bill makes the appropriation. The Naval Committee of the House has not jurisdiction to make an appropriation.

Mr. LAGUARDIA. Has the Senate committee authority to appropriate money directly?

Mr. VINSON of Georgia. You will have to propound that to a better parliamentarian than I am.

Mr. UNDERHILL. I think I will offer an amendment. We ought not to establish a bad precedent. I have no objection to the appropriation.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. GARNER of Texas. The gentleman says he has no objection to making the appropriation. I think the gentleman's first suggestion is the one that has any merit; that is, making a bad precedent. But why make the authorization now and have an emergency bill come in to-morrow when you can make the appropriation now?

Mr. LAGUARDIA. For the orderly procedure.

Mr. GARNER of Texas. The Senate has the right to originate appropriation bills except revenue bills. The Constitution does not prohibit the Senate from making this appropriation.

Mr. RAGON. I think I can explain it, and give the reasons. The bill was introduced by Senator ROBINSON in the Senate last week, and at the same time he asked me to introduce one here. The matter was taken up with him three weeks ago. In the meantime we both became ill. I happened to get up sooner than he did, and he only returned to the Senate last Thursday or Friday.

Mr. UNDERHILL. How much delay will it incur?

Mr. RAGON. The delay may ruin us. The reunion is on the 8th. Little Rock is not a large city. The hotel facilities will be heavily taxed. I have had urgent wires the latter part of last week to give them information as to the number in attendance.

Mr. UNDERHILL. In view of the urgency, Mr. Speaker, I will not offer an amendment.

The bill was ordered to be read the third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

ROSS F. COLLINS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to be permitted to file a supplemental report on the bill (H. R. 3221) for the relief of Ross F. Collins from the Committee on Naval Affairs.

The SPEAKER. Is there objection?

There was no objection.

REREFERENCE OF A BILL—JOINT-STOCK LAND BANKS

Mr. DYER. Mr. Speaker, the bill S. 4039, to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes, approved October 15, 1914, as amended," was referred to the Committee on the Judiciary. I ask unanimous consent that this be rereferred to the Committee on Banking and Currency, in order to facilitate consideration of the legislation.

The SPEAKER. The gentleman from Missouri asks unanimous consent for rereference of a bill, the title of which the Clerk will report.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, is this action taken through decision of the Committee on the Judiciary?

Mr. DYER. No; I am asking this upon my own motion. The legislation to which this referred was legislation from the Committee on Banking and Currency originally.

Mr. LAGUARDIA. I heard only the title read. I understand that it referred to some matters in restraint of trade.

Mr. DYER. I examined the bill in connection with the parliamentarian, and we are satisfied that the bill should go to the Committee on Banking and Currency.

The SPEAKER. Is there objection?

There was no objection.

PRESENTATION OF FLYING CROSS TO CERTAIN AVIATORS

Mr. TILSON. Mr. Speaker, by the request of the acting chairman of the Committee on Military Affairs and the ranking minority member of that committee, I ask unanimous consent to take from the Speaker's table the bill H. R. 13331, to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to take from the Speaker's table the bill H. R. 13331, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk reported the Senate amendments.

Mr. TILSON. Mr. Speaker, this is a real emergency, because it is desired to have this bill passed before the flyers arrive on Wednesday next. In order to do this it should be passed to-day. This is simply a motion to concur in the Senate amendments, which add the names of the French and Italian flyers to those named in the House bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

LEAVE OF ABSENCE

Mr. VESTAL. Mr. Speaker, I ask unanimous consent for leave of absence for 10 days for my colleague Mr. JOHNSON of Indiana, who has been called home on account of serious illness in his family.

The SPEAKER. Without objection, the leave is granted.

There was no objection.

EVENING SESSION

Mr. TILSON. Mr. Speaker, at the request of the chairman of the Committee on Agriculture, I ask unanimous consent that it be made in order for the Committee of the Whole House on the state of the Union, in consideration of the farm relief bill, at any time before 6 o'clock this afternoon, to recess until 8 o'clock to-night, and that between the hours of 8 o'clock and not later than 11 o'clock to-night general debate shall continue on the farm relief bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that to-day it shall be in order for the Committee of the Whole House on the state of the Union to take a recess, not later than 6 o'clock, until 8 o'clock p. m., and to continue general debate upon the farm relief bill until not later than 11 o'clock p. m. Is there objection?

Mr. OLIVER of Alabama. Reserving the right to object, I take it that there will be no other business transacted than the discussion of the farm relief measure?

Mr. TILSON. There could be no other business transacted in the Committee of the Whole, but I undertake to say that no other business will be called up after the committee rises.

Mr. LAGUARDIA. And that this time be not deducted from the 12 hours provided under the rule?

Mr. TILSON. The time used this evening not to be deducted from the 12 hours provided under the rule, and the time consumed to be divided in the same manner that the time under the rule has been divided.

Mr. LAGUARDIA. That is, the three hours to-night?

Mr. TILSON. Yes; any extra time at the evening session.

The SPEAKER. The gentleman from Connecticut supplements his request by adding that the time during the evening session be not deducted from that allowed for general debate under the rules, and that the time be equally divided between those for and against, as under the rule. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. FORT. Mr. Speaker, at the conclusion of the session of the Committee of the Whole House on the state of the Union on Friday last the gentleman from Michigan [Mr. KETCHAM] was engaged in speaking upon the farm relief bill. It has seemed to all who controlled the time that the last 15 minutes of Mr. KETCHAM'S time were useless to him, because of the very unfortunate occurrence of which the House then became advised. I ask unanimous consent that the time for general debate under the rule be extended 15 minutes, or, in other words, that the last 15 minutes of the time used by the gentleman from Michigan be not charged against the time to be controlled by him.

The SPEAKER. The Chair is advised that that time was not charged against the gentleman from Michigan.

Mr. FORT. The gentleman from Michigan informs me that it was so charged.

Mr. KETCHAM. Mr. Speaker, may I ask how much time remains of my time?

The SPEAKER. The gentleman has 16 minutes remaining, according to the timekeeper.

Mr. KETCHAM. Then it was charged against me, because under the request of the gentleman from New Jersey the time elapsed would have been only 30 minutes, whereas 44 minutes has elapsed according to the record of the timekeeper.

The SPEAKER. The Chair will first put the request of the gentleman from Connecticut. Is there objection to his request?

There was no objection.

The SPEAKER. The gentleman from New Jersey [Mr. FORT] asks unanimous consent that the time of the gentleman from Michigan [Mr. KETCHAM] be extended 15 minutes beyond the time allotted under the rule. Is there objection?

There was no objection.

THE AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan [Mr. MAPES] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Mr. KETCHAM. Mr. Chairman, I yield myself 20 minutes of the time remaining to my credit—37 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 20 minutes.

Mr. KETCHAM. Mr. Chairman and members of the committee, at the conclusion of the debate on Friday afternoon I had proceeded quite well along with an explanation of the details of the export debenture plan. I was, of course, as all of us were, very greatly shocked by the tragic event which caused a suspension of the proceedings for the day; and I am perfectly aware that whatever of continuity there may have been in the discussion was thereby destroyed. And so, for the purpose of getting the ideas in the bill before you in a very brief way I want to trespass upon your patience long enough to make just a few statements as to what the export debenture plan really is and what our plans are with reference to it.

I may state at the outset that my colleague from Texas [Mr. JONES] and myself have been continuously and enthusiastically in favor of some sort of farm-relief legislation that would cure the present price maladjustment under which agriculture is at present conducting its operations. For myself, and I think for the gentleman from Texas, I can say that we have on previous occasions supported the McNary-Haugen bill. So far as I am myself concerned, that is true. On two of the three times it has been before the House for consideration I have voted for it.

The reason why we are urging the export debenture plan at this time is simply because we believe that it is the only method by which we may write upon the statute books farm relief legislation at this session of Congress.

Now, that ground has been traveled over so much that I do not want to enlarge upon it, and I will simply dismiss it with one sentence. In the first place, granted that the bill passes both Houses, I think there can be no manner of question as to what its future will be at the other end of the Avenue should it contain the equalization fee. Granted, then, that it will be vetoed at the other end of the Avenue. That, of course, brings up the proposition as to whether or not a sufficient number of votes may be mustered in the opposite end of the Capitol to override that veto. If that shall not be done, that means an end to the legislation. If it shall be done, then that means that the bill will come back here for a similar vote.

I do not know what all of you believe, but it is my belief that the chances are very remote for any such action to be taken. And then, granted that that might possibly be done—and it is within the range of possibility—I think it has increasingly been the conviction of men of both Houses that the question of constitutionality would immediately be raised; and while not an attorney, and therefore venturing no opinion, but simply relying upon the judgment of those who have given it careful consideration, I think there is grave doubt as to its constitutionality. Whether that might be granted or not is another argument. But this may be said, that at least two years would go by before the question might be thoroughly tested in the courts and a decision rendered; even then, should a favorable decision be rendered, then additional months would be required to set the bill in operation. So viewing the whole situation in the most favorable light, at least two or three years more of our present condition must be pressed upon agriculture before a remedy can be applied.

Granted that the equalization fee shall not be the remedy agreed upon by the Congress to cure the situation that we have before us, Mr. Chairman and members of the committee, my colleague from Texas and myself, supported by the oldest and the strongest and the most conservative farm organization in the United States, are presenting for your consideration an alternative proposition that we have good reason to believe is sound; in fact, no word of challenge as to its constitutionality has been uttered. In the third place, we believe it is a practical proposition, and that it will cure within 60 days the present farm price disparity that is so greatly to the disadvantage of agriculture.

Mr. GARBER. Mr. Chairman, will the gentleman yield there?

Mr. KETCHAM. Yes.

Mr. GARBER. In regard to the soundness of your measure, I notice by your former argument that you suggested that the remedy only applied for the period necessary to tide over the present crisis. You would not advocate a policy of paying a continuous premium or subsidy to the producers of farm products out of the Treasury of the United States, would you? That, on the very face of it, to my mind is unsound—that is, when you get right down to a permanent policy to pursue.

Mr. KETCHAM. I think I can satisfy the gentleman by answering that particular thing in this way, and I should like to have him follow me. Our contention is that this condition is a temporary condition. My own belief and theory is that without any legislative enactment at all within five years—and certainly within eight years—agriculture, which is always slow to recover from war conditions, will restore of itself its price parity. Our bill is written upon this theory, and I want you to see it, that by certain legislative proposals we have placed the farmer at a disadvantage so far as his costs of pro-

duction are concerned. That has been done by action of the Congress. There can be no argument about that. It is our contention that if those different legislative acts were sound economically that the proposal we now offer is likewise sound, because it comes at the proposition in the only possible way it can be met and for the time being restores the price parity of the farmers of the United States, which, we maintain, has largely been destroyed by the legislative acts of this Congress itself. So it appears to us we are absolutely sound and that our position is practical, because we have grounded ourselves upon the position that the farmers are entitled, if you please, to the costs of production; and if we have raised their costs of production, then it seems to me that by legislation—and I believe this is the way—that disparity shall be removed and that disadvantage taken away. When the time comes that the price parity between agricultural commodities and others shall be realized, then automatically this device of ours fades out of the picture and no further inroads upon the Treasury shall be made.

So far as inroads upon the Treasury are concerned, may I just call the attention of the membership of the committee to this? What do we mean by inroads upon the Treasury? Taking money out of the Treasury and keeping money from coming into the Treasury. I will give two or three very simple illustrations. For instance, take the tariff on butter, for which I think all of us voted—a very fine, constructive piece of machinery to the advantage of agriculture. When the tariff was at 8 cents per pound we found butter coming in from the outside. Upon a proper showing by the Tariff Commission the President, by proclamation inreased the rate, as he is permitted to do under the flexible provisions of the tariff, from 8 to 12 cents. What did that do? It kept money out of the Treasury of the United States. It was for the advantage of the dairy farmer, without any manner of question, but was a disadvantage to the Treasury.

In one sense that proposition was in principle a subsidy to the dairy farmers and in 100 ways I might illustrate that so far as manufacturing is concerned. The whole theory upon which we have built up our American economic life to-day is grounded upon that thought. Here our scale of living is a higher one, and, therefore, various sections and various groups of our population must be taken into consideration, and so far as it is possible they must be put upon a level of opportunity. We believe that the proposition we have here this morning is the simplest, the most direct, the most positive, and the least objectionable of any of the plans that have been proposed for bringing price equality to the farmer.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. COLE of Iowa. I do not want to be understood as being unfriendly to this legislation.

Mr. CLARKE. Which legislation?

Mr. COLE of Iowa. The debenture plan. Will the gentleman tell us how we can apply this to a particular line of products and not to all? How can you limit it to agricultural products? What is there to prevent other industries from coming in and using this as a precedent and asking the same favors for themselves?

Mr. KETCHAM. I will answer the gentleman's question by saying that already the rest of them have been taken in and we are enjoying the benefits to-day, and now all we are asking is that the farmer shall be placed upon the same parity with the rest.

Mr. COLE of Iowa. But for every bushel of grain exported we are going to give a rebate, a debenture. Now, why could not an automobile factory come in and ask a rebate, a debenture?

Mr. KETCHAM. I dare say it could, and if it were determined that the automobile industry had been placed in an unsatisfactory position by legislation I am very certain that fairness and justice in this body would say that is a thing that ought to be done for it if that were the only device by which the automobile industry might be put on a parity with the other industries of the country. My recollection is that we have just lifted $66,000,000 per year from automobile taxes.

Mr. COLE of Iowa. That becomes a question of argument. I think it could be proved that many industries at the present time are in a depressed and deflated condition, and under the precedent in this legislation, those concerned would be entitled to ask for the same benefits.

Mr. KETCHAM. I will have simply to say that for the moment—and I do not want you to lose sight of this—we are simply dealing with the one proposition of agriculture, and we are here advocating our plan, as I indicated a moment ago, as the simplest, the fairest, and most direct, and, yea, so far as the Treasury itself is concerned, the least expensive plan that has been proposed. This will develop a little later in the argument.

Mr. UNDERWOOD. Will the gentleman yield?

Mr. KETCHAM. I will yield to the gentleman for one brief question, and then I must hurry on.

Mr. UNDERWOOD. I am very much interested in the gentleman's plan. It has been charged in the debate here that the debenture plan, if put into effect, would result in wild speculation. It has been further alleged that the exporters and importers would divide the debenture and that very little would be reflected back to the producer in the price of his product. Can the gentleman answer these objections?

Mr. KETCHAM. I think I can answer the questions, at least satisfactorily to myself, and they are completely answered in my own mind. Whether the debenture plan is set up or whether the equalization-fee plan is set up, undoubtedly all the benefits that agriculture expects to accrue will not come back to them; but for the life of me I am unable to understand why under the export debenture plan there will not be as great certainty of the greatest amount of benefit to get back to the farmer as under the other plan; and, so far as the equalization plan is concerned, I think more of the benefit will get back, because no tremendously expensive machinery, involving the employment literally of thousands of people, is set up in connection with it. So I think the chances are much better under our plan for a greater share of the benefit getting back to the farmer himself.

Mr. UNDERWOOD. Will the gentleman yield further for one short question?

Mr. KETCHAM. For a short question.

Mr. UNDERWOOD. How would the debenture plan stabilize agriculture and take care of the surplus production we now have?

Mr. KETCHAM. The gentleman asks how the debenture plan would stabilize agriculture. May I say that, so far as my understanding of all these bills is concerned, stabilization, which refers to seasonal fluctuation, is cared for principally in the loan features. The gentleman is very familiar with the agricultural situation, representing a very great agricultural section, and knows that seasonal fluctuation of prices is one of the reasons agriculture is at a great disadvantage to-day.

The loan features of both the McNary-Haugen bill and the export debenture bill are calculated to minimize these seasonal fluctuations and stabilize the price so that through the year, if you please, there will be more nearly an average, which will be greatly to the advantage of the farmer, at least during the early part of the marketing period.

Mr. MORGAN and Mr. OLIVER of Alabama rose.

Mr. KETCHAM. I hesitate to refuse to yield because you are all so interested, but I think I will serve notice that after these two questions are answered I want to proceed with my statement.

Mr. MORGAN. The orderly marketing features of both plans would be virtually the same so far as taking care of the surplus and orderly marketing are concerned.

Mr. KETCHAM. The loan features of the two bills are practically the same.

Mr. OLIVER of Alabama. Assuming that the facts justify an operating period under the debenture plan and that the market price of cotton is 6 cents, and that it is found that the cost of producing it is 16 cents at home and the cost of producing it abroad is 14 cents, what would be the amount of the debenture under those facts that the gentleman's plan would authorize?

Mr. KETCHAM. If I caught the facts correctly, the difference between them, as already set up in the bill, would be 2 cents a pound.

Mr. OLIVER of Alabama. How would that affect in a helpful way a farmer raising cotton, when the difference between the cost of production and the market price is 10 cents?

Mr. KETCHAM. Under the debenture plan his price would be increased the first year 2 cents a pound without paying any fee or tax.

Mr. OLIVER of Alabama. I was under the impression the gentleman held out that his plan offered absolute relief and far better relief than the other plan to the cotton farmer.

Mr. KETCHAM. I think I have made no statement of that sort.

Mr. LAGUARDIA. How could such a condition be possible, if the cost abroad were 14 cents and here 16 cents and the market price 6 cents?

Mr. KETCHAM. I can not conceive of that condition.

Mr. LAGUARDIA. I can not, either.

Mr. KETCHAM. But the amount of increase would be $10 per bale under the bill.

Mr. JONES. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. JONES. May I suggest to the gentleman that they hope the McNary-Haugen law will help out through the loan feature by enabling them to buy up the surplus at the low price and take it off the market and hold it and thus bring up the price, and in both instances the plans operate in the same way.

Mr. KETCHAM. In the concluding minutes I shall take I want to do just three things. First, I want to call your attention in a word to the splendid organization that has lent its support to this bill. I want to commend it for its very splendid attitude. This organization has come before us simply presenting its plan, with no orders to take this or nothing; a fine spirit, and I think every member of the committee recognizes the thoughtfulness and the fine attitude of the Grange as it appeared before our committee.

This organization is constituted of about 8,000 subordinate organizations in 33 States of the Union. It has at present 800,000 dues-paying members, the oldest and the largest of the farm organizations. I may say that possibly the sentiment of that organization can best be expressed in the words of the master of the National Grange in his concluding remarks:

Mr. KETCHAM. There are just two or three things by way of summarizing your argument that I would like to put to you in the form of questions. In the first place, just to get the picture of the situation that agriculture is in, I presume you have made a study of the indexes that are furnished by the Department of Labor as indicating the trend of prices in agriculture and all other commodities, and several other groups?

Mr. TABER. Yes.

Mr. KETCHAM. You are familiar, for instance, with the fact that the labor index is at present 228, that the transportation index is 157, and that the all-commodity index is 152, while the index of farm commodities at the farm is 138. Do you subscribe in that connection to the general opinion that that variation is attributable to a degree—quite a large degree—to legislative procedure—are there certain specific acts of Congress that, in other words, may have contributed to the making of the labor index what it is instead of what it would be had the laws previous to these particular enactments been enforced?

Mr. TABER. We fully subscribe to the notion that the commodity and labor price index as given by the Department of Labor reflects a true picture of our difficulty and reflects also that that difficulty has been contributed to in no small part by the actions of Congress itself and by legislative enactment.

Mr. KETCHAM. Do you share in the opinion that there was any malice or any intention on the part of Congress or in the thought of anyone that the results as indicated in these indexes would follow as a result of that action? Do you think it was injuriously directed toward the farmer?

Mr. TABER. We have never felt that Congress, business, or labor acted with a desire to injure agriculture. We have felt that their superior organization, their superior mobility, made it possible for them to secure benefits that did not accrue to other groups.

Mr. KETCHAM. Do you subscribe to the idea that as a result of these indexes, which, of course, indicate higher purchasing power, in general that contributes to national prosperity; in other words, the fact is you have no desire to see these men particularly crippled in the advantages that they enjoy?

Mr. TABER. Our policy has always been to build up agriculture and not to seek to interfere with wages or standards of other groups.

Mr. KETCHAM. Then, if I understand the purpose of your appearing here in the advocacy of this bill, it is that you believe that this bill will best take care of agriculture and place it, as reflected in the indexes, on a parallel with the other groups with which reference has been made?

Mr. TABER. Our whole purpose and our only purpose in appearing here and in advocating this legislation is the honest belief, founded on our best judgment and our experience, both in America and elsewhere, that this legislation more certainly, with less expense and less delay, would do the very thing that you have indicated—lift agriculture on a plane with labor, with transportation, with finance, and with industry; and we think, further, that it does it in harmony with precedents and in accordance with the established policy of the Government better than any other legislation proposed.

Mr. KETCHAM. One further question, Mr. Taber, and I think I am through: Supposing that this bill were passed by the Congress and approved by the President and were put into effect, and that following that agriculture did take its place; and then add the supposition that our population changes will keep on with their draft toward the cities and naturally, possibly, the need for this special kind of legislation would gradually disappear—what is the effect of this particular bill on that kind of a situation?

Mr. TABER. This bill is self-eliminating.

Mr. KETCHAM. "Self-eliminating" describes the situation, and still does not give agriculture a supreme advantage over others; but simply puts it into the picture, so that we can march down the road side by side, which is all any farmer asks.

Mr. TABER. That is correct; it does exactly that thing. As we approach the import basis on any commodity, the export debenture automatically, without any expense, without any difficulty, eliminates itself, and the system that is then prevailing for the protection of other groups will protect agriculture.

Mr. KETCHAM. I said that was the last question I had, but here is one other: You have stated that you preferred the form of organization set up in the bill—without a board and without what is referred to as the revolving fund or the stabilizing features of the other bill. In the spirit you manifested, which I want to compliment, you have said that if it be the judgment of this committee that these added features, such as board and loan features, ought to be incorporated, you would be glad to go along and would give that sort of an arrangement your support, although you preferred the provisions of this bill; is that correct?

Mr. TABER. That is a correct statement.

I wanted to give them to you because they reflect this sentiment very nicely. After thus giving his approval to the bill Mr. Louis J. Taber, the master of the National Grange, summarizing the whole proposition, said:

We favor the simple, nonsalaried, naked proposition, the export-debenture plan, because of the reasons we have indicated; but we realize, as we have said in the very beginning, the superior judgment of this committee, your long experience, your seven years' study of the problem, and if, in your superior judgment, you felt a salaried board was necessary; if, in your superior judgment, you felt a revolving fund was necessary; or if, in your superior judgment, you felt an export corporation was necessary, we naturally would acquiesce in your superior judgment, believing that your study and your experience brought you to this conclusion with the good of agriculture in mind. Naturally, we would go most enthusiastically along with the program in spite of the fact that it was not just what we asked for or just what we wanted.

I may say to you that the bill as outlined in that paragraph is the bill substantially we have before you. Now, I want to say another thing, and it is an emphasis of what I said in the first two or three minutes on the floor to-day. My colleagues and I who believe there is real merit in that plan come before you and ask for farm equality now. I undertook in my opening remarks to show you that the farm index to-day in contrast with 1913 was 138, all-commodities index 152, transportation 157, and labor 228. If I may use an illustration that will be timely because of the Olympic games this summer, one of the most spectacular events in these games is the 100-yard dash. What would you think if the man in charge came out and said, "Gentlemen, we are going to have a splendid contest, a hundred-yard dash, but we are going to handicap some of the folks. America will run scratch, Great Britain will start from the 10-yard line, France from the 14-yard line, and Germany from the 65-yard line." Unjust, unfair, and unthinkable, of course, but not unlike the economic situation of agriculture. We are asking the farmers to handicap themselves in this great economic struggle in which they are engaged. We put the farmers on scratch—and you all know what scratch is—and the nearest man to him is the one who represents that vast group in the all-commodity list. We give him 10 points start. Those engaged in transportation you would give 14 points start, and when you come to labor you give them 65 points start in the great race for economic independence. Absolutely unfair conditions and the results foretold before the race begins!

May I sum up the whole situation in a word: For four years we have been earnestly striving to enact legislation that will accomplish price equality for the farmer. In terms of the hundred-yard dash we have been either seeking to place all groups in the economic struggle on scratch together, or if this is impossible to put the farmer up on equal terms with the other groups. Those of us who favor the export-debenture plan earnestly urge this legislation in the belief that it will enable the farmer to start this year on equal terms with other groups. Ultimate price equality is the aim of the three leading proposals. We sincerely believe that our plan is the most effective and that above everything else it can become operative this year. The loan features of all bills make for stabilization, but we believe the export-debenture plan is the surest and quickest way of securing price equality at once.

Granted for the sake of argument that the equalization-fee plan will bring price equality, with court delays in the testing of the constitutionality of the fee requiring one or two years at the best, it will be 1930 or 1931 before the equalization fee could possibly be put into operation. Why handicap the farmers of the United States in 1928 and 1929 and possibly longer when the debenture plan, which we believe will do all that the equalization-fee plan can do, can be made effective for the

present crop year? "Do it now" is an appealing sentiment in this connection. In the great Northwest they also say, "Eventually, why not now?" [Applause.]

I want to conclude my remarks with another illustration which I think emphasizes the superiority of the export-debenture plan over that of the equalization-fee plan. When the World War broke out Uncle Sam sent word to Tom in the country, "Come to the colors," and Tom said, "It will be my great pleasure," and he came to the colors. Likewise said Uncle Sam to Dick in industry and to Harry in transportation, "Come to the colors," and they came. They were clothed, they were fed, and they were armed by Uncle Sam. They were the best clothed, the best fed, and the best armed men that the world has ever seen. Down the road they marched on terms of equality to join in winning the greatest victory ever achieved for humanity.

My colleagues, those of us who are advocating the export-debenture plan are asking that in the great struggle for economic independence Tom from the farm, Dick from industry, and Harry from transportation shall be equipped on terms of equality in order that they may march down the road together on equal terms, as they did in war times. The advocates of the equalization-fee plan propose to call Tom from the farm to one side and say to him, "Tom, we want to fix you out all right, so you can march with the other boys; but we are going to let you buy your own uniform," and "Tom, we are sorry, but we may not be able to arrange it so that you can buy it before 1929 or 1930." You are asking agriculture to bear an equalization fee so that he may march on terms of economic equality with his comrades. We do not treat industry so; we do not treat transportation so; and we do not treat labor so. Why shall not the farmer be given economic equality as is given to other groups of our people? Upon this basis we appeal to you for your favorable consideration of the export-debenture plan. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Georgia [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I shall not discuss the bill in detail at this time, but simply ask unanimous consent to print in the RECORD some proposed amendments, which I hope to be able to offer in respect to the equalization fee on cotton. If the general motion to strike out the equalization fee prevails, I shall not offer these amendments. I shall support the motion to strike out the equalization fee, if it be offered.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing certain proposed amendments for information. Is there objection?

There was no objection.

The amendments referred to are as follows:

After the word "associations," in line 1 on page 37, add the following: "to banks and to associations or corporations organized by farmers or others, under the laws of any State."

After the word "associations," in line 9, paragraph 1, page 37, insert a comma and add the following: "banks, associations, or corporations organized by farmers or others, under the laws of any State."

Strike out section 6 of the bill.

After the last word in line 7 on page 47, add the following: "*Provided, however,* No equalization fee shall ever be estimated, levied, or collected on cotton."

After the word "commodity," in line 9 on page 47, add the words "except cotton."

After the word "period," in line 13 on page 48, add the following: "*Provided,* No equalization fee shall be collected on cotton."

After the word "States," in line 20 on page 49, add the following: "*Provided, however,* The provisions of paragraphs 1 and 2 and subdivisions f and g above shall not apply to cotton."

On page 50, strike out subparagraph 2.

Mr. ASWELL. Mr. Chairman, I now yield to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, if I could believe that the proposed measure rested upon sound constitutional and economic grounds and that its operation would be of benefit to agriculture, the great basic industry of America, I should not only most gladly support it but most earnestly urge it.

That individual fails wholly to understand the philosophy of our entire economic life who does not appreciate the fact that prosperous agriculture is essential to a full and rounded prosperity in all other lines of activity and industry. There is not a legitimate industry in America whose interests are, or can be, inimical to the farmers of the Nation enjoying prosperity. The Nation can never be happy as a whole, or safe as a whole, unless this condition exists.

Every demand of statesmanship, to say nothing of personal political ambitions, would dictate the support of legislation which would aid in promoting this condition.

But, sir, I have never been able to bring myself to the belief that the complicated system which it is proposed to found upon a stabilization fund, which fund is to be created by the levy of a tax, called an equalization fee, will prove workable in fact or beneficial to the farmer. Upon the contrary, it has been and is my firm belief that such a system would subject the agricultural interests to an exploitation exceeding anything that we have ever witnessed, and not only that but I fear it would lead almost if not quite to revolution.

I have never believed that it lay within the constitutional purview of Congress to authorize a board to levy a tax upon the agricultural products of individual producers and enforce its collection through the machinery of government as is proposed in this measure.

Let it be borne clearly in mind that the proposal of the bill is to clothe a board of 12 men with the power to levy a tax upon every bushel of wheat or corn, upon every bale of cotton, upon every pound of tobacco and meat—in short, upon some unit of every product of the farm. There is no limit placed upon the board's discretion as to the amount which it may levy, and the fund thus created is to be expended by the very board which levies it.

Think of what that means! If the plan shall be adopted and upheld by the courts, in what will it eventuate? Looking down the years it is perfectly easy to envision a situation where the whole agricultural industry of America will be thrown under governmental control, the farmer's freedom of contract destroyed, and the farm system completely revolutionized.

This fee is to be compulsory; it is not a matter of free action on the part of the farmer entering into a contract as he does when he joins a cooperative marketing association or other farm organization. It is to be levied upon him by a board and collected from him by the agencies of law.

Surely no one will deceive himself into the belief that this fee will not come from the farmer himself. It is immaterial at what point in the handling of the product the tax may be imposed, whether at the time of the first sale or when it is transported or when it is processed, it will be paid by the farmer who grows the product.

That I understand to be not only the admission of the proponents of the measure, but they claim it as a virtue, saying, in substance, it is simply a plan to enable the farmer to help himself.

If that be true, how is the farmer to be benefited by paying his own losses from his own pocket?

One of the favorite lines of argument by some of the advocates of this measure for years has been that government has aided other activities—the railroads and railroad workers and the banks—to say nothing of aid to manufacturers through the instrumentality of the tariff.

As for this latter those who think as I do feel that the cure lies in a revision of the tariff schedules so as to eliminate the favoritism of law and not in embracing this favoritism and trying to make it the basis of a permanent system. Vice can not well be made a foundation stone upon which to erect a structure of virtue.

So far as railroads and banks are concerned, in the first place entirely erroneous impressions have been created as to what has been done; and in the second place all who think for a moment will appreciate the fact that there is a vast difference in the relation of government to public-service corporations and to farmers.

The public-service corporations are subject to the highest measure of governmental control. Government can do anything it chooses with these except confiscate them.

Is it possible that there are any considerable numbers of people in America who believe that the farmers are ready to have their farms and industry placed in the category of a public-service corporation and made subject to governmental regulation and control?

If so, they will be rapidly undeceived once the effort is made.

Mr. Chairman, I shall undertake to make some analysis of this measure from the economic standpoint. I have stated the fundamental legal objection which lies in my mind. I appreciate the necessity for legislation and I regret profoundly the political influences which apparently have rendered legislation impossible. If we can strike the equalization fee from the bill, with some amendments to the other portions of the measure, I shall be very happy to support it. I should be very happy to support the debenture plan outlined by the gentleman from Michigan [Mr. KETCHAM], and the gentleman from Texas [Mr. JONES].

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. WOODRUFF. I have enjoyed the gentleman's interesting discussion of this bill. Does the gentleman think the McNary-Haugen bill with the equalization fee eliminated would still present a workable plan for farm relief?

Mr. GARRETT of Tennessee. I think it would.

Mr. LAGUARDIA. How would you finance it? Out of the Treasury?

Mr. GARRETT of Tennessee. That is a part of the bill.

Mr. ASWELL. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. ASWELL. It was testified by several witnesses before the committee that it would be a workable bill.

Mr. GARRETT of Tennessee. I have understood that there is no question about that.

Mr. LAGUARDIA. The gentleman in his address stressed the freedom of contract which the farmers have enjoyed. All that that freedom of contract has amounted to up to date, it seems, has been a sort of freedom to submit to foreclosure and to suffer great losses, has it not?

Mr. GARRETT of Tennessee. The gentleman understands that I am using that expression in a different sense from what evidently he has in mind.

I think, Mr. Chairman, it is very generally understood that the retention of the equalization fee feature of the bill has been forced by the influence, in the main, of the representatives of certain of the cooperative marketing organizations—cotton, tobacco, and wheat, in particular—who have been steadily and assiduously upon the job here since the Committee on Agriculture began their hearings.

I do not wish even to seem to antagonize the principle of cooperative marketing. Upon the contrary it has been my pleasure both as a citizen and as a legislator to encourage its organization and growth, because I regard the theory as sound, and its soundness is not destroyed by failures due to mismanagement or other causes.

But, sir, there is a vast difference between asking and advising a farmer voluntarily to join a cooperative marketing organization, and, as a legislator, voting to make him join, and that is what I am asked to do when requested to vote for that part of the bill embraced in sections 9, 10, and 11.

I quote them in full:

MARKETING AGREEMENTS

SEC. 9. (a) From time to time upon request of the advisory council for any agricultural commodity, or upon request of leading cooperative associations or other organizations of producers of any agricultural commodity, or upon its own motion, the board shall investigate the supply and marketing situation in respect of such agricultural commodity.

(b) Whenever upon such investigation the board finds—

First. That there is or may be during the ensuing year a seasonal or year's total surplus, produced in the United States and national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity;

Second. That the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans; and

Third. That the durability, the conditions of preparation, processing, and preserving, and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—then the board, after publicly declaring its findings, shall arrange for marketing any part of the commodity by means of marketing agreements with cooperative associations engaged in handling the commodity or corporations created and controlled by one or more such cooperative associations. Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

(c) A marketing agreement shall provide either—

(1) For the withholding by a cooperative association, or corporation created and controlled by one or more cooperative associations, during such period as shall be provided in the agreement, of any part of the commodity delivered to such cooperative association or associations by its members. Any such agreement shall provide for the payment from the stabilization fund for the commodity of the costs arising out of such withholding; or

(2) For the purchase by a cooperative association, or corporation created and controlled by one or more cooperative associations, of any part of the commodity not delivered to such cooperative association or associations by its members, and for the withholding and disposal of the commodity so purchased. Any such marketing agreement shall provide for the payment from the stabilization fund for the commodity of the amount of the losses, costs, and charges arising out of the purchase, withholding, and disposal, or out of contracts therefor, and for the payment into the stabilization fund for the commodity of profits (after repaying all advances from the stabilization fund and deducting all costs and charges, provided for in the agreement) arising out of the purchase, withholding, and disposal, or out of contracts therefor.

(d) The board may, in its discretion, provide in any such marketing agreement for financing any withholding, purchase, or disposal under such agreement, through advances from the stabilization fund for the commodity. Such financing shall be upon such terms and conditions as the board may prescribe, but no such advance shall bear interest.

(e) If the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. If the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposal, then the board may enter into the agreement with other agencies but shall not unreasonably discriminate between such other agencies.

(f) During a marketing period fixed by the board for any commodity, the board may enter into marketing agreements for the purchase, withholding, and disposal of the food products of such commodity, and all provisions of this section applicable to marketing agreements for the purchase, withholding, and disposal of the commodity, shall apply to the agreements in respect of its food products.

(g) Any decision of the board relating to the commencement, extension, or termination of a marketing period shall require the affirmative vote of a majority of the appointed members in office.

(h) The powers of the board under this section in respect of any agricultural commodity shall be exercised in such manner, and the marketing agreements entered into by the board during any marketing period shall be upon such terms, as will, in the judgment of the board, carry out the policy declared by section 1.

(i) The United States shall not be liable, directly or indirectly, upon agreements under this Act in respect of agricultural commodities, in excess of the amounts available in the stabilization, premium insurance, and revolving funds.

EQUALIZATION FEE

SEC. 10. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements. Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided.

(b) Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity and under nonpremium insurance agreements in respect of such commodity as hereinafter provided. Upon the basis of such estimates, the board shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the board, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity. Such amount is referred to in this Act as the "equalization fee." At the time of determining and publishing any equalization fee the board shall specify the time during which the particular fee shall remain in effect and the place and manner of its payment and collection.

(c) Under such regulations as the board may prescribe, any equalization fee determined upon by the board shall be paid, in respect of each marketed unit of such commodity, upon one of the following: The transportation, processing, or sale of such unit. The equalization fee shall not be collected more than once in respect of any unit. The board shall determine, in the case of each class of transactions in the commodity, whether the equalization fee shall be paid upon transportation, processing, or sale. The board shall make such determination upon the basis of the most effective and economical means of collecting the fee with respect to each unit of the commodity marketed during the marketing period.

(d) Under such regulations as the board may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity

imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein.

(e) The board may by regulation require any person engaged in the transportation, processing, or acquisition by purchase of any agricultural commodity produced in the United States, or in the importation of any agricultural commodity or food product thereof—

(1) To file returns under oath and to report, in respect of his transportation, processing, or acquisition of such commodity produced in the United States or in respect of his importation of the commodity or food product thereof, the amount of equalization fees payable thereon and such other facts as may be necessary for their payment or collection.

(2) To collect the equalization fee as directed by the board and to account therefor.

(f) The board, under regulations prescribed by it, is authorized to pay to any such person required to collect such fees a reasonable charge for his services.

(g) Every person who, in violation of the regulations prescribed by the board, fails to collect or account for any equalization fee shall be liable for its amount and to a penalty equal to one-half its amount. Such amount and penalty may be recovered together in a civil suit brought by the board in the name of the United States.

(h) As used in this section—

(1) In the case of grain the term "processing" means milling of grain for market or the first processing in any manner for market (other than cleaning or drying) of grain not so milled, and the term "sale" means a sale or other disposition in the United States of grain for milling or other processing for market, for resale, or for delivery by a common carrier—occurring during a marketing period in respect of grain.

(2) In the case of cotton the term "processing" means spinning, milling, or any manufacturing of cotton other than ginning, the term "sale" means a sale or other disposition in the United States of cotton for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States, and the term "transportation" means the acceptance of cotton by a common carrier for delivery to any person for spinning, milling, or any manufacturing of cotton other than ginning, or for delivery outside the United States—occurring during a marketing period in respect of cotton.

(3) In the case of livestock, the term "processing" means slaughter for market by a purchaser of livestock, and the term "sale" means a sale or other disposition in the United States of livestock destined for slaughter for market without intervening holding for feeding (other than feeding in transit) or fattening—occurring during a marketing period in respect of livestock.

(4) In the case of tobacco, the term "sale" means a sale or other disposition to any dealer in leaf tobacco or to any registered manufacturer of the products of tobacco. The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(5) In the case of grain, livestock, and tobacco, the term "transportation" means the acceptance of a commodity by a common carrier for delivery.

(6) In the case of any agricultural commodity other than grain, cotton, livestock, or tobacco, the board shall, in connection with its specification of the place and manner of payment and collection of the equalization fee, further specify the particular type of processing, sale, or transportation in respect of which the equalization fee is to be paid and collected.

(7) The term "sale" does not include a transfer to a cooperative association for the purpose of sale or other disposition by such association on account of the transferor; nor a transfer of title in pursuance of a contract entered into before, and at a specified price determined before, the commencement of a marketing period in respect of the agricultural commodity. In case of the transfer of title in pursuance of a contract entered into after the commencement of a marketing period in respect of the agricultural commodity, but entered into at a time when, and at a specified price determined at a time during which a particular equalization fee is in effect, then the equalization fee applicable in respect of such transfer of title shall be the equalization fee in effect at the time when such specified price was determined.

STABILIZATION FUNDS

SEC. 11. (a) For each agricultural commodity as to which marketing agreements are made by the board, there shall be established, in accordance with regulations prescribed by the board, a stabilization fund. Such fund shall be administered by and exclusively under the control of the board, and the board shall have the exclusive power of expending the moneys in such fund.

(b) There shall be deposited to the credit of the stabilization fund for any agricultural commodity (1) advances from the revolving fund as hereinafter authorized, (2) profits arising out of marketing agreements in respect of the commodity, (3) repayments of advances for financing the purchase, withholding, or disposal of the commodity, and (4) equalization fees collected in respect of the commodity and its imported food products.

(c) In order to make the payments required by a marketing or nonpremium insurance agreement in respect of any agricultural commodity, and in order to pay the salaries and expenses of experts, the board may, in its discretion, advance to the stabilization fund for such commodity out of the revolving fund such amounts as may be necessary.

(d) The deposits to the credit of a stabilization fund shall be made in a public depositary of the United States. All general laws relating to the embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys of the United States, shall apply to the profits and equalization fees payable to the credit of the stabilization fund and to moneys deposited to the credit of the fund or withdrawn therefrom but in the custody of any officer or employee of the United States.

(e) There shall be withdrawn from the stabilization fund for any agricultural commodity (1) the payments required by marketing or nonpremium insurance agreements in respect of the commodity, (2) the salaries and expenses of such experts as the board determines shall be payable from such fund, (3) repayments into the revolving fund of advances made from the revolving fund to the stabilization fund, together with interest on such amounts at the rate of 4 per centum per annum, and (4) service charges payable for the collection of equalization fees.

I have quoted these sections verbatim in order that those who may read these remarks may have the text before them and analyze it for themselves. They do not have to rely upon any interpretation except their own.

It is instantly observable that this gives to a board of 12 men the absolute power to lay a tax, as I have said, upon every bale of cotton, upon every bushel of wheat and corn, upon every pound of tobacco and meat sold by the producer, upon some unit of every agricultural product—and this tax will raise a fund which is to be under the absolute and practically unrestrained control of the board which levies the tax.

The fact that the bill may be amended so as to require the general board to have the advice of a commodity council of seven before functioning adds nothing to its virtues. By the provision of section 4 the advisory councils are to be chosen by the general board itself "from lists submitted by cooperative associations or other organizations representative of the producers of the commodity."

What does this mean? Take the case of cotton. It means that the cotton growers' associations of the different States who have never been able to obtain members sufficient to give them control of as much as 10 per cent of the cotton grown in any State will submit lists to the board of 12. From these lists the board must select seven individuals to act in an advisory capacity. These seven will naturally be from the organization.

The more than 90 per cent of cotton growers who are not members will have no voice whatever in the selection. It will rest with these 7 men to advise the 12, and the 12 may then lay the equalization fee in whatever amount they see proper upon every bale of cotton grown in the United States, and, as stated, this fee will come from the producer. It matters not at what stage of the handling it may be collected. If it be at the time of transportation, the railroad company will simply add the amount of the fee, $10 or $15 per bale, or whatever the amount may be, to the freight bill. The ginner, or whoever purchases the cotton from the farmer, will know in advance what the fee is to be and will deduct it from the price he pays the farmer.

The same conditions will apply to wheat, swine, cattle, tobacco, vegetables—to every commodity upon which the board may determine to function.

Think of what Congress is being asked to do! We are being asked deliberately to vote to force into a system called "agricultural relief" every farmer in America, when we know that the vast majority of those farmers, exercising their rights as American citizens, have declined to join of their own free wills.

For myself, and casting no aspersions upon those of my colleagues who take a different view, I can not feel that I have any moral right to vote to do this. I have no authority as a legislator to vote a farmer into a system which he has refused to join voluntarily.

The man not in Congress who believes in the efficacy of the system may feel at liberty to say, as so many of them have said, "We wish legislation which will force them in," but to a legislator charged with the responsibility of trying to treat all alike and preserve the fundamentals of individual freedom of action the matter appears in an entirely different light—at least it does to me.

The idea has been rather persistently advanced that the equalization fee feature of the proposed measure will never be used. If this be true why insert it? Its proponents say,

"simply to preserve the principle." It is the principle that I, for one, am combating, the principle of taxing the farmer by a board with whose selection he will have nothing to do.

But I can not escape the feeling that those who insist the fee will never be used are deceiving themselves and misleading others.

By the very terms of section 9, which I have quoted verbatim, the board, if it carries out the law, will have to levy it as to certain products—cotton, wheat, and swine in particular. And certain grades of tobacco are grown that only find a market abroad. Of these we always produce a surplus over the amount required for domestic consumption, and the board will have to so find.

Of cotton we always export more than we consume domestically, and the world price of cotton is fixed in the Liverpool market. Should it be possible under the system proposed by the equalization fee plan to raise the price to the farmer of the seven to eight million bales consumed at home, I can see no way whereby it would not be balanced by the losses on that sold abroad. The profit made upon the portion marketed here would be absorbed by the losses sustained upon that sold abroad, and these losses are to be paid out of the stabilization fund created by the equalization fee collected from the cotton grower.

If you succeed in raising the price of such wheat as is sold in the domestic market above the world price, just how much have you benefited agriculture as a whole? Forty per cent of the wheat sold in the American market is consumed by farmers themselves. I think there is not a Southern State which grows sufficient wheat to supply the needs of the people of that State. In Tennessee I feel quite sure the majority of the farmers are purchasers of their breadstuffs. How are they to be benefited by an increase in price upon this with no corresponding increase in the price of the products they themselves grow? Unless there can be assurance of a general raise in price levels on all products of the farm, agriculture as a whole can derive no benefit from an increase upon a single product, and the equalization fee system, in my judgment, offers no such assurance.

In its practical workings, my prediction is that it would prove the greatest disappointment to the farmer that he has ever experienced from any legislation supposed to be enacted in his behalf. It would not only be disappointing, but when you come to collect that equalization fee from him it would well-nigh excite him to revolution.

There are other phases I should like to dwell upon. The proposition is one of the most complicated ever presented. It is difficult to see through its many complications and ramifications, but I trust the farmers will not be misled by the catch phrases of "farm relief," "surplus control by an equalization fee," and similar expressions. I conceive it my duty to try and look it through to its results. I have tried to study it from the standpoint of the farmer himself. I think it is bad and must vote against it and take the consequences. So long as it is an untried theory there will probably be a demand for its trial, but if ever it be tried I feel confident that the experience under it will vindicate the position I have taken from the beginning and consistently maintained throughout the several years of its agitation.

With section 9 amended and with sections 10 and 11 eliminated there would remain, as I have said, a complete bill, and it is one which in my opinion is sound in principle, unobjectionable in policy, and promises genuine aid in relieving the distressing conditions which a series of untoward events have brought to agriculture.

I sincerely desire that we may have some sound legislation. So long as the equalization fee remains in the bill I do not believe that you will have the legislation. Even if it should be passed and approved by the Executive, I think it would be overthrown by the courts. It seems to me that it would be the part of wisdom, recognizing the objections, to manifest some spirit of compromise whereby we could bring about legislative action. [Applause.]

Mr. FORT. Mr. Chairman and gentlemen of the committee, for the fourth time in as many years the House is considering in Committee of the Whole a McNary-Haugen bill. The first two of these measures were defeated in the House. The third passed the House and the Senate and was vetoed by the President. At the beginning of the history of this legislative controversy it was seriously disputed by those unfamiliar with the conditions of American agriculture that any relief whatever was needed. It was further disputed, even though relief were needed, that the Government was the agency to extend that relief. As we approach this question to-day we find a very different attitude both in the House and in the country on these points. We have ceased to believe throughout the Nation that the troubles of American agriculture are purely a passing phase of the postwar deflation. We have come to realize and to accept as a fact that American agriculture unorganized and unfinanced can not, under existing conditions of commerce, compete on terms of equality in the markets of the world with buyers who to-day, as never before in history, are both firmly organized and firmly financed. Therefore there is no difference of opinion to-day in our committee, nor I believe in the House, as to the need of relief or as to the need of governmental assistance in procuring that relief.

The organization of agriculture is feeble to-day in most commodities of the soil. And yet it is true that the cooperative marketing form of agricultural organization has made tremendous strides in the past 10 years, until to-day in many minor commodities, where financing is not so difficult, where the producers are more centralized in location, the cooperative movement has afforded almost a complete cure for the problem of the producer.

But when you come to the great national crops of agriculture, to the wheat and the cotton and the corn and the pork and the tobacco, grown in many States and in many varieties, grown by millions of farmers, something must be done to bring that group of farmers or rather bring that diffused number of farmers into a group where their concentrated selling power may match the concentrated buying power of industry. I do not believe, as I stand here to-day, that that problem can be adequately solved at this stage without the assistance of the Federal Government.

We are agreed in the committee—and I think in the House and in the Nation—on the real essentials of farm relief. We are agreed that the farmer must have organization. We are agreed that that organization must have adequate financial stability. We are agreed that the Government should help create and should foster the organization. We are agreed that the Government should in some way or other assist in financing the organization when created. Those are the essentials. Those are the only reasons given why the Government should aid at all.

And yet, with complete agreement on the essentials, we sit here to-day debating whether we will give the relief. Why? Because of a complete nonessential of relief. A persistent propaganda has gone from one end of the Nation to the other that, without that nonessential, there can be no relief. If we are agreed that there should be organization and that there should be finance, why do we withhold from the American farmer the relief he needs and should have? Only because we differ on the form of financing—because we differ on the means to be used to get the money. And why do we differ? Politics; politics between farm organizations; politics within both political parties; politics between the political parties. Politics, and politics alone, is the reason that we sit here to-day, still withholding from the American farmer the relief that he deserves and ought to have.

Last year the McNary-Haugen bill was vetoed, almost entirely, so far as it compares with this year's bill, because it contained the equalization fee and the sections which depend upon the equalization fee. We all went home and were at home for months. When we all came back in December, the overwhelming majority of this House, after conferring with their constituents for months, favored the passage of a bill without the equalization fee. The bill, if it had come to debate in this House in December without the fee, would have passed almost unanimously. But now that we have been away from our constituents for six or eight months a persistent lobby has convinced many Members that nothing but the fee will suit the farmer. If I had a farmer district, I would rather go home in October with a $250,000,000 revolving fund for the stabilization of agriculture than with an oration on the need of the equalization fee.

Now, as I have said, we agree on the need. We agree on the form of organization that should be used. We agree on the amount of the financing. The first eight sections of this bill pending before you to-day meet every need of organization and finance. It could be improved in its language. To my way of thinking, the bill introduced last year by Senator CURTIS and Judge CRISP and this year by the gentleman from Georgia [Mr. CRISP] is a somewhat better bill. But the first eight sections of this bill are a complete legislative program, adequately financed for the organization of agriculture.

What are those eight sections? Well, first, they declare the policy of the Congress to be to facilitate the organization of cooperative associations. They declare the policy of Congress to be to prevent undue depression of price. They then provide for the appointment of a Federal farm board of 12, for advisory councils in each commodity of seven men picked from the producers of the commodity.

They give to those cooperative associations which we are trying to strengthen the most liberal and advanced lines of credit that have been advocated before our committee by any proponents of farm-relief legislation. They put at the disposal of the board money for many purposes; first, for the purpose of assisting any cooperative association or any corporation controlled or developed by any cooperative association in the handling of the surplus or in the orderly marketing of a commodity. For the purpose of developing continuity of service they propose loans of working capital for the cooperative associations or corporations created by them. They provide for loans for existing cooperatives or corporations which they control for aid in the acquisition of facilities for the handling and marketing of the crop. They furnish funds for the installation of agricultural credit corporations, as liberal a provision as has ever been put into a law, because it means the Government is ready to loan to the indorser the money it needs to make its indorsement good, and then to loan the borrower on the faith of the indorsement. And then they provide for loans for expenditure by cooperatives in federating and in consolidating and expanding their membership.

Nobody has asked any further provision. No suggestion has been made to the committee that Government money can be used to advantage in any other way. That is the language of the McNary-Haugen bill as modified by our committee, and the minority who oppose the bill have nevertheless helped to perfect these provisions.

Now, my friends, you are going to loan cooperatives the working capital with which to do business; you are going to loan the funds with which to handle the surplus, both for orderly marketing and for surplus-control purposes. You are financing them to the limit of what anyone has asked for any cooperative association or its controlled corporation. By the time you have finished reading section 5 you must conclude that it gives the cooperative associations every financial encouragement that this bill anywhere proposes should be given to them—and does it without the fee.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. MORGAN. What has the gentleman got to say as to the argument presented that in case only the loan provision is provided in the bill the cooperatives will not avail themselves of hat fund?

Mr. FORT. I am coming to that a moment later and I would rather handle it when I reach it. Now, gentlemen, we have had three or four months' hearings and the only witnesses who appeared before our committee and talked practically on how this bill would operate and upheld the fee have been a Doctor Kilgor, a Mr. Stone, and a Mr. Bledsoe, all from the cotton section, all of them men of great ability. Each one of those men in the record of the hearings says that the loan provisions will do all for cotton that anything in the world would do, and they did not pretend to talk about any other commodity because they did not know. Their only reason for arguing for the equalization fee was not that the loans would not work but the fear that next year the Congress might not renew the loans.

There is not one word of testimony in the record from any witnesses that the bill, through the sections that I have analyzed, would not do all that the whole elaborate structure of the bill is claimed to do. There is not one word to challenge the workability of the proposal for financing by loans. The only question raised is the fear that the Treasury would not be reopened in a subsequent year if the operations resulted in great losses.

Now, my friends, there is one thing in this bill which deserves considerable attention. We have set out in the committee a complete plan for the organization of corporations to be owned and controlled by the cooperative associations. We have set out the restrictions upon the management of those corporations and have set up the method of their operation. Why? Because one of the troubles in the organization of agriculture has been the absence of faith on the part of the farmer in the cooperative organizations. We are providing here for a corporation which may have the minimum capital that the law permits, $1,000, or what you please, to which the Government will advance the necessary working capital, to which the Government will advance the necessary funds for the purchase and the carrying of commodities, and which the Government will supervise to the point, at least, of assuring the American farmer that his enterprise is being competently managed and honestly handled.

We believe, in the committee, that loans should be so made. Certainly for surplus control they must be so made, because under the Capper-Volstead Act no cooperative may handle more of any commodity for nonmembers than it handles for members. Therefore no cooperative can act to handle surplus in its own name, because the act of handling surplus necessitates the purchase of more of the nonmembers' commodity than the cooperative handles of its members' commodity. Therefore we have provided for a corporation not subject to the Capper-Volstead Act, but owned and inalienably controlled by the cooperative associations which organize it, for the purpose of forming a nucleus around and through which the operations can be carried on.

Then we go on in the bill and for the first time in the history of this legislation we put in provisions which recognize that the real source of all the trouble is overproduction.

Mr. WOODRUM. Will the gentleman yield?

Mr. FORT. Yes.

Mr. WOODRUM. As I understand, the loan feature of the bill only applies to cooperative associations or to corporations to be formed under the provisions of the bill?

Mr. FORT. It does.

Mr. WOODRUM. So that individual and independent farmers who are not members of cooperative associations or members of corporations would, of course, have no opportunity to get the benefits?

Mr. FORT. No; and under no other feature of the bill—not under the equalization fee or any other feature. It recognizes organizations only and must. If the gentleman from Virginia will permit, you can not handle a surplus through the individual operations of 2,000,000 farmers. You have got to unify and organize.

Mr. CRISP. And farmers who are not members will pay the tax, when levied, whether they are members or not?

Mr. FORT. That is true; and they will not share in the benefits to any like extent under the fee plan—if there are any benefits.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. FORT. Yes.

Mr. BRAND of Georgia. Why was it the committee provided in the bill that the corporations to be created by the cooperative association should be created and controlled by those associations.

Mr. FORT. To bar out the use of the packers' organizations and of the great millers as farm-aid agencies with Government money. At least, that was my reason.

Mr. BRAND of Georgia. Did the committee consider the propriety of allowing them to create corporations under the laws of the various States, independent of the cooperative associations?

Mr. FORT. Corporations formed by whom?

Mr. BRAND of Georgia. By the farmers, under the laws of the various States.

Mr. FORT. No; we did not, because, if the gentleman pleases, it is our theory, and it is so expressed in the bill, that the great object to be achieved is the fostering of cooperative marketing associations and we do not believe we will accomplish that by spreading our fire over 47 different kinds of corporations.

Mr. BRAND of Georgia. You take Georgia, for instance. About 90 per cent of the people do not belong to the cooperative associations and they are not eligible for any of the benefits of this bill.

Mr. FORT. They would secure the benefits of this bill, at least of the loan provisions, if the gentleman will permit me to go ahead and analyze how I think the bill will work.

Mr. ASWELL. If the gentleman will permit, I will say to the gentleman from Georgia that they do have a benefit. They have the right to pay the fees.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORT. Yes.

Mr. GARRETT of Tennessee. Will the gentleman elaborate just a bit upon the statement made a minute ago, a very important point to be brought out in connection with this measure, that under the equalization-fee plan, the nonmember would pay the tax but not receive the degree of benefit that a member would.

Mr. FORT. I am coming to that in a moment. I am just trying to analyze the provisions of what I think is a good measure up to the end of the eighth section. We have put in a provision, as I have said, for the curbing of production and for the creation and control of corporations to be owned by the cooperatives. Then we put in a provision for the first time in the legislation—and I may say here these provisions are taken almost if not quite verbatim from the bill introduced by the gentleman from Georgia, Judge CRISP—for investigation by the board of the existence or threat of surplus and the effect of surplus upon price.

Heretofore we have talked about surplus; we have talked about its effect on price and we know nothing as to its real action. We have charged this board, therefore, with the duty,

gentlemen, of ascertaining whether the effect of the surplus is to reduce the price below the average cost of production. Read in connection with the declaration of policy, which puts it upon the board to prevent undue depression of price, it seems to me we have charged the board here with the duty of utilizing its power to prevent a depression in price below the cost of the average production of the average producer. This is new.

We have put in provisions for the establishment of clearing houses and marketing associations for the handling of commodities by the farmer in the central markets.

Mr. LANKFORD. Will the gentleman yield there?

Mr. FORT. Yes.

Mr. LANKFORD. Does the gentleman purpose discussing further the question of control of production?

Mr. FORT. No.

Mr. LANKFORD. I would like the gentleman to elaborate on the matter of the control of production under the bill.

Mr. FORT. I can not do that within the time at my disposal now.

Mr. LANKFORD. I think that is the most important item in respect of all farm legislation.

Mr. FORT. I agree with the gentleman, but I do not think you can carry it out legislatively.

Mr. MORTON D. HULL. Will the gentleman explain the theory of the establishment of clearing houses and tell us just what is a clearing house?

Mr. FORT. The theory of the proponents of the bill, which was first advocated by the President's commission some three or four years ago, is, as I take it, to be the organization of associations in the terminal markets of the country, which will avoid the overstocking of a local market by clearing commodities away from the overstocked markets to markets where there is a shortage of the commodity, as is done by the successful cooperative associations in perishable products for themselves to-day.

Mr. MORTON D. HULL. It is a process of distribution.

Mr. FORT. It is a matter of distribution. This problem is half one of distribution.

Mr. LANKFORD. Will the gentleman yield for just one question?

Mr. FORT. Yes.

Mr. LANKFORD. The gentleman said he thought the question of production could not be controlled by legislation.

Mr. FORT. No.

Mr. LANKFORD. Will the gentleman briefly suggest how he thinks it can be done?

Mr. FORT. By education.

Mr. LANKFORD. Does the gentleman think it can be done as a matter of contract entered into by the farmers with each other and with the agency furnishing this assistance, under proper legislation?

Mr. FORT. I very much doubt it; at least, not unless it was voluntary.

Mr. LANKFORD. It would not be by contract, unless it was voluntary, would it?

Mr. KINDRED. In connection with the matter of distribution, would the gentleman tell us what will be the effect on consumers of the features of the bill which he has just discussed, as well as other features of the bill which the gentleman has not discussed?

Mr. FORT. I would rather not discuss this to-day from the consumers' viewpoint. I have done that more or less in my minority views on the bill; but, briefly, I will say to the gentleman, that, as the representative of a consumers' district, I believe that even though the cost of commodities is somewhat increased to the consumer, if that be necessary to furnish economic equality to agriculture, the consumer should be prepared and is prepared to pay the bill. [Applause.]

Mr. KINDRED. Has the gentleman made any approximate figures as to how much the increased cost will be to the consumers?

Mr. FORT. I have made some figures on wheat. Under the equalization-fee proposal in the bill I estimate the cost will be at least 60 cents a bushel, or something over 1 cent a loaf on bread.

Mr. WOODRUM. And what would be the effect without the equalization fee?

Mr. FORT. Without the fee it should make little difference, for this reason: Stabilization which is what the loaning features of the bill look toward, rather than price exaltation, will operate, if it be achieved, to iron out both the low and the excess high level of commodity prices which now prevail in the speculative market. It will operate to take the commodity off the markets in the harvesting season and carry it for the marketing season. Now, if this be true, the general average cost of the commodity in the markets of the world will not be so much enhanced, but the price which the producer gets in the season when he is selling will be higher, and the price that the speculator gets in the season when he is selling will be lower.

The consumer to-day buys his flour largely on the basis of the highest price at which wheat sells, whereas the speculator buys his wheat from the farmer largely at the low price at which wheat sells in the period of the harvesting. The proposal of the stabilization program, without doing violence to any sound, economic theory, looks toward translating to the producer the average price the consumer actually to-day pays.

The CHAIRMAN. The gentleman from New Jersey has consumed 30 minutes.

Mr. FORT. Mr. Chairman, I will use a few more minutes, but I am afraid I can not yield as liberally from now on.

Mr. CANNON. Will the gentleman yield for just one question?

Mr. FORT. Yes.

Mr. CANNON. I understand the gentleman holds that an increase of 60 cents in the price of a bushel of wheat means an increase of 1 cent in the price of a loaf of bread.

Mr. FORT. At least.

Mr. CANNON. Then how does the gentleman account for the fact that when wheat was selling at $2.40 a bushel bread was 10 cents a loaf. When it was 86 cents a bushel it was still 10 cents a loaf, and it has been 10 cents a loaf ever since the close of the war, regardless of the price of wheat received by the farmer. [Applause.]

Mr. FORT. If the gentleman please, he is talking of the speculative wheat market, uncontrolled and unstabilized, in which, as I have just stated, the consumer pays the price based on the highest price at which wheat sells, not on the average. He gets no benefit of the low price. The producer gets the low price when wheat sells in the harvesting season at the bottom. The consumer often pays a price based on the highest price at which wheat has sold.

Mr. CANNON. The price of wheat constantly fluctuates and has fluctuated from $2.80 to 85 cents, but whether wheat was high or low bread has consistently remained at the same price.

Mr. FORT. Perhaps they took some of the wheat out; I don't know.

Mr. LAGUARDIA. Would a difference of 60 cents a bushel be reflected in the price of bread?

Mr. FORT. I do not care to go into that question now. There is approximately a cent a loaf difference, if you figure the number of loaves of bread that are made out of a barrel of flour.

Mr. LAGUARDIA. That does not gibe with the information that I get.

Mr. FORT. Then they put less wheat in the bread, as I said a moment ago. Now, gentlemen, this bill up to the eighth section and after the twelfth section has good administrative features. It embodies provisions which we believe to be good for the prohibition of speculation by the board and its employees. They were taken largely from the bill of the gentleman from South Carolina [Mr. HARE]. There are other features which we believe to be good. Those of us who oppose the bill as a whole believe that if you strike out sections 9 to 12 you have a complete legislative program of genuine farm relief, unquestionably constitutional, which can and will become a law if it is passed by the Congress of the United States.

That is the situation we find ourselves in up to section 9. Now, what is section 9? We talk about the equalization fee, but the marketing agreements provided in section 9 are the real crux of the situation.

Mr. PURNELL. Will the gentleman yield?

Mr. FORT. I will.

Mr. PURNELL. The gentleman says that it will be a workable bill and that it is a workable plan up to that point.

Mr. FORT. With sections 9 to 12 out? I do, and I would be very glad to vote for the bill with sections 9 to 12 out.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. FORT. I yield.

Mr. WHITTINGTON. If the bill with sections 9 to 12 out will give relief to agriculture, why would it be necessary to invoke sections 9 to 12?

Mr. FORT. I will answer that. We heard from the gentleman from Illinois, Mr. HULL, on Friday, great praise of a certain gentleman as the high priest of agriculture. Well, Mr. Lowden said to our committee two years ago that the utmost that could be done for agriculture was to stabilize the price at about the cost of production.

That we propose to do under the first eight sections of the bill, and can do. The gentleman has asked me about invoking section 9. I hope some Members have the bill in front of them, because there has been propaganda and deception in the House and the country as to section 9 and the equalization-fee sections

of the bill. Despite the assertions of the propagandists, it has never been intended by the proponents of the bill that the equalization fee should be postponed one minute if the bill became a law.

Let us forget the propaganda and look at the bill itself. It says that the board shall investigate the conditions surrounding the marketing of a commodity, and that whenever upon that investigation the board finds three facts it "shall" enter into a marketing agreement. The word "shall" is in the bill, on page 43, line 19, without option of any kind or description, when they find the three facts. The first of the three facts is whether there is an excess above the requirements for the orderly marketing of any agricultural commodity "or" an excess above the domestic requirements for the commodity. There is always a surplus above the domestic requirements of cotton; there is always a surplus above the domestic requirements of wheat; there is always a surplus above the domestic requirements of tobacco. There is always a surplus above the domestic requirements for pork products.

There is the first fact that if they find——

Mr. PURNELL. There is not always an excess of requirement for orderly marketing.

Mr. FORT. Not always, but the section is in the alternative. It says in excess of the requirements for the orderly marketing of any agricultural commodity "or"—not "and"—in excess of the domestic requirements for the commodity. There is always a surplus above domestic needs, so that fact has got to be found every year as to cotton, tobacco, wheat, and pork products.

Mr. WHITTINGTON. Is it necessary to find both of these facts?

Mr. FORT. No; it is in the alternative. You might find that there was no excess above the requirements for orderly marketing, but if there was an excess above the domestic requirements you would have to operate.

I shall read the third fact to be found. Second:

3. That the durability, the conditions of preparation, processing, and preserving and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section.

Has anybody any doubt that cotton or wheat are durable or that pork products are preservable by processing, or that tobacco is durable? That condition exists as to these things every year, just as the surplus does. There are two of the three facts, and when they find all three they have to operate through marketing agreements.

What is the third fact to be found? The third is:

2. That the operation of the provisions of section 5—relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations—will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans.

That sounds like something of a brake. But is it? What are the facts? First, no cooperative can control surplus, because no cooperative can buy more of the commodity than its own members turn into it. So no cooperative would be able to do it. The "inability" of every cooperative is thus taken care of. What about the unwillingness? Would any cooperative hesitate if it had the alternative between loans from the revolving fund at 4 per cent, with an eventual liability for repayment and loans from the equalization fee fund without interest, with a guaranty that their charges for services would be paid and their losses refunded? Anybody that might be able to operate under the loan section would be a fool to do it, if he had that alternative choice.

Incidentally, gentlemen, some people have said that this bill should be amended to take care of a situation where the farmer did not want the board to act. This language makes the board act if the cooperatives are all opposed to it and unwilling that it shall operate. They have to act if the cooperatives are "unwilling" and they find a surplus to exist that is preservable in its nature.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. JOHNSON of Texas. The bill which last passed the House had some provision whereby it left it to the producer of the various commodities to make a recommendation as to whether the equalization fee should be applied as to that particular commodity.

Mr. FORT. That is all out. On the contrary, the board must go ahead if the cooperatives are unwilling.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. WILLIAMSON. It seems to me that the gentleman misses the whole point of the bill. The purpose of the bill is, where these people refuse to cooperate, to compel them to do it by the equalization fee, thereby getting everybody in and each man paying his own share according to the amount of produce that he sells.

Mr. FORT. I do not miss that at all. I am talking upon the deception which has been "propagandaed" to this country, that this bill was not intended to operate on the equalization fee, that that feature is only a "pinch hitter," as the gentleman from Indiana [Mr. PURNELL] says. I say just as the gentleman from South Dakota says, that it would force the farmers in, and that it makes this the only way to operate. That is the purpose of it. I agree with the gentleman from South Dakota.

As to the corporations set up by cooperatives acting under this provision, they have the same power to decide which way they will operate. They have the same power to decide whether they will operate under the loan provisions and have to repay them; whether they will operate under the loan provisions that require them to submit some details of their management and handling of Government money to the board; where they have to take their losses if they have losses; or whether they will operate under the provisions of the marketing-agreement clause where they are guaranteed against loss, and where they are guaranteed an operating charge for their service. Unwilling? Of course, they would be unwilling. And I think I may say that a motion in committee to strike out the word "unwilling" failed.

In addition to that, if you will read this bill carefully, you will see that it differs in other ways from the old bill. A marketing agreement once entered into is permanent. It is permanent, that is, until the board thinks that it is no longer "necessary or advisable for the purpose of carrying out the policy declared in section 1." As the gentleman from Tennessee [Mr. GARRETT] so brilliantly said this morning, does anyone believe that the board would lightly use its powers, or easily give them up?

Mr. COOPER of Wisconsin. Mr. Chairman, the gentleman says that it is permanent. Will he point to us the language that contains such a provision?

Mr. FORT. The provision is to be found at the bottom of page 43, lines 23 and 24:

Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. ROMJUE. The gentleman speaks of it as being permanent. The gentleman assumes that the board will exercise the law contrary to the best interests of the public?

Mr. FORT. No. I say they have to keep it up as long as they think it is necessary to carry out the policy declared in section 1.

Mr. ROMJUE. Does not the gentleman assume that these men who have been empowered and given this authority will want to exercise their power properly and in the interest of the public rather than that they will disregard the interest of the public?

Mr. FORT. I assume that in compliment to unknown gentlemen, but it is not the history of bureaucratic government. [Applause.]

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. MORGAN. I understand from the gentleman's argument that he contends that the benefits to the farmer under the loan feature would be equal to those under the equalization fee, where the equalization fee is assessed against the commodity?

Mr. FORT. I do; and they would not have to pay a fee in the bargain.

Now, I can not yield any more, because I have some ground still to traverse.

Mr. WOODRUM. Before the gentleman finishes his remarks I hope he will answer the question propounded by the gentleman from Tennessee [Mr. GARRETT].

Mr. FORT. If I can get by in my time with what I want to say, I will.

What is the difference between the marketing section and the loan-agreement section that I have just read? First, the loan section puts the farmer in business. The marketing-agreement section puts the Government in business. The loan section puts the whole control of the industry in the hands of the farmers

and leaves it there. The marketing-agreement section puts it all in the hands of a board, which this House this morning has been warned by the gentleman from Tennessee [Mr. GARRETT] eventually will be controlled by the 70 per cent of the American people who are consumers and not producers.

Both sections look to the repayment of Government advances only if there are sufficient profits resulting from the operation. The loan provision does not permit contracts with the great packers of America.

The marketing-agreement section still has that clause in it which has stayed in it through this whole legislation; that clause which the proponents of the bill have admitted before our committee is essential to the operation of their scheme, and passed it off that way; that clause to which, after four years' persistent opposition to this legislation in the committee, I have yet to hear from a packer or packer's representative the suggestion of one word of amendment. That packer's relief is in the marketing-agreement section. It is not in the loan section. Both sections are designed to stabilize prices, and, on the testimony given before the committee, one is as effective to accomplish it as the other.

Furthermore, the loan provision does not contemplate price fixing. The marketing-agreement provision can not operate without it. Under the marketing-agreement section the fee has to be estimated before operations begin. You can not estimate the fee unless you can estimate what the loss is going to be, and you can not estimate what the loss is going to be unless you decide in advance how much above the world price, if any, you are going to put the price of the commodity. That is sure.

It must be a price-fixing measure if it is going to deal equally with the producers. It must promise the same margin above the world price or else all pay the same fee, and some get less benefit from it than others.

It must be a price-fixing measure if the losses of the operation are to be limited in any conscionable manner. The board is surely not going to put a contract on the books with the packers or with any other organization or agency without any limitation of the prices at which that agency can deal in commodities with the Government's and the farmer's money. I do not believe one Member on this floor would vote for this bill if he believed that would happen. Of course, the board has got to limit its own loss by fixing the price. It can not operate otherwise.

Those are the differences between the loan section and the marketing agreement section. If the marketing agreement section goes out you do not need the equalization fee. Which is the intelligent program of farm relief?

Now we come to the equalization fee. They say that does not have to be put on. That is what they are telling the country and telling us. I have shown you that, as to at least four major commodities, the board will have to operate. Now, then, "in order to carry out marketing and nonpremium insurance agreements——"

Mr. GARBER. In what section is that?

Mr. FORT. Section 10, at the bottom of page 46. I read:

SEC. 10. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements. Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided.

And in the next clause—

Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity and under nonpremium insurance agreements in respect of such commodity as hereinafter provided. Upon the basis of such estimates, the board shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the board, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity.

Once entered into the marketing agreement, once finding a surplus over domestic requirements of a durable product, with the cooperatives unable or unwilling to handle the surplus, then the board "shall" estimate the loss; "shall" fix the fee; and each marketed unit of the commodity "shall" pay.

They have tried to say to this House that this is just a pinch hitter, sitting on the bench to be used when all else fails. The whole plan can operate only, and will operate only, under the fee.

Now, there are two or three other interesting things about it that I want to pass over very quickly. They found last year in the President's veto something they had overlooked—that you could not operate this thing unless you had some kind of way of preventing the manufactured products of commodities which had paid the fee in this country from coming in from foreign countries where there was no fee. So this year the bill puts the equalization fee on imports of any commodity on which the fee is levied in this country and on the food products—just the food products of such commodity. Gentlemen from the South, it is your first import duty on cotton.

If this bill passes as the result of these years of agitation for farm relief, you can go back home and say you have secured a duty on cotton; that at last the principle of protection is extended to that commodity. But not on goods made from the cotton—only on food products.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. FORT. Yes.

Mr. WHITTINGTON. I am just wondering whether the tariff on the cotton goods would not protect the manufacturer as it now exists?

Mr. FORT. On the goods?

Mr. WHITTINGTON. Yes.

Mr. FORT. The tariff on cotton goods is fixed upon the basis that the cotton itself has not been raised in price in this country any more than abroad.

Mr. WHITTINGTON. At all events, the manufacturer would be protected by that provision in this bill.

Mr. FORT. So would the wheat man; but they have found they have got to put the fee on imports of all of these farm products.

Mr. WHITTINGTON. My question was limited to cotton.

Mr. FORT. And you are going to raise the price of cotton to the American consumer and not to the foreign consumer? Now, gentlemen, they not only put it in here as an import duty but they make it an ad valorem import duty if the board so chooses. They can base the equalization fee on "the unit of value." That is interesting, too. This thing is not a tax but it is an ad valorem duty on imports, and an ad valorem duty on imports is a device that I have never been able to understand to be simply a regulation of interstate commerce. They have to leave in that unit-of-value provision because some tobacco sells for a few cents a pound and some for a dollar or two, so the equalization fee on tobacco has to be on a value basis. That is one thing that has never been stressed very much. All of that, gentlemen, adds to the unconstitutionality of the bill. We are attempting to delegate to a board the power to put an import duty on cotton when Congress has put no duty on it. We have delegated to the President the right to change rates on definite schedules, on definite facts, but we have not delegated to the President the right to say that cotton should have a tariff or should not.

Now, gentlemen, the basis of the fee is an estimate, an estimate of probable losses, costs, and charges, under the marketing agreement. As I said before, that must mean price fixing before the fee is fixed—price fixing at least as to that part of the price that is embraced in the margin above the world price at which the commodity is going to sell. That much of the price has got to be fixed.

Mr. DOWELL. Will the gentleman yield?

Mr. FORT. Yes; for a question.

Mr. DOWELL. Is not that true also of the tariff?

Mr. FORT. No.

Mr. DOWELL. Does it not do identically the same thing?

Mr. FORT. That is a second question, but I do not think it does. The tariff does this, if the gentleman pleases: The tariff says to the American manufacturer or producer, "As long as you produce what is needed at home we will not let foreign stuff come in to compete with you unless it pays a duty equal to the amount by which your cost of production is above its cost of production." It does not say to the American manufacturer of automobiles, or whatever you please, "If you make four times as much as we need in America, we will guarantee you a price equal to the difference in the cost of production here and abroad."

Mr. DOWELL. But does it not by the act itself have a tendency to fix the price at a higher rate? Is not that why we adopt the policy of the tariff?

Mr. FORT. If it does, if the gentleman pleases, then the tariff must be effective on these agricultural commodities on which we are now saying we have got to make it effective.

The CHAIRMAN. The gentleman from New Jersey has consumed one hour.

Mr. FORT. I am going to have to take a few minutes more. Now, one other thing about this bill. We have been told in the past that this is a scheme, as it were, to "prime the pump" with money from the Treasury, and in the past that may have been true, because in the past the equalization fee estimate had to include enough to take care of the advances needed to carry the product as well as the probable losses, costs, and charges. This year the equalization fee pays no attention to advances. That word is out, so that this is a permanent Government financing scheme. Year after year and year after year, the advances must be renewed; and if the group which is carrying cotton still has $100,000,000 of Government money and too much cotton to put on the world market, the next year there will have to be a second advance of another $100,000,000 for that year's crop. Last year's bill and previous bills have required an estimate of the advances and provided for repaying them out of the fee, so that eventually it was a self-financing operation. What is the difference between that and the loan provisions? Under the loan provisions it is provided that the Treasury, out of the revolving fund, shall make advances to stabilize the crops of the farmers of America—the identical advances that the equalization-fee proponents expect the Treasury to make under their plan—but we do not ask the farmer to pay an equalization fee to get the loan.

In both proposals, unless the operation is profitable, the Treasury eventually stands the loss. There is nothing in this bill that permits the board, if they have made a low estimate one year, to put on a bigger fee the next year and repay the loss of the previous year's operation. Each operation, each equalization fee, stands on its own feet. Under the equalization-fee plan there is a loss; it is paid by the Treasury if they underestimate.

Under the loan provision, if they unwisely operate and have a loss, it is paid by the Treasury. They say they want this thing financed by the farmers' money out of the equalization fee. They object to the loan plan because they say it is a subsidy. It is the same thing under their own proposal. In neither case will the Treasury be repaid unless profits are made.

The stabilization-fund provision is immaterial, except as it depends on the other two.

The insurance provision, as presented to our committee by the very distinguished and able gentleman from Mississippi who appeared before us, had in it possibilities of great value, particularly to cotton. As drawn and put in the bill, differing, as it does, radically from their own proposal, it is an unworkable thing.

Insurance happens to be my business, gentlemen of the House, and this proposal is that the Government shall issue a policy guaranteeing a cooperative association that the price at which in its uncontrolled judgment it sells the commodity, will not be less than the price at which it received the commodity from its members.

We can insure, and I would support a proposal to insure, for an adequate premium, a cooperative association that the price average on the markets of the world for the eight-months' period from January 1 to August 31 would not be less than the average price that had prevailed August 31 to December 31, preceding. You can calculate a premium on that.

Mr. KETCHAM. Will the gentleman yield?

Mr. FORT. Yes.

Mr. KETCHAM. Is not that the identical provision in the export debenture bill?

Mr. FORT. I think it is. That bill, like this, has had several drafts.

Now, gentlemen, this is the premium insurance feature. I am perfectly willing to support a fair premium insurance plan.

Mr. JOHNSON of Texas. Would the insurance feature eliminate the necessity of hedging, as we know that term?

Mr. FORT. I do not think it would eliminate it, but it would supplement it.

Then they have stuck in a nonpremium insurance. This is something I do not claim to know anything about, and I do not know any other insurance man who does, if he can help it, except as he fails to collect sometimes; but nonpremium insurance means that the identical kind of policy I have described is going to be issued to the same cooperative association if the board thinks by doing it they will stabilize the price, and the losses are going to be paid out of the equalization fees contributed by all producers.

Mr. KETCHAM. Of all commodities?

Mr. FORT. No; of cotton or of wheat, for example.

Now, what is this? This is a straight minimum-price guarantee to an individual cooperative at the expense of all the producers. That is all it is. It is a guarantee to them that they will be able to sell the product—not only be able to, but will succeed in selling the product for more than it was worth when their members delivered it to them; and if they do not do it, then all producers of cotton contribute to pay their unfortunate loss.

If the average price when they took the cotton from their members on the markets of the world was 18 cents, and cotton went to 35 cents in the next seven months, but they played for 40 cents and missed their market, and the market broke, and they finally sold out for 17 cents, then the Government pays them that loss of a cent a pound out of the equalization fees paid by all producers.

If there was ever in the history of American legislation a heads-I-win, tails-you-lose proposition, that is it.

There could be a properly drawn insurance clause put in which would be effective and which would work.

Mr. McKEOWN. Will the gentleman yield there?

Mr. FORT. Yes.

Mr. McKEOWN. Have they any way by which they can force the cooperative to sell when the price goes up?

Mr. FORT. None whatever; not only that, but they have another little joker tucked in here somewhere that is not in the insurance provision, but the marketing-agreement provision, which would permit the Government to assume also the cost of carrying the cotton so that they would not even be coinsurers to the extent of the carrying charges.

Mr. WHITTINGTON. Will the gentleman yield for one question?

Mr. FORT. Yes.

Mr. WHITTINGTON. Is the nonpremium insurance any more price fixing than the equalization fee?

Mr. FORT. No.

Mr. WHITTINGTON. Because the one involves the other.

Mr. FORT. Absolutely; except it is price fixing for the benefit of individual cooperatives.

Mr. WHITTINGTON. And may I add it is only price fixing in case there is an equalization fee?

Mr. FORT. Only; so that somebody else pays the loss.

Mr. WHITTINGTON. But all get the benefit of it.

Mr. FORT. No.

Mr. WHITTINGTON. That is the language of the bill.

Mr. FORT. If the board thinks it will do some good for the others.

Mr. WHITTINGTON. Of course, somebody has got to think.

Mr. FORT. It may do some good for the others, but it may cost them more than it does them good.

Mr. LANKFORD. Will the gentleman yield for just one question on the insurance proposition?

Mr. FORT. I am sorry I can not yield.

Now, gentlemen, we have a loan provision, in which we have a complete piece of legislation; but we have tacked onto it sections 9 to 11, which are hopelessly impossible of economic use, and section 12, the insurance clause, that, in its present form, is as hopeless as the rest.

We have a bill that we know can not become a law in 1928. We have a situation where agriculture needs relief. We are told that if we do not adopt the equalization-fee plan American agriculture is ruined. A gentleman on my side of the aisle who—I think to his deep regret—feels compelled to vote for this bill, stated to me the other day that if the future of American agriculture depends upon the equalization-fee plan of farm relief, it is hanging on a very slender thread. If, gentlemen of the House, we can do nothing for agriculture unless we adopt a plan that we know to be unsound, that the majority of us believe to be unconstitutional, that all of us know will not become a law—if that is all we can do for American agriculture, then debate might as well end right here and now and let us go about doing some business of real service to the Nation. [Applause.]

Mr. WHITTINGTON. Will the gentleman yield? The gentleman from Tennessee asked a question, and the gentleman said that the small, independent farmer not a member of the cooperative association would be liable for the equalization fee and would not share in the benefits.

Mr. FORT. That is absolutely sound. If the plan works at all, it would raise the general price level, but, under the insurance feature, he would get no benefit.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORT. I will.

Mr. GARRETT of Tennessee. The gentleman from New Jersey did not state that the individual would get no benefit whatever, but he stated the benefit of the nonmember of the cooperative would not equal the benefit of the member of the cooperatives although he paid the same equalization fee.

Mr. WOODRUM. I asked the gentleman to elaborate on that.

Mr. FORT. Yes; I think I have done that running through, and I really do not want to consume more time of the House.

There is, however, another matter I want to bring to your attention.

The consumers of the country are in a majority and becoming increasingly in a majority. It does not seem to me that the farmers of America want to put their heads through a noose which can be pulled by the consumers. I have been told by gentlemen then on the Appropriations Committee that in this Congress in 1919 and 1920 for three months they held hearings where the consumers were demanding appropriations to reduce the cost of living, and that they granted them. With the increasing proportion of consumers to producers, does the farmer want to turn his entire business over to the control of the Government?

One other thing it does in line with what the gentleman from Tennessee asked me. Doctor Kilgore, Mr. Bledsoe, and Mr. Stone, who appeared before us, advocated the equalization fee. Why? Because they said it was unfair that the cooperative associations should handle the crop for the benefit of all producers and all producers not pay; that they wanted to make the noncooperatives pay the cost of operation. There in a nutshell is the whole animus back of the insistence for the equalization fee.

Until this year the bill has called for a board organized by methods which have been described as paralleling those of the soviet. This year that is not true. But still as we sit here to-day to consider this piece of legislation the impelling motive in the minds of those men who have been its fathers and who are to-day its chief advocates is to force all American agriculture into one big union, to make the strong carry the weak, to make the efficient farmer contribute his bit toward the price of the inefficient. This Nation is not yet ready for that type of legislation.

The gentleman from Iowa [Mr. DICKINSON], who is recognized here as the leading proponent of this bill, has said that it is parallel to the legislative check-off, to the system by which the laborer is required by legislation to pay dues to the union out of every pay-roll envelope, whether he wants to belong or not. It is a complete parallel, in my humble belief.

The measure I favor helps the farmer organize his own business; offers him the financial assistance he needs to do it and can become a law this year. The measure the majority of the committee favors transfers the control of his industry to the Government and eventually to the consumer; puts the Government in business; fixes the price of the fruits of his toil; makes him pay the cost of the whole operation, including profits to the packers and millers; gives to the members of the cooperative associations benefits at the cost of the nonmember; is unconstitutional and can not become a law. We offer the farmer relief; they use his necessity as a political plaything.

The question that is before you and all of us to-day is whether this Congress has the courage—as I know it has the wisdom—to refuse to be led into unsound and uneconomic paths—to refuse to give to the American farmer who needs relief dependence upon the Government—but to give him instead the help, the assistance, and the money of the United States that he may lift himself into that position of pride and independence in the industry of the world that he has traditionally occupied. [Applause.]

Mr. ALLEN. Mr. Chairman, my district is wholly agricultural; to be sure we have in this district the largest farm-implement factories in the country, as well as many other industries and the usual number of merchants, banks, and other activities which go to make up the business of a middle-western community; but the foundation or superstructure of them all is agriculture.

The merchants, bankers, manufacturers, labor, indeed, our whole people, have suffered with the farmers the burden of the great agricultural depression and they will fully recover from the effects of this depression only as agriculture recovers. The right foundation is essential to any structure.

Our industries, not only in my district but in the whole Middle West, are but vast commissaries built on service for and to the greatest of all agricultural sections—the Mississippi Valley. The eastern industrialists, although more remotely interested, are as certainly dependent upon the prosperity and stability in government of this great section as are the people in my own district. The question therefore becomes a national one in the deepest sense.

Red uprising rarely occurs in agricultural districts where people live in the open and commune with nature, but they occur in unhealthy and crowded industrial centers, where people are unable to think clearly and readily become the victims of unsound doctrines and teachings.

It is not my purpose in the limited time at my command to undertake to trace the history or the ups and downs of this legislation. I will leave that to others. I will say, however, that the original idea underlying all of this legislation was born in my State; yes, I may say, in my district. My State in its recent primaries spoke its approval of the purposes sought by this legislation in a manner which startled the Nation, if not, indeed, the whole world.

The underlying idea of this legislation is "justice," just common justice. An opportunity, if you please, for the farmers of America by their own efforts and at their own expense to acquire for themselves an American standard of living. To deny them this legislation with the equalization fee is equivalent to denying them a place in our protective system, and to say that farmers alone of all our major groups are to be compelled to accept standards of the rest of the world while other major groups—industry and labor—are to enjoy American standards.

Any Member of this House, any Executive, yes, and citizen of the United States, who takes such a position, after understanding these underlying principles, is assuming a grave responsibility, indeed, and one which can not be sustained in a nation built upon the foundation of justice after throwing off tyranny.

I shall vote for the measure before the House, and I hope every Member of this House will vote for it; in particular I appeal for support from my friends from New England and the East who have been so generously treated at the hands of the National Government.

Mr. KINCHELOE. Mr. Chairman, I yield 30 minutes to myself. I ask unanimous consent to extend my remarks in the RECORD and in the extension insert the names of the farm organizations of the United States that have expressed themselves in favor of the pending bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, I am sure there has not been in my service in this House, and I doubt very seriously whether there has been in the service of the oldest Member in service here, a more important proposition which has confronted the American Congress than the agricultural problem to-day. The Agricultural Committee of the House sat for weeks and weeks and held hearings, both pro and con, upon practically every leading idea to help the American farmer. That there is an agricultural problem in this country, of course, no one will dispute. I think there are very good reasons why there is such a deplorable agricultural situation in the country. I heartily agree with the able gentleman from New Jersey [Mr. FORT] that the main cause of the deplorable condition of agriculture in this country is politics. I think it has been brought about by the Republican Party insisting on certain discriminatory legislation which has almost put agriculture into bankruptcy and with the creeping paralysis of to-day. They have always insisted on a high protective tariff for the benefit of the manufacturers in this country, and in the face of the fact that every financial panic which this country has ever witnessed has come under a high protective Republican tariff bill. The panic of 1873 came when the Morrill law, a high protective tariff act, was on the statute books. The panic of 1893 came when the McKinley law, a high protective law, was on the statute books. The panic of 1907 came when the Dingley law, a similar law, was on the statute books. The Republican Party came into power on the 4th of March, 1921, under the Underwood Tariff Act, a Democratic measure, and for eight years preceding the 4th of March, 1921, and under a Democratic administration, was the most prosperous times the American farmer has ever enjoyed.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. No. Not now. I am going to try to give some information to this House. [Laughter.] During those eight years of Woodrow Wilson's administration the purchasing power of the farmers' dollar averaged $1.04. 4 cents above par. What it is to-day under the Fordney-McCumber Tariff Act, and what has it been for six years under a Republican administration? About 70 cents. What has happened? What has the farmer to do in order to survive, if he survives at all. He has to take his 70-cent dollar that he receives for his products and match it against the 100-cent dollar of the manufacture every time he buys a dollar's worth of manufactured products for himself and his family and his farm. Everything he sells in a world market. The price is not fixed in this country; it is fixed in the world market, by reason of the surplus he raises. Everything he buys, the price is fixed in a protected market under a Republican tariff act. As a result, over 700,000 farmers in the United States in the last five years, under this Republican administration, have gone into bankruptcy. That means a population of over two and a quarter million men, women, and children, who were happy, prosperous, and contented, living on the farms of this Nation under Woodrow Wil-

son's administration, have lost their homes and have gone into the cities and other congested parts of the United States in order to make a living.

The market value of the farm lands in this country on the 4th of March, 1921, was $79,000,000,000, and that after the deflation period, too. What is it to-day? Only $59,000,000,000. The market value of the farms of the country is $20,000,000,000 less than on the 4th of March, 1921. That sum of money represents more than the value of all of the railroads and rolling stock in the United States. That is what the farmer has lost. Certainly, he is in a bad condition. Not only that, but the other nations of the world are passing or going to pass retaliatory measures to protect themselves against this high protective tariff of the United States.

I want to read to you two short statements that appeared within the last 10 days. Speaking before the convention of the National Foreign Trade Council, Mr. Eugene P. Thomas, president of the United States Steel Products Co., declared that—

> Our exports must be increased in every possible way up to the point where we do not invite reprisals from our foreign competitors.

Another organization speaks also. The National Automobile Chamber of Commerce says:

> The greatest obstacle confronting American exporters of automobiles is the tariff wall being built up abroad in retaliation because of the high duties on foreign automobiles imported into the United States.

If I had my way about it I would not try to relieve the American farmer by the methods set out in this bill or any other farm bill which has been proposed before the Committee on Agriculture at this session. I would go back and do it in the Democratic way, as we always have done it, and I am not a free trader, nor has the Democratic Party ever declared for free trade. I would reduce some of these prohibitive tariff rates on steel, aluminum, cotton goods, woolen goods and textiles, and many other articles. By doing that the purchasing power of the farmers' dollar would increase. I would reduce the tariff so that the European manufacturer could ship his products over here and sell them in competition with the home manufacturers. If he did that, then the American farmer could buy the manufactured products that he needs cheaper. If he could buy them cheaper, he would buy more; if he could buy more there would be more manufactured; and if more were manufactured there would be more labor employed in this country, and you would not have 4,000,000 men under alleged prosperity walking the streets and the highways of this country looking for a job, like they are to-day. And yet, if you read the Washington Post, the Wall Street Journal, the Literary Digest, and other papers of their kind, you would conclude that we have great prosperity in this country under this Republican administration. The manufacturers protected by these prohibitive tariff rates are prosperous, all to the detriment and suffering of millions of laborers, including thousands of American farmers and their families.

As I say, I would reduce the prohibitive tariff on this stuff, and then when these European manufacturers brought their products over here and sold them and got American money for their products they could take that money and buy the surplus products of the American farmer and ship them back to Europe; and our foreign trade would be greater, and the surplus agricultural problem would thereby be greatly solved.

I would also reduce the freight rates on agricultural products in this country, so that the farmer could get them to the market cheaper. The American farmer to-day is getting about pre-war prices for his products, but if he has to buy manufactured products he pays higher prices than he did during the war. Consequently he gets hurt at both ends of the transaction and consequently is broke.

But I understand full well that this remedy can not be applied for the relief of the American farmer under this Republican administration. I remember when this Republican administration passed the emergency tariff act for farm products. Everybody knows who knows anything that it is an economic fallacy to put a tariff on any agricultural product where there is a surplus of that product produced in this country. How is it going to benefit the American farmer especially when he raises a surplus so large that the price here is controlling in a world's market? You have now come to the point where it is clearly demonstrated that tariff on farm products is a fallacy, and this legislation is trying to make it effective. If the American farmer could buy the manufactured products that he has to use for himself and his family and farm as he did before the war, he would be in better shape than he is in now.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WOODRUM. The gentleman admits that sound Democratic principles can not be put into effect under a Republican administration. Does the gentleman contend that the equalization fee under the McNary-Haugen plan can be put into effect successfully under the present administration?

Mr. KINCHELOE. If the President vetoes the bill it is within the power of Congress by a two-thirds vote to override the veto. If the Congress does not override his veto, that is the responsibility of the Members of Congress.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes; I will take a chance. [Laughter.]

Mr. SCHAFER. If the pending bill should not be enacted into law it will not be entirely due to the Republican administration or Republican membership of the House, because the Democrats are as much divided on the proposition as the Republicans are.

Mr. KINCHELOE. That may be. If the President vetoes the bill, I am wondering whether the gentleman from Wisconsin is going to walk the plank and vote to sustain the President's veto.

Mr. SCHAFER. The gentleman is going to sustain his position better than the gentleman who is speaking has done.

Mr. KINCHELOE. If the gentleman from Kentucky thought his position on any public matter was indorsed and approved by the gentleman from Wisconsin he would be suspicious about his own position.

Now, I want to talk about this bill a little and see what it provides. The bill creates a farm board, one from each loan bank district, appointed by the President and confirmed by the Senate. That is the farm board. They shall draw a salary of $10,000 each.

The bill also provides for a commodity council of seven members for each commodity. The members of the commodity councils shall be selected by the farm loan board from the farm organizations of the country. I do not want to discuss that particularly now, but I want to say in that particular that this bill is not as good as last year's bill was. Under this bill the board has plenary power to declare an equalization fee on any commodity over the protest of the commodity council supposed to represent that commodity and every farmer raising the commodity.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. JOHNSON of Texas. Has not the gentleman an amendment that will be offered to that section that will remedy that defect?

Mr. KINCHELOE. Yes. I am going to offer it, and hope every Member who is a real friend of this bill will support it.

Mr. JOHNSON of Texas. I notice that only three members of this board are to be from cotton districts, and those three would be in a hopeless minority as to the equalization fee, whereas last year's bill provided otherwise.

Mr. KINCHELOE. Yes. That is true.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WILLIAMSON. I am very much interested in what the gentleman is saying with reference to the commodity councils, but I am afraid that the insertion of such a provision would result in making the bill unconstitutional, inasmuch as it would be delegating the veto power to the board, which is not appointed by the President.

Mr. KINCHELOE. Oh, a man who does not favor a thing always claims that it is unconstitutional. I used to think that the flexible provision of the tariff bill was unconstitutional and still think so, but the Supreme Court the other day unanimously decided that the Congress had the right to delegate to the President its power to raise and lower tariff duties.

Mr. WILLIAMSON. This is different.

Mr. KINCHELOE. Yes. The tariff provision provides for tariff on certain products. This section provides for the farm loan board and the commodity council. I am frank to say that unless this amendment goes in the commodity council is useless and will not amount to anything. Then it provides for the loan feature, called the revolving fund, of $400,000,000 to this farm board, to be used in three ways, which I am going to discuss now. If the loan is not effective, then it provides for the levying of an equalization fee.

Now, section 5 of this bill provides for three kinds of loans to cooperative marketing associations or corporations formed by cooperators.

First, in assisting cooperative associations in controlling a seasonal or a year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity. In other words, it can loan to the co-

operative associations on that commodity, or a corporation created by it, for the purpose of either taking the surplus off of the market and selling it in the world's market and taking the loss, or for the purpose of holding it in order to feed it through orderly channels into the domestic market to cover the lean years, because with agricultural commodities you are going to have gluts and lean years; the season controls those things and no human being has any control over it at all. That is one of the loans it is going to make, and it can loan the whole $400,000,000 if it wants to. In order to make these cooperative associations, or corporations created under them, strong enough to handle these commodities, loans are to be made for two other purposes, which I am going to get to.

People say that the solution of the agricultural problem is the cooperative marketing association. Why, certainly, if it could be 100 per cent that would be so, but a cooperative marketing association formed to handle farm products has no capital except its products. It has not a dollar except the loans it can procure on its commodities. Therefore it can not borrow 100 per cent of the value of those commodities, because nobody would loan that much to them. What is the result of that? The man who belongs to a cooperative association, when he delivers his stuff to the cooperative association, only gets about 60 or 65 per cent of his money down, while the fellow on the outside who is not a member of that cooperative association, and is raising products in competition with the man who is in, not only gets the benefit of the increase in the price of the product by reason of the cooperative marketing association, but he gets all of his money down. And that is what has broken down practically every cooperative marketing association in this country. I do not believe you are going to build any more cooperative associations in this country unless you have some financial agency which will be able to furnish enough capital to pay the farmer who belongs to the cooperative association all of his money down the day he delivers his commodity to the cooperative marketing association, and the first loan provisions in section 5 of the bill provides for that.

The second provision is for the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing if necessary.

Where that can be done you can cut out to a great extent the middleman and you can market the commodities direct from the producer to the consumer to a large extent, and therefore prevent the spread that has always militated against the farmers of this country as well as the consumers. This loan is to be used, first, for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations or, second, for assisting the cooperative association or corporation created and controlled by one or more cooperative associations in the acquisition by purchase, construction, or otherwise of facilities and equipment, including terminal marketing facilities, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities. It is provided that a loan of not exceeding $25,000,000 out of the $400,000,000 revolving fund shall be used for that purpose.

Mr. McKEOWN. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. McKEOWN. Is not the cooperative hampered on account of liens on its property and because its members can not sell to the extent of 100 per cent because the banks will not allow them to do so?

Mr. KINCHELOE. I do not think the cooperative associations in my State had any trouble in getting credit, but they can not get credit up to 100 per cent.

Mr. McKEOWN. I refer to a man who has a loan from a bank, and when he goes to sell to his cooperative organization he can not get 100 per cent because the bank will not allow him to sell.

Mr. KINCHELOE. Why, absolutely. The third purpose is for furnishing funds to the cooperative associations or corporation created and controlled by one or more cooperative associations for necessary expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, and they can borrow a maximum of $2,000,000 for that. You must have these last two loan provisions if you are to build up cooperative associations in this country or corporations created under them that will be able to handle these products so they will be strong and able to handle the business.

Now, before the board can levy the equalization fee they have got to resort to this loan provision, with a revolving fund of $400,000,000, and yet gentlemen who have spoken against this bill say that this is uneconomic and unsound and it will not work, but even the gentleman from New Jersey a while ago admitted that if you eliminate section 9 and section 10, which is the marketing agreement and the equalization fee, the bill is all right and will do the job.

If the opponents would support the bill with the equalization fee and the marketing-agreement provisions eliminated, and as they claim it would work, then this board will never have to levy the equalization fee on any commodity. I will tell you what I think about it. I think that a board of 12 outstanding men of this country, who have the interests of agriculture at heart, and with a capital of $400,000,000 behind them as a revolving fund, can manipulate this without levying the equalization fee on any commodity.

Mr. GILBERT. But the gentleman from New Jersey said that they would be required to levy the equalization fee on four commodities under the provisions of the bill.

Mr. KINCHELOE. I am going to get to that a little later, but will say right now that is not true, and no one can read it in the bill.

Mr. KETCHAM. Will the gentleman yield for one question?

Mr. KINCHELOE. Yes.

Mr. KETCHAM. While I agree with the statement the gentleman has just made, does he think the cooperative associations would take advantage of the revolving fund when it would cost them 4 per cent interest and when it would cost them nothing to use the equalization fee?

Mr. KINCHELOE. But if they borrowed this money for the purpose of taking off the surplus and handling it, they would have to resort to this $400,000,000, because nobody could touch that, and you could not get any other agency to do that.

Mr. KETCHAM. But the gentleman is making the argument, as I understand it, that those of us who rather fear the working of it ought to accept the equalization fee because we would never get to the equalization fee. My point is there never would be any chance for them to use the equalization fee.

Mr. KINCHELOE. That is my point, too; and these gentlemen who have spoken against the bill say the bill is all right if you will eliminate the equalization fee. My contention is, if it will work, then we will never get to the equalization fee, and the gentlemen ought not to be unduly alarmed.

Mr. KETCHAM. I think I inadvertently said the loan feature rather than the equalization-fee provision.

Mr. KINCHELOE. Yes.

Mr. PURNELL. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. PURNELL. In that connection, does not the gentleman also think that a board appointed by a President who is not friendly to the principle of the equalization fee will be composed of men who will not be seeking an opportunity to put into force the equalization fee?

Mr. KINCHELOE. I think it would be the last thing to which they would resort, and, in my judgment, when you take 12 outstanding men, one from each land-bank district of this country, with $400,000,000 as a revolving fund, I believe they would call in the grain-exchange people and would call in the brokers and these other people who operate between the consumer and the producer and say to them, "We do not propose to hurt your business. We want you to make a fair profit, but we have got a capital of $400,000,000 as a revolving fund here with which we propose to use to see that the American farmer gets a living price for his products, and if you cross us and interfere with our plans you will take the consequences."

Mr. MOORE of Virginia. Will my friend yield for a question?

Mr. KINCHELOE. Yes.

Mr. MOORE of Virginia. The gentleman expresses great confidence that if the bill should be passed the board would not be required to resort to the use of the equalization fee. If the gentleman has this confidence, why not pass the bill without the equalization fee, and then in the event it should conceivably happen that the bill as passed is found unworkable and the equalization fee necessary, then supplement the legislation?

Mr. KINCHELOE. Because it turned out this revolving fund is not sufficient I would not want to wait on Congress to act and have the farmers go further into bankruptcy, because if they did not act any quicker in amending this bill than they have in enacting it all of the farmers would be in bankruptcy before they got the equalization-fee amendment to the bill.

Mr. WHITTINGTON. And if the gentleman will permit, is not that substantially what is in this bill? You try out the loan feature before invoking the equalization-fee provision.

Mr. KINCHELOE. Yes; you have to try out the loan feature first.

Mr. WHITTINGTON. Is it not also true you have got to charge the cooperatives with bad faith before you ever invoke the equalization fee under the terms of the bill.

Mr. KINCHELOE. The cooperatives with these loans of $25,000,000 for the purpose of creating facilities and $2,000,000 for the purpose of a campaign to get as many farmers into the cooperatives as possible are going to do their best to handle the surplus without the imposition of any equalization fee at all.

But they say it is price fixing and they say a lobby is here in Washington in favor of it.

What else is the protective tariff proposition except price fixing? I remember a few days before the McNary-Haugen bill was vetoed by the President, exercising his powers under the flexible provision of the Fordney-McCumber Tariff Act, he increased the tariff on pig iron from 75 cents to $1.12½ per ton and in two weeks' time the price of pig iron increased in value 50 cents a ton. Of course, it is not price fixing when you touch the tariff, but it is when you touch the products of the farmer.

I got these statistics this morning and under the flexible provisions of the Fordney-McCumber Tariff Act the President has exercised this power to raise the tariff twenty times since the Fordney-McCumber Tariff Act has been on the statute books, and has lowered the tariff only five times.

I want to show you how much benefit it has been to the American farmer to lower the tariff on these five articles. The first one on which the tariff was lowered was mill feed and bran. The President lowered the tariff on that. The second one was bobwhite quail. [Laughter.] Everybody will concede this was a great thing to help the American farmer. The third was paintbrush handles, and the only reason the tariff was lowered on paintbrush handles and the only contention made was that the manufacturer of the paintbrush handles lived in the United States and got his handles from Canada, and consequently wanted a little lower tariff on his handles so he could get them in here and make a little more profit on them. The next one was cresylic acid, and the last one was phenol, which is carbolic acid.

These are the wonderful accomplishments in the lowering of the tariff which the President has exercised, and yet he has raised the tariff for the benefit of the manufacturers of this country 20 different times since there has been this law.

Now, I want to get back to the loan provision. If the loan provision is not successful, then they go into what is called a marketing agreement.

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. KINCHELOE. Mr. Chairman, I yield myself 15 minutes more.

If this fails, then the board goes into a marketing agreement, and they have to find three things before they can levy an equalization fee. First, that there is or may be during the ensuing year a seasonal or year's total surplus national in extent in the United States that is in excess of the requirements for orderly marketing of any commodity or in excess of the domestic requirements for the commodities; second, and here is what I want to call special attention to because the gentleman from New Jersey [Mr. FORT] elaborated on it, that the operation provision of section 5, which is the loan provision, will not be effective to control such surpluses because of the inability or the unwillingness of the cooperative association engaged in handling the commodity or the corporation created by it to control the surplus with the assistance of such loans.

If it finds out after it has probably spent this $25,000,000 in loans trying to equip the cooperatives, or corporations created by it, is the proper way to handle the surplus, it has probably spent the $2,000,000 in trying to conduct a campaign to bring as many American farmers into the cooperatives as possible. In other words, if the cooperative association, or corporations created by it, have made an honest effort to handle the surplus products under the loan provision and has failed, when they find that fact and the further fact that the durability, the conditions of preparing, processing, and preserving, and the method of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section, then the board can levy an equalization fee.

Mr. McKEOWN. Will the gentleman yield?

Mr. KINCHELOE. Certainly.

Mr. McKEOWN. If the cooperative marketing associations are willing and able, they can never declare the equalization fee.

Mr. KINCHELOE. No; if they are able and willing to do it, there will be no equalization fee at all under this bill; but as I say when they find that the preparing and processing methods are such that the commodity is authorized, then they declare the equalization fee. They say that is unconstitutional. I do not know whether it is constitutional or not. I do not think anybody knows, because we are sailing on an uncharted sea in this legislation. The purpose of the fee is to make 100 per cent the cooperatives in this country, and it will make every man bear his proportion of the expense in proportion to the benefits he receives.

There is nothing new about that. I remember when the Federal reserve act was before Congress, statements came from every nook and corner of the country and in Congress that it was unconstitutional—that they had no power to require national banks to go into the scheme and subscribe 6 per cent of their capital stock to the Federal reserve bank. But the bill was passed, and it became the law, and the banks did go in, and they are now all in. It has never been declared unconstitutional, and everybody agrees that it is the greatest piece of legislation on the statute books in the United States to-day.

I remember when they passed the Esch-Cummins railroad bill that they said that you could not give the Interstate Commerce Commission the power to fix rates on railroads and compel the railroads to contribute—that you could not compel the big ones to contribute for the benefit of the little ones. Yet it went in and is on the statute books to-day and everybody agrees that we have the most highly efficient railroad system as in any country in the world. It follows, that when you increase the price of a commodity you increase the production. If they do, there are two recourses. If the equalization fee is in operation, the more they produce the bigger the equalization fee will be, and that fact will be brought home to every farmer that raises that commodity.

Another section under the loan provision provides that after the board gives out the facts and about how much ought to be raised, if the farmer disregards that and raises an amount in excess of that raised in the preceding five-year average period the board may withhold the loans.

Mr. McKEOWN. Does that notice come to the farmer before planting time?

Mr. KINCHELOE. Yes; he receives these estimates before he plants his crop.

Mr. McKEOWN. But suppose they do plant more?

Mr. KINCHELOE. If they plant more and raise more, the loan may be withheld. On the other hand, if the equalization fee operates, the more they raise the greater the equalization fee is going to be. I tell you, gentlemen, the time is coming in this country when you are not going to keep the red-blooded boys and girls on the farm of this Nation under present conditions. This farm problem is one which should deeply concern those who live in the cities, because the city people can not be prosperous long with a bankrupt agriculture.

Mr. McKEOWN. Does the bill contain the provision that if the part is unconstitutional it shall not affect the balance?

Mr. KINCHELOE. That is in one section of the bill.

Now gentlemen, I do not want to consume much more time. I say that prosperity can not come as long as you have 30,000,000 of the farm population of this country legislated against by discriminatory laws in the way of tariff, and other things they have to compete with. This country can never be prosperous until agriculture prospers. Agriculture is the biggest business in America. Agriculture is bigger than the railroads, the steel industry, and the automobile industry combined. The only thing they are asking for is that the strong arm of the Federal Government shall treat them like other industries and other things have been treated.

They say that it is unconstitutional and that nobody wants it. I am going to put in the RECORD the names of every marketing and cooperative association that is asking for this bill. Every cooperative association in the country, and every farm organization except the grange have declared for this bill, but the grange has expressed a preference for the debenture plan.

These organizations feel that this bill with the equalization fee in it will give the American farmers the relief so badly needed. I am frank to say that I do not know whether it will or not, but I have great hopes that it will, and I am so anxious to see rehabilitation of agriculture in this country so that the men and women on the farms of this Nation may be able to enjoy the prosperity of men and women in towns and cities of this country and thereby be able to give their children the same advantages for education as the children in towns and cities. I am going to support this bill and let it be tried.

The farmers are sincere in advocating this character of legislation. This bill has been debated even through the high schools throughout the United States. As long as there are discriminatory laws on the statute books in favor of industry, I am going to vote for discriminatory laws on the statute books for the benefit of the agricultural interests of the country.

My friends, the hope and perpetuity of this great Republic does not rest on a great standing Navy. Yet during the World War we had the greatest Navy that ever sailed the Seven Seas. The hope and perpetuity of this great Nation of ours does not rest upon a great standing Army, and yet during the World

War we mobilized the mightiest army that ever marched beneath the folds of their country's flag or ever answered to a bugle call—with 2,000,000 boys in France and 2,000,000 at home ready to go. The hope and perpetuity of this country rest upon the happiness and contentment and prosperity around the 20,000,000 firesides of this country without discrimination, and when that comes, there will be no trouble about the future of this great country in which we live. I thank you. [Applause.]

Mr. Chairman, under unanimous consent granted me I herewith insert the names of the various farm organizations of this country who have indorsed this bill:

The American Farm Bureau Federation, the Corn Belt Federation of Farm Organizations composed of the Missouri Farm Association, the National Producers Alliance, the Iowa Farm Union, the Iowa Farm Bureau, the Iowa State Grange, the Iowa Threshermen's Association, the Ottumwa Iowa Dairy Marketing Association, the Nebraska Farmers Union, the Nebraska Farm Bureau, the Kansas Farm Union, the Kansas Farm Bureau, the Minnesota Farmers Union, the Minnesota Farm Bureau, the Minnesota Wheat Growers, the South Dakota Producers Alliance, the South Dakota Wheat Growers Association, the South Dakota Farmers Union, the North Dakota Farmers Union, the North Dakota Wheat Growers Association, the Oklahoma Farmers Union, the Indiana Farm Bureau, the Central States Soft Wheat Growers Association, the Chicago Milk Producers Association, the Illinois Farmers Union, the Wisconsin Cooperative Creamery Association, the Wisconsin Farm Bureau, the Equity Cooperative Exchange, the Farmers Union Terminal Association, the South St. Paul Farmers Union Livestock Commission House, the Chicago Farmers Union Livestock Commission House, the Sioux City Farmers Union Livestock Commission House, the Kansas City Farmers Union Livestock Commission House, the Omaha Farmers Union Livestock Commission House, the American Council of Agriculture, the Minnesota Council of Agriculture, the Montana Farmers Union, the National Corn Growers Association, the Burley Tobacco Association, the Dark Tobacco Association, the National Farmers Union, and the American Cotton Growers Exchange.

Mr. JONES. Mr. Chairman and gentlemen of the House, I have always supported farm legislation. I have never offered an amendment to any of the pending bills that I did not think would improve the bills. I have never offered an amendment that was not offered in good faith. I have been on the Committee on Agriculture for a number of years and I have tried to study this problem with the hope of getting the best solution. It is the easier way to follow along and support the measure that has been given the approval of certain farm organizations, but I believe there is a better remedy, and I would be untrue to those I represent and to the interests that the Agricultural Committee is supposed to represent if I did not follow my honest convictions in that regard.

I listened with a great deal of interest to the speech of my colleague, Mr. KINCHELOE, and I agreed with most of those things he said about the tariff situation, but the old, old statement that there should be a tariff for all or a tariff for none is but another way of stating that every American citizen should be on the same dead level of equality with every other American. I think Abraham Lincoln it was who said that no nation could permanently endure half slave and half free, and it might be well added that no nation can permanently prosper with half or a certain section of its citizens laboring under the banner of protection and charging artificially higher prices than another great section is able to pay.

THE PROBLEM OF PRICE

The problem is one of price. If the farmer were on a price parity, the other phases of the problem could be easily solved. The cooperatives have faced great difficulties in undertaking to solve this problem.

They have been unable to get full results because the cooperative has been compelled to carry the noncooperative on its shoulders. That is, if the cooperative organization undertakes to buy up the surplus and take it off the market, the increased price inures to the benefit of the noncooperative, and that is the reason that I do not believe any strictly loan bill can solve this problem. It may assist in doing so, but if the noncooperative can stay on the outside and get the value of the increased price, why go inside and help pay the bill? That is what any cooperative organization is up against to-day. They are practically forced to carry the load at their own expense and give the outsider the benefit of it. You can not blame them for not wanting to do so.

BILLS PROVIDING EQUALITY

Of all the bills—and there have been hundreds of them introduced in the Agricultural Committee in the last few years—undertaking to solve that problem, there are, in my judgment, but two that do not overlook that fundamental difficulty. I do not believe that any bill can really succeed in full measure that overlooks it. There are but two that meet this question squarely, and those are the McNary-Haugen bill and the debenture plan. They both undertake to establish parity between the farmers and industry. I do not believe the McNary-Haugen bill will establish full equality. It will go a certain distance and therefore has merit. The theory of both bills is that by lifting the surplus the price of the domestic commodity will automatically rise to a higher level. Some one asked, How would the debenture plan accomplish that result? In exactly the same way, so far as the raising of the price is concerned. No one who has supported the McNary-Haugen bill expects the cooperatives to buy all of any commodity. Their only thought is that by levying this equalization fee they will be able to buy enough of the commodity to cause the demand to lift the domestic price to the higher level. If they undertook to buy the 800,000,000 bushels of wheat, it would take a billion dollars or more to do it. I do not think it would be necessary.

I think if they bought a reasonable amount of it a rise would automatically come because of the fact that you would have the surplus removed. Now, if by giving an extre premium, which you can do with only a part of the machinery that is required in the McNary-Haugen bill, you dispose of the surplus, you enhance the price which the cooperative or other exporters may pay for the product. It will follow as the night follows the day that the domestic price of the commodity will be brought up.

SIMILARITY OF PLANS

The two plans run along the same lines in the early features of the bill. The bill prepared by Mr. KETCHAM and myself provides for a board of 5 members instead of 12. I do not think the additional members would be necessary in this bill. It also provides for a very similar loan feature to the McNary-Haugen bill. It also provides for the insurance feature, not so elaborate but following along the same lines. Then it parts company in the manner of raising the funds with which the problem is going to be handled. Understand, both bills undertake to solve the question by handling the surplus. Both of them undertake to lift the domestic price of the commodity by handling the surplus of that commodity and letting the price rise up to meet the demand.

EXPORT PREMIUMS

The debenture plan provides that the debenture, as it is called, or an export premium of 21 cents a bushel, shall be given any cooperative association or farmer or other person who exports wheat. If the farmer or a cooperative organization of farmers exported a thousand bushels of wheat, it would be given a certificate of $210. That certificate would be acceptable in payment of any customs duties on any commodities brought into this country. It would not have the effect of reducing that duty, but it would simply have the effect of trapping parts of the fund on their way to the Treasury. That is all. It would leave the tariff where it is, and it would give the farmer what he has never had, namely, equality under the system that we have in this country.

NOT A SUBSIDY

Somebody suggested the other day that it is a subsidy to take 21 cents a bushel on wheat, $10 a bale on cotton, 7½ cents a bushel on corn, and 15 cents a bushel on oats and issue those certificates and give the farmer the benefit of it. I claim it is not a subsidy. It simply restores to the farmer what has been taken away from him by reason of the laws that have been enacted. Is it a subsidy when you pay back to a man money you have taken away from him? Is it a subsidy to the farmer to restore him to the equality that he had before we enacted laws that have favored certain sections and certain interests? It is simply putting the farmer on an equality with industry, on the same level of equality with others, and that is not a subsidy. That is simply restoring him to his rights, rights which every man under the flag should have.

What gives the wheat farmer and the cotton farmer and the other farmers of this country the price that they get to-day? It is the competition between the domestic and the export buyers. They pay only what they have to pay. They pay only what the demand and supply require them to pay. If you put a premium of any amount in favor of the exportation of that commodity, naturally the domestic buyer must pay that extra amount or not get the commodity. It operates exactly as the tariff, except in an inverse manner. It brings up the price of the commodity in the same fashion, and it is the one bill that it seems to me would really give full equality.

TWO PURPOSES

The two purposes of these measures, especially the McNary-Haugen measure, are to stabilize and to equalize. One reason why the farmer has been forced to market his commodity during the season of gathering is the fact that he has been pressed for money. Through the tariff and other measures, which the Congress has enacted—and I am not arguing the merits of them—

every thinking person must admit this—through the tariff measures and other measures which have been enacted he has been put on a disparity; he has been "hog-tied" for many years, and forced to sell his product the minute it came on the market. If he could get the same comparative level of prices that the other man gets, he would be able to market his products in an orderly manner, or in a manner much more nearly so, even if we did not provide the other fund or the other machinery of the bill.

It is not because the farmer has not sense enough to know how to market his product that he has had this trouble. It is because his products do not sell for enough money to enable him to carry out his plans. If they are paid proper prices they will be able to deal with their problems. If you adopt a fair system that make their returns as much as others get, the other problems will fade like the mist before the morning sun. I have not much patience with people who prate continuously of making farm life more attractive. Make it remunerative and they will make it attractive. They understand the advantages of better equipment, and they will get better equipment and modern conveniences if they have the money with which to get them.

Not a man who appeared before the committee supporting the McNary-Haugen bill or any other bill has denied that the export premium will put money into the farmer's product. Is not that what he wants?

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. McKEOWN. What process would he go through in order to get cash on his debentures? How does that work?

Mr. JONES. Exactly as the McNary-Haugen bill would work. The exporter and the domestic buyer, we will say, for instance, are now paying $1.20 a bushel for wheat. If an equalization fee of 21 cents a bushel is paid for the exportation of wheat, the domestic price must meet the competition of the exporter, and the price rises 20 cents per bushel. It proved true in Germany, and it proved true in England and in Czechoslovakia and in Sweden. They have tried out this plan in all those countries.

Mr. McKEOWN. Instead of taking from the farmer the equalization fee, the money would be taken from the customs duties?

Mr. JONES. Yes. We collect approximately $600,000 per year in customs duties. Behind the tariff wall conservative estimates show that about $3,000,000,000 is collected from the American people by way of increased prices. I am not at this time arguing that it is too high or too low. The price is increased; otherwise there would be no demand for a tariff. I am not going into the question of the tariff, however, because it involves too much. But every man from the days of Alexander Hamilton, who is the patron saint of the tariff in this country—every thinking man must admit that the farmer does not get full advantage of the tariff measures that have been enacted. That is true because the farmer produces a surplus of most of the basic farm commodities—a surplus of wheat, a surplus of cotton, a surplus of practically all the basic commodities.

A man would be foolish to argue that a tariff is going to be of much assistance on those commodities of which we produce a surplus. The chairman of our committee, who votes for protection, made that open statement in the committee, as others have done. The tariff on wheat, while 42 cents a bushel, is practically reduced to 1 per cent of 42 cents, or less than one-half of a cent a bushel, because of the drawback provision. During the last five years we imported enough wheat to produce a revenue amounting to $20,000,000 or $25,000,000, but practically all of that was drawn back from the Treasury or was milled in bond.

Mr. AYRES. Will the gentleman yield?

Mr. JONES. Yes.

Mr. AYRES. Fifty-six million bushels were imported into this country in the last five years?

Mr. JONES. Yes. I have the figures; 56,409,926 bushels were brought in and milled in bond. This process kept out of the Treasury 41 cents per bushel, or $23,128,069.16, within the last five years.

Mr. AYRES. Fifty-six million bushels during the five years were imported for milling in bond, in round numbers, and 18,000,000 were imported into this country on which a duty was paid, but I understand much of that was refunded under the drawback provision.

Mr. BURTNESS. Will the gentleman yield?

Mr. JONES. Yes.

Mr. BURTNESS. The gentleman is not distinguishing between milling in bond and the drawback?

Mr. JONES. No; because there is essentially no difference if it is mixed with as much as 30 per cent American wheat and exported.

Mr. BURTNESS. Because if he is his figures are not correct.

Mr. JONES. I am just saying this in answer to those who have argued that this is a subsidy. It is no more of a subsidy than the drawback, and all millers either mill in bond and do not pay the money or they pay the customs duty and then go to the Treasury and draw it down. Ninety-nine per cent of the duty is thus avoided where they mix it with as much as 30 per cent of American wheat and export the flour.

Mr. CROWTHER. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CROWTHER. The drawback principle is a fundamental that has been in all tariff bills that your side has written and that my side has written.

Mr. JONES. I do not dispute that proposition.

Mr. CROWTHER. I agree with the gentleman that there are some discriminatory features in the present wording of the act which I do not think should exist.

Mr. JONES. I thought the gentleman would agree to that.

Mr. CROWTHER. I think those features ought to be changed in writing another tariff bill, and if that were done it would come nearer reflecting the benefit of the tariff to the agriculturists.

Mr. JONES. The gentleman is a very ardent protectionist, and I thank him for his contribution. I want to read to him what the man who first advocated a tariff in this country said. Alexander Hamilton, in his Treasury report, submitted on December 5, 1791—his report on manufactures—made the following statement. After discussing the fact that a tariff would be of advantage to the manufactures in this country because it would aid in the promotion of "infant industries"—a term which has more or less fallen into disuse recently but still used to some extent—he said that a tariff would put agriculture at a disadvantage as compared to industry.

Whatever else you may say about him, he was a far-seeing man, a clear-headed man, a courageous man; he was intellectually honest and was fair in his conclusions. He was discussing that very proposition when he said:

> The true way to conciliate these two interests is to lay a duty on foreign manufactures of the material, the growth of which is desired to be encouraged, and to apply the produce of that duty by way of bounty.

He was referring to agricultural products.

Mr. CROWTHER. I hope while the gentleman is quoting from Alexander Hamilton he will put in a few excerpts from the sayings of James Buchanan and Thomas Jefferson, who were also very ardent protectionists.

Mr. JONES. I decline to yield further. I do not care to go into a discussion of the tariff except as it bears on this program. The first law of this kind that was ever enacted——

Mr. FORT. Will the gentleman yield?

Mr. JONES. Yes.

Mr. FORT. Is there any distinction in the gentleman's mind or in the quotation which he has just read from Mr. Hamilton between a subsidy or bounty on a product of which our production is deficient and a subsidy or bounty upon a product of which we produce more than we need?

Mr. JONES. Well, of course, there is a distinction, but if we are deficient on any commodity you will not need any bounty or any McNary-Haugen bill. As a matter of fact, the McNary-Haugen bill, while it covers all commodities, will probably not be invoked on anything of which we do not produce a surplus.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. JONES. Yes.

Mr. SUMNERS of Texas. At the time Mr. Hamilton wrote that practically all of the exportations of this country were agricultural.

Mr. JONES. Yes; a large part of them.

Mr. SUMNERS of Texas. Practically all of them.

Mr. JONES. The first time, so far as I have been able to learn, that this principle was enacted into law was in England in 1673. I have a photostat copy of the law here. When prices were low and England was producing a surplus of corn—they called it corn, but the term as they used it included rye, barley, oats, and all other grains—in 1673 she put a bounty of 15 cents a bushel on wheat, 10 cents a bushel on rye, and 7½ cents a bushel on barley. That law was enacted to last for three years, during the depression, but it lasted for five years. In 1689 Parliament reenacted the law, reciting in the preamble:

> That the exportation of corn and grain into foreign parts when the price thereof is at a low rate in this kingdom has become a great

advantage not only to the owners of the land but to the trade of the kingdom in general, and therefore be it enacted, etc.

In other words, they said that inasmuch as the previous law had inured to the benefit of the owner of the land and to the trade in general, they would reenact that law. This law stayed on the statute books with some varying amendments for more than 100 years.

There came times when the price got so high because of shortage that they had to put a ban on exportation. There came times when they applied an import tariff. They have studied this problem a great deal over there. There came a time when they fixed limits within which it would be operative. They changed it two or three times.

However, this law remained on the statute books practically as I have given it here until 1765, but was made inoperative at times when the price was too high.

In 1773 Burke prepared a law which he thought would probably have permanent applications. In this law it was provided that a bounty should be allowed when wheat was $1.32 a bushel or less, and that the bounty should cease when wheat reached $1.44 per bushel; and when it got above $1.50 all duties would be removed from wheat coming in, so that wheat might be imported duty free. When it got below $1.32 all wheat was forbidden to come in for the purpose of sale in the domestic market.

This law was on the statute books until 1815, but in the meantime England became a great industrial country, having her far-flung possessions all over the world, and her population increased to the point that her people demanded so much of farm production that her limited acreage could not satisfy the demand. Therefore, England having fallen into the condition that my friend from New Jersey spoke of a while ago, the law was no longer needed, and in 1815 it was repealed—not because it did not work but because a condition had come about with the great growth of London and the industrial development of England that they needed all of the farm commodities they could possibly produce. So the problem solved itself by virtue of the development of the country.

DANGER OF OVERINDUSTRIALIZATION

I think one of the greatest dangers our country faces to-day is that of becoming overindustrialized. The tendency to centralize always carries with it the demand of groups for legislation especially caring for the interest of such groups. This leads not to democracy but away from it. This leads not to equal rights but to special privilege and decay of democratic principles.

Some one objects that this plan would keep money out of the Treasury. It would keep money out of the Treasury, yes; but so do some of our other laws. I have made some figures here on just two or three commodities that I want to call to the attention of the committee. I take it you would be interested in these figures.

MONEY KEPT OUT OF TREASURY

If this were the first proposition to keep money out of the Treasury, there might be some argument made against it, but my colleague, the gentleman from Michigan [Mr. KETCHAM], told you this morning about the effect of increasing the tariff rates on butter.

When tariff on butter was raised from 8 cents a pound to 12 cents a pound it had this effect: During the three years between January 1, 1923, and April 1, 1926, there were 50,000,000 pounds of butter brought into this country under a duty of 8 cents, which produced $4,018,000 in revenue or an average of $103,000 per month. During the 21 months following the raise to the 12-cent rate 11,900,000 pounds were brought in, producing a revenue of $68,000 a month. That raise kept out nearly $40,000 per month. I am not arguing whether it should be done; I am just saying it was done.

ALUMINUM TARIFF KEEPS MONEY OUT OF TREASURY

If butter were the only thing that had this effect, it would be a different proposition, but on aluminum what was the effect? On aluminum during the last three years of the old Underwood tariff law this Government received $619,149 in revenue. During the last three years of the present law it has received $228,140. The present law has more than doubled the rates, and it kept out of the Treasury during an equal period of time $391,140.

If it is all right, if it is just, if it is fair to keep money out of the Treasury for the benefit of the aluminum company, is it unfair to keep it out of the Treasury in order simply to put the farmer on the same level of equality that the others already possess, or to put him where they already stand? Is it any more unholy to restore to the farmer what you have taken away from him by law than it is give to Mr. Mellon a tariff measure not for the purpose of giving him equality but to enable his company to raise the price above the parity?

The CHAIRMAN. The gentleman from Texas has used 30 minutes.

Mr. JONES. Mr. Chairman, I yield myself 15 minutes more.

The increased tariff in behalf of Mr. Mellon's company was not for the purpose of giving equality but for the purpose of lifting that company above the general level. But you kept $391,000 out of the Treasury for him. Why is not it all right, just, and fair to restore the inequalities in this system? It will require less machinery. It will put money in the pockets of the farmers, and do it by making the present laws national in their scope. Is it unfair to make a law that has been operating sectionally a national law?

Mr. McKEOWN. Will the gentleman yield?

Mr. JONES. I yield.

Mr. McKEOWN. Are there any figures of the amount that will be kept out of the Treasury by your bill?

Mr. JONES. They were put into the RECORD by the gentleman from Michigan [Mr. KETCHAM] yesterday. It would be about $146,000,000 if it were fully operating at all times.

This plan is not new. It is not untried.

Mr. AYRES. Will the gentleman yield?

Mr. JONES. Yes.

Mr. AYRES. Has the gentleman the figures of drawbacks in reference to sugar and molasses, and so forth?

Mr. JONES. I have the figures, but I will not take the time to go over them. The drawbacks on the various things add up to a great many millions of dollars, and the principle is the same. There is practically no difference in the drawback or debenture—they are practically the same.

Mr. KETCHAM. Will the gentleman yield for one question?

Mr. JONES. I will.

Mr. KETCHAM. I do not know whether the gentleman has developed it, but the debenture plan would fit in to any tariff system.

Mr. JONES. I am glad that the gentleman has called that to my attention. It makes no difference whether we have a high tariff, a revenue tariff, or a low tariff—the rates can be so adjusted as to apply equitably to whatever tariff there is. Whatever the tariff provisions on the statute books may be they would not apply equitably unless some provision like this were enacted.

In Germany they issue what they call the Einfuhrscheine on the exportation of certain commodities, including rye, wheat, oats, barley, and legumes. It is an export certificate which is tenderable in payment of import duties.

This is the situation that has developed in Germany. They produce an exportable surplus of wheat in the northern or northeastern part of Germany, but they do not have an exportable surplus in the southern part. That works out in this way: The northeastern part of Germany is nearer to other outside markets and without paying high freight rates they can carry the commodities where they are needed, so they get an export certificate for shipping the product out. In many instances they bring the product back from outside contiguous countries to the southern part where it is needed and in that way they save paying the freight rates between the northern and southern parts of Germany.

Germany had the law on the statute books before the beginning of the present century, but in a little different form. They enacted the present law in 1902, and it proved so satisfactory that they reenacted it in 1926.

After 15 years of discussion the country of Sweden enacted a law which gives an export certificate on rye and wheat, the principal commodities of the country, making the certificate tenderable in payment of custom duties. In the same year Czechoslovakia enacted the law issuing export certificates on wheat, rye, barley, oats, buckwheat, millet, and other commodities, making them acceptable in payment of import duties.

Now, let me show you what the people say about the effect in Germany. Germany as a nation must always be reckoned with. She has some very intelligent people, some very progressive people, and has some great thinking people. A German student in one of the American universities was asked what was the effect of the establishment of this law in Germany. His reply was that it certainly puts money in the pockets of the farmers.

Doctor Grunzell, who is a student of agriculture in that country, says:

These import certificates were extensively employed in grain exportation, but in the case of flour the older provisions for manufacture in bond were found preferable. The immediate effect was that the prices of

grain in those parts of the country which depend on exportation for their market and which formerly had to contend with depressed prices rose to a point higher than the general world market price by approximately the amount of the import duty.

That is what he says was the effect. Of course, that would be the effect. Any man who has studied it knows that must be the effect of its application. Why can there be any objection to doing this thing? It was suggested in the program of Mr. Hamilton as necessary to the fair operation of any tariff system. The same proposition in a different form was offered by the Hon. William L. Wilson as an amendment to the McKinley tariff, and I understand it lacked only a few votes of carrying. He offered it in this form, that where farm commodities were exported they might be exchanged for other commodities, and those commodities brought in duty free. That is but another way of reaching the same end. Some one suggested a while ago that he was afraid there might be some sort of collusion whereby the farmer would not get the advantage of this debenture. In order to safeguard against the possibility of such a thing we put a provision in the bill for organizing an export corporation by the board, with full power to step in and buy, sell, and export any such commodities; and if there were any effort to take down a part of this debenture this corporation could step in immediately. I do not think it would be found necessary, but it would be like a musket behind the door. If they tried to discount too much, this corporation could see that the farmer received the full effect of the debenture. I do not think it will be necessary to use that power.

THE SWEDISH LAW

Let me show the effect in Sweden. The certificate there provides on its face that the Government of Sweden will pay them 98 cents on the dollar out of the customs duties if the receipts are available there, and I suppose they always are. They would be in this country. Hardly any of them come in for redemption in that way, because the importers would rather pay them 99 cents or 100 cents on the dollar. Rather than go to the bank and get a draft they simply take up one of these export certificates, and they practically get 100 cents on the dollar. At any rate the standing offer of the Government is always available.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BLACK of Texas. Would it not be well to incorporate some provision of that sort into the debenture plan, so as to make certain that certificates would be redeemed?

Mr. JONES. I do not think it would be necessary. I thank the gentleman for his suggestion. Suppose the firm of Marshall Field wanted goods brought in here that required the payment of a thousand dollars; if they could buy one of these certificates for $990, do not you think that they would go out and buy them?

Mr. BLACK of Texas. I make the suggestion because the fact that it can be redeemed in that way would make it more certain to be negotiable.

Mr. JONES. It would not do any harm, and if necessary a similar plan could be worked out.

Mr. BURTNESS. Is there any likelihood whatsoever that under the so-called export-debenture plan the amount of export bounty could at any time exceed the amount of import duties received by the Government?

Mr. JONES. Oh, no.

Mr. BURTNESS. As a practical proposition, there would not be any chance of that?

Mr. JONES. No. Take the last five years' period. If this had been in force all of that time, it would have amounted to only $146,000,000.

Mr. BURTNESS. In view of the fact that they could never amount to that much, then why bother with these debentures? Why not simply take the money out of the Treasury in the first place and thus eliminate the scalping?

Mr. JONES. The gentleman has not thoroughly studied this measure. The history of the tariff system shows that the export-certificate plan is much less liable to result in retaliations. The certificate plan tends to encourage trade rather than to discourage it. I have not the time to go into those distinctions. It is a much better plan than we have adopted, because it ties onto the tariff system. It does not provide for the payment of a bounty except when they are being subjected to the inequities of the tariff system.

Mr. KETCHAM. And is it not true that with the new distinctions incorporated in the bill with reference to cotton and also to grain it would reduce those quite a considerable number of millions?

Mr. JONES. Yes. They are worth, as shown by the different nations that have tried them, practically 100 cents on the dollar, and they have no trouble with them at all.

For the first time in the history of the protective-tariff system a plan has been devised that is just and fair as between agriculture and industry. This plan was originally admitted to be the only means of doing justice in connection with the plan submitted by the man who originated the system. In this report of 1791 there are several recommendations. The program has been adopted, except that part that would do justice to the farmer. Mr. Hamilton said that the adoption of his system would work an injustice to the farmer, and that the only fair way to make up for that injustice would be to make him a part of the system. How could anyone object to that sort of a provision?

We would all like to see the farmer given equality. The working out of any complicated system of reaching that end must necessarily meet with many handicaps before the final end is reached.

The export-premium plan is the simplest that has been devised. It requires the least machinery. I would like to see the common sense of the Members on both sides of the aisle adopt a plan that history proves would give that equality.

I would like to see them test out a program that would put the farmer on the same basis as the other man and would treat all the citizens of this country alike.

I do not know whether or not the McNary-Haugen bill would work out like those who have been ardent advocates of it contend. I have very grave misgivings about certain features of it. But I have voted for it because I believed that by taking the step we can work out a program that would ultimately bring results. I have been favorable to farm relief. The McNary-Haugen bill has no precedent. Nothing like it has ever been enacted in the history of the world. I think it has merit, but I think the debenture plan has more of merit. That plan will bring the farmers to an equality with others. Why not enact it? [Applause.]

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. SOMERS].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. SOMERS of New York. Mr. Chairman, during my short but very happy service in this House it has been my privilege to have listened twice to debates on the McNary-Haugen bill.

The first debate was probably the finest I had ever heard, and as such it will linger long in my memory. Men fought for and against the bill with enthusiasm. Those who favored it were as sincere as those who opposed it, and the note of sincerity ran through every speech at that time. It was, indeed, fascinating to hear men plead the cause in which they honestly believed. However, in the present debate this note is missing in most of the speeches of the proponents of the bill. Even the chairman of the committee in opening the discussion fell short of his usual effectiveness. He reminded me of a sorrowing man, weeping tearfuly, bitterly, at the bedside of his dying child. Apparently he did not care particularly whether it was a good or a bad child, for he refused to comply with the request of my colleague from New York to discuss the merits of the measure. Evidently he was concerned only with the fact that he was losing the thing he had fathered. Let us have a look at this thing over which the sorrowing father weeps. Let us draw aside the sheets and see if it is worth saving. Lo and behold! The first glance reveals it to be a two-headed, indecent monstrosity. One head is normal; the other is ugly and unnecessary. It is called the equalization fee.

Aside from this unnecessary head, the child is physically sound, and if it could be relieved of this deformity it might grow up to fulfill the expectations of its family. [Laughter.] It was brought into this world to help the farmer, but if it were to live in its present condition it would be a source of constant embarrassment to the farmer and its vision would nauseate every man who to-day is trying to help it live. Aside from that, it would be a constant terror to the consumer. But it can not live. Even those who are anxious to protect it now, being too sensitive to kill it when they should have, realize that the chief exterminator of the imps of congressional indiscretions will eventually be forced to drive the veto through its heart.

Let us see just how vicious this thing may be. Under this bill a Federal farm board of 12 is created. It is given all sorts of arbitrary power to obtain information regarding agricultural productions. Its members will gather to themselves the most complete statistics on wheat, corn, cotton, and other commodities. It will have more information on conditions affecting these commodities than any person or group of persons in all the world. You can readily understand what an unscrupulous man on this board could do with such information. If a man were so inclined, having in his power the right to impose the equalization fee whenever he deemed it advisable, he would

be in a position to make himself rich beyond the dreams of avarice.

Political appointees, experience teaches us, are not always honest, and I warn you just as sure as the sun rises and sets, if you create this board, there will one day come into it a man who will betray his trust. Oh, you may say that there are provisions in the tale of this bill which will prevent this, but that is not speaking the exact truth. These provisions may keep a man from personally gambling with these conditions but they can not keep him from having his friends gamble for him. In other words, he will still be able to suck the eggs as long as he successfully hides the shell.

Again, this is a proposition of vicious class legislation. It proposes to tax 70 per cent of the people for the benefit of 30 per cent of the people.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. SOMERS of New York. It violates all the traditions of the Democratic Party, and it imposes a terrific burden upon the people themselves. It will increase the cost of living at home, and through the doubling of surpluses it will decrease the cost of living abroad. Every inhabitant of every city in the United States, in addition to his present high rents and the present high cost of living, will find himself further taxed by the passage of this act. In these days, when prosperity is rapidly disappearing and the army of unemployed is constantly increasing, I deem it very unwise to attempt to draw *more taxation* from those who can hardly afford to meet the taxes already imposed.

I am interested in the farmer. I want to see him given the proper opportunities. He is evidently in a hole. It is our duty to rescue him. The gentleman from Georgia [Mr. CRISP] in the early stages of this debate suggested that we would aid the farmer by passing Muscle Shoals legislation. That seemed to me to be a good plan. It seems to be the logical thing to do. It is throwing a rope by which the farmer may pull himself out of the hole. That is much better than attempting to dig away the dirt around the circumference of the hole, as we are doing with this legislation, in order that the farmer may walk out. You want to remember it is difficult for the farmer to walk out. He is so shackeled by tariff laws and immigration laws and prohibition laws and transportation laws that it is all he can do to hobble along on the level. And it might be a good idea for this Congress to try to relieve him of some of these shackles so that he may take his place upon the road of prosperity with head high, shoulders straight, and free. [Applause.]

Mr. ASWELL. Mr. Chairman, how much time has the gentleman used?

Mr. SOMERS of New York. I yield back any time I have not used.

The CHAIRMAN. The gentleman yields three minutes.

Mr. ASWELL. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. STEVENSON]. [Applause.]

Mr. STEVENSON. Mr. Chairman and gentlemen, I happen to be one of the class they are trying to relieve. The only industry I have, outside of being a politician, is being a farmer, and I am concerned about the effect of this legislation as at present constituted upon the class of farmers to which I belong, to wit, the cotton farmers.

It was stated the other day that this would not affect the cotton farmers unless the other provisions failed; in other words, that the equalization fee, which we apprehend will be a burden upon the cotton farmer, is only to act as a pinch hitter, and which was very properly characterized by the gentleman from Louisiana as something that would pinch the farmer and hit him at the same time, and that is what it will do to the cotton farmer, I am afraid.

The argument is advanced that they will first try out the question of the cooperatives handling the cotton, and if they can not do it, then a marketing period will be decreed. I want to call your attention, first, to a report of the committee as to what they say is a surplus, which is a misstatement. On the fifth page of the report of the committee they say:

> The term "surplus" in this connection is more definitely stated to mean "a seasonal or year's total surplus produced in the United States and either local or national in extent."

Well, now, let us see what the bill says:

> That is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity.

Now, when you come to cotton, what are the domestic requirements for the commodity? Take the experience of the last five years and you will find that the requirements range about seven and a half million bales as far as the domestic requirements of the commodity known as cotton are concerned. How much was the production? If you will look at the report of the Census Bureau, which is available to everybody, you will see that the production of 1926 was 17,755,000 bales; of 1925, 16,123,000 bales; of 1924, 13,639,000 bales; of 1923, 10,171,000 bales; and of 1922, 9,729,000 bales. Therefore there has not been a year in the last five years in which the production in America was not largely in excess of the domestic requirements.

What does this bill require this board to do as soon as they find that situation? The bill provides that they shall make an investigation and shall declare a marketing period whenever the yield or year's total surplus, produced in the United States and national in extent, is in excess of the requirements for the orderly marketing of any agricultural commodities or in excess of the domestic requirements for the commodity. It is provided that they shall declare a marketing period and make provision for a marketing period, and prior to the commencement of that marketing period with respect to that agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements with respect to such commodities and under such nonpremium insurance agreements in respect of such commodity as hereinafter provided, and impose an equalization fee upon that commodity for the purpose of taking care of that estimate.

But they say they must try out this other proposition first. They must try out the cooperative proposition and let the cooperatives solve the proposition; but the law is mandatory, if written as it is here, that whenever it is discovered that there is an excess produced in this country over domestic requirements that they shall take steps to have it sold in this way; but they say that when it appears—

> that the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans—

They shall declare a marketing period.

Now, I want you to note the fact that this bill has been pushed and pushed in the cotton States on the ground that the cooperatives want to force every farmer in the cotton States into cooperative associations. I want to call your attention to the fact that we have been experimenting for seven years with cooperative associations in the cotton business. I have no criticism to make of them, but they have been so unfortunately managed that of the 25 per cent of cotton men in my county who went into the cooperative association five or six years ago there is not 5 per cent in now. The proposition is to fix it so that when the cooperatives come up and say they are unwilling or unable—they do not compel them to show they are unable—but if they say they are unwilling to undertake to handle this unless an equalization fee is placed upon it, then the board must do that and make every farmer who raises a bale of cotton contribute his part of the expense of this thing—in other words, force every farmer in the cotton States to become a member of a cotton cooperative association and bear a part of the burden he has tried to bear heretofore but found unsatisfactory.

The proposition is to force him into this thing, make him come in and bear the losses that may occur from the operations of this board here in Washington, with which he has had nothing to do.

The committee says in its report:

AIDS COOPERATIVES TO HANDLE SURPLUS

> To attract and to increase or even hold their membership, cooperative associations must be in position to secure for the producers they represent an effective bargaining power that influences the prices at which their commodities sell. They can not secure fair purchasing power for the farmers unless they can manage crop surpluses in the interest of orderly marketing. If they attempt this, the costs, losses, and risks of carrying over and of selling exportable surpluses of certain crops at competitive prices outside the United States must be borne by the members of the cooperatives, while the better prices are shared equally by the outsiders who, on the other hand, escape the inconveniences of deferred settlement and perhaps actual losses. This is destructive to the morale of cooperative enterprises.

* * * * * * *

Through the operation of the equalization fee, which requires every unit of a commodity to bear its share of the cost of its stabilization and protection, the effect of this plan is to provide 100 per cent cooperation of all producers in financing transactions necessary to the control and disposition of crop surpluses. It takes 100 per cent cooperation to deal effectively with the surplus, and it is impossible to get such complete cooperation otherwise than through Government action. Honest, able, and sincere men with extraordinary ability have attempted it and have failed.

So the proposition for the cotton people is to say to them, "You can go and join your cooperatives, or, if you do not, we will make you come in and bear your part of the expense whether you get any of the benefits or not." Now, what do they propose to do? They propose to impose a fee upon the farmers of the cotton States for the purpose of enabling the cooperatives and the agencies created by them to market the cotton as they see fit.

Now, let us see about that. They declare their findings and they direct the contracting of agreements with these agencies which are created to buy and hold the cotton. They have divided them into two classes. The fellow who belongs to the cooperative, they take his cotton and hold it, and he does not pay the equalization fee until the cotton is sold; but what about the men—and there are plenty of them in the cotton States—who do not wear anybody's collar and who decline to be forced into a cooperative association where they have not found things satisfactory before. What about him? He will say, "No; I want to act independently and sell my own cotton." He goes and sells it on the market, and they take the equalization fee right then and put it into the treasury of this concern. That is exactly what they do.

The man who can be bulldozed into signing with the cooperatives is going to have his cotton carried until it has gone either up or down, and does not have to pay the fee until the adventure has been successful or has been so unsuccessful that they sell him out, and they advance him part of the value of the cotton, and they advance it out of the appropriation made by Congress, which comes from all of us, and out of the equalization fee paid by those of us who sell our cotton independently, as we have been able to do in the past. We have not made fortunes out of it, but we are yet able to attend to our own business.

Now, how are you going to maintain the price? If this is going to equalize everybody, you must bear in mind that here is one party who puts his cotton into the cooperative and lets it stay there until the price raises—if it ever does—and here is another man who sells it and has to take the market price to-day. He sells it to the same crowd and pays in his equalization fee to help them hold it, and hold it for a profit which goes into this fund which they propose to build up and live off of.

Mr. QUIN. Does not the gentleman think that is an inducement for the gentlemen to come in?

Mr. STEVENSON. It is not only an inducement; it is a club. It is the biggest kind of club to force him into the cooperative; and for myself, I do not ever propose to say to my farmers that I voted for something to drive them into a corporation that they have heretofore found to be detrimental to their interests and that they have rejected and refused to sign up with any more.

This is the whole proposition, and my friend the gentleman from Mississippi [Mr. QUIN] will not go down and admit to his farmers that he did that either; or if he does, they will find another fellow to represent them up here in Congress.

Mr. QUIN. But we give them $400,000,000 to help all of them raise their prices.

Mr. STEVENSON. Well, we will see about that in a minute.

Now, here is the proposition. You are going to equalize everybody, and before they declare a marketing period they have got to ascertain whether there is probably an excess of production over domestic consumption. They have got to determine that before they start.

The cotton season opens the 1st of August. They start to work and they know beforehand there is going to be more cotton produced in this country than we will consume, because the history of the country has shown we have exported at least 55 per cent of all the bales that are made all over this country for all time almost. Therefore they do not have to have any long siege in determining whether they will declare a marketing period, because, so far as cotton is concerned, it is foreordained that they will have to do it by the very terms of this bill.

Well, they declare that period and cotton begins to move. The farmer says, "How much are you going to raise the price of cotton?" and they say, "You are going to put up $10 a bale," and the farmer says, "Well, you will certainly raise the price that much."

Now, how are you going to do it? How much cotton goes on the market during the months of September, October, and November, and do you know how much money it will take? You talk about $400,000,000. That is not all for cotton, is it? No; it will take $10,000,000 a day right straight along, day in and day out, for the months of September, October, November, and December, to handle the cotton that goes on the market, and if they are going to charge everybody an equalization fee then they are under obligation to raise the price for everybody, and they have got to buy up this cotton, because there is nobody who is going to buy above the world price except this crowd that is taking this money out of your pockets. They have got to buy it up, or else let these farmers who wanted to be independent or who were not in position to join the cooperatives have their cotton sold at whatever it will bring on the world market, and I say the result is that this crowd has got to put up at least $10,000,000 a day for 120 to 130 days during that period, and it is going to take a good deal more than the $400,000,000 before you get through with it when you divide it with the wheat fellows, the corn fellows, the hog fellows, the cow fellows, and all the balance of them.

You are not going to have the money to do this unless you take it out of the farmer who is selling his cotton upon the market, and what will be the result? There will be the devil to pay by the time you get through with it, I will tell you that right now, because they are not going to stand for it, and I do not blame them.

I have belonged to cooperatives, and, as I have said, I have no stones to throw at them. They had a difficult problem, but I will tell you now you can not force the American farmer, as I know him, into belonging to a cooperative if he does not want to any more than you can force him to belong to the Catholic Church or to the Ku-Klux Klan. [Laughter and applause.]

Our American people believe in choosing their associations, and they will do it as they please.

Now, what will happen? How much cotton is made in the world?

You talk about raising the price of cotton in this country. You have to raise it above the farm level; you ought to raise it above the world level or there is nothing in it.

Now, how much cotton have we raised during the last five years? Let us see. In 1922 there were 17,000,000 bales made in the world, 8,000,000 of which were made abroad. In 1923 there were 19,000,000 bales made, 9,000,000 made elsewhere than in the United States. In 1924 there were 23,000,000 bales made, 10,000,000 of which were made outside of the United States. In 1925 there were 26,000,000 made, 10,000,000 of which were made outside of the United States. In 1926 there were 27,000,000 bales made, and 10,000,000 bales made outside of the United States.

Now, are you going to put up the price in the United States 4 cents above what it is in the world market, and what will you have? Why, there is 10,000,000 bales waiting elsewhere and millions held that was taken out of this country that will come back the minute you put the price higher than the world price abroad.

Mr. BURTNESS. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BURTNESS. I am very much interested in the gentleman's speech, but I have misunderstood the theory of the cotton people who have been sponsoring the bill before the committee. They expect to stabilize the market of cotton in this country, and because so much was produced in the United States in the case of cotton where they could actually raise the world price.

Mr. STEVENSON. I do not yield any further. I get the gentleman's point. The gentlemen who have been advocating this before your committee, who have been preaching it from the housetops, are the cooperative people who want to force the people into the cooperative associations. They do not know and do not care what is made elsewhere, but when you have 10,000,000 bales made elsewhere do not you know that when you put the price higher than the world market do not you know that you can not dominate the world price? Do not you know that on any product that consumes only 35 per cent and has to export 65 per cent you can not dominate the world price. Liverpool is the center of the cotton market of the world. The equalization fee would raise the price for everyone else and take it out of the pockets of the farmers of this country.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. STEVENSON. I was promised more time if I had not got through.

Mr. KETCHAM. I have a few minutes of my own time which I will yield to the gentleman if he will arrange to have it transferred to me later.

Mr. STEVENSON. I will do that.

Mr. KETCHAM. I will yield the gentleman seven minutes.

Mr. STEVENSON. Oh, they say when we talk about raising the world price that is all folderol. What have they done about the equalization fee on cotton brought in from the outside? Well, they knew it would flow in here, that they could not keep it out when they began to keep the price up. Anybody knows that, and so they put an equalization fee on here, and when a man ships in cotton from the outside he may have to pay $10 equalization fee and you may raise the price in this country $10 a bale. But the minute it goes up to that the foreign cotton comes right in and fills the hole. There is no other explanation. It is all folly to talk about raising the price of cotton in the world with 10,000,000 bales made elsewhere. That is 40 per cent of all the cotton made in the world outside United States.

Now, let us look at it a minute. I go down and sell my cotton or my colored man does. And let me tell you something about selling cotton. I tried the cooperatives. My croppers said that we prefer to sell it on the market, and do you know what my colored men did? I am not saying it disrespectfully, but they beat the cooperatives 3 cents a pound for three years in succession in selling cotton, and when the colored people on my farm can do that I said "you go to it boys, I am not in the cooperatives any more," and I told the cooperatives so.

Mr. SCHAFER. The gentleman had better cotton.

Mr. STEVENSON. No; I did not—the cotton went to the gin side by side. The cropper and I got alternate bales. My colored men sold their cotton for 3 cents a pound higher on the average than it brought by putting it into the cooperatives. There is the proposition. If you will take the equalization fee out of the bill I am willing and will support it enthusiastically. Take the equalization fee out of the cotton business and I will support it. There is much can be accomplished by it, but I will not vote to coercing farmers into the cooperative and tax him to make him rich. It will not work with cotton.

Take wheat for instance, with a billion bushels raised. You could raise your price on account of the tariff probably 40 cents a bushel. Forty cents a bushel on 800,000,000 bushels would mean $320,000,000. You would pay an equalization fee which would amount to $80,000,000, and you would be "in" $240,000,000. That is all right, but let us take cotton. We spun 8,000,000 bales of the 1926 crop and sold 10,000,000 bales. Suppose you raise your price $20 a bale. We would make $160,000,000 on the bales that we sold here. We would take it out of the manufacturers or whoever got it. We would lose $20 a bale on 10,000,000 bales, which would be $200,000,000. You would put on an equalization fee sufficient to make it up, and we would be "out" $200,000,000 on what we sent abroad, and we would be "in" $160,000,000 on that we sold at home, so that on the whole proposition we would be "out" $40,000,000, and in addition $60,000,000 thereto on your flour that we would have to buy from you wheat men.

What is the equalization fee for? It is to pay the losses on the exported products. I now wish to quote a distinguished authority on this proposition, Mr. CHARLES ADKINS, of Illinois. I quote the following from the RECORD of January 6, 1928:

Mr. BLANTON. Neither the last McNary-Haugen bill nor any other McNary-Haugen bill has ever provided that the profit that may be made from marketing the surplus through this board shall be distributed back to the farmers or the producers who raise the commodity.

Mr. ADKINS. You just forget it, if you think there will ever be any profit from "ditching" this surplus on the foreign market, where the prices are lower than on our domestic market. This is why it is necessary to provide some means for taking care of the loss, and the only way you can do it is through an equalization fee.

If that is not good authority in this church, I do not know to whom to appeal, unless it is to Bishop HAUGEN. And he has never denied that statement. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield myself 20 minutes. When the farm relief bill was before the House at the last session of Congress I prefaced my remarks with the statement that our Committee on Agriculture had just concluded the consideration of the greatest problem any committee of any Congress since the beginning of the Government has undertaken to solve. I can with equal propriety make the same statement to-day. Although the problem is still acute and agricultural conditions little improved, I think we can report progress in the matter of proposed legislation. The bill under consideration is the culmination of a long period of evolution, and, in my judgment, represents an economically sound and workable plan, which if enacted into law will result in placing our greatest American business—agriculture—upon an equality with industry and labor and thus establish and maintain a well-balanced permanent prosperity throughout the country that will not only insure the happiness of all our people, but will be the means of preserving our free institutions as well. I shall not discuss the general subject of agricultural degression. It has been discussed at length by the members of our committee at each session of Congress during the last four years as we have presented farm-relief measures for the consideration of this House. It is a condition which is universally accepted. The President, in various messages and speeches, has declared that there is a farm problem. In his veto message of last year he said—

That there is a real and vital agricultural problem is keenly appreciated by all informed men. The evidence is all too convincing that agriculture has not been receiving its fair share of the national income since the war. Farmers and business men directly dependent upon agriculture have suffered and in many cases still suffer from conditions beyond their control. They are entitled to and will have every consideration at the hands of the Government.

I shall only refer to a few witnesses who have offered conclusive evidence of the fact that a farm problem exists. I refer to the United States Chamber of Commerce and the National Industrial Conference Board, who, after a joint consideration of the subject, published a summary of their conclusions, in which, among other things, they said:

The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to post-war conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

I also refer to the fact that the Association of Land Grant Colleges and Universities of the United States, on November 17, 1927, adopted a report prepared by a special committee of the association, in which, among other things, it said:

Incomes from farming since 1920 have not been sufficient to pay a fair return on the current value of capital used and a fair wage for the farmers' labor, or to permit farm people to maintain a standard of living comparable with other groups of like ability. Agriculture has received a much smaller share of the national income during this period than during the period prior to the World War; and in spite of the continued decline in the proportion of the population engaged in agricultural pursuits and the marked increases in efficiency in agricultural production, farmers in general have not been receiving as adequate rewards for their labor and their managerial efforts and for the use of their capital as have been received in most other industries. Farm returns for the country as a whole showed some improvement each year from the very unsatisfactory year of 1921 through the year 1925, but they declined again in 1926. The indications now (October, 1927) are that the agricultural income in 1927 may be slightly higher than in 1926. The continued low returns have resulted in a shrinkage in the value of farm property and a marked acceleration of the movement of population from farms to cities.

I also recall that there appeared before our committee spokesmen for practically every farm organization in the United States who stated without reservation that there still exists a farm problem.

I think we are all agreed that the one great problem is our agricultural surplus and how to deal with it. Whenever there is a surplus, that surplus fixes the price for the whole commodity, inasmuch as it is necessary for the producers of that surplus to sell it in foreign markets. It naturally follows that the price obtained by the American producer is the foreign price and that the foreign price determines the home market price.

The bill which we passed at the last session of Congress failed to meet Executive approval. Those who have been charged with the responsibility of drafting the present bill have had in mind the objections which were expressed by the President and have made an honest effort to eliminate the points which met with Executive disapproval. I shall confine my remarks very largely to a discussion of the changes in the bill and the manner in which our committee has attempted to meet these objections.

The bill declares it to be the policy of the Congress to promote the orderly marketing of agricultural commodities; to provide for the control and disposition of surplus; to preserve advantageous domestic markets; to prevent undue and excessive fluctuations in the markets; to minimize speculation and waste in marketing; and to further the organization of producers of such commodities into cooperative associations. Certainly, these objects are most laudable, and if carried out in any

measurable degree will tend toward a general uplift of our great basic industry.

This bill, as previous bills, creates a Federal farm board, but places no limitations or restrictions upon the President's power to appoint the board members other than to provide that one shall be appointed from each of the 12 Federal land-bank districts and that they shall be confirmed by the Senate. The former bill provided that nominations should be made by farm organizations to the President, whose power to appoint was limited to the list of such nominees. The President objected, and I think very properly, to this limitation on the authority of the Chief Executive.

The present bill applies to all agricultural commodities, whereas the former bill applied only to wheat, cotton, corn, tobacco, rice, and swine. This meets the objection which the President urged to this section, and the bill is no longer open to criticism upon the ground of discrimination against any product or any section.

A new section has been added to the bill providing for cooperative clearing houses and terminal market associations to stabilize the movement in commerce of agricultural commodities, which not only strengthens the bill but further meets the President's criticism on the ground that it applied to only a few commodities.

The former bill provided for State conventions to express the sentiment of producers as to the commencement and termination of operations with any commodities. The elimination of this provision from the bill removes another point of objection made by the President.

The present bill provides that if the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. It further provides that if the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposing, then the board may enter into an agreement with other agencies, but shall not unreasonably discriminate between such other agencies. The latter provision has been inserted to meet the objection of the President. In his veto message he charged that it would be possible to have "unreasonable discrimination" in making marketing agreements with agencies other than cooperatives.

The former bill authorized the issuance of a serial receipt to cotton producers, and not to other producers upon whose marketed products the equalization fee was collected. The President objected to this provision as constituting a discrimination in favor of one crop and against another. That special provision for cotton is omitted from the present bill.

A new section has been added to this bill which provides specifically that the United States shall not be liable directly or indirectly upon agreements under the act in respect of agricultural commodities in excess of the amounts available in the stabilization, premium insurance, and revolving funds. The former bill had no such limitation, and the President in his message called attention to the fact that there might be a further liability upon the part of the Federal Government.

The insurance provisions in the present bill are so amended and clarified as to meet the objections urged by the President. It was suggested by the President in his veto message that the insurance proposal in the other bill amounted to a Government agreement to pay the cooperative associations any loss which they might incur in withholding commodities from the market, no matter how high the prices might go in the meantime.

The present bill provides for the collection of a fee upon the importation of the commodity during a marketing period in respect of it and for the collection of an equivalent fee upon the importation of any food product manufactured in whole or in part from such commodity. The President suggested in his veto message that while the provision for collecting an equalization fee on processing would require millers, for example, to purchase their wheat at a price level that would include both tariff and equalization fee, nevertheless the flour manufactured therefrom would have to be sold in competition with manufactured flour that had paid the tariff but was manufactured from wheat that had paid no equalization fee. This, it was pointed out, would subject the millers to disadvantage in competition with flour imports. It was for the purpose of obviating this condition that the collection of a fee on importations under certain circumstances is authorized.

Thus have all the objections urged by the President been substantially met save the equalization fee, and it is set out in the bill specifically as an alternative remedy.

In other words, the board is not authorized to resort to the plan of operating through marketing agreements and equalization fees until the provisions for surplus control through loans to cooperative associations have proven ineffective. The board must find that there is a surplus, that loans to cooperatives are ineffective in controlling it, and that the commodity is adapted to the use of marketing agreements. These are all findings of fact to be made by the board itself before entering into marketing agreements with cooperative associations or corporations created and controlled by them.

When the board enters into any marketing agreement it makes the revolving fund responsible, through the stabilization fund for the commodities, for any losses which may be incurred under the agreement. Since the marketing agreements are to be resorted to only when the board finds them necessary to secure the regulation of interstate and foreign commerce intended by this measure, this contribution which each unit is required to make is known as the equalization fee and is provided as a necessary incident to the regulation of such commerce. The board is directed to establish a stabilization fund for each commodity dealt with through the marketing agreements, the money in such fund to be in the first instance advanced by the board out of the revolving fund.

The equalization fee is collected upon any commodity and deposited in the stabilization fund to make good any payments required under the marketing agreements, so that the advances from the revolving fund may be repaid as equalization fees are received. It is provided that these advancements shall be returned to the revolving fund, together with 4 per cent interest.

Those who are opposed to surplus-control legislation have singled out the equalization fee as the most vital point of objection. It remains the only point of objection in the bill. Much of the opposition to the equalization-fee provisions comes not from the farmers themselves but from those who apparently oppose any farm-relief legislation. Whatever fee may be collected will be paid by the farmers themselves, and strange as it may seem, little, if any, reflected in the prices to be paid by the consumer. It is the first time I have ever known of any group appearing before Congress asking for relief and offering to pay the cost of that relief out of their own pockets rather than out of the Federal Treasury.

It is argued that it is unconstitutional. That question would of necessity have to be determined by the Supreme Court. No man can now say it is or is not constitutional. Able and conscientious lawyers differ on this question, as they have differed on all major pieces of legislation heretofore passed. It is said that such a plan as is proposed by the equalization fee is without precedent. The principle is as old as government itself. In its practical effect there is little, if any, difference between the principle involved in the equalization fee and those employed in local improvements under paving, drainage, or irrigation projects. The recapture clause in the transportation act of 1920 applied the equalization-fee principle to the railroads. In the Federal reserve act, as well as the transportation act, Congress employed the principle of requiring contributions to be made under certain circumstances in the interest of the contributors. Under the provisions of the Federal reserve act every national bank is required to be a member of the Federal reserve bank of the district in which it is located and is required to subscribe to the capital stock of its Federal reserve bank in a sum equal to 6 per cent of its paid-in capital stock and surplus. The national bank that fails or refuses to join the Federal reserve system forfeits its charter.

The equalization fee provision has been placed in this bill at the request of the farmers themselves. I regard it as an expression not only of their desire to pay their own way but as evidence of their unwillingness to ask for or accept a subsidy from their Government.

Opponents of the equalization-fee plan contend that it is not only unworkable but in violation of the Constitution. This bill has been very carefully drawn so as to provide two distinct and entirely separable remedies. It is provided that the board shall first try to bring about the desired relief through loans to cooperative associations at a low rate of interest. This plan has frequently been suggested by the Secretary of Agriculture and many others who do not approve the equalization-fee plan. The alternative plan, in case of failure of the first remedy to accomplish the purposes of this act, is the making of marketing agreements by the board which shall provide that the cost and losses on transactions authorized under the agreements shall be paid by the commodity whose producers receive the direct benefits. The bill is so drawn that if any court in any proceeding

should restrain the board from entering into marketing agreements financed by the equalization fee or if the Supreme Court of the United States should hold such provisions to be in conflict with the Constitution, the bill would still present a workable whole and the board could proceed under the first plan without interruption.

In conclusion, I should like to suggest that if this bill becomes a law it will be one or two years at least before the board can become thoroughly organized and conversant with its duties to such an extent as to successfully put in operation and try out the first plan set out in this bill for bringing about agricultural relief. In my judgment, another two years would elapse before the board could definitely determine that loans through cooperative associations, as provided in section 5 of this bill, had failed to accomplish the purposes of this measure. I wish to further suggest that if this bill becomes a law the board appointed under its provisions will be composed of men who will bend every effort toward making the first plan provided by this bill effective in order that they may not be called upon to put in operation the alternative plan. If, as its opponents contend, this bill is unconstitutional, ample opportunity will be given to determine that fact before it could work any hardship upon either producer or consumer or do any violence to any of the rights guaranteed to all our people under the Constitution. [Applause.]

I wish to suggest further just one thought which is prompted by a speech on the floor this afternoon. Who would appoint this board? The President of the United States, without any limitation whatever. If this bill were to be signed within the next 10 days or 2 weeks, our own President Coolidge, for whom I have the highest regard and whose sympathy with agriculture I do not question, would appoint this Federal farm board. I repeat, it would take a year and maybe two years before that board appointed by him without restriction could orient itself and find out its duties and begin intelligently to handle this question, and I undertake to say that after they had organized and had gotten started and had tried to stabilize agriculture under section 5 of the bill it would take another two years before they would find out that the thing would not work, if it did not work. We have been told time and time again by the Secretary of Agriculture, and we have been told by gentlemen on the floor of this House who sympathize with other bills similar to that in character, that through these loaning provisions to cooperative associations we may stabilize and strengthen agriculture. Follow my thought, if I have not muddied the water too much to express it intelligently: The two years having elapsed, and another two years in which to perhaps find out the thing is not workable, it is not unreasonable to assume that within that time the constitutionality of this alternative plan which I still designate as a "pinch hitter" can be determined.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. PURNELL. I am very sorry, but I promised more time than I have. I yielded back for this addition the time I have not occupied of the last five minutes.

The CHAIRMAN. The gentleman yields back three minutes.

Mr. PURNELL. Mr. Chairman, I yield nine minutes to the gentleman from North Dakota [Mr. HALL].

Mr. HALL of North Dakota. Mr. Chairman, the subject of legislation in behalf of agriculture has been before the country for many years and particularly has it been one of the major subjects during the past seven years. Hundreds of speeches have been made in this Chamber on the subject of doing something which would more nearly place the farming classes upon an equality with the industries and labor. Paper enough has been used in the publication of speeches and articles on the subject to cover every foot of farm land on the continent and we have not yet received that for which we have so long sought. The Agricultural Committees of the Senate and House have favorably reported the bill now under consideration with the recommendation that the bill be passed, and the Senate has passed it in most of its essential parts.

I am convinced that finance, industry, and labor recognize that agriculture is in a bad way. The banking business has been caused to shift its operations since the deflation in land values and produce prices. Many banks have been forced to close. Industry is beginning to feel the reaction, and labor has recognized the peril for many years.

The farmer is convinced that with a little help in the way of laws and extension of credits that agriculture can work out a solution to the problem. He sees the railroads protected and encouraged at an enormous Government outlay. He sees industry protected by tariff rates and trade rules and practices, but not much for him. He finds labor protected from competition by the high wall of the immigration act. The farmer is not greatly opposed to this, but he is sure that he has been slighted and almost entirely forgotten in the great scheme of things.

The railways complain of high taxes and tell us that for every tick of your watch the railroads pay $11 in taxes. That may be true, and if it is, then for every tick of your watch the farmers of America are paying $26 in taxes.

It is time that industry and labor should be awake. The farm buildings of America have an estimated value of $12,000,000,000. The life of a farm building is about 50 years, so there is an annual market for about $300,000,000 a year worth of lumber, hardware, building materials, and labor. There is almost $3,000,000,000 invested in farm machinery, which has to be renewed every 10 years, or at the rate of $200,000,000 a year. Industry and labor should study the situation.

This McNary-Haugen bill endeavors to set up a Federal farm board of 12 men to be appointed by the President; one man from each of the Federal land bank districts, with the Secretary of Agriculture an ex officio member.

The general purposes of the measure are:

First, to preserve advantageous domestic markets for the commodity.

Second, to prevent surpluses from unduly depressing the price obtained for the commodity and from causing undue and excessive fluctuation in its market.

Third, to minimize speculation and waste in marketing the commodity.

Fourth, to further the organization of agricultural producers into cooperative marketing associations.

You are all quite familiar with the general provisions of the bill.

Mr. Chairman, I want to direct my remarks to the minority report against the bill as submitted on the 11th day of April by Congressman JOHN C. KETCHAM, of Michigan, and Congressman MARVIN JONES of Texas, members of the House Committee on Agriculture, which deals with the question of agricultural surplus control in two parts: First, an outline of the reasons for their dissent from the majority approval of the Haugen bill, and, secondly, a brief of arguments in favor of the export debenture plan.

This minority report in its opening statements clashes with the facts when it says:

> H. R. 12687 with its equalization fee feature can not apparently receive the approval of the Chief Executive, whereas the export debenture plan has no such handicap.

No one in Washington really believes that the President would sign the export debenture bill. The proponents of the debenture plan in this minority report admit that it would take approximately $146,000,000 annually from the United States Treasury by reducing customs income. That is, the adoption of the debenture plan would keep out of the Treasury $146,000,000 annually, based on a normal crop production. Other estimates show a greater loss to the Treasury. How would such an annual cut in income square with the administration's program for tax reduction?

The most important objections in the President's message accompanying his veto of the McNary-Haugen bill last year also apply against the debenture plan. The debenture plan would apply only to those crops of which we produce an exportable surplus. This was one of the chief objections of the President against the McNary-Haugen bill of the last session. The debenture plan would have the effect of furnishing American farm supplies to foreign consumers at prices lower than those obtaining in the domestic market, to which the President strenuously objected. The debenture plan offers an indirect subsidy to agriculture, which the President has repeatedly condemned and which the farmers do not want.

In his message to Congress on December 6, 1927, President Coolidge said:

> The most effective means of dealing with surplus crops is to reduce the surplus acreage * * *. It can not be sound for all of the people to hire some of the people to produce a crop which neither the producer nor the rest of the people want.

In the same message he pointed out that a "Government subsidy would be bound to result in disaster."

In outlining their "reasons for dissatisfaction with H. R. 12687," the Haugen bill, Congressmen KETCHAM and JONES list first its alleged unconstitutionality. I am not a lawyer, but it seems to me that if there is any one thing certain about legislation of the character either of the debenture plan or of the Haugen bill, it is that the constitutional question is certain to be raised in a court action. You may depend upon it that the debenture plan, if it should be enacted, would be attacked in court just as quickly as would the Haugen bill. American cotton manufacturers, for example, who would be compelled to buy

their raw material on a higher basis than that at which their foreign competitors secure their supply, would be certain to enjoin the plan.

The general constitutional questions involved in either plan can not be settled here. Their supporters in Congress believe in the constitutionality of their respective proposals. The final decision will rest with the Supreme Court of the United States.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. HALL of North Dakota. Yes.

Mr. BURTNESS. I notice in the Haugen bill, section 18, provision is made that if any section of the law should be declared unconstitutional, that would not apply to other provisions of the law?

Mr. HALL of North Dakota. That is true.

Mr. BURTNESS. So the situation, therefore, is this, that even if the equalization fee is declared unconstitutional the rest of the law would remain in effect.

Mr. HALL of North Dakota. That is correct.

Mr. BURTNESS. And if the Attorney General and the President were correct when the veto was made that the equalization fee is unconstitutional, then even if this bill is signed, when a decision of the court to the effect that the equalization fee is unconstitutional is made, that would not in any way affect any of the rest of the bill, and a great many of the most ardent opponents of this bill and of the equalization fee have stated on the floor of the House that the bill without the equalization fee would work and be applicable. Am I correct?

Mr. HALL of North Dakota. Certainly.

Mr. BURTNESS. Does the gentleman see any reason for not supporting the bill upon the part of anyone who believes the equalization fee is unconstitutional if he likewise believes that the bill otherwise would work?

Mr. HALL of North Dakota. Not so; not at all.

Aside from the quotation from the opinion of the Attorney General, which is completely answered in the brief on the legal phases of the Haugen bill, contained in the majority report, pages 36 to 46, inclusive, this minority report quotes some unnamed authority—the quotation is from the speech of Senator WALSH of Montana—as asserting—

> that the public funds can not be taken out of the Public Treasury, funds contributed by all the taxpayers, and turned over to a private individual or association of private business.

This particular constitutional objection would apply against the revolving fund authorized to be appropriated in the Ketcham bill just as certainly as it would apply against the Haugen bill. There is absolutely no difference, therefore, there is no point to this objection in the minority report.

The minority views consider in some detail the provision in the Haugen bill which require the board to find that the loan provisions have been ineffective in controlling the surplus before it can enter into marketing agreements with reference to any crop, to be financed from the equalization fee. The minority report assumes that loans will be ineffective in controlling the surplus, therefore, it proceeds to the conclusion that, "Government purchase and exportation of the surplus" is the direct purpose of the Haugen bill.

As a matter of fact there is no Government purchasing or exportation provided in the Haugen bill. The Government board, under the present bill, has two main functions—to administer special loans to cooperatives, and to make marketing agreements with them for handling surpluses. Both functions are intended to assist in developing strong business agencies representing and controlled by farmers.

Under the present bill there is no Government corporation to buy or sell. The extent of Government participation is to collect the common fund from the producers of a commodity through equalization fees and to make it available to meet the costs and losses of surplus control contracts.

Cooperative associations or corporations created by them, or other existing agencies where there are no cooperatives, would do the buying, storing, and selling involved. The Government agency proposed by this bill would, of course, be a new factor in business, but then the farmer says, the Government is already "in business" in almost innumerable ways, so why draw the line when he is to be the beneficiary?

Another reason for dissent outlined in the minority report, already referred to, is that the Haugen bill faces a certainty of presidential veto. It is no more certain that the President would veto the Haugen bill in its revised form than that he would veto the debenture bill.

Certainly the probability of the veto can not be raised as an objection exclusively to the Haugen bill, in view of the President's many statements which would seem to disapprove directly of the principles of the debenture plan.

It is also objected that years of delay would follow the enactment of the Haugen bill before its provisions could be made effective. On this point it should be observed that no problem is settled permanently until it is settled right. Certainly any far-reaching legislation would have to undergo a period of test as to its constitutionality—the debenture plan just the same as the Haugen bill. But that is not the real heart of the matter. The question for Congress to determine is, What is the proper and effective method of meeting the agricultural problem? The only enduring form of relief is that which permits agriculture to pay its own way. No subsidy, direct or indirect, open or disguised, will be long tolerated by the American people—and that is one of the fundamental objections to the debenture plan.

It is objected further that the equalization fee adds another tax to the farmers who are already overburdened with taxation. Certainly this objection is poorly founded and far-fetched. The collection of the equalization fee is indirect. If the net result of operations under the Haugen bill is to increase and stabilize farm prices, as both the friends and opponents in their arguments have conceded, there is no ground to charge that the farmer's taxes are increased thereby.

The equalization fee in this bill will have the effect of discouraging increased production.

The cost of disposing the surplus is assessed back against the grower through the equalization fee. If the growers increase their acreage—and their surplus—because of better prices, the equalization fee will also increase in size and thus discourage production. It will serve as a deterrent to increased surpluses.

The argument that—

> the proponents have singled out the farmer and imposed upon him an equalization fee in order that he may get what is said to be the other end of the tariff while the manufacturer gets his protection without any fee at all—

is specious and unsound. If manufacturers produce a surplus, its disposition requires that the costs and charges involved in handling it, and the loss if it is sold abroad at less than the domestic tariff-protected price, shall be absorbed by the industry that has produced the surplus. That is precisely what the bill proposes for agricultural surplus crops. Economically the course of the manufacturing industry with a surplus, and that of agricultural producers under the proposed bill, would be identical. The cases are on all fours, except that the farmers, who because of their numbers lack the power to act cohesively, and who because of their lack of control over the forces of production, can not control the volume of the aggregate output, would be given by the Haugen bill the necessary supplemental power to do what industry in practice now does for itself.

In listing the advantages of the export-debenture plan the minority report first explains that the provisions for a farm board and a revolving fund for loans to cooperative associations are included in both bills.

The argument on the debenture plan itself is largely an explanation of how the plan is expected to operate. There is no occasion for discussing this explanation in detail, but some of the disadvantages of the debenture plan may be briefly mentioned.

From the standpoint of the Corn Belt the debenture plan set forth in this bill has practically nothing to offer. The livestock debenture rates are so small that the advantage would probably be absorbed by the packers and exporters. Corn is not primarily an export crops. The foreign market for our corn is limited, and the domestic price is not controlled definitely by the price for an exportable surplus. The problem with corn, as with cotton, is to provide a sound and workable method for controlling the marketing of the surplus in the interest of producers, not of stimulating the domestic price by forcing an increased exportation by means of a premium or bounty.

As far as cotton is concerned, a 2-cent export premium would undoubtedly work to bring about substantially a 2-cent difference between domestic and world prices. That is, compared with the present relationship between foreign and domestic price for raw cotton, this act in effect would tend to raise the cost of cotton to domestic buyers 2 cents per pound over the cost of cotton to foreign buyers. This does not mean, however, that the 2-cent premium on cotton exports would result in an absolute raise of 2 cents per pound in the domestic market for raw cotton. American cotton exports amount to approximately two-thirds of the world's international trade in cotton. If exports were stimulated by the 2-cent bounty, it is a question whether the result would be to raise domestic prices 2 cents per pound or to lower the world price 2 cents per pound. Probably in operation the 2 cents per pound premium on cotton would depress the world price some and raise the domestic price

some. The measure of difference between them would be 2 cents per pound compared with the present relationship between world and domestic prices.

The debenture bill authorizing issuance of export debentures at half the rate of the existing duties on swine and pork, cattle and beef, corn, rice, and wheat and flour. In addition it authorizes the issuance of debentures on cotton at the rate of 2 cents per pound and on tobacco at 10 per cent ad valorem.

In addition to these listed commodities, the bill authorizes the board to designate any other agricultural commodities as "debenturable" whenever certain findings are made, the debenture in each case being limited to the amount of the tariff.

It is impossible to estimate the total value of the export debentures which would be issued under this plan because no one can foretell what additional commodities might be made debenturable by action of the board. Also, it is impossible to predict what the increase in the volume of our exports would be under the stimulus of export to bounties of debentures. Certainly the total diversion from the Treasury on account of export debentures would be no less than the $146,000,000 estimated by the members of the committee who submitted the minority report.

If the debenture plan had been applied to the wheat surpluses during the years 1924 to 1927, the gain in price at 21 cents per bushel would have amounted to $705,268,280; and the cost of the operations to the Government would have been $142,488,630, or a gain of $526,783,640. Under the equalization-fee plan the net gain would have been $906,949,742, or an advantage to the wheat farmer of $398,166,092 over the debenture plan. If the debenture plan had been in operation during those four years on corn, the advance in corn prices would have totaled $802,866,000. The cost to the Government would have been $4,999,500, or a net gain of $797,875,500, whereas by the equalization fee in operation the advance in values would have reached $1,690,046,033, or a gain of $892,170,533, a difference in favor of the equalization-fee plan as against the debenture plan of $94,295,033. Therefore, I feel that the equalization-fee plan is much to be preferred. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. PURNELL. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

The CHAIRMAN. The gentleman from Minnesota is recognized for 15 minutes.

Mr. ANDRESEN. Mr. Chairman and gentlemen of the committee, there is no man on the Committee on Agriculture more qualified to speak about the contents of the bill than my colleague from Indiana [Mr. PURNELL]. I hope that the Members will read his explanation of the bill in the RECORD, because he has been the man selected by the committee to give the details and explain the workings of the bill.

The main controversy involved in the bill is the controversy concerning the equalization fee. Our good friend from New Jersey [Mr. FORT] and other opponents have agreed that the bill is workable without the fee, and they will vote for the bill if we only agree to accept this modification. They approve the bill up to and including section 8.

Mr. FORT. The gentleman also agrees that it is a workable bill?

Mr. ANDRESEN. Yes. But it is necessary to have the equalization fee in the event the loan provision proves ineffective. The provision is sound and should be a part of the law. The loan provision to cooperatives, together with the equalization, will encourage cooperation and will assist the farmers in building up their own business marketing organization. The equalization fee is the pinch hitter to be used in case of real emergency.

The Committee on Agriculture of the House has worked diligently for months in an effort to bring before Congress a bill which should be enacted into law and a piece of legislation that will be of real benefit to agriculture. It is without doubt the best farm relief bill offered by the committee since farm legislation became the important question before Congress.

Agriculture, the basic industry of this country, is entitled to a square deal, and that is all that the proponents are asking in the bill under consideration.

I have just read with a great deal of interest an editorial from the New York World commenting on farm legislation, as follows:

> If Congress could draft a plan of farm relief which the East believed would bring all the benefit the sponsors of the McNary-Haugen plan claim for their measure it is a safe wager that eastern industrialists would urge its adoption. The plain truth of the matter is that the western Congressmen have failed to convince the business leaders, even of their own section, that they have found a remedy for the ills of agriculture.

The position taken by this paper evidently expresses the view of certain business interests and professional speculators throughout the country—particularly in the East. If the farmers of the United States would be compelled to first submit a plan of farm relief legislation to these business interests no legislation of real benefit would ever be enacted.

The agricultural sections of this country are never consulted by the business groups when it comes to matters of legislation affecting industry or banking, and it would therefore seem logical that the farmers and their representatives should play the important rôle in the shaping of farm legislation.

A survey of the agricultural States discloses the fact that the majority of business men in agricultural sections favor the enactment of the McNary-Haugen bill as it is now before the House. Retailers, wholesalers, bankers, and other professional men throughout the Middle West have generally gone on record for the enactment of this bill. They realize that their success and prosperity are largely dependent upon farming, and consequently they have now joined hands with the farmers to bring about the enactment of beneficial farm legislation.

The present bill has been approved by the majority of farm organizations of the country and we believe that these organizations, through their representatives, speak for the American farmer. Many farmers have appeared before the committee in approval of the bill.

The proponents of farm legislation are of the opinion that the McNary-Haugen bill now under consideration meets the majority of the objections of the presidential veto of last year. The only controversial point in question is the equalization fee. The objection to the fee is met with the provision that the board shall not put it into operation until such time as the loaning and cooperative features have proved ineffective to handle the marketing of the surplus.

Mr. WINTER. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. WINTER. Before the gentleman leaves the equalization-fee matter, which he has just mentioned, I want to say that the inquiries of the gentleman from North Dakota [Mr. BURTNESS] were very pertinent in that regard. It is clear to me that those Members who are convinced and clear in their own minds that the equalization fee is unconstitutional are perfectly justified in opposing the bill on that ground, and equally and obviously so those who are clear in their minds and convinced that the bill is constitutional will be fully justified in voting for it. But probably there are Members of the House who are doubtful on that point. Those Members who are doubtful on the ground of the constitutionality of the equalization fee are certainly justified in taking the same position that the Supreme Court will take when it decides that section, and that is that if it not clear that it is unconstitutional they will sustain it and hold it to be constitutional.

Mr. ANDRESEN. The gentleman is correct, and any doubt as to the constitutionality of the fee by Members should be resolved in favor of the bill.

The bill not only has the approval of the American farmer but it also meets the requirements and fulfills the pledges of the Republican and Democratic Parties, as set forth in the 1924 platforms of both parties. Since both parties have agreed to aid agriculture, the question of farm relief can not be considered as a political issue, and it is now up to both sides of the House to support this measure in order to carry out the pledges and promises to the greatest industry in this country. The ultimate welfare of nearly 30,000,000 people hangs in the balance pending a satisfactory solution of this great economic question, and it is therefore high time that Congress takes some definite action in the solution of this great question, in order to avoid the repetition of the last four years.

If the leaders in Congress and Government would have shown the same constructive interest in the question of farm-relief legislation as they have in the matter of flood control and other legislation, a satisfactory solution would have been reached long ago. There has been no spirit of get together on their part, and they have yet to make the offer to sit down and across the table work out a common problem.

Many bitter critics of farm relief, both in and out of Congress, deal in generalities, denouncing the bill before us, but these same critics have nothing to offer as a suggestion toward the solution of the farm problem. They admit, however, that we have a real problem to solve, and since they have offered nothing, they should at least be willing to try out the solution offered by the farmers themselves.

The general policy of the bill is to promote orderly marketing of all agricultural commodities. It is not a price-fixing meas-

ure, and it only seeks to give the farmer or producer the benefit of existing tariff schedudes on his products.

I might say in regard to the tariff, to which reference was made a few moments ago, particularly as to the recent tariff bill, the Fordney-McCumber Act, it has been claimed that this measure is of no benefit to agriculture. If it were not for that tariff act you would see millions of bushels of wheat shipped in from Canada, and other agricultural commodities shipped in from other countries, to come in competition with cur own production. The agricultural schedules of our tariff bill do at least this, that they prevent the importation of these commodities to any great extent.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield there?

Mr. ANDRESEN. Yes.

Mr. KINCHELOE. Is it not a fact that for a time last year wheat was higher in price in Winnipeg, Canada, than it was in Minneapolis?

Mr. ANDRESEN. Yes. I realize that that was the fact, but the reason why it was higher in Canada than in Minneapolis was largely due to the cooperative pool that is operating up in Canada, where the pool controls the greater portion of Canadian wheat.

Mr. KINCHELOE. The gentleman believes that that was what affected the price?

Mr. ANDRESEN. Partly. That shows what can be done under this bill. Under section 5 the cooperatives could form a corporation and create a pool of American wheat just as they do in Canada, and the equalization fee will automatically bring all domestic wheat under control of the pool.

Mr. MORTON D. HULL. May I ask the gentleman if that is the law in Canada?

Mr. ANDRESEN. I presume there is a law in Canada permitting the pool.

Mr. MORTON D. HULL. Can they not do the same thing here now?

Mr. ANDRESEN. Yes; they could do the same thing, but at present there is no governmental supervision over it, and they can not function as a farm organization should unless the Government is back of them. If the Government assumes the supervision of the work, it will be more effective and the producers will have confidence in cooperation.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield there?

Mr. ANDRESEN. Yes.

Mr. BURTNESS. Is not this also largely due to two other factors, one of them being a reduction of freight rates in Canada from the farm to the terminal, and the other a very large wheat crop in the so-called spring-wheat area of the United States, with the result that we in the United States were under the necessity of importing wheat—more of the protein wheat—than the millers of the country needed?

Mr. ANDRESEN. Yes.

Mr. KINCHELOE. And therefore, if the gentleman will yield, this provision for the exclusion of the protein wheat should be stricken out?

Mr. ANDRESEN. I think not. I know we can produce all the wheat we need in this country without competition from any foreign country.

I might also say in connection with the statement of the gentleman from North Dakota [Mr. BURTNESS] that a large number of speculators have gone up into the Canadian market and speculated and probably forced the price up to a large extent.

The manufacturer who can control his production enjoys the benefit of a high protective tariff. Labor has its restricted immigration which brings about a higher wage level. The railroads and other public service corporations, as well as financial interests, are the beneficiaries of legislation backed up by favorable court interpretations, so that they are all generally recognized through operation of law as being entitled to a profit and fair return upon their investment. This is all the farmer is asking in the present legislation, and he is willing to finance his own operation as provided in the bill.

When the last tariff law was enacted it was intended to be particularly favorable to agricultural products. Unfortunately, on account of large surpluses of certain products, the farmers have received only a small benefit, and they have been compelled on account of the surpluses to compete in a world market. This world market fixes not only the price of the surplus but also regulates the price of the large portion of the crop sold in domestic consumption.

The farmers have been continually encouraged by the Government to raise a surplus, and therefore this legislation seeks to bring about the readjustment so that the American producer will have his proper place in our economic life. It attempts to give him an American price for the portion of his crop sold and consumed in this country.

Congress can not legislate prosperity for any inefficient producer, laborer, or business man; but Congress can and should encourage honest and efficient effort on the part of our citizens as long as we proceed under the theory of the protection of American institutions.

Statistics disclose that there are nearly 6,000,000 farms in the United States having a population of nearly 30,000,000 people, and consequently the farmer becomes an important factor in our economic life. His producing or purchasing power is the determining factor in the welfare and prosperity of the entire country.

The farmers are the only annual producers of new wealth. Billions of dollars' worth of new wealth is annually taken from old Mother Earth by the toil and effort of the farmers. Their purchasing power is greater than any other single group. They need equipment and machinery in their business, and they are entitled to have and enjoy the luxuries and comforts of an American standard of living.

Thousands of cities and villages in this country and their inhabitants are to a large extent dependent upon the purchasing power of the farmers. If agriculture prospers, these people prosper.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PURNELL. Mr. Chairman, I yield to the gentleman three minutes more.

The CHAIRMAN. The gentleman from Minnesota is recognized for three minutes more.

Mr. ANDRESEN. The agricultural problem is not a local or class question. It is a nation-wide problem, and it is a pleasure to note that the entire country has at last come to the realization that something must be done for agriculture.

Secretary Jardine recently stated in an article in the Washington Star:

> Farm relief is not a war cry. It is a national need. Not for nothing has that need been widely studied and discussed during the last few years—so studied and discussed that it is everywhere awakening city people to an interest in what used to be thought only a farmer's problem. City people are beginning to understand that the farm problem is also their problem, to realize that efficient and prosperous agriculture is fundamental to general national prosperity. It is well that it is so.
>
> For understanding and sympathetic interest of city people are necessary to secure legislation helpful to agriculture.
>
> No one understands better than the farmer that national legislation is no panacea for all ills, yet there is real opportunity for helpfulness by the enactment of carefully studied programs both by the National Congress and by the legislatures of the separate States.

I agree with the Secretary and believe that he should fall in line and give sympathetic support to the bill before us. The McNary-Haugen bill has taken in all of the principles advocated by the Secretary, and it has gone a step further to provide for an equalization fee to be paid by the farmers, in the event the other provisions prove ineffective.

The President, who has indicated a sympathetic interest toward agriculture, should approve the bill for the following reasons:

First. The majority of his objections to the bill passed in the Sixty-ninth Congress have been met.

Second. The equalization fee, to which he objected, does not go into effect until the loaning and cooperative features have proved ineffective.

Third. It fulfills the pledge of the Republican Party.

Fourth. The President selects the members of the Federal farm board, who are responsible for the administration of the act, and I assume that he would appoint qualified men as members of the board—men who would be sympathetic to agriculture and who would administer the law in a businesslike way. He should sign the bill, so that a fair trial may be given to the only piece of legislation which has the approval of the majority of the farmers of this country.

In conclusion, I want to say that I represent an agricultural district. I have just received a telegram from Mr. George W. Freeman, secretary of the Goodhue County Farm Bureau, in which he says:

> ZUMBROTA, MINN., *April 30, 1928.*
>
> Hon. A. H. ANDRESEN,
> *Congressman:*
>
> Goodhue County Farm Bureau passed resolution favoring McNary-Haugen bill.
>
> GEO. W. FREEMAN, *Secretary.*

I would also like to inform the membership of the House that every county in my district, which is an agricultural district, has gone on record, in convention assembled, in favor of the

McNary-Haugen bill; that the State Republican convention recently held in my State adopted a resolution unanimously favoring the McNary-Haugen bill with the equalization fee—I said unanimously; probably I should have stated that there was 1 county delegation in my State out of the 86 counties which did not support this bill; otherwise I think you will find the State of Minnesota to be unanimous on the proposition of the McNary-Haugen bill. [Applause.]

RECESS

Mr. PURNELL. Mr. Chairman, under the previous order of the House, I move that the committee do now take a recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the committee stood in recess until 8 o'clock p. m.

EVENING SESSION

At 8 o'clock p. m. the Committee of the Whole House on the state of the Union resumed its session.

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. ROBINSON].

Mr. ROBINSON of Iowa. Mr. Chairman and colleagues, everyone agrees that one of our greatest national problems is the successful handling of our agricultural surpluses.

The bill we are now considering, which is H. R. 12687, by my distinguished colleague from Iowa, Mr. HAUGEN, under Senate title S. 3555 will help solve this problem.

If economic conditions arise under which a large and most important section of the people are in distress and unable, as individuals, to correct the trouble it clearly becomes the duty of the Government to provide the needed machinery to enable the individuals to act together in a collective way to overcome the harmful condition. Governments are organized to do for the governed what they, acting individually, can not do for themselves.

The absolute necessity of a change in the agricultural situation seems to be admitted by all—any difference of opinion is regarding the methods to be adopted. This problem might well be called everybody's problem, for it is that very thing. There is no business or profession in the Nation that is not vitally affected by the failure or the success of agriculture.

It has been all too easy to feel and think that the severe depression in Agriculture is entirely a farmer's problem, and to permit him to bear the burden of it, and to work out his own salvation or to perish in the attempt and go down and cut and let others take his place. If this were true, it would be all wrong; but it is not true, for already there is something knocking at the door that shelters and protects business, industry, labor, and profession, and calling in a voice that grows more insistent the longer it is ignored. This problem is also your problem. The injustice that has been done agriculture is now reacting upon you. It will continue in ever-increasing amount until this wrong is righted. For your own best interest act now and help correct this wrongful situation.

Mr. CLARKE. Will the gentleman permit a question?

Mr. ROBINSON of Iowa. With pleasure.

Mr. CLARKE. Does not the gentleman think his suggestion, which I regard as the highly important germ of his argument, is this—act now.

Mr. ROBINSON of Iowa. From my genial friend from New York I would expect that to be a strong point.

Mr. CLARKE. Then what can the distinguished and extremely capable Representative from Iowa expect with a presidential veto staring him in the face while the gentleman is recommending to his constituents especially acting now?

Mr. ROBINSON of Iowa. Will my colleague permit me to say it does not stare me in the face; I see it one year in the rear. We have gone by it.

Agriculture, industry, labor, interdependent, are so closely associated together under our national policy of an American standard of living—of a protected home market for labor, for industry, and for agriculture, which shall be better and higher than exists anywhere else—that harm to one soon becomes harmful to all.

United, we stand a self-sustaining prosperous nation; divided, we fail to measure up to the possibilities that are ours—of bringing to everybody, to all our people in every line of activity, a degree of prosperity, happiness, and success that the world has not previously known; and I ask for agriculture only what I would gladly ask for labor or for industry were they in the same need, for failure of any one of these three would be disastrous to all. A homely illustration, but worthy of consideration: "Which leg of a three-legged stool is the most important?"

This problem of agriculture is not a local one—not a State problem, but is a governmental, a national problem. It can be, and it must be, solved.

The agriculture problem is in reality a group of problems, involving among others:

First, greater efficiency.

Second, control of overproduction.

Third, orderly marketing.

Fourth, removal of surplus from competition in the home market.

All for the purpose of securing a fair price for our products. We have in the past given much attention to the production side of agriculture and have succeeded to a remarkable degree. The business side, the marketing side, is the one that now needs improvement.

The McNary-Haugen bill, if enacted into law, will solve some of these problems. Even doubters must admit that it is an attempt in the right direction and is well worthy of a sincere, thorough trial. Of this we can all be sure: That the problem will not be solved without national legislation and that control of surplus, which is absolutely necessary to success, can be brought about in no other way than by national authority.

This bill might well be called a marketing bill, for it deals primarily with the disposal of farm products. It is called the surplus control act because it provides therefor.

What is the purpose of the bill? It is to give agriculture the opportunity to do just what other lines of business and industry do, and rightly do; that is, to have control of the surplus supply of their product and thus to have a protected, higher home market for the amount of their product used at home and the power to dispose of their surplus products on the world's markets without reducing the home market. The purpose of this legislation is also to stabilize the prices of farm products by removing the surplus from competition in the domestic or home market. We are now producing and for many years have produced a larger amount of food and other agricultural products than we need or can profitably use at home. There are nations that need these surplus farm products; there are world markets on which they can be sold, but their prices are fixed by lower standards of living than ours, by lower production costs, by cheaper labor, by economies we are not willing to exercise, and in most instances by cheaper land. Their ability to pay is less than ours. We can not meet this competition and maintain our American standard of living. We can not sell our entire farm production at a price based on this world price, and why should we do so? The exportable price of any commodity should not necessarily determine the home price.

There is no greater reason for the farmer selling his products on the American market at the lower world price than for the manufacturer to sell his goods in America at the low world price. American labor—American manufacture; both entitled to the American home-protected price for their products. Is American agriculture any less so? And it should be said to the high credit of American labor that the Federation of Labor agrees with this and has indorsed and approved this legislation.

Does anyone question the statement that the world market price does, with certain minor limitations, control the home market price of agricultural products in which an uncontrolled surplus exists, with the result that the producer in America receives a price based on the cheaper production standards of the world, though his cost of production is much higher? The governor of the Federal reserve bank in Philadelphia in an address recently said:

> When one realizes the vast exports this country makes to Europe every year and takes into consideration the fact that the export price of cotton, grain, and other surplus crops practically fixes the price on the whole crop—

And so forth.

Just what we have been claiming. Just what we say is wrong, unfair, and ruinous to American agriculture.

Do we permit the price of manufactured commodities in England to fix the price we pay our factories in this country? We do not, and we should not. But we do ask them to cable us each day the price they will pay for our wheat, for flour, for cotton, for meat products, and our price here at home is largely based on the price they name.

Do we permit the price of manufactured articles in efficient, hard-working Germany to fix the price we pay our manufacturers in this country? We do not, and we should not. But we do ask them to wire us each day the price they will pay for our lard, our hog products, and other farm products; and our market here at home, for what is consumed at home, is largely based on their price less transportation charges.

Why should the wage of labor abroad affect or control the wage of our home labor? It should not. If labor is underpaid, as it is in most countries in the world, that is no reason why it should be underpaid in America. If manufactured articles are made and sold in other parts of the world for less than the cost

of production in America, that is no reason why our manufacturers should sell their products at a loss here at home. Does not the same reasoning apply to farm products and their producers?

We can afford, if necessary, to sell our surplus on the world market at a price the other nations can pay, provided we can have our own home domestic market, based on our home cost of production, and in fair proportion to the home price of other commodities. It is said, and the statistics show, that we consume from 85 to 90 per cent of our farm products, except cotton, at home. If we can receive for this amount, used at home, the protected home price, we can sell the balance or surplus of 10 to 15 per cent on the world markets and succeed; but if we permit the low world price received for our surplus to control and fix the home price and consequently we are compelled to sell our entire farm product at the low world price, we are placed at a disadvantage with industry. We find the purchasing power or value of our farm products reduced below par. We find our cost of production increased above par. We find that success is impossible and failure certain. There is no competitive business that can survive under similar conditions.

We hear much about the law of supply and demand and its application to our problems by those opposed to this bill. How can the law of supply and demand work or function when everybody knows there is a supply exceeding the demand? The law of supply and demand is a fine old law. We are all for it; but we are not for the law of oversupply and consequent underdemand.

Remove the exportable surplus from competition in the home market, and then the law of supply and demand can function; and it will determine the home price, and with orderly marketing, brought about by cooperation, this price will be approximately what it should be, for it will be in proportion to the price of other things; and that is all we ask.

How shall this problem of surplus be handled?

Shall we prevent a surplus of food products by reducing acreage and breeding? Or shall we provide a means for taking care of any reasonable surplus that may arise by removing it from competition in the home market, as provided in the Haugen bill?

Some say control production as does the manufacturer, limit the acreage to the amount that will produce the quantity desired, forgetting that even if this could be done, which I think is very doubtful, control of production goes far beyond this. Until man can control the elements, the things that an all-wise Providence now seems to have reserved to Himself—sunshine and rain, heat and cold, wind and storm, drought and flood, insects and pests, boll weevil and corn borer, and the other things that are beyond his power, he can not safely attempt to closely control the production of food by limitation of acreage. Nothing in a material way is so essential, so absolutely necessary, to an individual or to a nation as their food supply.

More nations have been conquered by hunger than by armed forces. Abundance of food supplies is necessary to national safety. The dread of hunger is born in the human race. We are constantly providing against it. America has never known hunger or famine, but other parts of the world have; and it is a fearful thing.

If there is to be any favored business or class it should be the food producers, for they are more necessary than any other. No argument is needed to prove that the food supply sustains a more vital relation to a nation than any other product. A nation's safety lies in a food surplus. From a consumer's viewpoint, nothing could be more dangerous than limiting production each year to that year's consumption. It would mean at times a shortage and an excessive price, neither of which should occur. Our national and our personal safety and comfort demand a reasonable surplus production of food. Are we then not under obligation to care for it and to prevent its becoming harmful and a loss to the producer?

In 1923 Iowa produced 436,000,000 bushels of corn, in 1924 Iowa produced 305,000,000 bushels of corn, in 1925 Iowa produced 492,000,000 bushels of corn, on practically the same number of acres—a difference of 187,000,000 bushels in one year.

The United States produced, in 1923, 3,000,000,000 bushels of corn; 1924, 2,300,000,000 bushels of corn; 1925, 2,900,000,000 bushels of corn—a difference of six and seven hundred million bushels, with no very great difference in the acreage.

Suppose we had reduced the acreage at the close of 1923, when we had the large crop, or increased the acreage at the close of 1924, when we had a short crop. What might not have happened?

Is it not much safer, much better, to control the surplus when it comes than to attempt to control it by limitation of acreage before we know there will be any surplus? An ordinary American-controlled surplus, as I see it, is not a thing to fear, not something that will harm us, but quite the opposite.

Such a surplus properly controlled and handled need not be harmful, but helpful. But a surplus uncontrolled is harmful. It demoralizes our markets and causes loss instead of profit. The Haugen bill proposes a workable plan of surplus control.

May I ask a question and also answer it? The question is: Is an exportable surplus in any commodity desirable?

If the answer is "yes," as I think it must be, may I then ask, Why should not agriculture produce its share of the surplus? I call your careful attention to these figures.

We imported into the United States from foreign countries during the year 1927 commodities that cost us $4,184,378,182; and in the year 1926 the amount was $4,431,000,000, the difference being caused by a lower price for rubber and coffee in 1927.

It is interesting to note that this included in 1927, 61,000,000 bunches of bananas, and yet we sing, "Yes; we have no bananas"; and that rubber and raw silk are our largest imports in both years. Our imports for a number of years have been about $4,000,000,000 each year. We are steadily increasing the quantity we import.

How shall we pay for these goods? If with money, in a few years we will be broke and bankrupt. We can not do that. We do pay for these imported goods by exports—of what? Of the surplus commodities we produce; that is what we are now doing. We would not send these commodities out of our country if they were needed here. The very fact that they are sent proves that they are surplus. Why should not agriculture share in the benefit received from producing this surplus?

Wealth, to a considerable extent, remains in the section of the country in which it is produced. Our oil fields, our mines, our great automobile and steel plants, our great factories and industries prove that where wealth is produced or created, there in that general section of our country much of it remains.

Agricultural communities should share in this prosperity, this production and accumulation of wealth, and at the same time help pay the Nation's import bill by furnishing their share of export products.

What reason can be given for reducing farm production to a place where there is no surplus? I know but one: The maintenance of the home market at its proper price level without the lowering influence of a surplus that must be sold on a low world market.

This is not a sufficient reason, and it disappears when we bring about surplus control as provided in the Haugen bill.

This is in accord with American tradition. From the beginning our national policy has been to encourage production—to encourage the growth and development of industry, of commerce, of agriculture. We must not now discourage the growth of agriculture and encourage only industry and commerce.

What objections are urged against this legislation?

First. That it will increase the price of farm products and consequently increase the cost of living.

This is an admission that the legislation will be effective—will work—and will bring to the farmer the price he is entitled to receive, and we agree with the objection up to this point.

The farmer produces the unfinished "raw product." Industry makes of it the finished product, and business delivers it to the consumer. It is the price of the finished product, delivered, that affects the cost of living. Experience of the past few years clearly shows that the price of the raw product may go up or down without greatly changing the price of the finished product, and often not changing it at all. The cost of the raw material, the farm product that enters into a package of oatmeal, corn meal, a loaf of bread, the wool or the cotton that enters into a garment, the price of the hide that enters into the shoe, are but a small part of the price of the finished product; and a fair increase of price to the farmer for his raw material need increase the price of the finished product but a very small amount, if any. However, if it should be found that there is some slight increase, it is only correcting an existing inequality, a present unfairness, and should be done.

Eventually industry will have to pay its "board bill," whether it be higher or lower; why not now? It will be easier to pay as we go along.

Second. The objection is also urged that an increased price to the farmer will increase production to such an extent that his loss on the surplus will overcome the profit on the amount sold on the home market. Two safeguards are in the bill to prevent this:

A. The power given the farm board in section 6 to refuse loans in case of undue increase of acreage.

B. The equalization fee that says to every producer: "If you produce excessively you lose the benefit of this legislation."

Third. Unconstitutionality. What does this mean? By some it is defined about this way: "Unconstitutional—the legislation

we do not desire and do not approve of. Constitutional—the legislation that we want and believe in."

Let us not overemphasize this matter. That which at one time has been declared to be unconstitutional has at a later time, with slight modifications, been declared to be constitutional. We have great courts, good men and true, specialists in such matters, to determine them for us.

If legislation is desirable, if it will promote the welfare of the people, if it will accomplish good, if it is correcting a harmful condition and an inequality that should not exist, surely some constitutional method of procedure can be found.

Fourth. The charge is made that it is "price-fixing" legislation. No proof of this can be given. It is "price-influencing" legislation. It is intended to give the farmer the benefit of the protected home market. It does not fix prices. It attempts to enable the American farmer to receive an American price for his products. That is why I am so strongly for it.

The equalization fee seems to be chosen for the real point of attack. What is the equalization fee? It was well defined by Senator CARAWAY a few days ago, when he said:

> The equalization fee is the means of saying that everybody who is engaged in an industry shall bear his proper proportion of the cost of making that industry successful.

The equalization fee charges every producer his share of the cost of selling the surplus crops on the world market and in that way keeping the home market for the amount consumed at home at a home-market price.

It charges back to the producer of the particular crop directly benefited the cost of such benefit, the cost of marketing his surplus production. The more surplus the more expense to be charged; and right there you have one good, powerful reason why he will not intentionally largely overproduce—that is, the reason of self-interest. It is not a tax; it is an expense of marketing and can be done under Government supervision better and more safely than in any other way.

What is the equalization fee? Is it not cooperation in action? The history of cooperative marketing has been that it became cooperation of only a part of the producers. All producers received the benefit of the increased prices caused by the cooperation, but only a part paid the cost that was necessary to bring about the benefit. Naturally this part grew less and less, and sometimes it resulted in the burden increasing to such extent that the cooperation ceased. Under this proposed legislation the cooperation will include all who receive the benefit, as it should do. Some may call it compulsory or enforced cooperation, and I have no fault to find with the statement. We must have cooperation of all producers to make it successful.

Enforced cooperation runs all through our form of government. What are taxes except enforced cooperation, payment for the innumerable benefits brought us by our Government? Who pays taxes as a matter of choice? Is there such a thing as a welcome tax? We pay taxes not from choice but from necessity, recognizing that the benefit received in return therefor far exceeds the value of the payment made.

What is our State and National Government but enforced cooperation? Our Government, the greatest Government, the greatest blessing that has ever come to any nation, the marvel and the pride of the world—but it is enforced cooperation. If so large a benefit in government, why should it not, in a modified form, be of benefit in our marketing operations?

If the removing of the surplus from competition in the home market will so increase the price of the product sold in the home market that the producer can pay the expense of the transaction and have a good profit remaining, is it not a wise thing to do and good business? In what essential way does it differ from other marketing expense, such as transportation, storage, cost of selling, which we have long recognized as a part of business?

Stabilization of prices will be one of the large benefits of this legislation.

It has been pointed out during the debate on this bill that prices for farm products are now higher than a short time ago. In my section this is true of hogs and corn, the major part of both having previously been marketed by the producer. Corn has advanced to a fair price at a time when we have none to sell. Hogs are advancing to a fair price, where they should have been during the entire marketing season, but at a time when the larger part of the crop has already been marketed at a lower price. We are glad to see these increased prices. They will be of help to a few of our farmers, but what we need, what we should have in all fairness, is a right price when we have the product to sell.

The supply of hogs and hog products and of corn was well known prior to the advance. How does it benefit the producer, the farmer, in whose interest we are asking this legislation, to advance prices after his products have left his hands? Our trouble is low prices when the large part of the crop is being marketed. The very nature of the farmer's business requires that the larger part of his products become ready for market at certain fixed times. When a car of hogs or cattle are fat and ready for market, they can not be long delayed, except at a loss, be the price what it may. Seasonal price slumps of large amount should not be permitted. Orderly cooperative marketing under the direction and advice of the Federal farm board can be of large help here.

It is not a question only of a satisfactory price this year, but every year. We want prices stabilized on a fair basis.

Large crops and small crops, good crops and poor crops will continue in spite of all we can do, and surpluses will come. They should be cared for and controlled and made a blessing. It is almost unthinkable that a large crop should bring a smaller return to the producer than a small crop, yet this very thing has happened. When Providence and nature smile upon us and we have bountiful harvest, we should have a bountiful return for it; and some organization, large enough, strong enough, with knowledge enough, with money and credit enough, should be provided with power to care for and control this surplus crop until in the natural course of events our home country or the world needs it; and in the meantime it should not be permitted to spoil the home market. It should not be necessary to have a short crop, a partial crop failure, either at home or abroad, for us to receive a price for the product used at home that shall have a fair relation to cost of production and to the price of other commodities.

I am convinced that the enactment into law of the McNary-Haugen surplus control bill will do more to bring prosperity to agriculture than any other legislation now before Congress. I do not expect it to cure all our farm and business troubles. It will not at once restore prosperity, but it will start us on the right road. It will change the outlook. It will bring back the morale to many a discouraged landowner and farmer. It will place within his hands the power to make his future a success.

We are building in America a standard of life unknown elsewhere.

A wage standard.

A business standard.

An educational standard.

A standard of living, of comfort and happiness, of conduct and morals the highest and best in all the world.

Protection is the accepted policy of our Nation.

Agriculture.

Industry.

Labor—all worthy, all equal, all entitled to the same protection. It is our duty to see that they receive it. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman and colleagues, we have listened during the course of this debate to the statements repeatedly made that the farmers of the country are suffering from some vague and indefinite injustice, and that they are the victims of intentional discrimination. There is nothing to warrant these assumptions.

The farmer and the man in the factory are not only brothers under the skin but they are affected in the same way by the economic conditions which prevail in our country. If the farmer has a problem it is not his alone; it is a national problem; it is a problem for the entire people of the United States.

The farmer is a consumer just as much as the man who works in a factory, just as much as the man who works in the counting house; in fact, the circumstance that the farmer is a consumer is responsible for the conditions of which he complains.

This is an economic problem which confronts us and one which goes back, with many ramifications, for many years.

It is well to remember that complaints are coming mostly from the one-crop growers—the grain, cotton, and tobacco agriculturists. The general farmer who raises diversified crops has not complained. His condition is better than it ever has been before in our history. The one-crop farmer complains that he can not dispose of his surplus. Wheat, corn, cotton, tobacco, pork, and beef exported meet with the competition of foreign producers and the American producer must sell abroad at prices fixed by the foreign markets.

Now, let us be frank. Is that difficulty any different from that which confronts the American manufacturer? He also has to sell his surplus abroad at prices fixed by foreign markets; yet he is able to do so successfully; he looks upon the foreign sales as velvet and is doing all he can to enlarge such sales.

The American manufacturer produces his surplus with the intent to go into the foreign market and, protected as he is by

the high tariff, is able to get enough profit out of his domestic sales to more than counterbalance the reduced prices he gets for his exported commodities. He does this automatically.

THE FARMER'S PROBLEM

But with the farmer the case is different. Remember, he is a consumer also. He must buy not only clothing and hardware and his other innumerable needs from American manufacturers, protected by high tariffs, at artificially inflated prices, but when he comes to sell he must submit to prices fixed by the competition of the world.

A partial remedy is possible by having the farmer consent to the same policy that has been adopted by the manufacturers—that is, fight for a tariff on foreign agricultural productions which will enable him to command the home market.

But there is the rub. He is not content with the home market alone. He knows the financial advantage of the surplus to the manufacturers and he wants his share.

Now, how do the sponsors of this bill propose to meet the problem?

THE POLICY OF THE M'NARY-HAUGEN BILL

In order to comprehend their point of view let us look at the first paragraph of the bill, which purports to enunciate their policy. It constitutes a most amazing aggregation of economic absurdities which might very well furnish the theme for a Gilbert and Sullivan opera. All of the principles of political economy which experience and scholarship have come universally to recognize, all of the policies of this Nation which have been laboriously worked out and crystallized into law for the protection of the consumer against monopoly are airily discarded, and in their place it is proposed to set up a paternalistic socialistic system of elaborate machinery, not for the benefit of all, at which socialistic programs usually aim, but for the benefit of a chosen specially favored class.

Let us run through this astounding confession of vicious purposes as revealed in this "declaration of policy."

First. To prevent suppression of commerce with foreign nations in agricultural commodities.

This, of course, is merely a demagogic rhetorical intimation that somebody has been trying to suppress our commerce with foreign nations in agricultural commodities—a thing that no man or group has either the will or the power to effect. It is mere buncombe.

Second. To prevent unjust discrimination against such foreign commerce.

More buncombe! No one discriminates against our foreign commerce except in ways they have a perfect right to follow and in precisely the same manner that they discriminate against the commerce of other nations.

Third. To provide for the control and disposition of surpluses of such "agricultural" commodities.

The answer to this absurd and arrogant assumption of paternalistic power is: Why should the Government assume control of agricultural surpluses in preference to surpluses in all other dustries?

If the suggestion were made, for instance, that the Government should purchase and attempt to control the surplus in shoes, clothing, tools, hardware, and automobiles we would all agree that such a proposal was virtually sovietism in its worst form. And yet this bill proposes to purchase the surpluses of food commodities—grains, meats, and dairy products in all their ramified forms and processes.

Fourth. To preserve advantageous domestic markets for such "agricultural" products. Advantageous to whom? The consumers? No! Advantageous to the producers. In other words, mulct the consumers generally!

Fifth. To prevent such surpluses from unduly depressing the prices obtained for such "agricultural" commodities.

In other words, defy the law of supply and demand and keep up prices artificially!

Sixth. To further the organization of producers of such "agricultural" commodities into cooperative associations.

In other words, have the Government help in the organization of monopolies to fix prices and restrict trade in defiance of its past history as exemplified in the Sherman Antitrust Acts and other statutes in which we have always deemed it wise to prohibit monopolistic control of prices.

Those six propositions might well be engraved in the six angles of the soviet star.

INCONSISTENCY OF THE NAME

Then, again, its official name—the name by which it is to be dubbed, if it ever becomes a law, is a contradiction and an absurdity. Under section 21 of the bill we read:

This act may be cited as the "surplus control act."

And yet on page 34, under the general powers of the board, we find, among other things, that they may advise—

through their organizations or otherwise in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized, in order that they may secure such benefits.

Well, if the production of surpluses should be "avoided or minimized" why go to all the pains of erecting this complicated machinery in order to dispose of surpluses?

Again, on page 36 of the bill we find this among the powers of the commodity advisory councils, they are to have the power—we are told—

to cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under this act.

Again we note that surpluses are to be "avoided and minimized." Why, then, may I ask, do they create a revolving fund of $400,000,000 to buy and juggle with surpluses?

As we have seen, one of the basic principles of the bill is to prevent surpluses from unduly depressing the prices obtained for such agricultural commodities. In other words they want to defy the law of supply and demand. It is fundamental that if there are more goods on the market than there is a demand for, the price is going to come down. What do they propose to do? Build up a machinery to invert the laws of nature, the laws of political economy. In other words, have the Government help in the organization of monopolies to fix prices and restrict trade in defiance of the whole antitrust history of this country. If this is to be a surplus control act, why not strike out all the rest of the bill? If the supporters of this bill are honest in their belief that crop surpluses are to be avoided or minimized, why not confine the legislation to that one object?

That, however, would never do. They really do not want to avoid or minimize surpluses. They know that is going to be a hard task. What they want is to turn the surpluses into a profit and to get Uncle Sam to take the responsibility of marketing the surpluses for them.

THE REAL ENEMY OF THE FARMER IS THE TARIFF

The farmer in the United States for many years has practically fed the world. In 1901 the exports of farm products of the United States were 65 per cent of our total exports. In 1913, under the discriminatory provisions of the Payne-Aldrich Act, our exports of agricultural products had dropped to only 43 per cent of our total exports. In 1913 we put into effect the Underwood-Simmons Tariff Act and immediately our foreign export trade began to increase, so that in 1919 our exports of agricultural products had increased to 50 per cent of the total exports. Before the passage of the Fordney Tariff Act the excess of our exports over imports ran over $2,000,000,000 a year. In 1926 this excess of exports over imports; in other words, the balance of trade, had dropped to $287,444,000.

PENALTY FOR OUR POLICY OF ISOLATION

This is the penalty for our isolation as a Nation. If we erect a barrier around our boundaries, so as to practically constitute an embargo to the entrance of the products of other nations, we must expect to suffer from it.

Mr. CLARKE. Will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. CLARKE. Does not the whole question, with its ramifications, go back to Alexander Hamilton as to the policy of the Government in protecting its own citizens in what it produces as against foreign markets?

Mr. GRIFFIN. That is what I am saying——

Mr. CLARKE. Then come, brother, let us go on together. [Laughter.]

Mr. GRIFFIN. But it is a mistaken policy, one that has brought about the economic troubles of the farmer. In other words, we have so inflated the prices of everything in this country to-day that it is impossible for the farmer to sell his wheat or his grain; it is impossible for the shipbuilder to build ships; it is impossible almost to enter any field in competition with our rivals abroad.

TRADING BY FORCED DRAFT

Of course, it is true that we do trade; but we trade, as it were, under forced draft. We have established a Bureau of Foreign and Domestic Commerce. In 1920 the appropriation for that bureau was only $1,085,460, and in the current bill for this year it is over $4,546,857.

THE FARMER'S SURPLUS

What are the attachés doing? They are trying to help the manufacturers sell their goods abroad. Are they doing any-

thing for the farmer? They may be, but they never succeed, because they have run up against an economic impasse. The farmer buys in a protected market, and he has to sell, except in the home market, in competition with the world. Thus arises the surplus problem, which this bill attempts to solve.

What does the manufacturer do? If he has a surplus, that surplus is "velvet." He sends it abroad, and, although he gets a lower price than he exacts from the American people, nevertheless, he has a safe margin of profit. It is well known that American typewriters, sewing machines, hardware—all have two prices—one price for the American consumer, who is fool enough to put the instrumentality of the tariff in the hands of the manufacturer, and the other, the export price, at which he sells in the foreign countries. He can manufacture the surplus without additional expense, because it is produced with the same overhead costs, and thus the surplus that goes abroad to be sold is practically all profit.

THE FARMER OUGHT TO FIGHT THE TARIFF BARONS AND NOT THE CONSUMERS

The farmer can control the home market by resorting to the same expedient as the manufacturers—namely, by tariffs. If he is persuaded that the tariff is the best thing for his trouble he ought to go the whole way and fight for more and higher tariffs.

But the trouble is that he is not persuaded of the economic soundness of the tariff. He knows the full extent of its inequalities—for he is a consumer as well as a producer—and he knows that the tariff makes the consumers its victims. The farmer, therefore, being one of the greatest sufferers from the high protective system, is not anxious to avail himself of its economic handicap and thus put an additional burden on his back; but on the other hand he has been voting with the Republican Party for years and he knows its only excuse for existence is to maintain a high tariff wall for the benefit of the manufacturers—its chief campaign contributors—so he is in a dilemma and wants to find a way out. He does not want to repudiate his party, although he knows its tariff policies have brought him to the verge of ruin; so under the goading of half-baked economists he has been induced to accept this ingenious piece of folly of farm boards and equalization fees as his salvation.

SECTION 9 PUTS THE GOVERNMENT IN BUSINESS

I am surprised to see many gentlemen support this bill who have bitterly denounced putting the Government in business, and yet here they are standing behind a socialistic proposition which mandatorily compels the Government of the United States to assume the burden of taking the surplus off the producers' hands and selling it abroad.

The most amazing part of this bill is section 9, the so-called marketing provision. This is nothing more nor less than putting the Government in business, enabling an irresponsible and perhaps biased or interested group of men to corner the food products of the country, withhold them from the market, and thus artificially raise the prices of the fundamental foods of the consumers—wheat, corn, rice, beef, and pork—and, unless the bill is amended eliminating fruits and vegetables they, too, will be put under their domination and control. Such a conception of the functions of government is diabolical and subversive of all of the traditions of a free people. This unlimited power, vested in this board and its subsidiary commodity councils, carries with it the germ of revolution and if ever exercised will surely lead to food riots and general disorder.

The burden of the attacks directed against this bill seems to have been concentrated against section 10, providing for the so-called equalization fee, and section 11, providing for the so-called stabilization funds. They are certainly bad enough but are not comparable in any sense to the iniquity of section 9, which puts in the hands of a group of men the power to buy up food commodities in the name of the Government, withhold them from sale until a scarcity has been artificially created, and then exact exorbitant prices from the unfortunate consumers. Such a policy is little short of sovietism. A revolving fund is created, taken out of the United States Treasury, and out of the taxpayers' pockets, of course, to enable the Government to corner the foodstuffs of the people.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. QUIN]. [Applause.]

The CHAIRMAN. The gentleman from Mississippi is recognized.

Mr. QUIN. Mr. Chairman, I would like to know if my good friend from Iowa [Mr. HAUGEN], the chairman of the Committee on Agriculture, can yield me some time?

Mr. HAUGEN. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for 15 minutes.

Mr. QUIN. Mr. Chairman and gentlemen, I thank you for this little opportunity to speak a word in behalf of the farmers of the United States. It seems in my conception that somebody should stand up and say a word for him to-night. This afternoon I sat in amazement and heard a distinguished gentleman who I thought was a friend of the farmer speaking before this House and this audience and telling you that this bill would oppress the farmer, and especially the cotton farmer, the chief type of farmer that we have in the section of country from which I come.

I heard a gentleman from New York City to-night tell you what a socialistic bill this is. Is it possible that these gentlemen, through these years of agricultural depression, through these long, weary months that the people of the United States have been anxiously waiting for Congress to act in behalf of the agriculturists of this Republic—is it possible that the vision of these distinguished gentlemen is so short and so beclouded that they forget the real issue before this Congress?

The gentleman from Indiana [Mr. PURNELL], a member of this committee, expressed my sentiments exactly when he said this is the most important measure before the American Congress. [Applause.] Yet, while men should be standing with their loins girded and their armor on to fight the battles of the farmer, some Members get on this floor and endeavor to defeat this legislation. All this trickery and legerdemain that has been brought forward is fooling no one except themselves.

Do you know that the special-privilege interests of this country are able to obstruct legislation through committee work? Yet, alone and unaided, the people who are earning their living through the sweat of their faces, the men in the workshops, in the factories, on the railroads, in the stores, and in the fields of this country, the people who toil by day and by night in order to keep the wheels of commerce going and to keep the flag floating over this Capitol seem to receive scant consideration at this hour. [Applause.]

There never has been a time since I took the oath of office before the Speaker's stand yonder to support the Constitution of this Republic and obey its laws as a Member of this House when I have not come forward with my voice and my vote for the men and the women who toil in factories, in the field, and everywhere else. [Applause.] At this hour I would be ashamed of myself if I did not raise my voice in behalf of this bill, to endeavor to give the farmers of this Republic a square deal. They have never had it since the Civil War. Since the year 1865 the farmers of the United States have been handicapped. They are handicapped now.

No people work harder than do the farming class of this country. It matters not whence they come, whether from the wheat fields of the Northwest or the Corn Belt of the Middle West or the cotton fields of Dixie; the farmers, their wives, and children, according to my idea, work harder than any other people in this country and they receive less for their toil. Why, it is nothing unusual for a man and his wife and all his children from 5 years up to go to the fields before sunup and work all day long except one hour at noon, when they go home to eat their dinner and then return to work in the field as long as they can see; and all that they have is some common clothes to wear and the food they raise on their own farm, a little money to pay the preacher, and maybe a long stick of candy and a box of apples for Christmas, and that man's wife is lucky if she has a $10 dress and a $3 hat on her head. Those children go barefoot except on Sunday and in cold weather. And yet it is stated here to-night that there will be no farm relief.

Yes; we should pass this bill. We take the $400,000,000 loan and the equalization fee. Who is afraid of the equalization fee? I will tell you from the cotton-growers' standpoint. It is the spinner, running the factory, spinning the yarn to be made into cloth. He is the man who is afraid of it. It is not the man back in the field raising this cotton that is afraid of the equalization fee. Why is it that the same interests that oppose the equalization fee are against the whole bill?

Some of these gentlemen come before you and try to camouflage the situation and say the bill is all right—if you cut out the equalization fee. The equalization fee stands as the emergency asset. Every farmer knows that his cotton or his wheat or any other farm commodity will, with this emergency asset standing up there, be certain to bring its proper price. That would stabilize it. That will put the real vitals into this bill. Yet some gentlemen seem to be afraid that the farmer will object to it. They need not be uneasy about the farmer objecting to it. If we happen here to make a mistake in endeavoring to help him, he will know that we are honest and that the act that we pass can be repealed if it works against him.

Every farmer in the United States knows that something ought to be done. The representatives of the farm organizations that were before this Agricultural Committee, who have been hounded down and classed as lobbyists because they come here and endeavor to get legislation for that poor class of people that work 15 hours a day, are denounced as lobbyists, as doing something wrong, because they come before the Commitee of the American Congress and ask for simple justice.

Gentlemen of the House, it is time that the American people should consider seriously the question of their rights. [Applause.] The poor farmer is not organized. That is what is the matter.

One distinguished gentleman from South Carolina said this afternoon the cooperatives can not do anything. Why is it they are afraid of cooperatives? If 98 per cent of the farmers in the United States belonged to cooperative associations they could control the markets, just like union labor controls certain specific industrial lines of this country to-day. Why, do you not know that the railway employees would be working for half pay if they did not have the splendid and strong organization they have? It is the unified efforts of all the railway employees of the United States that has enabled that class of labor to receive just compensation for the arduous toil they are engaged in. [Applause.] I wish to heaven the farmers of the United States were situated so they could organize in one great, strong union in order to protect themselves against the enemies within as well as against the enemies without.

What are these men who work to produce the raiment which clothes the world, who work to produce the food with which to feed humanity and beasts alike, asking at your hands? Nothing but justice.

The gentleman from New York calls it socialistic. He thinks it is socialistic to put up an equalization fee which the farmers pay out of their own pockets in order that the products of their labor shall bring a just and fair price. Who is it that thinks it is unjust for the powerful Government of the United States to put up $400,000,000 as a revolving fund and loan it to the cooperative marketing associations of the United States, representing these poor farmers, at the rate of 4 per cent, in order that they may stabilize prices of their farm products and receive just pay for their labor?

Who is it on that side of the argument who objects to this when they have voted to plunder, exploit, and rob the people for all these years? Some of these gentlemen who voted to give a great subsidy to the private ocean shipping interests of this country, these gentlemen who voted for the transportation act in order that the railway business of this country would be protected and have an actual guaranty of 5½ or 6 per cent upon their capital stock, water and all; these gentlemen who cast those votes rise up in their might against the farmers of the United States receiving a simple law which will give them the right through their organizations to have $400,000,000 at their command in order that their crops may be marketed in an orderly way, fed into the markets as they really need them, permit prices to be stabilized, and the farmers receive somewhere in the neighborhood of what their labor is worth? Who is it that would object to the equalization fee being put into this bill when we know it will give the producers of farm products a fair price for their labor?

Some seem to think we would dump it over in Europe or in China at a cheaper price. They need not fear about what somebody else is going to get. Let us take care of the United States. [Applause.] I want to take care of these people in the United States who are supporting this Government.

The basic industry is agriculture. The basic industry on which the structure of all other industries rests is agriculture. It is the farmer who causes the railroads to be able to thread the United States and bear the products of the farms to the markets of the world. It is the farmer who enables the ships to cross the sea carrying cargoes from this country and bringing back to the United States the goods and wares we need.

It is the farmer who does all of that, and when you come to the last analysis he is the great burden bearer of all of this country, not only of the United States but of the entire world. Yet men rise up and say we have got the farmer poor and let us keep him poor. Is it possible that they object to this legislation because of the fear that the farmer may become independent? We all know now the hardships and struggles he goes through. Any man who is acquainted with farm life must realize that the farmer of this country is a real patriot, that he is the man who stands ready to bare his breast in time of danger to his country, that he is the man who stands ready to maintain the hearthstone, that he is the man who stands ready to support the Government in the wisdom of God for the benefit of all the people, that he is the man who protects the temple of justice, and that he is the man who causes our churches to maintain their dignity and supremacy. The farm people of this country are the salt of the earth, and, as Members of Congress representing all the people, it is our sacred duty under our oaths to see that they get justice, and justice in a measure is in the bill that is before us now. I hope it will pass this Congress by a three-fourths' majority. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. NORTON].

Mr. NORTON of Nebraska. Mr. Chairman, ladies and gentlemen, much has been said, and more can be said, upon the subject of farm relief. That we have a farm problem in this country is now generally conceded; it is seldom denied. In fact, it seems to be the common practice now to express sympathy for the farmer. But he is not asking for sympathy. He is not a subject of charity. He is not asking for gifts or for special privileges. He is only asking for fair play and an equal opportunity with others. He knows what he wants, and he will fight for it to the end. If he ultimately fails in that effort, he alone will not be the loser. What are some of the facts with reference to the present agricultural situation?

In less than eight years farm values including land, improvements, livestock, and equipment have decreased more than $20,000,000,000, estimated by some to be thirty billion, while industrial, financial, and transportation values have increased more than $50,0000,000,000 during the same period of time. Since the war 3,000,000 acres of land have been abandoned, and annually more than 2,000,000 farm people have left the farms and have drifted to the cities. Why have these people left the farms? In view of the situation how could they have done otherwise? Hundreds of thousands have lost their homes through foreclosures, there being an average of 170,000 such foreclosures annually. Farm mortgages have mounted from three and one-half billion dollars in 1910 to twelve and one-quarter billion dollars in 1928.

I grant that some sections of the country have enjoyed prosperity in recent years, especially industrial and financial centers, but unfortunately that prosperity has not been shared by the farmers. As further evidence of that, permit me to call your attention to the fact that of the more than 4,000 bank failures which have occurred in this country since the war, more than 95 per cent have been in rural communities.

Although bank deposits have increased from $21,359,842,316 in 1914 to $57,820,730,000 in 1928, and the American capitalists have increased their foreign investments from $2,000,000,000 in 1914 to $12,500,000,000 in 1928, the great majority of American farmers have been struggling to secure an income each year that would be sufficient to pay operating expenses, to pay their interest on an increasing indebtedness, to pay their rapidly increasing taxes, and have something left with which to clothe and feed themselves and the other members of their families.

There are those who maintain that the economic situation is becoming more favorable to agriculture, and that the farmers will soon be enjoying their fair share of the economic income of the Nation. I wish that that were true, but unfortunately the facts do not so indicate. If that is true, then why is it that, according to the reports of the Department of Agriculture, the farmers' income in 1927 was 20 per cent less than in 1926? If that is true, then why is it that there were more bank failures in 1927 than during any year previous to that in the history of this country? And remember, as I have already stated, that 95 per cent of those failures were in rural communities. Furthermore, how can the farmers be prosperous in view of the comparatively small income that they are now receiving? According to the 1926 Agriculture Yearbook, issued by the Department of Agriculture, the total value of farm products has dropped from $14,775,000,000 in 1919 to $8,415,000,000 in 1926, a reduction of 43 per cent, and since the income of the farmers in 1927 was 20 per cent less than in 1926, the total income for last year was less than one-half of the income for 1919. Again, according to the same report, in 1925 there were 6,371,640 farms that were being operated. These farms had an average valuation of $9,000, and an average income for that year of $1,200. After deducting interest on the investment, less than $700 remained with which to pay taxes, to pay the cost of upkeep and equipment and to meet the living expenses of the family. Who would say that such an insufficient income can be construed as being indicative of great prosperity among the farmers? I fear that had it not been for the cows and the chickens, the butter and eggs, the story to be told would be an even more distressing one.

Now, then, who is to blame for this situation? There are those who are unkind enough to say that the farmers them-

selves are to blame. Those who would thus indict the farmers insist that they were guilty of great extravagance and reckless management of their own affairs during the war, and likewise during the years immediately following the war. They would have us believe that the farmers have brought this condition on through what they have done or have failed to do in various ways. For instance, they point to the investment of money in high-priced land. In answer to that it must be remembered that only a comparatively small per cent of the farmers, who have suffered during the agricultural depression, did invest money in land during the recent period of inflation. Then, they charge that the farmers have invested too much money in automobiles; but who would grant that means of transportation to others and deny it to the farmers? Especially, in view of the fact that the farmers have been content to use the less expensive makes of automobiles. Besides, is it not true that with them the automobile is more of a necessity and less of a luxury than with many others engaged in other occupations? Not content with that, some of these critics maintain that the farmers have failed to adopt business methods that would result in efficient production, and that in face of the fact that the American farmers are known to be more efficient and to be producing more per capita than the farmers of other countries. It has been stated that the farmers have failed to properly organize, and I grant that to a certain extent that is true. However, I fear that some of those who offer that criticism may have had little or no experience in the effort to secure effective and desirable organizations among farmers, and for that reason are not familiar with the difficulties to be encountered. In the first place, the farmer, by training, experience, environment, and the peculiar type of his particular vocation, is an individualist. He is not inclined to surrender to collective management any part of that which he has previously directed in person. Besides, he has experienced so many difficulties, and often failures, in his effort to secure proper organization that he has become discouraged to a certain extent. Even so, the farmers have strived, although with only limited success, to effect through organization and the use of cooperative methods a solution of their problems. But the present situation, as I view it, is not primarily the result of what the farmers have done or may have failed to do, but is very largely due to forces beyond their control.

We have been passing through a period of readjustment, during which industrialization has been taking place. Industries that are representative of great wealth have become organized along lines of mass effort and control. On every hand efforts have been put forth and are still being put forth to secure the benefits and advantages that can be enjoyed through combination and cooperative effort. That is true of the manufacturing industries, of the large banking institutions, of certain distributing and merchandising establishments, of the railroads, of organized labor, and, to a greater or less degree, of other activities as well. With this trend the farmers have been unable to keep apace, but their failure is not due so much to the lack of effort on their part as to the fact that they have been denied opportunities and privileges which others have enjoyed. In other words, by law we have extended aid to other industries, but have denied similar aid to the farmers. If the farmers were given a fair field in which to operate and were given an equal chance with all others, they would in time effect a solution of their problem; but denied that measure of justice, we can not hope or expect that they will succeed to the degree that they deserve.

Wherein, then, lies the real trouble—the main cause of the present agricultural situation? During the war the farmers responded to the demands of the Nation and as a patriotic duty did their part by increasing the production of foodstuffs sufficient to satisfy the needs of more than 4,000,000 American soldier boys, to aid in supplying food to the Allies, and to furnish the required food for home consumption. They plowed up their pastures and meadows in order to increase the production of grain, and did everything in every other way possible to help increase the desired production of other food products as well. But after the war ended, then what happened? The farmers found their industry in a state of overproduction, not overproduction in the sense that there was no desire or need for their products, but overproduction in the true sense that economic demand did not exist. Consequently, when the deflation was brought on in 1920 and the farmers were forced to unload this great surplus in order to meet the demands for liquidation the crash came and the crisis began. But why did the farmers suffer more as the result of deflation than others? Because they were in no position to protect themselves. Then, as now, they had no voice in fixing the price of their commodities. Then, as now, they were compelled to pay the price asked of them for the things they bought and accept the price offered them for the things they sold. Had the farmers been properly organized at that time, or had the Government done what it ought to have done, and what it did do to support the railroads and certain other industries of the Nation, it could have saved the situation. [Applause.]

When I say that the farmers have been discriminated against, have been denied equality of opportunity and a fair field in which to operate, I realize that I am entering upon a much-discussed subject, and yet one that involves a situation which is properly subject to attack. It is a well-known fact, conceded on every hand, that the protective tariff has enabled the manufacturers of this country to raise the price of their product to the American consumers and to realize great profits as a result thereof. Legislation did that. It is equally well known that the "guarantee provision" of the transportation act, enacted after the war, resulted in the direct payment of more than $500,000,000 by the Government to the railroads and a further guarantee in pursuance of which the Interstate Commerce Commission has maintained rates that have been remunerative to the railroads. Legislation did that. Much as the Federal reserve system was fought by some of the leading bankers and certain other big financial interests of this country at the time of its enactment, it has proved a boon to the banking industry, especially to the larger banks and other large financial institutions of the Nation. Legislation did that. It is everywhere recognized that the Adamson law, in providing shorter hours and more favorably working conditions, and the immigration bill, in limiting the admission of immigrant labor that would compete with American labor, has greatly benefited organized labor. As a result American labor is enjoying a higher standard of living, to which it is justly entitled. Legislation did that. Legislation has very materially aided each of these and many others that I might mention, and yet we are told that the Congress can not legislate prosperity for any class, group, or interest. For that matter, the farmers are not asking for special privilege or for subsidy; they are simply demanding that the special privileges and subsidies that are granted other industries shall not be permitted to operate unfairly against their own progress and prosperity.

In other words, by law we have placed these other interests upon a higher economic level where they are permitted to operate in a protected and privileged field. If the farmers could limit their production to the actual demands of home consumption, or if through cooperative effort they could control, withhold from sale or market in an orderly manner their surplus, they, too, could enjoy similar protection and the same advantages now enjoyed by others. In the absence of such conditions, however, the farmers have been forced to sell their products, in most instances, in an open market in competition with the world, where the price received for the surplus has decided the price to be received for the entire commodity. That is, with all other American consumers the farmers have bought in a closed and protected market, and have been forced to sell in an open and unprotected market. What has been the result of that policy? It has resulted in bankruptcy and financial ruin for many and has seriously reduced the purchasing power of all American farmers.

What can Congress do to effectively aid in a proper solution of this problem? As I view it, two lines of procedure are open. Congress by accepting one or the other can aid in an effort to equalize the situation. That end can be achieved by bringing the other industries down upon a lower economic level as the result of withdrawing some of the advantages which have been granted them in the past, or by passing legislation which will aid in raising the agricultural industry to that higher level where the other industries now operate, so that the farmers may enjoy equal protection with the others.

The first plan proposed will involve a downward revision of the tariff on manufactured products, a reduction of freight rates with special reference to farm products, a more equal distribution of the tax burden and other similar economic changes which will aid in reducing the cost of living, the cost of production, and the cost of the delivery of farm products. The other course that is open is to be found in the enactment of legislation such as is proposed in the pending measure, the McNary-Haugen bill. Since there seems to be no apparent disposition on the part of the Congress to employ the former method, it is to be hoped that, in an earnest endeavor to work out a solution of the farm problem, the pending measure will be passed and approved so that the farmers of the Nation may receive the benefits to be gained thereby, and the relief too long delayed already. [Applause.]

This measure, if enacted into law, will enable the American farmers to secure the benefit of the tariff on farm products, a benefit generally not realized at the present time. Then the farmers will be permitted to sell in a closed market all except

that smaller per cent of their commodity which must then, as now, be sold in foreign markets. However, since only about 10 per cent of the agricultural products, produced in this country, are sold in foreign markets, the benefits to be realized from the operation of this law, if enacted, will be very great. The farmers are not asking for a subsidy, and this bill does not provide for one. Through the equalization fee the farmers will be able to finance their own operations and to achieve what they have so long desired and have so long strived to secure, a marketing machine that will permit of the orderly merchandising of their products. All that the farmers are asking that the Government do for them, even in this instance, is to loan them the necessary money, at a reasonable rate of interest, so as to enable them to finance their operations and to remove present discriminations that impede their progress. Ultimately, then, out of this favorable action, if granted by the Congress, can be perfected farmer owned and farmer controlled marketing machines that will be effective in the orderly sale of farm products.

On the other hand, what solution is offered by those who oppose legislation like that proposed in the pending measure? Some suggest that, since the farmer is primarily a producer, he should devote himself exclusively to the immediate requirements of his particular vocation, that of production, leaving all other matters of concern to him, including that of distribution, to other agencies. For that purpose, better business methods, more efficient production, involving rotation and diversification, are proposed. I fear, however, that those who advance this thought, as the basis of a solution, fail to take into account the effect such a policy, if carried to its logical conclusion, might have upon the welfare of agriculture. While it is to be conceded that all of these are necessary and desirable, it must be remembered that a very great increase in production, resulting from such a course, will aggravate the situation all the more, unless some plan is devised that will properly care for the marketing of the increased surplus that will naturally follow.

Rural credit and cooperative marketing have been widely discussed as means to be employed in a solution of the farm problem. Every true friend of the farmer is in favor of both. However, in view of present conditions, he is mindful of the limited extent to which either or both can be employed in an effort to solve the problem.

As to rural credit, that means alone will never relieve the agricultural situation. The War Finance Corporation was created for that purpose but failed to accomplish the desired result. Likewise, the intermediate credit law has been enacted for that purpose, but apparently is not relieving the situation. Unfortunately, the farmer who is most in need of credit can not secure it, while every farmer who can do so is endeavoring to reduce his obligations rather than to increase them. Therefore, although legitimate credit is not only desirable but necessary for agricultural operations and marketing purposes, that means alone will never relieve the situation.

Cooperative marketing, on the other hand, with the aid of a proper credit system, would result in a proper solution of the problem were it not for some of the difficulties which I have already enumerated, together with the further fact, recognized by every careful student of the problem, that cooperatives can not control the surplus and influence the market in a desired manner as long as a considerable per cent of the producers of any given commodity remain on the outside and fail to join in the cooperative effort. That has been the situation in the past; that is the situation to-day; and this bill, if enacted into law, will aid cooperatives in the future in their effort to remedy that situation.

In discussing the farm problem I have had particularly in mind the farmers of the Middle West, with whom and with whose activities I am most familiar. The situation elsewhere may be somewhat different, but in the main the underlying fundamental conditions are everywhere the same. Although I have discussed this subject as though it very largely involves the welfare of agriculture and that alone, I realize, as others do, that a proper solution of the farm problem will result in relative benefits to the other people of this country as well.

Who will deny that the agricultural depression has not had its deterring effect on the other industries of the Nation? When the farmers' buying power is destroyed the merchant, the banker, the professional man, others in the rural town are affected first, but that injury is later reflected elsewhere throughout the land. We are told that there are about 4,000,000 unemployed in the cities of this country at the present time, and yet that number is probably the direct result of the drift from the farms to the cities in recent years. Whenever you destroy the buying power of the farmers you have materially reduced or destroyed the market for a considerable part of the manufactured products of the country. Labor realizes that fact, and as a result thereof, organized labor has indorsed legislation, such as is proposed in this measure. Other organizations, national in character, have done likewise. The leading farm organizations of this country, with one exception, and that organization is not opposed to the purposes of this measure, but prefers another method, have indorsed this measure. Therefore, in view of the depressed condition of agriculture, and the need of immediate relief, I sincerely hope that the pending measure, which has such general support of the agricultural sections of the country, and much support elsewhere may be passed and approved, and the urgent demands for agricultural relief granted. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. McKEOWN]. [Applause.]

Mr. McKEOWN. Mr. Chairman, on the 7th day of December last, at the first opportunity, I made a short talk to the House of Representatives upon the question of passing a bill that would be effective; that is to say, that the farmers in my country were anxious that Congress would give careful attention to this question and pass a bill that would be approved and become law.

I appeared before the Committee on Agriculture and I want to take this opportunity to say that I never saw a set of men who tried more conscientiously to do their duty. I want to say a word for the gentlemen who come from the Mid West country who are members of this committee. They worked under great pressure and under great difficulty. I compliment them upon the work they have done on the committee, but there is one thing I can not agree with.

I said then, as I say now, I would not vote for a proposition that I felt would endanger this bill in its passage. I know the committee has worked out a plan that is in the alternative, but for one I am impelled to vote to strike out the equalization fee. [Applause.]

I am going to do this for this reason: You have given us a splendid piece of work and if we are to work under this plan we can go ahead and it will take a year or more to try it out. The President of the United States has said he is opposed to the equalization fee, and some may say, "You are kotowing to the President if you yield your opinion." If I believed as those of you believe who sincerely feel that the equalization fee is the only salvation for these people, then I would vote like you will vote, but I can not see the necessity of the equalization fee in this bill at this particular moment because it will take a year or more to try out the alternative plan which you have given us, and the Congress will be in session and if the plan does not work, then we can put into effect the equalization-fee plan.

I differ from the Attorney General, and I told the committee I differed from him, but the President will listen to the Attorney General who is a very fine lawyer and a splendid and honest man. I can say this much for the Attorney General. The President will listen to the Attorney General and will not take my opinion on the question of the constitutionality of this provision.

Mr. GASQUE. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. GASQUE. Will the gentleman tell us why they did not put an equalization-fee provision in the tariff law and in the railroad law?

Mr. McKEOWN. Well, I will say to my friend from South Carolina I do not think there is such a bugaboo about the equalization fee. I think these gentlemen have studied this plan very thoroughly in their own minds, and in the absence of the money which you will have to provide for them to operate, you would be bound to have an equalization fee. However, you have already provided for $400,000,000 as a revolving fund for them to operate with and in order for them to see if the plan will work, and it will take at least a year to put that into effect.

Mr. CLARKE. Will the gentleman yield right there?

Mr. McKEOWN. Yes.

Mr. CLARKE. Would you not put in the equalization fee in giving equality to every line of industry in keeping with the tariff proposition and the theory of this Government since the time of Alexander Hamilton?

Mr. McKEOWN. I will say to the gentleman that, of course, my views on the tariff are quite different from his. I do not agree with the gentleman with respect to the tariff, and I think that is what has got us into a lot of trouble; but, of course, the gentleman will not agree with me about that.

However, this is a business proposition, and I do not blame anybody for putting in this alternative plan, because they are trying to safeguard the farmer. But here is what I do say.

No man has carte blanche on all the sense in this country and nobody has proven to me beyond controversy that this bill will be no good without the equalization-fee provision.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. JOHNSON of Texas. What about the substitution of the export-debenture plan of KETCHAM-JONES for the equalization-fee provision?

Mr. McKEOWN. Well, if I were writing the bill, of course, I would have two alternatives instead of one. That is what I would do about it.

Mr. CLARKE. I make the point of order he would "ketcham" coming and going under that.

Mr. McKEOWN. Yes; but here we are dealing with a proposition face to face, and if every man in this House is satisfied the President will veto this bill then, of course, there is only one alternative, and that is to pass the bill over the President's veto. I would not hesitate to vote for the bill with the equalization fee in it, but I do not want to be actuated by any political feeling. It is no satisfaction to me to embarrass the President personally, and therefore I am contending here that the bill ought to pass without the equalization fee, for the reason that you will then have met every objection that has been made to it and you will put into effect in one year the same proposition that you have in the bill here. If it does not work, you can bring it back.

Gentlemen, this matter of doing something for the farmer is a serious proposition. This is a big question and this committee has labored for four years to my knowledge as earnestly and as conscientiously as any set of men have ever worked in this House.

I am going to say that if you do not strike out the equalization-fee provision I will vote for the bill, because I am going to yield to the better judgment of a majority of the men in this House, because the conditions are such that we are bound to have some relief as soon as we can.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. SPROUL of Kansas. Has the farmer of the country manifested a desire to have the equalization fee stricken out?

Mr. McKEOWN. As far as the farmers I represent—the every-day farmer on his plantation without any connection with any organization—I do not think has expressed any opinion at all, and I think he is more interested in relief than in the equalization fee.

Mr. MORGAN. Will the gentleman yield?

Mr. McKEOWN. I do.

Mr. MORGAN. As I understand the gentleman's argument, it is based on the principle that if the bill passes without the equalization fee, we will have farm legislation with a revolving fund?

Mr. McKEOWN. Yes.

Mr. MORGAN. With a board of finance, and in case the equalization fee is incorporated and vetoed it will probably delay for two years farm relief?

Mr. McKEOWN. Yes; under the bill with the equalization fee in it you will not have to use it for a year; you can not use it for a year. If you can not use it for a year, why take the chance at this critical period of putting it in and getting no legislation at all unless you can pass it over the veto?

I can not conclude my remarks without mentioning the faithfulness of my old colleague, Hon. Charles I. Stengle, who has personally, and with his paper, the National Farm News, been standing by the farmers of America throughout this long battle, and I am hoping that the efforts of those who have toiled so long in behalf of the American farmer, making every effort to secure for agriculture a fair deal in the economic situation in America, may be crowned with success by the passage of a real agricultural bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FORT. Mr. Chairman, may I ask the amount of time that has been consumed?

Mr. ASWELL. Under the rule the gentleman from New Jersey [Mr. FORT] is entitled to one-half the time against the bill. I would like to yield that half of my time now.

The CHAIRMAN. If the time is divided as heretofore under the rule and the general agreement entered into in the House the three hours would be divided as follows: The gentleman from Iowa [Mr. HAUGEN], the gentleman from Louisiana [Mr. ASWELL], the gentleman from New Jersey [Mr. FORT], and the gentleman from Kentucky [Mr. KINCHELOE] would have 37½ minutes each, and the gentleman from Michigan [Mr. KETCHAM] and the gentleman from Texas [Mr. JONES] would have 15 minutes each.

Mr. PURNELL. The rule provides for an equal distribution of time, and there is nothing said in the rule as to a subsequent division of time.

The CHAIRMAN. The understanding and agreement of the House before the House went in to committee was that the division should be in a certain way. As stated by the gentleman from Louisiana [Mr. ASWELL]—

> Mr. Speaker, I will say to the gentleman that general debate runs for 12 hours, 1 hour of which will be assigned to the gentleman from Michigan [Mr. KETCHAM] and 1 hour to the gentleman from Texas [Mr. JONES]. That leaves 10 hours to be equally divided between the chairman and myself, and I am to yield one-half of my time to the gentleman from New Jersey, and the gentleman from Iowa [Mr. HAUGEN] is to yield one-half of his time to the gentleman from Kentucky [Mr. KINCHELOE].

The CHAIRMAN. The Chair will recognize the gentleman from Iowa to yield some of his time?

Mr. HAUGEN. I yield to the gentleman from South Dakota. I think I have already yielded about 25 minutes.

The CHAIRMAN. The gentleman from South Dakota [Mr. WILLIAMSON] is recognized.

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. I would like to know how much time the gentleman from New Jersey [Mr. FORT] has been yielded during this discussion.

The CHAIRMAN. The Chair has not yielded him any.

Mr. ASWELL. I wish to yield to him half the time that I have. How much time have I?

The CHAIRMAN. The gentleman has 7½ minutes of his own and 15 minutes from the gentleman from Texas [Mr. JONES], making 22½ minutes in all.

Mr. ASWELL. How much does the gentleman from New Jersey [Mr. FORT] have?

The CHAIRMAN. He has 37½ minutes.

Mr. WILLIAMSON. Mr. Chairman, I do not wish to have all this time taken out of my time.

The CHAIRMAN. The gentleman from South Dakota is recognized for 10 minutes.

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, no physician can bring about the cure of a patient without knowing what ails him. His first job is to correctly diagnose the case.

In 1920 agriculture was stricken with an all but mortal illness, an illness aggravated and made infinitely worse by the policy of deflation purposely adopted and ruthlessly carried out by the Federal Reserve Board. The incoming administration attempted to stem the debacle by calling Congress into special session on April 4, 1921. Within a month the new Congress—the first of which I had the honor to be a Member—reenacted the emergency agricultural tariff law which had been enacted by a Republican Congress and vetoed by President Wilson a few months before.

This checked the incoming flood of agricultural products and at once resulted in stiffening the prices of those products of which we did not produce an exportable surplus. It also slowed up the downward trend of other products covered by the bill. To improve the credit situation, which by this time had become desperate in the typically agricultural sections of the country, the Congress promptly restored the War Finance Corporation, capitalized at a billion dollars from the Federal Treasury, and directed that agency to render all possible aid to the agricultural and livestock industries of the Nation. The corporation extended hundreds of millions of credit as directed by Congress, but was unable to materially check the disastrous trend that had been set in motion to force liquidation. In spite of all that could be done, frightful losses continued all through the Corn Belt and among the farmers and stockmen of the Middle West. With the financial ruin of the farmer, came disaster to thousands of banks and merchants throughout the agricultural area.

I think I know something about farming. I did not learn it behind a desk, but behind the plow. My father was a pioneer homesteader in Dakota territory and I followed in his footsteps and became a pioneer homesteader in my district 20 years later. I own and operate several farms and am familiar with the losses agriculture has sustained in my section.

DIFFICULTIES ENCOUNTERED

The fight made for agriculture during the last seven years by Members of Congress from the Middle West has had no parallel in the legislative history of this country. It has been a fight against tremendous odds by a handful of devoted men whose consistent and constructive efforts have won the admiration and respect of their bitterest foes. Greatly outnumbered, they have

by their determination, their unity of purpose and compelling logic forced the Congress and the country to recognize that there is a real farm problem that must be solved in the interest of justice to the agricultural producer. More and more it has dawned upon the people engaged in industry that the prosperity of business can not permanently continue unless agriculture can be put on its feet, but conviction has not reached the point where the representatives of these sections are willing to accept the solution that has been worked out by those who are the most immediately concerned and who have given the most thought and study to remedial legislation.

Then, too, agriculture has been handicapped by too many doctors and too many remedies, which in a measure have prevented that driving, cohesive force necessary to quick action. The solution of the problem tackled was fraught with great difficulties. The interests of the farmers of one section of our vast country clashed with the interests of other sections. A solution that looked promising to one class of producers was declared by other producers to be valueless or ruinous to them. Differences of tariff views and other economic questions entered, to say nothing of politics. Out of the innumerable conferences, investigations, and proposals there finally came a half dozen outstanding bills which have received the thoughtful study and attention of Members of Congress. From these have been evolved the bill now before the House which bears the name of the two distinguished chairmen of the agricultural committees of the House and Senate.

CONTROLLING FACTORS, NUMEROUS AND COMPLEX

The factors that control the farm problem are too numerous and complex to be settled in a single piece of legislation. Neither this bill nor any other which we may work out can permanently bring that stability and measure of continued prosperity to agriculture to which it is entitled. What we need in this country is a definite agricultural policy. To find and establish this should be the final goal of the best brains in agriculture and its representatives here in Congress.

An analysis of the situation would seem to indicate that the following are among the chief symptoms that still keep agriculture rheumatic:

First. High production costs.
Second. Comparatively low price levels for farm products.
Third. High taxes and interest rates.
Fourth. Long haul to market.
Fifth. High freight rates.
Sixth. High prices for farm machinery and other operating utilities.
Seventh. Heavy indebtedness.
Eighth. Deflation.
Ninth. Inadequate credit facilities.
Tenth. Lack of effective marketing organizations for surplus products.

While the above are not all of the unfavorable symptoms, they are sufficient for this discussion and to illustrate the necessity of a well-worked out governmental policy toward agriculture.

The farmer is still producing at close to the war-time costs in spite of improved machinery and increased efficiency. For the year 1927 the average price he received for what he produced stood at 131 as compared with pre-war prices. That figure was far below the index-price figure for nonagricultural commodities, which averaged 152 above the pre-war level. His taxes have increased from $344,000,000 in 1914 to $870,000,000 for 1927, an increase of over 250 per cent. Interest rates are still high throughout the agricultural area and freight rates are in many cases exorbitant.

REDUCTION OF FREIGHT RATES NEEDED

Three years ago Congress passed the Hoch-Smith resolution, directing the Interstate Commerce Commission to make a readjustment of freight rates, with a view to relieving the depressed condition of agriculture. While some relief has been accorded, it has been wholly inadequate. We, who live in the Middle West, have a long way to market. It is one of our greatest handicaps. There should be a further and drastic reduction in freight rates on bulky farm products from this area. Every effort has been made to bring this about, but so far with meager results. It will not do, gentlemen, to balk the farmer at every turn. He has not been getting a square deal. He is not getting it now. If you who represent the industrial sections will not aid us, who represent the farming section, you are due for a rude awakening. The farmer does not want to tear at the throat of your prosperity, but he wants to share in it. He is infinitely more interested in lifting himself to your lever than in bringing you down to his. He wants to pursue that course. We, who represent him here, have fought along this line. We are doing so now, but if you are determined to give him little or nothing of what he asks, he can and will eventually tear down the pillars that sustain your structure, though it bring added hardship on himself.

FARMERS ENORMOUSLY INDEBTED

The farmers of America are enormously indebted. They still owe from twelve to fifteen billions of dollars upon a total land value of not to exceed fifty-eight billion. Hence, they are intensely interested in bringing prices of farm products to a parity with nonagricultural commodities. Bringing farm prices up means more to them than bringing other commodities down. They need a reasonably high price level to pay their debts. They can not work out on a continued low commodity price. You have a chance to aid them by getting back of the Haugen-McNary bill. Every consideration of fairness and justice demands this. It is backed by practically every farm organization in the country. The farmer is just as much entitled to the benefit of the tariff as anybody else. This bill seeks to give it to him. He should be permitted to try out the marketing system created by the measure.

The purchasing power of union workers' wages was 37 per cent greater in 1925 than in 1913. It still stands at about that figure. The income of business, industry, railways, and public utilities is well above the pre-war level, while the purchasing power of the farmer's dollar as measured by the selling value of his commodities is now only about 90 per cent of the pre-war level. The average for 1927 was 86 per cent of the 1910 to 1914 base. Can you wonder that he is dissatisfied and demanding relief? Place him on a parity with industry and labor and you will hear no more kicks.

PROTECTIVE TARIFF AND THE FARMER

We are reminded here that the farmer shares in the protective tariff. Let me remind you that the protective system developed in the United States is much broader than the tariff. The tariff protects the manufacturing industry; the immigration and other laws protect labor; the Esch-Cummins and interstate commerce laws protect the railroads, and the Federal reserve act protects the banking business.

The farmer can not any more compete with cheap labor abroad than can anybody else. It is true that he has the largest protection in the present tariff law that he has ever enjoyed. Without it he would be completely ruined. Thanks to the "farm bloc," which I had the honor to help organize, he has the largest free list of the things that he must buy that he has ever enjoyed. But he is largely cheated out of the benefits that should accrue to him on this account by combinations and monopolies. This is especially true of farm machinery.

Democrats have twitted us for supporting the ruling of the Speaker on the McMaster resolution. Well, what was this resolution? Here it is in the form introduced:

*Resolved*, That the United States Senate favors an immediate lowering of tariff schedules and tariff legislation, embodying lowered schedules, should be considered and enacted during the present session of Congress: Be it further

*Resolved*, That a copy of this resolution be transmitted to the House of Representatives.

The plain import of this language includes farm schedules as well as others. There are no qualifying words. Of course, nearly all the Democrats were for it. Agriculture never has had any protection while they were in power, and the sudden disaster that came to that industry as soon as shipping became available after the war was due in very great measure to lack of protection against cheap agricultural imports.

During the debate in the Senate, however, it was soon discovered that this resolution had a decided back wallop. After several days' discussion it took this form:

*Resolved*, That many of the rates in existing tariff schedules are excessive, and that the Senate favors an immediate revision downward of such excessive rates, establishing a closer parity between agriculture and industry, believing it will result to the general benefit of all.

*Resolved further*, That such tariff revision should be considered and enacted during the present session of Congress; and

*Resolved further*, That a copy of this resolution be transmitted to the House of Representatives.

This had no back kick. It was perfectly safe to vote for it. Everybody could heartily join in nursing it along. It attacked no specific schedules. It gave no information. It was quite innocuous. We agree with the general sentiment expressed, but passing resolutions never changed a tariff law or altered a single schedule. To deal effectively with the tariff we must attack schedules and rates. That is what we of the Middle West have sought to do in the House, but we are a mere handful as compared with the Members representing the industrial sections and so far it has not been possible to secure many of the ad-

justments that we have sought. However, it seems reasonably certain that the next Congress will undertake revision.

When this resolution came over to the House the Democratic leaders saw a fine chance to start a little political fireworks and were not slow to seize the opportunity and so moved to refer it to the Committee on Ways and Means. Of course they knew this was contrary to the standing rules of the House, but what is the law of the House when there appears to be a chance to make some political medicine! The Speaker held that the resolution was transmitted to the House for the information of its Members and that it should be held there in accordance with the disposition of other resolutions of this character time out of mind. Upon appeal from the Chair his ruling was sustained. There was no vote on the resolution, nor was it tabled.

A mere inspection of the resolution must make it perfectly clear that the House could not vote upon it. It simply purported to express a sentiment or opinion of the Senate with respect to tariff revision and was transmitted to the House for its information. It was a Senate resolution, not a joint one. From a parliamentary standpoint it has exactly the same status as a Senate resolution advising the House that the Senate is in session and ready for the transaction of business or any other unilateral resolution of this sort.

It is a favorite pastime of a certain type of political demagogue to charge all of those who believe in the Republican principle of protection with being tools of Wall Street. There is not an informed man in this Chamber who does not know that Wall Street and the international bankers who have loaned billions of dollars to Europe and other foreign countries are in favor of a drastic tariff reduction. They reason, and correctly from their viewpoint, that the more foreign countries can import to this country the more certain they will be to get their money back. These people, if they had their way, would remove the farm schedules entirely. What concern have the denizens of Wall Street shown for the farmers of the country just so they can line their pockets? Of all charges this is in a class by itself for absurdity. So far as I am concerned I shall fight them to the last ditch. I do not propose to stand for a reduction of any of the farm schedules, if I can prevent it. A tariff sufficient to make good the difference in the cost of production here and abroad is the only safe criterion by which we can proceed.

FARMERS' FREE LIST

The idea that a drastic reduction of the tariff can materially help the farmer is largely illusory. This must be perfectly apparent when it is remembered that the great bulk of his purchases—those that require large expenditures—are on the free list. Among these are:

Plows, tooth harrows, disk harrows, headers, harvesters, reapers, drills, planters, mowers, horse rakes, cultivators, threshing machines, cotton gins, wagons, carts, cream separators under $50, breeding animals, pedigreed; cinchona bark and a long list of chemicals, binding twine, borax, cement, common brick, chrome ore, coal, cobalt ore, cocoa or cocoa beans, coffee, blue vitriol, tar, tea, barbed wire, wool used for carpets, copperas, gloves from leather, guano, explosives, with the exception of a few specially provided for; gunpowder, hones, whetstones, iodine, crude rubber, leather and products of leather usually used on farms, boots and shoes of leather, band and sewing-machine needles, oil cake and oil-cake meal, petroleum, kerosene, benzine, naphtha, gasoline, paraffin, pads for horses, crude phosphates, quinine, rennet, sheep dip, shingles, tapioca, turpentine, and lumber generally.

FARMERS' INTEREST IN TARIFF REVISION

Everybody knows that the prices of many of these articles are too high, but the tariff is not a factor. The tariff on woolen goods is quite as important to the woolgrowers as to the manufacturer. Of what possible value could a tariff be upon raw wool imports if woolen goods were on the free list? Such a policy would not only ruin the manufacturer and throw tens of thousands of employees out upon the streets to seek the soup kitchens, and thereby destroy the farmer's best market for his products, but would ruin the sheepmen, who would no longer have a market for their wool at any price. The same is true of the tariff upon cotton textiles. The cotton grower is quite as much interested in it as the manufacturer. Paint, which is over three-fourths pure linseed oil, falls in the same class. If paint came in free, what would become of the flax grower? And of what value would the present tariff of 40 cents a bushel be? He now receives a large benefit from this tariff, as we are on a import basis on flax. The whole question resolves itself down to the proposition of whether we believe in an American standard of living or whether we are going to force labor to accept the pitiful wage scale of Europe and submit to peasantry for our farmers. For my part I prefer our American standards. They are worth fighting for, but we want an American standard for the farmer also. He is more entitled to it than industry and just as much entitled to it as labor. Labor has indorsed our program. Industry should do the same.

I have from time to time introduced tariff bills to help the development of the feldspar industry in my State, to afford better protection to our alfalfa-seed growers, and the like. There are now pending before the Ways and Means Committee of the House several bills seeking to aid agriculture by readjustments and increased schedules on agricultural products. The milling in bond provision for wheat should be abolished, and the free importation of mixed oils, to the great detriment of our flaxseed growers, should be stopped. These bills have my earnest backing and are being supported by all midwestern Congressmen. Not only that, but just as soon as tariff revision can be undertaken we are going to insist that all schedules that are too high are reduced, that the tariff is removed entirely where not needed, and that there be such a complete readjustment all along the line as will give to the agricultural industry a square deal. To accomplish this end we of the Mid West propose to form any kind of a combination that will secure justice to the farmer. We are better organized and occupy more powerful committee assignments than our section has ever had. Most of us have been here long enough to know how to push our fight effectively, and will continue it if returned. Unity of effort here and backing from home will finally put across this program.

No one to-day who knows anything about the conditions under which agricultural products, livestock, and wool are produced in foreign lands believes that agriculture in this country can survive free imports. South America, New Zealand, Australia, and Russia can and will put the American farmers out of business if the farm schedules are removed, or even lowered to any considerable extent. The agricultural schedules in the present tariff law are the most favorable the farmers have ever enjoyed. The bill we are now considering is bottomed upon them. Remove tariff protection and it would have little value. The measure seeks to give the American producer the full benefit of the schedules by removing the surplus so as to permit the price of those farm products consumed at home to rise behind the tariff wall to a point approximating the foreign price plus the tariff on the product with respect to which an operating period is declared.

COOPERATIVES AND FARMERS' SURPLUS

The rise of cooperatives throughout the United States in recent years has been quite remarkable. On January 1, 1928, there were listed with the Division of Cooperative Marketing in the United States Department of Agriculture 11,340 farmers' cooperative associations. It is estimated by the department that the aggregate volume of business done by these cooperative associations, both marketing and purchasing, during the five years from 1923 to 1927, inclusive, is about $11,000,000,000. A rather complete survey made of farmers' cooperative business in 1925 showed a total volume of $2,400,000,000 for that year.

Gratifying as this showing is, however, it has been found impossible to extend any of them to a point where the surplus situation can be taken care of. This the bill before us seeks to help them do. Now, the burdens of cooperation are borne by the members alone, and outsiders largely reap the benefits without making any contribution. Under this bill all of the beneficiaries would share proportionately in carrying the overhead on any surplus product in which the farm board was operating. Corporations are permitted to sell their surplus abroad at a lower price than at home. That is what this bill proposes to do. Why should not the farmers be given the same privilege and be allowed to spread any loss on exports over the enhanced price received for the much greater bulk of the crop sold at home?

OPERATION OF EQUALIZATION FEE

Senator GOODING, of Idaho, in a recent speech in the Senate explained the manner in which the equalization fee would operate in actual practice, as follows:

Let me tell what happens to the farmer. The average production of wheat in America is about 800,000,000 bushels per year. We export 200,000,000 bushels a year. That is about the average export, and I am going to take the average. I will take round figures, because they will be easier for me to explain in relation to the benefit of the equalization fee as it will be put in force by the board.

In my State for the last two years the price of wheat to the farmer has averaged $1 a bushel, and I am going to take $1 a bushel, because that is a round number. What the bill proposes to do is to increase the price of wheat by the amount of the tariff, 42 cents per bushel. Wheat in my State is worth a dollar per bushel for export into foreign markets. That means, for the 200,000,000 bushels of wheat that will be exported and taken off the market to export, that the board will lose

$84,000,000; but in order to make up that loss they will levy an equalization fee of 12 cents a bushel, which will raise $96,000,000, or $12,000,000 more than the loss in the sale of the 200,000,000 bushels of wheat on the foreign market. This means that the farmer will have left 30 cents a bushel, because he is able to take off from this market the surplus and sell it abroad and bring the price of wheat up to the world price plus the tariff. He can not get the 42 cents but he can get the 30 cents, which means in round numbers that the farmer will make off of his crop of 800,000,000 bushels $240,000,000. In other words, instead of selling his wheat for $1 per bushel in Idaho, if this bill passes with its equalization fee, he will receive $1.30 per bushel and even that does not bring him within 10 cents of the actual cost of production as found by his Government that he is entitled to. Surely everybody ought to be willing to give any producer or any manufacturer the cost of production. There is something wrong in any man's system when he is not willing to give at least that much.

The farmers over the country are not asking the taxpayers to assume the hazard of loss on exports. They are willing to carry that risk and take the chance. Why should they not be allowed to do so?

PRODUCERS MUST CONTROL SALES ORGANIZATION

Under proper management the present bill will be a great stimulus to the cooperatives. These should be given every possible encouragement with a view to eventually turning the whole organization over to the farmers themselves. I am still of the opinion that the producers themselves must in the end be put in charge of their sales organization. Our agricultural colleges are devoting most of their time to better production methods. Is it not time they proceed to train young men in cooperative methods and salesmanship? This is quite as essential. We are yearly recruiting from the farm the best brains of the country for business and the professions. Why not train and recruit some of them to handle the farmers' own business?

We need these brains for agriculture and they should be so thoroughly trained that they can go out and compete successfully with the best that is to be found in business and industry.

DIRECT BUYING—CAPPER-HOPE BILL

To illustrate how difficult it is to legislate effectively let me call your attention to the packers and stockyards act that we passed in 1921. This act was designed to put an end to many abuses that had developed at the terminal markets. It was attacked in the courts but finally sustained and enforcement attempted. Now the packers are successfully avoiding some of its most valuable features by dividing up the territory and sending out their men to buy direct from the farmers. Their excuse is to eliminate the middleman and save freight for the producer. The actual effect seems to be to eliminate competition by keeping the hogs away from the terminals. While pretending to pay top-notch prices these have already been depressed by lack of competitive buying at the great centers. Not only are hogs kept from the concentration points, but the big packers having gotten a sufficient number of hogs by direct buying to keep their killers busy arrange to buy from the commission firms on different days so as to avoid bidding against each other. Wallace P. Neff, editor of the Kansas City Daily Drovers Telegram, at the hearing on the Capper-Hope bill before the Senate Committee on Agriculture, testified that as a result of this new development the price of hogs during the year 1927 was held approximately $3 a hundred below what the market would have been under competitive conditions. While this statement is not susceptible of exact proof, he cited figures which tended strongly to prove his assertion. The Capper-Hope bill seeks to head off this development. If the packers will not play the game on the square it is up to us to make them do so. I repeat, that the farmers' most effective weapon is organized marketing. It is his surest road to a permanent solution. The Haugen bill seeks to aid him in achieving this great result.

WATER TRANSPORTATION

A moment ago I called your attention to some of the difficulties encountered by the agricultural industry in the Middle West. We are in the country of the long haul and the high freight rate. A good part of the value of our products at the terminals is eaten up by the charges for taking it there. As already stated, it has proved impossible to get the freight-rate structure lowered so as to give us that relief which is essential to our prosperity and well-being. Failing in a direct attack we are proceeding by an outflanking movement. I have reference to the Great Lakes-St. Lawrence deep waterway proposal and the inland waterways' development.

Some years ago, in company with Hon. Frank O. Lowden, now candidate for President, Hon. W. H. McMASTER, then Governor of South Dakota, and a number of Senators, Congressmen, and others, I made a trip over the proposed St. Lawrence deep-waterway canal all the way from Niagara Falls to Quebec. I have made a careful study of the engineering features and am satisfied that the proposal is entirely feasible and that it can be completed at a reasonable cost. Every commission of experts that has examined the project has found in its favor as against every other plan for a canal connecting the Great Lakes with the Atlantic Ocean.

With direct water connection by ocean-going vessels between Duluth, Chicago, and other inland ports and Europe, we can greatly decrease freight rates on farm products exported abroad. It has been estimated that the saving on wheat alone would be close to 10 cents a bushel. As the domestic price is governed by the London price, less freight and handling charges, this would mean an increase in price of 10 cents a bushel on our average annual production of 800,000,000 bushels, which would place $80,000,000 annually in the farmer's pocket that he does not now get. That certainly is worth while. He would also be a large gainer on a good many other products.

DEVELOPMENT OF INDUSTRY IN MIDDLE WEST

Making navigable our inland waterways to the Gulf of Mexico and developing our barge lines will also greatly reduce freight rates by direct competition with the railways. This development is now well under way and is being pushed with all possible vigor. Its completion will not only reduce the freight on outgoing products but will greatly reduce the freight rates on cotton, coal, lumber, and the like that must find their way into the interior. It not only means much to agriculture but will permit industries to develop in the Middle West. In turn, this industrial development will aid the producer by bringing the consumer to his door. It will enable the farmer to successfully produce many things for which he now has no market. Industry is revolutionizing the South. Prosperity has come to her people. Give us cheap transportation and power and the Middle West will speedily come to its own. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from South Dakota [Mr. CHRISTOPHERSON].

The CHAIRMAN. The gentleman from South Dakota is recognized.

Mr. CHRISTOPHERSON. Mr. Chairman, the question of parity for agriculture with other industries is one that has been before Congress for some years. Both sides of the question have been thoroughly discussed in Congress as well as in the press and the public forum.

At first it was urged that it was not a national problem; rather, one that would soon solve itself, but that expectation has not materialized. It is now generally conceded that the agricultural industry—the production of food for the Nation—is laboring under a handicap and has been for a number of years. This fact was recognized by both major political parties in their platform declarations in 1924.

The presence of the problem is therefore acknowledged and the only question is as to how best to solve it. Naturally, a question that affects directly the rural population of our land, and indirectly all citizens, would bring forth many different theories and opinions for its solution.

Coming from a fine agricultural district, it is not strange that I sensed, in its early stages, the depression that beset the farmers, and I had the pleasure and privilege of offering the first farm relief measure, namely, the Lyon stabilization plan, introduced in the House in 1920. The House Committee on Agriculture very graciously held hearings upon this bill and accorded me the opportunity of presenting such facts as I then had bearing upon the situation.

Later other plans were proposed, and since that time the Committee on Agriculture certainly has been both patient and painstaking in the lengthy, careful, and exhaustive consideration it has given the subject. In the hearings conducted by this committee in the past few years may be found most illuminating data and information relating to the entire industry, including production costs, marketing, and so forth.

In time the committee reported what is generally known as the McNary-Haugen bill, first considered in this House in 1924, and in 1927 it passed both Houses of Congress.

Now, again, we have this bill before us for consideration in a somewhat modified form, and as its provisions have been so thoroughly analyzed by others I shall not attempt to shed any further light upon the bill itself. Everyone here is familiar with its provisions.

I simply wish to appeal to you from the industrial centers of our country who may have some honest doubts as to the benefits of this proposed legislation. I ask you to give us the benefit of the doubt; help us give this measure such a majority that there can be no question about it becoming a law. Let us enact it into a live, effective statute at this session. Per-

haps it is not perfect; few important statutes are perfect to begin with. But if put in operation experience will quickly point out the defects and a subsequent Congress will then amend it in conformity with the knowledge gained by its operation.

It is my belief that the bill will be of immediate help when enacted into law. It will bring to an end the long discussion of this vexatious question. It will put this program to the test; and should it fail to bring about the equality that we hope for and believe will result, no great harm could result; while if it accomplishes what we confidently hope, then one of the most difficult problems that has confronted us for many years will have been solved. It will restore the agricultural industry to a fair degree of prosperity. It will bring peace and contentment to the large number of our people engaged in the production of the Nation's food supply. And, incidentally, let me remind you who come from the industrial centers, that you are also interested in this restoration of agriculture. When we enjoy prosperity we purchase more of your manufactured wares; we are better customers; and the added prosperity will be enjoyed by all.

This problem has been before Congress for many years. Let us approve the bill by such a majority as to insure its enactment and give it a fair trial.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SEARS].

The CHAIRMAN. The gentleman from Nebraska is recognized for 10 minutes.

Mr. SEARS of Nebraska. Mr. Chairman, while I have reduced to writing what I intended to say on this question, so that I would not wobble too much, I can not dispose of it in 10 minutes, so I will avail myself of the leave to extend my remarks and print the address that I have prepared. But in addition I wish to say a word.

Several years ago I came to the conclusion that something must be done to stabilize the price of farm products. What made me think that, gentlemen, was this: I think that three years ago Secretary Jardine, our Secretary of Agriculture, stated that we had a shortage along in the summer of about 75,000,000 bushels of wheat. Now, one would think that according to the normal carrying out of the law of supply and demand, inasmuch as some of the far-away fields of production were not known and it was not known what they would produce that year, that would have the tendency to raise the price of wheat. On the contrary, the price went down half a dollar a bushel.

There are three kinds of wheat growers who must sell from the machine. One is the ordinary wheat grower. He does not know what the price will be in the future. He has to sell at once because he has been waiting for that crop to get some money. Another is the tenant farmer. The other is the one who has mortgaged his crop.

Now, Mr. Chairman, those three classes should be looked after, so that they will become useful citizens, so that they can educate their families properly and pay their debts and own their farms themselves. But as soon as those three classes had sold their wheat from the machine, which they were compelled to do, up went the price higher than it was before.

Now, it seemed to me that something must be done to prevent that evil from happening, that condition from becoming a permanent one in the country, so that those men would become citizens who would be valuable to themselves and their communities and not be robbed, as they were that year, of about $350,000,000.

Now, that $350,000,000 was the difference to those men of what was between adversity and prosperity. To the men who raised that wheat it meant $25 to the acre. It seems to me that something ought to be done. I do not know whether or not the McNary-Haugen bill will work out as some enthusiastical people believe. I have never said I was sure about it. But I have great confidence in many who have clear minds and warm hearts. If it fails, it will show what legislatively can succeed.

I think that is the only word I can give to you to-night. The rest I will put in the RECORD, and I hope that a few of you will take time enough and consideration enough to believe that there is some thought and some value there, so that you will read it in the RECORD of our daily proceedings. [Applause.]

I can not talk further on the subject of the McNary-Haugen bill without laying a foundation for an argument as to why something akin to the McNary-Haugen bill should not be passed. I want you to know the conditions out in the great Northwest section as I know them. Many of you do not as yet. The people of this Nation have never been fair to the great section lying east of the Rocky Mountains. They may have thought they were fair. They may not have thought anything about it. But still they have been more unfair to that great section than to any other. Even a barrel hoop will turn under too much pressure. And the innocent rabbit has been stated as one that at last would fight the bulldog at no matter what result.

Every section of our country demands fairness under the Great Compact. At one time many in New England were talking of seceding in the early days of the Union because they thought they were being treated unfairly under the compact. Later, the Southern States attempted to secede, because they thought they were being treated unfairly under the compact. And at least this is true that any section of the country that thinks it is being treated unfairly should state its grievances, either real or imagined.

Every section of our country except the great Northwest has been helped in its development along the lines of its best prospective. We fought a war for sailors' rights, and because the shipping business was great in New England. We have developed all our harbors around our coasts for the benefit of the respective sections. We have ornamented this city with hundreds of millions of dollars of benefits. We have expended hundred of millions of dollars in the lower Mississippi, including upkeep, and such. We have taken care of the Ohio River and the Great Lakes. We have encouraged corporate life until it has reached out and taken possession of every line of activity in the United States, and so that in the last 60 years men who commenced with nothing have started organizations that now own two-thirds of the Nation and dictate to the whole. They dictate to administrations and to both Houses of Congress and to our departments. They dictate to our press and to our schools. Directly or indirectly we are a price-fixing Nation as to everything but the product of the farm, and the most guilty ones of the price-fixing activity look the agriculturalist in the eye coldly, and without twitching a muscle, indict him as one who is trying to price fix.

No part of this Nation can thrive without navigation. If any section is without navigation, the rest of the country that has will get reduced rates because of their navigation, and the recoupment of losses will be placed on the shoulders of those without. The agriculturalists of the great valley, by act of Government in the deflation of currency and credits, were caused to lose more of their wealth than the entire war cost. There was the great commencement of their undoing. It was an act of the Democratic administration then in power. However, this is not an indictment of the Democratic Party in any special sense, for it would have been just the same if the Republican administration had been in power. Think of the Government sending out orders to reduce loans and discounts 30 per cent in 30 days. Who would have believed such a thing possible? Yet it was done, and suicides by the hundreds followed. Men of wealth and standing by act of Government were ruined in a year by the hundreds of thousands—worse than that, millions.

That great western country has asked that its flood waters be saved to it, especially that great section east of the mountains. People all over this country are asking that the floods be controlled by the only system that can control floods, by reservoiring the different minor flood areas whose combined volume makes up the great floods of the lower Mississippi. But this House and the Senate have each passed a bill that is intended to perpetuate floods, that is intended to cause the expenditure of billions of dollars to perpetuate floods. And the only hope of flood control up to this moment is placed in the hands of the avowed enemies of the only method of controlling and doing away with floods that can be devised. This in the face of the well-founded belief of all friends of real flood control that true control may be had to the American people at an expense of $600,000,000, of which $400,000,000 will be reimbursive, leaving a net cost, and a threat of floods gone forever, of $20,000,000 net.

Over beyond wishing to see the West develop according to its best, what are some of the purely selfish interests of the East, in the development of the national food supply that comes from the Great Plains country? For lack of water that great territory is losing its fertility and is not raising the wheat per acre as formerly. All authorities so declare. The winter wheating process and summer fallowing is sapping the nitrogen from the soil. It needs the added water to restore the nitrogen. In about eight years as a permanent condition the consumption of wheat in this country passes its production. We are then on an importing basis. This year, because of lack of moisture, the great wheat fields of the West will probably not produce one-fourth of their normal supply. The people of the East are now paying about half a dollar a bushel more than three months ago for their wheat, and the price is still soaring. It will probably go to a half or double beyond where it is now. In total this will mean hundreds of millions of dollars, and perhaps enough to reservoir the entire system of flood areas and surely of that great wheat country east of the Rocky Moun-

tains. The Atlantic States call for 250,000,000 bushels more than they produce annually. It may well be profitable for the East to seriously inquire, Can it ignore its own food supply even if it does the suppliers?

That great northwestern country of which I have spoken has asked that its great river be improved for navigation whereby will be saved to billions of bushels of grain raised each year, from 5 to 6 cents a bushel. The railroads of the West have fought 25,000,000 of agricultural people—including those dependent upon them for their industrial life—and for 50 years that improvement has been denied those people except as to an occasional gesture. It is easier to get a hundred million dollars to ornament the city of Washington than it is to get $10,000,000 to improve that great river. This in spite of the fact that all engineers—of course, all laymen—agree that that great river is the most practical river of them all for navigation. And governmental authority has said that when improved, as the old Missouri River commission knew how to improve it, that it would have the carrying capacity of 600 single-track railroads.

If the statements I have made are conservative and true, who shall say that that great western section has not good cause to voice its complaint? But that is only a part. With eyes wide open on ample and full advice of the needs of that great section for a conservation of its water resources, this session, as far as it could as yet, has fixed also the drought situation upon it. Now, drought is a greater calamity to the national welfare than floods in the lower section. Times over the losses occasioned by floods, bad as they are, are the losses occasioned by drought. Yet the East and the South, have said by their combination, that the floods shall continue and the drought shall continue, and that this Nation shall not develop according to its best prospective. And this because of the grip that the combined power people of this Nation have upon legislative and executive functioning. The power people who reach out to cities, States, and the activities of a nation, being determined that reservoir control of the flood areas shall not be had, for the reason that some of the reservoirs for the storage of flood waters might develop power for the people. That is the reason that Muscle Shoals has not been put to work for the benefit of the southeastern section of our country. And the power there developed is sold by the Government at 2 mills per kilowatt-hour to the power companies, and they in turn charging the people of that section 10 cents per kilowatt-hour.

There has never been known in the history of the world such good buyers and spenders when they were in a normal financial situation as the people of the Northwest. Yet the people of the East, in thinking only of their own interests, have denied to the West the ability to buy. How can the East prosper unless the West is prosperous?

Having laid down something of a foundation, let us get back to the McNary-Haugen bill. Why should a poor crop bring to the agriculturalist more money than a good crop? Something is wrong if it does. And it does. The farmer is the only man engaged in business to-day that takes his product to market and asks how much he shall receive for it. He does, and he does. If we were to commence in the first instance to adopt the policy of price fixing, where would we commence? By unanimous vote we would commence with agriculture. Yet price fixing obtains as to every one else but the farmer. I am for the McNary-Haugen bill because I think it will in all fairness fix prices and stabilize prices. It will take an act of Government to so arrange that this wonderfully scattered activity may have its parts so correlated that there will be such fair stabilization. I have never said that I was sure that the McNary-Haugen bill would work satisfactorily to all concerned. I do not know. But I have thought if it failed it would show us what would work. First, I am for my own section. If any man's hand is raised against my part of the country, I am enlisted in the war against him that he has declared and brought about. This, of course, in a very good natured way and abiding by whatever conclusions are reached, but hoping that in the end the battle shall wage with at least some modicum of benefit to my own people.

Mr. FORT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. LUCE].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 20 minutes.

Mr. LUCE. Mr. Chairman, of course I address myself to this subject under the existing conditions only in the hope that the unanswerable arguments which will fall from my lips will be reflected in print and in due course add something to the enlightenment of public opinion, upon which all law is founded. [Applause.]

I have addressed myself on previous occasions to this subject. It has become a biennial theme, and should I stay in Congress many years longer, I presume that the material which I now will give you will be available again for my own use every two years. [Laughter.]

I have one piece of good fortune as compared with the friends of the bill. A clergyman may turn his barrel of sermons upside down and use the old sermons over again, for principles endure. Gentlemen who favor this proposal, however, are embarrassed by the fact that conditions change rapidly. Several of the speeches to which I have listened evidently were taken out of the closet where they have been for from one to four years and have not been newly adapted to the change in prices and the improved prosperity of the farmer. I am not bothered in that way, because it is the eternal truth that I am maintaining. [Applause.]

It is well, in the course of these repeated discussions, that occasionally a voice from outside the circles directly interested should be heard, even though at remote intervals, the voice of somebody who speaks for the consumer. Here also I have some advantage, because nearly all the speeches that have been delivered have been appeals to the self-interest of one portion of the people, while it is my fortune to speak not for the 30,000,000 people of a single class, but for the 120,000,000 people of the whole country. [Applause.]

When this discussion was young, so many years ago that I suppose most of you have forgotten it, but when the end in view was somewhat nearer achievement than it is to-day, the weekly letter of the American Farm Bureau Federation said that the McNary-Haugen bill would be worth a billion dollars to the farmers of this country—one thousand millions of dollars of benefits.

Mr. MAJOR of Illinois. Will the gentleman yield?

Mr. LUCE. With the greatest of pleasure, because I may thereby get something in my speech that I might have forgotten.

Mr. MAJOR of Illinois. I wonder whether the gentleman has any corn or wheat farmers in his district?

Mr. LUCE. I hope presently, in the due and orderly course of my remarks, to come to that particular point. Now, I want you to stop thinking in millions and figure out what this means in dollars. This is a proposal to give one-quarter of the people of this country one thousand million dollars. Of course, it is not going to be taken out of the pockets of foreigners; it is not going to be fished out of the sea or pulled off some bush. It is to come out of all of us. We alone can furnish this one thousand million dollars. We must count in the farmers themselves because they, too, are consumers and must pay their quarter. If you figure it out with this in mind you will find that here is a proposal to take, on the average, out of the pockets of every family in this country $40 a year; and you are going to put into the pocket of every farmer of this country $160 a year. He will pay $40 of that himself, so that his gain is $120 a year, while we consumers pay $40 a year for each family.

I much regret that I do not see a large and enthusiastic attendance of the gentlemen from New York City this evening, but I trust they will read my words and prepare themselves to go before their constituents this next fall and explain to the people of the East Side and the West Side why we are going to take $40 a year out of the pittance that the wage earners receive. I do not see here my friend from Rochester, who last year made a powerful speech which disclosed the iniquities of the McNary-Haugen bill, and then proceeded to vote for it. I wish he had been here that he might by these remarks be prompted to ask his clothing workers what they think of contributing $40 a year, say one week's wages, for the benefit of another class in the community. In case the bill becomes law, I would ask every man here who has voted for it and expects to face an audience this fall to be ready to explain why he would take out of the pockets of every head of a family not a farmer $40 of his income and turn it over to the farmers of the West and South.

Mr. RANKIN. Will the gentleman yield?

Mr. LUCE. I yield with the greatest pleasure to the gentleman from Mississippi.

Mr. RANKIN. The gentleman evidently missed the speech made by the gentleman from New York [Mr. GRIFFIN] in opposition to the bill.

Mr. LUCE. I am thankful that somebody else looks at it in the same way, as all wise men should. [Applause.]

Mr. PURNELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. PURNELL. I do not claim to be half as wise as the gentleman from Massachusetts, but evidently he is not familiar with the hearings which have taken place in our committee for the last four years, otherwise he would know that every labor

organization in the United States and every body of workers within the United States that appeared before our committee upon numerous occasions advocated the passage of this bill, and I myself asked them this specific question at the conclusion of their statements: "Do you still favor this bill if you believe it will increase your cost of living?" And they said yes.

Mr. LUCE. That is all the more reason why my argument ought to appear in print and persuade the deluded. [Laughter.]

Mr. DOWELL. Will the gentleman yield for one question?

Mr. LUCE. Yes.

Mr. DOWELL. Then the gentleman admits in his argument that the farmer is going to be benefited by this legislation when it is enacted?

Mr. LUCE. I am taking the American Farm Bureau Federation at its word and proceeding on that assumption.

Mr. DOWELL. I am just suggesting to the gentleman that his argument is conclusive that this bill will do exactly what the purpose of it is, and that is to give the farmer a greater price for his products.

Mr. LUCE. If it does not do that, the bill is no good.

Mr. DOWELL. Certainly; and the gentleman admits it is good because he says it is going to give the farmer a greater price for his product.

Mr. LUCE. It is good for one-quarter of the people of this country at the expense of the other three-quarters.

Mr. DOWELL. But it is good for the farmer?

Mr. LUCE. It is fine for the Western and Southern farmer.

You think I do not represent any farmers because I am from the East. Gentlemen discussing this bill do not think there is any such thing as a farmer north of the Potomac River or east of Pittsburgh.

To refute that I must distress you with figures. I come from New England, a part of the country which, with the Middle Atlantic States, is commonly known as "the East." This region, in the latest year for which I find the figures, grew crops estimated in value at $829,700,000, and had dairy products estimated in value at $464,400,000, making a grand total of $1,294,100,000. That was the value of the crops and dairy products produced in this region by about 580,000 farmers. I have not a few farmers in my district and not one of them has asked me to vote for this bill, save, I think, a single man, who, out of that broad and generous charity which characterizes some New Englanders, was willing to put his hand in his pocket, take out of it $40 a year, and give it to the men from the West and South who appear before us in this impoverished condition. I strongly suspect that the rest of the farmers in my district are not so philanthropical as to ignore the fact that they will have to pay more for their stock and poultry feed, more for such of the meat they buy as has been fattened with corn, more for the flour that comes from the West, more for the package cereals, more for every cotton garment they wear.

Mr. SCHAFER. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. SCHAFER. Have any of the farmers in your territory written you in opposition to the bill?

Mr. LUCE. Not to my knowledge. My district relies upon its Representative to present the arguments. [Laughter and applause.]

I would further emphasize the fact that I do not come from a region that has in this matter the most important interest, measured either in men or in dollars. Gentlemen find it very difficult to disabuse themselves of the idea that New England is still dominant in industry, and gentlemen think that in passing a bill of this sort the cost is to be borne by men from the seaboard States. Can you not understand that the scepter of industry has passed beyond the Alleghenies? Can you not understand that at this hour the total value of the industrial products of Ohio, Indiana, Illinois, Michigan, and Wisconsin is two and a half times as great as that of New England? The total number of wage earners employed in the industries is two and a half times as great. The total amount of wages is two and a half times as great, and the value of the product is three times as great. You are not punishing or penalizing New England nearly so much as you are punishing and penalizing the industrial center of the country—Ohio, Indiana, Illinois, Michigan, and Wisconsin.

You have long thought us the leaders in the textile industry of America. Did you know that of the cotton consumed in this country since the 1st of January, 74 per cent has been consumed in the South and 26 per cent in the North? The interest of Fall River, New Bedford, Lowell, and our other mill towns is, in dollars, only one-third of the interest of North Carolina, South Carolina, Georgia, and Alabama. If this bill grinds down the faces of the people working in the textile mills, it will be chiefly the people of the Southern States. I wonder how any man from North Carolina, South Carolina, Georgia, or Alabama is going to his constituents this fall and answer the questions that will be put to him if he has voted for such a proposal.

What do you think this is going to do to cotton? You are going to send cotton abroad and dump it on the markets of the world, selling it at any price necessary to dispose of it all. Furthermore, by putting into the bill the new requirement that imports also shall pay the equalization fee, thus providing what will accomplish the same purpose as a tariff duty, you virtually prevent cotton, as well as any other commodity concerned, from being shipped back to this country in case it has been sold abroad at a price so much below the artificially elevated price here as to tempt reshipment.

I will admit now that when in previous sessions I talked upon this subject I had to be very careful lest I get caught by some inquirer who, when I told him he was going to feed the workers of Europe at the expense of the workers of America, would retort that the wheat could be brought back immediately if sold abroad at too low a price, or that cotton would likewise come back. I am now saved any worriment on that score, because the committee itself has put another lock on the door. No longer do I have to dodge that particular question; but what the committee has done has made the menace still more serious.

Furthermore, by reason of one thing the committee has not done, the prospect is blacker yet. The equalization fee is to be collected on any agricultural commodity imported when that commodity has been designated as within the operation of the fee, but not on the article manufactured out of such a commodity. This means that though raw cotton would have to pay the equivalent of a duty under such circumstances, it would, to the extent of the value of the cotton, come in free if fabricated, thus giving the foreign manufacturer virtually a bonus for its manufacture.

All this betokens still further calamity for the cotton mills that give livelihood to so many thousands of our people in the States of the Atlantic seaboard from Maine to Georgia, still more distress among the wage earners, still more of loss to the communities that have grown up around the mills.

Do you not know the condition of our textile industries? Since last year the wage pay rolls of the cotton-goods industry in this country have dropped by 14.5 per cent, more than one-sixth, in a year. The wage pay rolls in woolen and worsted goods have dropped 10.6 per cent. Here in one year an industry already depressed has by that much gone down hill disastrously more. This is not alone true of New England; it is true also of the textile mills of the Middle States and of the South.

What do you offer us? You gentlemen who to-day have $2 wheat, $1 corn, and 60-cent oats—what are you asking of us? You are asking the passage of a law that in the first place will give our foreign competitors certain raw materials of industry at a lower price than must hereafter be paid by the manufacturers of the United States. Secondly, you are furnishing to the workers in all industries, to the employees in Birmingham and Manchester and Chemnitz, and all the other industrial centers of Europe food at a lower cost than must be met out of the wages of employees in the United States. Thus New England, the Middle States, the South are to give aid to our competitors coming and going. We are in effect to subsidize England and Germany so that they can undersell us in the markets of the world.

Mr. SCHAFER. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. SCHAFER. Even if we do furnish the workers of these foreign countries food products at lower cost, apparently under the debt settlements we have relieved the taxpayers of the foreign countries from the payment of many billions of dollars. They were represented then as being very poor, indeed, and perhaps this bill will square with the billions of dollars which we have already relieved them of in the payment of their tax bills.

Mr. LUCE. Possibly this may work out by enabling the foreign manufacturers to dump their goods on our shores and underbid our manufacturers in a way to make the payment of those debts easier, but I would not defend it on that score.

Let us now come down to the crux of this proposition, the fundamental idea that has always been its weakness, is its weakness in its present form, and always will be its weakness. You are tempting the farmer to jump out of the frying pan into the fire.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. FULBRIGHT. The gentleman mentioned the dumping of surplus products into foreign countries and feeding them with cheaper foodstuffs. Is it not the fact that the manufacturing

industries dump their surpluses into foreign countries and sell them at a lower price than they sell at home?

Mr. LUCE. The last tariff bill we passed recognized the iniquity of that thing, and just so far as the American people possibly could they put their stamp of disapproval on what they said was an unrighteous practice.

Mr. FULBRIGHT. That does not answer the question. Is it not the fact that the manufactured products of this country, especially farming implements, are sold at a lower price abroad than in our own markets?

Mr. LUCE. If that is done, I still say it is an iniquity, and all the other countries of the world are fighting against it and we are fighting against it to-day.

Mr. FULBRIGHT. Does not the gentleman know that is true?

Mr. LUCE. I have the impression it is not so prevalent as it was in previous days.

Mr. FULBRIGHT. That is not answering my question. Is it not the fact that products manufactured in this country are sold on the foreign market at a lower price than they are sold on our home markets to our own people?

Mr. LUCE. Some products undoubtedly are.

Mr. HAUGEN. Will the gentleman yield there?

Mr. LUCE. Certainly.

Mr. HAUGEN. The gentleman is certainly aware of the fact that wheat sells in Liverpool at from 15 cents to 30 cents a bushel less than it does in Chicago.

Mr. LUCE. The cost of transportation I recognize to exist.

Mr. HAUGEN. Is not that true all along the line, just as the gentleman has stated; and have not the industries dumped their products for the last 50 years, to our certain knowledge, on the markets abroad at a price lower than the price received here?

Mr. LUCE. If that be true, the purpose of the bill is to carry farther a practice that in the end is unwise.

Mr. HAUGEN. The farmers have been up against it for 50 years, and we propose to do the same thing for them. They think what is good for the goose is good for the gander.

Mr. FORT. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. FORT. If the statement of the chairman of the committee is correct, that we sell for 35 cents a bushel less in Liverpool than in Chicago, that is clearly evidence of the fact that the farmer gets the whole benefit of the tariff.

Mr. LUCE. Certainly.

Now, in the very brief time remaining at my command I want to point out some of the effects of giving anybody in production, industry, or commerce——

Mr. PURNELL. Will the gentleman yield right there before he proceeds?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FORT. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Seventeen and a half minutes.

Mr. FORT. How much time does the gentleman from Massachusetts want?

Mr. LUCE. That will depend upon how curious my audience is.

Mr. FORT. I yield the gentleman five minutes more.

Mr. PURNELL. I do not care to make a statement, but this is in the nature of a question. Industry is able to organize and can absorb the loss which it suffered by reason of the reduced price at which it sells abroad. Some of us who are sponsoring the bill have the thought, by reason of the fact that there are in the neighborhood of 6,000,000 farmers unable to organize, unable to absorb that loss in the prices at home, that they ought to have a measure such as this to assist in that very business.

Mr. LUCE. I am afraid I can not follow the gentleman's logic. Even if it be valid, let me go on to state what I think is the most serious evil in the whole matter and beg of you to give it attention.

A bounty to cure overproduction is like quenching flame with oil.

I have 20 acres of grass land in Maine. It is not worth as much as a good-sized garden patch out in Iowa. As grass land it is useless. I can not sell the hay because the automobile has ruined the hay market. [Laughter.] I can plow it up. I have the implements and have the help. I tell you, if this bill becomes law I will within 30 days get the land plowed and I will plant it, because I shall have a sure thing in the disposal of my crop. That is what you are offering the farmers of the country. You are guaranteeing them against loss, you are holding out to them the bait of high prices, you are inviting them to increase the real cause of their troubles, for at the bottom of all this is overproduction, surplus.

Remember what happened in the war. In the decade from 1909 to 1919, by reason of rising prices and a market apparently certain, 40,000,000 acres of pasture land were plowed up and put into crops, 5,000,000 acres of forest were cleared—40,000,000 acres of pasture land and 5,000,000 acres of forests! With the sudden increase of the price of wheat in the war period, the acreage increased 67 per cent in two years. The big jump in the price of cotton increased the acreage 53 per cent in four years.

By the way, our experience then gives the answer to the argument that we need to insure a surplus by such legislation as this. We found that by the use of extra land, better seeds, and more fertilizer supply can be quickly increased to vast extent.

See what happened in the case of coal when we turned the process the other way around. In 1922 when coal was $3.64 a ton there were 9,299 mines in operation. It dropped to $2.06 a ton, and the number of mines dropped to 7,144.

I want to get into this story what California saw when some of its producers put into practice the principles of this bill. In 1913 raisin grapes were selling for 3.46 cents a pound. The crop was 70,000 tons. An association was formed, by 1920 the selling price had been jacked up to 12.695 cents a pound, and the crop was 173,000 tons.

In 1922 the result of that folly was to send the price back to 3.214 cents a pound and to increase the crop to 225,000 tons. That fall there were 360,000 tons on hand. In 1925 there were of raisin grapes left unpicked on the vines enough to fill 10,000 cars; in 1927 enough to fill 15,000 cars.

There will be no raisin grapes left on the vines if you guarantee that the crops will be dumped on a foreign market. There will be no idle land. Everybody engaged in agriculture will jump at the chance to produce a surplus to be sold abroad at any price it will bring, with the consumers of the United States to pay the loss.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. If the gentleman will get me some more time.

Mr. FORT. Could the gentleman use five minutes more?

Mr. LUCE. I should judge so, at the present rate of inquiry.

Mr. FORT. Mr. Chairman, I yield the gentleman five minutes additional.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. With great pleasure.

Mr. DOWELL. The gentleman has argued that three-fourths of the country would have to pay the penalty for the passage of this bill by the rise in the price of agricultural products. He now says that they are going to buy them much more cheaply than if the bill were not in operation. How does the gentleman reconcile the first part of his argument with what he is saying now?

Mr. LUCE. The gentleman forgets that the California raisin growers did not have the help of the McNary-Haugen bill to enable them to dump. The fate that befell them will not befall the wheat or the corn growers. It will be the foreign consumer, not the domestic consumer, who will enjoy the low prices.

Mr. DOWELL. The gentleman means that they are still going to maintain a good price for their products?

Mr. LUCE. Yes; and I am going to help pay for it.

Mr. DOWELL. Under this bill?

Mr. LUCE. Yes; with three-quarters of the population of the country, I am going to help pay for it.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. BURTNESS. Do I understand that the gentleman's solution of the agricultural problem is to keep the prices of agricultural products as low as possible in order to prevent the farmers from growing crops or raising farm products?

Mr. LUCE. Oh, no, Mr. Chairman.

Mr. BURTNESS. The gentleman objects to higher prices.

Mr. LUCE. Mr. Chairman, my solution of this agricultural problem is to refrain from interfering with the problem. The farm population of this country is lessening at a net rate of something like half a million a year. The rush from the farm to the cities has already nearly solved the farm problem. As I incidentally remarked, the price of farm products has so risen that the speeches delivered on this floor in this matter are mostly away out of date. The pendulum has swung the other way, and instead of misery and suffering being on the farm they are now in the city. But you do not find those of us representing the populous centers coming here and asking for special legislation. We ask you to let us alone and we will work

out our own problem, just as the laws of economics will help you to work out yours if you let them alone.

Mr. DOWELL. Will the gentleman apply that problem to industry and let it work out its own solution?

Mr. LUCE. Absolutely.

Mr. DOWELL. Would the gentleman take the tariff out of industry?

Mr. LUCE. The tariff is not and never was and never will be for the primary purpose of benefiting men engaged in industry. The tariff was put on to help the Nation. There is no defense for the tariff if it exists simply for the special purpose of helping a special class.

Mr. DOWELL. Of course, the gentleman means that by furnishing a home market for industry it means helping the entire Nation without assisting the gentlemen who put the products of industry on the market.

Mr. LUCE. Their advantage is no greater and no less than that of any other man who faces the laws of competition within the borders of the country. But I thank the gentleman for mentioning the tariff. I had almost forgotten it.

Mr. FULBRIGHT rose.

Mr. LUCE. I have not the time to yield now until I get through with this particular matter. The pending proposal is the tariff upside down. The gentleman from Texas [Mr. JONES] said of his debenture bill this afternoon, and the same thing is in essence true of the equalization fee, "It operates exactly like the tariff, but in the reverse manner." He was more nearly accurate than perhaps he intended to be. The tariff is to secure for our manufacturers the home market at reasonable cost. This bill is to secure for the farmers the foreign market at any cost. The tariff is to secure ultimately to the people of this country lower prices. This bill is to impose on them higher prices. The tariff is to make us self-sufficing. We are already self-sufficing in agricultural matters. The tariff is to diversify occupation. This bill is to discourage diversification. The tariff is to protect us against foreign competition. Agriculture is already protected, or if not it will be given the necessary protection. The tariff is to the good, primarily, of the whole country. This bill is to the good, primarily, of a single class. It is the tariff upside down, and not a single argument that justifies the tariff can be successfully perverted to its defense when it has been stood on its head.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. FORT. Mr. Chairman, I yield the remainder of my time to the gentleman from Iowa [Mr. HAUGEN] for such use as he desires.

Mr. ASWELL. Mr. Chairman, I have 22 minutes remaining. I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN] and the remainder of my time I yield back to the chairman of the committee [Mr. HAUGEN].

Mr. COCHRAN of Missouri. Mr. Chairman, ladies, and gentlemen of the House, it is hard to understand why the so-called friends of the farmer, if they are sincere in their desire to better his condition, continue to advocate a measure which has no chance to become a law. The President's veto of the last edition of the McNary-Haugen bill specifically pointed out his objections to the equalization fee, which we again find in the pending measure.

Probably I should not discuss a bill which I do not propose to support, but those of us who oppose this legislation have been criticized and told conditions in the cities can be attributed to the plight of the farmer. No doubt there is something the matter with the farmer, but in part he is responsible for his own condition, as I will point out later.

As the Representative of a city district I can tell you there is something radically wrong in the industrial field. There is a difference of opinion as to the number of million people out of employment at the present time, the Department of Labor figures being far below those advanced by certain Senators who have placed the number above 4,000,000. In St. Louis, part of which I have the honor to represent, you can find places for over 50,000 people and then have many additional thousands looking for positions. There is no movement in Congress to come to the relief of the unemployed, but at the same time you are asking for a law granting a subsidy to the farmer, at their expense.

Under the terms of this bill you propose to sell the surplus crop to people in foreign countries at a price far below that which you would charge my constituents. In plain words, you propose to reduce the cost of living abroad and raise the cost of living among the people of my community.

You propose to put the Government in business, where it does not belong. In June, 1924, at Cleveland, the Republican Party at its national convention adopted a platform and under the head of "Government control" said in part:

> The Republican Party stands now, as always, against all attempts to put the Government in business.

This was in 1924. Where are you standing in April, 1928? It can not be denied the passage of this bill would mean further entrance of the Government into business. In a few weeks you will be reiterating the doctrine as expressed in the 1924 platform. Why not follow that doctrine now?

The outstanding trouble is the surplus—overproduction, if you please. I propose to show where the farmer is in part responsible for this surplus, and a great many of his representatives in this House are likewise in part responsible. You who are advocating the enactment of this legislation took away from the farmer a market for hundreds of millions of bushels of grain annually when you supported prohibition legislation.

The farmer lost a market annually of over 40,000,000 bushels of corn. In 1927 less than 10,000,000 bushels of corn were used by distillers and brewers, while in 1917, the year previous to the enactment of prohibition, over 49,000,000 bushels were used.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield there?

Mr. COCHRAN of Missouri. Not now. I have only 10 minutes.

At the same time you deprived him of a market of nearly 80,000,000 bushels of barley and caused him to ship over 100,000,000 pounds of rice to foreign countries, while prior to prohibition it was found necessary to import this commodity in order to meet the demand. Where is the market to-day for 40,000,000 pounds of hops used in the preprohibition times? The farmer let the Anti-Saloon League sell him prohibition, and in return, instead of benefiting thereby, he lost a market for his crops. He reduced his own earning power.

What followed? Why, it was not long before he could not meet the interest payments on outstanding notes, and as a result tens of thousands lost their farms. Can the merchant drive his customers away and then sell his goods? Why certainly not; it would mean bankruptcy.

Had it not been for the war, prohibition would not have survived as long as it has. The war opened a field for hundreds of thousands of employees previously engaged in the manufacture of distilled spirits, beer, and wine, and enabled these men and women to earn a living. They took the places made vacant by the 4,000,000 engaged in battle. Thus the war served as an asset for prohibition in that for a time it took care of the unemployed. Gradually, however, as the country returned to normal, unemployment increased, until to-day more men and women are out of employment than at any time since the panic of 1907.

We should have a nation-wide survey made immediately, secure the true facts in reference to unemployment, and if it is found millions of our citizens are unemployed, forget tax reduction, and appropriate whatever surplus that might exist at the end of the fiscal year to be applied to the prosecution of public work. The farmer would benefit by such action.

A reaction has undoubtedly set in. The farmer's mistake in following the Anti-Saloon League, and your mistake in voting for prohibition, which resulted in the loss of a market for the farmer's crops, has returned to burden him, and now the appeal to place him on a sound footing is before Congress in the form of the fourth edition of the McNary-Haugen bill. Political expediency prevents many a legislator from frankly explaining the mistake to the farmer and residents of the rural communities, but they are being slowly educated.

Only a few days ago Dr. James M. Doran, United States Prohibition Administrator, was quoted as telling a Washington audience it was his belief the United States Government would never be able to stop violation of the prohibition law. What more convincing evidence would you desire on the subject? If prohibition was a success from an economic or a moral standpoint there would be no complaint, but it has failed beyond question even to promote temperance. See the official records of the police department of the city of Washington, Capital of the Nation, for the year 1927 and you find nearly 14,000 men and women arrested within the year for either being intoxicated on the streets, drinking in public places, driving an automobile while intoxicated, or for violating the Volstead law.

The farmer not only deprived himself of a market when he advocated prohibition but he also increased his expenses. The United States Government alone lost nearly a billion dollars annually in taxes. The States and local communities likewise were deprived of hundreds of millions in revenue. This has not resulted in a saving for the people but, on the contrary, it is being used for the purchase of so-called whisky and finally lands in the pockets of the bootleggers, who pay no taxes. It was necessary to find other sources of revenue when national prohibition was enacted, so the farmer was required to pay his share in various ways.

I admit many changes have been made in the pending bill since it was vetoed by the President last year, but it is easily recognized by the so-called equalization fee.

Not satisfied with providing an increase in the price of grain, this year you propose to spread "Mary Haugen's" wings, for you include even fruits and vegetables, perishable products, which can not be carried from one season to another, and in most instances must be disposed of on arrival at the market. Statistics will show the production of fresh vegetables and fruits has doubled within the last 10 years, further evidence of overproduction. The Senate very properly amended this provision, and I hope the House takes the same action. You are going to make enough of your people suffer as it is.

You have the votes to pass a farm bill, but rather than bring in a measure that can become a law you insist upon this bill, which I predict will inflict further damage to the farmer rather than improve his condition.

Let us assume this bill does become a law. What is your main objective? No one can deny it is to provide an increase in the price of farm products. Is there a Member of the House who does not really know that it would be but natural for the farmer to increase his acreage when the price of his products are advanced? This means further overproduction. In the end the bottom will fall out of your plan and the farmer will experience still harder times by a decided decrease in prices. In the face of a presidential veto you propose to pass this bill, and I admit you have the votes, but I warn you some day your action will return to plague you.

You can not justify a law assisting one class of people at the expense of the masses, and even though it should by chance receive the approval of the President it will meet its death at the hands of the Supreme Court when its constitutionality is assailed, as it will be.

As it is impossible to have a sound prosperity with one or more classes of our citizens in distress, I propose to be so bold as to offer a suggestion to my dry friends.

In the interest of the farmer, in the interest of temperance, and in the interest of the unemployed may I not suggest that it would be well to bring in a bill which will provide for the use of the surplus farm products, grains as well as fruits, to be used in the manufacture of light wines and beer up to the point of intoxication? [Laughter.] This will not in any way be a violation of the eighteenth amendment. It will simply give you a market for the farmer's surplus, in making legal the manufacture and sale of beverages, nonintoxicating, and at the same time bring relief to the farmer, which you so earnestly seem to desire. Proper provisions can be made in a separate measure for a special tax on these beverages which will bring to the United States Treasurly nearly $1,000,000,000 annually and hundreds of millions to the various States and local communities. This will not be any additional burden upon the people because they are now handing this money over to the bootleggers. Further this would enable you to repeal objectionable paragraphs in the revenue act as well as materially reduce others.

Provide more liberally for cooperative marketing if you will, forget the equalization fee, add the amendment I suggest and you will have a bill that will not only pass the House by an almost unanimous vote, if the farmer's representatives will join those in favor of light wines and beer, but a safe majority over the necessary two-thirds in the event of a veto.

To carry out my proposal would mean, first, a general improvement in the health of the millions who are indulging in "made to-day and drink to-morrow moonshine" as they would be satisfied with light wines and beer; second, respect for the laws of the country, which means more to the Nation than prohibition; third, a reduction in the unfair tax burdens now shouldered by the people and business; and fourth, prosperity for the farmer and employment for the millions now out of work in the cities.

Regulate the sale in any manner you desire but no longer deprive the people of the country of beverages to which they are entitled under the Constitution, and which they lawfully can not secure by reason of congressional action, and you will provide the farmer a market for his present surplus, which the enactment of the Volstead law has taken from him, causing the financial distress which you picture here to-day. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HAUGEN. Mr. Chairman, I yield three minutes to the gentleman from Wisconsin [Mr. SCHAFER].

The CHAIRMAN. The gentleman from Wisconsin is recognized for three minutes.

Mr. SCHAFER. Mr. Chairman, I take the floor at this time to state that I shall vote for the Haugen bill, although my district is a city district. The industrial workers and the farmers of this country realize that their interests are mutual. The prosperity of the farmers is closely interwoven with the prosperity of industrial employees, business and professional men. When the farmers are prosperous they are able to purchase the output of the industrial workers and business institutions and pay the bills of the professional men.

This Congress has enacted legislation and appropriated millions of dollars for the benefit of certain other classes, and surely should assist the American farmer, who, we all admit, is in a most precarious financial condition at this time. Representatives of great farm organizations, as well as representatives of great labor organizations, with membership of millions, are advocating the enactment of this legislation. I sincerely hope that the pending bill will become a law at this session, so that the American farmers may have something more from the Seventieth Congress than general vague promises. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. HALL].

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. HALL of Illinois. Mr. Chairman, in his remarks in the Committee of the Whole House on the state of the Union, when the rule was adopted for the consideration of this bill, the gentleman from Illinois [Mr. WILLIAMS] stated the agricultural situation in such terse and concise terms as to leave no room for doubt as to the conditions that confront us. [Applause.]

I agree with the gentleman from Georgia [Mr. CRISP] that "the die is cast and I know that the House is going to pass the McNary-Haugen bill," and that "12 hours of debate is not going to change a single vote."

I am glad the gentleman from Georgia feels that way about it and I am also glad but not surprised that he accords to each Member here absolute sincerity of purpose in the consideration of this measure.

I can not agree with Members who declare that the passage of this bill is a vain and childish thing; that the Agricultural Committee was swayed in the slightest degree in reporting this bill favorably to the House by testimony of witnesses who matriculated in and graduated from an institution for the feeble-minded. To assume this would be to admit that a majority of the House Committee on Agriculture have not the mental acumen of such a witness and that a very large majority of the Senate of the United States has not reached the mental attainments of even a sophomore in such an institution. I do not admit either of these conclusions.

Congress has by a majority vote of both Houses agreed to the principles contained in the McNary-Haugen bill. The Senate has done so a second time and the House is ready to do so.

Mr. Chairman, I can not believe and I do not believe that such a majority in Congress is either misinformed, mislead, intimidated by a lobby, or is so ignorant that it does not know what it is all about.

Rather would I conclude that the Members have given this question their careful, intelligent, and patriotic consideration and that the consensus of opinion of a majority is more likely to be right than the opinion of a few, no matter how enthusiastic, no matter how tenacious that few may be in their refusal to yield to the opinion of the majority. This House did, in the Sixty-ninth Congress and in this one, give this bill careful study.

I would not presume, therefore, to discuss it in detail. It would be like a freshman trying to explain to the dean of a university the intricacies of integral calculus.

I do say this, however, the Republican convention four years ago, at Cleveland, promised to enact legislation that would place agriculture on an equal economic basis with other basic industries.

I do know that the Democratic National Convention at New York promised the same thing. This has not been done, and now is the time to do it.

Mr. Chairman, in regard to former efforts to grant farm relief by Congress, the farmer has been forced, by circumstances, to "grin and bear it," but I assure you that another disappointment and his present frame of mind may compel him to bear it, but he has certainly ceased to grin.

I have the greatest confidence in the ability of the economists and statesmen of the United States to solve the ills that our body politic is heir to.

Other nations have by legislation helped to solve their agrarian problems, and we can solve ours.

Rice is the lifeblood of the Japanese nation, just as corn, wheat, cotton, and other staple commodities are the lifeblood of America. Nothing brings death to Japanese business and commerce so quickly or so effectively as the spasmodic rise or fall of the price of rice.

When the price of this commodity swings violently up or down the Japanese have an adage that they "can not sleep on high pillows"—that is, peacefully.

The Japanese Government has been forced to take a hand in the rice industry for no other reason than to stabilize the prices and to smooth out the friction between the demand and the supply of this their greatest food staple.

In the years of bumper crops of rice, when the price breaks so sharply as to cause the farmers great financial loss, the Government steps in and buys sufficient quantities to stem the tide of a descending market.

In lean years or at a time of great distress, like a destructive earthquake, when the price of rice begins to soar beyond the reach of the common people, the Government opens the doors of its rice warehouses and sells enough rice to chill the ardor of the aggressive speculators who dream of cornering the rice market and pillaging the people.

Denmark and Holland have a similar plan to stabilize the price of their farm products. To the same end, although not in the identical manner, it is now proposed to aid not only the farmer but the consumer in America by means of the bill under consideration.

I am in favor of the McNary-Haugen bill. I believe that it will accomplish the desired results, and I believe that it is not only constitutional legally, and sound economically, but I am thoroughly convinced that it is the one measure proposed that most nearly will approach the beneficent results so much desired.

I have lived among farms, farming, and farmers all of my life. I have watched them in and participated in their daily toil. I know their desires, their ambitions, and their patriotic loyalty to anything that is American. I and they have for many decades supported and voted for those measures in national legislation that have built up the eastern seaboard and the great centers of population and that have made our country strong and great.

These stalwart sons and daughters of the soil still believe in protection to American industries but they find themselves in the slough of despond, due to quick deflation and conditions incident to the World War. Now they are asking their Government for that protection for them that they have for years helped to give to others.

Our farm population is restless. It is dissatisfied. Its capital is depleted. Its buying power is gone. Its members feel that a depression has come upon them through no fault of their own; that governmental aid has not been forthcoming, and they feel that they have been treated unjustly in this regard. This condition has existed now for years and has increased in intensity. Certainly there is sufficient ability in the two great political parties to solve this problem. The farmer wants it solved or he proposes to know the reason why.

This is the way farmers have been brought by adversity to feel, and I am convinced that if this Congress refuses to pass legislation that shall give them relief, all the stump speakers in the world can not convince them that they have been well treated.

I favor the McNary-Haugen bill because I want to continue to see a majority of our people favorable to a protective tariff, and I fear that they may not remain so unless some such measure as this shall become a law. This plan is the only one that a majority can agree on. It should become a law.

Agriculture is one of our basic industries. We all agree to that. A fair and just analysis of the situation now existing is in this connection of interest.

A reliable survey reveals that the earnings of the average farm family is now 70 per cent as compared with like earnings in the year 1920. While the earnings of the average nonagricultural employee are 101 per cent as compared with that year, the value of farm products compares with the value of other products in like manner as does the numeral 135 to 160.

This comparison is not the most alarming one. The decline in value of all agricultural investments from the year 1920 to date has been from $79,000,000,000 to $58,000,000,000, a loss to the farmer in capital investment of the enormous sum of $21,000,000,000. The taxes with which his business is burdened have been increasing in like proportion to his steady loss of assets. This increase in taxes is mostly local and not Federal, but the increase is there and must be paid.

I venture to say that if a corresponding decrease of capital assets and increase of tax burden were in so short a time to come into existence affecting the railroads, the manufacturing industries, or the banking business, every legislature in this land would be called in extraordinary session, as would the Congress of the United States if it were not in session, to avert a national catastrophe and to rectify a condition that means disaster, bankruptcy, and despair throughout our entire land.

And yet when agriculture that feeds and clothes our bodies and without which we would die appears in such a plight, the advocates of relief measures are met with cool and disinterested gestures by statesmen who, for the good of their own people as well as for the benefit of the country at large, ought to be eager to help upon its feet the very industry the prosperity of which is the foundation stone upon which rests the success of all the others.

Two recent reports on the agricultural problem, one by the land-grant college group and one by the Business Men's Commission on Agriculture appointed by the United States Chamber of Commerce and the National Industrial Conference Board, have centered attention on the farm problem and both state the fact to be that farmers are now bearing an unfair share of the tax burden.

Mr. Chairman, when I began to be interested in agriculture the taxes on farm lands was about 50 cents per acre, whereas it is now about $2 per acre. The gross returns per acre then and now are approximately the same in terms of dollars. It has been for years my custom to market my corn soon after it is husked and under cover, selecting a time when the roads are frozen so that I can get to the elevator. In the year 1927 I was kept from doing this because the roads were soft so that instead or selling for 56 cents, the price in January, I was forced to keep it until June, when I received 92 cents for it. In December of the same year it went back to 68 cents. In the meantime the price was $1.01 per bushel. This showed a fluctuation of nearly 100 per cent in a little over one crop season upon a staple commodity which ought to be worth about the same price in January, in June, and in December. The price of our basic agricultural products should be stabilized. It can be done.

Some of the opponents of this bill seem to think that the farmer wants something soft handed to him; that he wants some sort of governmental certificate of freedom from work. Such a position is so untenable that it falls of its own weight.

The farmer is a hard-working man. He works long hours under adverse weather conditions. He not only has to fight the weather but innumerable insect pests. He does not want anything soft. All he wants is a fair place in the sun of prosperity such as his city brother has. He does not want to be furnished a Rolls Royce, a Buick, or a Ford. All he wants is a crutch to help him on his way to win back some of that $21,000,000,000 that he has lost by the general deflation after the Great War and to start paying his mortgage debts. And he proposes to get that help if he has to fight for it.

He wants no subsidy nor charity. He wants his Government to help him by legislation and he will pay the bill. The McNary-Haugen bill will give him the relief he asks and is entitled to and every Member of this House who believes in protection ought to in fairness and good conscience vote for this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HOWARD].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 10 minutes.

Mr. HOWARD of Oklahoma. Mr. Chairman and gentlemen. I listened with great interest to the appeal made for the West, South, and Southwest by the gentleman from Massachusetts [Mr. LUCE]. As I did I wondered why he has not before this been urging reduction of freight rates, tariffs, and so forth, for these farmers. But, Mr. Chairman, I do not think the appeal he made was for the benefit of the farmers of the West, South, and Southwest, but was in the interest of those of his section of the country who have profited at the expense of these farmers and have protested every time that suggestion is made to help them. His solution is a unique one, as I gathered from his remarks that he favors letting enough of them starve and lose their home to reduce production and reduce surpluses.

If the flood control bill, which passed the House a few days ago with an overwhelming majority, and the McNary-Haugen agricultural relief bill which is now before us for consideration, are enacted into law this session of Congress will go down in history as one of the most important sessions that ever convened. It is conceded by all who have given any consideration to the subject that there is an agricultural problem and that a solution should be found. The most deplorable conditions in agriculture exist now and the depression has been greater during the past eight years than at any other time in the Nation's history. These conditions are familiar to every Member of Congress from an agricultural district and to all others who have paid any attention to the subject.

Agriculture is the leading industry in this country and the one upon which all other business depends. There is, and can be, no general prosperity in this country unless agriculture shares in such prosperity. The merchants in the towns and cities and other business men who consider the subject know that their financial success depends upon the success of our farmers. I am not so much interested that the fortunes of the rich continue to increase, as I am that a reasonable degree of prosperity should exist among all our citizens. For the past six years the farmers of the United States, through their representatives, have been asking and petitioning Congress to do something to save their business. So far, their appeals have not sounded a responsive chord from this administration now in power. The influential and powerful industries of New England always find a quick ear turned to their demands. The farmers continue to toil from daylight to dark, as do their wives and children, and are unable to pay their interest, taxes, and other expenses and do not enjoy in full even the necessaries of life.

I wish some one who opposes this bill for the benefit of our farmers would rise now and tell me why our farmers should not receive the same consideration from this administration that is given organized business. You never read a county-seat paper but what you see page after page of farms advertised for sale for delinquent taxes and mortgage foreclosures. Something should be done to put a stop to such a condition, and the bill that we now have before us, in my judgment, will do the work. For the past several years our farmers have been producing their crops at a loss and they can not continue in that way any longer. There is no other business in the land that can survive under such conditions.

The farmer can not control his surplus, as can organized manufacturers who are protected under the Fordney-McCumber tariff law—the highest protective law ever enacted by any Congress. This law enables the manufacturer to fix his price upon the products of his factory. He also fixes the price that he pays the farmer for the raw material and when the farmer purchases the manufactured article he is compelled to pay the price asked, however high and unreasonable it may be. The Republican Party, in your platforms of 1920 and 1924, promised the farmers of America that you would remedy the conditions that now exist among them; and that they had faith in your promises was evidenced by the fact that your President in the election of 1920 received the largest vote ever given a presidential candidate, and this majority was exceeded by your presidential candidate of 1924. The farmers and agricultural interests have waited patiently for the fulfillment of your platform pledges. You have had the President, the House and Senate, and full control of all branches of Government since the 4th day of March, 1921, and no farm-relief legislation has been enacted. In 1921 you passed the emergency tariff law and told the farmers that you were going to raise the price of their products by that measure. Nearly all articles provided for in that bill declined in price soon after its enactment. The farmers know that where a large percentage of their crop, such as wheat and cotton, is exported that no tariff law can afford them any protection.

Reports from the Department of Agriculture show that the average cost of producing cotton in 1926 was from 15 cents to 16 cents per pound, and these reports show that, when the various yields are considered, the price of production ranged from 9 cents to 47 cents per pound, and other reliable reports go much higher. These reports also show that the average farm price of corn in this country in 1926 was 64 cents per bushel and in 1927, 72 cents per bushel; that the average price of farm wheat was 19 cents per bushel in 1926 and $1.11 per bushel in 1927; that the average price of cotton was 11 cents per pound in 1926 and 19½ cents per pound in 1927. No one on this floor yet has given any reason why the cotton production of 1924, with 4,000,000 bales less than the production of 1926, should exceed in value the crop of 1926 by more than $500,000,000. Neither has any member given any reason why the wheat crop for 1924 was worth $120,000,000 more than the 1926 crop, when the production for these two years was about the same.

In order to have a world market for farm products it is necessary that we have trade established with these countries. According to the reports from the Department of Agriculture, we exported from the United States agricultural products in 1920 to the extent of more than $3,400,000,000. Since the Fordney-McCumber tariff law has been in effect these exportations have been reduced to $1,800,000,000 for the year 1927. In 1920, before this law was enacted, the total exports of the United States amounted to over $8,000,000,000, which was reduced under this tariff law to $4,800,000,000 in 1927. That is what this high-protective tariff has done for American agriculture in the markets of the world. When this law was considered in Congress in 1922, it contained a schedule providing for a 35-cent tariff duty per barrel on oil imported into the United States from foreign countries. At that time we were suffering from large importations from Mexico, which oil was under the control of the Standard Oil Co. Just before the vote was taken a letter was sent to the House from the President of the United States, and this was read from the Speaker's desk, asking that the provision for tariff on oil be stricken from the bill.

I am glad to say, however, that all the Democratic Members from Oklahoma in the House at that time voted against the elimination of this provision from the bill and tried to have it retained therein. The oil industry in Oklahoma, and especially the independent operators, were suffering greatly at that time from these importations. Proper protection, it seems, can be given the big fellows under this administration, but, with this administration, it is a different question when something is asked for the farmers and independent oil producers.

The depression in agriculture is reflected by the number of bank failures, as shown in the report on this bill by the chairman of the committee [Mr. HAUGEN]. This report shows that the number of bank failures in 1924 was 42 per cent larger than the number of failures in 1893, and that the number of failures for the period of 1920 to 1925 was greater than the number of bank failures for the 26 years preceding 1920. Most of these failures in recent years have been in agricultural centers, and that is why the bankers are joining with others for agricultural relief.

Mr. Chairman, I am glad to appear before the committee at this time in behalf of the agricultural bill that is before us for consideration. There are amendments that I would like to see added to the bill and, if I were writing the measure, it would not be in precisely its present form, but in a body of 435 members, as we have in the House, it is impossible to have any bill incorporate the exact ideas of each Member.

This bill creates a Federal farm board consisting of the Secretary of Agriculture and 12 members, one from each of the 12 Federal land bank districts. These members are appointed by the President, by and with the advice and consent of the Senate. The regular term of office for members of the board is six years and the salary $10,000 per year. The general ideas in this bill and the McNary-Haugen bill, which passed both branches of Congress in the last session and which the President vetoed, are the same. The board created in this bill is authorized and directed to create an advisory council for each agricultural commodity which requires stabilization.

Under the terms of the bill each advisory council shall consist of seven members fairly representative of the producers of such commodity, and the members shall be selected by the board from lists of names submitted by cooperative associations or other organizations representative of the producers of the commodity. This bill also applies to all agricultural commodities which the board thinks can be handled. This bill authorizes the board to make loans from the revolving fund to cooperative associations or corporations created and controlled by one or more cooperative associations for the purpose of assisting in controlling a crop surplus. The bill also provides that if the board finds that its advice as to planting programs has been substantially disregarded by the producers, or if the planting of any commodity is substantially greater than the normal increase for the preceding five-year average, the board may then refuse to make loans for the purchase of these commodities.

Under the provisions of this bill the board is authorized to lend assistance to cooperatives in the establishment of terminal market associations to be maintained in distribution centers. This will be of great assistance in bringing the producers and the consumers closer together. Some of those who are now objecting to the passage of this bill are favoring a bill that provides for loans to agricultural organizations for the purpose of stabilizing the market, and some of these same people object to this bill because it contains an equalization fee. Let me call your attention to this fact: That if the farmer situation can be remedied and the prices established by the loaning of money to these cooperatives and other farm organizations, the board must proceed in that manner under this bill and can not enter into marketing agreements provided in the bill for handling agricultural commodities, which are to be financed by an equalization fee. In other words, no equalization fee on any commodity can be levied by the board if the loan features of the bill prove to be effective. A board of honest, competent, men, experienced in the production and marketing of cotton, wheat, and other agricultural products, will make a success of this bill for the benefit of our farmers and all other business.

Cotton, as we all know, is easily stored and economically warehoused and, in my judgment, there will never be an occa-

sion to levy an equalization fee on cotton, for the reason that the board will more likely make a profit on cotton than a loss, and that if a profit is made there would be no reason for the collection of an equalization fee for the payment of loss or other charges. There is no reason why the same can not be true of wheat and other products. If an equalization fee is collected, it will be collected by the board at the most convenient and logical place, and is nothing more than a commission. If a farmer ships cattle or hogs to the stockyards for market, he ships them to a commission man, who charges a small commission for selling this stock for the farmer, and the same principle applies in the levying and collecting of the equalization fee.

This bill authorizes an appropriation for carrying the provisions of the measure into effect of $400,000,000. Under the terms of the bill, the board is also authorized to make insurance contracts for the insurance of cooperative associations against price decline. Such agreements insure such cooperatives against loss to such association or its members, due to decline in the average market price of the product during the time of sale by the association from the average market price during the time of delivery of the product to the association.

There is great need of organization among our farmers, and if they were organized like our great business enterprises they would have no trouble in receiving due consideration at the hands of this administration. This insurance provision will greatly stimulate cooperation among farmers and will bring them into organizations for their mutual welfare and for the benefit of all legitimate business. The bill also provides that if the board finds that such insurance contracts for any commodity will stabilize the price in the interest of the producers, whether they are members of any cooperative association or not, then the board is empowered to enter into nonpremium insurance agreements with cooperative associations dealing in such commodity. Nonpremium insurance agreements are paid for from the stabilization fund, if there is a loss.

This is the fourth time that the McNary-Haugen agricultural bill has been before Congress for its consideration. The Committee on Agriculture has given long and patient consideration to this bill and it comes to us now as reported by a majority of the members of the committee. I believe the enactment of this bill into law will greatly relieve the agricultural situation, and no business and no people are more entitled to helpful consideration and assistance at this time than the farmers who produce all of the real necessaries of life. Let us pass this bill as quickly as possible and submit the same to the President for his consideration. All but one of the objections in the bill, which was vetoed by the President in the last Congress, have been eliminated from this bill and that one is the equalization fee and, as I stated before, this fee is never levied and can not become operative under the terms of the bill if the loan features of the bill will do the work. The Secretary of Agriculture, the President, and the administration leaders in the last Congress said that a bill to loan funds to the farmers to stabilize their prices, which bill was almost identical with the loan features of this bill, would provide the necessary assistance for agriculture. Then, let me ask why the administration can not support this bill? I do not believe that the President will veto this bill, as has been stated upon this floor and without any authority for such statement from the President. To those who are opposed to this bill, let me ask you what you propose? What do you offer as a substitute that will be of any assistance to remedy the present conditions in agriculture?

I am supporting this bill because I want to see the farmers of the United States placed upon the same plane with other business and given fair and equal protection of all laws. All the great farm organizations, with one exception, have indorsed this McNary-Haugen bill. Hon. Edgar Wallace, now deceased, several times appeared before the Agriculture Committee and urged the passage of this bill in the interest of American agriculture. He said that it would help stop the drift of our rural population to the cities and industrial centers, and he said when the farmers were assisted all other working people would benefit. I wish to state here that when Mr. Wallace died the farmers and other working people in this country lost one of their most trusted and valued friends.

I ask that this bill be passed, and believe it will pass by a large majority of our membership; and I also trust that it will receive the approval of the President, become a law, and our farmers be given a square deal. [Applause.]

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Oklahoma yields back four minutes.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HILL].

The CHAIRMAN. The gentleman from Washington is recognized.

Mr. HILL of Washington. Mr. Chairman, it is claimed that the McNary-Haugen bill would put the Government in business. To this charge a demurrer might be entered which would raise the question "What of it?" The Government has been in business from the time it was organized, but not for the farmer. It is in business now for the manufacturer, the railroads, and the banker. When this Government came into being 98 per cent of the people of America were farmers. They constituted the soldiery that won the victory for independence. They furnished the man power and the provisions for the Army and the credit for the victory belonged to them, but no recognition of such credit has ever been accorded them. If it had not been for the farmer soldiery, there would not be a United States of America to-day. When they created conditions that brought the Government into being they had no thought that anyone would use the Government as an aid to private enterprise. But no sooner had the Government been instituted than so-called business men made politics a business, secured control of the Government and put it into business for their own advantage and profit. Politics is and has always been a business with those who would use the Government as an instrumentality for securing business advantages that do not arise naturally out of the business itself.

But when the farming industry seeks the aid of Government to place it in a similar place of advantage with that of other Government-aided industries and commercial enterprises the cry goes up that the Government must not be used to aid agriculture. How often have you heard the statement that the farmer should stay out of politics and devote his thoughts and energies to his farm? How often have you heard it said that you can not help agriculture by legislation? These statements were so often repeated that they were taken up parrotlike by the great masses of the people and believed to be truisms. Who is responsible for the propaganda that it would not be constitutional or sound to extend Government aid to the farming industry? It is the business interests that are already receiving and profitably enjoying governmental aid.

This Government is the common heritage of all the people, but if there is one class of our people that has a stronger claim to recognition under it than any or all other classes it is the farmers. They made it and they are relied upon to preserve it. Why is it the farmer has never secured the consideration he deserves and that the farming industry deserves under the economic policies of the Government? Let us look into this question to some extent.

It is admitted that farming is the vital and basic industry of the country. We can not survive as a nation without it. It would appear, then, to be the part of wisdom to properly protect this industry, upon which the life of the Nation rests and the security of the Government depends. But conclusions reached on the basis of cold reason do not take into consideration the human equation—ideals do not always square with practice. The line of human conduct diverges from the true pole of justice. We have not reached the plane of human development upon which every man recognizes a responsibility as his brother's keeper. Figuratively, if not literally, all nature is cannibalistic. It is a realm of tooth and claw. The progress of man up the ascent of time has been marked all the way by struggles against oppression and revolts against peonage. Governments have been established and overthrown. People revolt only under unjust oppression. To paraphrase a famous saying of Abraham Lincoln, you can not oppress all the people all the time, but you can oppress part of the people all of the time. There has never been a time in the history of man when government rested with like burden or like protection on all of the people. Government has always been used as an agency for pecuniary or economic advantage by those in control of it. Government has always been an instrumentality of privilege, but it has never been used to confer privilege on the farming class of people. Why have the farmers not been given governmental aid along with those engaged in other industries? The reason is the same as a wolf would advance against the protection of sheep in a fold. It does no good to curse the wolf, for he is merely responding to the instincts of his nature, but the sheep need protection.

The wolves of commerce want the farmer kept out in the open where he will be an easy prey. So far they have been able to keep him there. They are fighting desperately to keep him there now. Through long practice a belief has become fixed that the commercial dealer is entitled to the profits on agriculture. This is the belief of the dealer, and the farmer has acquiesced in it. A coyote would feel aggrieved if all of the chickens were shut up in a pen.

The industrial interests now enjoying governmental aid do not want the Government to extend a similar privilege to agriculture. They think it would minimize the benefits of their own special privilege. They do not hate the farmers, but they hate the prospect of having a dollar less in their own pockets. They hate the prospect of the farmer enjoying the prosperity which his production should bring. They love the farmer as a plodding, producing peasant. They say he should stay out of politics and not ask the Government to do anything to improve his business opportunities or to make more profitable to him his production. They want the farmer to sweat and toil and exhaust the fertility of his soil that they may reap the profits of his production.

This is the whole issue in this fight for farm relief legislation. It is not concern for the Government that prompts opposition to this bill. It is no new governmental principle that is sought to be established. The Government is already in business for certain interests and this bill seeks only to extend the principle to include agriculture. The opposition is prompted solely by private business interests and they are simulating concern for the Government only to divert attention from their real purpose.

The Constitution has never been an obstacle to powerful interests in securing such beneficial legislation as they desired. They can and have secured special advantage in an economic way under the Government without any concern as to constitutional authority.

It is only when legislation is sought in the interest of the great mass of the people that the special interests set up the cry that there is no power under the Constitution for such governmental aid.

The cry of unconstitutionality as to the McNary-Haugen bill is not a new cry. The voice uttering it is a familiar one. It is the same voice and the same cry that has been employed since the beginning of our Government to withhold from the masses the economic advantages that would lift them out of servitude to special privilege.

It is not necessary for me to discuss the provisions of this bill. The farmers are familiar with the principle which it embodies—they want it enacted. They want the principle adopted. If it should not work as successfully as the farmers hope it will it can be improved by amendment from time to time as its deficiencies may develop through operation.

Of course the commercial dealers in agricultural products are opposed to the bill because it would take the farmer out of their clutches. It would make him free. Likewise the money powers and the industrial powers are opposed to the bill because they do not want the great basic industry of agriculture to be on a basis of independence from their economic control. It would extend to 30,000,000 people a new freedom. For them it would be a new declaration of independence; not political independence, but economic independence.

The issue presents a cold business proposition. Shall the farmer have the profits of his industry or shall they continue to go to the commercial dealer and the market manipulator? A question of far deeper significance than that of mere dollars and cents is involved in the principle of this proposed legislation. It is a social question. Material prosperity is necessary to development and progress. Aspirations of mind and heart find no impetus in hopeless poverty. Respect for law and love of Government fail when the powers of Government are used for oppression and not for freedom.

The farms and rural communities of this country constitute the great reservoir from which flows the best citizenry of our Nation. Our ideals will perish and our grandeur fade when the soul of rural life is dead. Agriculture must be preserved for men and not for peasants. Thirty million farmers are determined to make the business of Government their business. They are in politics. Their interest compels it, their hearts are in it, and their courage rests in desperation. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Georgia [Mr. TARVER].

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. TARVER. Mr. Chairman, I do not claim to be an agricultural economist, nor possessed of that wisdom necessary to the solution of our agricultural problem. In view of the recognized difficulty and intricacies of the question it presents, and the inability of many of the best intellects of the Nation to arrive at a conclusion on the subject satisfactory even to themselves, I have listened with great interest during the few months that I have been privileged to sit in this Hall with you to some of the solutions which have been offered from time to time; and have tried to find reasons for the assurance with which some of them have been urged. There are a number of Members of this body who have devised their own individual plans for farm relief, which have appealed to them with greater force than the plan which, after years of study, has received the approval of the Senate and, in major principle, of the House Committee on Agriculture. There are some of these who, having failed to secure sufficient support for their own plans, are now willing to yield to the judgment of the majority and support the principle of the McNary-Haugen bill, knowing that unless they do so they will have neglected their only chance at this session of the Congress to do anything for the American farmer; there are others who, wedded to their own ideas, are unable or unwilling to see any chance of benefit to agriculture through other channels, and will by their votes say that in preference to the legislation advocated by the majority they prefer no legislation at all.

The McNary-Haugen bill is not perfect; there are some provisions of it, and especially the House version of it, which impress me as unwise, but it compares favorably to my mind with the plans which have been offered as substitutes. I have studied some of those substitutes with all of the care of which I was capable, and have listened to the explanations of their authors with intense and sympathetic interest. These have been, in the main, to my mind explanations that did not explain; most of them appear to have been drawn with a view to carrying to the agricultural population some sort of donation from the Federal Treasury instead of a plan of business organization capable of operation in perpetuity and by which the farmer may protect himself against those who reap fortunes by speculating in his products and manipulating the markets where he must dispose of the fruit of his toil. They have proposed remedies temporary in character and palliative in effect. All of them proclaim their belief in the necessity for farm relief legislation, and at the same time there is evidence of a fear that if they support something carrying with it a plan by which the farmer may permanently organize his forces in a business way, so as to take care of himself like the independent citizen that he is, there may be some mistake in that plan, it may not operate as intended, and if it does not, it may cause the farmer to destroy politically its supporters. And so some may prefer to do nothing rather than to do something which might possibly not work out well in practice.

Mr. Sydney Anderson, president of the Millers' National Association, representing millers manufacturing 65 per cent of the total national production of flour, appeared before the committee in opposition to the McNary-Haugen bill; nevertheless, he made in the course of his testimony one statement which makes a deep impression on me. He said:

> Sound solution of commercial problems can only be developed as a matter of experience and through trial and error.

I agree with him; and so long as Congress timorously refuses to adopt any remedy for the unfortunate condition of agriculture in this country, for fear that it may adopt one which has defects, it is apparent that no experience testing the practicability of such remedies can be had, no trial of anything can be made, no progress can be effected. I have faith in the fairness of the people of my congressional district; in the campaign which resulted in my election to Congress, I laid my views on farm relief before them and advised with them upon that subject in which they were so vitally interested. I can not say that, with anything like unanimity, they would agree that the vote which I shall cast on this bill is a correct one, but I believe it will meet the views of the majority of them, which views it is my duty to express as nearly as I can. In voting for that bill I have faith that the people of my district will approve my having made a conscientious effort in the interests of justice toward our farming population by so doing. But if it should be otherwise, Mr. Chairman, permit me to say that the question of my political fortunes is of small concern beside the issue here involved; and if, by offering my political welfare as a sacrifice upon the altar of the farmer's need, I can contribute toward hastening the day when agriculture shall come into its own, and the farmer shall receive an adequate return for his toil and be enabled by his labor to support his family in comfort and to properly educate his children, I shall always be glad that I was privileged to make the sacrifice. I do not come from a State which, as a whole, is suffering from economic depression, or an applicant for national sympathy. Aside from her agricultural interests, the business skies were never brighter over Georgia than they are to-day, and she is striding gloriously forward to that era of wonderful development which is her just due, and will place her eventually in the forefront of the Nation. From 1912 to 1922, the increase in her per capita wealth was 63 per cent, as against a 50 per cent increase for the Nation as a whole, a 23 per cent increase for the State of Iowa from which one of the authors of this bill

[Mr. HAUGEN] comes, and a 48 per cent increase for the State of Oregon, home of Senator MCNARY. But, on the other hand, her agricultural depression since 1920 has far exceeded that of the Nation as a whole and of the States mentioned, as well as many others.

In the United States as a whole the value of farm lands in 1925 was 73 per cent of 1920 values; in Iowa, 66 per cent; and in Oregon, 87 per cent; whereas, in Georgia, it was only 50 per cent. The per capita valuation of such land during the same period decreased 33 per cent in the whole country, 35 per cent in Iowa, 21 per cent in Oregon, but 53 per cent in the State of Georgia. I insert as a part of my remarks certain statistics published by the Bureau of the Census which demonstrate the truth of these assertions; and in connection therewith certain statistics relating to my own congressional district in Georgia:

*Total wealth and per capita wealth farm values*

| | 1910 | | | 1920 | | | 1925 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Population | Per capita | Total | Population | Per capita | Total | Population | Per capita |
| United States | $40,991,449,690 | 91,972,266 | $446 | $77,924,100,338 | 105,710,620 | $737 | $57,017,740,040 | 115,378,094 | $494 |
| Iowa | 3,745,860,544 | 2,224,771 | 1,684 | 8,524,870,956 | 2,404,021 | 3,546 | 5,602,077,895 | 2,419,927 | 2,315 |
| Oregon | 528,243,782 | 672,765 | 785 | 818,559,751 | 783,389 | 1,045 | 714,410,119 | 863,064 | 828 |
| Georgia | 580,546,381 | 2,609,121 | 223 | 1,356,685,196 | 2,895,832 | 468 | 686,673,248 | 3,101,523 | 221 |
| Seventh congressional district | 47,448,798 | 223,453 | 212 | 110,961,050 | 236,027 | 470 | 63,054,055 | 244,205 | 258 |
| Bartow | 5,669,474 | 25,388 | 223 | 11,309,540 | 24,527 | 461 | 6,869,818 | 24,527 | 280 |
| Catoosa | 1,834,389 | 7,184 | 255 | 5,224,836 | 6,677 | 783 | 3,028,975 | 6,677 | 454 |
| Chattooga | 3,117,634 | 13,608 | 229 | 8,054,627 | 14,312 | 563 | 4,340,605 | 14,709 | 395 |
| Cobb | 6,400,440 | 28,397 | 225 | 17,684,704 | 30,437 | 581 | 8,179,299 | 31,593 | 259 |
| Dade | 828,593 | 4,139 | 200 | 1,875,187 | 3,918 | 479 | 1,119,687 | 3,918 | 286 |
| Floyd | 5,905,265 | 36,736 | 161 | 14,221,407 | 39,841 | 357 | 7,382,255 | 41,600 | 177 |
| Gordon | 4,326,161 | 15,861 | 273 | 10,466,796 | 17,736 | 590 | 4,677,402 | 18,799 | 249 |
| Haralson | 2,604,151 | 13,514 | 193 | 6,161,403 | 14,440 | 427 | 4,309,470 | 14,963 | 288 |
| Murray | 2,009,133 | 9,673 | 208 | 4,689,819 | 9,490 | 494 | 3,629,924 | 9,490 | 382 |
| Paulding | 3,198,663 | 14,124 | 226 | 6,977,434 | 14,025 | 497 | 2,962,048 | 14,025 | 211 |
| Polk | 3,653,041 | 20,203 | 181 | 7,275,668 | 20,357 | 357 | 4,847,220 | 20,443 | 237 |
| Walker | 5,089,374 | 18,692 | 272 | 10,532,338 | 23,370 | 451 | 7,688,695 | 26,019 | 296 |
| Whitfield | 2,812,480 | 15,934 | 177 | 6,487,291 | 16,897 | 384 | 4,018,657 | 17,442 | 230 |

*Per capita estimated value of all property*

| | 1912 | 1922 | Per cent increase |
|---|---|---|---|
| United States | 1,950 | 2,918 | 50 |
| Iowa | 3,465 | 4,274 | 23 |
| Oregon | 2,816 | 4,182 | 48 |
| Georgia | 802 | 1,302 | 63 |

If these figures are any criterion as to existing conditions, Members of Congress from Georgia should be far more concerned in correcting existing agricultural troubles than even the Representative from Iowa [Mr. HAUGEN] and the Senator from Oregon [Mr. MCNARY], who have led this fight. With the per capita value of farm lands in my State depreciating 53 per cent in five years, I have no excuses to offer for lending such support as I can to an effort to stop the demoralization of the agricultural industry by legislation which will give it a fair chance to reach a level with labor and capital otherwise invested, rather than standing idly by to trust the issue to the operation of those economic laws which it is said can not be influenced by statute law, but which have been so tremendously influenced by legislation in the interest of American manufactories, notably the tariffs acts. The South is becoming more and more a manufacturing section. It is interesting to note that in the last census report upon the cotton milling industry it is stated that of the total active spindle hours for March, 1928, 5,508,055,878 out of a total of 8,312,305,109 are credited to mills in the cotton-growing States. There is no reason that I can conceive why a southern Representative should be opposed to reasonable tariff provisions for the protection of American industries and American labor; but at the same time agriculture has furnished the basis for our civilization, provided a class of citizens who have staunchly upheld our moral and political ideals, furnished a large part of those who now operate our other industries and carry on our businesses; and no question can be of more vital importance to the people of the South than that of placing farming on a prosperous basis.

It is said that the McNary-Haugen bill will not accomplish this result; that may be true. But of those who have given study to the economic problems involved, whose sincerity can not be questioned, of the farmers themselves who have studied their own difficulties—and many of whom are better able to comprehend them than some of our statesmen—an overwhelming majority have approved the McNary-Haugen plan.

Personally, I have approached with some concern the consideration of the equalization-fee proposition, which is a part of the plan. I have not failed to realize the capital that can be made by adroit politicians against those who vote in favor of the equalization fee, denominated as a tax on the already overburdened farmer, and attacked as unconstitutional. But the only question in my mind aside from that of constitutionality is whether it will benefit in the long run the people whom I represent and is fair to the Nation as a whole. If I am satisfied about these features, then I am willing to subject myself to the criticism which I know voting for it will entail in some quarters.

If it is unconstitutional, of course, it will be neither a benefit nor a burden; its operation will be restrained by the courts long before it can be made use of. Yet, with able legal authorities supporting both sides of that question, and with at least considerable doubt with regard to it in the minds of most of us, there is no way to have that question determined except by enacting this law, in order that a test case may be made. If it were clearly unconstitutional, I would not vote for it; but with its constitutionality supported by the action of eminent lawyers in the Senate in giving it their vote and by the opinions of the two great Committees on Agriculture of the House and Senate, I feel constrained to so vote as to give an opportunity for it to be submitted to the courts for decision, when convinced that the effect of it, if it is constitutional, will be beneficial.

When we approach that phase of the matter, there is a disposition on the part of some of our southern representatives to insist that, whatever its effect upon other agricultural products, it can not be beneficial to cotton. I entertain the contrary opinion.

This bill, as passed by the Senate—and it is the Senate bill that I hope will be enacted into law—provides, first, for a revolving fund, the amount of which is fixed at $400,000,000, to be administered through a Federal farm board, composed of the Secretary of Agriculture and one man each from the 12 Federal land-bank districts, each of whom must be interested in agricultural productions. It is therefore to be a board friendly to agriculture. This board is authorized to make loans on agricultural products at the rate of 4 per cent, and to this extent the legislation meets the ideas of those who insist that this is as far as the Government should go. If the equalization fee is held unconstitutional, this part of the legislation will not be affected, and will accomplish a similar benefit to that proposed in other legislation before the Congress from which the equalization fee is eliminated.

If the equalization fee is enacted, its purpose, as we know, is to further provide stabilization funds for various agricultural products, which funds may be started by advances from the revolving fund, but must be maintained by profits arising from marketing agreements and from equalization fees. It is never to be used if the $400,000,000 loan fund provides a remedy. It is sought by this means to maintain a permanent organization by which orderly marketing of agricultural products may be brought about and the farmer relieved of the necessity of dumping his product on the market within a few weeks of the year at gathering time, by which procedure he lowers the price at the time he has to sell below the average for the year and sees others obtain profits which justly belong to him. The purchasing or otherwise withholding from the market under the direction of the farm board of seasonal or yearly crop surpluses, and the marketing of such surpluses in an orderly way at such times as will best maintain a stable market, is to be accomplished through the stabilization funds. In addition, the bill provides for a system of insurance by which associations with-

holding cotton from the market under the direction of the farm board may be guaranteed that the average price during what is denominated the delivery season will not be higher than the average price during the sale season for a small insurance fee estimated at $1 per bale and based upon statistics as to price fluctuations for the 20 preceding years or upon a nonpremium basis financed from the stabilization fund.

Under this system of insurance it will be possible for associations withholding cotton from the market to advance farmers depositing their cotton with them practically the existing market price at the time of delivery, with a chance—and a very good chance—to those farmers that their products will increase in value to their benefit, but without a risk that the market will decline—to their loss and damage. The insurance fund by which this is done under the nonpremium plan and the entire system of withholding cotton under marketing agreements is made possible through the equalization fee, by which every unit of a commodity contributes ratably to the expense. If it is a plan which works well in practice, why should any man object to contributing a reasonable part of the expense? If benefits are to be derived from withholding a crop surplus from the market by all producers of that commodity, and loans as authorized in the bill should prove insufficient to handle the situation, why should not all producers contribute to the necessary expense rather than that, under the present system, only a small percentage of the producers should attempt to do such withholding as is done, bearing all the expense, running all the risk, and being unable to perfect a sufficiently strong organization? I am informed by the president of the Georgia Cotton Growers' Cooperative Association that each member of that association had to pay last year, besides his dues, $5.70 for expense incurred in warehousing, insuring, and finally selling each bale of cotton. That was an "equalization fee" larger in amount than would ever be levied under this act and which produced infinitely less beneficial results than would probably follow the enactment of this law, which would effectually bring about the organized cooperation not of a few farmers but all of them.

Let those who fear the equalization fee remember that under the Senate bill it can not be levied unless loans from the revolving fund do not stabilize prices nor without the joint action both of the farm board and of an advisory council of seven representing the particular agricultural commodity upon which it is to be levied and named by the farmers themselves through their associations; and it is inconceivable that such a council would ever permit the levying of an equalization fee burdensome in proportion, or, if upon trial it did not prove satisfactory, would ever permit it to be relevied under any circumstances.

This law is to be administered by the friends of agriculture. It does not require the levying of an equalization fee, but leaves that in the joint discretion of the farm board and the advisory council. Is it revolutionary to be willing to try this plan, which carries with it such promise of benefit to the farmers of the country, when we know that if its success is not demonstrated, it will be abandoned, and can be even without a repeal of the law? In the name of common sense, are we not willing to trust the representatives of the farmers themselves to be honest and reasonable? Do we assume to be ourselves the only friends of agriculture and the only ones worthy of trust, unwilling to even invest discretion in others who will be equally conscientious? The man who is not willing to go to some extent into the field of experiment in trying to save the agricultural situation in this country is not willing to do anything; for their is no proven plan by which success is assured.

I am familiar with the arguments of those who claim that this is a price-fixing scheme, that the effect would be temporarily to raise prices, but that such increase in prices would be met with increase in production, again demoralizing the situation. There is no element of price fixing in this bill. The retirement of such a proportion of the cotton crop, for instance, from the market, as to bring about a temporary price out of proportion to the world's supply would be foolhardy and would not be attempted by men of the caliber of those who would be placed at the head of this organization. The law of supply and demand must function. Neither would it be possible to create a price for cotton in this country above the world price, since there is no tariff on cotton.

But to have a board provided with a sufficient organization and sufficient funds to counteract depressions of the market entirely unrelated to the law of supply and demand, by feeding the farmer's products to the market as they are needed by the consumers instead of as they are desired by the speculators, and to assure the farmer that he himself will receive what is paid by those who use his raw material and to protect him against violent fluctuations of prices brought about by "dumping" at market seasons and by speculation—that is not price fixing, but seems to me to be good business. It is not likely that any tremendous increase in the price average of cotton, for instance, will result from the passage of this law, but that an improvement of prices will result is fairly to be hoped. If such increase in production as might thereby be brought about should bring about an unwieldy surplus, the farm board is expressly directed by the proposed law to refrain from attempting to withhold the surplus from the market. It is presumed the board will have and will exercise good judgment, and it is not to be presumed that merely aiding the farmer to get a just price, based on supply and demand, instead of speculation, for his products will cause him to run wild on acreage and to overproduce.

I have discussed this bill at greater length than I had intended. It relates to a subject upon which I feel very deeply. In the northwest Georgia country, in which I live, hundreds and thousands of farm houses are vacant this year, and one of them is the house in which I spent the years of my childhood and which never before in over 40 years has been without a tenant. Desperate as the condition of many of our farmers is, there is no proposal here to make any donation from the Treasury; there is not anything in this bill that even squints at such a thing. The American farmer is not and never has been an applicant for charity; he has that independence of character native to the soil, but he has that sense of fairness which demands a square deal. I believe the Senate bill now before us will help to give it to him, and I am going to support it for that reason. (When we have practically donated billions of dollars to stabilize the industries and agriculture of Europe, it is hard to feel there are men unwilling to even loan the amount named in this bill to the American farmer to enable him to live, to educate his children, and to discharge well his duties as a citizen.)

The American people should not forget, however, that this bill does not outline the only legislative way by which Congress may be of benefit to the farmer. The effort to secure action in this House with regard to a Senate resolution demanding tariff revision, which the Democratic Members almost solidly supported, was a blow for farm relief. There are many tariff rates upon necessaries that the farmer uses, as well as upon goods necessary to the people as a whole, that are far in excess of what would be essential for the protection of American industry. This sort of relief—not for farmers alone, but for the people of the entire country—can only be looked for in the event of the election of a Democratic Congress.

Let not the farmer of the South forget that in the disposition of Muscle Shoals is bound up a vital question of relief for him. If it shall be determined that the manufacture of fertilizer there is practicable and will result in lowering the price to the southern farmer of this agricultural necessity, it will be of wonderful benefit to the farming industry in the South. Whether this problem, which has been before the Congress for nine years, will be disposed of during the present session is very doubtful; but the people will not forget that those who are in control of the calendar and are strangling all Muscle Shoals legislation are effectively denying another attempt at farm relief.

Nor is the matter of relief in the raising and sale of farm products the only sort of relief that the farming population of this country needs. They need schools in the rural districts capable of affording to their children educational opportunities equal to those given to the children of the cities. We are all one people, city and country alike, and to my mind every American child has a God-given right to an educational opportunity, without discriminating between those who live in thickly congested areas where great wealth abounds and those who live in the more sparsely settled sections where local taxation can not, without being extremely burdensome, sufficiently supplement State appropriations to afford proper schools.

The most practicable aid for rural sections in school matters lies in the adoption of measures like that of Senator GEORGE, already passed the Senate, to extend additional Federal aid to vocational agricultural education, and in school consolidation; but school consolidation can not be had until farmers have good roads; and the building of only great interstate thoroughfares and intercounty thoroughfares does not furnish a large percentage of our population with good roads. It is my earnest hope that the Committee on Roads will see fit to give approval to my bill which proposes to spend $25,000,000 annually on rural and star-route roads, not now included in Federal or State highway systems. To do that will help toward another kind of farm relief, but none the less beneficial for that reason; for, as you add to the farmer's convenience in the matter of roads, you likewise enable him to consolidate school districts and build and maintain better schools, make the country more

attractive for him and his family, and render it less probable that he will pull up stakes and go to the cities where he can properly educate his children.

There are many other ways in which aid could be afforded our farming population, and benefit thereby extended to our entire country, since we can not separate our country and its welfare from the welfare and prosperity of the farmer. A bill does not have to be labeled "farm relief" in order to be a measure tending to bring justice to agriculture; and I call upon all true friends of the farmer to support, not alone this measure, but all others which shall tend to fairly give the farmer a better opportunity to live and prosper.

It is a matter of vital interest to the southern farmer and laboring man as well, that a bar shall be fixed against the present tremendous influx of Mexican peons into this country, where they enter into competition with American labor, and, in addition, enable some sections of the West which were never able to produce cotton with American labor at a profit, to enter with the aid of cheap Mexican labor into competition with the cotton farmer of the South. Far too many propositions of this kind which directly affect the prosperity of our people are neglected, and Congress prevented, through the Republican organization in this House, from even having an opportunity to vote thereon.

I mention these matters which some may consider not material to this bill, for the purpose of calling attention to the fact that it need not be expected that Congress shall, at one fell stroke, bring about by legislative action agricultural prosperity in this country, but that the matter of remedying here and there various handicaps under which agriculture labors is one of many angles, requiring faithful and persistent effort along many lines by those who stand for justice to our farming population. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Missouri [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. Chairman, ladies and gentlemen of the committee, if there had been any doubt in my mind as to how I should vote on this bill, my good friend from Massachusetts has presented an argument that has satisfied me, and I am ready to vote for the bill. [Applause.] I have listened with a great deal of interest to the various arguments that have been presented, but none of them, so far as I have heard, has been more convincing, to my mind, of the real merits of this bill than the argument presented by the gentleman from Massachusetts. His argument against the bill has satisfied me that it will do for the farmer what the tariff has done for industry. When he said that it would bring better prices to the farmers of this country he was sincere, and that is what we want. [Applause.]

Mr. Chairman, for several months past the metropolitan press has told us of the marvelous prosperity that exists in this country and we have frequently heard it mentioned on the floor of the House. Even the President advises us that the country is very prosperous.

Agriculture is not only the basic but the greatest industry of the country. It is the foundation upon which permanent prosperity of all business, commercial, and industrial activities must rest. Therefore to determine the soundness of the claim that the country is experiencing a period of genuine prosperity an inquiry into the agricultural situation is very pertinent.

In November, 1927, the business men's commission on agriculture, created jointly by the Industrial Conference Board and the Chamber of Commerce of the United States, published its report, in which the extent and gravity of the agricultural problem is, in part, summarized as follows:

> Any serious and careful consideration of the situation and trend of American agriculture makes it clear that in relation to it the United States is confronted with a question of fundamental national concern and of permanent importance to the American people. The specific problems which face individual farmers, the different branches of the industry, and the several agricultural sections of the country are numerous, varied, and constantly shifting; but beneath all these there lies the fundamental question of the maintenance, improvement, and wise utilization of the irreplaceable land resources of the Nation, which must remain the basis of the prosperity and even of the very existence of our people.
>
> The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to postwar conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

This commission was headed by Charles Nagel, from my own State, as chairman, a very able and prominent Republican.

During the past seven years more than 4,000,000 people left the farm. Approximately 650,000 farmers quit their calling in 1926.

In the past seven years approximately 4,000 bank failures occurred, over 90 per cent of which were in agricultural communities.

From 1920 to 1925 farm values decreased $30,000,000,000, while mortgage indebtedness of farmers increased from $7,860,000,000 to $8,500,000,000. The Secretary of Agriculture has estimated the farm-mortgage debt of the farmer for 1926 at $9,500,000,000. This does not include other indebtedness of the farmer.

In the year 1926 approximately 200,000 farms changed hands, many of them as a result of foreclosures, tax sales, and bankruptcy proceedings, and the net income from capital invested in agriculture decreased 21 per cent.

By reference to the Agricultural Yearbook published by Mr. Jardine, page 1204, we find the value of 22 leading farm crops dropped from $12,442,977,000 in 1919 to $7,036,786,000 in 1926, a shrinkage of $5,406,000,000 in seven years. The shrinkage in value of all crops for the same period was $6,340,000,000.

From page 1208 we find the average value of wheat per acre in the United States for the year 1925 was $17.65, while the cost of production, based on 1925 cost data, as shown on page 1209, was $22.41, a loss to the farmer of $4.76 per acre.

The value of corn per acre for the same year was $17.21, page 1208; against a cost of production of $24.97, page 1213; a loss to the farmer of $7.85 per acre.

Taking my own State and those immediately adjoining, the following estimate is found:

Average value of wheat per acre in the State of Missouri, $18.98; against a production cost of $19.36; loss to the farmer, 38 cents per acre.

Average value of corn per acre, $18.50; against a production cost of $20.40; loss to the farmer, $1.90 per acre.

Iowa: Average value of wheat per acre, $25.08; against a production cost of $22.55; gain to the farmer of $2.53 per acre.

Average value of corn per acre, $20.72; against a production cost of $26.14; loss to the farmer, $5.42 per acre.

Illinois: Average value of wheat per acre, $21.93, against a cost of production of $20.80; gain to the farmer, $1.13 per acre.

Average value of corn per acre, $19.04, against a production cost of $23.29; loss to the farmer, $4.25 per acre.

Arkansas: Average value of wheat per acre, $17.27, against a production cost of $18.37; loss to the farmer, $1.10 per acre.

Average value of corn per acre, $16.40, against a production cost of $20.89; loss to the farmer, $4.49 per acre.

Kansas: Average value of wheat per acre, $17.60, against a production cost of $15.37; gain to the farmer, $2.23 per acre.

Average value of corn per acre, $7.21, against a production cost of $13.68; loss to the farmer, $6.47 per acre.

The price level of cotton on the 15th day of December, 1926, was 19.4 per cent lower than the price level before the war.

On page 527, Commerce Year Book for 1926, we find No. 1 calfskin for the years 1912 to 1916 was 21.3 cents per pound; the price at the close of 1926 was 17 cents a pound, a drop of 4.3 cents per pound. On the other hand, men's shoes made from these hides, as will appear on page 538, advanced in price from $3.11 in 1913 to $6.40 in 1926. In other words, calfskin produced by the farmer in 1926 was selling approximately 20 per cent lower in 1926 than the same article was selling for in 1912 to 1916, while shoes made from those hides were selling 100 per cent higher in 1926 than in 1913.

The following comparison of the purchasing price of a bushel of wheat in 1913 and 1927 is very significant:

| | 1913 | 1927 |
|---|---|---|
| | *Bushels* | *Bushels* |
| Wagon | 70 | 130 |
| Double harness | 30 | 60 |
| Pair of shoes | 5 | 9 |

Wagons that sold for $60 in 1913 sold for $125 in 1927; self-binders that sold for $125 in 1913 sold for $235 and more in 1927; plows that sold for $14 in 1913, sold for $28 and up in 1927; shoes that sold for $4 in 1913, sold for $8 in 1927.

The farmer is compelled to sell the products of the farm at a price fixed by the middleman and buy his supplies at a price fixed by the manufacturer and distributor—he has no voice in either. He pays the freight both ways. The freight is added to the price of everything he buys and deducted from the price he receives for everything he sells. Freight rates to-day from outlying shipping points to primary markets are something near

45 per cent above pre-war rates and from primary markets to the seaboard about 73 per cent above pre-war rates, while in Canada freight rates are almost down to pre-war levels. To-day the Alberta, Canada, farmer can ship his wheat 1,243 miles for 26 cents per hundredweight, while the Denver-Galveston rate for 1,113 miles is 56½ cents. The rate from Chicago to Baltimore, 802 miles, is 21 cents; while the rate from Denver to Missouri River points, a distance of 538 miles, is 33 cents.

The Secretary of Agriculture, in speaking of freight rates as applied to wheat, says:

> These freight rates are large relatively as well as absolutely. They place the American wheat farmer at a disadvantage of from 4 to 10 cents per bushel in comparison with freight rates of his competitors in Canada and Argentina.

The farmer is unfairly discriminated against in the matter of taxation. Farm lands and urban real estate at the present time are taxed entirely out of proportion to other property and for benefits which are enjoyed by and should be paid by others.

The total value of tangible and intangible property for 1922 was $476,712,487,000; the value of real property and improvements, according to the Census Bureau, being $176,414,444,000. The total assessed value of all tangible and intangible property for that year was $124,616,675,000. The total assessed value of real property and improvements was $92,369,378,000. Deducting this amount from the assessed value of both tangible and intangible property we find the total assessed value of property other than real property and improvements to be only $32,247,297,000. From these figures we find that the farmer is paying on a valuation of approximately 55 per cent of his farm values while the owner of other property is paying only on a valuation of approximately 10 per cent of its value.

It has been estimated by the Secretary of Commerce, Mr. Hoover, that the wealth of the United States had increased about $85,000,000,000 since 1920. Yet, in spite of this fact, the farmers of the country have lost approximately $30,000,000,000. It is at once apparent that the farmer has not participated in the increased wealth of the country; on the other hand, the mortgaged indebtedness has increased to more than $12,000,000,000 with an average interest rate of approximately 7 per cent. In addition to the freight rates, interest, and tax burdens borne by the farmer, he is being plundered by the iniquitious schedules of the present tariff law.

I favor a fair and equitable tariff law, but it is estimated that the present tariff act costs the American people approximately $4,000,000,000 annually, about three and one-half billions of which goes into the pockets of the manufacturers and one-half billion into the Treasury. The per capita cost of the tariff is approximately $35 per year; to the farmer with a family of five, $175 per year.

An article in the American Farm Bureau Federation Weekly in its news letter of January 11, 1923, after an exhaustive discussion of the present tariff act in relation to the farmer, summarizes the situation as follows:

> Cost to the farmer of the tariff, $426,000,000; gain to farmers as producers, $125,000,000; net cost to agriculture of the tariff $301,000,000.

Paragraph 1504, schedule 15, under title 2 of the present tariff act, placing agricultural implements on the free list, was inserted to deceive the farmer. The paragraph closes with the very significant provision:

> *Provided*, That no article specified by name in title 1 shall be free of duty under this paragraph.

By reference to title 1 we find that everything of any particular value that is used in the manufacture of agricultural implements is subject to a high and excessive tariff, and it is estimated that it costs the farmer $75,000,000 annually on the purchase of agricultural implements alone.

Substantially everything that the farmer uses, eats, or wears bears the burden of a tariff; and if he is to get any substantial relief from Federal taxation, it must come from a revision of the tariff.

The farmers have long since learned that a tariff on farm products is of little or no benefit to him from the fact that he is compelled to sell his products upon an open world market. Regardless of politics they are to-day demanding a revision of the tariff act or such legislation as will make the tariff effective upon farm products. They want a tariff for all or a tariff for none.

The average annual price paid by the consumer for the products of the farm is in the neighborhood of $22,500,000,000; the amount received by the farmer approximately $7,000,000,000. In other words, out of every $3 paid for the products of the farmer by the consumer the farmer receives $1, while the middleman, the manufacturer, and the transportation companies get the other $2. The spread between the farmer and the consumer is unquestionably too great and absorbs the profits of the farm. Not only does the farmer suffer from high taxes, high interest rates, high freight rates, and the unwarranted spread between the farmer and the consumer, but he must contend with the elements and the forces of nature. He gambles with drought and with flood; with sunshine and with storm; with heat and with cold; and if he, perchance, is the winner, he faces an unequal battle with other groups to preserve the profit he makes.

In the development of the economic and legislative policies of this country we have entirely lost sight of the farmer. We need a positive, well-defined agricultural policy—we have none. Although agriculture is the basic industry of the Nation, and every other business depends upon it, the farmers, as a class, receive less benefit from legislation than any other group. We created the Interstate Commerce Commission, a Government agency that fixes the price of transportation, and enacted the Esch-Cummins law for the benefit of the railroad companies, thus enabling them to keep the rates high enough to give them a reasonable return. We created a Federal Reserve Board that fixes the price of credits, and the Federal reserve banks that protect the banking interests in times of distress. Labor has its immigration law that protects it from outside competition, and the Adamson Act that regulates its hours, while the great industries of the country have the Fordney-McCumber Tariff Act, which enables them to increase the price of their products above the world level.

For six years the farmer has appealed to the Government for economic justice, but his appeal has been in vain; he has petitioned, but his petitions have been ignored. In a country that boasts of its wealth and power, its liberality and progress, its philanthropy and love for humanity, the gross injustice to the American farmer during the past seven years is a national shame.

Diversification of crops has been suggested; this would not solve the problem. Cooperative marketing has been offered; this would not give the necessary relief. Eliminating the surplus has been advised; this would be dangerous. A shortage in manufactured products would be an inconvenience and actual shortage in food supplies would be a tragedy. A reasonable surplus in farm products is our insurance against hunger and famine.

Extension of credit has been proposed. Any measure proposing relief that provides for further involvement without a corresponding correction in the general price level equal to the cost of production is both economically unsound and morally wrong. The farmer wants credit to the extent that it may be necessary in the successful operation of his business; but what he needs most of all is a price for his product sufficient to give him a reasonable return on his labor and his investment, thereby enabling him to pay the debts he already owes.

There should be a redistribution of the tax burden that rests with undue severity upon the farmer; a readjustment of freight rates on farm products, lessening the cost of transportation; a sane revision of the tariff downward and the enactment of such legislation as will place the farmer on an equality with industry and labor.

The proponents of the so-called McNary-Haugen bill claim that it will have this effect. I think it is a step in the right direction; it is the only legislation that we will have an opportunity to vote upon that proposes to give relief to the farmer, and I believe that every Member who is interested in the welfare of the farmer should support it. We all know that we can not make matters any worse. I was born and reared on a farm; my heart beats in sympathy with the man who toils. There is no group of people more honorable, more patriotic, or more deserving than the American farmer, and he should no longer be ignored.

Objection has been made that this bill represents the work of farmers and farm organizations and not the intelligence of the committee that reported the bill.

For that very reason, if no other, we should support the legislation. Industry and big business had a voice in writing the tariff legislation; labor and labor organizations had a voice in writing legislation for their protection; banks and bankers had a voice in writing legislation for their protection; railroads and transportation companies had a voice in writing legislation for their protection. Why should not the farmers and farm organizations have a voice in writing legislation in the interest of agriculture?

If the farmer is given a voice in writing legislation in his behalf and it proves a failure, he will assume the responsibility and not hold it against us. We all recognize the fact that this piece of legislation is not perfect. The farmer understands that. We understand that it is an experiment in a great

measure. The farmer recognizes that fact. We all understand that any great piece of legislation is brought about more or less in a spirit of compromise. The farmer knows that.

If we pass this bill and it fails to function in the interest of the farmer, it can be and will be repealed. If it proves a success, the farmer will profit thereby.

The Republican Party in convention assembled at Cleveland, Ohio, declared:

> We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back the balanced conditions between agriculture, industry, and labor.

The Democratic Party in New York expressed itself in the following language:

> Stimulate by every proper Government activity the progress of the cooperative-marketing movement and to the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

If we are to retain the confidence of the farmers in this country, such platform declarations must not be meaningless platitudes but should represent a sincere desire to relieve a great economic group that has long been neglected. As a result of agricultural depression small business concerns and small banks have failed by thousands. Unless relief to agriculture comes this condition will continue.

I want to see this bill passed because I am sincerely interested in relief for the farmer. I want to see it passed because the farmer is appealing for legislation that will place him upon an equality with other groups. I want to see it passed because the farmer is justly entitled to legislation that will enable him to rise above the position to which he has fallen as a result of economic injustice and discrimination. I want to see it passed because I believe it will rescue the farmer and help save the small business man and the small banker. This is the only farm-relief legislation that has a chance to pass at this session of Congress. Why not pass it and quit trifling with the farmer? If it does not work, repeal it and try something else.

If the President vetoes it, then his is the responsibility.

When Thomas Jefferson became President of the United States, formal receptions were abandoned and no distinction of persons was recognized at the White House. On certain days each week any one who wanted to see the President was admitted, whether clothed in buckskin breeches or as an aristocrat. Each received the same respectful hearing. This was distasteful to diplomats representing the royalties of Europe. Sir August Foster, secretary of the British legation at the time, sneeringly referred to Jefferson as being a tall man with a very red, freckled face and gray, neglected hair, and said that he "looked very much like a tall raw-boned farmer."

We need a Jefferson, a Lincoln, or a Jackson in the White House—a man that will hearken to the voice of the common people, a man interested in the West as well as the East, a man as respectful to the farmer as to the plutocrat—a red-headed freckled-faced Jeffersonian, "a tall raw-boned farmer"—that would be a mighty good description for a President to-day. That kind of a President would have saved the farmer from the tragedies of the past seven years.

The safety of American civilization—the future of this Government depends upon a happy, prosperous, contented, and virile farmer citizenship. The shadows of former nations and former civilizations cross the stage like the ghosts of Macbeth—Egypt, Assyria, India, Greece, Rome. Shall America and American civilization join the weird procession? God forbid. Corruption will be curbed, discrimination will cease, all wrongs will be righted, the American farmer will come into his own, and American civilization and American statesmanship will blaze out the path and make clear the way up which all the nations of the earth must come in God's appointed time. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MAJOR].

Mr. MAJOR of Illinois. Mr. Chairman, I ask unanimous consent to include in my remarks resolution passed by the Illinois Agricultural Association and a letter addressed to me from Mr. Earl Smith, president of the Illinois Agricultural Association, and to also include a short editorial from the Prairie Farmer.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. MAJOR of Illinois. Mr. Chairman and Members of the House, no more pleasant task has been mine during this session of Congress than the opportunity to raise my voice and register my vote in favor of this proposed farm-relief legislation. For more than eight years this great basic industry of the Nation has been and yet is in a deplorable condition. It seems almost useless at this time to recount even briefly the history of this period. It is one of hardship and suffering, mortgage foreclosures, bankruptcies, and bank failures such as has never before been visited upon so large and important portion of our citizenship in the entire history of this country.

The saddest thing I know of is to see a man who has passed the meridian of life lose the earnings of a lifetime, without any fault of his own, and be forced to commence life's work over again to provide a home for his declining years. Yet that is just what has happened to a million farmers in America, and a million more farmers in America are holding their homes to-day through the leniency of their creditors, and unless some legislation is passed that will be beneficial to agriculture they, too, sooner or later must lose their homes.

Since the crisis came to agriculture in 1920 the farmers have suffered a loss of more than $30,000,000,000. Since 1920, 2,000,000 of our farm population have left the farms each year to mill around in the great cities looking for employment. Most of them have been forced to return to the farm, but the actual net loss in our farm population since 1920 is between three and a half and four million.

In 1910 we had a farm mortgage indebtedness in this country of three and a half billion. To-day the total mortgage indebtedness of the farmer is something like twelve and a quarter billion dollars.

Since the crisis came to agriculture in 1920 more than 3,000,000 acres of land that were once fertile have been abandoned because the farmers are unable to buy fertilizer to keep up the fertility of the soil.

The bank failures in this country during the past few years are a sure barometer of the agricultural situation. Since 1920 more banks have failed than in all the years from the Civil War down to that time. During the period of 11 years up to 1920 we had 642 bank failures. During the past seven years we have had 4,287 bank failures. The average number of such failures from 1909 to 1920 was 61 per year. In 1921 we had 396 bank failures, in 1922 we had 394 bank failures, in 1923 we had 314 bank failures, in 1924 there were 894 bank failures, in 1925, there were 550 bank failures, in 1926 there were 573 bank failures, and in 1927 we had 831 bank failures. The figures for the year 1927 do not include State bank failures from July 1 to December 31 of that year. Eighty-seven per cent of these bank failures have occurred in agricultural sections of the country and can be attributed almost entirely to the condition of agriculture.

Here is another evidence of the unbalanced condition so far as the wealth of America is concerned: The total deposits in all the banks of the United States on the 1st day of January, 1914, was $21,359,842,316. The total deposits in the banks of this country on the 1st day of January, 1928, had reached the enormous sum of $57,820,730,000, an increase in 14 years of $36,460,895,684. In other words, while the farmers of the United States have suffered a loss of more than $30,000,000,000, the industrial States of the Union have increased their wealth, as shown by the deposits in banks, more than one and one-half times in 13 short years. So it appears that the accumulations in banks as shown by their deposits have increased more in 13 years than in the whole preceding period from the time of the formation of this Government.

Mr. Chairman, the whole world has marveled at the rapid accumulation of wealth in this country during the last few years, yet no part of that great accumulation of wealth has come to the tillers of the soil. In 1914 the estimated wealth of the United States was $200,000,000,000. The estimated wealth to-day is three hundred and fifty-five and one-half billions of dollars. In other words, since 1914 there has been an increase in our national wealth of one hundred and fifty-five and one-half billions of dollars. We have accumulated more wealth since 1914 than England accumulated in all her 1,000 years of existence. The national wealth of England is rated at $120,000,000,000; France, seventy-five billion; Russia, seventy-three billion; Germany, seventy-five billion; Belgium, ten billion; Italy, twenty-six billion; and Canada, twenty-two billion. However, with all this great accumulation of wealth, so great as to stagger the imagination, farming conditions have gone from bad to worse.

As I said before, Mr. Chairman, it is futile to offer figures to prove the deplorable condition of agriculture. Any person who has given the slightest attention to the subject knows it is one of the most important and perhaps the most important problem of this generation.

### WHAT IS THE SOLUTION?

It is not an uncommon thing to hear some person say—in fact, I have heard it said in this very Chamber—if the farmer would go to work he could solve his own problems. This is an

unfair assertion. The American farmer has been at work. There is no class of people on earth whose industry compares with his. To-day, while we have only 7 per cent of the land of the world and 6 per cent of the population, we are producing 68 per cent of all the corn of the world, 65 per cent of all the cotton of the world, 46 per cent of all the tobacco of the world, 37 per cent of all the oats of the world, 24 per cent of all the wheat of the world, 18 per cent of all the flax of the world, 15 per cent of all the barley of the world, and 15 per cent of all the beans of the world. At the same time we are producing 76 per cent of all the apples that go into commercial use in the world, 37 per cent of all the oranges, and 36 per cent of all the lemons of the world. We have in this country 24 per cent of all the horses and mules of the world and 40 per cent of all the poultry of the world. We are producing between 33 and 35 per cent of the milk of the world, 30 per cent of the butter of the world, and from 12 to 15 per cent of the cheese of the world.

Another statement we often hear is that the farmers could take care of themselves if they would organize the same as other economic groups have done. That perhaps is true; but can they so organize? While they have made great strides along this line and can yet do much to improve their condition, the answer to this question must be "no." The diversified and conflicting interests of the dairy farmer of the East, the cotton farmer of the South, the stock farmer of the West and Southwest, and the grain farmer of the Central and Western sections are such that even the hope that they can ever be brought together in one great organization is a dream too good to come true. Notwithstanding the fact that the nature of their business is such as to prevent their organizing as other groups are organized, they must meet organized effort on every side.

Everything they buy comes from organized groups with the price fixed, everything they sell goes into the hands of organized groups with the price fixed not by the farmer but by the purchaser of his products. He is the one man who has nothing to say about the price he is to receive. He has to look at the morning paper to find out what the wheat exchange will give him for his wheat, what the packers will give him for his cattle and hogs, what the produce dealers will give him for his poultry and so on.

Another remedy often suggested is diversified farming. Good husbandry no doubt requires this practice and it has been practiced by successful farmers for years. In other words, farmers of my section, at any rate, have long ago learned it does not pay to put all their eggs in one basket. I doubt, however, if it can be successfully contended that any amount of diversity will solve the present problem. There are five major crops produced in this country—cotton, wheat, oats, hay, and corn—besides the many crops which may be designated as minor crops. Of the major crops it is estimated there are not less than 37,000,000 acres of land devoted to each or about 185,000,000 acres devoted to these five major crops. It is also estimated there are about 40,000,000 acres devoted to all minor crops. The same authority discloses the surplus acres in the major crops are about as follows: Cotton, 10,000,000 acres, wheat, 9,000,000 acres, hay, 8,000,000 acres, oats, 6,000,000 acres, and corn, 6,000,000 acres from which it is readily apparent that diversified farming or the substitution of minor crops for a portion of the acreage would not materially help the situation. A relatively small increase in the acreage of the minor crops would soon bring an overproduction in any one of them. With an overproduction to the extent of 39,000,000 acres in the five major crops, and with the total of 40,000,000 acres for the minor crops, it is quite apparent that diversified farming is not the remedy.

I have merely mentioned a few of the many suggested remedies, none of which seems practicable and none of which the farmers themselves approve.

THE PRESENT BILL

For more than four years the farm organizations of this country have been back of what is widely known as the McNary-Haugen bill. It passed both branches of the Sixty-ninth Congress but was vetoed by President Coolidge. The bill now before us has been substantially altered in many respects to meet the objections made by the President in his veto message of the former measure. The present bill in my opinion is a great improvement over former bills in that it is much more simple in its terms and mode of operation. Like its predecessors it is predicated on the almost universally admitted proposition that the great problem of Agriculture is that of surplus produced. Whenever there is a surplus, it is an economic adage that that surplus fixes the price for the whole commodity; and, inasmuch as it is necessary for the producers of the country to sell this surplus in foreign markets, it naturally follows that the price obtained by the American producer is the world price; and so long as we are working and living under a protective tariff, it is not fair to the farmers of the country to be compelled to sell their whole product on the foreign-price level, and buy that which they need and must have in a protected market. That is one of the cardinal principles and one of the foundation stones upon which this measure is built, as were all of its predecessors.

In this bill there are two separable remedies. The first adopts the remedy of loaning money to cooperative organizations for the purpose of promoting the orderly marketing of farm products, or to loan them money for the purpose of acquiring the surplus products and selling them or making such disposition of them as in their judgment seems best. Second, if the Federal farm board finds that the cooperative or designated agencies are unable or unwilling to take the surplus product of any commodity from the market, then it may under the method described in the bill, start an operating period on that particular commodity. An equalization fee will be collected from those who are to be the beneficiaries of this operation for the purpose of paying the cost of the same.

Mr. Chairman, in the few minutes at my disposal it is impossible to discuss what I understand to be the essential features of this bill. The declaration of policy as set forth in the bill states the general purpose in language more apt than I could use in describing it. I quote:

> In order to stabilize the current of interstate and foreign commerce in the marketing of agriculture commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby declared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize the speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

Mr. Chairman, many arguments have been advanced against this proposed legislation, some with logic of course, but much without logic. No one, however, can deny or defend the present situation. It is a simple story, and it seems to me that anyone with an open mind who studies the legislation that has been passed in the last few years, and the increased cost of production, can understand why there is a farm problem. The farmer is not responsible for the farm problem. He is fighting for an opportunity to pass on some of his increased cost of production, and he will be able to do that if this bill shall become a law. It will give him at least a part of the protective tariff that was promised him when the Fordney-McCumber bill was passed, but which he can not get under the present conditions, when there is a surplus.

The trouble with many of our friends from New England, where their industries and products have been protected by the highest tariff ever enacted at the expense of all the people of this country, is that they think the United States of America is all located east of the Allegheny Mountains. They talk about class legislation in face of the fact that their section is the chief beneficiary of more class legislation than all the rest of the country combined.

It has also been argued that the farmers themselves are opposed to this bill. I can not speak, of course, for the farmers of America, not even for all of them in my congressional district, but without question the great majority of them are for the McNary-Haugen bill. I desire to read a portion of a letter addressed to myself from Earl C. Smith, president of the Illinois Agricultural Association, and also resolution passed by that organization at its last annual meeting, held in Rock Island, Ill., January 19 and 20 of this year:

JANUARY 27, 1928.

Hon. J. EARL MAJOR,
*House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN MAJOR: We are at this time very much concerned over newspaper reports that there is some tendency on the part of some of the former supporters of the McNary-Haugen bill to weaken in their attitude toward some of its most essential features. Resolution 18 very carefully interprets the attitude of the farmers of Illinois on this question. Farmers of this State are in a worse financial condition than at any time since 1920, regardless of reports to the contrary emanating from supposedly authoritative sources. The facts are that the total value of agricultural production in Illinois is much less than in 1926. * * * We sincerely believe that any legislation yet suggested eliminating the equalization fee can not and will not operate effectively for the basic cash crops of Illinois.

We have put forth every possible effort to meet the President's criticisms as carried in his veto message of this legislation and believe careful study will reveal that of his 10 pointed criticisms 9 have been wholly met and the tenth, namely, the equalization fee, can not be further criticized on the same grounds as formerly. Senate bill 1176, carrying the equalization-fee principle, provides that it is only to be invoked if and when the administration falls down in properly controlling crop surpluses without costs and losses, which they have claimed they can do. Should there be costs and losses develop, and which we believe will be the case, then the equalization fee becomes imperative so as to spread the costs and losses in the operation of surplus control over all the producers of the commodity benefited.

We trust you will use your best effort in seeing that legislation embodying the principles as outlined in Resolution 18 is passed by the Seventieth Congress.

Sincerely,

ILLINOIS AGRICULTURAL ASSOCIATION,
EARL C. SMITH, *President*.

The resolution is as follows:

"This association has repeatedly gone on record as favoring a national agricultural policy by which farmers, at their own expense, may stabilize the prices for their farm crops by regulating their flow to market.

"To this end they have supported the various bills in Congress known as the McNary-Haugen bills.

"At the last session of Congress legislation of this character was passed by both Houses of Congress and vetoed by President Coolidge. The veto message enumerated many objections, all of which have been met in the McNary bill now before the Senate except the objection to the equalization fee, which is the heart of the bill and which must remain in any bill to accomplish the desired end, namely, an opportunity without Government subsidy for the American farmer to live according to American standards.

"The present Senate bill specifically affords an opportunity for those who contend that markets can be stabilized by loans to undertake to do so and invokes the equalization fee only when the cooperatives are unable to accomplish the desired result in this way.

"Congress and the President have repeatedly recognized cooperative marketing as the proper medium for handling surpluses and we call upon them to support this legislation, giving loans a chance, and invoking the equalization fee if and when loans fail.

"We assert that the equalization fee is essential and that to deny it to agriculture is equivalent to refusing agriculture a place in our complex protective system.

"We urge the enactment of legislation containing all the essential provisions of H. R. 7940 and S. 1176. We shall hold responsible, so far as it is within our power, any political party or any public official who contributes to the surrender of the principles of this legislation. We prefer no legislation at this time rather than to surrender these principles. We instruct our officers to make our position clear to Members of Congress and to the President."

FARMERS' LOBBY

Of all the absurd argument made against this bill, that which was designed to ridicule it because it was backed by a "farmers' lobby" is entitled to first prize. The gentleman from Louisiana [Mr. ASWELL] is one of those who seems to be greatly disturbed, and I really am surprised at his attack on this "monstrous lobby" which he claims has been operating here in Washington this winter in favor of the McNary-Haugen bill.

This "monster," of course, consists of nothing more than the legislative representatives of the farmers who are endeavoring to obtain for them economic justice. Surely this is neither a strange or novel procedure. What group is there in this country who does not have its representative here to look after its interest? It is a well-known fact when tariff bills and revenue measures are being considered the great financial and industrial interests of this country have their representatives swarming about the Capitol like buzzards around a dead carcass.

What do the railroads do when legislation is up in which they are interested? Anyone who was here will not forget the fight they made against the Howell-Barkley bill. At that time railroad lawyers and agents of various sorts were as thick about the Capitol as bees around the hive in harvest time.

Organized labor long ago learned what the farmers of this country have only recently realized—and that is in order to compete with other economic groups, and as a matter of self-preservation, they must be organized and must have their representatives on the job here. It may be a sad commentary on our system of Government and upon Congress, but it is a fact nevertheless, and everybody knows it, that to get action on a major proposition in Congress requires organized effort and without this character of effort no bill has any more chance of being enacted into law than a snowball has in Hades.

In my opinion the farmers of this country, with this "terrible monster," which is alleged to exist here, are to be complimented and congratulated, rather than condemned, on the fact that they have learned this great lesson. There is no more certain omen that I know of that the great agricultural industry of this industry is coming into its own and is prepared to wage a desperate fight to obtain its just share of that to which it is entitled. I hope the good work will go on and that this "farmers' lobby" will succeed in forcing upon this Congress and upon a reluctant administration, legislation which will materially improve the deplorable condition in which the farmers are now situated.

There is no publication more interested in the farmers of Illinois, none which circulates so widely, and none in which the farmers have more confidence than the Prairie Farmer; and I now desire to read an editorial which appeared in that publication in the issue of April 21:

THE M'NARY-HAUGEN BILL

The McNary surplus handling bill passed the Senate Thursday of last week by the substantial majority of 53 to 23. President Coolidge has indicated quite plainly that he will not sign the bill.

It is difficult to conceive of a President of the United States having an outlook so narrow and a vision of national welfare so shortsighted. During the administration of President Coolidge economic conditions—largely artificial conditions created by act of Government—have taken $20,000,000,000 away from the farmers of America and given it to the cities of the Nation. President Coolidge has not lifted a finger to stop this greatest economic crime of all history. He has shown more concern about the tariff on barium carbonate and pig iron than over the condition of agriculture.

Some time in the future, when the problem of the Nation's food supply will be so important that all other questions will be insignificant by comparison, people will read with astonishment the record of a generation that robbed its farmers and its soils with scant regard for the welfare of either. It will be amazed at the indifference of a Chief Executive who was so blind to a problem of such vital importance.

Farmers have worked out what they believe to be a helpful and practical remedy for the situation in which they find themselves, only to have it vetoed after being passed by Congress with a second veto in prospect.

Congress should temporize no longer, but arise in its might and pass the McNary-Haugen bill over the expected veto of the President.

Mr. Chairman, I hope the President will not veto this bill. I hope he will sign it and permit it to become a law. If it solves this mighty problem, it will be a boon to mankind; if it fails, we will at least have the satisfaction of knowing we tried. Professional people, business people, and laboring people can well join hands with the farmer in his struggle to be placed on a parity with other lines of human endeavor. Their welfare is so largely dependent upon his that to do otherwise would be folly.

A lot has been said concerning the political effects of this measure. It has even been said that certain candidates for the presidency are using it as a stepping stone for that great office. I don't know whether that is true or not. I hope it is not. I wish politics could be forgotten so far as farm relief is concerned. So far as I am concerned I am glad to follow the leadership of any man, whether he be a Democrat or Republican, who has a program designed to remove the shackles which bind our farmers to industrial slavery and thus permit the men and women who feed and clothe the people of the United States to walk out into the sunshine of blue heaven, as independent as our Government, as free as the air we breathe, as joyous as the springtime.

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay;
> Princes and lords may flourish, or may fade—
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroy'd, can never be supplied.

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. LOWREY].

Mr. LOWREY. Mr. Chairman, the question has been raised as to whether or not the farmer really needs national legislation in his behalf. And it has been suggested that he has worked out his own salvation, or that conditions have become adjusted until the farmer is recovering from his former desperate condition without the aid of the Government.

It is true that the farmer is now farming more intelligently and more efficiently than ever before. The farmers in my part of the country are the kind of people who, through thrift and industry and intelligence, will get the most out of their opportunities that can be gotten. The fact that they have recovered somewhat from the staggering blows that have been dealt them,

or, indeed, that they have survived those blows at all, is due to their own ability to strive and in a measure succeed even against tremendous odds. The odds are still against them.

Farming still pays smaller profits on invested capital and offers less return for the effort expended than other lines of endeavor with which it deserves to be at least on an equal plane. The average annual income of the farm operator is $760, according to the report of the Department of Agriculture. And if we allow him 4½ per cent on his capital investment, this leaves him less than $520 for his year's work. Men employed in building trades, transportation service, manufacturing, and other lines of industry, performing less work, and work requiring no more knowledge and skill and experience in its performance than farming, are receiving average salaries of more than three times that amount. Yet with this the farmer's taxes have increased 150 per cent in 10 years, and by reason of high tariffs, high freight rates, high wages to labor in industry, and tremendous profits made in industry, the things which the farmer must buy have been kept at high price levels.

Is it any wonder that 750,000 families, or 3,000,000 people, have left the farms in one year's time to seek better opportunities in other lines of work in the towns and cities and to add to the numbers of unemployed in the thickly populated districts? Is it any wonder that values of farm lands have decreased steadily for 10 years and that no man with money cares to invest it in farm property? Abe Martin in a recent paper speaks of a young fellow whose father died and left him two farms, and who petitioned to have the will set aside, claiming that his father was evidently of unsound mind. This is a joke that is not all a joke. A young man who inherits a fertile farm may find that he has come into possession of a liability rather than an asset.

Thirty per cent of our people have been living on the farms. They have contributed far more than their pro rata of commodities for both interstate and foreign commerce, for local consumption, and for raw materials in manufacture and construction. They have contributed vastly more than their pro rata of brain and brawn, of good citizenship and constructive leadership. Yet this important 30 per cent of our population have been getting 10 per cent of our Nation's income, while 70 per cent of population engaged in other pursuits, productive and nonproductive, have been getting 90 per cent of the Nation's total income. This is not only unreasonable and unjust; it is bound to prove serious to our country, socially, economically, and politically. It is glaringly obvious that something is dangerously wrong and out of balance. The fact that our farmers are struggling along under this handicap, and even managing by painfully strict economy and hard work and good management to improve their situation a little is no excuse for permitting the discrimination against them to continue.

All other classes of our citizenship are enjoying the protection and benefits of national legislation. The National Government has supplied the manufacturer with the protection of the tariff wall; has put laws into effect to protect and promote the welfare of the laborer and industrial worker; has cared generously for banking and financial interests of the country with laws and governmental machinery for their benefit; has, besides providing loans and financial aid for the railroads, protected them with rates and a virtual guaranty of 6 per cent earning on their investments. And this protection has been given to other people and interests with a reckless disregard for the rights and the welfare of the farmer. The tariff wall takes $10 out of his pocket where it gives him one; the railroads derive their income more largely from him than from any other class; the protection given to labor in the trades and industries has actually cost the farmer money.

It is the duty of the Congress to pass legislation to aid the farmer; to reconstruct, revise, and in some cases repeal legislation that injures him, and, in a word, provide that he shall have the same opportunity as others to get a fair reward for his toil. The gentleman from New York [Mr. SOMERS] has suggested that the pending bill is class legislation, benefiting one group at the expense of others. But, as before said, the Congress has from time to time provided helpful legislation for the special benefit of almost every other group in business or industry. It is time for fair play with the farmer. Let us get back to the fundamental principle of equal rights to all and special privileges to none. Perhaps giving the farmer his rights is going to take away the special privileges of some one else. But justice demands it, and the safeguarding of our health and wealth and strength and security as a Nation demands it. This House during this session is passing legislation to expend more than $700,000,000 on the direct military activities of the Army and Navy. I make no argument against proper preparedness, yet while we are spending money for public defense why should we shrink from an appropriation to save to our country that sturdy rural population which is our very greatest defense and which means more to the safety of our country than any amount of military preparedness could mean? The decline of agriculture has spelled the decline of nations throughout the pages of history. The demand for national legislation in the interests of agriculture and on behalf of the agricultural people of this country is a demand that can not and must not be sidetracked or ignored or treated indifferently.

I am for the bill which is before us. I do not believe that it is a magic potion to cure all the ills of the farmer at once. Its authors and proponents claim nothing of the kind for it. It simply proposes to aid in the orderly marketing of the surplus of agricultural commodities, to prevent such surpluses from unduly depressing the market and to minimize speculation and waste in marketing, to provide that the farmer shall get a larger share than a mere $9,000,000,000 of the $29,000,000,000 which the consumer pays for his products.

I am in favor of other legislation in addition to this for the farmer. I have worked during this session especially hard for the passage of three other more or less important bills, the Morin bill for Muscle Shoals, the Reed bill for vocational agriculture, the Buchanan bill to aid in the eradication of the pink bollworm. And as I have said, I am in favor of the repeal or revision of some laws that hurt the farmer. The tariff and railroad-rate matters particularly need attention.

But the passage of the Haugen bill will not only put into operation a plan of real benefit to the farmer, but will declare to the Nation that we recognize the injustice of things as they are, and propose to correct them. Let us pass this bill, and let us who place the interests of the farmer above other considerations search every measure that is proposed to us with the question in mind, How will this affect agriculture? It is only by strict adherence to this kind of program, of guarding the farmer's interests in the same careful manner that other interests are guarded, every day and every hour, that the welfare of the rural population, on which depends the welfare of the Nation, can be properly cared for. [Applause.]

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON having taken the chair as Speaker pro tempore, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 3558) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, had come to no resolution thereon.

Mr. KINCHELOE. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. KINCHELOE. I would like to propound a question for information. Is it the intention of the majority leader to dispense with the business of Calendar Wednesday to-morrow?

The SPEAKER pro tempore. It is the intention of the majority leader to make such request as the gentleman from Iowa and others specially interested in the conduct of this bill may wish.

Mr. KINCHELOE. I would like, then, to ask if it is the intention of the chairman of the Agricultural Committee to ask for it?

Mr. HAUGEN. I can not inform the gentleman now. We will decide that on Wednesday morning.

Mr. KINCHELOE. Very well.

### ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 1, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, May 1, 1928, as reported to the floor leader by clerks of the several committees:

### COMMITTEE ON THE JUDICIARY

(10 a. m.)

To provide an additional justice of the Supreme Court of the District of Columbia (H. R. 13116).

### COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

To promote the better protection and highest public use of the lands of the United States and adjacent lands and waters in northern Minnesota for the production of forest products, the

development and extension of recreational uses, the preservation of wild life, and other purposes not inconsistent therewith; and to protect more effectively the streams and lakes dedicated to public use under the terms and spirit of clause 2 of the Webster-Ashburton treaty of 1842 between Great Britain and the United States; and recreational and economic assets (H. R. 12780).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

470. A letter from the Comptroller General of the United States, transmitting report in the matter of the claim of Pvt. Ralph Rhees, United States Army, pursuant to the provisions of the act of April 10, 1928 (Public, No. 247); to the Committee on Claims.

471. A letter from the Commission for the Enlarging of the Capitol Grounds, transmitting plans for the enlargement of the Capitol Grounds and recommending legislation which will authorize the Architect of the Capitol to proceed with said plans (H. Doc. No. 252); to the Committee on Public Buildings and Grounds and ordered to be printed.

472. A letter from the Acting Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination and survey of the Great Lakes, their connecting waters, principal harbors, and river channels, authorized by the rivers and harbors act approved January 21, 1927 (H. Doc. No. 253); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

473. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Civil Service Commission for the fiscal year ending June 30, 1929, amounting to $31,600 (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

474. A communication from the President of the United States, transmitting paragraph of proposed legislation, the object of which is to authorize the payment from existing appropriations of two claims for damages to privately owned property, which have been considered and adjusted, in the sum of $51 (H. Doc. No. 255); to the Committee on Claims and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 12574. A bill to extend certain existing leases upon the coal and asphalt deposits in the Choctaw and Chickasaw Nations to September 25, 1932, and permit extension of time to complete payments on coal purchases; with amendment (Rept. No. 1421). Referred to the House Calendar.

Mr. UNDERHILL: Committee on the District of Columbia. S. 3565. An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 11405. A bill to acquire an area of State land situate in Lassen Volcanic National Park, State of California, by exchange; with amendment (Rept. No. 1423). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 13342. A bill to authorize a per capita payment to the Pine Ridge Sioux Indians of South Dakota; without amendment (Rept. No. 1424). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. S. 3463. An act to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army; without amendment (Rept. No. 1425). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. S. 3947. An act to provide for the times and places for holding court for the eastern district of North Carolina; without amendment (Rept. No. 1426). Referred to the House Calendar.

Mr. DOMINICK: Committee on the Judiciary. H. R. 12811. A bill to provide for the appointment of one additional district judge for the eastern and western districts of South Carolina; without amendment (Rept. No. 1427). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13032. A bill to amend the act of February 8, 1895, entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters"; without amendment (Rept. No. 1432). Referred to the House Calendar.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13037. A bill to amend section 1, rule 2, rule 3, subdivision (e), and rule 9 of an act to regulate navigation on the Great Lakes and their connecting and tributary waters, enacted February 8, 1895 (ch. 64, 28 Stat. L. sec. 645); without amendment (Rept. No. 1433). Referred to the House Calendar.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13383. A bill to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries; without amendment (Rept. No. 1434). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. S. 343. An act for the relief of Sallie Stapleford, Mrs. J. C. Stuckert, Mary E. Hildebrand, Kate Wright, Mary M. Janvier, Harry L. Gray, Frank D. Carrow, Harry V. Buckson, George H. Swain, Claude N. Jester, and Charles H. Jamison; without amendment (Rept. No. 1406). Referred to the Committee of the Whole House.

Mr. EVANS of California: Committee on Naval Affairs. S. 362. An act to provide for the advancement on the retired list of the Navy of Lloyd Lafot; without amendment (Rept. No. 1407). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 445. An act for the relief of the Florida East Coast Car Ferry Co.; without amendment (Rept. No. 1408). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Claims. S. 1217. An act for the relief of Albert Wood; without amendment (Rept. No. 1409). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Claims. S. 1448. An act for the relief of Omer D. Lewis; with amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 1646. An act for the relief of James M. E. Brown; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. HALE: Committee on Naval Affairs. S. 1852. An act to correct the naval record of John Lewis Burns; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2336. An act for the relief of Nina MacDonald, Zenas V. Johnston, Margaret E. Thompson, Arthur L. Beaman, and May Fee; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2438. An act for the relief of the firm of M. Levin & Sons; without amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2788. An act for the relief of Charlie McDonald; without amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 3722. An act for the relief of Robert C. Osborne; with amendment (Rept. No. 1416.) Referred to the Committee of the Whole House.

Mrs. LANGLEY: Committee on Claims. H. R. 8859. A bill for the relief of Edna E. Snably; without amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Mr. COCHRAN of Pennsylvania: Committee on Claims. H. R. 9659. A bill for the relief of F. R. Barthold; without amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 12711. A bill for the relief of certain members of a trail crew employed by the Forest Service; without amendment (Rept. No. 1419) Referred to the Committee of the Whole House.

Mr. BULWINKLE: Committee on Claims. H. R. 12871. A bill for the relief of Maj. Charles F. Eddy; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 12867. A bill granting an honorable discharge to Pierce Dale Jackson; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House.

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 13060. A bill to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever; with amendment (Rept. No. 1429). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. J. Res. 258. A joint resolution authorizing the Secretary of War to lease to the New Orleans Association of Commerce New Orleans quartermaster intermediate depot unit No. 2; without amendment (Rept. No. 1430). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. S. 3201. An act for the relief of Paul D. Carlisle; without amendment (Rept. 1431). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLAND: A bill (H. R. 13399) authorizing the Baltimore Gas Engineering Corporation, a Maryland corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Dunbar, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. FENN: A bill (H. R. 13400) authorizing conveyance to the city of Hartford, Conn., of the title to site and building of the present Federal building in that city; to the Committee on Public Buildings and Grounds.

By Mr. W. T. FITZGERALD: A bill (H. R. 13401) to authorize the erection of a monument in Hartshorn Pioneer Cemetery, Delphos, Ohio; to the Committee on the Library.

By Mr. HOFFMAN: A bill (H. R. 13402) authorizing good-conduct medal award to enlisted men of the Army; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 13403) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. O'CONNOR of Louisiana: A bill (H. R. 13404) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Louisiana State Museum, of the city of New Orleans, La., the silver service set in use on the battleship *Louisiana;* to the Committee on Naval Affairs.

By Mr. TREADWAY: A bill (H. R. 13405) to regulate the purchase of personal property for the use of the Federal Government; to the Committee on Interstate and Foreign Commerce.

By Mr. WARE: A bill (H. R. 13406) to authorize the city of Fort Thomas, Ky., to widen, improve, reconstruct, and resurface Fort Thomas Avenue and to assess the cost thereof against the United States according to front feet of military reservation abutting thereon, and authorizing an appropriation therefor; to the Committee on Military Affairs.

By Mr. LEAVITT: A bill (H. R. 13407) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. BERGER: A bill (H. R. 13408) to provide for the conservation and utilization of the natural resources of the Nation, the coordination of flood control and navigation of streams, the development of hydroelectric energy, and the distribution of the same, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: A bill (H. R. 13409) to provide that the printing and binding of the government of the District of Columbia be done at the Government Printing Office; to the Committee on Printing.

Also, a bill (H. R. 13410) for the advancement in rank of certain officers of the Army; to the Committee on Military Affairs.

By Mr. GRAHAM (by request): A bill (H. R. 13411) to revise and amend title 18, section 99, United States Code; to the Committee on the Judiciary.

Also (by request), a bill (H. R. 13412) to regulate the promulgation of regulations in certain cases with reference to alcohol and narcotics; to the Committee on the Judiciary.

Also, a bill (H. R. 13413) relating to sales and contracts to sell in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. SEGER: A bill (H. R. 13414) to amend section 1396 of the Revised Statutes of the United States relative to the appointment of chaplains in the Navy; to the Committee on Naval Affairs.

By Mr. ANDRESEN: A bill (H. R. 13415) granting the consent of Congress to the State of Minnesota to construct a bridge across the Mississippi River at or near Hastings, Minn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13416) granting the consent of Congress to the State of Minnesota to construct a bridge across the St. Croix River at or near Stillwater, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMER: A bill (H. R. 13417) to amend an act to prohibit the importation and interstate transportation of films or pictorial representation of prize fights, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13418) to amend the act of July 31, 1912, prohibiting the importation and interstate transportation of films of prize fights; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: A bill (H. R. 13419) for the relief of certain guests of the Government Hotels; to the Committee on Claims.

By Mr. WINTER: A bill (H. R. 13420) to provide for the storage and diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 13421) to provide for the storage for diversion of the waters of the North Platte River and construction of the Saratoga reclamation project; to the Committee on Irrigation and Reclamation.

By Mr. HOWARD of Oklahoma: Joint resolution (H. J. Res. 292) authorizing the President to invite the States of the Union and foreign countries to participate in the annual International Petroleum Exposition at Tulsa, Okla., to begin October 20, 1928; to the Committee on Foreign Affairs.

By Mr. GARRETT of Tennessee: Concurrent resolution (H. Con. Res. 33) to print and bind the proceedings in Congress together with the proceedings at the unveiling in Statuary Hall of the statue of President Andrew Jackson presented by the State of Tennessee; to the Committee on Printing.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 13422) for the relief of Thomas Parkins; to the Committee on Claims.

By Mr. AYRES: A bill (H. R. 13423) granting an increase of pension to Ellen Poyner; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 13424) granting an increase of pension to Annie Hanford; to the Committee on Invalid Pensions.

By Mr. CARSS: A bill (H. R. 13425) granting a pension to Robert Kelly; to the Committee on Pensions.

By Mr. COLE of Maryland: A bill (H. R. 13426) granting an increase of pension to Emma E. Price; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 13427) granting a pension to Mrs. Christian Meyer; to the Committee on Invalid Pensions.

By Mr. DARROW: A bill (H. R. 13428) for the relief of Mackenzie Memorial Hospital and German-American Hospital and Lau Ye Kun, all of Tientsin, China; to the Committee on Naval Affairs.

By Mr. DOYLE: A bill (H. R. 13429) granting an increase of pension to Max Drozdowitz; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 13430) for the relief of Arthur E. Rump; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 13431) granting an increase of pension to William A. Paulsen; to the Committee on Pensions.

By Mr. HOFFMAN: A bill (H. R. 13432) to compensate the Automatic Safety Davit Co., of Highlands, N. J., for the loss of a boat, *Modesty;* to the Committee on Claims.

By Mr. HOGG: A bill (H. R. 13433) granting an increase of pension to Clara A. Estry; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 13434) granting a pension to George J. Lacey; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 13435) for the relief of Carrie M. Haney; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 13436) granting an increase of pension to Mary J. Parker; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 13437) granting an increase of pension to Caroline R. Raynor; to the Committee on Invalid Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 13438) granting a pension to Catherine Jones; to the Committee on Invalid Pensions.

By Mr. PRALL: A bill (H. R. 13439) for the relief of Morris Binswanger; to the Committee on Naval Affairs.

By Mr. SCHAFER: A bill (H. R. 13440) for the relief of H. P. Milligan; to the Committee on Military Affairs.

By Mr. SHREVE: A bill (H. R. 13441) granting an increase of pension to Elmer Harry Martin; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 13442) granting a pension to Isabelle Eccles; to the Committee on Invalid Pensions.

By Mr. WARE: A bill (H. R. 13443) granting a pension to Joseph Rombach; to the Committee on Pensions.

By Mr. WHITE of Maine: A bill (H. R. 13444) granting an increase of pension to Arria S. Sargent; to the Committee on Pensions.

By Mr. WYANT: A bill (H. R. 13445) granting a pension to Alice Cribbs Kemp; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7314. Petition of the Senior Christian Endeavor Society of the First Presbyterian Church of Export, Pa., urging the passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7315. By Mr. COCHRAN of Pennsylvania: Petition of George W. Elliott and numerous residents of Franklin, Pa., urging the passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7316. By Mr. COOPER of Ohio: Petition of citizens of Youngstown, Ohio, requesting increases in pension for veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7317. By Mr. DENISON: Petition of various citizens of De Soto, Ill., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

7318. By Mr. EATON: Petition of L. C. Reading, of Somerville, N. J., and 17 other residents of Somerset County, N. J., urging immediate consideration of national flood control and adoption of such laws as will insure the impounding of unrestricted waters; to the Committee on Flood Control.

7319. By Mr. ENGLEBRIGHT: Petition of board of directors, Sacramento Chamber of Commerce, pertaining to Bureau of Internal Revenue studying depreciation and maintenance in mining industry; to the Committee on Ways and Means.

7320. Also, petition of board of directors, Sacramento Chamber of Commerce, pertaining to House bill 9282, being opposed thereto; to the Committee on Mines and Mining.

7321. By Mr. ROY G. FITZGERALD: Petition of 71 ex-service men of the wars of the United States in the Railway Mail Service, asking favorable consideration of House bill 10922, to allow credit in the Postal Service, day for day, for the time necessarily absent while in the military service of the United States; to the Committee on the Post Office and Post Roads.

7322. By Mr. GARBER: Petition of P. Harned, Jet, Okla., in support of Tyson-Fitzgerald bill for retirement of disabled emergency Army officers; to the Committee on Military Affairs.

7323. Also, petition of P. W. Henry, secretary of American Institute of Consulting Engineers (Inc.), of New York, in opposition to House bill 107; to the Committee on Interstate and Foreign Commerce.

7324. Also, petition of J. C. Reichert, secretary of the Maritime Association of the Port of New York, in support of House bill 11886 and Senate bill 3721, to establish the office of captain of the port of New York and to define his duties; to the Committee on Interstate and Foreign Commerce.

7325. By Mr. HOPE: Petition signed by the residents of Ford County, Kans., requesting more adequate legislation on the behalf of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7326. By Mr. HOWARD of Nebraska: Petition signed by Miss Cathern Lowe, of Neligh, Nebr., and nine other citizens of that city of Neligh, Nebr., praying for the passage of legislation granting more adequate pensions to Civil War veterans and the widows of Civil War veterans during the present session of the Congress; to the Committee on Invalid Pensions.

7327. By Mr. KNUTSON: Petition signed by E. P. Baron, of Pillager, Minn., and others, requesting higher rates for Civil War survivors and Civil War widows; to the Committee on Invalid Pensions.

7328. By Mr. LETTS: Petition of Mary A. Smyth and other citizens of Clinton, Iowa, urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

7329. By Mr. MEAD: Petition of Henry Bischoff, of Buffalo, N. Y., favoring the passage of House Joint Resolution 273; to the Committee on Military Affairs.

7330. By Mr. O'CONNELL: Petition of the Merit Hosiery Co. (Inc.), Ozone Park, Long Island, N. Y., favoring a just adequate flood-control legislation; to the Committee on Flood Control.

7331. By Mr. PRATT: Petition of residents of Woodstock, Ulster County, N. Y., urging enactment of legislation to provide increased pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7332. By Mr. ROBINSON of Iowa: Petition signed by Rev. Ralph Hall Collis, pastor of the Methodist Episcopal Church of Hampton, Iowa, and about 100 citizens of Hampton, Iowa, urging the passage of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7333. By Mr. SHREVE: Resolution adopted by the American Legion, Department of Pennsylvania, indorsing the Tyson-Fitzgerald disabled emergency bills; to the Committee on World War Veterans' Legislation.

7334. By Mr. SINCLAIR: Letter from W. T. Wakefield, vice president Farmers' State Bank, Bentley, N. Dak., protesting against the Oddie bill; to the Committee on the Post Office and Post Roads.

7335. By Mr. SPEAKS: Petition signed by Alice E. Murphy and some 45 residents of Franklin County, Ohio, urging enactment of legislation for the relief of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7336. By Mr. THURSTON: Petition of 10 citizens of Shenandoah, Iowa, petitioning the Congress to pass pending legislation increasing the pensions to veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7337. By Mr. WHITE of Kansas: Petition of L. Johnson and others, of Ellis, Kans., for the relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7338. By Mr. WYANT: Petition of Department of Pennsylvania, the American Legion, favoring passage of legislation for retirement of emergency Army officers permanently disabled; to the Committee on Military Affairs.

7339. Also, petition of members of First Presbyterian Church of Export, Westmoreland County, Pa., favoring passage of Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7340. By Mr. ZIHLMAN: Petition of residents of Montgomery County, Md., urging immediate action on the Civil War pension bill in order that relief may be accorded needy and suffering veterans and widows; to the Committee on Invalid Pensions.

# SENATE

## TUESDAY, *May 1, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, true source of light that never fades, of life that never dies, Thou hast set us in the bonds of time, this narrow space so crowded for life's purpose that day has worn to noon ere we have planned our work. Forgive the waste of precious moments by loitering feet and faltering wills. Teach us to lengthen our brief life by intensity of living, to fill swift hours with glowing deeds, and to speak kind words with breathless haste, for we pass this way but once. Grant this for the sake of Him whose footfalls on the shores of time made life's dim meaning clear, Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

### INVESTIGATION OF CAMPAIGN EXPENDITURES

The VICE PRESIDENT. In accordance with Senate Resolution 214, agreed to yesterday, providing that a special committee of five be appointed to investigate campaign expenditures, the Chair appoints the junior Senator from Oregon, Mr. STEIWER; the junior Senator from Vermont, Mr. DALE; the junior Senator from South Dakota, Mr. MCMASTER; the senior Senator from New Mexico, Mr. BRATTON; and the junior Senator from Kentucky, Mr. BARKLEY.

### PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by the Lions Club, of Lyman, Wyo., favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which was referred to the Committee on Irrigation and Reclamation.

Mr. BLAINE presented a petition of sundry physicians of Beloit, Wis., praying for the adoption of the so-called Robinson amendment to House bill 1, the tax reduction bill, authorizing the deduction in the computation of Federal income taxes of expenses incurred by physicians in attendance upon professional meetings, which was referred to the Committee on Finance.

Mr. STEPHENS presented a petition of sundry citizens of Aberdeen, in the State of Mississippi, praying for the adoption of the so-called Gillett resolution, being Senate Resolution 139, suggesting a further exchange of views relative to the World Court, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented a resolution adopted by the board of directors of the Buffalo (N. Y.) Chamber of Commerce, protesting against the passage of legislation "in normal peace times appropriating Government funds for the use of cooperative or other associations, groups, or corporations for the purpose of maintaining price levels and to control and handle surplus products," etc., which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of the State of California, praying for the passage of legislation requiring finger and foot prints of mother and child to be taken at birth on joined cards; the identification of persons injured, lost, or otherwise unmarked, and requiring that every alien and traveler carry an identification card with his own proper finger prints thereon, etc., which was referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3569) to equalize the pay of certain classes of officers of the Regular Army, reported it without amendment and submitted a report (No. 962) thereon.

He also, from the same committee, to which was referred the bill (S. 2990) to provide for the paving of the Government road extending from Lee & Gordon's mill to La Fayette, Ga., known as the La Fayette extension and constituting an approach road to Chattanooga and Chickamauga National Military Park, reported it with amendments and submitted a report (No. 963) thereon.

Mr. BROOKHART, from the Committee on Civil Service, to which was referred the bill (S. 2440) to provide that four hours shall constitute a day's work on Saturdays throughout the year for all employees in the Government Printing Office, reported it without amendment.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 3459) to amend an act of Congress approved March 4, 1927 (Public, No. 795, 69th Cong.), to provide for appointment as warrant officers of the Regular Army of such persons as would have been eligible therefor but for the interruption of their status, caused by military service rendered by them as commissioned officers during the World War, reported it with an amendment and submitted a report (No. 964) thereon.

He also, from the same committee, to which was referred the bill (S. 652) for the relief of Edgar Travis, sr., reported it with amendments and submitted a report (No. 965) thereon.

He also (for Mr. ROBINSON of Indiana), from the same committee, to which was referred the bill (S. 1690) for the relief of Lewis W. Crain, reported adversely thereon.

He also (for Mr. ROBINSON of Indiana), from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 3241) for the relief of Seymour Buckley (Rept. No. 967); and

A bill (H. R. 8988) for the relief of Milton Longsdorf (Rept. No. 966).

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 9148) for the relief of Ensign Jacob E. DeGarmo, United States Navy, reported it without amendment and submitted a report (No. 968) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (H. R. 1951) granting six months' pay to Frank A. Grab (Rept. No. 969); and

A bill (H. R. 11978) granting six months' pay to Alexander Gingras, father of Louis W. Gingras, deceased, private, United States Marine Corps, in active service (Rept. No. 970).

Mr. BROUSSARD, from the Committee on Naval Affairs, to which was referred the bill (H. R. 10536) granting six months' pay to Anita W. Dyer, reported it without amendment and submitted a report (No. 971) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 4063) to amend certain sections of the teachers' salary act, approved June 4, 1924, and for other purposes, reported it without amendment and submitted a report (No. 972) thereon.

Mr. HARRIS, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 9363) to provide for the completion and repair of customs buildings in Porto Rico, reported it without amendment and submitted a report (No. 973) thereon.

Mr. WAGNER, from the Committee on Military Affairs, to which was referred the bill (H. R. 971) for the relief of James K. P. Welch, reported it with an amendment and submitted a report (No. 974) thereon.

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (S. 2304) for the relief of M. Seller & Co., reported it without amendment and submitted a report (No. 975) thereon.

He also, from the same committee, to which was referred the bill (S. 444) for the relief of H. C. Magoon, reported it with an amendment and submitted a report (No. 976) thereon.

TAX REDUCTION

Mr. SMOOT. Mr. President, from the Committee on Finance I report back favorably, with amendments, the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes, and I submit a report (No. 960) thereon.

I wish to say to Senators that I have had placed upon the desk of each Senator a copy of the bill, together with a copy of the report. I discovered this morning that there are one or two errors in the report as it came from the Printing Office, but they are not material ones. For instance, a table has been printed on page 5 instead of page 4. We will correct the report in those minor respects, but there is no material error in the report which has been placed upon the desks of Senators.

I wish also to give notice that the Finance Committee, at a meeting held on Saturday last, decided that, if agreeable to the Senate, we would call up the bill for consideration on Thursday next, at which time I hope to be prepared to speak upon the bill and explain each of the amendments to existing law as provided therein.

Mr. FLETCHER. Does the Senator mean Thursday at the close of morning business or at 2 o'clock?

Mr. SMOOT. At the close of the routine morning business, I hope.

The VICE PRESIDENT. The bill will be placed on the calendar.

AMENDMENT OF FEDERAL RESERVE ACT

Mr. GLASS. Mr. President, at the request of the Senator from New Jersey [Mr. EDGE] I present, from the Committee on Banking and Currency, a unanimous report on the bill H. R. 10151, and ask for its immediate consideration. I also submit a written report (No. 961).

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10151) to amend section 9 of the Federal reserve act, and it was read, as follows:

*Be it enacted, etc.*, That section 9 of the Federal reserve act be amended by adding thereto a new paragraph as follows:

"All banks or trust companies incorporated by special law or organized under the general laws of any State, which are members of the Federal reserve system, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. The Secretary of the Treasury shall require of the banks and trust companies thus designated satisfactory security, by the deposit of United States bonds or otherwise, for the safe-keeping and prompt payment of the public money deposited with them and for the faithful performance of their duties as financial agents of the Government."

Mr. CURTIS. Mr. President, I should like to know the changes the bill makes.

Mr. GLASS. I can explain it in a word. It grants to member State banks of the Federal reserve system the privilege of being designated as Government depositaries along with national banks.

Mr. CURTIS. That is the only change made?

Mr. GLASS. That is the only change.

Mr. CURTIS. I have no objection to the passage of the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 4287) for the relief of William C. Whitehead; to the Committee on Naval Affairs.

By Mr. SACKETT:

A bill (S. 4288) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of the Cumberland River at Burnside, Pulaski County, Ky.;

A bill (S. 4289) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Neelys Ferry in Cumberland County, Ky.;

A bill (S. 4290) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky.;

A bill (S. 4291) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Arat, Cumberland County, Ky.;

A bill (S. 4292) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at Blacks Ferry, near Center Point, in Monroe County, Ky.;

A bill (S. 4293) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Creelsboro, in Russell County, Ky.;

A bill (S. 4294) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the North Fork of the Cumberland River at Burnside, Pulaski County, Ky.; and

A bill (S. 4295) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near the mouth of Indian Creek, in Russell County, Ky.; to the Committee on Commerce.

By Mr. ROBINSON of Arkansas:

A bill (S. 4296) for the relief of the First National Bank of El Dorado, Ark.; to the Committee on Claims.

By Mr. SHORTRIDGE:

A bill (S. 4297) granting a pension to John H. Franey; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4298) granting an increase of pension to Sarah E. Morse; to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 4299) granting an increase of pension to Honora Dorsey (with accompanying papers); to the Committee on Pensions.

By Mr. HARRIS:

A bill (S. 4300) for the relief of the State of Georgia; to the Committee on Appropriations.

By Mr. REED of Pennsylvania:

A bill (S. 4301) for the relief of Theodore H. Bryant; to the Committee on Military Affairs.

By Mr. SIMMONS:

A bill (S. 4302) to authorize the Secretary of Commerce to convey the Federal Point Lighthouse Reservation, N. C., to the city of Wilmington, N. C., as a memorial to commemorate the Battle of Fort Fisher (with accompanying papers); to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 4303) for the relief of Morris Binswanger; to the Committee on Naval Affairs.

By Mr. KENDRICK:

A bill (S. 4304) to provide for the storage for diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project; and

A bill (S. 4305) to provide for the storage for diversion of the waters of the North Platte River and construction of the Saratoga reclamation project; to the Committee on Irrigation and Reclamation.

By Mr. FESS (for Mr. WATSON):

A bill (S. 4306) granting a pension to Minerva Alice Hutton; to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 4307) to provide for the emergency construction of certain public works for the relief of unemployment during the periods of business depression; to the Committee on Education and Labor.

CHANGES OF REFERENCE

On motion of Mr. ODDIE, the Committee on Naval Affairs was discharged from the further consideration of the bill (S. 1689) for the relief of the Sachs Mercantile Co. (Inc.), and it was referred to the Committee on Claims.

On motion of Mr. KEYES, the Committee on Public Buildings and Grounds was discharged from the further consideration of the joint resolution (S. J. Res. 132) to create a commission to secure plans and designs for and to erect a memorial building for the National Memorial Association (Inc.), in the city of Washington, as a tribute to the negro's contribution to the achievements of America, and it was referred to the Committee on the Library.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. FESS submitted an amendment intended to be proposed by him to the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, insert:

"For services performed during the summer of 1927 in the removal and cleaning of books and documents incident to the renovation of the Senate library and document room, as follows: To James Payne, $300; to Richard Blount, $200; in all, fiscal year 1928, $500."

THE FUNDAMENTALS OF DEMOCRACY, BY LOUIS LUDLOW

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have inserted in the RECORD an address by Mr. Louis Ludlow on the subject of the Fundamentals of Democracy. Mr. Ludlow has been for many years a member of the Senate press gallery, is an experienced newspaper correspondent, and a brilliant student of public questions. He has discussed this important subject in a very interesting way. I ask, therefore, that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. Ludlow's address is as follows:

Mark, the incomparable historian, says of Jesus of Nazareth that the common people heard Him gladly. So will they always hear, gladly and thankfully, the doctrines of Thomas Jefferson; for it is no profanation of the God-given mission of our Saviour to say that the aims and philosophy of our great Democratic patron saint were in striking and complete harmony with the philosophy and works of the Nazarene. Both strove to exalt the dignity and worth of the individual man. In a world where wealth and social caste and privilege wield such tremendous influence, both saw with perfect vision that greater than all these, greater than principalities and powers, is the human being who, though born naked into the world, nevertheless possesses a kingly dignity and certain inalienable rights, including the right to life, liberty, and the pursuit of happiness, which are coexistent with his birth and coextensive with his being.

Just as the Nazarene by his whole life and example, and especially by his inspired utterances on the Mount, pointed out that the strong and the rich and powerful have no corner on heaven, so Jefferson demonstrated that the prime aim and purpose of temporal government should be to accomplish the greatest good for the greatest number.

Democracy, as we understand it, whose prophet was Jefferson and whose militant defenders were Jackson, Cleveland, and Wilson, is not a new thing either in idea or in enjoyment. It is as old as time. It is an outburst against the unspeakable forces of tyranny that would put fetters on the human spirit. In ages agone it was the flaming sword of the martyrs who died that their fellow men might be free. To-day in our own country it is the voice of indignation protesting against the economic enslavement of millions of Americans through perverted governmental practices made possible under privileged statutes. It is the outcry of local self-government against the centralization of all power at Washington. Democracy is everywhere and all of the time, decade after decade and century after century, the best friend of the common people, the same sort of people that heard Jesus gladly.

Throughout the receding centuries democracy's aim has been to help the common man, first to strike off his shackles, then by ever-widening influence of education and its handmaiden, the ballot, to lead him to that high estate of usefulnesss and honor where he becomes a free agent, an ornament to society, and a credit to the God who made him. The long and toilsome upward march has been one of blood and pain. The pages of history teem with epics of the grueling advance, of harrowing conflicts between the embattled hosts of repression and the heroes who sacrificed their all that the human spirit might be free. No longer than the century before the birth of Jefferson the theory that a few men were endowed with the divine right to exploit all other men still had firm lodgment in the world, and about 5 per cent of the earth's population made serfs of all the rest.

Then came the American Revolution, and out of its travail was born democracy's great opportunity. "We declare it to be self-evident that all men are created equal," wrote Jefferson in the opening sentence of the Declaration of Independence—equal not in pedigrees and

coats of arms, but equal in the sense of being entitled, as God's creatures, to enjoy equal rights and opportunities under the law. Never was a sublimer principle struck from the brain and heart of man. It was an audacious challenge to the old order—the order whose eternal answer to aspiring manhood was "Death to liberty!"

Upon this declaration was waged a war that rocked two continents. The doctrine of the divine right of kings was shot to death on a hundred battle fields, and while the cataclysm raged the moving hand of God wrote the end of despotism in the Western Hemisphere and brought forth the greatest charter of liberty the world has ever known—the Constitution of the United States.

But while this was an epochal victory for democracy it was not conclusive. Kingly oppression was no more, but the oligarchy of caste was left to exert its baneful influence in the new Republic. The divine right of kings was dead and buried, but in its place sprang up the doctrine of a ruling class that boldly asserted its title to the usufruct of office, a class whose sway was to be perpetuated through privileged statutes and a strongly centralized government, compact and wieldy in the hands of those who arrogated to themselves the ruling power. Jefferson defied this challenge to the new freedom, and his dynamic rejoinder, "Equal rights to all, special privileges to none," became the shibboleth of the undefiled democracy.

For more than a century the conflict has waged between the ideas of Jefferson, emphasized and epitomized in his immortal utterance that "all men are created equal," and the ideas of those who think some men are born to be governed and browbeaten and exploited by others. As the antidemocratic forces gained ascendancy we have seen Jefferson's cherished motto, "the least governed, the best governed," challenged by the newer version of the plunderbund, "the most governed, the best governed." We have seen local self-government all but effaced by the strong arm of Federal interference. We have seen 51,482 laws written upon the Federal statutes books, mostly designed to regulate the citizen in respect to things wherein he should be his own judge, and he finds himself hedged about with a bewildering maze of "Thou shalts" and "Thou shalt nots." We have seen bureaucracy wax rampant and the country overrun by Government agents, inspectors, and spies, comprising at this very hour an inquisitorial army of more than 30,000, who pry into the business of the citizens and make themselves generally obnoxious. We have seen the taxing power grievously perverted to build up colossal fortunes from the toil of the masses. To-day in one of our large cities we see the holders of some of these legislative-made fortunes lolling in luxury beyond the richest dreams of avarice, while all around the city's environs the children of coal miners, distressingly poor, on the verge of starving and freezing, are crying for food and clothing. I can not but think when I view the situation at Pittsburgh how shamefaced these holders of fortunes of special privilege would feel if Jesus of Nazareth should walk among those children to-day, put his loving arms around them, and say:

"Suffer little children to come unto Me, for of such is the kingdom of heaven."

We have seen the beneficiaries of improper and excessive use of the taxing power salve their consciences and make a great show of benevolence by establishing "foundations" and "endowments" and giving away chains of libraries, using for this largess money that should never have been taken from the pockets of the people in the first instance.

As a natural consequence of the special privilege which Jefferson abhorred, we have seen stark and hideous scandal creep into the public service. We have seen seats in the highest forum of legislation—the Senate of the United States—bought and sold like cattle in the market places. Where the prizes of privileged legislation are great, where the pawns of office allure, there will always be men who will be tempted and men who will fall. Through the revelations brought about by a great Democratic statesman, Senator THOMAS J. WALSH, of Montana, we have seen the little black satchel and the king's ransom which it contained—a faithless public servant's reward for betraying a sacred trust. Here in Indiana the grabbing for special favors in this, that, and the other form has brought about a condition where the whole State stands appalled by the looseness of morals of our public officials and by the unconscionable trafficking that has been going on.

The State of Indiana has produced many great Democrats who are worthy to walk down the corridors of history by the side of Thomas Jefferson, men who though dead still live—such men as Thomas A. Hendricks, Daniel W. Voorhees, Claude Matthews, Isaac P. Gray, Joseph E. McDonald, David Turpie, Thomas R. Marshall, John W. Kern, Benjamin F. Shively, Samuel M. Ralston. When we grow sick of special privilege, sick of seeing some men live off of the life energies of others, sick of a world where justice at times seems not only blind but paralytic, let us go into our cloistered places and commune with these great spirits, to the end that we may do our part in our own day to usher in a world that will be motivated by love, based upon equal rights—a world in which the human spirit will at last be free.

## PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President approved and signed the following acts:

On April 28, 1928:

S. 1428. An act for the relief of R. Bluestein;

S. 2126. An act to provide for compensation for Ona Harrington for injuries received in an airplane accident;

S. 2926. An act for the relief of the Old Dominion Land Co.;

S. 3366. An act to authorize a per capita payment to the Shoshone and Arapahoe Indians of Wyoming from funds held in trust for them by the United States;

S. 3506. An act for the relief of the owners of the British steamship *Larchgrove;* and

S. 3507. An act for the relief of the Eagle Transport Co. (Ltd.) and the West of England Steamship Owners' Protection & Indemnity Association (Ltd.).

On April 30, 1928:

S. 1181. An act authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended.

## RIKER MISSISSIPPI SPILLWAY PLAN FOR FLOOD CONTROL

Mr. FRAZIER. Mr. President, a few days ago I introduced a resolution calling for a report from the Chief of Army Engineers on the Riker Mississippi spillway plan for flood control. On April 28, as found in the RECORD of the proceedings of that day, at page 7367, Major General Jadwin, Chief of Engineers, submitted a reply, from which I quote as follows:

> Referring to the resolution passed by the Senate April 25, 1928, requesting the Chief of Engineers to report to the Senate upon the merits of the Riker Mississippi spillway plan for flood control, I attended the hearing of the Committee on Commerce on February 11, 1928, and heard Mr. Riker describe to the committee his Mississippi spillway plan for flood control. My comments thereon are printed on pages 652 and 653 of the hearings before the Committee on Commerce, United States Senate, Seventieth Congress, first session, part 3.

The Chief Engineer made a very short statement at that time in the hearings, and among other things he said, speaking of the spillway plan:

> It is very alluring in many ways, but we could not bring ourselves to recommend it, largely on quantitative grounds, and on the ground that the way that we believe the river wants to work it does not incline to work very much in straight lines.

In other words, he gave the impression that the spillway is a sort of a river. Of course, the spillway is not a river. It is merely a spillway to take care of surplus flood waters. Waters coming down the spillway would go straight if there was no obstruction, just as the water coming down a river would go straight if there was no obstruction. He makes one or two other comments, but nothing very particular. In his letter he says further:

> On April 16 I examined the model of the Riker spillway plan on exhibition in the basement of the Senate Office Building.
>
> Flood ways for the relief of the main river below the mouth of the Arkansas are essential for flood control of the Mississippi if the maximum possible flood is to be protected against. But flood ways in the St. Francis or Yazoo Valleys are not an essential part of the plan and would result in claims for damages as lands have not been subject to overflow frequently in recent years.

Mr. President, I understand the Yazoo and St. Francis Valleys were flooded a year ago this spring and that in order to take care of the flood situation there must be something done to control the excess flood waters. General Jadwin says that claims for damages to lands would result. I do not know what the Chief of Engineers means by that, because if the proposed spillway plan is adopted, the lands would be bought that would be occupied by the flood way, and if it controlled the flood there could be no possible further damages to lands.

Further in his letter he said:

> The levees proposed along the Riker flood ways are, in my opinion, too high for safety, and the estimated cost for the whole project—$785,000,000—is too low.

The levees proposed on the Riker spillway are entirely different from the levees on the Mississippi River, inasmuch as they are proposed to be 50 feet high, 300 feet wide at the base, and about 130 feet wide at the top, which is altogether a different proposition from building levees along the river banks. The higher the levee the more weight there is to hold the levee compact and not allow seepage through the levee.

He states that the cost would be too much. Of course, that is his opinion as against that of other engineers. He said:

The low unit cost for earthwork is out of line with the experience of contractors and of the Government on work of a similar nature. The dredge proposed by him for use in building these levees is of a design that has not been proved.

In other words, the Chief of Army Engineers does not approve of the plan of putting up the levees proposed by Mr. Riker, because he said the dredge has not been proved. When the Wright brothers came to the Patent Office to ask for a patent on their flying machine, the Commissioner of Patents said, in substance: "Your scheme is unproved and we can not give you a patent," but when the Wright brothers went back and demonstrated their machine by actually flying, then the patent was granted. It seems to me that this objection is a mighty poor excuse for opposition to a measure of this kind.

General Jadwin then goes on to state:

The proposed dams would be expensive and uncertain in their operation.

There are some 12 or 15 dams proposed along the spillway. Of course, that is also a matter of opinion and the cost is figured in very carefully in connection with the total estimated cost of the project. He states further:

There are other matters of hydraulics and engineering, such as capacity and velocity of flow in the spillway and erosion of the bed and banks of the spillway, that are open to objection, as, for example, the natural slope of the ground from Red River to the Gulf of Mexico is very small, and a cleared flood way 3 miles wide with such a small slope will have insufficient capacity to carry the water brought to it from above, and therefore more water would be thrown down the main Mississippi River and pass New Orleans than can be carried in its channel between existing levees.

Mr. President, that seems to me a mighty strange statement for an Army engineer to make, to say nothing about his being Chief of the Army Engineers of the United States. The Chief of Engineers complains because the fall or slope of the land from the mouth of the Red River to the Gulf of Mexico is so slight that there would not be velocity enough down the spillway. The facts are that the distance from the mouth of the Red River to the Gulf of Mexico is 90 miles approximately. That would be the length of the spillway. The Mississippi River, as it now flows from the mouth of the Red River around to the Gulf of Mexico, is approximately 300 miles. It has the same fall in going 300 miles that the proposed spillway would have in going 90 miles. But the Chief of Army Engineers states that there would not be fall enough, and that a spillway 3 miles wide could not take care of water which the river, approximately 1 mile wide, now takes care of all but extreme cases.

In the recent resolution to which I have referred we asked for the opinion of Major General Jadwin on the merits of the proposed flood-way plan. General Jadwin in his response said nothing about the merits of the plan, but talked about the demerits of the plan. His suggested demerits in my estimation are the flimsiest arguments that anyone, especially an engineer, could possibly put up. I believe they can be refuted by engineers by the score who have no interest in the spillway proposition.

It will be recalled that a day or two ago I had inserted in the RECORD a resolution by the American Society of Engineers, of which General Jadwin is a member, I understand, adopted by them unanimously, asking that a commission of nine disinterested engineers be appointed to study the Mississippi River flood-control proposition. Therefore, Mr. President, I ask for the adoption of my resolution, calling upon Major General Jadwin to give us something of the merits of the proposed spillway as well as the demerits. I ask for the immediate consideration of the resolution.

Mr. CURTIS. Mr. President, let the resolution be read.

The Chief Clerk read the resolution (S. Res. 217), as follows:

*Resolved*, That Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, having replied to a recent request of the Senate for "an immediate report upon the merits of the Riker Mississippi spillway plan for flood control" by a statement solely presenting his opinions upon its demerits without one word respecting its merits, be hereby again requested to report more specifically upon the merits of the proposed plan for flood control.

Mr. JONES. Mr. President, I doubt the wisdom of the Senate passing such a resolution as the one just read. General Jadwin has responded to the resolution which the Senate has heretofore passed, and, of course, if his response does not meet with our approval I do not see how we can do anything else except take it for what it is worth. At any rate, I ask that the resolution may go over.

The VICE PRESIDENT. The resolution will go over on the request of the Senator from Washington.

ANNUAL REPORT OF FEDERAL FARM LOAN BUREAU

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the preceding day, which will be read.

The resolution (S. Res. 215) submitted yesterday by Mr. BLEASE was read, as follows:

Whereas by act of Congress, July, 1916, known as the farm loan act, it becomes the duty of the Secretary of the Treasury to annually transmit to the Congress the annual report of the Federal Farm Loan Bureau of said department for the purpose of advising the Congress and the public of the true financial condition of the 12 district farmer-owned Federal land banks and of the privately capitalized joint-stock land banks chartered under said act; and

Whereas said report has not to this late date been filed with Congress, whereas prior to 1927 said report was always available for the deliberation of Members early in January, that necessary remedies might be adopted to safeguard and strengthen a system intended for the financial support of American agriculture; and

Whereas we have reason to believe that the said Secretary of the Treasury now has available said annual report for the last fiscal year, and is again withholding same from the public until after the adjournment of this session of Congress, as he did in 1927, which is contrary to the intent of demanding an annual report, and which deprives thousands of farmer owners of the 12 district land banks of knowledge of the real condition of their banks; and

Whereas a national scandal is now impending with respect to the financial condition of 6 of the 12 district Federal land banks, due to the failure of the political appointees who have been named to act for the Farm Loan Bureau in the operation of these banks, which the farmer stockholders now fully own; and

Whereas so grave has become the condition in one of these banks that the Committee on Banking and Currency is now considering a resolution which calls for a full investigation of the entire system as a result of startling revelations recently come to light; and

Whereas the financial welfare of thousands of farmer owners of these district Federal land banks, whose banks are now manipulated by political appointees, is at stake, and their property may be so depressed that it become beyond repair unless Congress is immediately advised of the condition, permitting of necessary remedies; and

Whereas political appointees of the Farm Loan Bureau and the Treasury Department have assured Members of Congress, and are now carrying on a propaganda program among farm-paper and newspaper editors, in order to suppress the real truth being printed, or necessary legislative action taken by this session of Congress; said annual report being the only basis upon which intelligent conclusions may be reached: Therefore be it

*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to immediately transmit to the Senate the annual report of the Farm Loan Bureau for the past fiscal year which he is now withholding from release unnecessarily.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. CURTIS. It is agreed that the preamble shall be stricken out, and I move the following amendment to the resolution proper:

On page 3, line 2, strike out the word "immediately"; in line 3, before the word "the," insert the words "as soon as possible"; and in lines 4 and 5, strike out the words "which he is now withholding from release unnecessarily," so as to make the resolution read:

That the Secretary of the Treasury be, and is hereby, directed to transmit to the Senate as soon as possible the annual report of the Farm Loan Bureau for the past fiscal year.

The amendments were agreed to.

The resolution as amended was agreed to.

The VICE PRESIDENT. Without objection, the preamble will be stricken out.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 4046. An act authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.;

S. 4180. An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.;

H. R. 8132. An act authorizing the appropriation of $2,500 for for the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding of the Indian peace council, at which treaties were made with the Plains Indians in October, 1867;

H. R. 13331. An act to authorize the President to present the distinguished-flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph Le Brix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl;

H. J. Res. 192. Joint resolution to provide for the coinage of a medal in commemoration of the achievements of Col. Charles A. Lindbergh; and

H. J. Res. 239. Joint resolution authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg.

The VICE PRESIDENT. The morning business is closed.

RETIREMENT OF CIVIL-SERVICE EMPLOYEES

Mr. DALE. Mr. President——

The VICE PRESIDENT. The Senator from Vermont.

Mr. DALE. The Senator from Massachusetts [Mr. GILLETT] has asked me to yield to him. I assume that in yielding to him I will not lose the floor.

Mr. CURTIS. I suggest that the measure in which the Senator from Vermont is interested be brought before the Senate, so that the Senator from Massachusetts may talk while that measure is pending.

Mr. DALE. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1727, Order of Business 684, to amend the act entitled "An act for the retirement of employees in the classified civil service," etc.

The VICE PRESIDENT. Is there objection?

Mr. BLEASE. I object.

Mr. DALE. Then, Mr. President, I move that the Senate proceed to the consideration of that bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Vermont.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1727) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926, which had been reported from the Committee on Civil Service with amendments.

Mr. GILLETT. Mr. President——

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. DALE. Mr. President, I understand that I do not lose the floor by yielding to the Senator from Massachusetts.

Mr. REED of Pennsylvania. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Pennsylvania will state it.

Mr. REED of Pennsylvania. Does not a Senator lose the floor when he presents a motion which is put to a vote? Is it not then a question whom the Chair will recognize?

The VICE PRESIDENT. The Senator is correct. The Senator from Vermont will have to take his chances on recognition by the Chair.

Mr. DALE. Mr. President, I ask for recognition now.

The VICE PRESIDENT. The Chair will have to abide by the rule, which is that he shall recognize the Senator who first rises and addresses the Chair.

Mr. DALE. Does the Chair rule that if I yield to the Senator from Massachusetts I lose the floor?

The VICE PRESIDENT. The Chair so rules.

Mr. REED of Pennsylvania. I make the point of order that the Senator has nothing to yield.

Mr. GILLETT. Mr. President——

Mr. DALE. I addressed the Chair and was recognized after I made the motion.

Mr. GILLETT. I addressed the Chair first.

Mr. DALE. Under the circumstances, Mr. President, I yield the floor to the Senator from Massachusetts.

THE WORLD COURT

Mr. GILLETT. Mr. President, I have been confined to the house for some time by a very persistent and disabling cough; and it happened that on the very first day of my absence the Senator from Pennsylvania made some remarks criticizing a resolution which I had introduced.

Mr. REED of Pennsylvania. Mr. President, the Senator does not mean that I did it because he happened to be absent?

Mr. GILLETT. Of course I do not, although I will confess that I think it would have been courteous if the Senator had waited until I was here or had notified me that he was going to make his statement; but of course I do not charge in the slightest that that was the reason why he spoke at that time. I have no doubt he would have preferred that I be here.

The subject which the Senator discussed was a resolution which I introduced early in the session requesting that the President undertake to continue negotiations relative to our entrance into the World Court.

The main irritation of the Senator from Pennsylvania seemed to be that he was receiving a great many letters from his constituents which, he said, showed that they did not understand the nature of the question. Of course, that is a matter between the Senator and his constituents. I do not wish to defend the constituents of the Senator; but I confess his letters must have differed very much from a great many letters which I have received from my constituents on the same subject, because what impressed me in those was that the writers did seem to know exactly what the subject under consideration was, and they came exactly to the point, and they aimed exactly at what my resolution aimed at, namely, that the deadlock which has occurred in the consideration between us and these other countries about the World Court should be ended.

Of course, I do not suppose that the superior information shown by my letters in comparison with those of the Senator from Pennsylvania was due to the difference of latitude between Massachusetts and Pennsylvania; but I was much impressed not only by the fact that they appreciated the point but by the intelligence and the standing of the writers of those letters. It struck me, as a rule, that they were unusually intelligent, and aimed exactly at the point; and I could but wonder, considering the remarks of the Senator, if the trouble was not so much with some of his letters as with the spectacles with which the Senator read them.

The Senator criticized and inserted in the RECORD a letter which was written by Miss Esther Everett Lape, which he surmised was the principal source of the propaganda of which he complained. I have carefully read that letter, and although he says that that letter did not state the facts, it seems to me that letter very frankly, perspicuously, and unobjectionably stated exactly the point which was aimed at my resolution and could not mislead anybody. There was no misrepresentation or repression, and I confess I think if the politics of Pennsylvania are never going to be subjected to any propaganda more sordid or objectionable than this, the reputation of Pennsylvania for both intelligence and virtue will be enhanced rather than injured.

But, Mr. President, just what is the question which is raised by my friend? He states that the resolution which I submitted is a mere, empty, futile gesture and can accomplish nothing. There, I think, he is absolutely mistaken. Let us just see—and I shall be very brief, because I really think my own voice as well as the time of the Senate compels it—let us consider very briefly just what the condition is of the World Court treaty.

As we all know, when the question came up we adopted five reservations. The Secretary of State, as directed by us, submitted those reservations to the other powers, and the other powers called a conference in September, 1926; and at that conference a large proportion of the powers were represented. For some time they discussed very intelligently, in a very friendly spirit, our reservations. The result of that conference was, to be brief, that they practically agreed to the first four of our reservations. The only difference between us, then, was on the fifth reservation.

You all remember the fifth reservation. It provided that the court shall not render any advisory opinion except publicly, after due notice to all States adhering to the court and to all interested States, and after public hearing or opportunity for hearing given to any State concerned.

As to this first half of the reservation they suggest, which is true, that the rules of the court have been adopted which provide substantially what we ask there, and suggest that that should be satisfactory. I confess that I think it is better that our reservation should be agreed to by them, because, by saying that the court has adopted substantially that reservation, they admit that they accede to it; and it is better that it should be acceded to by agreement than that it should be continued by a rule of the court, which rule, of course, can at any time be changed by the court. Therefore there is, I think, no difference between us on that point, and I think they would undoubtedly agree to that reservation.

The second half of the reservation says:

> Nor shall it [the court], without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

There is the nub of all the difference there is between us and the other signatory powers. There was drawn up, at this meeting of the other powers, a statement which was submitted by them to us; and as to the last half of the fifth reservation they say:

As regards disputes to which the United States is not a party but in which it claims an interest, and as regards questions, other than disputes, in which the United States claims an interest, the conference understands the object of the United States to be to assure to itself a position of equality with states represented either on the council or in the assembly of the League of Nations. This principle should be agreed to.

In other words, they assent to the principle that the United States should have exactly the same rights as the other nations. It would seem that that would settle the question; and the question is asked, "Why, then, do they not agree to our reservation?"

But they proceed:

But the fifth reservation appears to rest upon the presumption that the adoption of a request for an advisory opinion by the council or assembly requires a unanimous vote. No such presumption, however, has so far been established.

Mr. President, I think the Members of the Senate did believe, when they adopted the fifth reservation, that it required a unanimous vote. I can not say that all the Senate held that opinion, but I think the majority opinion in the Senate undoubtedly was that for the League of Nations to request an advisory opinion of the court required a unanimous vote either of the council or of the assembly. There certainly was good reason, it seems to me, for us to believe that.

I will ask the clerk to read—it will give me a minute's respite—the provision of the covenant of the League of Nations which states where there shall be a unanimous vote and where there may be a majority vote.

The PRESIDENT pro tempore. Without objection, the Secretary will read, as requested.

The legislative clerk read as follows:

ARTICLE 5

Except where otherwise expressly provided in this covenant or by the terms of the present treaty, decisions at any meeting of the assembly or of the council shall require the agreement of all the members of the league represented at the meeting.

All matters of procedure at meetings of the assembly or of the council, including the appointment of committees to investigate particular matters, shall be regulated by the assembly or by the council, and may be decided by a majority of the members of the league represented at the meeting.

Mr. GILLETT. Thus, Mr. President, you see that when it is a mere matter of procedure a majority vote is sufficient; but any matter of substance requires a unanimous vote. The question to any lawyer would be, "Is it a mere matter of procedure to ask the court for an opinion upon some question between nations, or is that a matter of substance?"

I confess that to me it seemed clear that it was a matter of substance, and that it was not a mere matter of procedure, like the illustration used in the article which has just been read; and I think, from the comments that were made on the floor of the Senate during the debate, that was the general opinion of the Senate—that it did require a unanimous vote, and that it was not a matter of procedure.

Of course, I appreciate that it may be presuming for me to express an opinion upon the meaning of part of the text of the covenant of the League of Nations. Of course, that is for them to decide for themselves. I appreciate that fully, and I appreciate that they can decide as they please, and, no matter what my opinion or the opinion of other lawyers may be, they have the full right of ultimate decision. At the same time, I think it will appear to most lawyers that that is a matter of substance, and it would require a unanimous decision.

Moreover, one is fortified in that position by the fact that in the past six years every one of the advisory opinions that have been asked—14 of them—has been asked by unanimous vote. Of course, that does not prove that a majority vote would not have been sufficient; but the issue never has been raised, and always a continuous series of decisions tends to create a precedent; and I think that would in anyone's mind confirm the opinion which the first reading of the language gave, that it would require a unanimous opinion. At the same time, this conference suggested—and, of course, they had the right to suggest it, and they have the final decision—that it is not settled that it required a unanimous decision.

Mr. President, if they would simply vote that it did require a unanimous decision, if they would decide that either the council or the assembly can ask an advisory opinion only by a unanimous vote, then substantially every difference between us and the signatory powers would be wiped away.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. GILLETT. I do.

Mr. BORAH. Suppose they did so declare. Next year they could declare the very opposite.

Mr. GILLETT. They could; but I think we hardly need to consider that proposition, because I do not believe any powers that invited us to enter the court on the theory that an advisory opinion can be given only by a unanimous vote, and therefore that we are on an equality with them, after we were there would then change and leave us on an inequality, particularly after they have themselves suggested in this very statement that what they desire is to give us the same rights that they have.

Mr. BRUCE. Mr. President, may I interrupt the Senator for a moment?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Maryland?

Mr. GILLETT. Certainly.

Mr. BRUCE. Why could we not ratify subject to the understanding that an advisory opinion could not be called for except by unanimous vote?

Mr. GILLETT. If the Senator will allow me to conclude, I think I will state my views on that point. I am just making that statement to show what an insignificant difference there is between us at present—that if they should decide that, there would be no difference between us, and we would have the same rights there that they would. Of course, as some one—I think it was the Senator from Virginia—pointed out, we would not have exactly the same rights, because any member of the council can object without giving any reason for his objection, without claiming an interest, whereas we have got to claim an interest; but that, I think, is too trivial to affect a matter of this kind, because we should never want to object to anything in which we have not an interest.

After saying that it is not certain that there is a unanimous consent required, then they continue and suggest that they allow us to have the same rights they have; that if it is finally decided that there shall be a unanimous consent, then we have the same rights they do. If it is afterwards concluded that it requires only a majority to request an advisory opinion, then they will give us the same right they have, and the court should count us as having a vote.

I do not think that would be satisfactory. While I believe that when we adopted that fifth reservation we did think that we were putting ourselves on the same footing on which they were, giving ourselves the same right that every other member of the council had, yet, despite that, I do not believe that if it should be decided the other way we would be satisfied to have a vote. I think whichever way they may decide, the Senate would insist that this reservation should practically stand as it is, because if they are willing to put us on a position of equality, and if they really intend that a unanimous consent should really be requisite for an advisory opinion, then there is really no reason why they should not accept our fifth reservation. That is the point that I hope we shall come to, that they will accept our fifth reservation.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. GILLETT. Of course.

Mr. REED of Pennsylvania. The Senator does not think it likely that the Senate will recede from the fifth reservation as it stands?

Mr. GILLETT. I do not.

Mr. REED of Pennsylvania. What, then, can the President do more than he has already done?

Mr. GILLETT. If the Senator will have patience for a moment, I am coming to just what the purpose of this resolution is.

The Senator from Pennsylvania said this resolution was just an empty and futile gesture. I think those were his words. The Senator can not know whether it is an empty or futile gesture.

Mr. REED of Pennsylvania. If the Senator will pardon me, I said the adoption of the resolution would be an empty and futile gesture. I did not ascribe that to anything the Senator had offered.

Mr. GILLETT. I, perhaps, misinterpreted the Senator's remarks; but if the adoption would be an empty and futile gesture, I think the introduction of it would be equally a futile gesture. I hardly see the distinction.

Of course, Mr. President, it may be that the adoption of this resolution would be empty and futile, I recognize the possibility of that; but the Senator from Pennsylvania does not know that any more than I know that it will be an effective and useful gesture. It depends upon what happens. The purpose I had in view was this: The Senate adopted the five reservations. They were sent to the other powers, and they sent back this response, accepting four of them and suggesting modification of the fifth. We have made no answer, and there the matter has remained ever since.

There could not be an answer. What could the Secretary of State do? He did not frame these reservations; the Senate adopted them, and the Senate was the only body that could negotiate about them, the only body that knew exactly what they meant.

The signatory powers made certain suggestions as to what the United States intended by the reservations, and as to what the United States might be willing to accept. The Secretary of State, who, of course, is our organ in communicating with other nations, could not decide what the Senate intended; he could not decide how the Senate would look upon the substitute which was presented to us by the signatory powers. Therefore, not knowing what he could safely say, he very prudently, as it seems to me, said nothing.

There the matter has rested for a year and a half. The powers have sent back a courteous, friendly response to the reservations, suggesting changes which they think should be made in them, suggesting what they thought we intended, and that they were willing to give us exactly what they thought we intended, and they made these suggestions. There it has dropped.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. GILLETT. Certainly.

Mr. BORAH. I have not read the resolution this morning, but my recollection is that this resolution does not indicate to the Secretary of State anything about the present view of the Senate.

Mr. GILLETT. Exactly; I am coming to that.

Mr. BORAH. If the Secretary of State should take up the correspondence as a result of the passing of this resolution, he would have no more enlightenment than he had before it was passed.

Mr. GILLETT. That is where I differ from the Senator, as I will state in a moment; and my very purpose in introducing the resolution was, as I have said, to break that deadlock. We have this letter from the other powers, a communication unanswered, and necessarily it will remain unanswered, and of course until there is some answer the other powers will not take any further steps.

My purpose in introducing this resolution was, and my belief still is, that in the debate on this resolution it will clearly appear that the Senate is not willing to vary from the fifth reservation, that the Senate believes that that is essential for the protection of the rights of the United States, and the difference having been shown by the communications sent us by these signatory powers to be so slight, my hope is that they would be willing to accede to our positive debate on the resolution. Perhaps the Senate might amend the resolution. I would be glad to have it amended. We might even amend it to suggest what the Secretary of State should say. But without that the Secretary of State could see, by what is said by the friends of our entrance to the World Court, what the attitude of that portion of the Senate is, and could frame an answer accordingly. Of course, with all respect, the attitude of the Senator from Idaho, who is absolutely opposed to our entering at any rate, would not enter into the question; I appreciate that there is a group of Senators who do not wish to have the United States enter at all, and therefore the Senator from Idaho would be glad to say to the other nations, "Let it rest as it is. Take our reservations or leave them."

Mr. BORAH. Mr. President, is the Senator from Massachusetts in favor of modifying the fifth reservation in any respect?

Mr. GILLETT. I am not.

Mr. BORAH. Then the Senator from Massachusetts and the Senator from Idaho are perfectly agreed.

Mr. GILLETT. We are on that; yes.

Mr. BORAH. That part of the fight is over. I was opposed to adhering to the court, but the Senate adopted the protocol with reservation 5. I must accept that. I am not in favor of amending it in any way. The Senator from Massachusetts accepts it, and he is not in favor of amending it in any way. So, so far as our positions are concerned, they would be identical in passing on this resolution.

Mr. GILLETT. I am not so sure about that. I can not believe that our positions would be identical in passing on this resolution, because the object of this resolution is to resume communications with the other powers, and I suspect the Senator from Idaho, not wishing that anything further be done, would be glad to have the deadlock remain, would not be in favor of any further negotiations. Is not that correct?

Mr. BORAH. No, Mr. President. I do not favor a deadlock. I would be perfectly willing to have the Secretary of State take up this correspondence again if he desires to, with the understanding that the Senate has no additional suggestions to make with reference to article 5. If the Senate is standing upon article 5, the only thing the Secretary of State can do is to communicate to the powers that fact, which is, in effect, what he has already done.

Mr. GILLETT. Mr. President, he can; but it makes a great difference how he communicates.

Mr. BORAH. I have no doubt the Secretary of State would communicate it in diplomatic language.

Mr. GILLETT. I think he would; but the very purpose of this resolution is to have him do that. Unless we do take some step in the Senate, there will be no diplomatic letter passing from the Secretary of State on this subject.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. GILLETT. I yield; but I am sorry to impose so much on the time of the Senator from Vermont.

Mr. NORRIS. I would like to ask the Senator a question to ascertain whether I understand his position. If I understand it, the object the Senator has in view is to take some action so that the communication, which has so far remained unanswered may be answered, even by a statement that we can not recede from the action we have taken, with the hope that when that communication is sent they may recede from their position.

Mr. GILLETT. Exactly; and that is just what I was coming to.

Mr. BORAH. What is the necessity of a resolution in order to accomplish that object? The Secretary of State has communicated the views of the Senate to these governments, they have them, and they have answered them. The Secretary of State can only again communicate the views of the Senate, unless we are going to modify our position. Let me read the Senator's resolution.

Mr. GILLETT. Will the Senator allow me to sit down?

Mr. BORAH. I will not interrupt the Senator.

Mr. GILLETT. I am glad to be interrupted.

Mr. BORAH. I will ask the Senator to pardon me; I had forgotten his ill health.

Mr. GILLETT. It would give me a respite. I will be glad if the Senator will proceed, if I do not lose the floor.

Mr. BORAH. The resolution reads:

*Resolved*, That the Senate of the United States respectfully suggests to the President the advisability of a further exchange of views with the signatory States in order to establish whether the differences between the United States and the signatory States can be satisfactorily adjusted.

The Secretary of State has no views to suggest. He can only communicate what the Senate has done, the views which the Senate has expressed; and unless the Senate is going to modify its views upon article 5, the Secretary of State can do precisely again what he did in the first instance—communicate to the foreign powers that here is our adherence to the World Court upon these terms and conditions. Unless the Senator is willing to modify the resolution and say that the views should be so-and-so, that we interpret article 5 so-and-so, I do not see what the Secretary of State can do; and from what I know of the matter, I do not think the Secretary of State would know what to do otherwise.

Mr. REED of Pennsylvania. Mr. President, without attempting to take the floor from the Senator from Massachusetts, I wanted to ask the Senator from Idaho if it does not come down to this, that with the Senate determined to stand by reservation No. 5 as it is——

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. The Senator from Massachusetts still has the floor.

Mr. BRUCE. I desire to make a statement.

The PRESIDENT pro tempore. The Senator has yielded to the Senator from Pennsylvania for the time being.

Mr. BRUCE. The Senator from Massachusetts has the floor?

The PRESIDENT pro tempore. The Senator from Massachusetts has the floor.

Mr. BRUCE. I have never seen any standing posture of that sort before.

Mr. GILLETT rose.

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. GILLETT. I asked the indulgence of the Senate, because of my illness, from which I am just recovering.

Mr. BRUCE. Nobody would be more willing than I to accord the privilege to the distinguished Senator.

Mr. REED of Pennsylvania. Mr. President, if I may state my question again, the resolution of the Senator from Massachusetts suggests a resumption of negotiations, with a view to an adjustment of the impasse. Clearly that implies a possibility of mutual concessions. Would not the passage of such a resolution imply that the Senate was ready to recede, at least in part, from reservation No. 5, and do we most of us, at least, recognize the complete impossibility of any recession by the Senate on reservation No. 5?

Mr. WALSH of Montana and Mr. BORAH addressed the Chair.

Mr. REED of Pennsylvania. It seems to me, just to finish, that the adoption of the resolution in those circumstances would invite the Secretary of State to give a false impression to our friendly fellow nations of a fact which could not come to pass, in that the Senate in all likelihood would not recede.

Mr. WALSH of Montana. With the indulgence of the Senator from Massachusetts, I would like to say that I do not take the view expressed by the Senator from Pennsylvania at all.

Mr. BRUCE. Mr. President, I would like to know on what principle of parliamentary procedure the Senator from Montana is allowed to interrupt the Senator from Pennsylvania when that privilege was withheld from me.

The PRESIDENT pro tempore. The Senator from Montana said "with the indulgence of the Senator from Massachusetts," which was given.

Mr. GILLETT. It was.

Mr. BRUCE. I did not understand it was given. If I may take issue with regard to a matter of fact with the Presiding Officer, I did not hear it given.

Mr. GILLETT. Mr. President, I dislike to be irregular in this way, but I am sure the Senate will appreciate that this is the first time I have been out since my illness, and my strength is not great, and when the Senator from Montana asked if he could speak with my indulgence, I nodded to him. I did not speak. I was in a way saving my voice.

The PRESIDENT pro tempore. The Chair discerned that gesture.

Mr. GILLETT. Mr. President, to resume, there is, it seems to me, a distinction between leaving a matter in a deadlock, as this is to-day, where it will remain forever just because of what the other nations probably would say was a discourteous refusal to answer, or trying to remove that deadlock. In communications between nations, method is often just as important as it is between individuals. It depends a good deal on how we are approached as to what answer we make.

I remember a story of General Jackson when he was President. It was said that he received a communication from the French Government, and when the secretary who translated it to him came to the verb "demander" instead of translating it, as it should have been, as "request" or "ask," he translated it "demand," that "we demand this." The determined President at once said, "If they demand it, by the Eternal, they shall not have it." It required some explanation to persuade him that they did not demand it, but that they only requested it. So, between nations, good feeling and courteous treatment often are quite as important as agreement in opinion. That is the point I am trying to reach in this case. We are in the doldrums here. No action will be taken. The Secretary of State does not know what to say, and the other nations will take no action unless he says something. What I think is that the attitude of the friends of the World Court in the Senate, expressed, as I believe it would be, in a debate on this resolution so clearly and yet so friendly that there would be no offense given, and yet insisting that it is necessary—and I can not take the time to say why I believe that is so—that is necessary after all that we should be protected as we are by the fifth provision, I have hoped that the difference between us and the signatory powers having come down to this very insignificant point of a majority or unanimous vote that the other signatory powers, if they really, as I believe they do, wish to have the United States represented in supporting this World Court, I have hoped that they would then, by a renewal of communications, accede to our fifth reservation, and in that way the matter would be settled. Personally, I should be very willing to see some modification of our fifth amendment, but I do not believe any change could be carried in the Senate, and therefore I think it would be wasted effort to attempt it. But I hope that when the other powers are informed that we can not accept the substitute that they will agree to our reservation.

Mr. President, some time in February I made some remarks on this subject over the radio, in a talk of 10 or 15 minutes, a very condensed statement, which I am sure expresses my views better than what I have said in this rambling way this morning. I ask unanimous consent that I may print that as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I will confine myself to presenting to you as fully as I can in the limited time that one of the reservations or conditions to the World Court treaty which the Senate adopted which is now the only substantial point of difference between us and the other nations, and which alone is preventing our membership in the court. You must bear in mind that this whole World Court treaty is a very restricted one, and that under it we only bind ourselves to submit to the decision of the court such disputes as we may agree with the other nation in each particular case we wish to have the court pass upon. The court can give judgment against us in no case which we do not voluntarily submit to it.

But, besides its trial jurisdiction, there is a provision which allows the League of Nations to ask the court for advisory opinions upon any question or dispute it chooses. Some of our States give their legislatures a similar privilege to ask advice from their supreme court on questions of law. But the United States is not a member of the League of Nations, and so could have no voice in deciding whether an advisory opinion should be requested. And, inasmuch as the court has no jurisdiction over any dispute of ours which we do not voluntarily refer to it, it is natural that we should not wish it to take such jurisdiction through the medium of an advisory opinion, and, therefore, the Senate provided in the fifth reservation—

"The court shall not, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

It is that reservation to which the other nations have failed to agree, and which is the stumblingblock to our membership in the court. Representatives of all the other nations held a conference in September, 1926, for the purpose of considering our reservations, and after agreeing substantially to the others they sent us their views on this reservation, saying that they presumed we intended simply to put ourselves on an equality with the members of the League of Nations, that we doubtless thought that when a question of asking for an advisory opinion came up before the league it would require a unanimous vote to pass it, so that any one nation could prevent its passage by objecting, and that we wanted the same right. But, they continue, it has not yet been determined whether the vote of the league on that question must be unanimous or whether a majority is sufficient, and so they suggest that we be granted the same rights that the members of the league have, and if it is finally decided by the league that the vote must be unanimous and a single vote can defeat it we shall have the same right, but if it shall be determined that a majority vote of the league can request an advisory opinion then we shall still have the same rights as the members of the league, and our vote would be counted, although we are not a member of the league.

I do not believe that would be satisfactory. I think most of the Senate did assume that it required a unanimous vote of the league to request an opinion from the court, inasmuch as so far all such votes have been unanimous, and that we were only asking the same right which others had. But whether or not the league should finally decide that the vote must be unanimous and so every nation, like ourselves, should have the power of preventing an advisory opinion, I think the Senate would insist upon that power for us. It would be easy for the league to put us all on an equality by deciding that the vote must be unanimous, but if, for any reason, they did not choose to do that, still I think we would want that right. We are not members of the league, we did not, like the other nations, appoint the council our agent to ask advisory opinions, we could not participate in any discussion of the necessity for an advisory opinion, and we do not feel that our interests are subjects for their deliberation or for the court to advise the league upon.

We are not at all within their jurisdiction and we feel that if at any time, by accident or design, they should request an opinion of the court affecting our interests we ought to have the right of deciding whether to allow it or prevent it. We have that right in any judicial decision of the court. It can not take jurisdiction of any case concerning us or render any judgment affecting us without our consent. Why, then, should they have any more jurisdiction over us indirectly through an advisory opinion? Of course, I have no authority to speak for the Senate, but I am expressing the views which, from my knowledge of it, I think it probably holds. For an advisory opinion, although not binding on anyone, will have eventually much the same weight as a judgment of the court. Neither of them have any force behind it. The judgment of this court, unlike those with which we are familiar, has back of it no sheriffs or marshals to enforce it. It depends for its authority and execution upon the public opinion and conscience of the nations. Therefore an advisory opinion, though technically not binding, makes the same appeal to public opinion as a judgment, and no nation would like to ignore it.

The conference of the nations upon our reservations, to which I have referred, was finished in September, 1926, and they sent us the result of it with courteous expressions of hope that the differences between us could be accommodated and that there might be such further exchanges of views as the Government of the United States might think useful. There negotiations ended and the subject has slept for a year with no attempt toward further adjustment. It seems to me the next move is up to us. Unless we make some response the question will lie dormant indefinitely. I presume the Secretary of State, who received the communications from the other nations, felt that as he did not originate the reservations but as they were framed by the Senate, he could not presume to interpret them or to answer the messages from the other nations by telling them whether their interpretations of the reservations were correct or their suggestions of changes acceptable. And so, not knowing what answer would correctly represent the views of the Senate, he prudently answered nothing.

And there the matter has rested. Thinking that so momentous a matter should not be allowed to die from inaction so long as there was a chance of agreement, particularly when I believed that both parties sincerely desired some agreement, I introduced in the Senate last month the following resolution:

"*Be it resolved,* That the Senate of the United States respectfully suggests to the President the advisability of a further exchange of views with the signatory States in order to establish whether the differences between the United States and the signatory states can be satisfactorily adjusted."

My hope is that the debate on that resolution will disclose clearly the attitude of the Senate toward the suggestions of the other nations, or possibly the resolution might be so amended as to indicate exactly the position of the Senate, and that then the President will respond to the long unanswered letters referring perhaps to the proceedings of the Senate, and with this new light as to the meaning of the reservations and the probable attitude of the Senate, the other powers will again consider whether a satisfactory agreement can not be reached. It certainly would be disheartening if the United States, which has always been the leader in the movement for submitting disputes to arbitration, should not become a member of the court, and I hope the other nations really want us enough to accede to the conditions which we think necessary to protect us. Very likely if we did not have the power to object which we are claiming, the League of Nations would never ask for an advisory opinion that would affect our interests. Very likely if we were granted the veto power we would never have occasion to exercise it. But I think at the inception of this new tribunal the Senate will move very cautiously and will be unwilling to take any chances at first, trusting to time and experience to determine how far it is wise to submit more freely to the jurisdiction of the court.

This court as at present constituted is, of course, but a feeble beginning toward that universal reign of law which we hope will some time supplant force. It falls short of everyone's ideal. It was necessarily a compromise, as any institution in whose framing so many nations join is bound to be. Probably there is no one who could not offer a criticism of some feature. Probably there is no one who could not construct in his own mind a court which would seem to him better. But if we wait for what each person or each nation thinks is a perfect constitution for a court we shall never have any.

This is the only World Court this generation is likely to see. It is an existing, functioning tribunal comprised of great jurists with international reputations, has already rendered eminent and most helpful service to many nations, and I think we ought to study how it can be maintained and strengthened rather than dwell upon its defects and weaknesses. While the present jurisdiction of the court is very limited, its constitution provides that any nation may sign a stipulation giving to the court full jurisdiction over all disputes between it and any other nation. Thus far the only nations to sign that clause are small nations who have nothing to lose because their armies are so weak that they know they would be beaten if they resorted to the test of war, and so they are willing to risk a court. But I hope the day is not very far distant when the World Court will have so won universal respect and confidence, will have proved itself such a fair and satisfactory arbiter of international quarrels that the strong powers as well as the weak, and first among them the United States whose whole history and tradition pledge her to the judicial settlement of disputes, will be willing to risk something for world peace, to show that she would rather lose a case before a court than win it by brute force, and that she is ready, like the weakest nation, to submit all her quarrels, whether against a feeble or against a mighty antagonist, to the decision of a court of justice. And I hope that this court despite its present restrictions and weaknesses may be the germ from which will gradually develop the peace on earth for which everyone is striving.

Mr. BRUCE. Mr. President, I did not know this matter was coming up this morning——

Mr. DALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Vermont?

Mr. BRUCE. Certainly.

Mr. DALE. I just want to make this statement: I do not think the Senator from Maryland did realize that this was coming up to-day, and I did not either. But the situation now is that we have just one hour to consider the bill I have in charge, and if we go on discussing these extraneous matters, of course, the effect will be to bring us to 2 o'clock, when we can not consider the bill.

Mr. BRUCE. I really think that this resolution is even more important than the bill in which the Senator and I are so deeply interested, important as that is; but I promise the Senator to say only a few words with respect to the resolution. Indeed, my purpose is to say nothing more for all practical purposes than that I am heartily in accord with it or with any similar resolution looking to the same object. I am bound to say that I think the distinguished Senator from Pennsylvania was just a little premature when he assumed that all the Members of the Senate are determined to adhere in any event to the language of the fifth reservation.

Mr. BORAH. Do I understand that the Senator is in favor of modifying article 5?

Mr. BRUCE. I think that it can be modified in such a way as not to surrender our just rights.

Mr. BORAH. How would the Senator modify the reservation?

Mr. BRUCE. The present construction is that no advisory opinion is binding without unanimity on the part of the proper agency of the league, and it seems to me that instead of that fifth reservation we might simply ratify subject to the understanding that we place that construction of unanimity on our act of ratification, and that it was to be obligatory upon us no longer than that construction was conceded.

Mr. BORAH. The proposition of unanimity is one of the very incidental propositions of the discussion. The objection upon the part of foreign powers is with reference to that portion of the reservation which provides that no opinion shall be rendered in any matter without our consent, in which the United States claims an interest.

Mr. BRUCE. I know. The Senator is opposed to our entry into the World Court in toto. We understand that.

Mr. BORAH. What I would like to know is whether the Senator from Maryland is in favor of eliminating that last clause?

Mr. BRUCE. I have answered that question.

Mr. BORAH. No; I do not think so.

Mr. BRUCE. I may not be in favor of eliminating the last clause, and yet at the same time be in favor of substituting for it something which, so far as our purposes are concerned, would be equally as effective and at the same time satisfactory to the signatory powers. As I said, I do not hope to convert the Senator. He has been for some years, though not always, against the World Court. As I read the record of his relations to it, he really favored the World Court until he found that some 46 or 50 of the most highly civilized powers of the world agreed with him, and then he went off on his present tangent.

Mr. BORAH. I have never been in favor of this so-called World Court, but I am now defending what the Senator from Maryland advocated upon this floor, and that is reservation 5.

Mr. BRUCE. Of course.

Mr. BORAH. I understand the Senator from Maryland has changed his position and wants to eliminate reservation 5.

Mr. BRUCE. Until we find that we have come to an impasse we are not likely to abandon any proposition to which we have given our assent. But now that we have reached such an impasse in the matter of the World Court it seems to me that like a group of practical, sensible men bent upon carrying out the general object that they had in view, we should be disposed to have the Secretary of State open up a correspondence with the signatory powers for the purpose of ascertaining whether some basis of compromise or adjustment may not yet be found.

I think that we Democrats deserve some credit for the way in which we came to the aid of the administration when it brought forward the World Court proposition. That proposition did not emanate from us except originally, of course, in another form during the Wilson administration. It emanated from the President and his Secretary of State, and in perfect good faith and with marked enthusiasm we voted to bring about the entry of the United States into the World Court. We were actuated, I think I can say, by the most patriotic and disinterested motives in taking the stand that we did at that time; and I for one expressed then the sense of gratification that it gave me individually to find myself in accord, as respects the World Court, with the President of our country, though he happened for the time being to be a Republican President.

The door to negotiation is still open. Why should we not make an effort to reenter it and arrive at an understanding

with the signatory powers in relation to the conditions on which we might enter into the World Court? Let the Secretary of State go ahead. Let him ask the signatory powers whether they can not suggest some basis of adjustment or the initial understanding that would bring their minds and the minds of the President of the United States and of the United States Senate into accord. Their general attitude toward us is conciliatory. Their ear would be attentive to any and every appeal that we might make to them. Any suggestion or recommendation that might come from us would, I am sure, be received by them with the fullest measure of consideration and respect. All that the resolution proposes to do is to make possible a renewal of the negotiations by which our Secretary of State might again bring himself and our country into touch with those signatory powers for the purpose of seeing whether we and they could not do something toward the establishment of universal peace and the prevention of the most hideous of all calamities that befall human beings in the course of their checkered existence—that is to say, the calamities of a state of war.

I know that some Republican Members of the Senate feel about this matter exactly as I do, and as many of my associates on this side of the Chamber do; but I am certain that some Republican Members of the Senate did not give their assent to the reservations of the Senate in good faith. They did not expect all those reservations to be accepted. They did not wish all of them to be accepted. It is my honest belief that the course of a large part of the Republican Party with respect to the establishment of closer international relations between us and the other great civilized powers of the world has been marked in the highest degree by a hopelessly tortuous policy.

I had almost borrowed one of the vigorous phrases from the Scriptures and was ready to say that the course of the Republican Party as a whole, in relation to the League of Nations and the World Court, has been as crooked as the path of a serpent across a rock. Unwilling to make any real contribution toward the peace of the world, at session after session they have come here and, to use the expression of the Senator from Pennsylvania [Mr. REED], have made one idle, empty gesture of peace after another. Now it is this and now it is that, and at the present time it happens to be a lot of paper pronouncements in favor of peace, which nobody except a few enthusiasts expects ever to result in anything genuine or effective so far as the promotion of lasting good will, concord, and amity between the nations of the earth are concerned.

I care very little about the World Court except as an antechamber to the League of Nations. There has never been a time in the past, and there will never be a time in the future, when we could not resort to arbitration independently of The Hague court, independently of the World Court, and independently of any existing organization. Whether we enter the World Court or not, arbitration will always be open to us; and when, in the ordinary course of arbitration, we select arbitrators, we are free to select our arbitrator from any country we choose—not from some country that has not the same degree of prestige in the family of nations that other countries have but from some country which enjoys the very highest degree of prestige and standing in the great family of nations.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. BRUCE. Certainly.

Mr. REED of Pennsylvania. Are Great Britain and Egypt members of the League of Nations?

Mr. BRUCE. Great Britain is a member of the League of Nations, of course.

Mr. REED of Pennsylvania. Is Egypt a member of the League of Nations?

Mr. BRUCE. I really do not recall. I think that is not a matter of very great importance.

Mr. REED of Pennsylvania. I can tell the Senator that it is a member, and it is a matter of great importance, and yet British warships are steaming toward Egypt at this moment and the League of Nations is sitting passive.

Mr. BRUCE. But perhaps if the United States of America, with its enormous wealth and power and its unfailing sympathy with the higher humanitarian impulses of the world, would enter the League of Nations, the League of Nations would not sit passive when there was occasion for it to be active.

Mr. REED of Pennsylvania. Would the Senator send the American Navy to the Mediterranean to stop the British fleet?

Mr. BRUCE. Indeed, if our naval and military force were a quota contributed by us pursuant to the provisions of the covenant of the League of Nations toward the police force of the league, I would.

Mr. GLASS. Mr. President, may I interrupt the Senator from Maryland at that point?

Mr. BRUCE. Certainly.

Mr. GLASS. I remind the Senator from Maryland that under the terms of the League of Nations it would not be necessary, it certainly would not have been imperative, that we should send our naval force there.

Mr. BRUCE. No. In my judgment, economic pressure would usually be sufficient to preserve world peace.

Mr. REED of Pennsylvania. If we were members of the league, the British warships would not be stopped any more than they are now being stopped to-day.

Mr. GLASS. But that is not the question.

Mr. REED of Pennsylvania. But the Senator said our membership in the league would bring about peace.

Mr. BRUCE. I think it would.

Mr. GLASS. There is such a thing as moral force in the world.

Mr. BRUCE. Precisely. When we allied ourselves to the English-speaking peoples of the world, not to speak of any of the other great civilized peoples of the world, and became a member of the League of Nations, I think that the league would have the full endowment of moral prestige and authority and of physical power to preserve the peace of the world. But if the peace of the world could not be preserved by any other means, do not make the mistake of thinking that I should not be even in favor of securing peace through the armed force of the league, and I would be willing that to that armed force the United States of America should make its proper proportionate contribution.

I have no faith in this vain cry of "Peace, peace, peace," not backed by some real, essential, military agency adequate to the task of preserving international peace. Nor do I believe in those paper trumpets which are forever blowing strains of peace, such as the paper trumpet which the Senator from Idaho [Mr. BORAH], with great respect, has recently sounded, or the paper trumpet which the Senator from Kansas [Mr. CAPPER], with great respect, has recently sounded. Peace never will be secured by any mere fanfare of paper trumpets. It will never be assured by anything except the one single central agency on which the peace of the world should be concentrated, and that is the League of Nations with its World Court.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from New York?

Mr. BRUCE. I yield.

Mr. COPELAND. I am sure the Senator from Maryland will take what I have to say in good part. A lot of us are tremendously interested in the retirement bill which is before the Senate, and we are anxious to have a vote if we can get it.

Mr. BRUCE. I am very sorry. The Senator can not be more interested in the retirement bill than I am in the universal pacification of the world and the prevention of the return of war with all its unspeakable horrors.

Mr. DALE. Mr. President, I would like to suggest that we can pass the bill before 2 o'clock, but we can not have universal pacification of the world, even if we talk until 2 o'clock, in any way that I know of.

Mr. BRUCE. I will be through before 2 o'clock, if that is the object of the Senator.

The Republican Members of the Senate, to say nothing of some of the Democratic Members of the Senate, now have an opportunity to show how far they are actuated by good faith in putting out propositions looking to our entry into the World Court; and I trust that every Member of the Senate, whether he is a Democrat or a Republican, will vote in favor of the resolution.

There is much more that I would like to say on the subject, but it has been brought up to me entirely unexpectedly. If there is no disposition on the part of any other Member of the Senate to prolong the debate, but a disposition merely to make way for the bill in which the Senator from Vermont is so much interested, I will take my seat; otherwise I shall not.

Mr. GLASS. Mr. President, will the Senator from Maryland yield to me for a few words of explanation?

Mr. BRUCE. I will yield if it does not operate to cause me to lose the floor.

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Virginia?

Mr. BRUCE. I am willing to yield provided it does not cause me to lose the floor.

The PRESIDENT pro tempore. The Senator from Maryland yields to the Senator from Virginia.

Mr. GLASS. Mr. President, as supremely pertinent to the discussion and as so clearly representing my views on the question better than I might write them myself, I want to violate my conception of usage and to send to the clerk's desk an editorial from the Philadelphia Record to be read on this

subject. I do not think, since I have been a Member of the Senate, that I have ever asked unanimous consent or otherwise have ever endeavored to insert a newspaper editorial in the CONGRESSIONAL RECORD.

I want to say with respect to the resolution of the distinguished Senator from Massachusetts [Mr. GILLETT] that it is my purpose to vote for the resolution, but with no confident belief that it will amount to anything more than an idle gesture. I think if the Senate wants to do something substantive with respect to the World Court, it might suggest to the President that he have the Secretary of State return the correspondence to the Senate, and the Senate in turn modify the reservations which it has adopted. I might answer more directly the inquiry of the Senator from Idaho [Mr. BORAH], propounded to the Senator from Maryland, by saying that I do favor the abrogation of the fifth reservation.

I ask to have read at the desk this leading editorial from the Philadelphia Record, with the permission of the Senator from Maryland.

Mr. BORAH. Before that is read permit me to say that I join with the Senator from Virginia. I am perfectly willing to bring the World Court protocol back to the Senate for reconsideration of the reservations. I have no objection to such a course.

Mr. GLASS. That is what I would advocate.

Mr. BRUCE. Then there is no quarrel between any of us.

Mr. BORAH. Yes; there is a quarrel between any of us. What I am opposed to is passing a resolution which does not suggest and can not suggest, without action upon the part of the Senate modifying reservation 5, any different course for the Secretary of State to take than that he is now taking. I am perfectly willing to have the entire question resubmitted to the Senate and ascertain whether the Senate wants to modify reservation 5.

Mr. BRUCE. I am reminded of Cardinal Newman's hymn, One Step Enough for Me. The proposition before us is the proposition of the Senator from Massachusetts [Mr. GILLETT], but I am bound to say I am more in accord with the proposition of the Senator from Idaho and the Senator from Virginia than I am with the former. If the Senator from Idaho will only offer some such proposition, I will be very glad to vote for it.

Mr. BORAH. I am not offering the proposition, but I am perfectly willing to support the proposition.

Mr. GLASS. I may offer it as an amendment to the resolution proposed by the Senator from Massachusetts.

Mr. BRUCE. The Senator from Idaho, then, was just drawing a red herring across the trail, and really did not have in his mind——

Mr. BORAH. No; not at all. The Senator from Maryland can draw a resolution just as readily and more perfectly than the Senator from Idaho. The Senator from Maryland is in favor of the World Court. I am perfectly willing to support a program to bring the reservations back here for consideration. If the Senator is in favor of it, instead of finding fault with another Senator about his failure to do so, the Senator can offer his resolution.

Mr. BRUCE. I am going to leave that to the skillful hand of the Senator from Virginia. If he will promise me to bring in such a resolution, I will gladly waive any claim that the Senator from Idaho should bring it in.

Mr. GLASS. I shall propose such an amendment, I think, to the resolution submitted by the Senator from Massachusetts, and in case of the failure of adoption of such amendment I shall vote for the resolution of the Senator from Massachusetts which, I think, however, will accomplish nothing.

Will the Senator from Maryland permit the reading of the editorial at this time?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Maryland yield to the Senator from Virginia for that purpose?

Mr. BRUCE. I am glad to do so.

The PRESIDING OFFICER. The clerk will read the editorial, as requested.

The legislative clerk read the editorial, as follows:

FEEBLE SUBSTITUTE FOR THE LEAGUE OF NATIONS

There is a going concern, a world-wide organization of 56 nations, which was created at the close of the World War in response to universal demand, the principal object of which is to promote international understanding and avert the settlement of differences of opinion by wholesale murder. The United States was largely instrumental in the creation of this organization. Having conceived and brought it forth, this country repudiated the League of Nations and would have none of it. If the league has failed in any respect to make reasonable progress in the achievement of the stupendous tasks involved in the substitution of reason for force as a solvent of international disagreements, that failure is almost wholly due to the refusal of the United States officially to cooperate in its undertakings.

It would be futile now to dig into the motives which impelled the United States to turn its back on the League of Nations, along with Turkey and Soviet Russia—the only other States in the world which remain outside. It may be profitable to point out, however, that for practically 10 years our statesmen have been seeking other means to accomplish what would have been accomplished by our thoroughgoing adherence to the league. There is in this a confession on their part of consciousness of a moral urge; an admission of the desirability of the objects of the league; and a defiant claim that our way, or any one of our several ways, of promoting international peace is superior to the way devised by the combined wisdom of 56 other sovereign states.

Our latest effort to attain by a side path the objective to which the broad and smooth highway of the League of Nations already leads is an outgrowth of Secretary Kellogg's recent attempts to negotiate a permanent peace treaty with France. He has broadened proposals originally directed to one power so as to include four other great powers. He has submitted to Great Britain, Germany, Italy, and Japan, as well as to France, the tentative draft of a proposed treaty to outlaw war among its signatories and has invited them to submit their views thereon. The gist of this instrument lies in a formal condemnation and renunciation of recourse to war and a pledge that "the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be * * * shall never be sought except by pacific means."

Since any step looking to the avoidance of war is to be welcomed and earnestly championed in the interest of an enlightened civilization, it would be invidious to compare this document's provisions with the similar provisions of the covenant of the League of Nations. It pledges its signatories to a pacific course without signifying what the processes of that pacific course shall be. It has no teeth. It has exactly the same binding force as the instrument by which Germany was pledged in 1914 not to violate the neutrality of Belgium. That instrument, we seem to remember, was subsequently described as a "scrap of paper."

It would not be quite reasonable to inquire into the shortcomings of the Kellogg proposal until the other nations concerned shall have expressed their views upon it. If it has weaknesses they will discover them. It is only a framework upon which diplomacy may attempt to build. And the more and better it shall build, the closer must the finished product come in resemblance to the detailed and comprehensive scheme of the League of Nations covenant for the achievement of the same purposes.

What a pity it is that partisanship has impelled us to seek devious byways, backdoor conferences, and knot-hole views in order to avoid an admission of our original egregious mistake!

Mr. BRUCE. Mr. President, if the Senator from Vermont will now obtain the recognition of the Chair, I am prepared to sink back gracefully into my seat; otherwise I will continue the discussion of this subject.

Mr. DALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Vermont?

Mr. BRUCE. I do.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

RETIREMENT OF CIVIL SERVICE EMPLOYEES

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1727) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926, which had been reported from the Committee on Civil Service with amendments.

Mr. DALE. Mr. President, I realize perfectly well that the purpose has already been accomplished, and that the plan is to talk this bill to death before 2 o'clock, so it does not make any difference whether I talk 5 minutes or whether I talk 35 minutes. It is just a question of who talks. I realize that. There is not any misunderstanding on my part with respect to it.

Mr. BRUCE. Mr. President——

Mr. DALE. I do not yield, Mr. President.

Mr. BRUCE. No; the Senator dare not yield.

Mr. DALE. Mr. President, some seven or eight years ago a retirement bill was passed. It was discussed for a good many years, and no doubt every Senator on the floor understands the conditions under which that bill was passed. I am not going to take the time to review those conditions. It gave to the employees an average of about $500 on retirement and it fixed their ages at 70, 65, and 62. That is, there were several groups. They were grouped according to the peril and the exposure, and so forth, of their work. A year or two years ago that act was amended, and the purpose of the amendment of that act was to bring the annuity up to a little over $700 on the average and the maximum to $1,000.

The men themselves paid all that increase. The Government was not called on for a cent there, because their contribution, which was formerly 2½ per cent, was raised to 3½ per cent to cover that increase, so that the Government gave nothing more in the bill that has been passed since the original retirement bill. They contributed nothing more out of the Treasury than they did respecting the original bill.

The so-called deferred liability is frequently confused with the expense to the Government. The statement is made repeatedly, "Why, it will cost the Government so many billions of dollars to do this and do that." The great expense to the Government is in the deferred liability; that is, men going out of the service who do not pay in this contribution of 3½ per cent perhaps at all, some of them, or only a year or two, or five or six years. Therefore, the Government has to meet the cost of these men who have gone out. That cost, of course, is quite large; but the Government has to meet it now. It has already assumed that liability, and that is an expense that the Government has to meet anyway. That liability will be liquidated completely in about 28 years.

The purpose of the bill under consideration is to increase the average annuity to about $800 and the maximum annuity to $1,200. Twelve hundred dollars is the very largest annuity that anyone in the classified service can get under this bill, and the average is about $800.

That is the purpose of the bill, and that is all the purpose in that element of it. It is a very simple, plain purpose. According to the reports of the actuaries—and the committee had to take their reports—toward the normal cost, after we get by the deferred liability, the Government at the present time pays in round numbers $3,852,000 a year. This bill will increase that amount about $5,535,000. At the present time the men pay 3½ per cent and the Government pays less than one-half of 1 per cent. That is the proportion. Under this bill the Government will have to raise its contribution to a little over 1 per cent. That the Government will have to pay, and the men will have to pay 3½ per cent.

Your committee felt that $800 retirement was a small enough amount on the average for any man to receive after he had given 30 full years of service. Under this bill, if he has given 30 full years of service he is given two years' reduction in the age at which he may voluntarily retire. That is, if he has served the Government 30 years, he may retire at 68 in one class. If he has served 30 years, he may retire at 63 in another class. If he has served 30 years, he may retire at 60 in another class. That is, having served 30 years, he may retire two years earlier than those who serve 15 but less than 30 years.

That is all there is to the bill. It simply gives the employees two years' option after 30 years' service; it gives an average retirement of $800 a year; and it costs the Government 1 per cent—less than one-third of what it costs the men.

Mr. COPELAND. Mr. President, I ask unanimous consent to have included in the RECORD a short item regarding the retirement bill which has just been passed in the State of New York.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the Chief for Saturday, April 7, 1928]

SMITH SIGNS PENSION BILLS—FOUR FORUM BILLS AMENDING PENSION SYSTEM NOW LAWS—55-YEAR BILL, PRIOR SERVICE, 20-YEAR RETIREMENT MEASURE, AND 10 PER CENT PENALTY REPEAL APPROVED BY THE GOVERNOR

Governor Smith again proved himself to be a friend of civil-service employees when on Thursday he signed the four bills prepared by the Civil Service Forum amending the New York City employees' retirement act.

The provisions of the four new laws follow:

1. The 55-year bill, introduced by Senator Burchill and Assemblyman Grenthal permits city employees in the New York City employees' retirement system to obtain a pension at 55 years of age at their own request. This is known as chapter 788.

2. The bill introduced by Senator Burchill and Assemblyman Tonry reopens the New York City employees' retirement system to any employee who has not as yet joined the system and gives him credit for any service prior to October 1, 1920, at the cost of the city, and since October 1, 1920, at half the cost to the city and half to the employee. This is now chapter 786.

3. The bill introduced by Senator Burchill and Assemblyman Grenthal repeals the disability clause in the present law which deprives an employee who has been retired for disability of his full pension and which provides that a 10 per cent penalty be deducted before his pension is paid. This is chapter 790.

4. The bill introduced by Senator Burchill and Assemblyman Grenthal provides that an employee who has served the city for 20 years, and who is being involuntarily separated from the service through no fault or delinquency on his part, shall be entitled to a prorata pension based on his years of service. This is now chapter 789.

The governor also signed the Schackno bill, introductory No. 1281, amending section 1703 of the charter, relative to allowance for prior service to certain members of the pension system, and the Kinsley bill, introductory No. 1311, amending section 1709 of the charter, relative to withdrawals from the pension system.

Mr. BLEASE. Mr. President, on yesterday at the hour of 2 o'clock, when the unfinished business was laid before the Senate, I was reading a letter which appears on page 7436 of yesterday's RECORD. I desire now to finish reading the letter from the Standard Mailing Machines Co., of Everett, Mass., which is signed by F. M. Holmes, president. This is addressed to some one whose name is blotted out:

As a user of our Standard postal permit machine, you will undoubtedly be interested in the action our company is taking in behalf of its users to effect a change in the postal laws and regulations for the betterment of the nonmetered permit system of mailing.

The present postal regulations require 300 or more pieces to a mailing of nonmetered matter and only 100 pieces or more to a mailing of metered permit matter.

Until recently your local postmaster was given considerable latitude in the enforcement of this postal regulation, and he was permitted to, and did, accept smaller quantities so as to encourage earlier mailings, thus relieving peak-load conditions at the post office.

The department has recently issued instructions to postmasters requiring the rigid enforcement of the minimum quantity requirements, with definite instructions that only once a week may the postmaster accept mailings of less than 300 pieces. Our mailers inform us that this rigid and arbitrary ruling inflicts a hardship upon them and compels them to use adhesive postage stamps on many of their mailings. This is particularly inconvenient for those who wish to present portions of their daily mailings earlier in the day.

We believe that the minimum quantity regulation is discriminatory and most unfair to the general mailing public, who are entitled to satisfactory and impartial postal service regardless of the device used for imprinting the indicia. Whether the mailer uses a metering machine for which he must pay to the manufacturer, in addition to the purchase price, rental charges of from $10 to $25 per month, or whether he uses a nonmetering machine free from all rental charges, the same postal service should be rendered as long as the postage required by law is paid on each piece of mail matter.

As a result of the many complaints received from our users, this company has issued a formal complaint to the Post Office Department, presenting reasons and facts why more reasonable and uniform minimum quantity regulations should be established regardless of the device used for imprinting the indicia.

I call especial attention to the next paragraph:

Our case is being handled by Mr. Frank W. Mondell and Mr. C. Bascom Slemp, as competent counsel as can be obtained in Washington. Mr. Mondell was formerly Congressman from Wyoming, with over 20 years' experience as a Member of Congress, and for several years leader of the House of Representatives. Mr. Slemp was formerly Congressman from Virginia, and secretary to both President Harding and President Coolidge.

I call the attention of the Senator from Arkansas [Mr. CARAWAY] to the fact that that might be of some use to him in connection with his resolution investigating lobbyists.

Another section:

Our case is also being supported by the Hon. CHARLES L. UNDERHILL, Congressman for several consecutive terms from our Massachusetts congressional district. He has the high honor of being chairman of the Committee on Claims, one of the most important committees in Congress. He is respected by his constituents and associates in Congress for his high principles and sound judgment.

Another case that the junior Senator from Arkansas might possibly look into when he comes to the question of lobbying.

These unbiased, competent men, after giving careful consideration to the facts of the case, have decided that our position is sound and that there is no justification for the existing discrimination, as expressed in the Postal Regulations. They contend that the Postmaster General has exceeded the authority conferred upon him by Congress in establishing unreasonable and discriminatory minimum quantity requirements.

I call attention to that, Mr. President, to show that this very able and distinguished ex-Congressman, this ex-secretary to the President, and the present Congressman, who has served his district so well, do not agree with the Post Office Committee and the Postmaster General in putting upon these people such unreasonable and discriminatory requirements. It is a rather strange thing, too, that at this time in a presidential campaign these very distinguished Republicans—I presume that Mr. UNDERHILL is one, coming from the State that he does—are so much at cross-

purposes with the Postmaster General of the United States. I am not surprised that the Postmaster General should act in this way, because some three months ago he appointed a man from the State of Georgia, born in Georgia, reared in Georgia, and who lived in Georgia—it is much to his credit, I think, that he should have been born and reared and lived in such a great State, being what he is now, an impostor—they took him out of Georgia and carried him to the State of South Carolina, and, in violation of every civil-service rule known on the books, appointed him acting postmaster in that city.

Then, when the Civil Service Commission had an examination and certified that this man was not a citizen of South Carolina, that he was a qualified registered voter, sworn as such in April, 1927, of the State of Georgia, the Postmaster General still keeps him in office in the State of South Carolina; and yet Senators expect me to stand on this floor and advocate civil-service matters!

Never in God's world! There is no such thing as civil service. They are cold-bloodedly and deliberately selling post offices in South Carolina. I have the proof and have offered it to Attorney General Sargent; I have offered it to Postmaster General New; and I am ready to offer it to any Senate committee you appoint.

Men go around deliberately and ask, "How much is such and such a post office worth to you?" Or they will go to the man who is selling the post office, and they will say, "What conditions do I have to meet to be appointed postmaster at Spartanburg, or Greenville, or Gaffney, or Columbia, or any other point?" If the man who is an applicant for the job will meet the requirements, his name is put on the eligible list whether he is eligible or not, sent up by the Civil Service Commission to the Post Office Department, and the Post Office Department names that party postmaster whether he is entitled to it under the civil service law or not.

I charge that, as a Senator from the State of South Carolina, with the proof in my office. Yet they expect me to sit here as a Senator from a sovereign State and support bills of this character and bills of the character of the bill before the Senate yesterday and hypocritically play the part of helping to pass a so-called civil service law that is nothing in the world but a barter and a trade and a sale.

Mr. DALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Vermont?

Mr. BLEASE. I yield.

Mr. DALE. I know it does not matter how much time I use up, so I would like to ask the Senator a question, if he will yield to me.

Mr. BLEASE. I yield.

Mr. DALE. How does the Senator connect this civil service retirement bill with the civil service law in any way?

Mr. BLEASE. If the Senator will just wait until I get to it, I am surely going to connect them.

I have not yet seen any bill here to pension farmers, who work from their babyhood all through life feeding this country. I have not seen any bill here to pension lawyers; or doctors, who ride all night in the rain and cold to administer to mankind. I have not seen any bill to pension office clerks, or merchants, or bank clerks, or newspaper reporters, or even Congressmen or Senators. If these people work for the United States Government, why do they not do as other people do? Why do they not save money out of their salaries? If the salaries are not enough for them to live on and save something, then why do they not resign and go to work at something where they can save something? Why should the taxpayers of this country pay pensions to people who have already lived on the Government for years and for years, educated their children, fed their families, and then insist, at the age of retirement, because they simply have worked for the Government, that they shall be picked up and pensioned, when all other classes of people on earth have to take their own chances? Why not go to work and pass a retirement bill for mothers, providing that after they have had so many children we are going to take them and the children and provide for them by pensions?

Mr. DALE. Mr. President, will the Senator yield?

Mr. BLEASE. I yield.

Mr. DALE. The Senator just made the remark that we do not hear of any retirement bill to pension Congressmen. Does not the Senator know that Al Smith has signed a retirement bill to pension the Congressmen of New York?

Mr. BLEASE. Mr. President, I am not responsible for anything Al Smith does, and I am not surprised at anything he would do.

Mr. DALE. Did the Senator know that he had done that?

Mr. BLEASE. No; I did not know that, but I know I am against him for President, so that would not change my mind at all.

Mr. COPELAND. I am for him.

Mr. BLEASE. I will be for him, too, if he is nominated properly.

I continue reading from this letter:

They contend, also, that the choice of permit printing machines should lie wholly with the mailer; that even though one type of machine may save the department more than another, the department is not justified in giving better postal service in one case than in another. They contend that the Post Office Department, being a public service organized not for profit but to do the greatest good for the greatest number, is acting selfishly and is not considering the best interests of the mailer when it refuses to give him the same efficient postal service because he uses a machine of the nonmetering type, through which he may save thousands of dollars in meter rental charges.

Those are the charges these ex-Congressmen and Congressmen are alleged to be making against this Postmaster General.

As a matter of fact, the Post Office Department, by restricting the nonmetering system, is limiting postal revenues. The questionnaire recently sent to all Standard users reveals the interesting information that each Standard permit machine in use saves the post office on an average of $48.90 per year on the manufacturing cost of postage stamps alone. This means an average saving for the department of approximately $490 on each machine over a period of 10 years, which is a conservative estimate of the life of the Standard machine.

Through the elimination of meter rentals, totaling from $120 to $300 a year, the Standard machine effects even greater savings for the mailer. Each Standard user saves from $1,200 to $3,000 in the cost of meter rentals alone over a period of 10 years. Furthermore, in the case of many mailers the machine pays for itself in a short period, often in a year or less.

Thus the combined saving to the Post Office Department and the mailing public is greater with the Standard machine than with the meter rental type of machine. A machine or system which is capable of effecting such substantial savings should naturally be encouraged, as was the expressed intention of Congress in adopting the permit system. At least its use should certainly not be restricted by unreasonable and discriminatory postal regulations.

As this matter is of great importance to you and thousands of other mailers, will you kindly join us and help us to solve this problem by writing to Mr. Frank W. Mondell? We do not seek to encroach upon your valuable time by asking you to go into detail on the subject, but simply ask you to express your opinion of our proposal and the extent to which you may now be inconvenienced by the present arbitrary minimum-quantity requirements.

By request, your communication will be considered as strictly confidential, and for your convenience we inclose a stamped envelope addressed to Mr. Mondell, Investment Building, Washington, D. C.

Very truly yours, STANDARD MAILING MACHINES CO.,
F. M. HOLMES, *President*.

Mr. President, they sent along with that the following:

Reply to points raised in circular letter, March 23, of the Standard Mailing Machines Co. soliciting letters to Mr. Frank Mondell in favor of Senate 3890.

Before I read that I think I had better read the bill. It is as follows:

[S. 3890, Seventieth Congress, first session]

IN THE SENATE OF THE UNITED STATES,
*April 4, 1928.*

Mr. GILLETT introduced the following bill; which was read twice and referred to the Committee on Post Offices and Post Roads:

A bill to amend section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes"

*Be it enacted, etc.*, That section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes," approved April 24, 1920 (41 Stat. L. 583), is hereby amended to read as follows:

"SEC. 5. The Postmaster General, under such regulations as he may prescribe for the collection of such postage, is hereby authorized to accept for delivery and to deliver, without postage stamps affixed thereto, not less than 100 pieces at a mailing, mail matter of the first class on which the postage has been fully prepaid at the rate provided by law."

Mr. President, just by way of answering my friend the Senator from Vermont [Mr. DALE] a little further, I will say that I introduced a bill a few days ago that would go a long way toward doing away with the unemployment we have in this country. It would go a long way toward solving the very

things this bill here is attempting to solve. That bill provides:

That from and after the 1st day of July, 1928, no person or persons shall be employed in any department of the United States Government when or where there is another member of the same family working in that or any other department: *Provided,* That the salaries of the family shall exceed $5,000.

It then goes on and provides for the punishment of any person who violates that provision, whether he is an officer of the Government or not.

I have made just a little bit of inquiry in the last couple of months along this line, and I think that what is needed in this country is the right kind of home, and that is needed very badly; the good old home we used to have in the days gone by, when they would have family prayer in the morning, and when at night the children were taught to go into their bed rooms, and either with their mothers with them, or by themselves, were taught to kneel down at the bedside and thank the great giver of all gifts for the blessings to their family, and for the blessings to them individually.

I think we need that kind of homes in this country. I think we need the kind of homes where the father and the mother have time to sit down and eat their meals with the children, and to teach them the proper manners at the table, and time enough to stop and talk with the children, and explain to them something of what will be required of them in the after life.

Mothers and fathers may send their children to school, Mr. President, they may send their children to Sunday school, or Sabbath school, if you please, and they may feel that they are doing their full duty by those children, but they can not shift the responsibility of the rearing of their children either to the day-school teacher or to the Sabbath-school teacher. God Almighty has given them those children, and regardless of what the mother and father say, God is going to hold them responsible for the rearing and training of those children, and, to a large extent, for the future of the children.

The real old American home is fading out very rapidly, with that home touch, that family tie, that have made this country what it is, upon which the foundation of this country is laid, and a belief in the divinity of Jesus Christ, because if you deny and take out of the Bible the divinity of Jesus Christ you destroy the Christian religion.

What have we here in Washington? We find mothers and fathers working in these departments who hire servants to rear their children. The father and the mother get up in the morning and do not have time to thank God, unless they thank Him while they are dressing. They go rushing to the departments, greedy for money, greedy to cheat some woman, some poor widow, perchance, who could do that work, a woman with little children to support; but they combine the jobs in the family, leaving the children at home to some incompetent servant, possibly, whom they can hire cheap, who comes in about the time the father and mother leave, and is supposed to take the place of the father and mother.

Mr. MAYFIELD. They even take the babies down town and check them, do they not, turn them over at the playhouse, and take a check for them, as they would check a grip?

Mr. BLEASE. I think they do that; and I noticed not long ago that some woman went to a hospital and forgot to check the baby, and they are having a lawsuit to determine whether she got her's or the other woman's. They had better have the babies at home, as they used to, when they brought forth good, strong, sturdy children, where they did not have them in hospitals, as they do now, and where they have to shift them around.

If this bill I have introduced should pass, it would mean no hardships to these women whose husbands are drawing five or six or seven thousand dollars from the Government, adequate compensation to pay for the upkeep of their families in this city, where we have free schools, where they are certain of the education of their children. I am told they have fine schools in this city.

Mr. MAYFIELD. And a free university.

Mr. BLEASE. And a free university, as my friend the Senator from Texas suggests. I say it is not right for the father and the mother and two or three of the older children to work their way through the departments through the influence possibly the father gains with the head of the department in which he works, cutting out, as I said a moment ago, women who are entitled to those positions and who can fill them just as well as the ones who have them. Then these women could go home and take care of their children. There would not be so many out at night dancing, drinking liquor, and smoking cigarettes, and raising the devil in general, a telephone message coming along during the night saying, "Send some money down here. Your boy is in the lockup."

Now, at times the husband is given a job at about five or six thousand dollars; then a swap is made. Some fellow says, "I will get your wife a job over here under my boss, and you get my wife a job under your boss." They are afraid to put both in the same department, afraid somebody will raise the devil with the head of the department. But they will switch. One fellow will put another man's wife in, and the other fellow will put his wife in. Then the child gets in, and they actually have whole families working in these departments. Yet Senators come here on this floor and complain about unemployment.

If this bill of mine shall be passed and a thorough examination into the matter is made, we will not only relieve a good deal of the unemployment by giving people who have no work employment but we will put these mothers back home; and they will begin to rear better citizenship than is being reared to-day.

Why should a few people gobble up all the jobs? Why should a few people, because they have a little political pull, live in luxury, working in the departments, and when they are not at work riding around in big, fine automobiles, wearing the finest kind of clothes, and wearing costly jewelry?

I like to see people in automobiles; I like to see them dressed well; I like to see them with pretty jewelry on and wearing pretty dresses; but I do not like to see them doing it at the expense of somebody else with four or five members of their family drawing big salaries from the Government, and the very man living next door or the very woman living next door possibly at night feeding their children a little dish of some kind of food that does not amount to much, and putting them to bed, and sometimes the little things crying for something to eat, while right next door lives a man whom the Government is paying a salary and paying his wife a salary and possibly one of his children. I say, let the civil service begin to remedy that, and take out of South Carolina these imposters who are coming and holding our post offices, and I might say that I would vote for some civil service bill. But I want to be distinctly understood as being opposed to all civil service. If I were President of the United States I would not appoint any man to any office who had not voted for me for President, I do not care who he was.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from South Carolina yield to the Senator from New York?

Mr. BLEASE. I yield.

Mr. COPELAND. Surely the Senator could find a way to formulate a bill to take away the evils which are associated with the matters concerning which he is speaking, but he would not interfere, I am sure, with giving decent retirement pay to people who are of a different type entirely, who give their lives to the Government, who are slaving along here at very low salaries, and who are entitled to every consideration.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 728.

Mr. COPELAND. Mr. President, surely the Senator from South Carolina realizes that there are many people who have given a lifetime of devoted service to the Government and who are not at all of the type of which he has spoken. These public servants, I take it, the Senator believes should be rewarded in an ample way.

Mr. BLEASE. I think we are rewarding them every day when we are paying them handsome salaries. When the Congress will pension the farmers of South Carolina, whom I have known for 55 years, who have been working, shoveling, toiling every day to feed the world, when the Congress will pension the men and the women in the mills of South Carolina, and the railroad employees in my State, all of whom have to lay by something to take care of themselves in their old age, then, and not until then, will I vote for a proposition such as the pending measure.

### ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the following enrolled bills:

S. 4046. An act authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.; and

S. 4180. An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12875) making

appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURPHY, Mr. WELSH of Pennsylvania, Mr. HOLADAY, Mr. SANDLIN, and Mr. TAYLOR of Colorado were appointed managers on the part of the House at the conference.

BOULDER DAM

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works, for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. SMOOT resumed and concluded the speech begun by him yesterday. The entire speech follows:

*Monday, April 30, 1928*

Mr. SMOOT. Mr. President, the most remarkable fact concerning this proposal is that it should have reached the floor of the Senate—it is so thoroughly unsound in every aspect that it is a real tribute to its sponsors that they have even after six years of effort been able to get it before the Senate for serious consideration.

I am sure that there is little appreciation of the magnitude or of the revolutionary character of this proposal. No doubt most of the Senate are under the impression that this is simply another of the many internal-improvement projects. I know that many believe that the primary purpose of the bill is to provide flood control for the Imperial Valley in California.

In fact, flood control is only a minor purpose of the project. There is said to be $100,000,000 of property values to protect from flood. Flood protection, and the only complete flood protection, through levees and channel dredging, can be provided for not more than $7,000,000 and if so provided would be available within two years at the most. Flood control and river regulation for irrigation through the construction of a great dam on the river 120 miles closer to the property to be protected can, according to the available evidence, be provided for $15,000,000. Here we are asked to spend $125,000,000 on a great experimental power project where the flood-control dam is 300 miles above the land to be protected and the time required for securing the flood protection will be at least 10 years if the bill should become a law at once.

I propose to disclose some facts concerning this bill—facts which I will demonstrate from the indisputable evidence in the record, and which to my mind absolutely and beyond question preclude the possibility of authorization of this project without further investigation.

Do Senators know that we are here being asked to authorize and by our vote to approve the greatest engineering risk in history?

Do Senators know that the plan which you are asked to approve and therefore accept responsibility for is a plan that is the subject of bitter disagreement among the engineers of the Government service?

Do Senators know that you are being asked to substitute for a comparatively insignificant flood menace a menace to lives of thousands of people which might result in the greatest man-made disaster in history?

Do Senators know that if we pass this bill the responsibility for this engineering experiment is squarely and wholly upon us, because the responsibility has been passed to us by the Secretary of the Interior?

Do Senators know that in order to provide flood control and irrigation relief, the only subjects in which we have any possible interest as Federal officials, it is wholly unnecessary not only to expend more than a fraction of the money here involved but to take any of these risks?

We are told of a flood danger in Imperial Valley, and this is used as an argument for Boulder Dam. Yet on examination of this project, as compared with any of the alternative proposals for affording flood relief, we find that it is by far the most costly, will delay relief for years longer than any other method proposed, and that flood control is in all respects subordinated to the major purpose of this project, which is power development. Then we find that instead of solving the flood menace it is proposed under this project to substitute for the existing menace an enormous experiment concrete dam, the like of which was never before tried in the world, under conditions which introduce grave elements of risk in its construction, and finally that when, if ever, it is constructed it will stand in an earthquake area and on a spot where earthquakes have occurred within recent years. It will be found that the only relation between Boulder Dam and flood control is that "flood control" is a good selling argument for this project. Boulder Dam is not to provide flood control, but flood-control talk, it is hoped, will provide Boulder Dam.

There prevails in the mind of the Congress and in the public mind an entirely false impression which has been carefully cultivated by the promoters of this legislation. That impression is that the only issue concerning this legislation is whether the advertised benefits of it should be provided by Congress. It is the general impression that there is only one plan for developing the Colorado River, and that is by the construction of Boulder Dam. Nothing could be farther from the truth. There is no issue over the question of developing the Colorado River. The issue is as to whether this particular plan for its development through the construction of this huge experimental dam is the sound and proper way to begin its development. One bureau of the Government says that Boulder Dam is the way. Two other bureaus say that Boulder Dam is decidedly not the way to do it; and they present another engineering plan, involving less initial expenditure, less risk, less delay, less litigation, and all the benefits except the questionable benefit of an indigestible supply of electric power developed in one huge block. Many people can be quoted in support of Colorado River development. Very few people can be quoted as supporting the Weymouth plan for Boulder Dam. The argument here is not about flood control, about irrigation development, or any of the things that are involved in Colorado River development. The argument is as to the manner in which these things should be done and whether the States whose territory lie within the basin shall be protected in that development. This is not a humanitarian question. It is a question of engineering, economics, and State rights.

I urgently request that you keep in mind at all times during my remarks that this entire project rests upon one engineering investigation and report, that that report is not only the final authority, it is the sole authority upon which this project rests. There are many subsidiary questions—questions of States' rights, of financial plans, of adopting a revolutionary policy for Federal action, but the fundamental question is whether this one report submitted to Congress in March, 1924, unreviewed, unchecked since that time, is sound. We are the judges; the decision is up to us; the other questions are all secondary. The Congress of the United States is now sitting as a board of directors with the responsibility of accepting or rejecting this engineering report.

The primary issue before us is not whether there is necessity for flood control on the Colorado River, not whether flood control should be provided at Federal expense and by the Federal authorities, not whether the Colorado River should be developed, not whether the States or the Federal Government should control the waters of the Colorado River, not whether the Federal Government should undertake the biggest power enterprise in history, not whether we should adopt a revolutionary policy for handling Government undertaking—all these issues are involved, but, important as they are, they are secondary to the main issue. The question before us is whether we shall approve, adopt, and authorize the Secretary of the Interior to proceed with the Weymouth plan for building Boulder Dam. The case for this proposal stands or falls with that report. I, therefore, propose to first consider, and to consider in some detail, the Weymouth report.

I make no apology for the length of the discussion which I find it necessary to make nor for the difficulty of the subject. The subject is not of my choosing. Congress is here confronted with the necessity of acting as an engineer and with passing upon a detailed intricate engineering plan, in order that we may advise the Secretary of the Interior whether he shall proceed with it. I can only remind you that the points which I shall discuss are, each and every one, points that you must make a decision upon if you are going to vote intelligently on this measure.

I first proceed to a consideration of the history of the Weymouth report. Despite the fact that this plan was submitted to Congress four years ago, and was then the subject of acute disagreement among Government engineers, and the question of deciding the issue between these engineers was submitted to Congress by the Secretary of the Interior, there has not since that time been any independent check of the basic engineering plans or of the cost estimates of the Weymouth report. Not a single independent engineer unconnected with the Reclamation Service has given Congress any additional information as to this plan in those four years. Indeed, engineers who are reported to have approved the basic features, have cast doubt on its safety, and have proposed methods of construction as substitutes.

For the story of the Weymouth report I turn first to the testimony of Mr. F. E. Weymouth himself, given before the House Committee on Irrigation and Reclamation, March 20, 1924 (pp. 710–711, hearings, H. R. 2903, 68th Cong., 1st sess.):

In 1920, under the Kinkaid Act, the Secretary of the Interior was instructed to investigate the irrigation possibilities in the Imperial Valley and further development in that valley, including storage on the

Colorado River. * * * Pursuant to this authorization, funds were provided in the sundry civil appropriation act for the fiscal year 1921 (41 Stat. 915) for the Government's share of this investigation. Subsequent appropriation acts for the fiscal years 1923 and 1924 have extended the scope of the studies. * * *

The results of these investigations thus provided for to the end of the calendar year 1921 were submitted to Congress in a report by the Secretary of the Interior, dated February 28, 1922, and published under the title, "Problems of Imperial Valley and Vicinity." (S. Doc. No. 142, 67th Cong., 2d sess.)

This first report is the one known as the Fall-Davis report. Mr. Weymouth further says (pp. 710–711):

We have gone into great detail in our investigations during the past two years and have gathered a great deal of engineering data that we did not have at the time of the so-called Fall-Davis report. We have written up our findings in eight volumes, and in the first part of each of the volumes, which the committee has, we have summarized the findings on the subject in that particular volume. In volume 1 I have attempted to summarize everything we have worked on; I have written a synopsis of about 15 or 20 pages for volume 1 which gives the essential points in our particular studies, and it would save time, perhaps, for all if I would read that 15 or 20 pages into the record.

Mr. Weymouth then read from his summary of his report, and I quote some paragraphs which he read (pp. 715 and 718):

A consideration of water supply and irrigation demand on the Colorado River demonstrates conclusively that at the Boulder Canyon reservoir site in connection with a reservoir providing flood and irrigation control of the entire flow of the river there is opportunity for the development of 667,000 horsepower of electrical energy at 100 per cent load factor, justifying the construction of a power plant with an installed capacity of 1,200,000 horsepower operated at 55 per cent load factor, which is the condition under which comparable plants in this region are found to operate.

* * * * * * *

It has been shown that river regulation, flood control, and storage for irrigation can be best and most economically obtained at Boulder Canyon with a dam at Black Canyon. * * *

22. The Geological Survey in 1923 discovered what appears to be a favorable dam site in Bridge Canyon at an elevation of about 1,210. Should the physical conditions at this site, upon test and investigation, prove suitable for a dam, the interests of Colorado River development may possibly be best served by reducing the height of the proposed dam in Black Canyon from 605 feet to 550 feet.

I direct your attention at this point to the fact that the dam which is now proposed and which we are asked to authorize by this bill is this 550-foot dam mentioned in the last quoted paragraph. The dam covered, and for which designs and cost estimates are made, in the eight-volume Weymouth report is a different dam—a 605-foot dam, estimated to cost $49,500,000. The only cost estimate for the 550-foot dam that is officially before us is contained in a sentence from Mr. Weymouth's oral testimony on page 718, as follows:

The cost of the dam would be reduced from $49,500,000 to about $41,500,000.

This casual figure given on March 20, 1924, by Mr. Weymouth is apparently the source of the estimate given in a letter written by Secretary Work almost two years later—January 18, 1926—to the chairmen of both the House and Senate committees, in which he recommends the construction of the 550-foot dam. Senators may not realize that an enormous amount of engineering computation and of new drafting of designs is involved in subtracting 55 feet from the height of a dam. The changing of every dimension from the bottom of the foundation of the dam to its crest, the stresses at every point in the concrete must be figured anew in order to insure the safety of the changed structure. If such computation and designing has been done for this 550-foot dam the results have not been transmitted to Congress.

I now challenge your attention to this fact and I hope no Senator will miss this point, because it is fundamental in much of the discussion which follows: The fact is that this Weymouth report submitted to Congress in March, 1924, is the "last word" in Government reports on this proposed development; in other words, there has been no investigation or report on the basic plans, on the cost estimates, on any of the basic factors which we are asked to pass upon except that which is contained in this Weymouth report. All the compilations and any report made since 1924 are simply compiled from this report and are the result of superficial examination of this report.

I quote from the testimony of Mr. George W. Malone appearing at page 234 of hearings before Senate Committee on Irrigation and Reclamation on the bills S. 728 and S. 1274, given under date of January 20, 1928:

This Weymouth report compiled all of the data up to date and in addition secured an enormous amount of detailed data and made estimates at an approximate cost to the Government of $400,000, and is the last word in Government reports.

Mr. Malone is State engineer of Nevada and secretary of the Colorado River Commission of that State, and is an advocate of this bill. He filed a report with the Senate committee which appears on pages 495–513 of the volume of hearings last referred to, and I quote the following from page 496 of that report:

Any reports made subsequent to 1924 are simply compiled from this work, since any superficial examination will not reveal further information.

Having in mind that this Weymouth report made in 1924 is the one and only report of record which supports this project, and that there has been no subsequent investigation, I turn again to the story of its consideration by Congress. Under date of March 25, 1924, I find in the hearings before the House committee on H. R. 2903, at page 817, the following statement made by the chairman:

A few days ago I received from the Secretary of the Interior a letter dated March 17, 1924, commenting upon the proposed improvement of the Colorado River Basin, and transmitting to the committee reports, in eight volumes, in manuscript form with a great many maps and photographs, one of which is the report of the Reclamation Bureau.

This is the first appearance of the Weymouth report before Congress. The letter from Secretary Work to which Chairman Smith refers appears at pages 818–821 of the same hearings, and I quote pertinent parts of that letter:

The Fall-Davis report of two years ago has been before Congress since then and no doubt has been analyzed by it. Its recommendations stress the Boulder Canyon Dam which is the paramount feature of it.

The proposed Boulder Canyon Dam treated in these studies will raise the water surface 605 feet, a height greater than that of the Washington monument and more than two and one-fourth times as much as the Don Pedro Dam in California, which has the highest lift of any in this country and probably of any in the world.

The dam would contain over three and three-fourths million cubic yards of concrete, which is more than three times as much as the Assuan Dam in Egypt, containing the greatest amount of masonry of any dam heretofore built.

The cost of the Boulder Canyon Dam will be about $50,000,000, two and two-thirds times as much as that of the Assuan Dam.

The reservoir formed by the dam will be 120 miles long and will have an area of 157,000 acres, which is one and one-half times as much as that of Gatun Lake on the Panama Canal. The proposed reservoir will have a capacity of 34,000,000 acre-feet, eight times as great as that of Gatun Lake and nearly thirteen times as great as that of the Elephant Butte Reservoir in New Mexico, the largest in this country.

The total cost of the enterprise, including the building of the dam, power plant, and transmission lines, will be about $130,000,000 (estimated), which is about one-third of the cost of the Panama Canal. The cost given does not, however, include that of the all-American canal, which would add $31,000,000.

The total cost of the three features, the dam, transmission lines, and the all-American canal, should be estimated at $200,000,000.

The Boulder Canyon Dam recommended in the Fall-Davis report is described as beginning 150 feet below the bed of the river; to be 605 feet high, 1,350 feet long, and 650 feet thick at its base; estimated to cost $50,000,000. It must be built in a normal current 20 to 30 feet deep ordinarily, with a flood crest in the canyon of 30 feet, having a velocity of 15 feet per second of time, all of which indicate engineering difficulties attractive to ambitious engineers, if not to Government or private capital.

An opinion is no better than the reasons for it. Whether or not it is practical at any cost to divert, through tunnels in the canyon walls, such a body of water from the river long enough to build this substructure; whether a mass of masonry unapproached in size in the history of engineering is practicable; or whether it is possible to give more than an intelligent guess of its cost are problems not to be passed upon by one man alone, but should challenge the judgment of the country's ablest engineers, and be subject to deliberate review by the Congress. Congress should itself appraise the necessity of an outlay of such magnitude, and justify the financial obligation to be assumed by the Government before beginning this project.

* * * * * * *

It has been demonstrated that estimated construction costs in Government reclamation have been below final expenditure on engineers' estimates. To protect the Government, a margin of safety should be added to the estimated costs herewith submitted.

We find, therefore, that the Secretary of the Interior in submitting the Weymouth report to Congress in substance said: Here is a report upon a plan for a dam on the Colorado River which involves many engineering experiments. It is not known whether it is practicable. The question of its practicability and feasibility should not be passed on by one man alone, but should challenge the judgment of the country's ablest engineers, and then be subject to the deliberate review of Congress. Some of the questions are: (1) Whether it is practical to divert such a body of water from the river long enough to build the enormous substructure; (2) whether a mass of masonry unapproached in size in the history of engineering is practical; (3) whether it is possible to give more than an intelligent guess of its cost. In any event, Congress should appraise the financial plan and add a margin of safety to these estimated costs of the Reclamation Service, because the estimates of those engineers have been proven by experience to be below final costs. This means, of course, that the Secretary passed the responsibility of determining all of the fundamental engineering facts to the Congress. No further advice since that time has been received either from the Government engineers or from any other engineers, to say nothing of the "judgment of the country's ablest engineers," which Secretary Work suggests. But here we are trying to pass upon it, nevertheless, in the light of the same conditions and same information as to the basic facts that we had four years ago.

I have said that even at the time the report was submitted to Congress there was a bitter dispute amongst the Government engineers upon it. Before Secretary Work submitted it to Congress he learned of this disagreement and made an unsuccessful endeavor to get some unity of opinion among these engineers. Under date of January 19, 1924, Secretary Work stated in a letter to the Chairman of the House Committee on Irrigation and Reclamation:

In view of the magnitude of the subject, the voluminous amount of data gathered, and pronounced difference of opinion as to the best location for a dam, I have appointed a committee of engineers who have worked over the field to review and collate the data gathered and to furnish me, in abstract, data which I should review. (See p. 4, hearings on H. R. 2903, 68th Cong., 1st sess., February 9, 1924.)

In February, 1924, Secretary Hoover was before the House committee, and was asked the following question by Congressman (now Senator) HAYDEN:

Mr. HAYDEN. This thought has been in my mind: If we are not going to accomplish anything in a practical way until the question of the Colorado River compact and an understanding between the States is determined, could the interim be profitably employed by a study of the facts by an engineering commission in which the Congress and the country had confidence?

Secretary Hoover replied:

You are correct. There is an engineering controversy on here that reaches the same degree of heat that the legal controversies have reached. There are various other controversies about this river. I have never heard of a river in history that developed as much heat as this river is developing. The Secretary of the Interior has, I think, appointed a committee of engineers from three or four branches of the Government to consider these various questions to try to secure some unity of view as to the proper program for the development of the river. The conclusion of this commission should be valuable. (See p. 63, hearings H. R. 2903, 68th Cong., 1st sess.)

Now this engineering commission to which Secretaries Hoover and Work refer could not reach an agreement. They submitted a divided report, and the joint report which all signed failed to recommend this project and tended to recommend another dam site some distance farther down the river, where the primary purpose of flood control could be much better served. (See this joint report of engineers, pp. 821–822, hearings H. R. 2903.)

I now quote from a letter written under date of February 11, 1928, by one of the members of this engineering committee appointed at that time by the Secretary, this member being Col. William Kelly, who was at the time of his service on the committee chief engineer of the Federal Power Commission. This letter is quoted by Congressman DOUGLAS in his minority report on this bill, pages 23–24:

BUFFALO, N. Y., *January 11, 1928.*

Hon. L. W. DOUGLAS,
*Member of Congress, Washington, D. C.*

DEAR MR. DOUGLAS: In reply to your request, I have to inform you that the engineering board appointed by Secretary Work to review the Weymouth report was appointed for the purpose of advising the Secretary as to what reply he should make to a request from Congress for the views of his department on the Swing-Johnson bill.

The board, as first appointed, had four members: Mr. Weymouth, of the Reclamation Service; Colonel Cosby, of the Corps of Engineers; Mr. Stabler, of the United States Geological Survey; and myself. Two or three days after the board had been appointed its membership was increased by Messrs. Debler and Young, of the Reclamation Service, who were at the time working with Mr. Weymouth on the Boulder Canyon report.

Mr. Weymouth's report had not been completed at the time Secretary Work appointed the board, and the three reclamation members were spending all their time completing that report. The board was, therefore, delayed in rendering its report, and Mr. Work, a few days after the board had been appointed, called the board into his office and informed them that he had decided to make his report to Congress without waiting for the report of the board. He thereupon read to the board a draft of his report which, with certain minor modifications, was sent to Congress a day or two later. In view of this situation the purpose for which the board was appointed no longer existed, but Mr. Work stated that, notwithstanding that fact, he would like to have the board go ahead and make a report.

When the engineering board met, after the Weymouth report was finished, it became apparent that the three reclamation members would stand solidly behind the Weymouth report, whereas Mr. Stabler and myself were unwilling to accept it. Colonel Cosby at that time was not familiar with the project and had not had time to form an opinion. There was a lack of purpose for the boards' report, and the board had no authority to make the field investigations necessary to obtain an agreement upon facts, an essential preliminary to any agreement upon conclusions; consequently, the board drafted a report which expressed, in general terms, the views of its various members but settled none of the controversial points.

In regard to the Weymouth estimate, I am certain that it is much too low. The cost of the dam is certainly too low. Provisions for handling the water during construction are not adequate and the unit costs of doing work in such an inaccessible location are too low. The dam can be built for twice the estimated cost only in case the breaks of fortune are all in its favor. The estimate for the all-American canal is very much too low. I am satisfied that such a canal can not be constructed and operated satisfactorily unless it be concrete lined and covered throughout the section that passes through the sand dunes. In my judgment, at present prices, the works covered by the Swing-Johnson bill will cost more than $200,000,000.

Very truly yours, W. KELLY.

A similar letter which substantiates Colonel Kelly's account of the unwillingness of the committee to indorse Mr. Weymouth's report and which sets forth another view which was transmitted by him to the Secretary of the Interior is found in the letter of Mr. Herman Stabler, of the Geological Survey, printed on pages 369–370, hearings on this bill before the House Committee on Irrigation and Reclamation, January 13, 1928. You will find by an examination of Mr. Stabler's report to the Secretary of the Interior made in March, 1924, that he pointed out that not more than from 4,000,000 to 10,000,000 acre-feet of storage was required for flood control and irrigation usage, and recommended that the Mohave Canyon site be utilized for the first dam, leaving the further development of the river to follow another general plan which he outlined, but which does not include this dam at Boulder Canyon.

You will further find reports of Colonel Kelly and Stabler recommending and outlining entirely different plans of Colorado River development than those proposed in the Weymouth report, given at pages 821–845 of hearings on H. R. 2903.

I call your particular attention to paragraph 5 in a letter written by Mr. Stabler to the Secretary of the Interior in 1924, which letter he confirms by his letter to Congressman DOUGLAS appearing on page 369 of the hearings on H. R. 5773 before the House Committee on Irrigation and Reclamation, January 13, 1928:

From present information the most favorable site for a dam to create a reservoir to accomplish adequate flood control and supplementary storage for irrigation with least interference with power development in the canyon section of the river is at Mohave Canyon, below Topock, Ariz. This site is adapted to the generation of power only to a very minor degree, and the cost of its development would necessarily have to be borne by public funds or by assessment on the lands benefited (p. 370).

Another engineer of the Geological Survey, in addition to Mr. Stabler, has played a prominent part in the engineering dispute which has been raging about Boulder Dam during the last four or five years. This engineer is Mr. E. C. La Rue, the engineer of all engineers in either Government service or private service who has made the most exhaustive studies of the Colorado River and the problem of its development in the lower basin and who has particularly devoted years of study to the location of dam sites and the character of structures

which would most adequately and fully serve the development of the river. Mr. La Rue has indeed spent most of his adult life on the Colorado River in making these various studies, over a period of 15 years. The most recent analysis of the problems involved in the location of a dam on the Colorado River is a paper of the Geological Survey, of which Mr. La Rue was the principal author. It was published in 1925, or the next year after the Weymouth report was issued. It is the only complete report thus far published by the Government on the problem of development of the lower Colorado River and represents the culmination of more than 10 years continuous effort by the staff of the Geological Survey. I shall have something more to say about that water-supply paper at another point, because it is of great importance. Suffice it to say at this time that the report disapproves of Boulder Dam and recommends an entirely different plan of river development. I refer to it here because I want to quote from the introduction to that volume written by Mr. Nathan C. Grover, chief hydraulic engineer of the Geological Survey, what is said about Mr. E. C. La Rue, the man who is the chief engineering opponent of Boulder Dam. Mr. Grover says of Mr. La Rue on page 7 of Water Supply Paper 556:

Mr. La Rue, the author of this report, has previously prepared the first comprehensive report on the utilization of Colorado River, published in 1916 by the Geological Survey as Water Supply Paper 395. Prior to the writing of that report he had investigated and prepared unpublished reports on many power and irrigation projects in the basin and had seen most of the accessible regions within its borders. Since that report was written he has worked almost continuously on projects within the basin.

Mr. Grover then details some 2,000 miles of boat trips made by Mr. La Rue from 1914 to 1924 in the Colorado and its tributaries. He further says:

When making these boat trips in company with the party of topographic engineers Mr. La Rue has been charged with the responsibility of selecting the dam sites and supervising the survey of such sites. He has therefore first-hand knowledge of the problems of the basin, which has been supplemented by careful study, continued over many years, of the data relating to the control and utilization of the river. He has taken more than 1,000 photographs to show the many interesting features of the canyons and the river and canyon walls near them. A few of these photographs have been used to illustrate this report; others are on file in the Washington office, where they may be studied by those who are interested.

As compared to this record of intimate study devoted to the Colorado River over a long period of years, it is well to recall that Mr. Weymouth and other engineers of the Reclamation Service who disagree with Mr. La Rue have had and claim to have had no such experience.

Now it is this Mr. La Rue, this leading authority on the Colorado River, who disagrees so completely with the Weymouth plan for building a dam at Boulder Canyon. I quote from the hearings on Senate Resolution 720, in which Mr. La Rue testified on December 9, 1925, first at page 590:

Senator ODDIE. When did this opposition to the Boulder or Black Canyon Dam start?

Mr. LA RUE. So far as I am concerned, it started at Riverside, Calif., in 1920. I was informed at that time that I would be fired out of the service if I did not keep still or if I opened my mouth.

Senator JOHNSON. But you are still there?

Mr. LA RUE. I am still in the service, yes.

Senator JOHNSON. And as long as you oppose it, you will probably be there, won't you?

Mr. LA RUE. Well, let me explain that I objected that time, not that that was not the right spot on the river, but I knew that they had not investigated sufficiently. All I asked was for them to hold off until we could get the facts. You can get my lectures that are typewritten, and you will find that they have recommended a comprehensive plan of development for five years, and I said, then, to build a dam to fit in with the plan.

At this point it is of interest that Mr. La Rue did leave the Government service last year, 1927, and at the time of his resignation he announced that he had been forced out of the service because of his being "muzzled" in criticisms of Boulder Dam. Apparently, then, it was not an idle threat to which he referred in his testimony of 1925.

I quote from Mr. La Rue's testimony further at page 534 of the Senate hearings on Senate Resolution 720:

The Swing-Johnson bill calls for the construction of a high dam at or near Boulder Canyon. If a dam were constructed and operated as planned it would cause an unnecessary waste of water, a loss of 400,000 horsepower, and cause 100,000 acres of irrigable lands to remain in its desert state forever. If such a dam were built and 600,000 horsepower developed, the low water flow of the river would be increased far beyond the present needs for irrigation in the basin in the United States. This water could be quickly put to beneficial use in Mexico and before many years pass about 1,000,000 acres of land would be under irrigation in that country, which would mean that 1,000,000 acres of irrigable land in the Colorado River Basin in the United States must remain a desert. A high dam at or near Boulder Canyon can not be made to form a unit of a comprehensive plan of development that will provide for a maximum use of the waters of the Colorado River.

* * * * * * *

If life and property on lower Colorado River are to be protected from the ravages of the floods a dam must be built to control the flood flow of the river. A dam for flood control only should be located at Glen Canyon or Mohave Canyon. In six years a dam could be built at Glen Canyon which would remove the flood menace. Such a dam would cost about $30,000,000. A dam for flood control only may be built at Mohave Canyon for about $15,000,000. This dam may be built in about three years. A dam at Mohave Canyon to provide 22,000,000 acre-feet of storage capacity for irrigation and flood-control purposes would cost about $20,000,000.

Mr. La Rue then offers six recommendations for an investigation which he thinks would disclose the facts and result in a proper development of the river. I shall refer to this later.

We now find that among the Government engineers, opposition to this Boulder Dam plan is expressed by the Geological Survey and the Federal Power Commission engineers. In other words, the engineers of two Government bureaus—namely, the Geological Survey and Federal Power Commission—are opposed, and the engineers of the Reclamation Service are for it.

What about the engineers of the War Department? You will note from the testimony already quoted that the engineer from the War Department, Mr. Cosby, who was on the committee of six engineers with Mr. Stabler and Colonel Kelly, had so little chance to inform himself as to the Weymouth plan that he as well as Kelly and Stabler refused his indorsement. I find, however, that since that time care has been taken to prevent the engineers of the War Department from making an investigation on the Colorado. I read you the text of a law which was passed in 1925 which prohibits the War Department engineers from considering the problems of the Colorado River. Section 3 of the rivers and harbors act of 1925 reads as follows:

SEC. 3. The Secretary of War, through the Corps of Engineers of the United States Army, and the Federal Power Commission are jointly hereby authorized and directed to prepare and submit to Congress an estimate of the cost of making such examinations, surveys, or other investigations as, in their opinion, may be required of those navigable streams of the United States, and their tributaries, whereon power development appears feasible and practicable, with a view to the formulation of general plans for the most effective improvement of such streams for the purpose of navigation and the prosecution of such improvement in combination with the most efficient development of the potential water power, the control of floods, and the needs of irrigation: *Provided*, That no consideration of the Colorado River and its problems shall be included in the consideration of estimate provided herein.

I do not know who is responsible for this prohibition on the War Department, but it is at least suggested that some one did not care to have this Boulder Dam plan examined by War Department engineers.

Before proceeding to discuss in detail the Weymouth plan for developing a great section of the Colorado River by the construction of this great engineering experiment called Boulder Dam, I wish to read from the Government report which was completed and issued more than a year after the Weymouth plan was submitted to Congress. I refer to Water Supply Paper 556 of the United States Geological Survey, issued in 1925. It is this report which disagrees with the Weymouth plan, and in general it is the plan of development of the lower Colorado which has the support of the Government engineers other than those in the Reclamation Service, who have been permitted to study the problem. With the request that you bear in mind that this report was issued after the Weymouth plan, I read from pages 68–73 of Water Supply Paper 556:

OUTLINE OF PLAN

There is general agreement to the effect that construction work should start at an early date for the purpose of providing flood-control works and water-power development on Colorado River. It seems probable that the first dam to be built on the river will be in the interest of flood control, with provision made for a small amount of storage to take care of present irrigation needs during occasional periods of low water. It is also probable that a dam for developing power will be built at an early date. These dams may be located below the west boundary of the Grand Canyon National Park.

In the building of the cities of Washington, D. C., and Salt Lake City, Utah, a definite plan was followed. The soundness of this policy can not be successfully refuted. These cities, however, are exceptional. In other cities, planning commissions are recommending that buildings be torn down or moved back so that streets may be widened, that new streets be opened, that parks be provided, and that business, industry, apartments, and residences be restricted to definite districts. To modernize in part the plan of these cities will cost millions of dollars. To make most of our larger cities really modern in plan would be infeasible on account of the cost.

In developing the water resources of our country the same haphazard policy has been followed. With respect to the development of our important rivers the writer does not know of an instance in which a comprehensive plan of development was prepared in advance of construction. Engineers have been sent into the field to locate the sites where water might be stored or power developed at a minimum cost. Almost without exception the projects for immediate development have been selected with little regard for future developments or the full utilization of the water resources of the region. Railroads have been built through valuable dam sites and dams have been built that will forever prevent full utilization of the water resources except at prohibitive cost. Such mistakes should not be made on Colorado River.

Twenty-three dam sites on Colorado River between the west boundary of the Grand Canyon National Park and Parker, listed in the following table, have been surveyed, and at four of the sites the character of the foundation has been determined by diamond-drill borings:

(Table omitted.)

The rapid increase in population and the drought in 1924 have caused the people of southern California to realize that before many years pass they must procure an additional domestic water supply from Colorado River. The use of water for domestic purposes is rated as a higher use than irrigation or the development of power. Therefore in preparing a plan for the development of lower Colorado River consideration should be given the fact that at some future time 1,000 to 2,000 second-feet of water may be diverted from the river to augment the domestic water supply of southern California.

Irrigation is rated as a higher use than the development of power, and the problem is further complicated by the fact that there are valuable properties on the lower river that are menaced by the summer floods. The floods should be prevented and the use of water for domestic purposes, irrigation, and the development of power should be harmonized so far as practicable. It has been shown that with ultimate development in the upper basin the available water supply is not sufficient to furnish a domestic water supply to the cities of southern California and serve all the lands adjacent to the river in the United States that are classed as irrigable. Therefore the plan of development that will provide the greatest benefit to the community is that which will best conserve the water supply, adequately control floods, provide a domestic water supply, and permit maximum irrigation and power development.

In the 368-mile section of Colorado River between the west boundary of the Grand Canyon National Park and Parker, Ariz., the fall is 1,425 feet. Some of the 23 dam sites surveyed on this section of the river, as is shown below, are relatively poor and should be abandoned. Obviously the better dam sites should be utilized if their position on the river will permit a maximum utilization of the water resources.

All the plans heretofore suggested for the development of this section of the river have been based on incomplete data as to dam sites. In September and October, 1924, the writer directed the survey of six dam sites below Diamond Creek that had not previously been considered. At least two of these sites are admirably adapted to form units of a comprehensive plan of development.

The numerous plans that have been suggested for the development of lower Colorado River may be divided into two classes. One class embraces those plans which are based on the theory that the best solution of the problems involved may be obtained by building a high dam at or near Boulder Canyon to serve four purposes—flood control, storage for irrigation, storage for silt, and the development of power—a scheme of development which has never been tried. The other class embraces the plans which are based on the theory that major regulation of flow by storage can be developed by dams at or above Lees Ferry and that one dam should be built in Mohave Canyon to furnish preliminary and eventually supplemental storage for flood control and irrigation, the canyon section of the river being left free for power development, with the power dams incidentally providing for the storage of silt. One plan of the latter class is suggested by the writer. (See Pl. L.) Though a high dam is included in this plan for the purpose of showing the power value of the stretch of river between the Bridge Canyon site and the boundary of the Grand Canyon National Park, in the opinion of the writer dams of great height should not be built unless alternative plans for development of this stretch of river by lower dams are found infeasible or unless one such dam is decided upon as a point of diversion for a gravity water supply for irrigation in Arizona or for domestic use in the cities of southern California.

For the remaining stretch of the river here considered, between Bridge Canyon and Parker, all plans of the first class include a storage dam of unprecedented height, whereas the plans of the second class (see Pl. L) include only dams of moderate height, well within the limits set by modern engineering practice.

The plan suggested by the writer is based on the theory that a more efficient use of the available water supply may be had by separating the problem of flood control and storage for irrigation from the power problem. In his plan 10,200,000 acre-feet of storage capacity for flood control and irrigation is to be provided at Mohave Canyon. A diversion dam at Parker is recommended so that the waters of the Colorado River may be used for the irrigation of lands situated in the United States. For the stretch above the Mohave Canyon reservoir the plan calls for the construction of dams that may be operated to obtain a maximum development of power. These dams step up the river to the west boundary of the Grand Canyon National Park, so as to permit full use of the fall in the river for power. Four power dams are suggested—at lower Black Canyon, Hualpai Rapids, Devils Slide, and Bridge Canyon. (See Pl. L.) * * *

(Table omitted.)

With the water supply now available and with development accomplished, as suggested by the writer, the loss of water due to evaporation would be reduced to a minimum and a maximum amount of power could be developed. If the plan of development that calls for a high dam at or near Boulder Canyon were followed the additional loss of water due to evaporation from the water surface of the reservoirs would be about 800 second-feet, and the consequent loss of power would exceed 230,000 horsepower.

The loss of water at present is not a serious matter, for a great surplus passes into the Gulf of California each year. Before many years pass, however, the demand for water will be greater than the available supply. It would therefore be unwise to carry out a construction plan that would forever prevent the full use of the water resources of the river. The real test of the soundness of the several plans suggested lies in a comparison on the basis of ultimate development of the water resources of the region. A thorough analysis of the plans that call for a high dam at or near Boulder Canyon shows that with complete development in the upper basin and with the lower river developed as suggested by the writer, 103,000 acres more land could be irrigated and an additional 251,000 horsepower could be developed.

The Mohave Canyon storage reservoir, operated solely in the interest of flood control and irrigation, would provide the most satisfactory solution of this phase of the problem, as it would be 120 miles nearer the lands that would be benefited by such storage than the Boulder Canyon site.

It would be possible to provide 2,000,000 acre-feet of available storage capacity at the Parker Dam site, but such a plan would seriously interfere with the full use of water for irrigation. Under such a plan it would be necessary to pump the water an additional 33 feet to reclaim by irrigation some 700,000 acres of land below Parker. With the Mohave Canyon Reservoir in operation, it would not be necessary to provide available storage capacity at the Parker Dam site.

The writer suggests that his plan should be given serious consideration for the following reasons:

1. It provides the most effective means of flood control and storage for irrigation.
2. It solves the problem of silt storage for several generations.
3. It provides a maximum use of water for both irrigation and power development.
4. It calls for a minimum departure from present engineering practice in the construction of dams.

We are now confronted with the fact that the Secretary of the Interior warned Congress when he submitted this plan that we should have the judgment of the country's ablest engineers; with the fact that the Secretary failed in his endeavor to get an agreement upon this or any other plan from a committee of Government engineers; and with the fact that three, if not four, of the ablest engineers in the Government service not only refused to approve it but suggested substitute plans. I now propose to examine in some detail this Weymouth plan in order that you may understand the most prominent features of it which raise the serious and vital questions of its soundness and safety.

I venture to say that if you will follow carefully the exposition of these high points of the Weymouth plan that you will agree that what we have before us is not a matured and thoroughly considered engineering plan based upon tried and proven engineering practice and methods, but

A SERIES OF DANGEROUS EXPERIMENTS

I wish first of all to try to picture for you the location where this dam is to be built. In Water Supply Paper 556, issued in 1925, the Geological Survey tells us that 23 dam sites on the Colorado River between the west boundary of the Grand Canyon National Park and Parker, Ariz., a distance of about 465 miles, have been surveyed, but only four of these have been drilled to test the foundation conditions.

Now the one dam site out of these 23 known locations which was chosen by the Reclamation Service for this first dam on

the Colorado is 170 miles above the lowest dam site; that is, 170 miles farther away from the lands for which flood protection is sought. It is properly known as the Black Canyon Dam site and is 18 miles below the Boulder Canyon Dam site, but because the name Boulder Canyon is better known, this dam site is commonly referred to as in Boulder Canyon. There are three dam sites below the Black Canyon site, and at least at one of these there is an opportunity to create at a fraction of the expense here involved a storage capacity more than adequate for all the purposes for which storage is desired, including flood control, the provision of irrigation and domestic water, and silt storage.

The Reclamation Service was, however, searching for a site where a huge power dam could be located. They consequently chose the site where it was necessary to build a very high dam before adequate storage could be secured, for the reason that if you are to have any such power potentiality as is here afforded you must have a high dam and hence a very large head or fall for the water.

The selection of this site achieved this power object of the Reclamation Service, because, once built, the height of the dam together with its large storage gives enormous power potentiality. But in reaching out for a great power project the planners were compelled to choose a site that offers the almost unbelievable difficulties of construction which I shall endeavor to partially describe.

These difficulties of construction are hinged upon one basic fact created by the physical location of the dam site, and it is this basic fact which I want to emphasize. This fact is that an amount of work must be done and an amount of material removed and construction done in the river in the nine-month period between the regular and inevitable annual floods of the Colorado which to every informed person except the Reclamation Service and their advisers appears all but impossible—certainly impossible under the existing plans on which this bill is based.

This dam site is in what is known as a box canyon. At the river level this canyon is 250 feet wide, and the river normally covers this entire width of 250 feet, reaching from wall to wall. The great canyon walls rise so precipitously from the water level that 450 feet above that point they are still only 700 feet apart. Through this immense vaultlike, narrow gorge, confined as it is between these huge cliffs, the Colorado must pour in time of flood from 100,000 to 225,000 cubic feet of water per second. The river at this point has a normal depth of 20 to 30 feet, while in flood the depth rises to 60 feet or more, and the current travels at a velocity of 15 feet per second or 900 feet per minute. (See letter of Secretary Work, p. 819, hearings, H. R. 2903, and Water-Supply Paper 556, p. 15.)

Now, the plan under which this dam is to be built calls for the diversion of the water from the river bed during the normal flow of river, through three tunnels each approximately 1 mile in length, which tunnels will be bored through the canyon wall on one side of the river. No attempt is to be made to divert the flood flow of the river, because that is an undertaking which even those ambitious engineers do not care to ask Congress to finance.

It is this fact that the river can not be diverted from its bed in time of flood, coupled with the fact that the flood comes as surely as death once each year and lasts for a period of three months, that is responsible for the most fantastic part of this most interesting plan of the Reclamation Service. I shall deal with the situation in detail, but at this point I want to summarize for you the things which must be done in the nine-month period which the Colorado, if it is kind to these engineers, may allow:

First. Quarry and drop into the river 620,000 cubic yards of rock and 128,000 cubic yards of earth mattress, or a total of 808,000 cubic yards of material for the upper temporary cofferdam. Time limit for this work is 69 days. (Weymouth report, vol. 5, p. 442.)

Second. Quarry and drop into the river 137,000 cubic yards of rock and 36,000 cubic yards of earth mattress for the lower temporary cofferdam; time limit mid September. (Ibid., p. 442.)

Third. Excavate and remove from the river bed 212,000 cubic yards of silt, sand, bowlders, etc., for the foundation of the upper permanent cofferdam; time limit December 1. (Ibid., p. 443.)

Fourth. Excavate and remove from the river bed 369,000 cubic yards of sand, silt, gravel, and bowlders for the lower permanent cofferdam. (Ibid., p. 443.)

Fifth. Build permanent cofferdam to water level. Time limit, May 15.

If this program fails at any point, the permanent cofferdam will not be ready by the time the flood starts, and that means that the river in flood will destroy all the work which has been done and another try must be made.

Let us examine in more detail these major tasks which must be performed in the nine-month period between floods.

I quote from the Weymouth report (p. 139, vol. 1):

> The diversion tunnels would be built before starting the work on the cofferdams. It is proposed to build the rock-fill cofferdams by dropping rock into the river from cableways capable of handling rock up to 10 or 15 tons in weight. Construction of such a cofferdam would start soon after the spring flood had begun to recede, giving a longer working season than could be secured with any other type of cofferdam studied. Between flood seasons it is proposed to build the rock-fill cofferdam, excavate the river-bed material, and build portions of the dam near the up and down stream faces to the elevation necessary to force the oncoming flood through the tunnel. The portions built would, in effect, be cofferdams behind which the main portion of the dam would be built. It would be essential that the permanent cofferdam be finished to at least river level between floods.

Again from pages 91 and 92, volume 5, Weymouth reports:

> It is proposed to start dumping large rock obtained from the canyon walls at the cofferdam sites, from cableways spanning the site as soon as the flood begins to recede in July, the diversion tunnels having been completed before the spring floods. * * * The first rocks dropped would be as large as it is practicable to handle. Some of these rocks would be carried downstream beyond the limits of the cofferdam section, but at some stage a part of them would begin to "hang" within the section. At this point smaller rocks would be dropped simultaneously, which would be caught by the larger rocks and held in the interstices. As the flood receded more rocks would stay in place. The estimates assume that 25 per cent of the rock dropped will be carried away.

The height of the upper temporary cofferdam that must be constructed in this river bed under these conditions and by this method is 106 feet. The material required to build such a dam, including the estimated 25 per cent of rock lost, is estimated at 620,000 cubic yards of loose rock and to this is to be added on the upstream face 128,000 cubic yards of earth mattress to make it water-tight. The time estimated for quarrying the necessary rock, transporting it on the cableways, and placing it in the stream to complete this temporary cofferdam is 69 days. Upon this point the Weymouth report says (pp. 109–110, vol. 5):

> The material will be handled in 8 by 8 by 2½ feet steel skips, the loaded skips weighing from 8 to 8½ tons. The skips would be filled by electric shovels, with some handwork, and taken to the cableways on flat cars. The skips would be dumped automatically without lowering down into the canyon, permitting high speed and large output.

This operation then is started while the river is still in flood, though it is hoped that it will be receding. We are told that the river has a flood crest of 30 feet and a normal depth at this point of 20 to 30 feet and moves at a velocity of 15 feet per second. Since the rocks are not to be lowered into the canyon and at this point the canyon walls rise some 1,200 feet above the water level, Mr. Weymouth plans to drop the rock from the cableways about 700 feet. Imagine an 8-ton rock dropped from such a height into this 30 or 50 feet of water moving at a velocity of 15 feet per second and speculate, if you will, as to what kind of accuracy you will obtain in controlling their final destination. What will happen to the rocks in place, if any stay in place, after the dam rises above the stream level, if it does so rise, when a rock moving at the attained velocity hits those which have preceded it?

No one can tell us, because it is another untried experiment. Yet this Weymouth plan for Boulder Dam is absolutely dependent upon this experiment working out just in the way in which Mr. Weymouth hopes it will work. You must understand, however, that a slip in this single plan, as well as a slip in any one of a dozen other of the experiments on which this dam is based, will so disarrange the entire program that this project can not be carried through except at a greatly increased expenditure of time and money—if it can be done at all.

Now, a recent happening gives us some light on what might be expected to happen to this rock dropped into the Colorado River. At the failure of the St. Francis Dam several large pieces of concrete, one of them weighing 10,000 tons (see Western Construction News, April 10, 1928, p. 2327), washed down the stream, around bends, and came to rest some half mile below the dam. The average water velocity was estimated at 22 feet per second. (See Engineering News Record, March 22, 1928, p. 470.) No doubt the maximum velocity considerably exceeded this 22 feet per second, but suppose that while this 10,000-ton chunk of concrete was being rolled along the water velocity over the whole half-mile path was double the average, or 44 feet per second. This would be only three times the 15

feet per second that Secretary Work gives as the velocity at Boulder. Yet the rock that washed down a half mile when the St. Francis Dam failed was one thousand times as large as Mr. Weymouth's 10-ton pieces, and probably ten thousand times as large as the average pieces in his 8-ton skip loads.

Now, some other engineer might guess that all of the rock so dropped would wash downstream beyond the limit of the proposed cofferdam. Mr. Weymouth guesses that only 25 per cent of the rock will wash down in this manner. Only the outcome of the experiment will demonstrate which is right. This question can not be settled by argument on the floor of the Senate, and yet it is one of the questions that we must decide, because the whole plan fails if Mr. Weymouth has guessed wrong.

Now, suppose that most of this rock comes to a resting place in the area where it is proposed to excavate for the foundations of the main dam, which is only a few hundred feet down the stream. If so, then this added rock must be excavated, but the time allowed for the main excavation is just barely sufficient, in the judgment of Mr. Weymouth, for the excavation of the material already in the river. If there is any slip up on this part of the project a year's time will be lost and the forces disorganized. We take that chance.

Then it is proposed, quite contrary to the usual custom on such work, to apply a large part of the earth blanket to the face of a pile of loose rock, not merely under water, but with the river roaring through this rock pile. Will the earth stay on the face? If there is any trouble about it there will be no chance to correct the trouble, for the work is to be done on a scheduled program if the job is to succeed. We guess again.

The Weymouth report proceeds:

> The quarry equipment to maintain the pace set by the cableways would have to be sufficient.

Now, that statement is correct as far as it goes. The only difficulty with it is that it does not tell us how very efficient this quarry must be. In order to find out how efficient it will have to be let us compare this quarrying operation with the world's greatest quarrying operation—that of the Utah Copper Co. This company quarries a little less than 30,000 cubic yards of rock per day in its surface-mining operations. To reach this capacity the Utah Copper Co. has established, after 15 years of development, 20 "benches," each bench equipped with railroad tracks, steam shovels, locomotives, and cars. These benches occupy a vertical space of 1,100 feet, more than is available at Boulder Canyon. These benches occupy a ground area of 240 acres. No such ground area is available at the Boulder location. To convey the ore from these benches to the point of use the copper company has a most intricate, elaborate, and costly system of tracks, yards, switches, and terminal equipment. To quarry the rock for the Boulder cofferdams operations will have to proceed at about one-third the rate of the Utah Copper Co. To open seven benches, equip them with machinery, arrange the tracks, handling, and terminal facilities would require not weeks but months and perhaps years.

Again, if there is any slip or delay either in the speed of quarrying, the speed at the rock terminal, or the speed of loading, placing, and emptying the skips the whole operation, which is working against time to do this part of the job in the three months possibly available, falls down and must await another season after the next flood, when another trial may be made.

> If there is any inaccuracy in the regular placing of rock under muddy water where it can not be seen, so that the level of the crest is not evenly maintained at all times during construction, the water will concentrate at the lowest point, wash out that section of the partially completed dam, and again we must stop and wait for the next season.

Continuing, the report says:

> Work would be carried on three shifts per day without interruption, at least until the river had been turned. The crest of the fill would be kept level in order to avoid a concentrated flow at any one point. Allowing 30 seconds for "hooking" each successive skip, each cableway should average 30 trips per hour. * * * Three cableways would place about 9,000 yards per day and it would require 69 days to complete the cofferdam, or, conservatively, three months. By the middle of October, therefore, the rock fill should be completed.

At this point I direct attention to the fact that this highly efficient quarrying, loading of skips each 30 seconds, dumping of rock, etc.—all operations done at a speed which exceeds any efficiency ever before attained in such operations—must be carried on during the months of July, August, and September in one of the hottest places in the United States, where the temperature ranges from 110° to 115° in the shade—and no shade! We find from the testimony of another engineer, who had planned the construction of a dam on the Colorado in a more favorable location, that under his plans work was to be suspended during this period because the temperature is too high for men to work in. (See testimony of J. P. Hogan, pp. 363–364, hearings on H. R. 5773, January 13, 1928.) But the Reclamation Service plans call not only for the men to work during these months, but to work at unusually high speed and in the most efficient manner!

Now these plans must be carried out on schedule, and any interference with them, anything which delays the operation beyond the appointed time, means the loss of at least one year's time and millions of dollars. Why? Because the floods on the Colorado River come regularly each year from the melting snow on the Rocky Mountains, and they can not be postponed. When the flood starts in May of the year following the beginning of operations, the dam builders must be prepared to handle it, to divert it through the canyon walls and to have their structure in such condition that it can stand the overflow of that portion of the flood which can not be diverted. I quote again from page 96, volume 5, of the Weymouth report:

> The critical time in the construction period is that during which the permanent cofferdams are being built. It will, in an ordinary season, be necessary, in about eight or nine months' time, to build the rock-filled cofferdams, excavate the river channel filling and rock under the portion of the dam to be built, and place the concrete to at least low-water surface. Otherwise the rock-filled cofferdams will have to be reconstructed.

Again, from page 113, volume 5:

> Any diversion scheme which does not contemplate building the permanent cofferdam in one low-water period will be a very expensive one, since it will involve the partial or total loss of both temporary cofferdams, and the necessary replacement, and the excavation of the river bed material at the dam site for the second time—at least down to the uncompleted structure. While the monetary loss would not be especially serious, the loss of time, necessary shutdown, and demoralization of the organization would have a serious effect upon the work.

Again I quote from page 84, volume 5:

> The impending danger of losing cofferdams will be due to the flash floods, which are apt to occur at any time during the working season.

So it appears that a flash flood, which may occur at any time, might upset the entire program for starting this dam and cause the loss of a year's time, millions of dollars, and the shutdown and demoralization of the organization. These flash floods are, as indicated, not at all unusual. A flash flood occurred in 1923 and again in 1927, in the month of September, a flood which would have done this very thing—interrupted the work, caused a year's loss of time, and so forth.

Although it is not emphasized, I find there is a recognition of the possibility of this loss in the time estimates. I quote from page 141, volume 1, of the Weymouth report:

> It is estimated that the construction of the dam proposed, from the time the diversion tunnels are started until the parapets on the dam are finished, will require from six to eight years, depending upon the success attained in diverting the river upon first trial.

Why only two years' loss of time are recognized as a possibility I do not know. It would seem that recognition should be given to the possibility of 5 or 10 years' loss from this one cause.

But there is another risk which involves more than the loss of time and money on this experiment. Let us suppose that the temporary cofferdam of loose rock has finally been successfully completed but, as seems inevitable, away behind schedule. Then an attempt is made to excavate and to build the sides of the permanent dam, but the time is too short, and this can not be finished before the flood comes upon the workmen in June. As the flood rises, the water will be backed up and stored behind the temporary cofferdam.

Mr. Weymouth plans to build this cofferdam to a height of 79 feet above the low-water level. The water stored by a dam of this height at the time the crest of the flood pours over the cofferdam in such volume as to destroy it will amount to about 250,000 acre-feet. Water-Supply Paper 556, United States Geological Survey, Plate X, shows that a dam 50 feet high at this point will store 88,000 acre-feet and a dam of 100 feet will store 362,000 acre-feet. When the dam suddenly fails there will be added to the crest of the rising flood a volume of water seven times as large as swept through the Santa Clara Valley when the St. Francis Dam gave way. What would happen to Needles, Blythe, Yuma, and the Imperial Valley? Once more we can only guess. We can not know unless and until it is tried and the event occurs, if Congress passes this bill and authorizes the Weymouth experiment. Personally I should prefer not to take this particular chance, at least.

There is still another chance of this last character which we must take. This rock-fill temporary cofferdam is not to rest

on a rock foundation. We have to take the chance that it will hold—that it will not fail as did the defective foundation of the St. Francis Dam and suddenly turn this river into the hole in its bed, some 100 feet or more deep, where scores of workmen are to be toiling night and day in an endeavor to excavate the great cavity for the permanent foundation. If we lose in this chance, many times the six lives lost in the Imperial Valley flood of 1905–1907 will be wiped out and charged to this experiment. I, for one, prefer to adopt Secretary Work's recommendation that we secure the judgment of the country's ablest engineers before authorizing this experiment, and I shall not vote for this measure until we have such a review.

Now it must be remembered that this greatest engineering job since the building of the pyramids in Egypt is to be performed in a rather inaccessible spot in the desert and that to reach it at all a 35 to 45 mile railroad must be built for either the Santa Fe or Union Pacific lines. By reason of its isolation and the unpleasant character of the weather during the summer months a huge labor turnover must be expected, with its consequent interference with time schedules.

I quote again some paragraphs from the Weymouth report which give a further idea of the problems of preliminary work and of the quantity of materials involved. In volume 5, at page 107, I find the following:

Construction of a dam of the size proposed on the Colorado River is an undertaking involving some difficult problems as well as the handling of enormous quantities of construction materials. The dam proposed, for example, is two and fourteen one-hundredths times as high as the Arrowrock Dam, the highest dam now built; contains three and thirteen one-hundredths times the amount of material in its building as is contained in the great Assuan Dam in Egypt; and is estimated to cost over two and one-half times as much as the Assuan Dam, the most expensive to date. Twenty thousand ordinary freight cars would be required to haul the cement required alone—a train about 165 miles in length.

So for the cement alone we would have a train 165 miles in length. Now, add to these 20,000 carloads of cement the other thousands of carloads of materials and supplies which must be hauled to the dam site and we begin to get some small idea of the quantities which are involved. This material, these thousands upon thousands of carloads, must, of course, be hauled over the railroad, and the first task will be to build the railroad from the nearest or most accessible point out to this point in the desert. I find that Black Canyon may be reached by constructing a railroad some 40 miles in length from Las Vegas, Nev., or a railroad 48 miles in length from Searchlight, Nev. These railroads, or whichever of these railroad lines are built, will serve no other purpose than the hauling of supplies and workmen to this dam site. There is no other territory in this mountainous and desert country through which the road would pass that would assist in bearing the expenditure. (See vol. 5, p. 102, of Weymouth report.)

The Weymouth report also says:

There is only one feasible route to the dam site for a railroad through the rough hills adjacent to the river, so, no matter whether the railroad is built from Las Vegas or Searchlight, the last 3½ or 4 miles will be over the same route. (Vol. 5, p. 102, Weymouth report.)

The building of this railroad is the first step toward building the dam, and the estimated cost of the railroad is only a paltry $1,675,000. This, of course, does not include the equipment for the railroad, which would include five locomotives and some hundreds of gravel cars and the like.

I find from page 116 of the Weymouth report (vol. 5):

The cement, sand, gravel, and cobbles would be brought in on the railroad built over the material bins and dumped directly into the bins. For each yard of concrete 1.44 cubic yards of material exclusive of cement are required, or for the construction of the dam 5,130,000 cubic yards. If 30-yard dump cars are used, it will require 171,000 carloads of material from the gravel pit, 3½ miles away. Trains will be operated three shifts per day, so that when runs of 7,000 yards per day are being made at the dam 336 carloads of material will be required at the rate of 14 cars per hour continuously. In operation a seven-car train would probably be brought to the mixing plant every half hour.

Now that we have reviewed some of the engineering assumptions and possibilities of mistaken estimates, let us summarize them:

First. That the 35 to 40 miles of railroad track, the construction camps, the electric plants, etc., and the 3 miles of 35-foot diversion tunnels are completed within the first year. That being done they are then ready to begin the real task.

Second. That an organization for quarrying and transporting rock can be developed to a 100 per cent higher efficiency than any hitherto developed after years of experience by the largest surface-mining companies.

Third. That highly efficient workmen can be found who can and will work in this isolated spot in 8-hour shifts at top speed in a temperature of 110° to 115° (in the shade and no shade).

Fourth. That not more than 25 per cent of the rock dropped into a river 30 to 60 feet in depth and flowing at 15 feet per second will be carried away.

Fifth. That the most efficient quarrying operation in the world can be developed and carried on under these conditions.

Sixth. That no flash flood will occur before or after the temporary cofferdam is completed.

Seventh. That the water between the cofferdams can be pumped out; the sand and silt excavated; the larger bowlders blasted and excavated; a hard rock foundation uncovered, blasted out, and excavated; the permanent cofferdams, each an enormous dam in itself, built to a height of a maximum of about 140 feet to the water level—all of this work to be done within the five to six months remaining out of a total of eight or nine months, three of which are allowed for the temporary cofferdams.

Eighth. That all of this work can be done in a box canyon where there is no room for either men, materials, or equipment, and if the thing is not finished within the schedule the optimistic engineers must be reduced to hoping for better luck the next year, their camps being in the meantime shut down and their organization demoralized.

Ninth. That a cofferdam does not fail with resultant great loss of life.

One does not need to be an engineer to realize at once that this program is preposterously impossible; that the best that can be hoped for is that after only one season of failure, other and more effective means, perhaps ten times more expensive than those now proposed, may be adopted if they can be devised. A more probable outcome is that the original plan will be adhered to through two or three seasons of failure before the engineer in charge takes the bull by the horns, abandons this fantastic program, and casts about to see whether there are not other means, however costly, through which success in the building of these foundations may be achieved.

We must remember also that there is the basic assumption involved that the foundations when exposed will not prove to contain deep faults, necessitating far more excavation than is indicated by the somewhat meager amount of drilling so far performed. If such difficulties develop then we must speculate on whether the engineers, already at the bottom of the formidable hole that they thought would be deep enough, with the top of the river, perhaps 250 feet over their heads, and rising rapidly, will abandon their plans for that season and hope for better luck next season, or whether they will take a chance, hastily throw some concrete into the bottom, and try to complete the dam with a skimpy foundation, thus setting the stage for a great future disaster. That such things are sometimes done, even by engineers of the highest reputation, was disclosed by the disaster to the St. Francis Dam built by the city of Los Angeles.

Now at this point I ask your special attention to an important fact which must be understood if confusion is to be avoided. This fact is that all of these constructional difficulties, all of these hazardous experiments, all of these unsound assumptions which I have detailed apply equally to the construction of any dam which has been proposed for Boulder or Black Canyons, whether the dam be this particular 550-foot dam, a so-called "low flood-control dam with a base sufficient for a dam of 550 feet," or the dams of other heights suggested for this location. This is true in the first place, because all of these impossibilities which I have detailed are in connection with building the foundation. You therefore obviously avoid no difficulties by simply failing to add 150 or 200 feet to the height of your dam. In the second place, there is no such thing as a "low dam" in Boulder or Black Canyons. As I have already pointed out, it is necessary to build a "highest dam in the world" at these sites before you can get the storage which is estimated as being required for flood control only. A dam at Black Canyon to create a storage capacity of 8,000,000 acre-feet, the amount which advocates of this measure say is needed for flood control, would have to be 350 feet high above the water line, or about 500 feet high in all—still nearly the height of the Washington Monument, and still incomparably the greatest dam in the world. At another point I direct your attention to the fact that a dam at another site will store from ten to twelve times the amount of water that these "less high" dams at Boulder Canyon will store.

I wish also to take note at this point of the argument that this dam which we are now considering is not the dam covered by former bills; that the plans for the dam have been changed and the provisions of the bill. I hope no one will be misled by that argument. The fact is that there is only one plan for

a dam before us. It is a plan for a 550-foot dam at Black Canyon. There is not a single basic objection to the 605-foot dam which was originally proposed, and is the only one for which designs or drawings have been made that will not apply equally to the dam before us. Furthermore, since the entire engineering and economic plan of this bill is based upon the Weymouth plan for Boulder Dam it makes no difference how many changes are made in other details of the bill; the heart of it is the same—the impossible plan for construction of this 550-foot dam in Black Canyon.

Assuming, however, that after some years of preliminary failure, the final adoption of new methods, and a total expenditure for river diversion and the construction of foundations approximating perhaps the sum now estimated for the completed job, that the foundations have finally been established, what then? The remaining big task will largely be confined to the pouring of concrete. This presents no engineering difficulties of an unprecedented character. Given time and money enough, a block of concrete as large as the city of Washington and as high as the Washington Monument could be put together. But what of the time required and what of the cost involved in placing a mass of concrete not, indeed, as large as the city of Washington but taller than the Washington Monument by the height of the Senate Office Building?

However, when we consider the time estimates which are made for the pouring of this concrete we find another of the glaring discrepancies between the Weymouth plan and the factual probabilities. I quote from volume 5, page 115, Weymouth report:

The maximum rate at which concrete would be placed is estimated to be 3,500 cubic yards per shift of eight hours, which amounts to 438 yards per hour, and considering loads of 5 yards, the requirements of cableway service are 87½ trips per hour. The cableways proposed are capable of making 13 trips per hour each, carrying concrete the average distance and lowering to the average depth of the lower two-thirds of the concrete in the dam. Thus it will require seven cableways to do the work. However, nine cableways are proposed, partly on account of advantageous spacing of cableways over the work and partly on account of the fact that some of these cableways will be used for handling forms and miscellaneous material.

If the average rate of progress could be maintained the dam would be completed about seven years from the time work is started on the construction railroad.

With reference to these estimates, Mr. John P. Hogan, consulting engineer of New York, who is familiar with the construction problems on the Colorado by reason of the fact that for three years he was one of the consulting engineers for the proposed Diamond Creek development on the Colorado, testified, as appears at page 364, hearings on H. R. 5773, January 13, 1928:

This dam proposes to be 550 feet high above the surface of the stream or about 680 to 700 feet from the bottom point, and contain three and a quarter million yards of masonry. That would require a working season of about four and a half years to put in the concrete alone, even if it were put in at twice the rate which material has ever been put into a structure of that kind at present. In other words, the maximum record we have of material going into a structure is 86,000 yards in one month at Kensico Dam, which also happens to be a million-yard dam. There we had a very favorable terrain. * * * We had a very favorable terrain there and flat ground. The dam was long and low rather than high. We had a great deal of space in which to work, and, as I say, the maximum record that was made there was 86,000 yards in one month. The average record was about half that.

So that in Boulder Canyon, even to put the masonry in in about four and one-half years would require a maximum day's progress of about 150,000 yards in a very difficult situation.

At Conowingo at present, which is one of the largest dams being built, they have two plants, one on each side, and the maximum they have ever put in there on this side is 43,000 yards; on the other side, 54,000 yards in one month. * * *

When we made up the estimates for the Diamond Creek project we were informed, believed, and counted in our estimates that it would be impossible to work in the bottom of the canyon in the months of May, June, and July, because the temperature was from 110 to 115 in the shade.

It would appear, therefore, that even if the builders of this dam are able to maintain the average rate of the most efficient work ever done in pouring concrete under much more favorable conditions than exist at this dam site, it would take nine years, at least, to pour the concrete alone. Adding to this 9 years the highly favorable estimate of 3 years for the preliminary construction work, we find that it would take 12 years to complete this dam without allowing for the loss of any time in preparing the foundation and this also without allowing for the increased quantity of concrete required to bring the stresses in the structure down to the usual maximum of 30 tons per square foot rather than the somewhat hazardous 40 tons per square foot used in this estimate, and so used, apparently, to secure economy at the expense of safety.

A 12-year construction period is, therefore, apparently not only probable but unless some revolutionary method of pouring concrete is discovered and developed prior to the starting of this construction it is inevitable.

Let us remember in this connection that the contracts for the sale of the electricity with which this project is to be financed must, under the terms of the bill, be made before any construction work starts. I am wondering if it will make any difference to a possible purchaser of power when he finds that he is taking a chance on his delivery of power being delayed several years. In making its contracts, it seems to me that the Government must either guarantee its time of delivery or otherwise protect the purchaser. In estimating the probable time within which power can be sold after it is ready it is always assumed that the purchaser will rely wholly upon this source of power for his new business and growth of load after it is available. Suppose he makes a contract in 1928 for delivery in 1936 and then litigation delays the starting of construction some three or four years, and construction difficulties delay the completion of construction another five years. Is the purchaser going to sign a contract under which he will take this risk? I hardly think so. Again, the Government must take the risk.

God knows there is danger enough without trimming it down; for I say now that if that dam is built, with all the water back of it, and an earthquake comes, and it goes out, it will be the greatest disaster that has ever happened in all the world; and the poor people in Imperial Valley will be the very first ones that will be murdered.

CONGRESS MUST TAKE THE RISK OF THIS DAM'S SAFETY

On page 210 of the hearings on H. R. 11449, February 21, 1923, Committee on Irrigation of Arid Lands, House of Representatives, I find that the committee of the House was warned by Mr. W. G. Clark, consulting engineer of New York City, that this dam was to be built in an earthquake area and that a masonry dam such as proposed would therefore be inadvisable and subject to the danger of destruction by earthquake. Mr. Clark testified that the development of the Colorado had been a matter of engineering interest to him for more than 22 years, and that he had spent much time in and around the canyon of the lower Colorado River; that in particular he had been on the ground for the location of this dam many times and studied the canyon and the conditions very carefully.

This is what Mr. Clark said:

The dam proposed by the Reclamation Service would give an average head of 500 feet and would generate between 600,000 and 700,000 horsepower. It is possible at this location to construct a dam of unprecedented height—a dam with a crest 1,064 feet above the present water surface and 1,200 feet above bedrock.

The dam which I am proposing is a rock-fill dam, constructed with a steel diaphragm. This dam has been designed after many years of study. I was in Boulder Canyon when an earthquake occurred. At that time there was a decided movement of the north wall of the canyon, but there was no movement of the south wall. Thousands of tons of rock fell along the north wall of the canyon, but there was no fall along the south wall. I was camped on the south side of the canyon; and if it were not for the fact that I could see and hear the rock falling on the other side of the canyon, I would not have known that an earthquake was in progress.

Mr. RAKER. The north wall is on the right-hand side going downstream?

Mr. CLARK. Yes, sir. Some years later, in 1913, I believe, an earthquake occurred which affected the Imperial Valley. I was in southern California at the time, so went immediately to Boulder Canyon. The same condition had been repeated. I found that thousands of tons of rock had been shaken from the north wall of the canyon, but the south wall remained undisturbed.

The river apparently runs through a fault fissure, for in both instances, the disturbance was confined to the north side of the canyon at Boulder wash.

I at that time abandoned the idea of constructing a stone or masonry dam, for, in the event of an earthquake, the bond between the side walls of the canyon and the concrete structure might be broken, allowing the impounded waters to escape.

Not only is this whole thing experimental from the physical standpoint, it is an experiment which, if unsuccessful, is likely to lead to the most tremendous man-made catastrophe in the history of the human race. Many dams have failed in history; no dam that has ever failed—indeed, no dam in the world, and no collection of the greatest dams in the world—even approximate the magnitude of this single one. This dam is to store

26,000,000 acre-feet of water. Some of the other great dams created storages as follows:

| | |
|---|---|
| Gatun Dam | 4,410,000 |
| Assouan Dam | 1,865,000 |
| Elephant Butte Dam | 2,368,000 |
| Almanor Dam | 1,318,000 |

All of these great reservoirs together contain a capacity of about 7,961,000 acre-feet, or a smaller total capacity of 18,000,000 acre-feet than the reservoir here proposed.

The reservoir created by the St. Francis Dam of the ctiy of Los Angeles, whose failure is fresh in the minds of all of us, was only 38,000 acre-feet when full and contained only 36,000 acre-feet at the time the catastrophe occurred.

The Boulder reservoir then will contain seven hundred and twenty-two times as much water as destroyed the lives of between 400 and 500 people when the St. Francis Dam of Los Angeles failed. We can not visualize the catastrophe that would follow the breaking of the dam here proposed. Of course, the engineers who designed this dam feel that it can never fail, but what are the facts? No engineer ever designed a dam which he thought would fail. Of all the engineers who testified before the committees that favorably reported this bill, the most prominent and widely known is Mr. William Mulholland. Indeed, he seems to have been the only engineer of prominence, outside the Reclamation Department itself, who has ever attempted to guarantee the stability and the cost estimates of Boulder Dam. I read a portion of Mr. Mulholland's testimony from page 121 of the hearings on H. R. 2903, Sixty-eighth Congress, first session, held in 1924, four years ago:

Mr. RAKER. Have you gone into this project and the report of the engineers of the Reclamation Service so as to be able to determine whether or not this Boulder Dam project is feasible?

Mr. MULHOLLAND. Minutely. I have taken the greatest interest in it ever since its inception. I have gone on the ground and looked at it.

Mr. RAKER. I am asking you as an engineer, then, whether in your judgment it is feasible?

Mr. MULHOLLAND. I have given it the most scrutinizing inquiry as an engineer, and it is not only feasible, but it is easily feasible.

Mr. RAKER. And practicable?

Mr. MULHOLLAND. And practicable.

You will see that Mr. Mulholland is then quite positive in his indorsement. Yet he is the man who selected the site of the St. Francis Dam and passed its foundation as being safe and adequate.

Now, I do not refer to Mr. Mulholland for the purpose of condemning him; far from it. I feel the greatest sympathy for him in this disaster, the responsibility for which he feels most keenly and which has come near the close of his long and useful career. Doubtless he was and is a great engineer. Furthermore, as he told the House committee considering this bill, he is an amateur geologist. (See p. 101 of hearings on H. R. 2903, 68th Cong., 1st sess.) And what does this prove? It proves that a dam built by a great engineer, that foundations selected by a man experienced in geology, can fail.

The St. Francis Dam was a dam of moderate dimensions. It was built according to conventional designs which have been tried and proved by experience. In fact, the maximum pressure between the bottom of the dam and its foundation was reported to have been only 12 tons per square foot, which is regarded as eminently conservative. In this Boulder Dam it is proposed not only to try the experiment of by far the largest mass of concrete ever attempted in the history, with internal stresses that in the opinion of General Goethals are indeterminable, but it is likewise proposed, in order to reduce the cost, to try the experiment of the extraordinarily high pressure of 40 tons per square foot and the foundations upon which it rests. I refer you to page 23 of the minority report of Senator ASHURST, where you will find quoted the testimony of Col. William Kelly upon the point, as follows:

Colonel KELLY. As you go up in height the mere weight of the dam itself puts a pressure on the foundations that runs into very large figures. On the Washington Monument that pressure was great enough to cause the stones to sprawl at the edges around the bottom of the Monument. * * * In addition to the weight of the structure itself you have the pressure of the water behind it which greatly increases the stresses, especially on the downstream part of the foundation. In order to keep these stresses within reasonable limits the dam has got to be widened out and made very wide at the base.

* * * * * * *

Up until a few years ago the usual practice on gravity dams was to keep the maximum stress below 20 tons per square foot. The Reclamation Service in designing some of their higher dams, like Arrow Rock, found that in order to comply with that requirement they had to expand the dam at the base to such an extent that the cost became very great. They consequently made use of the arch principle in combination with the gravity section or weight of the dam and allowed a maximum stress of 30 tons per square foot. * * *

In the design of this Boulder Canyon high dam they again found that going up to 600 feet, 30 tons per square foot required a dam of abnormal dimensions and their design proposes to have an allowable maximum stress of 40 tons per square foot on that 600-foot dam.

In this bill Congress is asked to become the engineer of this adventure. The bill fixes the site of the construction within very close limits. If we pass this bill, Congress will have ordered, as a result of congressional engineering ability, that this dam be built at this particular spot, a spot which has been condemned by many competent engineers, who question whether the foundations of a dam can be established there, except at a prohibitive cost. Congress, as an engineer, will have dictated the size of the dam to be built in this difficult and perhaps impossible place, and the size of the structure is seriously questioned. Congress will also, by this measure, have fixed the general plan of development of the Colorado River for all time—fixed it according to a plan which is condemned by many competent engineers, and particularly by the engineer of the Geological Survey who has studied the river for a greater length of time and more minutely than any other man—Mr. E. C. La Rue. (See Water-Supply Paper 556, Geological Survey, 1925.)

All engineers who have examined this project agree that the crux of the whole enterprise, the point concerning which there is the greatest doubt and greatest risk, is the matter of foundations for the dam. The depth to bedrock is at its deepest point said to be 127 feet—127 feet below the surface of the river. If this foundation is not secure, if the dam is not firmly anchored in bedrock at every point, the greatest dam disaster in history is invited. What of the foundations thought to be adequate in the case of the St. Francis dam? I quote from the report of the committee on engineers appointed by the Governor of California to ascertain and report upon the cause of the St. Francis Dam failure:

(1) The failure of the St. Francis Dam was due to defective foundations.

The committee reported that the foundations primarily of red conglomerate and mica schist formations, specimens of which—

go to pieces when immersed in water for a few hours, and samples taken over a considerable area have gone to pieces almost immediately upon immersion.

With such a formation the ultimate failure of this dam was inevitable unless water could have been kept from reaching the foundation.

I pause to inquire whether the Members of the Senate feel themselves sufficiently well informed about the foundations for this Boulder Canyon Dam that they are willing to authorize and direct the Secretary of the Interior to proceed with it. Let us remember that under the terms of this bill, and under the advice given us by the Secretary of the Interior, if we pass this bill the responsibility is ours. Let us also remember that it is wholly unnecessary to take this risk; that there are alternate plans of development of the river which will provide the flood protection and all other benefits at much less expense and in much less time through the construction of dams which, as is said in Water-Supply Paper 556 (p. 73), call for a minimum departure from present engineering practice in the construction of dams.

Does not prudence and common sense suggest that we at least require a report from the ablest engineers in the country before we approve this experiment?

WHAT HAVE GOVERNMENT OFFICIALS SAID?

I have no doubt that much of what I have said is new and perhaps rather startling to many of my colleagues. If this project is so fraught with engineering risks and is a subject of such a pronounced difference of opinion as I have pointed out, the obvious query is as to why it should have been submitted to us in this unsettled state. I have already read to you from the letter of Secretary Work of March 17, 1924, with which he submitted this Boulder Dam plan to the Congress that portion wherein he stated that "Congress should itself appraise the necessity of an outlay of such magnitude and justify the financial obligation to be assumed by the Government before beginning this project." At that time it is perfectly apparent that Secretary Work himself questioned the wisdom of entering upon this huge undertaking. Again, in his testimony before the House Committee on Irrigation and Reclamation on March 29, 1924, Secretary Work testified as follows (p. 1029, Hearings on H. R. 2903, 68th Cong., 1st sess.):

Some engineers urge that a dam as high as 605 feet would serve all purposes now, but I do not know what available market we have for

power. We ought to know how much power could be sold and the probable income from it before we could appraise the situation.

A dam 605 feet, I am told, would be twice as high as any dam in existence. Whether a dam of that height—and its base as broad as its height—is a practical engineering possibility I do not know. Some engineers say it is. They all agree that it has never been tried.

But in this Boulder Canyon project, before the dam is begun, engineers advise me that they would have to spend some $17,000,000 to get ready, to put in a cofferdam to divert the stream at low water, and to tunnel the mountains on each side to take care of the river, and after that is done they would only control the flood at low water; it will not control a flood.

Those are all engineering problems of such magnitude that I can have no opinion on them.

This testimony of Secretary Work, it must be remembered, was given after he had received and submitted the engineering report and study for this dam to the Congress, and after he had passed to the Congress the responsibility for determining whether this dam was feasible or practical. No further engineering facts relating to the fundamental problems of great magnitude to which the Secretary refers have been made available to the Secretary since that time.

In this same testimony, on page 1030, Secretary Work also said that "estimates are only intelligent guesses."

I now desire to direct your particular and very special attention to a letter written under date of March 24, 1924, by the three Cabinet officers who at that time constituted the Federal Power Commission—Secretary Weeks, Secretary Work, and Secretary Wallace. This letter is of the utmost importance because it was written at a time when the details of the Weymouth plan for the construction of this project was fresh in the minds of these Cabinet officers. It was written just a little more than a month after the Weymouth report was completed and just one week after Secretary Work had submitted the plan to Congress with his letter of March 17, 1924. That this letter represented the considered judgment of these Cabinet officers is apparent not only from the details dealt with in the letter but from the clarity of their expression and, further, from the fact that each one of them was called before the House Committee on Irrigation and Reclamation and there testified in verification of their letter. This letter raises the fundamental questions as to the soundness of this venture and as to the policy to which the Government is committed by undertaking it. On every main point which has since been raised against this proposal these gentlemen expressed themselves clearly and definitely and just as definitely condemned the proposal. They condemned it on the ground that it was a power project which committed the Government to a policy and to an activity which if logically pursued has possibilities of demands upon the Federal Treasury in amounts far beyond those now involved in reclamation and highway construction combined. They condemned it on the ground that it was unnecessary to construct a reservoir of any such capacity in order to meet the problems with which the Federal Government should be concerned. They condemned it on the ground that it was inadvisable to proceed with any such project until the Colorado River compact was ratified. They further condemned it on the ground that the regulation of the Colorado River to the extent proposed would produce surplus waters for use in Mexico and that such a condition should not be created in advance of an agreement with Mexico upon this subject.

I read you the following from that letter (pp. 1000–1003, hearings on H. R. 2903):

> Flood control and irrigation storage are presumed to be the primary purposes for which it is proposed to construct the dam at Boulder Canyon. While there are differences of opinion with respect to the amount of storage actually required for these purposes, it is agreed that 8,000,000 acre-feet is the maximum required, and it is probable that 4,000,000 feet would be reasonably adequate. The nearer the reservoir is installed to the lands to be protected or irrigated, the more satisfactorily will it serve the purposes of flood control and irrigation. Information recently made available indicates that a reservoir of sufficient capacity to serve all the needs of flood control and irrigation could be located on the river some 100 miles nearer the lands to be served and at a cost of not more than one-half that of the proposed high dam at Boulder Canyon. If this is correct, the location of the dam at Boulder Canyon and its construction to the height proposed must be justified, if at all, wholly from the standpoint of the development of electric power.
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> In so far, at least, as the project proposed exceeds the requirements of flood control and irrigation the bill proposes that the United States undertake a new national activity, namely, the business of constructing facilities for production of electric power for general disposition, an activity which if logically pursued has possibilities of demands upon the Federal Treasury in amounts far beyond those now involved in reclamation and highway construction combined. While the United States has heretofore constructed power developments in connection with irrigation projects, these developments have been merely incidental to the projects, have been of a few thousand horsepower only, and have been primarily for use on the projects themselves. The construction of a reservoir having a capacity of from four to eight times the needs of irrigation and flood control and of a power development twenty times in excess of the probable power needs of the irrigated lands and adjacent communities is a complete departure from former policies. The only undertaking by the United States at all comparable in magnitude with the proposals at Boulder Canyon is at Muscle Shoals and this project was undertaken to furnish munitions in time of war. In so far as it was to serve the needs of peace it was to furnish an essential commodity for all sections of the United States and was not for the special benefit of a limited area.

I will not at this time read the entire letter, but I hope that you will give it your serious consideration. It will be found at pages 1000–1003 on the hearings of H. R. 2903 before the House Committee on Irrigation and Reclamation, Sixty-first Congress, first session.

Now, it may be said by the proponents of this bill that this project which was condemned in 1924 in this letter is not the present project. I challenge this statement and ask the proponents to point out a single objection in that letter which does not apply equally to the present bill. Aside from the fact that the height of dam proposed has been lowered from 605 to 555 feet, there has been no essential change in the plans for the project.

I anticipate also that it will be said that there has been a great deal of further investigation made since that time and that the objections then raised have been removed by this subsequent investigation. I also challenge this statement, because I am unable to find where a single new fact has been developed that was not known to these gentlemen at that time. Certainly it can not be claimed that any new engineering facts except adverse ones have been revealed since that time. It may also be said that Secretary Work has changed his opinion since that time and that the other two secretaries are dead. That is true, but so far as Secretary Work is concerned, he has given us no new facts which in any way nullify the very sound conclusions and criticisms which were stated in that letter. The fact that the other two secretaries are no longer with us is certainly poor proof that they were wrong at that time or that they would have changed their minds had they lived.

Now the only further investigation of this project since 1924 of which I am aware is the investigation that is reported to us at this session and was carried on by the five advisers appointed by the Secretary in the spring of last year. These advisers were Prof. W. F. Durand, of Stanford University; Hon. James C. Scrugham, former Governor of Nevada; Hon. Frank C. Emerson, Governor of Wyoming; and our colleague, Senator CHARLES WATERMAN, of Colorado. All of these advisers except Senator WATERMAN have submitted their written reports. With reference to the investigation made by these gentlemen, I wish to call your attention in the first place to the fact that their report can hardly have been the reason for the change in attitude of Secretary Work toward this project for this reason. The change of attitude by Secretary Work was made as early as January 18, 1926, because on that date he wrote a letter to the chairman of both the House and Senate committees considering this bill in which he recommended its favorable consideration and set forth his reasons therefor in detail. The most recent letter from Secretary Work is included in the most recent majority report, and is dated January 21, 1928. It does not add anything to the information contained in his letter of January 18, 1926, except that he now specifies the necessity for an immensely greater amount of storage for silt purposes than had previously been considered necessary either by Mr. Weymouth or any of the other engineers. I therefore do not think that it can be maintained that Secretary Work was influenced or gained any new knowledge from the report of the advisers which he appointed during the last year.

With reference to these advisers, it is also necessary to call your attention to the fact that at least two of them were not disinterested. Professor Durand and ex-Governor Scrugham are, as has been pointed out by Congressman LEATHERWOOD in his minority report on this bill, "old-time champions of this project." Professor Durand has been before the committees of both the House and the Senate during the past six years at various times, and has given testimony in favor of the project. For more than 18 years he has been retained by the Los Angeles Bureau of Power and Light, which is one of the principal promoters of the project. Ex-Governor

Scrugham has likewise strongly supported the project for years, and as Governor of the State of Nevada is naturally favorably predisposed toward a project which means the expenditure of from $100,000,000 to $300,000,000 in his State. If was hardly to be expected that these advisers at least would do more than to reiterate their opinions, which were well known, and I do not believe that Secretary Work could reasonably have expected anything but a strong indorsement of the project by them.

Governor Emerson had likewise previously expressed himself as favorable to the project and would naturally be inclined to arrive at conclusions which substantiated opinions previously expressed.

Mr. James R. Garfield, ex-Secretary of the Interior, was asked to report particularly upon the power of the Federal Government to undertake this project without the consent of the States and, as stated by Congressman LEATHERWOOD, his "championing of the right of the Federal Government to extend and retain a close control over the natural resources within the States, is well known." I do not question or in any manner impugn the honesty of these gentlemen. I distinctly do not wish to be understood as doing so. I only insist that if an impartial report from engineers who approached the subject with an open mind was desired much better appointments could have been made. If a report which indorsed the already known views of the Interior Department was expected and desired, their choice was well made. I also am impelled to point out that none of these gentlemen qualify as hydraulic engineers or as expert dam builders but that their engineering experience runs along other lines.

Senator WATERMAN has not submitted his report to the Secretary and, I understand, expects to make it on the floor of the Senate, and I shall indeed be interested in hearing from him. I have no doubt that Senator WATERMAN can confirm my statement that no independent engineering investigation was made by any of the five advisors but that every one of them of necessity proceeded on the assumption that the basic plans and estimates of the Reclamation Service were correct. It is certain from their reports that they have not considered the details of the engineering difficulties which are presented by this project and which I have only to a degree outlined. Their report would certainly have been of much greater value to us if they had answered the questions as to the proposed methods of construction and attempted to explain to us how the obvious and inescapable risks involved in the numerous engineering experiments contained in this project are to be solved. Their general indorsement of the proposal to build a high dam at Boulder Canyon, is, after all, of little value. As to two of them this indorsement had already been given. It would have been of great value if they had undertaken to tell us precisely why and how this unique plan for building a dam can be worked out without enormous risks.

Again, in connection with the indorsement of this project, I am sure that many of you have in mind that Secretary Hoover has approved it. We all know that Secretary Hoover is a great engineer and most of us, I am sure, have great confidence in his judgment and ability. Many Senators feel that if this engineering plan and these cost estimates have been examined and approved by Secretary Hoover that his judgment is good enough for them. I am frank to say that if this were true his judgment would go a long way toward reassuring me. The unfortunate part about this, however, is that it is not true. It is not true for the simple reason that Secretary Hoover has never examined the details of the Weymouth plan from an engineering standpoint or from any other, and that he has never attempted to approve these engineering plans or the cost estimates for this project. Like practically all others, his indorsement has been confined to the idea of building a great dam which would serve the primary purposes involved, assuming that subsequent investigation confirmed the basic facts.

In his first appearance before the committee considering this bill, in February, 1924 (p. 67, hearings on H. R. 2903, 68th Cong. 1st sess.), he testified:

> I do not think the engineers have sufficiently determined yet as to where the best foundation lies in Boulder Canyon or Black Canyon. They are not far apart and must yet be determined.

Secretary Hoover here, no doubt, had in mind the fact that only four locations for dam sites have been drilled in the hundreds of miles of canyon where there are at least 23 dam sites, and that, therefore, there had been no final determination of the best location. There has been no further investigation along this line since the Secretary testified—indeed, no further engineering facts regarding the fundamental questions have been investigated except by the Geological Survey which condemns this Boulder Dam plan.

Again, Secretary Hoover's chief interest and chief work in connection with the Colorado has been the negotiation of the Colorado River compact, the division of water between the States of the upper and lower basin States. While this compact was intended to clear the way for some development of the river, the compact had nothing to do with any single engineering plan. In his examination before the House committee (pp. 67–68, hearings on H. R. 2903), we find that Congressman SWING endeavored to have the Secretary say that the compact was framed on the theory that a big dam would be built along the lines of the one here proposed, and Secretary Hoover replied (p. 68):

> No; there is not a word in the compact relating to the character of engineering development. The compact did not pretend to enter into that field at all. Any statement as to Boulder Canyon, of course, was merely the expression of my personal ideas and some of the members of the commission.

Not only has Secretary Hoover not approved the engineering plans; he has also failed to approve and has suggested an amendment concerning the power features of the bill. In his last appearance before the House committee on March 3, 1926, in testifying on this bill, Secretary Hoover said:

> On that proposition I would like to make this suggestion for the consideration of the committee: That it is desirable to provide that the Federal Power Commission should make the division of power entirely under the water power act, including the whole of the act. The licenses should, of course, be issued subject to the approval of the Secretary of the Interior in order to secure the financial arrangements which would bring to him the necessary revenue to carry the amortization and interest on bond issues. (Hearings on H. R. 6251 and 9826, 69th Cong., 1st sess., p. 50.)

This amendment to place the handling of the power under this development under the Federal water power act, as recommended by Secretary Hoover, has never been adopted.

I have yet to find any statement wherein Secretary Hoover has expressed his approval of this bill, of the provisions thereof, or of the engineering plans.

ADVICE OF PRIVATE ENGINEERS

In order that you may have the complete story of the engineering advice it is necessary to call your attention to what other engineers than the Government engineers have said and done in connection with this Weymouth plan.

The Bureau of Reclamation, according to Mr. Weymouth's testimony, had two consulting engineers—Mr. A. J. Wiley and Mr. Louis Hill—who constituted the advisory board on the plan in general. Their opinions have not been made available to us except by Mr. Weymouth's reference to them which is quoted on page 28 of the majority report to the Senate on this bill. We do not know whether these two advisers approved all the plans, and each detail, or only certain special problems, or only the general plan. From the context of the testimony of Mr. Weymouth (pp. 741–743, hearings on H. R. 2903) in this connection it would appear that they were consulted only on each step of the general plan.

I have already called your attention to the report of the three engineering advisers who were appointed by the Secretary of the Interior last year. Their report, as I have said, falls into the class of those who have made a compilation from the facts and assumptions of Mr. Weymouth but who have not checked the basic figures. Now, aside from these engineers and the engineer of the Los Angeles Bureau of Power and Light, Mr. William Mulholland, the engineer of the St. Francis Dam, whose testimony I have also quoted, I can find no evidence from a private, disinterested engineer, except that of Mr. John P. Hogan, of New York.

Mr. Hogan was called before the House committee at the hearings this year by Mr. DOUGLAS of Arizona, and his testimony appears at pages 360–374, hearings on H. R. 5773, January 13, 1928. It appears that Mr. Hogan is an engineer of 25 years' experience, 15 years of which has been in water-supply work. He testified that he had dealt with projects in the Columbia Basin, Colorado Basin, St. Lawrence, Hudson River, and a number of projects on the larger eastern rivers. He was in charge of construction of the reservoir and conduit division of the Catskill Aqueduct and was afterwards chief engineer of the Catskill Aqueduct. Of most importance is the fact that for three years he was one of the consulting engineers for the proposed Diamond Creek development on the Colorado River, a site about 130 miles above Boulder Canyon.

Mr. Hogan testified that the cost of this Boulder project, if it could be carried through, would be between $180,000,000, and $210,000,000. I quote from his testimony on page 363 of the House hearings on H. R. 5773:

> We made a careful estimate at the time of the application for license on Diamond Creek, and as a result of that estimate we presented an

estimate of cost to the Federal Power Commission. That was the result of about three years of study on this project. Now, considering the cost and applying those costs which we assumed to build Diamond Creek to the work at Boulder Canyon and assessing the additional difficulties which existed at Boulder Canyon, due to the greater depth of the foundations, I arrived at—first, assuming the same basis of cost as used for Diamond Creek, I arrived at a figure of $62,000,000 for the dam alone. On assessing the three things—there were three things in the plan announced for the construction of this dam that were not adequately taken into account. One was the great depth of the foundation, 127 feet to bedrock, and cut-off 20 to 30 feet, depending on the rock conditions below that. In view of that, the stream control is in no way adequate, and I did not consider that the plan to uncover that bottom and throw an arch dam 215 feet high in there in a single working season was in any way practical. Therefore, it would be necessary to provide complete stream control to take care of a flow of somewhere between 70,000 and 100,000 second-feet, preferably the latter, in view of the investment in the amount of work to be done on the bottom which the flood might partially ruin, and I thought that the proper protection would be against a flood of 100,000 second-feet.

Then you would take the risk during the year or two that you were at the bottom of having one of the 200,000 second-feet floods come along, which undoubtedly would do great damage, but it is almost impossible to attempt to divert the entire flood—a possible flood of 200,000 second-feet.

Mr. Hogan further testified that the time estimate on the one job of pouring the concrete was four and a half years too low, but I deal with that in another place.

I further quote the following from Mr. Hogan's examination (p. 364):

Mr. DOUGLAS of Arizona. If you were employed by private enterprise, Mr. Hogan, to investigate and examine into the Boulder Canyon project, would you recommend it?

Mr. HOGAN. I would not. It would be impossible to finance a project with the risk connected with it which the Boulder Canyon project has by private capital.

Another engineer who appeared before the Senate committee on November 2, 1925, was Prof. G. E. P. Smith, professor of irrigation engineering, University of Arizona, and at that time president of the Arizona section of the American Society of Civil Engineers. Although Professor Smith is a resident of Arizona, and may therefore have some bias against this project, it is at least worth while quoting the following from his testimony, which appears at page 397, Senate hearings on S. Res. 320:

There are also several engineering objections to the Boulder project, as follows: It begins development at the foot of the long canyon region instead of at the head; it places the main storage at the foot, though it should be at the head, and a smaller storage reservoir for reregulation of the flow should be at the foot; the site is not easily accessible; the foundations will be difficult, if not impossible, of construction with no river control upstream; its magnitude is such that the period of construction will be 8 to 10 years, and the Imperial Valley should not be compelled to wait so long. Also, being primarily a power project, it is not a defensible enterprise for the Federal Government.

If the Federal Government decides to adopt a flood-protection project, then provision should be made for a reservoir of not to exceed 10,000,000 acre-feet capacity. A much smaller capacity will be adequate for irrigation development for many years. To provide a reservoir of 30,000,000 acre-feet capacity is a plunge into the power business.

The Boulder Reservoir would equate the flow of the river completely to about 21,000 second-feet. For the next 15 or 20 years not over one-third of that flow could be utilized in the United States, and during that period of time from half a million to a million acres of land in Mexico would be brought under irrigation. After the water has been applied to Mexican lands, and canals and villages and railroads have been built there, it will be impracticable to take the water away for use in the United States. The plan of building a great storage reservoir in this country to equate the flow was originated by the owners of the Mexican lands.

The other engineers not in the Government service who should be mentioned because of their testimony before the committee considering this legislation are Gen. George W. Goethals and Mr. W. G. Clark.

General Goethals was apparently associated with Mr. W. G. Clark as a consultant with reference to a dam which Mr. Clark advocates building in Boulder Canyon—a rock-filled dam. Mr. Goethals advocated a rock-filled dam because he said he had more faith in that character of a dam at this location, and particularly because of the height to which the dam was to be built. The dam which we have under consideration is the concrete dam recommended in the Weymouth report. As to that General Goethals testified (p. 752, Hearings on H. R. 2903, March 20, 1924):

With the concrete dam you have got internal stresses developing in concrete that nobody knows anything about; and the ultimate strength of that dam is rather a difficult thing to determine. In the other case you have got merely weight and pressure, both of the water and of the silt that may be deposited against it. In the concrete dam, you have got internal stresses that are developing.

Mr. HAYDEN. Is there any doubt about the stability of concrete structures?

General GOETHALS. Yes; when you get up to certain masses, you do not know what you are running into, on account of these internal stresses.

Again, at page 755, he says:

When you get to concrete, and get putting in concrete in big masses, you are not always sure of your mix; you are not always sure of your foremen laying the concrete at the proper time; you are running into uncertainties, that with the internal stresses of the dam make me prefer a rock-filled dam, under conditions such as exist at Boulder Canyon, rather than a concrete dam. Now, that is the situation.

Mr. Goethals was then recommending a different type of dam than the one we are considering, and doing this because he had doubt as to the factor of safety in a concrete dam of this size.

With reference to the plans of the Reclamation Service for this dam, he said that he had not seen them; that he was talking about the dam that he was consulted about, which was the rock-fill dam. At page 759 he says:

Now, if he had asked me about the 600-foot dam of the Reclamation Service, I would have asked him to let me see the plans. I have never seen the plans.

I take it, therefore, that there is no further argument needed that General Goethals is not one of those who can be quoted as giving any indorsement to this dam, or any assistance in the question of the adequacy of the engineering which has been done upon it.

Now, as to Mr. W. G. Clark, the other engineer associated with General Goethals. What I have said concerning Mr. Goethals largely applies to him. He has not advocated or attempted to recommend this dam of the Reclamation Service. At another point I have quoted what Mr. Clark says as to the danger in building this kind of a dam at Boulder Canyon because of the possibility of earthquake shocks at that point.

Finally, we have the report of the committee of the American Engineering Council which has just been made under date of April 19, 1928, and which has already been called to your attention. I am sure that no one is going to seriously question the ability, integrity, or qualifying experience of Francis Lee Stuart, Allen Hazen, Clemens Herschel, J. Waldo Smith, and Lewis B. Stillwell. I especially desire, however, to direct your attention to the full and careful analysis and study of the problem of Colorado River development made by the chairman of that committee, Mr. Francis Lee Stuart. If any further assurance was needed as to the advantages of the plan of the Geological Survey for Colorado River development as compared with the plan of the Bureau of Reclamation, we have such assurance in the report of Mr. Stuart.

I pause again to inquire: In the face of the facts now before us, who is there who will affirm that this Boulder Dam plan has the support of the weight of engineering authority? Whether measured by numbers, by reputation in their profession, or by logic of their reasoning, I can not but conclude that the weight of authority in both governmental and private engineering circles is against rather than for the Weymouth plan for Boulder Dam.

FLOOD CONTROL BY LEVEE CONSTRUCTION

I quote from volume 1, page 7, of the Weymouth report:

Two principal methods of flood control may be considered for the lower basin, viz, levees and reservoirs. Levees at present protect the Yuma project lands and the lands of the Imperial Valley. They are a source of continued, and, as the delta rises, of constantly increasing expense. No construction short of a complete line of levees adequately maintained on both sides of the river from Laguna Dam to the Gulf of California can be considered as a complete solution of the problem and such construction would impose an insupportable burden of expense.

It appears, therefore, that there are two methods of providing flood protection and that both should be given consideration. Mr. Weymouth dismisses the idea of providing flood protection through the construction of levees on the ground that it would be an insupportable burden of expense. In this connection, however, it must be remembered that there is an extensive system of levees on the lower delta of the Colorado to-day and that this must be maintained even after a flood control dam is constructed, for the reason that it is impossible to regulate the flow to such a small quantity that the river will not cut the banks and menace the Imperial Valley unless dykes are maintained. The necessity of continuing to maintain the levees even after a storage dam is constructed is

admitted by all engineers. The only argument on this point is as to the cost of maintaining them.

It appears from the indisputable evidence in the record that the cost of building a system of levees and of dredging the channel should not exceed some $3,000,000 in the judgment of competent engineers. Indeed the Southern Pacific Co. offered to solve the flood problem on the Colorado in this manner for the sum of $1,500,000 (plus the payment of the bill owing to them for the 1907 flood work), or to make no charge if their system was unsuccessful. This offer was made in a formal proposal from the president of the Southern Pacific to the President of the United States in 1911.

I quote from the letter written by the president of the Southern Pacific, Mr. Lovett, to President Taft, December 13, 1911, which letter will be found in House Document 504, Sixty-second Congress, second session, at page 175:

Upon the appropriation by Congress and the payment to the Southern Pacific Co. of $1,083,673.97, being the amount given by Mr. G. E. Grunsky, consulting engineer, in his statement to the Committee on Claims of the House of Representatives when acting in an advisory capacity to said committee, as reimbursing the said company for work costing $1,600,000, done in the year 1907 at the request of President Roosevelt, and upon the further appropriation by Congress of $1,500,000, to be placed at the disposal of the President of the United States and to be used by him in restoring the flow of the Colorado River to its former channel, the Southern Pacific Co. will agree to raise and reenforce the so-called California Development Co. levees a distance of 10.45 miles, to build a new levee and dam across the Abejas, or Bee River, a distance of 7.1 miles, and to raise and reenforce the so-called Ockerson Levees a distance of 17.40 miles, in accordance with the report and plan of Mr. Epes Randolph, dated November 1, 1911, a copy of which is submitted herewith.

The Southern Pacific Co. will further guarantee that this system of levees, 34⅞ miles in total length, will turn the Colorado River into its old channel, and it will agree to maintain this levee system for a period of one year after the completion of the work.

For this work the Southern Pacific Co. is to be paid by the President of the United States, out of said appropriation of $1,500,000, the actual cost of such work and the cost of its maintenance for one year, the total, however, not to exceed said appropriation. If the cost to the Southern Pacific Co. shall exceed the appropriation, then the Southern Pacific Co. will itself bear such excess. In estimating the cost of the work to the Southern Pacific Co. the charge for transportation shall be in accordance with the arrangement now in effect between the Government and said company in reference to the work done by the Government on the Colorado River during the past year.

In case the Southern Pacific Co. should fail to cause the Colorado River to return to its former channel and to maintain the levees for one year thereafter, then in that event the Southern Pacific Co. is to receive no compensation or reimbursement for the work which it may do under this offer.

I have been informed that this plan of the Southern Pacific is still thought to be feasible and that the engineers for the Mexican Government have adopted it as the best plan for flood protection. It is my understanding that the figures which they have arrived at indicate that the plan could be made effective for a total of $7,000,000, allowing $5,000,000 for the completed work and $2,000,000 additional for maintenance over the first few years. My information on this subject is not exact, but at least this is another question which should be investigated, because, as I understand it, this solution of the flood problem would be permanent and complete and would protect against the floods from the Gila River as well as the Colorado. Under the present plan of flood protection through a storage dam no protection is afforded against the heavy floods from the Gila, and this river, according to Arthur P. Davis, former chief of the Reclamation Service and originator of the Boulder Dam plan, "furnishes flood waves at times which are as great as the maximum flow of the Colorado River itself above the mouth of the Gila." (See p. 24, hearings on H. R. 11449, 67th Cong., 2d sess., June 15, 1922.)

I find a reference to this solution of the flood problem in the minority report of Congressman LEATHERWOOD, at pages 21 to 22, where he quotes the figure of $7,000,000 as a probable cost of this plan of flood protection.

Another great advantage of this plan for flood control is that it would solve the problem within a year's time from the start of the work.

IS A 26,000,000-ACRE-FOOT RESERVOIR REQUIRED FOR SILT STORAGE?

I have already pointed out that this enormous storage capacity is not required for flood control, irrigation, or domestic water purposes—that at the maximum a storage of 8,000,000 acre-feet, which is almost four times the storage ever before provided for these purposes, is ample. This fact leads inevitably to the conclusion that the sole purpose of adding 225 per cent more storage to this reservoir is for power purposes. During the past few months the proponents of the bill have recognized the force of this argument, and have apparently been casting about for an argument which would refute the charge that this is primarily a power dam. That is, they have been under the necessity of maintaining their thesis that the United States Government is not to build a power project but is to produce power merely as a by-product of flood control and irrigation storage. In the arguments made by proponents of late, therefore, there has been increasing emphasis laid upon the necessity of providing silt storage; hence you will find this necessity emphasized in the reports of the advisers to the Secretary of the Interior which were made during the past year. And the amount of silt storage which advocates tell us is necessary is from 100 to 200 years. For this reason it becomes necessary to examine this silt argument.

The Colorado does carry huge quantities of silt. This silt gets into the irrigating ditches and is deposited upon the irrigated areas and causes a great amount of trouble. The Imperial Valley irrigation district is put to a constant expense in removing this silt from its main canal. Furthermore, the silt must be removed from the water before it can be used for domestic purposes. There is no dispute, then, upon the point that if the silt can be removed from this water by this dam or any other dam it would be of considerable assistance.

A recent report made by two Department of Agriculture investigators, which is, no doubt, part of the efforts made to bolster up the case for Boulder Dam, emphasizes the great assistance to agriculture on these irrigation projects which would result from the removal of silt. In so far as the report is confined to that point there is no question as to its accuracy, but the conclusion which is drawn that Boulder Dam will accomplish this purpose is not only doubtful—it is incorrect.

As Congressman DOUGLAS has pointed out in his minority report to the House of Representatives on this bill (page 9) even the two advisers of the Secretary who emphasized the silt story admitted that Boulder Dam would not do this job for an indefinite period, which period they do not attempt to definitely state, except that Mr. Scrugham uses the expression "several years." I think if he had said "many decades" instead of several years, he would have more accurately conveyed the fact.

I quote at this point from the statement of Professor Durand, one of the advisers of the Secretary, which statement appears at page 385, Senate hearings on S. 728 and S. 1274, during this session of Congress, before the Committee on Irrigation and Reclamation:

Upon the completion of such a dam and reservoir there would remain in the bed of the river below the dam site large quantities of silt to be picked up and carried along by the previously desilted water discharged from the reservoir. The river and its bed would thus have to develop and reach a new condition of equilibrium as regards silt bed and flow, and for some years there would be a silt burden carried into the lower reaches of the river, gradually decreasing in amount until some approximate condition of equilibrium is reached between the regulated flow of the river and its silt bed.

At another point in his report Professor Durand again says:

It should be noted, however, that the building of a large reservoir at any point on the river suited to entrap and hold the silt entering the river above the Grand Canyon section will not in itself furnish a complete and immediate solution of the silt problem.

Please note that the professor is, like his coadviser, very indefinite as to when this solution of the silt problem is going to be provided. His term "some years" may be interpreted as only 15 or it may reach to 300.

The reason, I believe, that Professor Durand and Mr. Scrugham are so indefinite about this solution of the silt problem is that they recognize, as does everyone who has studied the matter, that it is impossible to estimate how much silt is stored in the river bed in that 300-mile stretch below Boulder Dam site, and how long it will take to move this silt down stream and thus clear the river bed so that the clear water which emerges from the dam will no longer resilt itself in its 300 miles of travel down the stream bed. We may get some small idea of how much silt there is available to this river after Boulder Dam by taking just one area—that in Mohave Valley, about 100 miles below Boulder Canyon. On this point I quote from Water Supply Paper 556 of the United States Geological Survey, page 30:

The Mohave Valley is a large basin extending from Bulls Head southward to The Needles. The center of the basin is occupied by a broad flood plain, which has an area of nearly 50,000 acres. Here the Colorado becomes a meandering stream, following a circuitous course 50 miles long in passing through the 35-mile stretch of Mohave Valley.

Owing to its unstable banks and flat gradient, the course of the river is ever changing.

Upon this point also I quote from the testimony of Mr. La Rue which appears at page 583 of the hearings on Senate Resolution 320, Sixty-eighth Congress, second session. In response to the question as to what would be the effect of Boulder Dam upon the silt contents down the river, Mr. La Rue said:

If we could tell you absolutely what would happen it would be a pretty interesting story, because that clear water is coming over that dam, and it will be clear maybe for a few hundred feet, and then it reloads itself with silt. It will be practically as muddy down at Needles and Parker as it was before the dam was built, and it will continue to carry silt until all this silt in the channel below Boulder Canyon has been sluiced out. My estimate of the time it would take for that clear water to sluice that mud out of that channel would be from 100 to 150 years. I can not imagine that that stored water passing from the Mohave Valley, which is 6 and 7 miles wide and made up of silt, and when it is wet it is mud, even with the river under control, meandering from one side of the valley to the other, cutting it down, that it will take other than years and years for that silt to be carried on down into the Gulf. If it will be carried down in four and a half years, as one person has testified before you, the amount of silt deposit down below Yuma would be so enormous that I do not believe there would be anything left of the canal and irrigation system.

Is it more reasonable to suppose that the water issuing from this dam will stay clear after 300 miles of travel through this river bed than it is to suppose that Mr. La Rue's prediction as to what will happen will prove to be true? Again I say that I do not believe that 18,000,000 acre-feet of storage capacity is being provided for silt purposes.

It is interesting also to note that Mr. Weymouth himself states (p. 483, Senate committee hearings on S. 720, November 2, 1925) that in designing the dam—

we allowed about 8,000,000 acre-feet for flood control and 5,000,000 or 6,000,000 acre-feet for silt, and the remainder of the water would be available for irrigation and still have this high head of 430 feet for power.

I interpret this statement as an admission by the designer of the dam that he did not allow 18,000,000 acre-feet for silt storage, but was primarily interested in power.

Will this desilted river cut into its banks after it leaves the dam? The Boulder Dam plan contemplates that 40,000 second-feet will be discharged from the dam during the time that the floods are rising and falling; that during the rest of the time the discharge from Boulder Dam will be that required to operate the proposed power plant. The quantity of water required for power will vary according to the head of water behind the dam, from a minimum of around 12,000 second-feet to a maximum of around 18,000 second-feet. (See p. 274, hearings on H. R. 5773.)

We have, then, an irregular discharge fluctuating between a daily average of 12,000 and 40,000 second-feet. This may seem like a small stream, but let me point out that 12,000 second-feet is about equivalent to the average flow of the Potomac River; 40,000 second-feet is about equivalent to the flow of the Potomac in a small flood. Either figure means a big river. (Water-flow Records in Geological Survey.)

I now turn to the testimony of another expert, who tells us how a river having a flow of between ten and thirty thousand second-feet acts with respect to bank cutting; that is, with respect to gathering a load of silt from its banks and bed. I quote from the testimony of Col. William Kelly, former chief engineer of the Federal Power Commission, and a recognized authority on questions of this kind.

With reference to the power of the river to meander, Colonel Kelly testified (p. 1239, House Committee on Irrigation and Reclamation hearings on H. R. 2903) as follows:

Colonel KELLY. The river has the power to meander and cut its banks whenever the flow is above 10,000 second-feet. When the flow gets to 20,000 second-feet the velocity in the river—the velocity of flow of the water—reaches its maximum; after that, increased flow does not materially change the velocity.

That indicates that when that flow is present in the river the river has reached a point where it overcomes the resistance to erosion—where it breaks down the resistance to erosion in the material in which its bed is made, to such an extent that the enlargement of channel takes place rapidly enough to prevent increased velocity. After 25,000 second-feet is reached the river has its full power to meander and cut its banks.

Now, if the flow at the present time were averaged throughout the year it would be somewhere around 24,000 second-feet. Consequently, it is impossible, by storage or any other means, except to take the water out of the river somewhere, to reduce the flow to a point where bank cutting will cease.

In other words, bank-protection work must go on regardless of whether storage is provided for flood protection or not.

Mr. RAKER. Just what do you mean by that, Colonel? Your statement was quite plain, perhaps, but I did not quite get it.

Colonel KELLY. If you will look at the river, from Laguna Dam to Yuma, the river flows through a fairly wide valley. That valley has been formed—the present ground in that valley is formed—of a deposit from the river.

Now, the river winds through that valley. As the flow changes it deposits material at one place and cuts it out at another. Consequently, it does what we call meandering through the valley. This year it may be in the position shown on the map, next year the first bend, instead of starting to the east, may start to the west, and the river will take an entirely different shape in its valley.

It has the power to do that at any stage above 10,000 second-feet—to cut its banks and make a new channel.

Now, it is well known that when you desilt a stream its velocity increases. It is also well known that as the velocity of a stream increases not only does its power to transport silt increase but its tendency to meander is very greatly increased, while its power to roll silt, sand, and pebbles along its bottom increases with the sixth power of the velocity; that is to say, if you double the velocity of a stream it has thirty-two times as much power to roll material along its bottom as it had at its former velocity. Colonel Kelly's figures as to meandering power refers to the silt-saturated stream only. It appears, therefore, that the stream of water issuing from Boulder Dam will have even greater tendency to meander than at present and will have considerably greater capacity to move silt than it has now.

It is sometimes argued that there will be a uniform flow of this river after this dam is in operation, and that with this uniform flow the river will more quickly reach the state of equilibrium of which Professor Durand speaks. Now, it is probably true that if there were in fact to be a uniform flow that it would shorten this period of the river's search for its new state of equilibrium. The difficulty with the argument is that there will be no uniform flow established by this dam, but, on the contrary, the flow of the river below the dam will be very much more unequal—that is, jerky and fluctuating—than before the dam was built. And this is because of the operation of the power plant. The power plant is to be of 1,000,000 horsepower installed capacity, and we are told it is to operate on a 55 per cent load factor. This means that at a certain time of the day—perhaps between 10 o'clock in the morning and noon—the plant will be delivering its full million horsepower, or nearly that. At 3 o'clock in the morning the plant will probably not be called upon to deliver more than 10 per cent of its full load, or, say, 100,000 horsepower. The average throughout the day, however, is 55 per cent of full load. That is what is meant by a 55 per cent load factor for the day of 24 hours.

Now, if the average flow for 24 hours is 12,000 second-feet when the dam is full, or 18,000 second-feet when the water level in the dam is drawn down, the maximum flow for each day will be in the neighborhood of 22,000 second-feet when the dam is full, and near 33,000 second-feet when the reservoir level is at the lowest estimated point. We shall have, then, a daily fluctuation of flow on the order of from, say, 2,500 second-feet to 22,000 second-feet, or from, say, 3,500 second-feet to 33,000 second-feet, depending on the stage of the reservoir. These figures are not exact but they illustrate the fact that fluctuations in the flow of the stream after the power plant is running will be daily fluctuations while now the fluctuations come once a year, increasing and decreasing more or less gradually over a period of weeks. Now, these sudden fluctuations in quantity of water poured into the stream bed at the power plant is the very thing which increases the meandering, bank cutting, and consequent silting of the river. Anyone who has ever watched the action of a garden hose on a pile of loose dirt will appreciate the fact that a fluctuating flow of water on the dirt cuts away much faster than the steady flow of the stream in one spot, and the river is subject to precisely the same law.

Again recalling that the Boulder Dam is to be 300 miles above the Imperial Valley diversion and 200 miles above the Los Angeles water diversion, that throughout most of this course it is to flow through sections which, while not as large as the Mohave Valley in silt content, nevertheless contain huge silt deposits which have accumulated through past ages, when do you think the water will arrive at the points of diversion sufficiently free from silt to remove this problem? Assuming, as the advocates have pointed out, that it will take 300 years to fill Boulder Dam with silt, we may reasonably expect that at the time Boulder Dam is full of silt the river may have so scoured its bed that it will be reasonably free from silt at the points of diversion. I wonder if the present inhabitants of

Imperial Valley who are complaining of the silt problem would be greatly interested if they knew that this great structure which they are asking Congress to build for them will have solved this problem in 300 years.

If silt storage is really the object of providing this enormous additional capacity at Boulder Dam, and if the silt problem can be in a measure remedied by dam construction, may we not reasonably inquire why these seekers of silt storage do not move their dam site 120 miles downstream and build their 24,000,000 acre-foot reservoir at Mohave Canyon? It seems to me that those who tell us that Boulder Dam is not primarily a power dam but that power is a by-product of silt storage capacity will again be compelled to shift their position and find still another explanation for their 26,000,000 acre-feet of storage.

(At this point Mr. SMOOT yielded the floor for the day.)

*Tuesday, May 1, 1928*

THE NEW GOVERNMENTAL POLICY

Mr. SMOOT. Mr. President, we are in this bill asked to adopt a new economic policy for governmental undertakings—a policy which immeasurably extends the basic powers of the Federal Government beyond any power heretofore recognized. This power, briefly stated, is that where the Government wishes to enter upon an undertaking involving large expenditure, we should endeavor to extend the undertaking to include some commercial or business activity through which the expenditure for the entire undertaking may be recaptured and returned. Here the proposal is that the Government should enter the power business in order to attempt to make this flood-control, irrigation, and so-called navigation project self-supporting. The purpose is expressed in the bill as follows:

* * * for the purpose of * * * the generation of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking.

Turning to page 8 of the majority report on this bill to the Senate, I find that the project is represented as having four main purposes, and these are described as:

1. Flood control for Imperial Valley and one or two other much smaller areas.
2. Water storage for an all-American canal, which is the irrigation feature of the project.
3. A domestic water supply for southern California cities.
4. The development of desirable hydroelectric power to make the project financially feasible.

Now, the Boulder Dam site is slightly more than 300 miles above the danger point for Imperial Valley, and approximately 200 miles above the point at which water is proposed to be diverted from the river for Los Angeles.

We further find from the Government reports (vol. 9 of Weymouth report, and others) that the storage required for all irrigation projects, which includes the all-American canal, is 1,000,000 acre-feet. The amount of storage required for flood control is variously estimated from a minimum of 4,000,000 to a maximum of 8,000,000 acre-feet, and this storage for flood control takes care of the 1,000,000 acre-feet for irrigation. It will also amply serve the needs for storage for domestic water.

We have heard so much about a storage of 26,000,000 acre-feet that we are apt to overlook the fact that storage of one twenty-sixth of this amount, or 1,000,000 acre-feet, is, as compared with existing reservoirs, an enormous storage. Eight million acre-feet of storage is indeed practically four times the storage capacity of the largest reservoir now serving these purposes. The largest reservoir for irrigation and flood control now in existence is the Elephant Butte Reservoir, which stores only 2,368,000 acre-feet. The Assuan Dam in Egypt stores only 1,865,000 acre-feet, or less than one-fourth of the amount provided by an 8,000,000 acre-foot reservoir. Indeed, the largest artificially created basin of water in the world, which is on the Panama Canal, and hence has no connection with irrigation or flood control, is only 4,410,000 acre-feet, or slightly in excess of half of the capacity of this 8,000,000 acre-feet of storage we are here considering. I desire to emphasize this point because there has been so much talk about the necessity for a great dam and a great reservoir on the Colorado that the impression has been given that only the Boulder Canyon Dam and Reservoir meet this description. In fact, any storage reservoir proposed on the Colorado would be not only great; it would be enormous. Do not, therefore, be misled by the talk about substituting for this great dam a small dam and reservoir. There has been no such suggestion. The suggestions of alternate dam sites which have been made are of dam sites for dams and reservoirs which are still great and are overwhelmingly great as compared with any except the proposed Boulder Dam and Reservoir. The St. Francis Dam, which recently failed, and which was considered a large dam, stored behind it only one seven-hundredth of the amount that would be stored in the Boulder Dam Reservoir.

To return, then, to the amount of storage required here, we find that 8,000,000 acre-feet is the maximum amount of storage required for all of the purposes for which this dam is represented as serving, except the single purpose of power development. Silt storage I deal with separately, and at this point simply dismiss the bogus claim that Boulder Dam is required for silt storage with the statement that so far as silt storage is involved it will be much better served by the other dams.

Again turning to the Government's reports, we find that there are two other dam sites which are available for great but much less costly dams, and which are respectively 120 and 175 miles below the Boulder Dam site, and hence that much nearer to the lands to be protected and that much more desirable for these primary purposes of flood control, irrigation, and domestic water. There is another feature in which they excel, if silt storage is to be emphasized, namely, that they would remove the silt much more effectively than the Boulder Dam, which is so located that the river will resilt itself before it reaches the point where the desilted water is desired.

A dam site which offers capacities ranging up to 22,000,000 acre-feet or more if desired is at Mohave Canyon, or the so-called Topock site, which is 120 miles farther down the river than Boulder, and, according to the Geological Survey engineer who made the most complete study of this site, a 10,000,000 acre-foot dam can be built there for $15,000,000. It was this site to which the three Cabinet officers directed the attention of the Committee on Irrigation and Reclamation in their letter of March 24, 1924, condemning this proposed power dam at Boulder Canyon, and in which they said:

If this is correct the location of the dam at Boulder Canyon and its construction to the height proposed must be justified, if at all, wholly from the standpoint of electric power. * * * The construction of a reservoir having a capacity of from four to eight times the needs of irrigation and flood control and of a power development twenty times in excess of the probable power needs of the irrigated lands and adjacent communities is a complete departure from former policies. (See letter of Secretaries Weeks, Work, and Wallace, pp. 1000–1003, hearings on H. R. 2903, 68th Cong., 1st sess.)

The point which I wish to make, therefore, in view of the facts, is the point so well expressed by these three Cabinet officers:

"The location of the dam at Boulder Canyon and its construction to the height proposed must be justified, if at all, wholly from the standpoint of electric power."

The justification, and the sole justification, of this Boulder Canyon Dam is the production of electric power. And, as I have said, the majority report states, and the bill states, that the purpose of including the electric-power feature is to make the project "financially feasible"—that is, "self-supporting and financially solvent."

Of course, it does neither of these things. It only makes the project more insolvent and more financially unfeasible, but I am here discussing this policy.

The policy, then, which we are here asked to adopt is this: While it is true that we can build a dam at Mohave which will adequately serve these purposes for a cost of $15,000,000, that dam will not produce electric power in such huge quantities. Now, if the Government is going to enter upon this undertaking, it should not stop with the expenditure of $15,000,000, but should add thereto an investment of from $40,000,000 to $100,000,000, depending upon the accuracy of the estimates, and risk this sum, greater by at least 500 per cent than the amount necessarily risked in the endeavor to return the $15,000,000, as well as the amount expended in the business investment.

Perhaps the biggest question before the Congress in this bill, therefore, is simply this: Shall we adopt a policy of going into business wherever the opportunity is offered in connection with a Government undertaking, and attempt to relieve the Treasury of outright expenditure by risking large additional funds which we will take from the Treasury in the hope that governmental operation of business will be so much more successful in the future than it has been in the past that instead of losing the entire sum we may save the Government its expenditure in its legitimate activity?

I have been so interested in this new theory that I have considered its wider application—not an extension of the principle, but its logical application to other Government activities. The largest single undertakings which the Government carries on from year to year are the maintenance and operation of the Army and Navy. Now, applying this precise principle to these

undertakings and in the hope of making them self-supporting and financially solvent, I have cast about for a business enterprise which offers an opportunity for apparently large profits. The happy thought of the automobile business has presented itself. I suggest therefore that if we are to adopt this new principle of government, a commission shall be appointed of, say, seven leading citizens, chosen by the President, "by and with the advice and consent of the Senate," of course. This commission shall be authorized and empowered to devise ways and means for the Government to enter the automobile business. The precedent set in the instant legislation must, of course, be followed. Congress must act as the board of directors and pass upon the plans and cost estimates. Perhaps a new congressional committee, to be called the "committee on automotive transportation," should be created. The commission will report and Congress will pass upon the plans and the Treasury will loan—just lend, you understand, for this project is not to cost the Government one cent—$2,000,000,000 as a starter for the manufacture and sale of automobiles.

This proposed project of mine has its appealing aspects which seem to me to far overshadow those of the instant proposal. My friends who are advocating this proposal for the Government's entry into business tell us that it has possibilities of great benefit to every man, woman, and child in the United States, because it will mean cheaper electricity for the home. I find that the average consumption of electricity is only 34 kilowatt-hours per month in the average American home and that my friends predict that the Government can reduce the wholesale cost of electricity in southern California by as much as 2 mills per kilowatt-hour, or save for the average family of five the enormous sum of about 1.3 cents per person per month. There are few families, however, in the United States in such indigent circumstances that they can not to-day purchase electric service which costs them from $1.50 to $3 per month. But there are many families in the United States who can not afford even a cheap automobile. Now, certainly one goal at which we must aim in these Government business enterprises is to furnish the Government product to the mass of voters as cheaply as possible—otherwise the voters will change the board of directors. The automobile business is to-day apparently one of the most profitable in America, and, if the representations of our public-ownership enthusiasts are true, with the elimination of these profits and with the great efficiency of Government enterprise we should be able to provide automobiles for almost every family in the country—without costing the Government one cent, you understand—and while we are conferring this great boon on the American people, we will be running the Army and Navy without one cent of cost to the taxpayer.

There are, of course, other governmental activities which we can handle on the same principle and just as rapidly as our time will permit. The Department of Agriculture can defray its expenses from farming enterprises; the Interior Department will run the public parks on a paying basis; the Commerce Department will engage in interstate and foreign commerce, and take over the railroads and telephone companies. Why, the principle has limitless possibilities, and all Congress will have to do will be to act as the board of directors—of course, at greatly increased salaries.

This is the proposal we are considering; this is the logical application of the principle we are adopting. I dare to suggest that we have some further expression of opinion on its advantages and, possibly, on its disadvantages.

WHY NOT BUILD A STEAM PLANT?

In this bill this purpose and this policy is expressed—

for the purpose of * * * the generation of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking.

The purpose, then, of adopting this power project and of building this power dam and of expending some fifty to one hundred million dollars more for the dam than is required to be spent if the other available sites which will supply all needs other than power are chosen, is to endeavor to make this project "self-supporting and financially solvent."

Now, accepting this policy for the sake of argument and ignoring for the time being the question of its soundness or desirability, it becomes pertinent to inquire whether this particular power project is the best available investment for the Government to make in the power business. Remember that what we are seeking, according to the terms of the bill, is to make the project "self-supporting and financially solvent," and that the Government is asked to do this by generating and selling electricity.

We have then to determine the answer to the separate question: Does this particular power project, which includes this particular dam at this particular site and the $35,000,000 power plant to be constructed in connection therewith, offer the best and cheapest means through which the Government might sell electricity in the market which is represented to us as waiting eagerly for an enormous new supply of electric power? The briefest of examinations will convince us that this is not the case; that the Government can engage in the electric-power business for southern California, with a more secure promise of much greater profit, if indeed there be any profit for the Government in this business, through the erection of modern steam plants located in the very market that is to be supplied.

The Boulder project involves 1,000,000 horsepower at the dam, all be brought into the market at one and the same time, although it is conceded that from 8 to 12 years will be required before the market is ready to absorb the full power capacity. A steam plant to render equivalent service in southern California would, owing to the necessary transmission losses on Boulder power, have a capacity of at least 12 per cent less, or 880,000 horsepower. This enormous steam plant would not be built all at one time, with the fixed charges on the investment piling up during the period while we are waiting for the load to grow. The steam plant would be built one unit at a time, and the latest units now being installed in southern California are of 125,000 horsepower each. The Government steam plant, therefore, need not involve any capital that would be idle for from 8 to 12 years.

The Federal Power Commission has reported (see p. 34, minority report of Mr. DOUGLAS of Arizona on H. R. 5773) that the cost of Boulder power delivered in southern California, and assuming that the Reclamation Bureau's estimates are correct, is 4.77 mills per kilowatt-hour. The same authority has reported that the cost of steam power in southern California, as of the most modern plant of 1928, is 3.86 mills per kilowatt-hour. Assuming that steam equipment for the next few years in the future will proceed in the way of efficiency and reduced cost only to a very slight extent, the figures indicate that at the time when the full 880,000 horsepower has been installed by the Government and has been sold in this eager and waiting market, the difference between the cost of the steam power and the cost that would have been incurred for Boulder power, had that alternative been chosen, will amount to a difference in favor of the steam project of more than $4,000,000 annually—enough, in short, so that if the Reclamation Bureau's estimates be correct, the whole of Boulder Dam might then be built out of excess steam-plant profits, if the Government of that day should be so foolish as to wish to take the engineering risks involved in this mammoth undertaking.

The flaw in the preceding argument, and it is a serious flaw, is in the assumption of an eager and waiting market for electricity in southern California, in which the Government might sell such an enormous block of power. Such an assumption is the very heart of the Boulder proposal. If such an assumption is justifiable then the steam plant that I have suggested furnishes the obvious solution if the Government intends to engage in the electric-power business in that locality.

THE ECONOMIC ASPECT OF THE PROPOSAL

One other phase of this project demands the most careful scrutiny. This is the economic or financial aspect of the proposal. The irrigation committee has presented us in connection with this bill some vague generalities respecting the probable economic performance of the tremendous business project upon which they suggest that the United States should embark. Indeed, there is nothing in the committee hearings on this bill upon which any investment banking house considering the furnishing of capital to a corporation contemplating a similar proposal would for a moment consider risking its funds.

The United States Government is being asked to underwrite a business project. It may be said that it is not usual to require the application of strict business principles to Government undertakings. That is true—unfortunately true. In this case which we are now considering, however, so far as this power development is concerned, it is a business project and not a governmental undertaking. We are assured in the first place that this will not cost the Government one cent and that the power development must be included for that reason. It is admitted that all other benefits to be expected except power development can be secured at much less expense by building a storage dam at other available locations. But we are told that here is an opportunity for a commercial enterprise out of which the Government may make money, and that we must, therefore, build this dam at this site in order to make that money. The sole excuse, I say, for including power is in order to make this a financially solvent and self-supporting undertaking. The bill says so in the first paragraph. The promoters say so. There is no escape from the proposition that we must examine it ac-

cording to business principles; we must see if it meets the test, not of the usual governmental undertaking, but of the usual business undertaking. Hence, if the proposal does not meet business tests it should be dropped. Proponents are here in the position of promoters, and their proposal is presented to the Government for underwriting, with the Government in this instance occupying the position which in the case of private enterprise would be occupied by an investment banking house, which the promoters of a private business enterprise would approach in order to secure an underwriting of their project. A business firm asked by promoters to underwrite a project would examine the question of the security of their funds. The physical construction proposed and the business prospect reasonably to be expected would, of course, be required to pass an acid test. Then, and even more important, the question of security would enter. If the proposed product were to be sold on long-time contracts, any reasonably capable business man would demand definite security for the faithful performance of each contract.

The Government dollar is no less sacred than is the private dollar. The Government secures no dollar that is not taken from the taxpayers, who in the last analysis are private citizens. If the Government underwrites an enterprise that results in loss, that loss is a loss of funds to every inhabitant of the United States. It is a loss of funds which, had they not been taken from our citizens, would have been available for the stimulation of the thousands of separate endeavors in which those citizens in the ordinary course of their business and social affairs spend their own money. The Government can not fairly take tax money from a citizen and employ that money to less advantage in a business enterprise than those funds would have been employed had the Government not seized them.

Let us, for the present, disregard the primary question as to the policy of the Government and let us consider the question as if presented by promoters to a business firm that specializes in underwritings. Will the money be secure? Is there even a possibility of loss? Is there perhaps a probability of loss? Let us see if the approach of the committee that has given us a favorable report on this bill resembles in any manner the approach of a business firm. Let us see whether there is a single thing in the committee report, or in the matter presented here, that makes it possible for a dispassionate banker to conclude that the funds proposed to be invested would in fact be safe. We shall find that there is no item of specific information and no provision for the security of funds, that would lead to the conclusion that the proposed investment is safe. On the other hand, there is every reason, from the testimony before the Irrigation Committee and before similar committees that have in the past considered a like proposal, to draw the conclusion that the enterprise is unsafe. So far as we can judge from the meager analysis that has been made by the committee, there is every probability that the investment would be lost. The probabilities are, as I shall show you, that we would have not merely an outright expenditure of $125,000,000, that would never be retired; the probabilities are, that before the enterprise was finished something like twice that amount would have been expended, and the further probabilities are that the Government's net investment in the project would afterwards increase year by year indefinitely; that the enterprise would never be sufficiently successful to pay operating and maintenance expenses, a reasonable depreciation on the property, and interest at 4 per cent on the actual cost. The matter of amortization of the principal may, I think, be forgotten. There seems to be no prospect of any amortization whatever.

The first thing to be considered, the physical construction proposed, I have already discussed. It appears that the physical construction, if it be possible at all, will be possible only after an indefinitely long time, and at a cost greatly exceeding the estimate; that the physical hazards are very great; that the ostensible objects of the project could be secured at a fraction of the cost, in a fraction of the time, and without the hazards of this project. Any business man or any business firm would drop the matter upon ascertaining these facts. Such a project could never be underwritten. I quote from the testimony of Mr. Hogan, hearings on H. R. 5773, page 364:

Mr. DOUGLAS of Arizona. If you were employed by private enterprise, Mr. Hogan, to investigate and examine into the Boulder Canyon project as a power project, would you recommend it?

Mr. HOGAN. I would not. It would be impossible to finance a project with the risk connected with it, which the Boulder Canyon project has, by private capital.

But, for the sake of the argument, let us suppose that the physical constructional features had passed the acid test. The next thing is to examine the business prospects of the enterprise, and this I propose to do at this point.

An investigation of business prospects does not consist merely in listening to the claims of promoters. Similar projects, if any, that have previously been presented by a similar group of promoters would be scrutinized as to their outcome; the probable market for the product that it is proposed to manufacture would receive the most careful investigation, not merely as to the present extent of that market, but more particularly as to the probable future market over all of the time during which it is promised that the investment will be returned. The present supply of the commodity proposed to be sold, and its present price would be examined with care. The price at which it seems probable that the new product can be manufactured and offered for sale in that market must be compared with the present cost of producing the same product through other means. This, however, is the mere beginning of a business investigation. If at this point, it appeared that the product proposed to be manufactured is now being produced in the market where it is to be sold at a less cost than it can probably be delivered in that market by the new enterprise, no careful business man would pursue his investigations any further. As I shall show you later, this is the situation that confronts us in the present proposal. Let us, however, assume that the proposed enterprise could in fact lay down electric power in the market in question at a less cost than that at which electric power is now produced in that market. The next thing to be investigated is the probable cost in that market of producing electric power throughout all of the 50 future years during which this proposed enterprise is to repay its cost. Then it will be necessary to examine into the extent of the present market, into its ability to absorb new power in the quantity proposed to be injected into that market, and to form an opinion as to the probabilities for a successful outcome in this respect.

At this point we necessarily enter into the speculative field. A prediction of cost of production and of market over a 50-year period is vague at the best. The proposal becomes even more vague when we remember that this 50-year period does not begin to-day, but begins, at the earliest, 10 years hence, and is more likely to begin 15 or 20 or perhaps even 25 years from to-day. A business firm faced with this uncertainty would demand security, and it is security that the Government must demand in this instance. I shall later show you that the present proposal offers no security whatever, but I shall suggest to you certain amendments which, if accepted, would give real security to a very considerable degree.

Before presenting the facts regarding the business aspects of this proposal, it will be of some advantage to discuss the evidence, if it can be called evidence, which the promoters of this enterprise present to us in the claims that they make regarding the business features of their proposal.

First, we have the Weymouth report made four years ago. In Mr. Weymouth's summary, pages 11 and 12, Volume I, he says:

In southern California, however, the growth of the power load is rapidly exhausting the available hydroelectric resources of the State, and competent authorities have stated that by 1935 California must look outside the State for its supply of power to keep pace with the existing demand.

If it be true that California must by 1935 go outside the State for a supply of power to keep pace with the existing demand, this fact would have an important bearing on the question of the California market for Boulder power during the period 1938 to 1988 within which we must estimate the business prospects of this proposal. What, however, is the fact? I quote the following from an article appearing in the San Francisco Bulletin of February 8, 1927, headed, "Generation by steam coming power influence."

Long Beach steam plant No. 1 of the Southern California Edison Co. was built in 1912–13 and 1914 with a rated capacity of 61,000 horsepower, capable of producing an average of 240 kilowatt-hours for each barrel of oil consumed. Due to the much higher efficiency of the later installation this plant is now held merely as a stand-by.

Long Beach steam plant No. 2, with 200,000-horsepower capacity, came into operation in the year 1926–27. This plant, which is in constant operation, is producing 435 kilowatt-hours per barrel of oil burned.

Construction of Long Beach steam plant No. 3 has just begun, and the first unit of 125,000 horsepower will be in operation early in 1928. It is planned to install eight turbine units in this plant from time to time as the territory grows, with an ultimate capacity in excess of 1,000,000 horsepower at a cost, including transmission to load centers, of $100,000,000.

The new plant has been designed with further increases in efficiency. Much larger generating units are the basis for the engineers' predictions that the efficiency of the first unit in this plant will be approxi-

mately twice the efficiency of the first Long Beach plant installed only a few years ago.

It is further expected that these efficiencies will be still higher as subsequent units are installed, due to constant advances in the art of generating electricity by steam power, which is the major study to-day in the laboratories and test rooms of electrical turbine and steam boiler manufacturers.

This new mammoth plant is designed to burn as fuel either oil, natural gas, or coal.

I shall refer later to the Federal Power Commission's figures respecting the cost of electricity from this No. 3 plant, which, they say, will be less than the cost of delivering Boulder power in that market. I refer to the matter here merely to show you that the first prediction regarding California's need to go outside the State for electric power, the prediction of Mr. Weymouth, has turned out to be the opposite of the fact.

The next prediction regarding market for Boulder power came in October, 1925, and is contained in a report of L. S. Ready and H. D. Butler. I shall give to this report somewhat more analysis than its importance deserves, since this report is a typical example of the misleading propaganda, masquerading as engineering, with which the Congress has been deluged.

On pages 12 and 13 of this Ready-Butler report are charts which purport to show the growth of electric load in southern California for a few years prior to October, 1925, when the report was compiled, together with the predicted growth of load up to 1940. When this report was made the electric load for the year 1924 was definitely known, while enough of 1925 had elapsed to make final figures for 1925 quite accurately predictable. Ready and Butler did not use either 1924 or 1925 figures on their charts. Now it appears that the year 1923 was the boom year of all time in southern California. Business, population, and electrical demands made growth records in 1923. The historical figures on the Ready and Butler chart stop at 1923, although their report was made in October, 1925. These engineers omitted to put on their charts the historical load for the year 1924 or to put on the load for the year 1925 up to October, or to use the then closely determinable figures for the full year 1925. Instead of historical figures for these years they used inflated estimates. The Ready-Butler charts start with 1921 as a low point; the line of growth of electric load runs sharply up to the 1923 peak, and then continues, and even increases, the steep slope so obtained up to the period when, as shown on their charts, Boulder Dam power was expected to be installed. The slope of the Ready-Butler line-of-growth-of-load had become so steep at this period as to indicate graphically the full use of 1,000,000 horsepower at Boulder, without shutting down steam plants, in some five and one-half years.

If there was any reason for drawing the line of growth through the peak of the boom year, 1923, and for neglecting the historical figures they then had for the subsequent years 1924 and 1925, other than the desire to make a place for Boulder Dam power in the picture, I do not know what that reason was.

Now, I do not know whether you consider this to be honest statistical research or not. I do not so consider it, and I wish to point out one other pertinent fact. We now have the record complete for 1925, 1926, and 1927. Place those historical records on the Ready and Butler charts and we find that if they had considered the year 1923 to be, as it was, a peak year and not as disclosing a permanent trend, and if they had put on their charts the figures for 1924 and 1925, which were then obtainable, their chart line would have been on a regular slope which would have passed through the subsequent historical figures for 1926 and 1927—their prediction would have agreed with subsequent happenings. I show you a blue print which thus illustrates what Ready and Butler predicted and what has happened instead. I am referring to this only in connection with the honesty of typical Boulder Dam estimators. I do not criticize estimates which fail to predict accurately. None of us can prophesy with exactness, but when engineers purport to give a chart that is part history and part prediction, and, in order to make their prediction achieve a desired result, first distort the historical portion, then I think that honesty as well as the ability to predict is the thing that must be questioned. I refer to this much-advertised but unimportant Ready and Butler report merely as a striking illustration of the honesty of such "engineering" reports as are, with apparent seriousness, being placed before the Congress by the advocates of this bill.

Next we find in a report of W. F. Durand to the Secretary of the Interior the following excerpt printed on page 399, hearings before Committee on Irrigation and Reclamation on S. 728 and S. 1274:

> With the above product at the switchboard, it then becomes necessary to examine the possible market within economic transmission distance for such an amount of power.
>
> Regarding this question, it may be noted that the record of the various hearings before Congress is particularly full on this point and gives strong evidence for the conclusion that by the time the dam and plant could be completed, the demand due to normal growth in the territory susceptible of economic service from Boulder Canyon should be sufficient to absorb a very large percentage of the available power from the plant; and that within a period of two or three years from completion, a market should be found for the entire product.
>
> A careful independent study of this subject by Messrs. Ready and Butler, consulting engineers, of San Francisco, and the details of which have been carefully examined by the undersigned, support these same general conclusions.

From the report of Professor Durand, which was submitted to the House of Representatives Irrigation Committee by the Secretary of the Interior on January 6, 1928, it appears that Professor Durand, in the course of his careful examination into the Ready-Butler report some years later, had not discovered, either that they had failed to use historical figures available to them when their report was made, or to note that later historical figures had disproved their prediction. Professor Durand, however, is the most optimistic of all of those who have attempted to predict the length of time necessary to absorb Boulder Dam power. Ready and Butler had indicated five and a half years for absorption without shutting down steam plants. Professor Durand, however, makes the interesting suggestion that the Boulder plant when completed would at once absorb the growth of electric load that had occurred during several years prior to the completion of the Boulder plant; that the remaining small percentage of Boulder's capacity might be absorbed within a following period of two or three years.

It is interesting to observe that this is not a new theory for Professor Durand. I quote from his statement of June 21, 1922, appearing at page 65 of Hearings before the Committee on Irrigation of Arid Lands, House of Representatives, Sixty-seventh Congress, second session (H. R. 11449):

> I was about to say a moment ago, with regard to the aggregate amount of power which will be developed on the Colorado River on Boulder Canyon, 600,000 horsepower, that unquestionably the interests in the territory to be served from that site will not remain without some further power development in the meantime; but it is very sure, so far as we can in any way humanly forecast the situation, that the future power developments within the next six or eight years are going to run far short of the requirements in that period, so that at the time the Boulder Canyon project shall be completed and ready for service there will be a very large void for power ready to be filled up promptly from that source, and I am satisfied in my own mind that within a very short period of time after the completion of that project the entire output of the plant will be required and can be marketed at figures which, as I shall show in a moment, will represent an economic security for the money invested.

This prediction was made six years ago. It referred to a period six or eight years from that time. That period is now here, but what do we find as to a "very large void for power"?

Why, we find that just about a year ago the largest utility company in southern California made a substantial reduction in its electric rates and that within a month or two thereafter the municipally owned bureau of power and light of the city of Los Angeles, which appears here as an advocate of Boulder Dam, and for which Professor Durand has acted as a consulting engineer for 18 years, also made a substantial cut in electric rates. These rate reductions were announced as made in order to stimulate the consumption of electricity. This looks like the exact opposite of a power shortage. There is no large "void" into which a great block of power can be dumped. In fact, the slightest reflection will show that there never can be such a void. If the use of electricity increases between the present time and the time when Boulder Dam can be finished, that increase will come because some one has in the meantime built plants to supply the business. The beginnings of a new 1,000,000-horsepower steam plant in southern California are well under way, as I have said. The load demand will be met by new construction as the demands grow. There will never be any "void." There is no such thing as thousands of homes wired for electricity and equipped with electric appliances but waiting for Boulder Dam in order to get service, or of great factories equipped to use electric power but standing idle waiting for Boulder Dam.

Disregarding, then, that part of Professor Durand's estimate which deals with a power void into which electric power can be dumped instantly, we find his statement to be that within a period of two or three years a small percentage of the available power from Boulder Dam can be absorbed. A "small percentage" can hardly be more than 20 per cent; if so, Professor Durand's real estimate of time needed to absorb 100 per cent of Boulder power must be 10 to 15 years, if we disregard the theory of a "void."

Others have estimated this period variously at from 9 to 12 years. In my computations illustrative of the probabilities that may be looked for I shall use 10 years as the period for absorbing Boulder power.

Now, what do we find that proponents have said respecting the price at which Boulder Dam electricity can be sold at the dam? First, let me read from the testimony of Mr. F. E. Weymouth, pages 732 and 733, hearings on H. R. 2903, March 20, 1924:

Mr. WEYMOUTH. I have not computed for present rates, but have for a rate of 4 mills.

Mr. SWING. Is 4 mills higher or lower than the prevailing wholesale rate to-day?

Mr. WEYMOUTH. It is lower. I believe the entire cost could be repaid in 40 to 45 years with a 4-mill rate. If a 6-mill rate is charged, it would pay out much more quickly.

Mr. SWING. How much quicker?

Mr. WEYMOUTH. I do not know; I judge in 25 or 30 years.

Mr. RAKER. Six mills is lower than any rate now.

Mr. WEYMOUTH. Yes; it is lower than the rate at which power is being sold now.

* * * * * * *

Mr. WEYMOUTH. Do I understand you to mean that the power should also pay part of the cost of the all-American canal?

Mr. RAKER. No. You could not do that, could you?

Mr. WEYMOUTH. Yes. Personally I doubt if this power should be sold at four-tenths of a cent. I think it should be sold——

Thus, in 1924, 4 mills was a price that would return the Government's investment, but, in the opinion of Mr. Weymouth, power should not be sold at so low a figure; 6 mills could be charged and still the power would be cheaper than power from alternate sources. This 4 or 6 mills price was, mind you, to be charged at the dam. What a change came within two short years! I now quote from Secretary Work's letter of January 18, 1926, to the chairman of the House Irrigation Committee (majority report of 1926):

Estimated gross revenues from sale 3.6 billions kilowatt-hours power at $\frac{1}{10}$ cent ..... $10,800,000

If we take Mr. Weymouth's estimate of 1924 at the average of the two figures he gave (4 to 6 mills), we may call his figure 5 mills. This seems a fair assumption, since he said 4 mills was too low. In two years, then, the official figure was dropped from 5 mills to 3 mills, a reduction of 40 per cent.

Two more years have now elapsed—has the official estimate gone down any further, and how much? The answer is by no means specific; the present authority seems to be Professor Durand, and he hedges all his statements about with qualifications. However, Professor Durand presents tables on pages 399 to 402, Hearings on S. 728 and S. 1274, January 17–19, 1928, and in Professor Durand's tables, based upon theoretical repayment, the selling price ranges from 1.67 to 2.14 mills and from 1.81 to 2.28 mills. In the other tables the figures range from 1.8 to 2.5 and from 1.74 to 2.41. Presumably Professor Durand expects the actual selling price to be within these ranges—perhaps to be at about the mid-point of the figures used or, say, 2 mills for a round figure.

Since at that price—2 mills—Professor Durand's cost of Boulder power in southern California, including effective steam reserve, becomes 4.37 to 4.67 mills, assuming public ownership (p. 401), and 5.07 to 5.37 mills (p. 402), assuming private ownership, while his somewhat inflated alternate cost of steam power with $1 oil, and with 8 per cent fixed charges, at 55 per cent load factor, is 4.93 mills (p. 405), it seems obvious that the real present estimate of the promoters can not at the most be more than a price of 2 mills at the dam, or a 33⅓ per cent reduction during the last two years, and a 60 per cent reduction from the first estimate made by Mr. Weymouth in 1924. These constant decreases in the estimates of the price at which Boulder power can be sold give eloquent testimony to the rapidly decreasing cost of steam power during the last few years.

Let us now examine the statistical means used by Professor Durand in his computations of the alternate cost of steam power—a field in which he is a real expert. We find that on page 403 Professor Durand makes the statement that such steam plants, when "large installations and favorable conditions" are involved, can be built for $100 per kilowatt. We find that at the bottom of page 404, as a basis for his tables on page 405, Professor Durand uses $110 per kilowatt as cost of steam plant. Why this 10 per cent increase? Is it to be supposed that the steam plants with which he is comparing cost of power production at Boulder are to be small plants, badly located, or what is the inference to be drawn from this increase of 10 per cent in steam-plant costs?

Then we find that Professor Durand on page 404 estimates that the fixed charges (interest and depreciation) on steam plants, if built by a private corporation, run from 8 to 12 per cent. We find that to-day the interest rates paid by electrical utility companies, plus the depreciation rates authorized by the railroad commission of California for steam plants, is less than Professor Durand's minimum figure of 8 per cent by from one-half to 1 per cent; yet Professor Durand's tables on page 405 purport to give the range of cost of electrical production with which the cost of Boulder power delivered in the Los Angeles neighborhood is to be compared; and the range he used for fixed charges is 8 to 12 per cent. Further, since comparisons to be really useful must be prepared for similar conditions—why does Professor Durand assume money from tax-free securities when considering Boulder—and money from taxpaying corporation securities when considering steam plants? If the Government is to finance Los Angeles electric-power needs, it will find on investigation that the Government would be the gainer if it were to build steam plants near Los Angeles—using the expected profits therefrom to finance a really effective and prompt flood-control system on the Colorado.

We then find that Professor Durand's tables on page 405, purporting to show the range of cost of fuel within which the comparable steam-plant electricity cost is supposedly to be found, start with a price of $1 per barrel for oil and end with a price of $1.50 per barrel for oil; yet we know that the principal producer of steam electricity in southern California is at the present time paying 80 cents per barrel for fuel oil and is securing natural gas fuel at an even lower cost.

On page 403 of Professor Durand's report, as printed in Senate hearings on S. 728 and S. 1274, we find that Professor Durand refers to this lower present cost of oil fuel, but says this lower cost is the result of "contracts made some years ago" when the price of oil was lower than it is to-day. We find the facts to be contrary to Professor Durand's statement. The three-year contract under which fuel oil is now being purchased by the utility company to which I have referred was executed in the latter part of 1927 and took effect January 1, 1928. We find in the minority report of Mr. DOUGLAS of Arizona, page 36, that Mr. DOUGLAS of Arizona made an investigation of the fluctuations in the price of fuel oil, disclosing that the average price of crude oil in California in 1900 was 95 cents per barrel and in 1927 was 80 cents per barrel. We all know that the means now employed for the detection of oil pools and their exploitation, particularly modern methods of deep drilling, have advanced even faster than the consumption of oil has increased, so that to-day we have "shut in" oil wells, well-known pools that are not tapped, and we find that the problem of to-day in the oil industry is to find a way to cut down production in order to stabilize prices at even the present figure. What excuse, then, can Professor Durand give for using a range of between $1 and $1.50 in the tables through which he purports to compare the present cost of producing steam electricity in southern California with the cost of delivering Boulder power at that point?

Now it is time to consider the actual price at which Boulder power can be delivered in the proposed market—southern California—and to compare that price with the cost of electricity in that neighborhood as produced from the most modern steam plant; then to make a similar comparison with the probable cost of steam or other power in southern California during the ensuing 60 years. Mr. DOUGLAS of Arizona, in his minority report on H. R. 5773, page 34, gives the estimate of the Federal Power Commission of the cost of Boulder power in southern California as 4.77 mills per kilowatt-hour. This estimate is the minimum possible, since it assumes that the whole project will not cost more than the $125,000,000 now estimated; that the period of absorption will be nine years; that no other project will be constructed to compete with Boulder Canyon in the meantime; and that the revenues at this price for power are to be barely sufficient to reimburse the Government for the expenditure now proposed. It may be remarked that this figure will be constant. It can not grow less as the years go by, since the money will be invested and the interest rate is fixed.

The Federal Power Commission also advised Mr. DOUGLAS of Arizona, page 35, that the present cost of producing steam power at the latest plant now operating in southern California is but 4.17 mills per kilowatt-hour, and that this cost will shortly be reduced by later construction to 3.86 mills per kilowatt-hour. These estimates include interest, depreciation, and operating and maintenance charges. Thus it appears that if the Government investment is to be amortized, Boulder power must be sold in southern California at a higher price than the present cost of producing power in steam plants. We next have to examine the probable trend of future steam cost in southern California or, perhaps, the cost of producing electricity by some other

means. Bear in mind that if Boulder Dam and power plant be finished in 10 years, it would start operating at the earliest in 1938 and the end of the amortization period would then be 1988. I doubt very much whether they will still be building steam plants in 1988. Probably they will have other and very much better and cheaper sources of power by that time. I can only discuss tendencies, examine the future in the light of the past. What has been and what is the trend of prices for electricity? What is the trend of the cost of making electricity? The mid-point of the 50-year period that we are dealing with will be 1953—35 years hence. Let us go back 35 years, to 1895. What was the average cost of making electricity in that year as compared with the cost of making electricity to-day? Exact figures are impossible, since the records of 35 years ago are not very complete, but we may say without fear of successful contradiction that the cost of making electricity 35 years ago was more than twice and probably three or more times the cost of making electricity to-day.

I quote a comparison of fuel economy of only 14 years ago with that of last year, from page 35 of Mr. DOUGLAS's minority report:

The coal consumed per kilowatt-hour in 1927 was less than two-fifths of the 1914 consumption per kilowatt-hour, equivalent to a saving of more than 8,233,000 tons of coal per annum on the basis of generation in 1927. (Article in Electrical World of February 11, 1928, by W. D. B. Ainey, chairman Public Service Commission of Pennsylvania.)

The cost of 3.86 mills obtainable in southern California in 1928 will probably be reduced to half that figure 35 years hence. This is what we must judge from an examination of the trend. If so, then for the last half of the 50-year period the price at the dam will just equal the cost of transmission to southern California so the power will be worth nothing during the last half of the period. While I believe this to be probable, I shall not use anything like such an estimate in my figures.

Another and more direct means of approach to the same problem lies in an examination of the present trend of steam plant efficiency. Decrease in cost of making steam power has been so pronounced that even the lapse of one year has found the Boulder enthusiasts reducing their prediction from a proposed price of 3 mills at the dam to a present estimate of about 2 mills at the dam. The following editorial from the Electrical World for April 9, 1927, illustrates what is going on:

Some steam stations now produce a kilowatt-hour for 14,000 B. t. u.'s or less with fixed charges based on an investment of $100 or less per kilovolt-ampere. About five years ago the corresponding figures were 22,000 B. t. u.'s and $125 per kilovolt-ampere. Five years hence the figures are expected to be 11,000 B. t. u.'s and $75 per kilovolt-ampere. These economies and cost changes are accompanied with reductions in labor and maintenance charges, and give a total cost of energy at a modern fuel-burning station switchboard, which is astonishingly low. Steam-station production costs at a water-power site are competitive with water-power costs in many instances, and if, as is usually the case, the costs created by transmission lines are added to the water-power costs, the total water-power costs measured at energy delivery points are greater as a general thing than those involved in building and operating steam stations at the loads. Nor do these costs place a dollar value on the comparative service reliabilities. Yet serious attention is given to plans which involve water-power developments costing $200 or more per kilovolt-ampere and which require transmission lines two or three hundred miles long to carry the power to the loads. The mists and rainbows in a waterfall often screen the balance sheet.

A corroborative bit of evidence is that the quantity of electricity produced per barrel of oil burned in the latest steam plants in southern California as of 1918 and as of 1928, has approximately doubled, as shown by the article from which I quoted a short time ago. A hint at an enormous possible, or perhaps even probable, reduction in the cost of steam fuel in the future, through the pretreatment of coal and the recovery of by-products therefrom, I will now read—and please remember, that all modern steam-electric plants in southern California are equipped to burn powdered coal, also that my own State is prepared to furnish for hundreds, perhaps for thousands of years, all of the high-grade easily mined coal that California can use. I quote from the Giant Power Survey Board report, dated February, 1925, the following statement from Judson C. Dickerman, assistant director, Giant Power Survey.

There remains the fuel required for the power plant at practically no cost, since the returns on the fuel and by-products sold practically balance the total cost of operation and investment charges connected with handling and treating the 20,000 tons of coal.

My friends who are advocating Boulder Dam must approve whatever comes from the Pennsylvania "Giant Power" group, since the two groups are one as to this measure and Gifford Pinchot is reported to be lobbying for this bill. The fact that the same group offers evidence that steam power is very cheap when the question is Government steam plants in Pennsylvania, and is high when the question is Government water-power plants in California, is doubtless a mere detail. I am, however, disregarding all of the preceding indications of a considerable reduction in the cost of steam-made electricity and I base my figures solely upon the costs now in sight and that will be accomplished facts—in part this year and, as to the remainder, will be achieved long before the Boulder Dam can deliver power.

Let us now make a brief review; let us suppose that the bill before us becomes a law by June 1, 1928; let us accept advocate's estimate that 10 years later Boulder Dam and power plant will be ready for operation. That will be June 1, 1938. Then with a 10-year loading period we have the power fully used by June 1, 1948. Fifty years from June 1, 1938, or June 1, 1988, marks the end of the amortization period. What does the bill before us say regarding revenue? I quote from S. 728, page 5, line 19:

(b) Before any money is appropriated or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues, by contract, in accordance with the provisions of this act, adequate, in his judgment, to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within 50 years from the date of the completion of the project, of all amounts advanced to the fund under subdivision (b) of section 2, together with interest thereon, made reimbursable under this act.

Now, this reads very well, assuming that any such firm contracts, running to June 1, 1988, can be secured from responsible bidders. Advocates of this bill know that no such contracts are possible; therefore we find the "joker" that relieves bidders from all risks and that puts all the losses on the United States Treasury. I read from page 8:

Contracts made pursuant to subdivision (a) of this section shall contain provisions whereby at the end of 15 years from the date of their execution and every 10 years thereafter there shall be readjustment of the contract, upon the demand of either party thereto, either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers, and with provision under which disputes or disagreements as to interpretation or performance of such contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such readjustments or proceedings.

Obviously these two provisions of the bill before us nullify each other. Obviously, also, the plain intention of the bill is to seem to require contracts but actually to require nothing at all, except that some contractor agrees to take Government power, for which the Government will provide all of the investment, at exactly what the same power would have cost him had he secured all of the capital and taken all of the hazards of construction incident to the generation of power on his own account.

Let us assume, now, that one of the things the advocates tell us happens to be true—that municipalities and private power companies are waiting anxiously for the passage of this bill in order that they may at once get their signatures on the dotted line at the bottom of contracts; so let us take the contracts also as starting on June 1, 1928. Ten years of the contract will have expired—only 5 years of firm-price power will remain—when delivery of Boulder power begins. The price named in the contract will then apply only during 5 years or during the first half of the load-building period—will apply only to electricity bought between June 1, 1938, and June 1, 1943. For the remaining 45 years the price will be "readjusted" to "competitive conditions." If this means anything at all—and remember that provision is made for "arbitration or court proceedings"—it means that during the last 45 years of the contracts the price paid for Boulder power as received in southern California shall not, at the highest, exceed the cost, then, of making steam power in southern California. So the crux of a decision on the question of whether or not the Government can hope to get back any of its investment depends on an estimate of the cost of steam-made electricity in southern California in the period between June 1, 1943, or thereabouts, and June 1, 1988. If anyone (and I am one of them) doubts the accuracy of any such possible estimate, he doubts also whether there are reliable means of figuring possible return of the Government's money. However, this is one of the problems that Congress must solve.

You might at first suppose that if electricity is to be sold on contract for 5 years, and at the cost of steam power for the remainder of a 50-year period, that one-tenth of the 50-year

output would be sold on contract. Not at all! The first 10 years after the plant is finished comprise the period of load building. The load is nothing to start with and steadily increases to 1,000,000 horsepower at the end of 10 years. At the end of the first 5 years the load is 500,000 horsepower, and, having increased from zero to that figure, the average 5-year horsepower is but 250,000. That is all that is to be sold at a firm price. The average for the last half of the load-building period is 750,000 horsepower, but that period is to be sold at the cost of making steam power in the latest type of plant that can be built on June 1, 1943. Then we have 5 more years at which 1,000,000 horsepower will be sold at that price; then 10 years, at the cost of electricity at the best steam plant that can be built on June 1, 1953; 10 years at the cost of the plant of 1963; 10 years based on the plant of 1973; and 5 years based on the plant of 1983. Therefore we have—

| | Product |
|---|---|
| 250,000 horsepower for 5 years on firm price | 1,250,000 |
| 750,000 horsepower for 5 years at equivalent steam cost | 3,750,000 |
| 1,000,000 horsepower for 40 years at equivalent steam cost | 40,000,000 |
| | 45,000,000 |

of which the fractional part sold at a firm price is only one thirty-sixth of the total. Thirty-five thirty-sixths will be sold at an undetermined but steadily decreasing cost as the years go by and as steam plants—or gas turbines or atomic power plants or whatever they will use in 1983—steadily improve.

Now, we are ready for some tentative figures that will illustrate what may be expected as to the financial performance of the Boulder experiment. I do not present these figures as an estimate. I do not know what steam power will cost in 1983 nor shall I extend my figures so far. I am using what I regard as extremely conservative figures for steam-power costs. I am confident that the actual results of the Boulder experiment are likely to be very much more adverse to the enterprise than are the figures that I am about to present.

The first or firm contract price that bidders must agree to—and perhaps might agree to since only one thirty-sixth of all of the power contracted for will be bought at that price—is the Federal Power Commission figure of 4.77 mills per kilowatt-hour as delivered in southern California or 2.84 mills at Boulder Dam. This price is figured to repay the estimated cost to the Government. If actual cost to the Government exceeds the estimate, the United States Treasury will shoulder the difference. The total electricity sold during this first 5 years will be 4,500,000,000 kilowatt-hours and the gross receipts at 2.85 mills will be $12,780,000. Secretary Work's letter of January 18, 1926, gives—

| | |
|---|---|
| Operation and maintenance, storage and power | $700,000 |
| Interest on $125,000,000 at 4 per cent | 5,000,000 |
| | 5,700,000 |
| Which for 5 years is | 28,500,000 |
| The deficit for the first 5 years is therefore | 15,720,000 |
| The Government's investment as of 1938 was estimated at | 125,000,000 |
| Making the Government's net investment as of 1943 | 140,720,000 |

In dealing with five-year periods in this manner there is neglected, of course, the year by year addition of deficits to previous net investment; therefore actual deficits computed as required by the bill will exceed those shown by the rough approximations here presented by sums that will aggregate several millions of dollars.

The firm contract ends on June 1, 1943, and the price for the following 10 years can not be higher than will correspond to the 1943 cost of steam electricity in southern California. Doubtless the intervening 15 years will have produced a very material advance in steam-plant economy as well as a probable continuation of steady progress in the reduction in the cost of new steam plants. However, let us give Boulder Dam all the advantage possible and let us take the cost of competitive power in southern California in 1943 as only 10 per cent below the cost of 3.86 mills, reported by the Federal Power Commission to Mr. Douglas as the cost at the latest—1928—southern California steam plant. The price in southern California then becomes 3.48 mills, and at the dam, let us say, 1.63 mills per kilowatt-hour. The total quantity of electricity sold during the last 5 years of the load-building period will be 13,500,000,000 kilowatt-hours.

| | | |
|---|---|---|
| The gross receipts for this 5-year period will then be | | $22,005,000 |
| Operation and maintenance per annum | $700,000 | |
| Interest on Government net investment of $140,720,000 at 4 per cent | 5,628,000 | |
| | 6,328,000 | |
| Or for the 5-year period | | 31,640,000 |
| Deficit for last 5 years of load building | | 9,635,000 |
| Net investment of the Government as of 1948 | | 150,355,000 |

Similarly, for the first five years of full load we have—

| | |
|---|---|
| Total sales, 5 years—kilowatt-hours | 18,000,000,000 |
| Price at dam—mills | 1.63 |
| Gross receipts | $29,340,000 |
| 5-year expenses | 33,571,000 |
| Deficit for the 5 years | 4,231,000 |
| Net investment of the Government in 1953 | 154,586,000 |

We then come to the second readjustment of price on a competitive basis, and for the following decade it can not be hoped that increased effectiveness of competitive sources of power will be equivalent to less than a reduction of 5 per cent in price of Boulder electricity, or to 1.55 mills at the dam.

We then have for the five years 1953–1958—

| | |
|---|---|
| Gross receipts, 18,000,000,000 kilowatt-hours at 1.55 | $27,900,000 |
| Expenses and interest | 34,417,000 |
| 5-year deficit | 6,517,000 |
| Net investment as of 1958 | 161,103,000 |

The Government's net investment, then, in the year 1958 will be likely to approximate more than $160,000,000, assuming that the Boulder enterprise in the beginning only cost $125,000,000. It is not necessary to pursue figures through the remainder of the 50-year period, since it is obvious that alternate power costs will decrease year by year, that the net investment of the Government will increase year by year, that there can be no question of amortization or even of the full payment of interest on the Government's outlay.

One correction becomes necessary; in proponent's estimates the item of depreciation on plant and structures is always omitted, since, as they say, amortization will be so rapid that no depreciation reserve to provide for repairs, renewals, and replacements will be necessary. It being now obvious that there will never be any amortization, a depreciation annuity and a depreciation reserve fund will be essential. Even if depreciation annuity be taken at as little as one-half of 1 per cent, this will add a necessary expense of $625,000 per annum on the theory that original investment does not exceed $125,000,000, or will add $1,250,000 per annum on the more probable theory that original investment will run up to $250,000,000. At the minimum, this item will add $3,125,000—plus interest—to the deficit of each five-year period—which increases the preceding total to at least $175,000,000.

We have not yet, however, reached the point of producing what Secretary Work, in referring to Boulder estimates termed "an intelligent guess," since figures up to this point have been based upon the theory that the Boulder investment will not exceed the estimate. An "intelligent guess" would assume the original cost of the Boulder enterprise to be about twice the estimate, or $250,000,000, at the time the project is ready to operate.

The second $125,000,000—to which even the firm contract of the first five years will have no relation, since the contract will be signed 10 years before the final cost can be known—may be treated as running at 4 per cent interest, compounded annually in the same manner as provided by the bill for interest during construction. Money under these circumstances will double about every 18 years, so that by 1958 we will have to add to our net investment on the former theory a sum which (without depreciation on the additional cost) will bring the Government investment as of 1958 to some $450,000,000.

This is my best "intelligent guess" of the outcome at the end of only 20 years of operation of the Boulder project. I have taken no account of revenue from the sale of water, for there will be no such revenue. The bill provides that no charge for stored water can be made to Imperial Valley. No revenue can be collected from approximately 5,000,000 acre-feet of water per annum, presented without charge to Mexican landowners. Los Angeles certainly will not begin to pump water prior to 1958, nor, if she did, would she pay for water already released for power purposes and running in the channel available to any appropriator. In addition, there is the following provision, on page 2 of the bill, which provision apparently prohibits any charge for water for any purpose for which the water will be used:

*Provided, however,* That no charge shall be made for water or for the use, storage, or delivery of water for irrigation or water for potable purposes.

Next I propose to show you how to amend this bill so that the Government will not be put to quite all of these serious financial hazards.

HOW CAN THE GOVERNMENT INVESTMENT BE PROTECTED?

It is, I think, now obvious that under the bill which we are here considering the Government of the United States is asked to take all of the financial risks of the undertaking, and those financial risks are so considerable that there is every prospect

that all of the money spent will be a direct outlay from the United States Treasury, none of which will ever be returned. It is quite doubtful if there will even be any return in the way of interest on the Government's expenditure. This situation differs so markedly from what we have been led to expect that it is worth while to examine some of the statements that have been made respecting the security of the Government's investment and to see just where it is that the security offered is faulty; to find, if we can, some means through which the United States can be made secure.

A few weeks ago all of the Representatives in Congress from the State of California joined in a letter to the other Members of the House of Representatives, and in this letter the California delegation stated, among other things, that $4,000,000,000 in property located in southern California stands behind the Boulder Dam proposal as security that the United States Government can never lose a cent through it. I think we must assume that this letter of the California delegation was sent in good faith and we must assume that it was the belief of these gentlemen that $4,000,000,000 in southern California is, in fact, pledged as security to the Government if this bill passes.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Utah yield to the Senator from California?

Mr. SMOOT. I hope the Senator will not interrupt me.

Mr. SHORTRIDGE. I understand that the Senator desires not to be interrupted.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SHORTRIDGE. Therefore, I do not interrupt him.

Mr. SMOOT. I thank the Senator.

We must then assume that the reason the Government does not have this security, does not, indeed, have any security whatever under the terms of this bill, is a mere matter of unskillful drafting; that had the bill been so drafted as to put into plain English the desires and intentions of the Southwest, and particularly those of the people of Los Angeles, that this security would in fact have been given. On this assumption it is necessary for us to draft an amendment to this bill which will do all of the things that it was the intent that the bill presented to us should do. Now, are there simple means through which the public that hopes that it will benefit by the terms of this bill, may in fact give security to the taxpayers who will loan the money for Boulder Dam; that will insure that these latter taxpayers should not be the losers?

The whole thing turns upon the price that is to be paid for electric power and upon what security can be given that the price paid for this electric power will in fact be sufficient to repay the Government with interest. I think we are under some misapprehension as to who it is that expects to use the major part of this power. On January 21, 1928, Mr. H. A. Van Norman, assistant chief engineer of the Los Angeles city water department, appeared before the Committee on Irrigation and Reclamation of the United States Senate, representing the city of Los Angeles, Calif. Mr. Van Norman testified particularly with respect to the securing by the city of Los Angeles of a water supply from the Colorado River and of the use that would be made by the city of Los Angeles of Boulder power for the pumping of this water. Mr. Van Norman explained that it was proposed to take 1,500 second-feet of water from the Colorado River, to pump it over the mountains and deliver this water to the city of Los Angeles. I quote from page 297, hearings on S. 728 and S. 1274:

Senator JOHNSON. And where is it you expect, if your plan matures, to get the power?

Mr. VAN NORMAN. There is only one place to get it, Senator, and that is from a power plant on the Colorado River, and this Boulder plant is the one that we are depending on for it.

Senator JOHNSON. How much power will it require, in your opinion, for the city of Los Angeles to take from this project in order to carry out its contemplated plan?

Mr. VAN NORMAN. I have it figured out here, Senator. I will refer to my notes and give you an accurate answer.

Senator JOHNSON. I will be very glad to have you give it, if you please.

Mr. VAN NORMAN. For a total of 1,500 cubic feet per second continuous flow, after allowing the necessary line losses and the proper efficiencies of the pumps and all the rest of it, the figure is 294,820 kilowatts; that is in horsepower 395,000.

That Mr. Van Norman's estimate of the quantity of water that is to be pumped is thought to be conservative is indicated by a statement of the Los Angeles Chamber of Commerce, through its president, and printed on page 272 of the same volume. I quote the following extract:

* * * an investigation on our part by reputable engineers of years of experience convinces us that these statements are under rather than overdrawn and that even with the addition of 1,500 cubic feet per second of Colorado River water there will still be more needed for an ever-increasing population located in the region south and west of the Sierra Madre Mountains.

It must be pointed out, of course, that the statement of the Los Angeles Chamber of Commerce respecting the need for more than 1,500 second-feet includes the needs of minor municipalities and agricultural areas which have not yet been annexed to the city of Los Angeles. Mr. Van Norman's statement refers to water that is to be taken for the city of Los Angeles itself, or at least is to be underwritten by that city and perhaps to some extent divided up among certain small municipalities. In fact, the laws of California permit associations of this sort, and such an association for this particular purpose has already, it is understood, been organized in a preliminary manner. Let us for simplicity consider that "Los Angeles," as I shall use it in this connection, means the territory that is to be supplied with water from the aqueduct Los Angeles proposes to build. The present city of Los Angeles would be overwhelmingly preponderant in any such district and the final contributions that might be made by all of the other members of the district put together would not substantially influence one way or the other the carrying out of the scheme by the city of Los Angeles alone. We are officially advised, therefore, that Los Angeles will need ultimately 395,000 horsepower of the 550,000 firm horsepower that is to provide the revenue for the return of the Government's money according to the Boulder Dam plan. I quote from page 299:

The CHAIRMAN. I want to be sure of one point in your statement. Eventually, using the full 1,500 second-feet of water through the canal would require 395,000 horsepower, and that would be taken out of 550,000 constant horsepower that is estimated to be produced at Boulder Canyon Dam?

Mr. VAN NORMAN. Yes, sir. Now, Senator Hayden has called attention to a certain thing. It might be that by the time all that power is developed—I am confident there will be other developments along the river, either above or below, where all the people that want power can get it. But, as you state, Senator, if no other plant was installed other than this, that would be the condition, there would be almost four-fifths of the power which would be used for pumping water.

Now, then, what do we have? We have one of the greatest and richest cities in the world telling us officially that they will eventually need almost four-fifths of the power that we are asked to create at Boulder Dam. We have the Representatives in Congress from that city, as well as the Representatives in Congress from all the remainder of the State of California, joining in a letter stating that $4,000,000,000 worth of property is pledged as security that the Government will not lose money on the Boulder Dam proposal. Why not make this statement into an actual, tangible fact, at least as to about four-fifths of the power that it is proposed we should generate and which is to pay for the entire enterprise except as to principal on the all-American canal. No one will question that there is property in the city of Los Angeles that might be made tangible security for the repayment to the Government of all of the cost of this proposal with interest. They tell us that this has already been done. Can they complain if we ask them to do it?

Now, what would be the process of putting this into tangible form? The detail, of course, is a question for attorneys; but I will make a suggestion of the line along which the plan should be worked out. Let the city of Los Angeles, either by itself or in combination with minor neighboring municipalities in accordance with the California law, authorize a bond issue in the amount of not less than twice the present estimate for this project; that is to say, in the amount of not less than $250,000,000. These bonds are not to be sold, but are to be issued and deposited with the United States as security for the faithful performance of a contract which will be entered into between the United States and the city of Los Angeles, whereby Los Angeles will take on the completion of the Boulder project nearly four-fifths of the power and will agree to pay in installments over 50 years a sum which will repay to the Government about four-fifths of the entire cost of this project, except the principal sum otherwise returnable, being the cost of the all-American canal plus four-fifths of the operating and maintenance expenses, repairs, and renewals, during the 50-year period, plus 4 per cent interest, computed each year upon the net investment of the United States at the beginning of the year, and if in any year such interest be not paid in full, the deficit in interest to be added to the Government's net investment at the beginning of the year, and to constitute the Government's net investment at the end of the year.

Here we have a definite, tangible, enforcible, arrangement whereby it will be assured that the property of the city of Los Angeles shall be security for nearly four-fifths of the power portion of this proposed enterprise. The provision does not, indeed, go so far as the representatives in Congress from the State of California said they had already gone. It does not pledge $4,000,000,000 as security for the whole enterprise. It would pledge the property in Los Angeles as security for nearly four-fifths of the power portion of the enterprise, the proportion being the fraction of all of the power proposed to be developed, that the city of Los Angeles says to the Congress that the city will ultimately need. Can there be any objection to this proposal so far as I have gone with it?

If it be objected that the bonding limit of the city of Los Angeles would be exceeded by the issue of $250,000,000, to be used as security only, for the faithful carrying out of a contract, the answer is that the whole State of California is represented to be a unit for the Boulder proposal, that it has often been demonstrated that the laws or the constitution of the State of California can be amended with great speed when the leaders of California desire it. If we pass this bill, these authorizations can easily be given long before the litigation promised by the States of Arizona and Utah over the constitutionality of this bill can possibly be concluded. Such a provision as I have suggested will not, therefore, delay construction of Boulder Dam by a single hour.

If it be objected that Los Angeles, which will need approximately 395,000 horsepower or roughly four-fifths of all the Boulder horsepower, would not need any such quantity to begin with, the answer is that, since Los Angeles will ultimately require nearly four-fifths of the power for a use that is higher than any of the other uses proposed for this power, it follows that sales of some portion of Boulder power during the interim prior to the time when Los Angeles will need the full four-fifths can only be temporary allocations of power for an interim. The city of Los Angeles can dispose of this surplus power during this interim, at least to as good advantage as the Government of the United States could dispose of such power temporarily. If it be true that during the interim prior to Los Angeles requiring about four-fifths of all of the power, the temporary power can be sold temporarily in a ready market, the city of Los Angeles, which tells us that such a situation exists, is better able to do the temporary selling than we are.

This solution does not, of course, give security to the Government for all of the investment that the Government is asked to make. Indeed if the total expenses of the project should exceed $250,000,000 then my proposal would not furnish any security for any of this excess, but if the total expenditures can be limited to $250,000,000 or to twice the present estimate (and I greatly doubt if this can be done) the Government will be made secure as to almost four-fifths of the revenue that it proposes to get from power. While I believe that the revenue from power will prove in the outcome to be the only revenue that the Government will ever get from this project, nevertheless there are some who hold the contrary view. If it proves possible to get similar contracts for the purchase of stored water, then such contracts should be made and the burden on Los Angeles as a user of power will be thereby diminished. If, for example, Los Angeles as the purchaser of stored water will make a similar contract and give similar security, then Los Angeles as a purchaser of electric power would be relieved to the extent of the payment that Los Angeles would make as a purchaser of stored water. If any other district desired to contract for the purchase of stored water, such district should at the outset issue bonds and deposit the bonds with the United States as security for the faithful performance of the contract which it enters. And the security in each instance must be given at the time the contracts are signed.

It is, in my judgment, a vital factor of the plan that I propose, that the contracts should not be contracts to repay the Government $125,000,000 plus interest, but must be contracts to repay the Government with interest whatever the Government may spend in completing the project. No single item of this suggestion, however, proposes anything more than the advocates of this bill tell us they propose to do. The only merit in my proposal is that it substitutes definite, enforcible, secured contracts for vague promises that mean nothing. If the people behind this bill are sincere in the statements that they have made to the Congress they will accept my proposal with alacrity. Will it be so accepted? We shall see.

I have not said anything about the one-fifth of electric power that the Government will have on its hands after Los Angeles and associated municipalities shall have contracted for about four-fifths of the power. I do not see any way in which the Government can avoid taking the risk of loss on this unallocated one-fifth of the power. If there should be any other agencies, public or private, willing to enter into similar contracts and to give similar security for this unallocated one-fifth of Boulder power, then, of course, such proposals should be accepted, but I have not the slightest notion that any other contractors will be found who are willing to do this. Under these circumstances, I would be willing to have the Government take a chance on one-fifth of the power, provided Los Angeles and the other communities that may be interested will show their good faith to the extent of making enforcible secured contracts for the four-fifths that they say they need. This is not good business; I know that. Any investment banking house would require 100 per cent security under similar circumstances in the case of a private enterprise. I am willing, however, to accept less than 100 per cent security for the Government in this instance.

If it be objected that my suggestion provides for the payment to the Government of its actual expenditures, as disclosed by the event, rather than for the repayment of the present estimate of cost, made by a department that has a bad record for underestimating—my answer is that I intend exactly that. I wish to be sure that the actual expenditure is what is to be paid back. I am not interested in getting back merely an estimate.

Do not misunderstand me. The amendment just outlined would increase the Government's security for its investment, but it would not make this an acceptable measure. Many other major defects remain, and the amendment which I have introduced and shall discuss later is the only remedy I have been able to devise for their correction.

### THE QUESTION OF STATE RIGHTS

The bill is predicated upon the assumption that the Federal Government has very much greater rights in the Colorado River and older streams generally in the country than has ever been recognized by any judicial tribunal. Indeed, the theory upon which this bill must be upheld, if it is upheld at all, is that the Federal Government is sovereign over the Colorado River, and that Congress may determine how the waters of the Colorado should be divided between the States.

Now, the bill provides that it shall become effective only upon the ratification by six of the States in the Colorado River Basin of the Colorado River compact. There are, however, seven States in the Colorado River Basin, and it was originally intended that the Colorado River compact should be a compact between these seven States. The fact that one of the States is now left out of the compact, and that the rights of this State are to be determined not by its consent given in a compact or otherwise but by an agreement between six other States and the Federal Government, violates every principle for which the compact idea was originated. In other words, it makes no difference whether one State, two States, three States, or four States are left out of the compact, the principle that the Federal Government controls the waters of the Colorado River is established just as much by one case as by the other.

The compact which was negotiated at Santa Fe, N. Mex., in the fall of 1922, as I have said, contemplated the division of the waters of the Colorado by agreement between the States, and it contemplated that when this agreement was consummated the Federal Government or other agencies might be permitted to create a storage reservoir in the lower Colorado River basin without endangering the rights of the upper States. That idea was sound. The States were to be protected by an agreement between themselves, ratified and approved by the Federal Government, before construction of any storage was permitted. The control over the river was thus left in the hands of the States, and the division of the waters between the States was determined by them.

Now, however, an entirely different idea is substituted. Because it has been difficult, and thus far impossible, to secure ratification of this seven-State compact by the State of Arizona, it is now proposed to shift to the position that the Federal Government and not the States shall control the waters, and that six of the States and the Federal Government may enter into a compact under which the amount of water which Arizona may take from the stream will be limited and determined. Furthermore, it assumes that the Federal Government can, without consulting the State of Arizona, build a huge dam, resting upon soil which under the Constitution belongs to the State of Arizona, and create a huge reservoir which occupies territory within that State, all without the consent of the State of Arizona.

Those of us who live in the upper-basin States, as well as all who are interested in the development of the Western States, should resent this proposal and oppose it with all our might. Regardless of whether Arizona is right in her contentions about the waters of the Colorado River and in her op-

position to this particular construction, the principle that she can be overridden by a combination of her sister States with the Federal Government is a principle which is dangerous in the extreme.

At this point I desire to quote from the testimony of a man who is perhaps better informed as to the water problems in their legal aspect with which the West is confronted than any other individual. I refer to Mr. Delph Carpenter, the water commissioner for Colorado, and I quote from his testimony which appears in the hearings on H. R. 6251 and H. R. 9326 at pages 147–148:

The deliberate and constant pressure of certain enthusiasts for Federal usurpation of State powers in arid States, pressed before the courts and injected into Executive orders, has awakened the people of the arid States to the necessity of first protecting their State autonomy before encouraging any further development which may become the basis of additional adverse claims. The States take this attitude in necessary self-defense and in protection of their rights to control and administer that resource necessary to their very existence.

For three-quarters of a century courageous pioneers have been converting the American desert into a fertile empire by applying water to waste places, and this, too, long prior to any Federal aid or encouragement. The major reclamation of arid lands has been by private and State initiative and expense. The last census shows that more than 93 per cent of the irrigated lands of the West were so reclaimed and that less than 7 per cent of these lands are under national reclamation projects.

Long prior to any action by Congress each arid State had created its own system of State (or Territorial) control of diversion, use, and distribution of water. Each State had, by constitutional provisions, by progressive legislation, and by decisions of its courts, built up a system of local law, which was and is the basis of local rights, by which the State has permitted its citizens to use the property of the State (the waters of its streams) and has kept constant and hourly supervision and control of the use of this natural resource in order that waste may be prevented and the maximum public benefit may be obtained. That laws of each State, while partaking of certain similar fundamental principles, have been molded to fit local needs and conditions. These laws differ according to the natural conditions obtaining in each State due to topography, soil, climate, geographical location, and other unalterable natural phases controlling the best use of water and essential to obtaining the maximum benefit of the State resource. Throughout the period of the evolution of State water law, the primary element of maximum benefits for the greatest public welfare has been the underlying principle, and the United States fostered and encouraged this development of local law. These principles still obtain and the State machinery still progresses toward greater perfection, except where interfered with and overridden by Federal courts and executive agencies since the enactment of the national reclamation act in the year 1902.

In each of the arid States the waters of the State are recognized to be its property, subject only to the rights of neighboring States, in the waters of interstate streams, as defined by interstate compacts or by the decisions of the United States Supreme Court between litigant States. The rights of the appropriator within each State are mere rights to the use of the property of the State, subject always to the sovereign will and to the exercise of eminent domain in adapting the use of the resource to State progress.

The water laws of each State are mere rules of State administration of the use of a natural resource imperative to State existence. The usufructuary right of citizens—appropriators—inter sese, are thus fixed and determined, subject always to the superior right of the State to regulate, control, readjust, take by eminent domain, and otherwise provide for the use of the precious element according to its will.

If we pass this bill we recognize the right of the Federal Government to this superior control over the Colorado River. Again, I say, it makes no difference whether Arizona is right or wrong in her contentions as to how the Colorado should be developed. The fact is that under our system of government Arizona's contentions must be recognized and can not be simply overruled. If we do overrule them and take the position that Congress will tell Arizona what is good for her, whether she likes it or not, then we place the Federal bureaucracy in the saddle, and this control over the waters of the western streams is substituted for State dominion.

I do not desire to enter into any extended legal discussion of this question. There are innumerable legal discussions of the question appearing in the hearings, and I refer you to the presentation of Mr. Gust, of Arizona, which was given before the Senate committee this year, and appears at pages 103 to 127 of the Senate hearings on this bill.

I simply inquire whether the Federal Government has received this power which Congress is asked to exercise over the waters of the State of Arizona. As I understand it, the Constitution of the United States defines the powers of Congress and unless the particular power which is claimed can be found within that instrument, the Federal Government does not possess it. In the case of Kansas *v.* Colorado (206 U. S. 46) it appears that the Reclamation Service caused the Attorney General to intervene and to assert the interest of the United States in the Arkansas River, and the court in that case stated with reference to this intervention:

It rests its petition of intervention upon its alleged duty of legislation for the reclamation of arid lands; alleges that in or near the Arkansas River, as it runs through Kansas and Colorado, are large tracts of those lands; that the National Government is itself the owner of many thousands of acres; that it has the right to make such legislative provision as, in its judgment, is needful for the reclamation of all these arid lands and for that purpose to appropriate the accessible waters.

That contention is one of the very contentions which is made with reference to this legislation, namely, that the Federal Government owns certain lands near the Colorado River and that Congress has the right to determine, therefore, how the Colorado shall be developed because Federal property is involved. In answering that contention the Supreme Court said in Kansas against Colorado:

In other words, the determination of the rights of the two States interesse in regard to the flow of waters in the Arkansas River is subordinate to a superior right on the part of the National Government to control the whole system of the reclamation of arid lands. That involves the question whether the reclamation of arid lands is one of the powers granted to the General Government. As heretofore stated, the constant declaration of this court from the beginning is that this Government is one of enumerated powers. "The Government, then, of the United States, can claim no powers which are not granted to it by the Constitution, and the powers actually granted must be such as are expressly given or given by necessary implication." (Story, J., in Martin *v.* Hunter, 1 Wheat. 304, 326, 4 L. ed. 97, 102.) "The Government of the United States is one of delegated, limited, and enumerated powers." (United States *v.* Harris, 106 U. S. 629, 635, 27 L. ed. 290, 292, 1 Sup. Ct. Rep. 601, 606.)

Turning to the enumeration of the powers granted to Congress by the seventh section of the First Article of the Constitution, it is enough to say that no one of them, by any implication, refers to the reclamation of arid lands. The last paragraph of the section which authorizes Congress to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof, is not the delegation of a new and independent power but simply provision for making effective the powers heretofore mentioned.

* * * * * * *

As our national territory has been enlarged, we have within our borders extensive tracts of arid lands which ought to be reclaimed, and it may be well that no power is adequate for their reclamation other than that of the National Government. But, if no such power has been granted, none can be exercised.

* * * * * * *

But it is useless to pursue inquiry further in this direction. It is enough for the purposes of this case that each State has full jurisdiction over the lands within its borders, including the beds of streams and other waters.

I particularly commend the study of this case and of what Justice Brewer said therein to those gentlemen who are now arguing that the Federal Government may obtain the power to do a thing from the mere fact that it is, according to their opinion, the best agency to do it. We are continually hearing these days the expression of the idea that because a thing is too big for a State to do the Federal Government should do it. It seems not to worry those who make this argument that the Federal Government does not derive its powers from any such general source. In this day of big undertakings, such an argument would soon lead to the absorption of all the leading activities by the Federal Government. Again I say, that if the Federal Government has any right over the Colorado River, it must obtain that right from one of the enumerated powers given to it in the Constitution. The only power that I know of which may reasonably give any general power to the Government over the river is the commerce clause which gives it the right to improve navigation. If anyone is under the delusion that the construction of this great dam, 550 feet high, in the desert region of Nevada and Arizona has anything to do with navigation, I commend to his study pages 14 to 19 of the minority report of Congressman LEATHERWOOD upon this feature of the bill. Time will not permit me to extend this discussion. I hope I have said enough to emphasize the point that the question of State rights which is involved is fundamental and vital. Upon the answer which Congress makes to it depends the question as to whether years of litigation over the waters of the Colorado will ensue. If you give these States an opportunity to work out their own problem, a problem in which the Federal Govern-

ment is not concerned, that is the division of waters and benefits from the river, between themselves, we may avoid a fight in the courts which will last, according to the precedents set by similar litigation, from 10 to 20 years.

Haste at this time in forcing this bill through Congress will certainly make waste, not only in the expenses of litigation but in the years of time which it will take before any construction whatever can start upon the Colorado. To pass this legislation over the protests of Arizona and the four upper-basin States—Colorado, Wyoming, New Mexico, and Utah—as expressed by their governors, is, it seems to me, the utmost foolhardiness.

If anything could be gained by it except delay, if there was a pressing necessity for the beginning of this huge dam, if the construction of this huge dam were the only way in which the immediate needs could be relieved, there might be some argument for starting litigation. The fact is there is no necessity of any such hurry.

THE POSITION OF UTAH

In making a statement as to the position of the State of Utah with reference to this legislation, I quote from the testimony of Governor Dern, given before the Senate committee under date of January 17, 1928, in the hearings on this bill:

I now come to a definite statement of Utah's position on the whole matter. Utah is opposed to the pending bills. The official pronouncement of Utah's essential requirements in the solution and settlement of the Colorado River problem was made by the Utah Water Storage Commission with my full approval and consisted of the following points:

(1) Seven-State ratification of the Santa Fe compact.

(2) A treaty with Mexico reserving to the United States the rights to any water of the Colorado River made available through development in the United States, including equitable rights to the natural flow.

(3) Acknowledgment that water within the State is the property of the State.

(4) Acknowledgment that the State of Utah is the owner of that portion of the bed of the Colorado River which lies within its borders.

(5) Full acknowledgment that the States have the right to demand and receive compensation for the use of their lands and waters.

As expressive of the attitude of the governors of the upper States—that is, Colorado, Wyoming, New Mexico, and Utah—I read you the following from page 132 of the testimony of Governor Dern, given under date of January 17, 1928, before the Senate committee:

In view of these developments, the governors and interstate river commissioners of the four upper-basin States (Colorado, New Mexico, Utah, and Wyoming), whose territory is the source of more than 80 per cent of the water of the Colorado River, met at Denver on December 19, 1927, for the purpose of discussing ways and means of bringing about the most expeditious settlement of all problems concerning the Colorado River and of agreeing upon a common policy and plan of procedure with reference to the pending legislation. After mature deliberation and after consideration of the existing situation, those present unanimously agreed that the best interests of all the seven States, and particularly of the upper-basin States, would best be subserved if an equitable apportionment of the use of the waters of the river precedes authorization or construction of works upon the lower river, and agreed to the following resolution:

"Whereas it is the conviction of the governors and interstate water commissioners and other representatives of the States of Colorado, New Mexico, Utah, and Wyoming, the four States of the upper basin of the Colorado River, that the interstate agreement embodied in form by the Colorado River compact as negotiated at Santa Fe, N. Mex., in November, 1922, should be completed and placed in full force and effect through approval and acceptance by the seven Colorado River States, in order that the way may be properly cleared for the orderly development of the Colorado River; and

"Whereas substantial progress has been made during the past few months toward the completion of the said compact, and negotiations are now being carried on in a competent manner looking to such completion: Therefore be it

"*Resolved*, That it is the firm belief of the representatives of the four said upper-basin States, as assembled at Denver, Colo., this 19th day of December, 1927, that no legislation proposing the construction of any project upon the Colorado River should be enacted by Congress or otherwise authorized by any Federal agency before the negotiations now in progress have been completed and every reasonable effort exhausted to reach such agreement between the seven States.

"W. H. Adams, Governor of Colorado; George H. Dern, Governor of Utah; Frank C. Emerson, Governor of Wyoming; Edward Sargent, Lieutenant Governor of New Mexico; Delph E. Carpenter, interstate river commissioner for Colorado; William L. Boatright, attorney general of Colorado; Francis C. Wilson, interstate river commissioner for New Mexico; L. Ward Bannister, counsel for the city of Denver; M. C. Mechem, representing New Mexico."

ANOTHER HETCH-HETCHY

Those of my colleagues who were in the Senate in 1913 will recall the Hetch-Hetchy bill—a bill which was enacted into law under the greatest pressure as an emergency measure for the relief of San Francisco from a serious water shortage. The representations as to the menace of a flood in the Imperial Valley which were heard in connection with this bill were mild as compared with the representations as to the need of San Francisco at that time for more water. The representation made in connection with this bill that Los Angeles will at some future time need more water, which it can only secure through the construction of this particular dam, is also tame as compared with the need under which San Francisco was supposed to be laboring at that time. You may recall the monster petitions containing 20,000 or more signatures which were thrust upon us. You will recall the special edition of a paper devoted exclusively to the exploiting of the needs of San Francisco for water which was circulated amongst us.

I quote from the speech of Senator Myers, who had that bill in charge (CONGRESSIONAL RECORD, December 1, 1913, vol. 51, pt. 1, p. 6):

This bill presents to Congress a question of most momentous importance, a question of the sustenance of human life, a question of the necessities of human life, a question of three-quarters of a million people having an adequate water supply for the absolute necessities of life, for sanitary purposes, for municipal purposes, and for consumption by individuals of the communities which are interested. I think it is one of the most important questions that has been presented before this body since I have been here, one that pertains to the conservation of the very life of a large number of citizens of this country and of the people of a very large and important section of the country.

Senator Myers further stated, page 8, same CONGRESSIONAL RECORD:

I believe that there is no difference of opinion that the supply of water there [referring to San Francisco] must be increased from some source and in some way. The reports are to the effect that there is actual suffering and dire distress in that respect.

Other representations were to the same effect—that life itself was in danger because of this need and further that the need could only be met by the passage of that particular Hetch-Hetchy bill providing for the construction of a great dam in the Hetch-Hetchy Valley in the Yosemite; and, Mr. President, I believed every word that was said.

There were those of us in the Senate at that time who questioned whether it was actually necessary for the city of San Francisco to go to the Hetch-Hetchy Valley for its water supply, and some of us were bold enough to suggest that, after all, the primary thing which was involved in that development was power. Indeed, the Senator from Nebraska [Mr. NORRIS] expressed himself as being particularly interested in it from the power standpoint. Yet the proponents for the bill for the most part carefully avoided the discussion of the fact that it was power which the promoters were after. The stress was laid upon the need for water. Now, although it was pointed out that there were other sources from which San Francisco could obtain its water supply much more easily and cheaply, and although it was pointed out that the building a great dam would delay the securing of the water supply, yet the Senate passed that bill, and I have not the slightest doubt that the majority of those who voted for the bill were sincerely of the opinion that the great necessity for it lay in the need of San Francisco for more water. Fifteen years have passed since that time and the dam at Hetch-Hetchy has been completed, but San Francisco is securing its water supply elsewhere and is said now to have an ample supply for more than twice its present population. The water from Hetch-Hetchy has not been brought within 100 miles of San Francisco. So, looking back 15 years, I am sure I will be pardoned if I am not greatly impressed by the representation that the primary purpose of this great dam at Boulder Canyon is the furnishing of flood protection to the Imperial Valley and of a water supply to Los Angeles. I see sticking out of this bill at every point not flood control, not water, but power, the same commodity which so attracted the promoters of the Hetch-Hetchy project.

The parallel between the Hetch-Hetchy situation and the present one is, indeed, very close. There Congress was asked and did include within its bill a provision for taking control over the waters of a stream within a State. A great deal of the debate at that time was devoted to the question of the right of Congress to assert such control and sovereignty over the waters within a State. Much of what was said about State rights in that debate is clearly applicable to the question here presented on that point.

Furthermore, the fact that a great dam is to be built which it will take years to build and which is principally designed as

a power dam is another close parallel between this and Hetch-Hetchy. If there was any emergency about flood control for the Imperial Valley, they certainly would not be seeking to obtain flood control through this means. They would take the most direct, feasible, and surest means of obtaining that flood control, which would be either through levees or the building of a much simpler dam.

Many other points of similarity between the Hetch-Hetchy development and this proposal may be pointed out. There was the same enthusiastic representation by proponents that Congress would be conferring a boon of cheap power upon the people of San Francisco—that the opportunity was there offered to show and demonstrate the cheapness of water power and to revolutionize the lives of the people of San Francisco by furnishing them this cheap power. And although the power has been developed and is a part of the supply furnished to those cities, it seems to be no cheaper power than that from other sources, nor do the people of San Francisco enjoy any advantages by reason of this power development over those enjoyed elsewhere.

It is well, too, to recall that the original estimate of cost for the Hetch-Hetchy project was $45,000,000. On March 1, 1916, the engineer's estimate was $51,607,900. The project is not yet more than half completed. There had been expended to 1925 a total sum of $54,470,816, and the estimated cost to complete at that time was $149,000,000 in addition to what had already been spent.

Is it not interesting to compare some of these promises which are made to us when legislation is pending with the results which are obtained?

ALTERNATE DAM SITE AT TOPOCK—MOHAVE CANYON

One of the alternate dam sites which has received much discussion and but little investigation in connection with this Weymouth Boulder Dam plan is the site in Mohave Canyon near Topock, Ariz., and referred to both as the Mohave Canyon and Topock site. This is the site recommended for first development by the engineers of the Federal Power Commission and of the Geological Survey.

We find that it was favorably mentioned in the report of the board of these engineers which was sent to the Congress with the Weymouth report. I read from paragraph 5 of that report, which appears on page 822, hearings on H. R. 2903, Sixty-eighth Congress, first session:

5. If a storage reservoir were to be built without regard to its power possibilities but for the sole purposes of flood protection and irrigation regulation—in other words, to meet the most pressing needs of the lower Colorado—the Mohave site would possess the advantages of being closer to the great body of land affected than any other and of allowing the development and operation of the upstream sites in the canyon section to be carried on for power only, except as their water supply may be affected by irrigation above. The Mohave site has not yet been tested and may be found infeasible.

* * * * * * *

A reservoir at Mohave of 10,000,000 acre-feet capacity with a dam 160 feet high and operated so as to reserve 4,000,000 acre-feet for flood protection and irrigation, as suggested in Colonel Kelly's report, would, in his opinion, produce about 150,000 horsepower, which might carry all or part of the project. While such a reservoir would drown out some 40,000 acres of land that might be irrigated in the future, practically none of this land is under cultivation at present, and it is possible that there are more than enough irrigable lands below the reservoir site to use up all the water that may ultimately be reliably counted on to be steadily available.

The Topock Dam site was suggested by Mr. La Rue after the Weymouth Boulder Dam plan was practically completed and, according to Mr. La Rue's testimony, given before the Senate committee on Senate Resolution 320, his suggestion was unwelcome to the Reclamation Service. From Mr. La Rue's testimony it appears that the Reclamation Service considered it as a rival dam site which would militate against the adoption of the Boulder Dam plan; that they were wedded to the Boulder Dam plan and did not care to have their recommendations upset by a newly discovered site. In any event, Mr. J. L. Savage, engineer of the Reclamation Service, was sent to the Topock site and made a two-day examination of it, after which he submitted his report. His report was neither entirely favorable nor unfavorable. He did recommend that the site should be further investigated. I quote from his report, which appears on page 560, hearings Senate Resolution 320, Sixty-eighth Congress, second session:

The lower dam site No. 2, as selected by Mr. La Rue, is located about 2 miles below Topock. The river at this site cuts through a granite dike very similar to the granite in Boulder Canyon. There seems to be an excellent abutment on both sides of the river, and probably not over 10 feet of the surface rock would have to be removed in excavation for the dam. * * *

Considerable quantities of sand and gravel suitable for concrete are available close to the dam site, and the granite would provide excellent material for crushed rock. The proximity to the railroad, combined with the favorable geological condition, make this site attractive, and I believe that careful consideration should be given to further investigation, including detailed surveys and diamond drilling.

Apparently the recommendation made by Mr. Savage that careful consideration should be given to further investigations did not meet with the approval of the other engineers of the Reclamation Service, because that further investigation has never been made.

The favorite method of disposing of the Topock Dam site is to say that it would be too costly because of the flowage damages. Great emphasis is laid upon the fact that the town of Needles, Calif., would have to be moved. Yet Needles is a town, little, if any, larger than the town of American Falls in Idaho, and the Reclamation Service has recently moved the town of American Falls because of the construction of another reservoir and apparently did not find that cost too burdensome for even the $5,000,000 reservoir which was built at that point.

There is a great discrepancy between the contentions of Mr. LaRue and Mr. Weymouth and others favoring the Weymouth plan as to the cost of relocating the Santa Fe Railroad tracks. Mr. La Rue thinks that the Santa Fe would welcome the relocation because it would substitute a much more favorable grade for their present unfavorable grade, and because it would remove them from the flood menace of the Colorado which they are constantly forced to fight in their present location. The Reclamation Service estimates a total flowage damage of $8,500,000 at Topock, while Mr. La Rue estimates that the cost would be under $3,000,000. (See p. 561, hearing, Senate Resolution 320.)

Mr. La Rue says that the Santa Fe Railroad could shorten its tracks in the event of the erection of the Topock Dam, whereas the Reclamation Service claims that it would be necessary to lengthen the track some 3 or 4 miles and in their estimates they have included capitalization of the increased investment and the additional operating cost of the railroad.

It is also claimed by the Reclamation Service that a large amount of potentially valuable irrigable land would be submerged and destroyed by this Topock Reservoir. Upon this point I refer you to pages 30 and 31 of Water Supply Paper 556, Department of the Interior, wherein it is pointed out that the land which would be submerged is practically swamp land which has been tried and abandoned by irrigationists heretofore and which could be made available for irrigation only at the expense of levee construction and maintenance.

It is certain that the estimates of the Reclamation Service are not too low. They have apparently overlooked nothing in their attempt to discredit the Topock site. It may be true that Mr. La Rue in his zeal on behalf of this site has underestimated the cost. At least we need an investigation of this site to ascertain which is right. It can not be summarily dismissed without an investigation in view of its obvious advantages for the primary purposes.

What are these advantages? The most striking and obvious advantage is that a dam at Topock would be from ten to twelve times as efficient in storage capacity. That is because of the better storage basin afforded at this site. For a given height of dam, as compared with Boulder, the water stored would be from ten to twelve times the quantity at Topock for the same height of dam as at Boulder. I refer you to page 20 of the Leatherwood minority report on this bill, where this subject is discussed and a table set forth. Another very obvious advantage which strongly appeals to my mind is the fact that the Topock site is located practically on the Santa Fe Railroad, and instead of having to build 35 to 48 miles of new branch railroad to reach the dam site, at a cost estimated at approximately $2,000,000 (which is undoubtedly the minimum), the railroad is already there at the Topock site—and not a branch railroad, but a main transcontinental line, which would save great sums in switching and charges for use of equipment, to say nothing of the other increased freight charges.

Another advantage of the Topock site is the fact that the loss of water due to evaporation would be largely avoided, because the present evaporation and transpiration in the Mohave Valley and swamp lands is practically as great as would be the evaporation from the surface of a reservoir created there. (See Water-Supply Paper 556, p. 31.)

For a summary of the advantages of the Mohave Canyon reservoir site, I refer you to pages 37 and 38, Water Supply Paper 556, Department of the Interior, reading as follows:

A storage capacity of 10,000,000 acre-feet may be created at the Mohave Canyon reservoir site by building a dam to raise the water 155 feet. The depth to bedrock is unknown, but it seems reasonable to esti-

mate the height of the dam above its foundation at 240 feet. This may be compared with 523 feet for a dam at Black Canyon to provide the same storage capacity. The Mohave Canyon dam site is easily accessible, being only 2½ miles from the railroad; the walls are low, and the conditions are favorable for carrying on the work of construction; and the volume of the dam would be relatively small. All these features lead the writer to believe that the dam could be built in three years. The work of relocating the railroad and the town of Needles could be carried on simultaneously with the construction of the dam and might easily be completed within the same time.

The Mohave Canyon reservoir site is low on the river, near the lands that are menaced by the floods, and would therefore be more effective in eliminating the flood menace than a flood-control dam at either Boulder Canyon or Glen Canyon.

The favorable features of this site may be summarized as follows:

1. It would provide more effective flood control than any other known reservoir site on the river.

2. The project may be constructed in less time and probably at less cost than any other project that would provide the same amount of storage capacity for flood control.

3. It is the only site where adequate storage capacity may be provided for flood control and at the same time a maximum use of the water for irrigation and for the development of power may be permitted.

4. It is the only site on the river where sufficient storage capacity may be provided to protect the interests on the lower river from floods due either to natural causes or to the failure of a series of dams constructed in and above the Grand Canyon and at the same time permit maximum power development.

5. It is more accessible than any other known flood-control site on the river.

6. If deemed advisable, the site could be developed to serve four purposes—flood control, the storage of water for irrigation, the development of power, and the storage of silt.

7. The net additional loss of water due to evaporation would be materially less here than at any other known storage site on the river.

8. Materials suitable for the construction of the dam are available at the site.

9. For a given height of dam the storage capacity of the Mohave Canyon site is ten times greater than the storage capacity at either Boulder Canyon or Glen Canyon.

10. Under full irrigation development no water should be permitted to pass the storage dam except as needed to meet the demand for water for irrigation. With a storage capacity of 22,000,000 acre-feet provided at Mohave Canyon, the excess flow during wet years can be stored and released to meet the demands for water during years of low run-off.

The unfavorable features of the Mohave Canyon site are these:

1. Stored water released at Mohave Canyon would have a minimum value for the development of power.

2. Storage at Mohave Canyon would not lessen the cost of dams subsequently built farther up the river.

Now, if we are actually interested in providing flood control for the Imperial Valley and water storage for irrigation and domestic purposes, and if we are not actually interested in creating a huge power development, I submit that at least we should have an honest and thorough report upon the desirability of this Mohave Canyon or Topock site. If any gentleman can give me a good reason why this site should not be investigated, I would be glad to hear it.

FURTHER INVESTIGATIONS WILL PREVENT DELAY

It is argued by the proponents that this measure must be passed at this time without further investigation; that there has already been too much time spent in investigation; that this bill has been before Congress for six years; and that the expenditure of time in further investigation would be not only wasteful but would mean the delay of relief which is urgently needed. It is even suggested that the purpose of asking for a further investigation is to cause delay, and not to sincerely seek further information. Let us see about this argument.

In the first place, the answer to the argument is that the investigation which has been carried on during the past six years has been largely confined to this particular plan and has not been devoted to the real problem which is the best method of providing the real needs in which the Government is interested. I charge that the record of the hearings will demonstrate that the proponents of this bill themselves have persistently opposed the investigation of alternative plans and have insisted that only this project should be considered. I have called your attention to the fact that the Topock Dam site, an investigation of which was recommended by one of their own engineers, has never been investigated, although the recommendation that it should be investigated was made three years ago and its obvious advantages over the Boulder Canyon Dam site have been repeatedly pointed out. The primary reason why this alternate dam site has not been investigated is that the Reclamation Service and the proponents of this bill have themselves opposed and prevented that investigation. I have also called your attention to the fact that Mr. La Rue says that he was forced out of the Government service because he criticized the Boulder Canyon plan and insisted on further investigations. I call your attention to the fact that Mr. Stabler, in his report on the problem of Colorado River development, made after the Boulder Dam plan, which is before us, was submitted, stated (p. 844, Hearings on H. R. 2903, 68th Cong., 1st sess.) that—

> The need for more facts is the rather astounding conclusion one must reach from study of the data at hand. While hundreds of thousands of dollars have been expended on intensive investigation at Boulder and Black Canyons, the various dam sites between Boulder and Diamond Creek are untested, as is also the site at Mohave Canyon. Drilling at these sites and sufficient investigation and study to permit estimates of comparable accuracy to be made for each are necessary before a satisfactory conclusion can be reached.

I further called your attention to the fact that the Army engineers have been prevented by law from expending any of the river and harbor appropriation in investigation of the Colorado. Is this a record of painstaking investigation? On the contrary, it is the very negation of investigation. What the proponents of this bill mean when they tell us that the project has been under investigation all of these years is that it has been under promotion and protection from attack all of these years. Read the cross-examination of any man before the committee who dared to oppose it and judge for yourselves if an attempt has been made to investigate the primary problem. You will find that in each instance the attempt has been confined not to eliciting the information but an attack upon the witness in an endeavor to show undue bias and prejudice on his part against this project.

In the second place, upon the question of delay which might be caused by further investigation, I ask the proponents what they are going to achieve by this bill but delay? Pass this bill to-day and you will not afford flood protection under the plan herein provided within 10 years. Why? Because the enactment of this bill is simply the first chapter in a prolonged struggle between the States. The next chapter will be a fight in the courts. Judging from past records of such fights, it will take not months but years to settle the controversy by this method. And during the progress of the lawsuit Colorado River development will be at a perfect standstill.

Further than this, the delay which is involved in the construction problems presented by this Boulder Dam plan is bound to be very much greater than the delay involved in any other plan for the control of the Colorado River. In other words, this very proposal, even if the construction could be started this year, would delay the flood relief which is represented as being urgently needed—and it is the only thing which is urgently needed.

In addition to these delays, I call your attention to the fact that this bill is predicated upon a six-State Colorado River compact and that there is no such compact in existence, and it will be necessary to secure the approval of the State of Utah before any such compact can be consummated. The fact that the six-State compact was rejected by unanimous vote of the State Legislature of Utah does not promise any very prompt ratification in that State.

Before this project is adopted and we start out upon a course of litigation resulting from interstate quarrels, is it not the part of wisdom to make a further attempt to secure agreement upon a plan?

What is there to investigate? Allow me to enumerate some of the questions upon which the need for further investigation clearly appears:

1. Is it wise or practicable to combine a flood-control project with a power project?

2. Is it necessary to provide 26,000,000 acre-feet of storage in order to accomplish the objects in which the Federal Government is interested?

3. Are there other dam sites which offer better opportunity for flood control and irrigation storage—better from both the standpoint of cost and efficient storage capacity?

4. Is it better to attempt to provide flood control through levees and channel dredging on the lower Colorado River delta or through the construction of storage reservoirs?

5. Is it practicable to solve the silt problem on the Colorado River by the construction of storage dams from 100 to 300 miles above the point where the silt control is required?

6. How long will it be before the silt storage provided by Boulder Canyon Reservoir is effective?

7. Is it practicable and is it safe to build at the Black or Boulder Canyon dam sites a dam of the proposed dimensions without first having provided river regulation above it?

8. Where is the best place to begin the construction of dams on the Colorado—at the top or the bottom of the canyon section?

9. Does the Federal Government have the right or authority to construct a storage dam on the Colorado River over the protest of any of the States in the basin?

10. Should a large storage reservoir be constructed in advance of a treaty with Mexico covering water rights?

11. Can power be produced on the Colorado River at Boulder Dam or elsewhere at a cost which will permit of its sale in the available market in competition with other power?

12. Is there a real demand for an additional supply of power in southern California?

13. To what extent can the cost of this particular project be reimbursed through the sale of power?

14. Is there a need for further irrigation in California, or will there be such need within the next 20 years?

15. Should we adopt the policy that the Government may go into a business enterprise solely in order to return the cost of a Government undertaking? If so, what should be the relation in total expenditure between the business enterprise and the governmental aims?

It seems to me that all of these questions must be answered before we can intelligently pass upon this measure, and the passage of the measure without answering them will simply result in greater confusion and more delay.

There are two other subjects often discussed in connection with this bill which should receive consideration—a domestic water supply for Los Angeles and the all-American canal. I do not undertake, however, to discuss them here further than to point out that neither the all-American canal nor the Los Angeles water supply is dependent upon this project. The supply of water for an all-American canal will be diverted from the river 300 miles below this dam site, and the supply of water for Los Angeles will be diverted, if at all, 200 miles below. Any dam which stores sufficient water for flood-control purposes will regulate the low-water flow of the river sufficiently to supply these needs for the reasons I have before pointed out. I therefore do not find it necessary to discuss the merits of the represented needs for these two diversion projects, which are tied to this project as additional reasons for its construction but are without any necessary connection therewith.

For a discussion of the merits of these two proposals, including the question of the necessity of "cheap power" from Boulder Dam to pump the Los Angeles water supply, I direct your attention to the minority reports of Congressman LEATHERWOOD (pp. 23–26 and 39–44) and Congressman DOUGLAS of Arizona (pp. 7–8) on this bill.

SUMMARY AND ALTERNATE PROPOSAL

I have now presented to you the evidence which, to my mind, conclusively establishes the following propositions:

First. The problem before us is that of determining the first step which should be taken for the development of the lower Colorado River, with particular reference to those objects in which we have an interest as Federal legislators.

Second. These Federal objectives in order of their importance are: (1) Flood control for the Imperial Valley in California and other smaller areas; (2) storage of water for domestic and irrigation uses.

Third. It is possible to provide flood control through channel dredging and levee construction or through the construction of a dam which will create a storage reservoir of a capacity of not less than 4,000,000 and not more than 8,000,000 acre-feet. We have insufficient information at this time to determine which of these methods of flood control would be the better from the engineering and economic standpoints.

Fourth. The construction of a storage reservoir for flood control has the advantage of providing the river regulation required for further irrigation and domestic water coincidentally with the flood control; that is, the same storage which provides flood control also provides for irrigation and domestic-water needs without additional storage capacity. At the same time the need of water for further irrigation and domestic uses is not so pressing as the need for flood control.

Fifth. Before storage is provided on the lower river there must be a compact between the seven Colorado River States if we are to avoid expensive and dilatory litigation, and avoid the danger of turning the Colorado River control over to the Federal Government as against the interested States. There should also be a treaty with Mexico before storage which increases the low-water flow of the river is provided.

Sixth. The bill before us presents us with a single plan of river development which is wrong in its conception because it fixes the future development at this time upon a basis which will prevent the economical, orderly and logical development of this great resource.

Seventh. Congress is here asked to authorize and fix the site for the first dam upon the Colorado at a point where only a dam of inordinate size and height can be constructed because the required storage can not be provided at this site except by such a dam. Whether the dam is 300, 350, or 550 feet above the water level, the same major constructional difficulties, risks, delay, and expense are involved. The same is true as to any site in either Black or Boulder Canyon.

Eighth. That the engineering plan upon which we are asked to proceed with the construction of this dam is so obviously highly experimental, positively dangerous in trial and impossible of successful accomplishment, that it is unthinkable that Congress should authorize an attempt at its consummation; that to do so in the face of the warnings before us from the ablest engineers in the country would constitute a gross neglect of the plainest mandate of common sense and prudence.

Ninth. That the only semblance of justification which can be offered for this dam and this plan of river development is the creation of the greatest single hydroelectric power project in history, for which there is not only no need but actually no economic demand, and would therefore constitute a continuing drain upon the Federal Treasury. It follows that the inclusion of power in this project instead of making it self-supporting and financially sound only adds to the delay and jeopardizes the primary objects of flood control and storage for other purposes.

Tenth. That the economic arguments as to the attractiveness of this project from the standpoint of power are based upon assumptions just as unsound and impossible of realization as are the engineering plans.

Eleventh. That the uncertainty as to the time required for construction of Boulder Dam, the uncertainty of time required for preliminary litigation which will follow enactment of this measure, the uncertainty as to the cost, the provision in the bill for periodic readjustment of the sale price of the power to meet competitive conditions absolutely negative the oft-repeated representation that this project can be carried through without risk of loss to the Government.

Twelfth. That we are presented with another plan of river development for the lower Colorado which has the support of two Government bureaus and the weight of engineering authority, and is further supported by the most complete study of the problem which has been made, which was completed in 1925, a year after the plan before us in this bill, and which report is published in printed form by the Government, supported by dozens of photographs, survey maps, drawings, and designs.

Thirteenth. That this alternate plan of development informs us of the possibility of constructing a storage reservoir at a point where a dam which does not necessitate the departure from standard engineering practice will hold back from ten to twelve times the amount of water which would be stored by a dam of the same height at the site proposed in this bill; that this dam is 120 miles nearer to the lands to be protected, provides ample storage capacity for all purposes except power development, and can be constructed at a fraction of the cost of Boulder Dam; that this dam as the first unit of a comprehensive and orderly development of the Colorado River will not interfere with the construction of other dams as conditions justify their construction for power purposes in the great canyon system of the river; that this dam should be constructed in all events for regulation of the river below the canyon section and as a safety measure against the failure of dams higher up the river.

We are confronted with only one problem which has any aspect of real urgency, and that is the flood menace to Imperial Valley in California. It is not a flood menace in the common acceptation of that term. It is not a menace to lives. It is a danger that the Colorado River may break the dikes which confine it to its present course some 70 miles from the Imperial Valley; that having broken the dikes it may dig itself a new channel from the present one to the Salton Sea, the "sink" in the bottom of Imperial Valley, and over a period of years, unless it is rediverted, gradually raise the level of water in that "sink" until it would drown out the farm land in the valley. While this is an unusual kind of flood menace, and while the property involved is valued only at about $100,000,000, it is nevertheless a menace to which we should be attentive in the consideration of similar problems.

Now, we are presented in this bill with a possible, partially delayed solution for this menace, which solution at the best would not be effective for 7 or 8 years, and which probably would not be effective for 10 to 15 years. Flood control is only an incident in the project authorized by this bill; it is subordinated, and badly subordinated, to the real object of the bill which is power development.

We are, nevertheless, confronted with the question of what we should do to meet the problem of Colorado River development, particularly with reference to flood control and ultimately and more remotely with reference to storage for irrigation and domestic uses of its waters, and finally, with reference to safeguarding and protecting the potentiality for power development.

What shall we do? I am convinced that this bill offers no solution whatever for the problem before us. Since it is based upon an impossible engineering scheme of dam construction and upon an erroneous plan of river development I am unable to see how the bill can be amended to meet the situation.

I am nevertheless not content simply with proposing that this bill should not pass—not content that we should simply reject this plan. I should prefer that we provide a substitute for this bill which will provide the benefits which it is supposed to provide and yet avoids.

The amendment which I propose is designed to provide that which the proponents of this bill profess to be concerned about, namely, flood control, in the quickest and most effective manner possible. It avoids the delay, the risks, the uncertainty, the impossible features of the present proposal. It leaves the more difficult problem of a general plan of development of the river for future determination when we have more complete facts before us, and it avoids the great positive mistake of this measure which fixes the development of the river according to a plan which is obviously inadvisable and would be a source of constant regret in the years to come.

Finally, I propose the solution of the immediate problem by a method which protects the future, meets the present needs economically and wisely, and avoids the terrific risks and inordinate delay of the present measure.

In conclusion, I can not too strongly impress upon you the importance of avoiding, in such action as you may take, the risk of a mistake which would invite the most disastrous and lamentable consequences. Setting aside, for the moment, consideration of the huge expenditure of money, the certainty of economic failure, the improbability of successful execution of the engineering plan proposed, the losses of life and property which might be entailed, the lack of necessity for such a structure as proposed in the text of the bill—disregarding these matters, I appeal to you to consider this whole subject in the light of our responsibility to the Nation as a whole.

We can not, must not, deal politically with this great problem of the Colorado, nor can we deal with it dramatically, or from a viewpoint of prejudice, no matter what sort. Neither should we permit ourselves to be hypnotized by the tongue of eloquence, influenced by the insidiousness or the blatancy of propaganda, or lured by an artist's picture.

To proceed without regard to the precedent we are setting upon the vexed question of the rights of the States and without regard to the effect upon a fundamental theory of Government would indeed be serious. But all must agree that to proceed without the considered advice of the best engineering and economic authorities crystallized into a comprehensive plan of development would be to put at risk not only all the purposes sought by the bill but also much of the great treasure which this river holds for posterity.

I respect the opinions of the sponsors of this bill and I admire their zeal; but they are not engineers, they are not economists, and they have not produced a plan which accords with the controlling physical conditions which exist upon this river.

I shall be content, as I believe you will be, in view of the enormous importance and involved consequences of this matter, to take the only constructive and statesmanlike course open to us, namely, to submit the problem to the study of an able and disinterested board of engineers and, at the same time, to make the promptest possible provision for flood protection to the Imperial Valley.

Mr. President, I send to the desk a proposed amendment, in the nature of a substitute, and ask that it be printed in the RECORD.

Mr. SMOOT's amendment, in the nature of a substitute, intended to be proposed by him to the bill (S. 728) to provide for the construction of works for the development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes, was ordered to be printed, and to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the President of the United States is hereby authorized to appoint a board composed of five members, four of whom shall be engineers of high standing and national reputation in their profession, two from the Corps of Engineers, United States Army, and two from civil practice, and the chairman of said board shall be a business executive. None of the members of said board shall be a resident of either of the States of Wyoming, Colorado, Utah, New Mexico, Nevada, Arizona, or California. The said board shall examine into and investigate the Colorado River for the purpose of making recommendations to the President as to the most feasible method and the cost of obtaining flood control of the waters thereof and as to a comprehensive plan of development and utilization of the water resources of said river.

SEC. 2. That the Secretary of War is hereby authorized to construct on the Colorado River flood-control structures, recommended by and located at a site or sites to be selected by the above-mentioned board.

SEC. 3. That for the purpose of erecting such flood-control structures on the Colorado River and of defraying salaries and expenses of said board as fixed by the President, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $20,000,000, or as much thereof as required to carry out the provisions of this act.

SEC. 4. That in case the recommendations for flood control include the construction of any dam or dams the construction of said dam or dams shall not be commenced until the Colorado River compact signed at Santa Fe, N. Mex., November 24, 1922, shall have been ratified by the States of Wyoming, Colorado, Utah, New Mexico, Nevada, Arizona, and California and have been approved by the Congress of the United States; or until all of said States shall have agreed by compact approved by the Congress of the United States that no title to waters which may be stored by such flood-control dam or dams shall be acquired in excess of present perfected rights.

Mr. PHIPPS obtained the floor.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
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| Ashurst | Edwards | La Follette | Shortridge |
| Black | Fletcher | Locher | Simmons |
| Blaine | Frazier | McKellar | Smoot |
| Blease | George | McNary | Steiwer |
| Borah | Gerry | Mayfield | Stephens |
| Brookhart | Glass | Moses | Swanson |
| Broussard | Gooding | Norbeck | Tydings |
| Bruce | Harris | Norris | Tyson |
| Capper | Hayden | Oddie | Vandenberg |
| Caraway | Howell | Overman | Wagner |
| Copeland | Johnson | Phipps | Walsh, Mass. |
| Couzens | Jones | Pittman | Walsh, Mont. |
| Curtis | Kendrick | Reed, Pa. | Warren |
| Dale | Keyes | Schall | Waterman |
| Dill | King | Sheppard | |

Mr. JONES. I was requested to announce that the Senator from Oklahoma [Mr. PINE], the Senator from Rhode Island [Mr. METCALF], and the Senator from West Virginia [Mr. GOFF] are detained in committee.

Mr. GERRY. I wish to announce that the senior Senator from Mississippi [Mr. HARRISON] and the junior Senator from Oklahoma [Mr. THOMAS] are necessarily detained from the Senate as members of the committee appointed to attend the funeral of the late Representative Madden.

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present.

[Mr. PHIPPS addressed the Senate. After having spoken for a few minutes, he was interrupted by the message from the House of Representatives which follows. His speech is published entire in RECORD of May 2.]

DEATH OF REPRESENTATIVE SWEET, OF NEW YORK

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, communicated to the Senate the intelligence of the death of Hon. THADDEUS C. SWEET, a Representative from the State of New York, and transmitted the resolutions (H. Res. 182) of the House thereon.

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolutions (H. Res. 182), as follows:

IN THE HOUSE OF REPRESENTATIVES,
*May 1, 1928.*

*Resolved*, That the House has heard with profound sorrow of the death of Hon. THADDEUS C. SWEET, a Representative from the State of New York.

*Resolved*, That a committee of 25 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect this House do now adjourn.

Mr. COPELAND. Mr. President, as the Senate has just heard, it is the sad duty of the Senators from the State of New York to announce the death of Hon. THADDEUS C. SWEET, Congressman from the thirty-second district of our State. He was killed in an airplane accident a few hours ago.

Mr. SWEET was not of our party, but he was our friend; and both Senator WAGNER and I were friends of his. We feel great grief at the untimely death of this fine man.

Mr. SWEET was a member of the assembly of our State for a great many years. He was speaker of the assembly for a period of six years immediately preceding his election to the Congress.

I send to the desk resolutions with regard to the death of this broad-minded, cosmic-minded, far-seeing statesman. His death brings a real loss to the Nation.

The PRESIDING OFFICER. The resolutions will be read.

The resolutions (S. Res. 218) were read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. THADDEUS C. SWEET, late a Representative from the State of New York.

*Resolved*, That a committee of 10 Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Presiding Officer appointed as the committee on the part of the Senate the senior Senator from New York, Mr. COPELAND; the junior Senator from New York, Mr. WAGNER; the senior Senator from Kansas, Mr. CURTIS; the senior Senator from Arkansas, Mr. ROBINSON; the junior Senator from Connecticut, Mr. BINGHAM; the Senator from Pennsylvania, Mr. REED; the senior Senator from Maine, Mr. HALE; the junior Senator from Massachusetts, Mr. WALSH; the senior Senator from Virginia, Mr. SWANSON; and the junior Senator from New Jersey, Mr. EDWARDS.

Mr. COPELAND. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

ADJOURNMENT

The motion was unanimously agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, May 2, 1928, at 12 o'clock meridian.

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## HOUSE OF REPRESENTATIVES

### TUESDAY, *May 1, 1928*

The House met at 12 o'clock noon.

The Rev. C. Howard Lambdin, of the Anacostia Methodist Episcopal Church, offered the following prayer:

O Thou, who art the eternal and the everlasting, as we lift our minds to meet the challenging duties of this day we pray for guidance into that wisdom that is greater than our own.

We remember in this moment of our meditation the life and service of one of the honored Members of this body who has been called from our midst. May Thy blessing be with his family, and all others who share intimately in this loss. And continue to raise up in our land such public officers who shall give of their life and loyalty to the security of our Government.

Bless Thou the Nation and all men in places of authority, and sanctify our service this day to the common good, we pray, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the following titles were taken from the Speaker's table and, under the rule, referred to the appropriate committees, as follows:

S. 433. An act for the relief of Harry C. Bradley; to the Committee on Claims.

S. J. Res. 135. Joint resolution making an emergency appropriation for flood protection on White River, Ark.; to the Committee on Flood Control.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 8132. An act authorizing the appropriation of $2,500 for the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding of the Indian peace council, at which treaties were made with the Plains Indians in October, 1867;

H. R. 13331. An act to authorize the President to present the distinguished flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph Le Brix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl;

H. J. Res. 192. House joint resolution to provide for the coinage of a medal in commemoration of the achievements of Col. Charles A. Lindbergh; and

H. J. Res. 239. House joint resolution authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 4046. An act authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.; and

S. 4180. An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 8132. An act authorizing the appropriation of $2,500 for the erection of a tablet or marker at Medicine Lodge, Kans., to commemorate the holding of the Indian peace council, at which treaties were made with the Plains Indians in October, 1867;

H. R. 13331. An act to authorize the President to present the distinguished flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph Le Brix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl;

H. J. Res. 192. House joint resolution to provide for the coinage of a medal in commemoration of the achievement of Col. Charles A. Lindbergh; and

H. J. Res. 239. House joint resolution authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg.

ADDRESS OF HON. R. WALTON MOORE, OF VIRGINIA

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered on Saturday last at Fredericksburg, Va., by Hon. R. WALTON MOORE, a Member of this House, on the subject of James Monroe.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLAND. Mr. Speaker, pursuant to leave this day granted, I extend my remarks by printing in the RECORD the admirable address delivered in Fredericksburg, Va., on Saturday, April 28, 1928, by my colleague, R. WALTON MOORE, on the occasion of the dedication as a national shrine of the law office in that city in which James Monroe, subsequently President of the United States, began the practice of law. The address deals with the life of Monroe and is a valuable contribution to the history of that period.

Mr. R. WALTON MOORE said:

HON. JAMES MONROE

Before he came to Fredericksburg and occupied the law office which to-day, on the one hundred and seventieth anniversary of his birth, through the generosity of his descendants, is being dedicated as a patriotic shrine, Monroe was very familiar with this town. It was the nearest town to his father's plantation in Westmoreland County, where he was born, a spot which should be enduringly marked, and to the plantation of his mother's family in King George. Those with whom he had business relations, some of his kinsmen, and many of his devoted friends were among its people.

One can not think of Fredericksburg, now in the springtime of new growth and progress, without reverting to the past, for the history of this locality and the region surrounding it is largely the history of what has been called the Athenian period of Virginia. Here are guarded the home and tomb of the mother of Washington and the home of his sister, and just across the Rappahannock River is the Ferry farm, where a part of Washington's childhood was spent. Here are cherished memories of John Paul Jones, who went from here as the pioneer and founder of the American Navy, the first to raise the flag of his country on a naval vessel, and memories of a long line of other unforgotten heroes.

Consider the constellation of shining names which are associated with this historic region. Within a maximum distance of 60 miles of Fredericksburg were the homes of more of the foremost men who won

independence for the Colonies, founded the Government, and, by their wisdom, insured its perpetuity, than in any similar area anywhere: Four Presidents—Washington, Jefferson, Madison, and Monroe—all of them great statesmen and one of them a great soldier; Patrick Henry and Richard Henry Lee, the most eloquent orators of the Revolution; George Mason, the author of the bill of rights, announcing the principles which form the basis of free institutions; John Marshall, who did not assist in framing the Constitution but by his decisions made it a living thing. These men long ago passed from the scene, but, even so, they are "the dead but sceptered sovereigns who still rule our spirits from their urns." These men lived in the same social and political environment, and, though differing from each other as one star differs from another star, it is easy to believe that each derived inspiration from the others in their common effort to achieve a higher and better destiny for their country than the nations up to that time had known.

Monroe was the youngest of the group, the junior of Mason by 33 years, of Washington and Henry by 26 and 22 years; 15 years the junior of Jefferson and the junior also of Madison and Marshall. It is some evidence of his extraordinary qualities that whether in cooperation or not with his remarkable contemporaries, whether in agreement or disagreement with them, always honest and deliberate in forming his opinions and courageous in maintaining them, he steadily held upon his course; and never, throughout his long life, lost the confidence and support of the public. Toward the end, when the shadows were beginning to fall about him, the approval of the public was manifested by his elevation to the Presidency. Of the 221 electoral votes, he received 183. At his second election he received all the votes except one. It is stated that this lone vote was based upon a sentimental objection to any candidate being permitted to share with Washington the honor of a unanimous election.

Here was Monroe's residence from the fall of 1786 to the late summer of 1789. Back of his advent here his career had been notable. Glance at the events with which he was connected in the little over a decade before he opened this office in his twenty-ninth year.

He was at William and Mary College when the students were called to arms and was quick to offer himself. He was appointed a lieutenant in the Seventh Company of the Third Virginia Regiment, the company commanded by Capt. William Washington, of Stafford County, and the regiment first commanded by Col. Hugh Mercer until he was promoted to the rank of brigadier general; and then by Col. George Weedon, Mercer and Weedon both citizens of Fredericksburg. The Virginia forces marched to the north, and Monroe had his baptism of fire in the engagement at Harlem Heights, in the city of New York, and then participated in the engagement at White Plains. Soon came the picturesque and daring affair at Trenton, where in the very front of the attack Monroe received a wound which would have caused his death but for timely surgical aid. Recovering, he was assigned to the staff of Lord Stirling, with the rank of major, and fought in the bloody battles of Brandywine, Germantown, and Monmouth, and experienced the privations and sufferings of the bitter winter at Valley Forge.

A good deal has been written about him as a soldier. A writer, referring to the capture of Trenton, speaks of him as "an 18-year-old boy who grew a great deal that morning." This comment recalls what Napoleon said when some one meeting him expressed surprise that the conqueror of Italy should be so youthful. He remarked that a man soon grows old on the battle field. General Washington wrote of Monroe, "He has in every instance maintained the reputation of a brave, active, and sensible officer." The English historian, Trevelyan, singling out for discussion two young officers, Alexander Hamilton and another to whom he alludes as "the junior officer in William Washington's company" says, "If, in the course of ages, both their memories were to perish, that of Lieutenant Monroe would in all likelihood be the last forgotten of the two, for he was the famous Monroe who in December, 1823, enunciated the policy which defeated the machinations of the Holy Alliance and deprived Spain of her American colonies." That reference is, of course, to the Monroe doctrine, the centennial anniversary of which was celebrated in 1924 all over this land and in others.

Washington was anxious to provide a suitable command for his fellow Virginian so as to retain him in the North, but was unable to do so, and Monroe returned to Virginia in 1780 and was appointed by Governor Jefferson a lieutenant colonel and sent to the Carolinas on a military mission. In 1782, when independence had been gained and there was important work for the best men in the field of government, Monroe was elected a member of the Virginia Legislature from King George County, and immediately appointed a member of the executive council, and he so impressed the legislature that the next year it elected him a delegate to the Continental Congress, where he continued to serve until just before settling in Fredericksburg. There is no opportunity now to review his record in the legislature and Congress, which gave him a very high standing in both bodies, but I may pause to mention that he was associated with Jefferson in consummating the transfer of the territory northwest of the Ohio River from the ownership of Virginia to the ownership of the United States, save for which there would have been no such Constitution and no such Republic as we now have. In the library at Washington there is preserved the original deed by which Jefferson, Monroe, and two other Virginia delegates in the Continental Congress conveyed for Virginia to the United States the territory now embracing five States and a portion of a sixth. Not elsewhere is there a conveyance of parallel interest and magnitude. To this day the deed is as legible as when Monroe signed it, attached his seal, and acknowledged it before a local official. Following that transaction, he and Jefferson were in close contact in preparing the ordinance of 1784 for the government of the Northwest Territory, on which was based the celebrated Ordnance of 1787.

Before his election to the legislature Monroe had studied law under George Wythe at Williamsburg and under Governor Jefferson at Richmond. Wythe was a man of wonderful ability and learning and a resolute advocate of liberal principles. He held the chair of law at William and Mary, provided for his occupancy at the suggestion of Jefferson, who delighted to call Wythe his "master and friend"; and except Sir William Blackstone, he was the first law professor on either side of the ocean. Some idea can be had of what Wythe taught his students from his own statement that it was his chief aim "to form such characters as may be fit to succeed those who have been ornamental and useful in the national councils of America." His aim was to train them to be statesmen. That Jefferson was a thoroughly learned and capable lawyer is well known, and it is equally well known that, having discerned what manner of man young Monroe was, he gave him his unreserved friendship. The ties which bound the two together never weakened, but became stronger as they moved through life.

When he opened his office Monroe, who was never in easy circumstances, because always compelled to neglect his private affairs, was anxious to enter upon a practice which would make reasonable provision for his needs. But we can believe that he did not find the outlook very encouraging. Virginia was almost wholly rural and sparsely peopled. According to such statistics as are available, the population of the State, including what is now West Virginia, was about 700,000. The population of Spotsylvania County, of which this town was a part, was about 5,000, and the total population of that county, King George, Stafford, and Orange was about 19,000. As late as 1830 the population of Fredericksburg was only 3,300. The era of varied and complicated business activity was far distant. There was certainly not much business which could have been productive of substantial remuneration for lawyers. Even in towns larger than any of the Virginia towns it was the common saying that lawyers might manage to live well, but almost always died poor. John Marshall, during his first year of practice in Richmond, which was the leading town of the State, received but four fees, and they were small.

Having mentioned Marshall, I may turn aside for a moment to suggest how closely connected were his career and that of Monroe up to the time of the Virginia Constitutional Convention of 1788. They went out together to the Revolution from William and Mary, Monroe a lieutenant of one company and Marshall lieutenant of another company, in the same regiment; together they shared the dangers and hardships and the glory of the northern campaign, and Marshall, for the same reasons which impelled Monroe, returned to Virginia before the end of the war. Marshall, like Monroe, studied law under Wythe. They served at the same time in the Virginia Legislature, where they were very intimate.

As was long ago observed, the law is a jealous mistress, who refuses her favor to all but her constant suitors. There can be no doubt that Monroe could have become a highly successful lawyer, but he was not to find time to apply himself to the practice of his profession in any continuous or fruitful manner. To use the words of Lord Bacon, he was, from first to last, "indentured to the public service." Such was his fate, and that it was his fate we can not help rejoicing.

There is little known or written of him as a lawyer. William Wirt, who was Attorney General in his Cabinet, and himself an eminent lawyer, ranking with Webster and Pinckney, and with Gen. Walter Jones, a kinsman of Monroe and one of the leaders of the bar of the Supreme Court, mentions Monroe as "a very laborious lawyer," but does not intimate what were his labors in Fredericksburg or while he rode the circuit in the adjoining counties according to the custom of the day. I have looked through his printed correspondence, and the manuscript letters to him of his uncle, and adviser, Judge Joseph Jones, of King George, whose distinction the Government has recognized in recent years by publishing a portion of his correspondence, and have discovered only fugitive references to Monroe's professional activities. His numerous letters to Jefferson and Madison dwell less upon his practice than on other matters. On October 12, 1786, he writes Jefferson from New York, where he had been at work in the Continental Congress, "I set out to-morrow for Virginia, with Mrs. Monroe, by land. My residence will be for the present in Fredericksburg. * * * I should be happy to keep clear of the bar, if possible, and at present I am wearied with the business which I have been engaged in here." In May, 1787, he writes Madison from Fredericksburg: "The scale of my observations is a narrow one and confined entirely within my room," and then he expresses his anxiety as to the result of the Constitutional Convention about to assemble in Philadelphia. In July of the same year, writing from Fredericksburg to Jefferson, he says, "Since I left New York I have been employed in the discharge of duties entirely new to me, oftentimes embarrassing, and of course highly interesting, but which have

sought the accomplishment of only a few objects. In October last I was admitted to the bar of the court of appeal and chancery and the April following of the general court. In the course of the winter I moved my family to this town, in which I have taken my residence with a view to my profession. These pursuits, though confined, have not been attended with the less difficulty. * * * My standing at the bar has been so short that I can not judge of it in that respect, though am inclined to believe it not an ineligible position for one of that profession. * * * Mrs. Monroe has added a daughter to our society, who, though noisy, contributes greatly to its amusement. * * * The county in which I reside have placed me in the legislature. I have been mortified, however, to accept this favor from them at the expense of Mr. Page. I suppose it might be serviceable to me in the line of my profession—my services have been abroad and the establishment others have gained at the bar in the meantime requires every effort of my power to repair the disadvantage it hath subjected me to." And then there is a discussion of the political situation. In April, 1788, he writes Jefferson from Richmond, where he was attending the legislature: "The real pleasure of my life, which consists in being at home with my family, has been interrupted by an attendance at the bar and service in the legislature since I left New York. Although neither of these employments has many allurements in it, yet I think the latter rather a more uncomfortable one than the former. Perhaps, however, I obtained a seat in it at a very unfortunate period both as to public affairs and my own temper of mind."

We can easily believe that most of those with whom he conferred in this office were not clients, but political friends and followers. We can not imagine that he was building up a very successful or lucrative practice, for he was constantly diverted toward public affairs. Consider that point for a moment. During the three years of his residence here he served a part of the time as a member of the legislature from Spotsylvania County. He served a part of the time as representative of the county in the Virginia convention, which ratified the Constitution; and to show the fairness of the man, although he had opposed ratification which General Washington favored and was most influential in securing, Monroe after the convention wrote in glowing terms of the man who had lead the armies of the Revolution. Here he engaged in a campaign for election to the first Congress. Monroe became a candidate in this district against Madison, the district being composed of the counties of Albemarle, Amherst, Fluvanna, Goochland, Spotsylvania, Orange, and Culpeper. He was defeated, but that his friendly relations with Madison were not interrupted appears from the letters which passed between them when the contest was over.

In 1789 he went from Fredericksburg to Albemarle more advanced as a public man than when he came here, but without having had any opportunity to forge to the front as a lawyer. In the very next year he was elected to the United States Senate, and thence onward he gave himself up to the service of the public. How continuously he served the public is suggested by an enumeration of the positions he held: United States Senator, member of the Virginia Legislature, and four times at intervals Governor of the State; the representative of this country in dealing with matters of extreme importance in France, Spain, and England; Secretary of State in the Madison administration, and for several months while the war with England was in progress, also Secretary of War, and for eight years President. Then going into retirement he received from the people of Virginia, who had already so lavishly honored him, one further mark of their confidence and affection. He was chosen president of the constitutional convention of 1829–30, composed of the most prominent men of the State, reaching at that time to the Ohio River. Madison and Marshall were members of the convention. Madison placed Monroe in nomination and Marshall and Madison escorted him to the chair. Thus the paths of Marshall and Monroe, which had diverged, again united.

Monroe, under the stress of financial troubles, was forced to abandon the home in Loudoun County where he had hoped to spend his last days. He moved to New York, where more than half a century before he had fearlessly fought for the cause of independence, and there he died in 1831.

At the outset I spoke of the Athenian period of Virginia, and in order that we may be reminded of the rich lessons taught by the services of Monroe and his leading contemporaries, let me quote, in conclusion, with an immaterial change, the words of Pericles, a great citizen of Athens, in one of the noblest orations of antiquity:

"The whole earth is a sepulcher of famous men and their glory is not graven only on the stones over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives. For you it now remains to rival what they have done, and knowing the secret of happiness to be freedom, and the secret of freedom to be a brave heart, squarely to face the difficulties of this day and the problems and perils of the days to come."

### CORRECTIONS IN THE RECORD

Mr. LAGUARDIA. Mr. Speaker, I rise to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. In respect to corrections in the RECORD which are purely stenographic or typographic errors, may they not be corrected by the Member submitting them to the Clerk at the reporters' desk;

The SPEAKER. The Chair thinks so.

Mr. LAGUARDIA. And it does not require unanimous consent.

The SPEAKER. The Chair thinks that such corrections that are merely typographic may be made without unanimous consent.

### CHAMP CLARK MEMORIAL BRIDGE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON. Mr. Speaker, on June 9 next the Champ Clark Memorial Bridge across the Mississippi River at Louisiana, Mo., will be opened for traffic with appropriate ceremonies. It will be a notable occasion. Governors of States and mayors of cities, and other distinguished guests, will participate in the program, and visitors will be welcomed and entertained with traditional Missouri hospitality.

Members of the House will be particularly interested not only of the importance of the event in the economic and transportation history of the Central West, but because of their affection and regard for Speaker Champ Clark, for whom the bridge is named, and for whom it will be an enduring memorial.

Arrangements are being made whereby trains carrying delegations from the East to the Kansas City convention will stop over for the dedicatory ceremonies on the morning of the 9th of June, and it is to be hoped that as many Members as can will stop over for the dedication and a brief visit to this progressive Missouri city.

Those of you who find it impossible to visit us at this time we trust will take advantage of the opportunity the first time you travel west to come by way of Louisiana, Mo., and the new Champ Clark Bridge, which greatly reduces the distance between Chicago and Kansas City and which makes Highway No. 54, from Washington, D. C., to Sacramento, Calif., one of the most direct transcontinental highways of the Federal system. [Applause.]

### AGRICULTURAL SURPLUS CONTROL BILL

Mr. TILSON. Mr. Speaker, I am requested by the chairman of the Committee on Agriculture to ask unanimous consent that the time for general debate on the agricultural surplus control bill be extended for one hour and a half, but to be finished to-day. As I understand it, there are three hours and a half remainining of the time already allotted, and it is desired to add an hour and a half.

Mr. GARNER of Texas. Is it the purpose to close general debate to-day?

Mr. TILSON. That is the understanding.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, do I understand that Wednesday and Thursday will be devoted to the reading of the bill?

Mr. TILSON. There is no understanding as to Wednesday.

Mr. LAGUARDIA. The reason I inquire is that the Army will hold aerial maneuvers at Langley Field on Friday next. A great many Members are interested and feel that it would be instructive and beneficial to attend those maneuvers. They are planning to go. If we could know just what the plans of the House are in the meantime, it would guide us as to whether or not we should forego that trip or stay here for the consideration of the agricultural relief bill.

Mr. TILSON. It is impossible to tell the gentleman so far in advance just what we shall be doing at that time. Before the day is over we shall arrive at a conclusion as to whether we shall dispense with Calendar Wednesday, postpone it, or go on with Calendar Wednesday business.

Mr. VESTAL. Mr. Speaker, reserving the right to object, I think we ought to make as much progress as possible with this agricultural bill. It seems to me that we ought to be able to vote on the bill late Thursday evening. I know the entire Indiana delegation is very anxious to get back to Indiana. We have our primaries on Tuesday next. We are all staying here—and will stay through to vote on the bill—but if we could get through with it by Thursday evening it would be a wonderful help to the Indiana delegation, because we would all like to go home.

Mr. KVALE. Is it proposed to have a session of the committee this evening?

Mr. TILSON. No; there has been no mention of that.

Mr. HAUGEN. Mr. Speaker, we ask for the extra hour and a half in order to take care of the Members who wish to address the committee.

Mr. JONES. What was the request of the gentleman from Connecticut?

Mr. TILSON. My request is that the time for general debate be extended an hour and 30 minutes, with the understanding that the time is to be used to-day. I suppose that the time will be divided just the same as the other time is divided.

Mr. JONES. Mr. Speaker, in that connection I have two or three requests from Members who wish to speak on the debenture plan. I would like to know if we shall be yielded a portion of the time in the extension. In the original division we were supposed to have two hours.

Mr. ASWELL. That is the understanding.

Mr. JONES. All right.

Mr. MAPES. Reserving the right to object, Mr. Speaker, the original time was divided in so many ways, being in the control of six different Members, that there has been some misunderstanding in the committee at times as to how time is to be allotted, and there may be misunderstanding as to how this extra time is going to be divided. I think it would be well if we had a definite understanding as to who was to control the extra time of one hour and a half, whether it would be the gentleman from Iowa [Mr. HAUGEN] and the gentleman from Louisiana [Mr. ASWELL], exclusively, or split up in six different ways.

Mr. TILSON. As originally fixed in the rule the time was equally divided between the gentleman from Iowa [Mr. HAUGEN] and the gentleman from Louisiana [Mr. ASWELL], but at the same time they entered into an additional agreement, a gentlemen's agreement, which has been observed during the consideration of the bill.

Mr. ASWELL. I think we should go on in the same way that we have heretofore been dividing it.

Mr. LAGUARDIA. The only thing that the Committee on Agriculture seems to agree on is the division of time. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. TILSON. If there appears to be objection, I shall withdraw my request.

Mr. ASWELL. I do not think there should be any objection.

Mr. HAUGEN. There seems to be objection raised.

Mr. GARNER of Texas. Who objected?

Mr. TILSON. Let me restate my request. It is that an hour and a half of additional time be added to the time already allotted, and that it be divided equally between the gentleman from Iowa and the gentleman from Louisiana.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the hours of debate provided by the rule be extended one hour and a half, and that the control of the additional time be divided as is provided by the rule. Is there objection?

Mr. KINCHELOE. I object.

Mr. RAMSEYER. The gentleman from Louisiana [Mr. ASWELL] has already stated he would divide his time.

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555.

Mr. KINCHELOE. Mr. Speaker, I did not understand the proposition of the gentleman from Connecticut. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan [Mr. MAPES] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Mr. ASWELL. Mr. Chairman, I yield 30 minutes to the gentleman from South Carolina [Mr. HARE].

The CHAIRMAN. The gentleman from South Carolina is recognized for 30 minutes.

Mr. HARE. Mr. Chairman and gentlemen of the committee, a few weeks ago I endeavored in a general way to bring to the attention of the House a plan for farm relief which I consider both economically and politically sound. I shall to-day attempt in a more detailed way to point out the actual operations of this plan, the same being embodied in H. R. 10562. But before doing so I wish to read for the benefit of Members of this House a few letters I have received in response to the address or speech I made here April 12. One of these letters comes from a Corn Belt farmer in the State of Illinois, and I will read only that part pertinent to this plan. The author of the letter says as follows:

I read with much interest your speech on farm relief.

Your argument on controlling production to the needs of consumption is the only possible way this relief can be brought about.

I will read a letter coming from a gentleman in the State of New York. The writer states that he was a member of the commission appointed by Congress in 1912 to go abroad and study the rural-credits problem, the agricultural-production problem, and the agricultural distribution problem. I assume, therefore, that he is a man of more than average information with reference to agriculture. He says:

I have seen the notice of your farm-relief plan. From what I have noted, it seems to me the wisest measure that has so far been introduced into Congress.

I have another letter here that may be of particular interest to Members from the South. This comes from an extension director of one of the cotton States. He says:

I have gone very carefully over the bill that you were good enough to send me and inasmuch as I am in sympathy with the McNary-Haugen bill I am free to confess that I think your bill is far superior. In the first place, the necessary machinery for the administration of the bill is already provided in the different departments. I am glad to see that you realize that the first aid from Congress for the relief of agriculture is providing a system and the loans necessary to control the crop surpluses which result from natural conditions. All that can be done for agriculture is surplus control, efficient production, and co-operative selling.

As we proceed in our discussion, I hope you may keep this latter suggestion in mind. That thought, you will note, comes from one of the State extension directors in one of our cotton States, and he analyzes the great farm problem to-day as surplus control, economic production, and scientific marketing, just exactly what we have attempted to illustrate by this chart [indicating].

It has been said and reiterated here time and again that there is a farm-relief problem. That being conceded it is unnecessary to dwell upon that phase of the subject any further. It has been suggested further that we are all in favor of it. I agree with that statement, and it is not my purpose this morning, friends, to offer any criticism to any plan that has been submitted to this House for consideration, but I hope to impress upon the minds of the Members of this body the feasibility of a plan that is worthy of consideration, that is sound in principle, and if enacted by this Congress, will become a law and will immediately begin to operate and give relief to agriculture.

I think I can best explain my bill and explain the plan by contrasting it with the ideas with which you are already familiar, ideas that have been brought out, analyzed, and interpreted by the proponents of other farm-relief measures.

In the first place, the solution of the farm problem should be approached from two angles. One is to consider the complaint which says that the plight of agriculture is due to the fact that the margin between the cost of production and the price received by the farmer is too small. As a matter of fact, the complaint is to the effect and the proof is conclusive that, in most cases, the margin between the cost of production and the price received by the farmer is absolutely wiped out, and in many cases he has become bankrupt. The problem, therefore, is to devise some plan or some scheme whereby agriculture or those engaged in this great industry will be able to widen this margin. That can be done in one of two ways; one is to reduce the cost of production and the other is to raise the price.

The next complaint is to the effect that the spread between the price the farmer receives and that paid by the consumer is too wide, and, gentleman, I invite your attention to this one phase in particular, for it was brought out in the hearings before the Agricultural Committee that the 17 major crops this last year cost the consumer twenty-two and a half billion dollars, of which the producers of these 17 crops received only seven and a half billion dollars; in other words, the producers of farm crops received only about one-third of the money that was paid by the consumers. So where is the greater problem, widening the margin between the cost of production and the price received by the farmer, or reducing the margin between the price received by the farmer and that paid by the consumer? I

hope to show before I finish that the operation of this plan will be able to do both. That is, we will be able to increase the price to the producer and decrease the price to the consumer. If we can show that the plan will do this, then I submit to fair-minded, honest, and intelligent men such a plan should command your consideration and cooperation.

The plan I have to submit is not wholly unlike those already submitted. It is quite like what we know as the McNary-Haugen bill in that it has a board consisting of 12 men from each Federal land-bank district. It has the cooperative feature in it; that is, the encouragement and the aiding of cooperative marketing. And, friends, I stop long enough here to say that, to my mind, the development of a scientific system of marketing is the one great problem before Congress to-day.

I have listened to men wider in experience, probably, men who have had observations broader possibly than that of mine, and I have yet to hear a man discuss the farm problem intelligently but what does not say that cooperative marketing is the solution. If that is true, then let us bend our energies and our efforts to that end and in that direction. Let us take the great arm of this Government and give assistance and material aid for that purpose.

This bill has a loan feature in it quite similar to that embodied in the McNary-Haugen bill, and very similar to that embodied in what is known as the Crisp bill. I think it is the sense of Congress that that provision is sound, but there is one difference to which I want to call your attention in this bill, and in that of other bills. In other words, the bill which has been presented to us for consideration by the Agricultural Committee provides that this board shall make loans to any cooperative association engaged in the handling, storing, or marketing of farm crops. Let us get that idea—any cooperative association. This bill provides that the board may make advances to but one commodity cooperative association engaged in the handling, storing, and marketing of that particular crop.

Mr. CLARKE. Does that include processing? For instance, as to dairy products, would it include processing?

Mr. HARE. It includes any crop that would come under the provisions of the bill, but it means this, that it would make loans to only one cooperative association for the purpose of handling the surplus of that particular crop, because if the Government is to furnish the money one organization can handle the surplus just as easily as 100 or 1,000 associations can and do it much cheaper.

I can best illustrate it by taking cotton. For instance, the Division of Markets in the Department of Agriculture tells me that we have 121 cooperative cotton associations in the South. Under the bill before us for consideration the board will be authorized and directed to make loans to possibly all of them in case they should make application. The bill further provides that there shall be no discrimination between them. In that event the board would be called upon to make 25, 50, or 100 or more investigations before a loan could be made, which would require quite a number of employees if these requests for loans should come practically at the same time.

Mr. CRISP. Will the gentleman yield?

Mr. HARE. Yes.

Mr. CRISP. And if you had 121 cooperatives holding the surplus and taking it off the market would there not be great competition between them when they were disposing of the surplus, whereas if you had one they would have control of the handling of that surplus?

Mr. HARE. The gentleman is correct, and I intend to come to that in a minute. Suppose they should make loans to 121 cooperatives for the purpose of handling the surplus of cotton? In that event they would have an enormous expense and an enormous overhead charge. And, friends, I want to stop again long enough to say that I have been a member of the cotton cooperative association almost ever since it has been in existence, and the only reason the cotton cooperatives have not succeeded to any great extent is because of the excessive overhead charges and the expenses incident to carrying the surplus. For instance, under the present arrangement every cooperative has a separate and distinct insurance contract with every lot of cotton in charge; it has a separate and distinct storage contract in handling cotton; and under the bill before us for consideration that board would have to make 500, 1,000, or 2,000 separate insurance contracts in order to store the surplus cotton.

Then you would have to pay the highest premium. Under the bill I am proposing the manager of the cooperative cotton association, which would cover the entire field, would say to the insurance companies of the country, "Give me your cheapest rate upon 5,000,000 bales of cotton or upon 6,000,000 bales of cotton." I am told by the Federal warehouse division that this year we will store approximately 7,000,000 bales of cotton, and under the present arrangement the cost ranges from $3 per bale to $7.25 per bale a year; but under the proposed arrangement a bale of cotton could be carried at not exceeding $3 a bale, or a saving of at least $4.25, or a total saving of about $28,000,000 on this one crop alone.

Now to the point that was suggested by my friend, the gentleman from Georgia [Mr. CRISP]. Suppose we had 121 cooperative cotton associations in the South. Suppose they all had loans from the board—one in Texas, one in Oklahoma, one in North Carolina, and one in South Carolina, and so forth. Without any coordination or understanding between these men, the manager of one would be selling in competition with the manager of the other. The overhead charges of one would be almost as much as the overhead charges of one commodity association. In other words, if we made loans to 100 cooperative cotton associations we would increase the cost of overhead charges one hundred times; and I want to say, friends, to my mind the great agricultural problem to-day is one of economic marketing and distribution. The idea is to eliminate the enormous expense, the enormous charges incident to marketing these various crops.

The cooperative marketing division in the Department of Agriculture says we have 10,803 cooperative associations in the United States that would be entitled to loans under the bill we have under consideration. Think of it! Ten thousand eight hundred and three applications coming to this board; and if it is a board of wisdom, which it will be, it would certainly have to have representatives to go to each place to look over the situation before it made a loan. It would take a never-ending army of employees to do it, and under the bill we are considering the expense would be borne by the producer, whereas under my bill the expense would be paid by the Government, in that we would use existing governmental agencies, which are already being paid.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HARE. Yes.

Mr. ANDRESEN. I hope the gentleman will explain how his one cooperative is going to function and be financed, and so forth.

Mr. HARE. I will come to that in a moment; but before going into that I hope you will agree with me when I say that surplus control of any commodity is dependent upon three things: First, you have got to have money; second, you have got to have a place to store it; and third, you have got to have some method of marketing the surplus. Is this right? Do you agree with me on this proposition? Then if you do, I invite your attention to this chart or illustration [indicating]—

SURPLUS CONTROL

Finance: Intermediate-credit banks, Federal reserve banks, farm surplus board.
Storage: Federal warehouse system.
Marketing: Cooperative marketing division.

ECONOMIC MARKETING

Where: Bureau of Foreign and Domestic Commerce.
When: Cooperative Marketing Division, extension service.
How: Interstate Commerce Commission.

STABILIZED PRODUCTION

Acreage: Farm surplus board, Bureau of Agricultural Economics, extension service.
Diversification: Intermediate-credit banks, Federal reserve banks.

SURPLUS CONTROL

FINANCE

It will be observed from this illustration that the intermediate-credit banks, the Federal reserve banks, and the revolving fund provided for in this bill will furnish ample financial arrangements for handling the surplus of any and all crops and can do it at a minimum cost.

STORAGE

It will be observed further that the Government has made ample provision for handling and storing the surplus of nonperishable farm crops under the Federal warehouse system.

MARKETING

Then the Government has made provision for scientific and economic marketing of such crops through the establishment of its cooperative marketing division. The point I am making is that in the interest of economy and efficient administration there should be a coordination of these three agencies already in existence, already paid for by the Government; clothe them with a responsibility and associate them with this board and let it serve as a connecting link between these existing governmental agencies and the producers themselves, thereby effecting a surplus-control system at the least possible cost.

I imagine that if the President of the United States, who seems to be strong on economy, were evolving or making a plan for farm relief, he would do just like any other good business man or just like a good farmer does to-day, he would be certain to see if it were possible to use some of the agencies already available. You have a number of farmers here in Congress, as well as a number of good business men. Suppose you were going to enlarge your farming operations and add to them a new type of agriculture, what would you do? You would look around, you would make an inventory, you would make a survey to see whether or not your existing farming operations could be harmonized and dovetailed into each other in such a way that the capital already invested, the machinery already in hand, the labor already supplied, could in any way add to the strength and the operation of the new plan. Then why should not our Government do the same thing?

I submit the proposition to your intelligence and say that if this Government has already provided agencies for this very kind of work, why should they not be clothed with responsibility and called upon to take care of the surplus as provided for in this bill?

ECONOMIC MARKETING

Where, when, and how?

Let us go a little further and see how the operations of this bill will assist economic marketing. The author of the bill we have under consideration says, and I agree with him, that legislation enacted by Congress should be for the purpose of encouraging and promoting a system of marketing in the hands of the farmer himself. A few years ago we established a bureau of farm and domestic commerce primarily for the purpose of finding a market for the crops of our country, products of our factories, and anything that we might have to sell.

A few years prior thereto we established an extension service that would carry to the farmer the best methods of production and distribution. Then later we established a cooperative marketing division to assist in marketing the farm crops.

Then we have the Interstate Commerce Commission, and I want your eyes to be resting on this particular part of the illustration [indicating] while I refer briefly to the other phases of the subject. Why should we not call upon this bureau of farm and domestic commerce to tell us where we can find a market for the farm crops? That is its duty, that is embodied in the law creating that bureau. It could tell us at any time where we could find a market if it exists, and if it does not exist we should be so advised. Why should not we have the right to call upon the cooperative marketing division to tell us the best time to sell the crop? This is its business, and it ought to be called upon to function, and function in the most efficient way.

Then we come to the Interstate Commerce Commission. I have not heard a man speak on the question of farm relief in the three years I have been in Congress but what has raised his voice in protest against the unfair, unreasonable, and discriminatory freight rates the farmer has to pay. And yet there is no other bill before Congress to-day that has one scintilla or one item or one idea looking to the relief of agriculture from this great burden the farmers are compelled to carry.

You understand that if the wheat grower in Minnesota feels that the freight on a carload of wheat to New York City or San Francisco is excessive, he can file a complaint with the Interstate Commerce Commission submitting his views, as if he were in court, and prove that the rates are excessive. But you know that there is not a farmer who has the money to pay the lawyer, and if he has a lawyer there is not one out of a thousand who knows anything about freight rates, and the consequence is that when he goes to the Interstate Commerce Commission he makes a failure and loses his case.

What can be done under the provisions of this bill? The board would be charged with the responsibility and would know whether the freight on a carload of cotton from Texas to Massachusetts is excessive. It would know whether or not a carload of apples from Washington to the eastern seaboard is discriminatory. It would know whether or not the freight on a carload of peaches from the State of Georgia to the city of Chicago is excessive. Then the board would have the right, would have the authority, and would be charged with the responsibility of bringing a complaint before the Interstate Commerce Commission, submitting its evidence and asking for fair, just, and reasonable rates. You have been talking here several days about economic marketing of farm crops but we can tell from the very tenor of your voice that you are speaking of it as if it were a mere dream, and I think that is the way many people look at it. There can be no economic marketing system until there is some way for adjusting and effecting reasonable and just freight rates, and the bill I am proposing is the only one that proposes to do it. You will observe from the illustration above that this bill would coordinate such governmental agencies as the Bureau of Foreign and Domestic Commerce, the Cooperative Marketing Division, the Extension Service, and the Interstate Commerce Commission with the operations of the board, and by their coordinate efforts effect a system of marketing that would certainly be most effective and efficient in its operations, and would undoubtedly bring relief to agriculture.

Mr. LANKFORD. Will the gentleman yield?

Mr. HARE. I will.

Mr. LANKFORD. Will the gentleman discuss the control of production as embodied in the bill? To my mind the difficulty of farm relief is the question of properly controlling production.

Mr. HARE. I will come to that in a minute, that is the last, but not the least, phase of the problem.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. HARE. I will yield.

Mr. SHALLENBERGER. I would like to point out an illustration brought out before the Committee on Interstate and Foreign Commerce. If you want to ship a hundred pounds of steel or iron across the continent for export you only pay 40 per cent of the domestic rate. The rate on wheat for export is only a slight reduction. Iron and steel is 60 per cent less, wheat 4 per cent less, showing the immense advantage that steel has over wheat when sold for export.

Mr. HARE. The provision I have reference to in this bill should be able to correct this practice as it applies to agriculture.

STABILIZED PRODUCTION—ACREAGE AND DIVERSIFICATION

I will attempt to comply with the request of the gentleman from Georgia [Mr. LANKFORD]. I am thoroughly convinced that surplus control and economic marketing are two vital and essential factors to be considered in solving the agricultural problem, but I am convinced further that these two within themselves will not effect a permanent solution, and I base this observation not upon a guess, not upon a theory, but upon a principle that is universally admitted. This principle is that whenever the price of any crop, commodity, or article of any kind is raised to a point where it includes the cost of production plus a reasonable profit the universal tendency of the producer or producers of that commodity or article is to increase the production thereof. The experience and observation of ages teaches us that this is one law upon which there can be no dispute.

There may be a difference of opinion as to the constitutionality of the equalization fee referred to here so often, and it may require an expressed opinion from the Supreme Court to decide that matter, but it takes no Supreme Court decision for the average man to know that if you increase prices over a period of years increased production will follow just as sure as night follows the day. Therefore, if we are going to set up machinery designed to increase prices for farm crops over and above the cost of production—and I am in favor of it—then we must set up along with it some machinery that will in some way regulate production. If not, sooner or later, we may be confronted with an accumulated surplus sufficient to meet the domestic and world requirements for a year or more ahead. Then what will you do? The bill I am proposing takes care of the surplus on the occasional year when it appears and does so at the least possible cost, and provides for the storing and marketing of this surplus in the most economical way possible. At the same time the producer still has an equity in that surplus and if sold at a profit he will receive his proportionate share of the proceeds. Under your bill it is admitted that none of the profits will be returned to the producer. How does this bill propose to regulate production? It provides that no advance or advances shall be made to any person, organization, or association whatsoever when the ensuing annual production of a crop or commodity is the result of an increase in acreage over and above the five-year average immediately prior thereto. Now, mark you, this is not an effort to force farmers to do anything. Everything in this bill is absolutely voluntary in so far as the farmer is concerned. It simply sets up the necessary machinery for assisting agriculture. The Government says, in effect:

"I have provided all the machinery necessary for handling your surplus crops; I have made all necessary financial arrangements; I have provided ample storage facilities; I have established an efficient marketing system; I have arranged to see to it that you are not compelled to pay excessive freight rates; and the only thing I am asking of you is to cooperate with me and not to increase the acreage of those crops where the surplus may become a burden to both of us."

I know that the surplus for some particular year may be greater with a decreased acreage than with an increased acreage, but the Government is not alarmed over the surplus for

any particular year; but it does not want to assume the obligation of taking care of the surplus over a long period of years with an increasing acreage from year to year with the possibility of an accumulated surplus from time to time. Here is my reaction to a proposition of this kind. If my annual cotton acreage heretofore was 10, 25, 100, or 1,000 acres, or more, and the Government would say that it would guarantee to me a fair and reasonable price for my cotton on condition that I will not increase my acreage, in the light of my observation and experience I think I would be somewhat out of the ordinary if I should say, "No; I will increase my acreage and take the chances on price." On the contrary, my idea is that I would let my acreage remain the same or possibly decrease it, and then if I had surplus land, labor, and capital I might introduce an additional type of farming or enlarge on my other farming operations. This would result in stabilizing the production of cotton on my farm and increasing the diversification of other crops or farming operations, and if this would be the natural and logical result on the individual farm it will hold true for the entire section or cotton-producing States. It seems to me that if the acreage can be stabilized to an extent by a voluntary understanding between the Government and agriculture, and then have the Government provide an economical system for handling the surplus on occasional years "to be fed back into the market on lean years," it would be a happy solution of the problem. And I am unable to subscribe to the theory advanced by Mr. HAUGEN, the author of your bill, last year when he said:

No; rather than curtail production we should, as in the past, continue our appropriations to encourage and protect production.

But subsequently, when making an argument in favor of the equalization fee, he seems to have abandoned that idea, when he said:

Let's put an equalization fee on cotton, and put it so high that it will compel the farmer to reduce his acreage and curtail production.

It is not my idea to reduce or in any way curtail the average production, but the purpose of regulating acreage is to stabilize production as near as possible. If this is done, surplus control will be an easy and inexpensive matter, but with unlimited production over a period of years surplus control becomes an uncontrollable monster.

PRODUCERS DETERMINE WHEN LAW WILL OPERATE

I stated near the outset that I could best explain the provisions of my bill by contrasting its provisions with other bills previously discussed. In this connection I desire to call attention to one other difference in the provisions of this bill and the McNary-Haugen bill. In the latter, for instance, it is left entirely with the board to say when an operating period shall begin, whereas under the proposed bill the producers themselves determine this, provided there is a surplus over and above domestic requirements, and I might say there is such a surplus as to cotton every year. To illustrate the difference, let us suppose that the board has found that there is a surplus and that the cost of production for cotton is 18 cents per pound, the average cost for the preceding five years being 17 cents per pound, the board would not declare an operating period until the price reached one or both of these prices, for on page 51 of your bill it is provided that the board shall not declare an operating period until the—

surplus depresses or threatens to depress the price of such commodity below the average cost of the actual production of such commodity in the continental United States during the preceding five years.

Now, we all know that a farm-relief plan that does not give more than the cost of production of a crop is not going to relieve agriculture.

Under the bill I am proposing the united producers of cotton, for example, may request that an operating period begin, under the circumstances above noted, when the price reaches 20 or 21 cents per pound, or even higher, which would give the farmer not only the cost of producing his crop but a reasonable profit on the capital and labor expended in its production. Here is what my bill proposes. I will read it:

Whenever the board finds that there is or may be in the hands or possession of the producers during the ensuing year a substantial surplus above the normal domestic or world requirements of any nonperishable farm crop or product thereof in the United States, said board is hereby authorized, upon the request of the organized producers of such crop, or upon the request of an approved commodity cooperative association of such producers, to avail itself of any provision or provisions of the Federal reserve act, the intermediate credit bank act, the Federal warehouse act, and any other act of Congress, not inconsistent with the provisions of this act, and arrange for financing or otherwise aiding such organized producers in removing from the market and storing under any approved warehouse system any such farm crop or crops to the extent of the estimated surplus of such crop or crops. That the advances so made or provided for under this section may be on the basis of the market value of such crop at the time of purchase, storage, or removal of same from the market.

In other words, under the provisions of the bill reported by the committee you can easily see that the board will be functioning according to law and yet the farmer will simply be exchanging his cotton or other crop at just what it cost him to produce it; whereas under the bill I am proposing the farmer would be receiving at least 3 or 4 cents per pound more, because under your plan the board will say that, under the law, the operating period will begin at the average cost of production for the preceding five years, but under this bill the operating period will begin when the price has reached a point where it represents the cost of production plus a reasonable profit and the request is made by—

the organized producers, or upon the request of an approved commodity cooperative association of such producers.

OTHER AGENCIES

Another difference between the bill under consideration and the one I propose is found under section 9, subsection (e) of the former, which states:

If the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, or disposal, then the board may enter into the agreement with other agencies, but shall not unreasonably discriminate between such other agencies.

One of the fundamental purposes running through the bill I have proposed is to aid and assist in creating a system for surplus control and marketing of farm crops by the farmers and for the farmers. The activities are all to be free and voluntary on their part, and if there are any benefits to be derived from the operation of the system, or if there are any profits to be made as a result of these efforts, they should and will go to the farmer. But in your bill, as I have just shown, the board is given the authority and absolute power to make agreement with "other agencies" to handle the surplus and the farmer will not participate in this transaction in any way whatever, except to pay the equalization fee to provide a fund to be used by these "other agencies" in buying, handling, storing, and selling the surplus. If the surplus handled by these "other agencies" is sold at a profit the farmer will not get any of it, because Mr. Chester Gray, representing the American Farm Bureau Federation, who is considered authority on the operations of the bill, stated before the Agricultural Committee, page 3, serial E, part 1:

The producer does not get back as a residue any amount of the money which might be left in the stabilization fund after marketing, or after the operation period has been concluded.

The bill I am proposing does not permit any other "agency" apart from that of the organized producers to handle the surplus cotton, or any other crop, and when this agency of organized producers begins to operate the farmer is advanced 100 per cent of the market value of his cotton, or other crop at that time, and then when the surplus is sold or fed back into the market at a profit the farmer receives his proportionate share. In your bill the farmer pays the expenses for these "other agencies" to handle the surplus and pays them in advance, and yet not a penny of the profits is refunded to him. The only possible benefit he could get from this transaction is that he may get a better price for that part of his crop he does not sell to the "other agency." But as I have said a number of times, under this provision of your bill, some one has to sell, and it is usually the poor man that can not help himself. In this case he would not get any benefit whatever in the increase in price and yet he would be taxed to defray the expenses incident to handling the surplus. In other words, under your bill you would pay this man the market value for his cotton when the price was lowest and then tax him enough to pay the expenses incident to holding it off the market, and then give him none of the profits when the cotton is disposed of. Under my bill this man would receive the same amount you give him under your bill at the time he places his cotton in the surplus pool, he would not be taxed or required to pay one penny at that time, and when the surplus is sold, the expenses paid, he would receive his share of the profits. This will mean real assistance to agriculture.

EQUALIZATION FEE

The other outstanding difference between the bill reported by the committee and the one I am presenting is that the latter does not contain the provision embodying what is often referred to as the tax or equalization fee. This is a controversial matter both as to its wisdom and constitutionality.

I shall not attempt to discuss it in detail, because there seems to be a wide difference of opinion among its proponents as to its operations, there being no one, judging from their speeches on the subject, who knows exactly how, where, or when it will operate. However, the Illinois Bankers' Association Bulletin of February, 1928, gives what appears to be a rather concrete and fair analysis of the actual operations of this provision, and I will, therefore, quote what it says:

The purpose of the McNary-Haugen bill is to stabilize the prices of farm products by removing the surplus from the domestic market. If a loss is incurred in the operation of removing the surplus, each producer of the particular product is assessed a per unit amount to make up the loss. This is the much-discussed equalization fee. Right here it can be noted that this equalization fee is not a charge against the Government, nor does it in any way affect the taxes, nor does it extend any governmental credit to the farmer. The farmers producing the crop affected are the ones who pay the money to make up the loss. The Government does loan the board enough money to buy up the surplus. That surplus is then either held for better conditions or is sold abroad. The cost of operation plus any loss that may arise is then spread over all of the producers of the particular product and the loan made by the Government is repaid.

THIS IS HOW IT WORKS

In the case of wheat let us assume that 600,000,000 bushels are required for the domestic market, but the prospects after a careful survey indicate a crop of 700,000,000 bushels, thus producing a surplus over domestic needs of 100,000,000 bushels. Let us assume that because of this surplus the price of wheat on the world market becomes $1 per bushel.

According to the provisions of the bill, the board created thereby, anticipating such surplus, would contract for the withholding of this 100,000,000-bushel surplus from the market, guaranteeing to make up any loss should it occur. The natural consequence of the withholding of the surplus from the domestic market would influence the domestic price to a stabilized level of the world price plus the tariff on wheat, which is 42 cents per bushel. There is no price fixing involved here, simply the operation of the protective tariff in accord with its intent to protect products of the farm. This surplus would then be held awaiting a more favorable market or, if necessary, it would be exported at the world market price. This latter operation on the above assumption would show a loss of 42 cents per bushel below the domestic price, or a total loss of $42,000,000 to be reimbursed by the collection of the equalization fee pro rata from all producers of wheat within the given year. Accordingly the amount charged against each bushel of wheat produced during the given year would be a little over 6 cents. Therefore the price the farmer would receive for his entire crop would be $1.42 a bushel minus the equalization fee of a little over 6 cents, or about $1.36 per bushel, as compared with the world price of $1 a bushel.

As I have already said, this is a rather fair analysis of the operations of this particular part of the bill, and where the surplus or quantity of a crop to be exported is much smaller than that needed for domestic requirements, like wheat, it should prove to be quite successful, but with those crops where the surplus or quantity to be exported exceeds domestic requirements the farmer operating under the above illustration will certainly be the loser.

For example, let us see how the above illustration would operate as to cotton. Let us take the year 1927 and assume that 7,200,000 bales are required annually for the domestic market, for that was about the amount consumed, but the total crop was approximately 17,700,000 bales, making a surplus over and above domestic requirements of about 10,500,000 bales.

Now, if we follow the illustration given above with reference to wheat, the board, under the provisions of the bill, will contract for the withholding of this 10,500,000 bales surplus off the market, "guaranteeing to make up any loss, should it occur." The proponents of the bill say:

The natural consequence of the withholding of the surplus from the domestic market would influence the domestic price to a stabilized level of the world price, plus the tariff.

In the case of wheat the tariff is 42 cents per bushel. There is no tariff on cotton, but in order to complete the illustration, let us assume that the price of cotton on the world market is 15 cents per pound and that the cost of production is 18 cents per pound, the difference of 3 cents per pound would represent what the tariff would be and corresponds to the tariff of 42 cents per bushel on wheat. The assumption, therefore, is that the price of cotton would increase immediately from 15 to 18 cents per pound as soon as the surplus is removed from the market. In other words, the farmer would receive 3 cents per pound more for his 7,200,000 bales by the removal of the 10,500,000 bales from the market at the same price, but if the 10,500,000 bales, like the wheat above referred to, is placed on the world market, it would sell for 15 cents per pound, or 3 cents per pound less than what it cost. Therefore, in the operation, there would be a gain to the cotton farmer of $15 per bale, or a total of $108,000,000 on the 7,200,000 bales; but there would be a loss of $15 per bale, or a total of $157,500,000, on his 10,500,000 which would mean a net loss of $49,500,000, even after receiving 3 cents per pound more for his 7,200,000 bales, and he would then be taxed, or an equalization fee levied on the 17,700,000 bales to pay this $49,500,000, which would be about $2.75 per bale. Of course, this would only represent the loss in price. It does not take into account the insurance and storage charges, or the interest on the loan with which to purchase the 10,500,000 bales, the total of which would amount to $104,150,000 for only six months, which would be about $6 per bale, or in the neighborhood of $12 per bale per annum, not including the expenses to be incurred incident to paying thousands of employees to go around over the country to collect this tax or equalization fee.

Friends, I may not have the capacity, but I must emphasize the fact that I am unable to see from these illustrations where the equalization-fee principle could be of any benefit whatever to the cotton farmer. If you will eliminate this equalization fee or tax I shall be glad to vote for the bill. Otherwise I am afraid of it. It may work for wheat but not for cotton, and nearly all the people I represent are interested in cotton. A majority of them grow cotton and a large percentage of the remainder aid in the manufacture of cotton. I am sure they are generous and patriotic enough to pay a little more for flour with an assurance of a higher price for cotton or an increase in wages, but if there is to be no increase in either they are not going to be enthusiastic about paying $3 a barrel more for flour.

In my opinion, the placing of this fee or tax on the farmer is unfair and unjust, and it is not in keeping with the precedents established by Congress. For example, when the railroads or transportation companies came to Congress a few years ago asking for relief you did not require them to pay a tax or equalization fee, but they got the relief. The fee business was passed on to the public by way of increased freight rates. When industry came here a few years ago and asked for relief, Congress did not call upon the manufacturers to pay any equalization fee, but they got the relief and the bill was handed over to the public for payment. But when agriculture comes for relief you are saying by the provisions of your bill, "Yes; we are willing to try and help you a little, but in doing so you farmers are going to have to bear the burden, stand good for the losses, and pay all expenses, and more than that, you will have to pay them in advance."

Gentlemen, it is not fair, neither is it just, to compel the farmer to pay this fee or tax from his own pocket. The country at large is to be benefited if the experiment succeeds and the country at large should pay the cost just as the country at large is paying the bills for the protection of railroads and manufacturers.

Mr. JONES. Mr. Chairman, the gentleman from Louisiana [Mr. ASWELL] has been called out on important business. He gave me permission to yield myself 10 minutes, and I yield that to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, for a long time Congress has been discussing agricultural relief. There are two things responsible for the failure of the Congress in dealing with agriculture. One is the lack of a correct diagnosis. But the chief reason for failure is that when we come face to face with the application of the remedy Congress hesitates to apply it. Something else is offered or another hearing or investigation is begun.

Before steam and electricity were applied to human activities the farmers produced not much more than enough to feed and clothe their own families. Commerce was incidental. Now it is the business of agriculture. Farmers produce to sell. We find agricultural commodities moving in long, circuitous routes with much economic waste and a multiplicity of intervening profits. I am not going to have time to develop that, but I make this suggestion: That agriculture will never be able economically to distribute its commodities until it is possible to move them under prior sale from the point of first concentration to the point of use in quantity and quality in accord with the requirement of that use.

Examining the situation at the selling end of agriculture we discover two closely related problems, one having to do with the sale and distribution of agricultural commodities in domestic markets. We find tremendous economic waste here. The character of legislation which I have favored is not present in this bill, but we can not always get what we favor. It is attempted to set up in this bill the machinery that will make for economical distribution of agricultural commodities in the domestic

market and in addition to that, another thing is attempted; and I think that every person who looks into the future realizes that the time is not far distant when we will be compelled to construct a reservoir somewhere in our economic organization into which we can feed surplus in years of high production and from which we may draw in the years of low production. Not yet, but to-morrow, we must deal with that problem, and we ought to begin at it now.

There is a further problem, and this is the problem that I want to have the House direct its attention to. I speak with no partisan purpose. The time has come when, in dealing with this great problem, we must deal with it in a nonpartisan way. At the same time it must be recognized that we have to confront some questions and some problems which do have partisan aspects. Legislation which deals solely with the question of domestic distribution and the merchandising of the surplus will not meet the economic requirements of agriculture. I do not see how any intelligent person can question that fact. The deepest public interests are involved here. Population is being driven from the country. What is the remedy? There can be but one. We are compelled to remove the economic disadvantages that operate against agriculture if we are to maintain the equilibrium of population as between agriculture and the great industrial centers. In my judgment the most important public considerations demand that the Congress come to a practical grapple with that situation, and do it now. In this brief time allotted to me one can only deal with fundamental things. I call attention to this one: That nation is strongest, history proves beyond question, the largest percentage of whose people pursue the productive vocations of the country. There is another thing which history discloses, and that is that population moves under the operation of economic law toward the centers of best opportunities. That law has controlled every migration. The drift of population proves where the centers of best opportunity are. It is not necessary to direct the attention of gentlemen in this House to the story that the census reports disclose. Never in any time or country has there been such a vocational and residential migration as is now taking place in this country. When we look further into it we find this situation and we may just as well face it.

We have adopted in this country a protective-tariff system. It is here. There is not a political party now, there will not be a political party, that would tear down the protective-tariff wall quickly. No party would dare to assume that responsibility, because behind the protective-tariff wall the industrial machinery of the country has been constructed, and although I think it was a mistake, yet I know it is a fact. Our ancestors dealt with theories; we must deal with facts. That is the situation. It confronts us all—Democrats and Republicans. Gentlemen on the Republican side and gentlemen on the Democratic side, we may just as well face this fact. Common honesty requires that we do it. That fact is this, that the protective-tariff system deals not with revenue but with prices and with profits. Revenue is an incident. Of course it is. Why not be candid and honest about it? The protective-tariff system deals with prices and profits. I am not criticizing it now. I have no observations to make now with regard to its wisdom. I am stating a fact which we ought to be brave enough to face. The protective-tariff system by the might of government, by the paternalistic acts of government, puts a higher price in the pockets of the people protected by it than otherwise they would get. That is what it is for. It makes prices higher. Farmers who produce exportable surpluses must pay higher prices. They are made to do so by the might of the Government, by a policy of government having for its purpose the giving to a part of the people higher prices.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES. Mr. Chairman, I yield the gentleman 10 minutes out of my time.

Mr. SUMNERS of Texas. That is the situation that confronts us. What are we going to do about it? How are we going to balance opportunities as between agriculture, producing surpluses, and production, where the tariff is effective? No tariff can be effective where production is in such volume as to require the exporting of a considerable surplus as is the case with most of our basic crops. I assume that we all agree to that.

A protective tariff upon an industry producing a large surplus which must find a market in the competitive markets of the world can not materially benefit that industry. There is no use arguing that, and it has never done any credit to anybody on either side of this aisle to argue that. Let us face the facts. Then how are you going to maintain the equilibrium of population and equality among the industries of the country, and that is the first obligation of government, unless you do something that has not heretofore been done? The tariff is not the remedy. I am not now discussing the tariff as a policy of government. We confront the tariff now as a fact rather than a policy. We must deal primarily with a great industrial, interdependent machinery constructed behind the tariff wall, where workmen are making a living and things are being produced. As I believe, it is in many respects unnaturally developed, but as we must know the changes and corrections even after it has been agreed to make them, and there is not even such agreement, must be cautiously and gradually made.

We confront this situation. It is an obligation of government to do justice. The highest interest of this country requires us to take into consideration this tide of population sweeping from the country into the great centers. Congress, facing that responsibility, has but one choice. We have got to give to the producers of exportable surpluses the benefit of the same power from the same Government that by the protective tariff is taking money out of their pockets to increase the price of the products that they must buy.

I hope that statement may be understood as coming from a man who at least for the moment has no partisan consideration in mind. It is a fact.

I have never been able to understand, gentlemen, how it comes about that there are those here who can vote for a protective tariff that compels—does not leave the privilege, but compels—one group of people to pay more for commodities when they buy from another and considers that sound statesmanship, but who is not willing to have the same Government give back to those people—give back to these farmers who must sell in a nonprotected market a part of that which has been taken from them by the might of government. I favor giving to these producers who are compelled to sell their surpluses abroad and to sell in their home markets at the world price that which will in a measure balance against the increase of prices which the Government gives to others through the protective tariff. That is justice and it is sound statesmanship.

Has anybody else suggested any other way to meet our situation? I do not mean our theory—our situation. I will be glad to yield for that suggestion if anyone makes it. There is no other. It is paternalistic; why deny it; but there is no other way to do it. I am sorry we are in this situation. It is the mess our paternalistic tariff policy has gotten us in. But we confront a situation; and because we do confront that situation, I hope that the House will agree to the proposition of my colleague from Texas [Mr. JONES]. I believe it is practically the same proposition as that of the gentleman from Michigan [Mr. KETCHAM]. It is to permit the Government to pay to these people who are producing exportable surpluses a part of that which they have been compelled to pay for that which they buy by reason of the increase of prices resulting from the protective tariff. How can anyone question the fairness of that or its soundness? This mighty tide of population sweeping in from the country, leaving in its wake wrecked fortunes, embittered thousands, and abandoned farm homes is of the mightiest concern to this Nation.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. LAGUARDIA. Has the gentleman thought out what would be the reaction upon foreign countries of the debenture plan? If foreign countries would import their products into this country and we should give an agricultural subsidy, would it not excite retaliation?

Mr. SUMNERS of Texas. I think not. The policy here which most disturbs European countries in their commerce is our high tariff, which shuts out their commodities. Most of the foreign countries purchase our farm products. They want us to continue our production in exportable quantities.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. KETCHAM. The point is answered fully, I think, by this statement, that this does not in any way affect the world price at which these people buy their commodities, but it does give to the producers in this country a differential. There is no dumping.

Mr. LAGUARDIA. But it will encourage an exportation of agricultural products that does not take place to-day.

Mr. KETCHAM. I do not agree with the gentleman in his conclusion.

Mr. SUMNERS of Texas. Mr. Chairman, I am certain the application of the debenture plan would produce no international trade complications. There is another feature, and I am going to be fair about it. If this debenture plan goes into effect, it will increase the domestic price. That is the purpose

of the whole thing. If the Congress is not willing to do that, it ought not to give one minute's consideration to this legislation. Why dodge the truth or run from it? We have the protective tariff for others. The purpose of that tariff is to increase the price of their commodities. The country approves it.

The philosophy, if there is any, and reasoning for a protective tariff on industry is to enable the manufacturers and workmen to become better customers, to have more money with which to buy. Every year that argument is made to the farmers. Then if that is the fact, the old saying in regard to the goose and gander ought to work here. If an increased price of manufactured commodities by the tariff is sound on the theory that it makes a better market, then an increase in the price of the farmer's product by debentures is sound also. Gentlemen responsible for or supporters of the present tariff policy, you can not deny that.

Mr. HAUGEN. Will the gentleman yield there? I do not want to take up the gentleman's time.

Mr. SUMNERS of Texas. Yes. Will the gentleman give me a little time?

Mr. HAUGEN. Yes.

Mr. SUMNERS of Texas. I yield.

Mr. HAUGEN. Under the debenture plan, take wheat, for instance. For four years the benefit of the debenture plan in the 21-cent advance of the price of the wheat crop would be $705,268,280, and the cost to the Government would be $142,484,630, the net gain after deducting the debenture would have been $562,783,650.

Mr. SUMNERS of Texas. Those are estimated amounts?

Mr. HAUGEN. Oh, no. There is no estimate about it. We know what the production was; we are dealing with past years, and we know what the export is. Therefore we can easily determine the exact amount. A schoolboy could do it. There is no guess about it.

Now, under the equalization plan the benefit would be $960,000,000. If you deduct your $562,783,650, the benefit under the equalization plan would be $398,000,000 in excess of the benefit they would derive from the debenture plan, all without a cent of expense to the Government. I have taken it for four years on wheat and corn. Now we will take it on beef and butter under the debenture plan for three years. The cost to the Government would be $149,984,390; net, $1,981,590,850. Under the other plan the net benefit would be $4,091,642,317, or a net profit for them of $2,110,947,467 over the debenture plan. In other words, they would receive $211,047,467 more under the equalization plan without one cent of expense to the Government. Is it good policy to pay out of the Treasury $149,984,390 and then deprive the producers of $2,110,947,467 in return? That is the difference between the two plans.

Mr. SUMNERS of Texas. Will the gentleman yield me the time he has taken from my time?

Mr. HAUGEN. Yes. I will yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Texas is recognized for five additional minutes.

Mr. SUMNERS of Texas. Mr. Chairman, this seems to me to be—and I am very candid with you—the difficulty with regard to what the chairman of the committee has suggested and the advantage on the other hand. On the one hand, under the debenture plan whatever amount represents the increase in price to farmers would have against it, or deducted from it, practically no expense for administration. That is true. The other plan would require a vast machine, with many new people on the pay roll, whose salary and expenses would have to be deducted either from what the farmers get, the people pay, or taken out of the Treasury under any change or modification of the plan. Besides, with regard to a commodity such as we have in the South, cotton, where we export practically two-thirds of it, the other plan would put upon the one-third sold at home the burden of giving a profit on the whole crop. That, it would seem to me, would put the industries in America who use our cotton at a great disadvantage in the markets of the world, and I think, seriously, coming as I do from the section of the country, that we could not maintain it.

Mr. HAUGEN. As I understand it, the gentleman is opposed to the proposition because it would increase the cost of the commodities. Let me call the gentleman's attention to the testimony of the consumers. I will give the gentleman more time. The consumers appeared before our committee. Edgar Wallace, one of the grandest men I have known, appeared before our committee. He represented the American Federation of Labor, and I think he was in a position to speak for labor. We also had appearing before the committee a representative of every labor group, and Edgar Wallace appeared before our committee only a few days before he passed away.

The business men's association reported the farm population of the country is decreasing 2,000,000 people a year; Mr. Wallace stated that whenever 2,000,000 people move into towns they were going to become competitors of those engaged in industrial lines; he said that those people living on the farms were their customers and that whenever the farmers were without money they were without work, and he said:

> Of what benefit is it to me to be able to purchase meat at 10 cents a pound if I do not have the 10 cents? As far as I am concerned, I can see no difference in confiscating the farmer's property by force or to force upon him confiscatory prices.

That was the statement of Mr. Wallace before our committee, representing the American Federation of Labor.

Mr. SUMNERS of Texas. Replying to the chairman's question [laughter], and seriously, gentlemen, we have to watch the effect on domestic prices. There is a point beyond which we can not go. To make one-third of a crop sold in the domestic market sell at a price sufficiently above the foreign sales or to give a substantial increase in the price of the whole crop would not be sustained, I am afraid. I want to be helpful to the grain sections, but they ought not to insist on putting a grain bill where about 20 per cent of wheat, for instance, is exported, on cotton where nearly two-thirds is exported. I hope that we will be able to agree to what is known as the debenture plan; a plan in which there is involved no constitutional question, a plan which puts no burden of administration upon the commodity either in its domestic sales or its foreign sales, a plan which in a practical sort of way undertakes to give back to agriculture something in compensation for what agriculture must give up to industry under the general protective tariff system of the country. I hope that the sound judgment of this House will agree to that proposition; and if it will agree to it, without any question on this earth the price of agricultural commodities will be increased. If that is what we want to do, let us do it, and let us do it in a way which will give the fewest number of additional salary drawers and expenses. If we do not want to do that, let us say so and be done with it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. KINCHELOE. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. FULMER], a member of the committee. [Applause.]

Mr. FULMER. Mr. Chairman and gentlemen of the committee, if I had the time this afternoon I would like to comment on the splendid work of the various members of the Agriculture Committee. However, I am just going to take a minute or two for the purpose of referring to one of the best friends I have in Congress. I refer to Mr. RUBEY, of the great State of Missouri. [Applause.]

Mr. RUBEY has served about 12 or 14 years in Congress. He went out during the Sixty-seventh Congress and came back in the Sixty-eighth Congress. It was at that time I had the privilege of meeting Mr. RUBEY, and since that time I have been fortunate in having been associated with him in the committee and outside of the committee. I want to state to you, my friends, that during all of this time he has been one of the hardest-working members of the Agricultural Committee, deeply concerned about his constituents, his State, and his country, and it is my hope that his people will be able to return him to this House for many years, where he will be able to continue the splendid work he has been carrying on in the past. [Applause.]

Now the pending bill, my friends, is not just what I would write had I the privilege of presenting you an agricultural relief bill, and I am going to say at this time that the success of this bill or the failure will depend absolutely on the type of board that is appointed by the President of the United States to administer the act. If we had a board consisting of members interested in agriculture, one that would stand up and fight for agriculture just like other Federal boards we have now, such as the Interstate Commerce Commission, the Federal Reserve Board, and the Tariff Commission, that operate absolutely for their groups, I would not be at all uneasy about rescuing agriculture out of the serious position it is in to-day.

In 1926 I had the privilege, as a member of the Committee on Agriculture, through its chairman, to write into the bill a provision that I do not believe Members from the South will ever again get a chance to vote for. That bill carried $100,000,000 without interest for two years, subject to any losses we might have in operating in connection with cotton, we to retain any profit that we might make out of the operation, and without any equalization fee for two years, and then only at the request

of a majority of the cotton farmers of the South. Yet Members from the South who seem to be interested in agriculture voted against that bill, and they had enough votes to vote it down.

I believe with two or three amendments which we propose to offer on this side of the Chamber we can make out of this bill a good, clean, sound, workable bill, one that Members from the cotton States will be able to vote for. I want to say here and now that unless we can have these amendments adopted I propose to vote against the bill.

It is generally agreed not only by the Government but by practically all economists and those who know anything about the farmers' problems that cooperative marketing on a 100 per cent or even a 75 per cent basis would solve the farmers' problem.

Amendment to be offered by my colleague, Mr. KINCHELOE, from Kentucky, will give the cotton commodity advisory council the power to check the board in going into or out of an operating board in cotton. In other words, if cotton is selling for a satisfactory price, they could refuse to allow the board to go into an operating agreement. Once the board has gone into an operating agreement because of a surplus that has depressed the price, should the board want to withdraw before the price advances to a fair price, this council could have the last word as to whether or not they should go out of an operating period. What more protection could our farmers ask for?

My amendment that I propose to offer is not to allow the cooperatives to present the list of names to the board to make their selection as to who shall compose the cotton advisory council, which is the sole check on the operations of the board. Inasmuch as the cooperatives only represent about 5 per cent or 10 per cent of the producers, I want the bill to read so that all other producers might organize into farm organizations, farmer's unions, and so forth, and have equal rights in naming this council. Further, I want the governors and the heads of the agricultural departments in the cotton States to represent the unorganized farmer. This protection on the part of all producers not members of the cooperatives will keep the cooperatives from being able to name the council out of men represented in their organization. I want to say now that unless these two amendments are adopted, I will vote against this bill. My friends, you will have to weigh carefully statements made by the opponents of this bill because while they may tell the truth, they can easily tell you one side of the question and not tell you the whole truth. I can easily see how Members and others who oppose this legislation would want to make statements so as to justify their vote and opposition to the legislation. The statements have been made on the floor of the House, and the opponents of this legislation will tell you that under the bill cotton farmers will be taxed $10 a bale for their cotton. Yet there is not a line in the bill to verify this statement.

EQUALIZATION FEE

If at any time farmers should be blessed with a surplus crop, and cooperative associations, other producers, not members of the cooperatives, the governors and secretary of agriculture of the cotton States should think it wise to pay an equalization fee on all cotton produced, say from $2 to $3 per bale, the Government would not get one cent of this money. On the other hand, this money would go into what is known as the stabilization fund, for the purpose of being used through an agency created under the bill to go out into the market and buy up all, or any part of the surplus, so as to take same off the market to bring about a fair and stable price, and to be fed back into the market in an orderly way so as not to depress the price of cotton. In other words, this money will belong to the farmers to buy up their own surplus cotton so as to bring about a fair price for that which they produce. Farmers did not have this machinery and money in 1926 when they produced 18,000,000 bales of cotton, so what happened:

Anderson-Clayton Cotton Co., other speculators, mills, and foreign countries took their money and robbed the farmers not only of their 18,000,000 bales of cotton, but 1,000,000 more during 1926–27, at an average price of about 13 cents; in other words, about 5 cents to 8 cents a pound below the actual cost of production. These parties did the very thing that I am now trying to put the farmers in a position to do, namely, carried this crop over until the short crop of 1927 and sold it back into the market either as cotton or cotton goods at about an average of 20 cents per pound, a difference of about from $25 to $50 a bale profit in their pockets out of the pockets of the farmers who produced this cotton. Now, which would the farmers rather do, pay $2 per bale, or even $5 per bale, and carry their own surplus cotton so as to get an average price, or let these big birds rob them out of their hard-earned money?

ONLY ANOTHER FALSE REPORT

Cotton mills are generally opposed to this legislation, stating that they understand that under the bill we propose, by adding an equalization fee, to make the price of cotton higher in the United States than in foreign countries. In other words, they understand that we propose to dump the surplus cotton on foreign markets at a reduced price. There is nothing in the bill that contemplates doing such a rash act. In fact, it would be a very unsound policy to try to operate in this manner, because we export at least 60 per cent of our cotton, and besides, foreign countries are absolutely dependent on this country for their supply of cotton. They only produce from eight to ten million bales and can always use from five to ten million bales per annum of our cotton. We exported last year 11,000,000 bales. Another reason they have to have our cotton is because the only kind of cotton they can produce, outside of one or two sections where they produce a quantity of long-staple cotton, is a very short staple and altogether a different type cotton to our cotton. Whatever price we might pay to secure for our cotton under these arrangements will be a world price. In other words, the cotton in Liverpool will be exactly the same price as the cotton in the United States, with freight, insurance charges, and brokers' profits added.

MR. CLAYTON OUGHT TO KNOW WHAT HE IS TALKING ABOUT

Mr. Clayton, of Anderson-Clayton Cotton Co., of Texas, the largest spot-cotton firm in the world, stated the other day before our committee (Agriculture Committee) that the cotton farmers' problems could be solved if farmers would organize and pool their surplus cotton, so as to be able to feed the surplus into the market in an orderly way and at a time when it would not interfere with the actual demand for cotton on a fair basis. I gathered from his remarks that if this were done we would not have to pass legislation to regulate speculation. He said, however, that he was against the Haugen bill. He is one of those who believe that what we are trying to do under this bill will work, but said, "Let the farmers do it." He knows just as well as you and I do that the farmers have tried for the past 50 years to organize and that they have not been able to do so, and to my mind they will never be able to do so unless with proper assistance from the Federal Government.

I am wondering if this Congress will say, "Let the farmers do it?" Now, my friends, the Congress did not say, let the railroad people do it for themselves.

You will note from the following statements that the railroad folk are very prosperous under special legislation passed by the Congress in their interest.

The Interstate Commerce Commission reports the net revenue from railroad operations for the past seven years as follows:

| | Net revenue |
|---|---|
| 1921 | $969,346,226 |
| 1922 | 1,162,779,249 |
| 1923 | 1,412,962,592 |
| 1924 | 1,304,206,157 |
| 1925 | 1,470,037,742 |
| 1926 | 1,614,247,269 |
| 1927 | 1,579,904,326 |

These figures show that the railroads are making more money than ever before, and they should have a reasonable return on their invested capital and on their labor. Agriculture should have the same returns on the capital and labor put into that industry. That commission helps the railroads, not the farmers, but why not have a commission to help the farmers?

(Special correspondence)

NEW YORK, April 30.—The Wall Street Journal prints a story which explains the "boom in rails" which featured the stock market last week. Taking 19 representative railroads, scattered all over the country, the Journal finds that they earned an average during 1927 of $13.62 per share on common stock, and paid an average of $7.24 per share in dividends.

I want to say that you did not say let the manufacturers do it themselves. They came to Congress and said: We can not complete with foreign manufacturers; our standard of living is too high; our labor is too high in comparison with foreign labor. Therefore unless you give us a tariff rate high enough to save our skins we are gone.

In 1922 you passed the Fordney-McCumber Tariff Act, carrying the highest rates ever written in a tariff bill that is costing farmers and consumers millions annually, and millions of profits into the pockets of the manufacturers.

The following statement will indicate what you have done for the manufacturers.

I here insert a table placed in the CONGRESSIONAL RECORD May 31, 1924, by Hon. JAMES G. STRONG, a stalwart Republican Member of Congress from the State of Kansas, showing what

the farmers paid for farm machinery in 1914 and what he was compelled to pay in 1924 under the present tariff law:

*Comparison of the 1914 buying and selling prices, and 10 years later, 1924, buying and selling prices from the Kansas farmers' standpoint*

| Implements | 1914 | 1924 |
|---|---|---|
| Hand corn sheller | $8.00 | $17.50 |
| Walking cultivator | 18.00 | 38.00 |
| Riding cultivator | 25.00 | 62.00 |
| 1-row lister | 36.00 | 89.50 |
| Sulky plow | 40.00 | 75.00 |
| 3-section harrow | 18.00 | 41.00 |
| Corn planter | 50.00 | 83.50 |
| Mowing machine | 45.00 | 95.00 |
| Self-dump hay rake | 28.00 | 55.00 |
| Wagon box | 16.00 | 36.00 |
| Farm wagon | 85.00 | 150.00 |
| Grain drill | 85.00 | 165.00 |
| 2-row stalk cutter | 45.00 | 110.00 |
| Grain binder | 150.00 | 225.00 |
| 2-row corn disk | 38.00 | 95.00 |
| Walking plow, 14-inch | 14.00 | 28.00 |
| Harness, per set | 40.00 | 75.00 |

LOW PAY OF TEXTILES DESPITE HIGH TARIFF—STRIKE OF 32,000 EMPLOYEES IS AGAINST AN AVERAGE WAGE OF $13.46 A WEEK

(Special correspondence)

NEW BEDFORD, MASS., April 30.—With 32,000 textile employees on strike and appeals being made for food and other essentials of life, there is gloom in every section of the mill region. No move looking toward a settlement has been made since the strike against wage cuts began two weeks ago.

Last fall mill workers were receiving an average of $22 a week. During the winter reductions decreed by the barons brought this average down to $14.95. Then on April came a further cut of 10 per cent, bringing the weekly wage down to $13.46.

This should interest Members of Congress, which enacts tariff laws giving the textile industry of New England special and favored protection from foreign competition. Wages here in many instances are lower than in England.

You did not let the bankers do it for themselves. You gave them the great Federal reserve system, branch banking, and everything asked for. You will note from the following statements that I am inserting in the RECORD that the banks are combining, weeding out the agricultural banks and small independent banks and making millions:

GREAT MERGERS IN BANKING PEND—DOZEN POSSIBLE UNIONS IN FORMATIVE STAGES INVOLVE HUNDREDS OF MILLIONS

(By J. C. Royle—Special dispatch to the Star)

NEW YORK, April 17.—There are a dozen possible bank mergers which may come to a definite stage of negotiations in the coming week. These are not confined to New York. They are scattered from New Orleans to the British Columbia boundary and in capital and assets involve hundreds of millions of dollars.

In the last six years, the average size of the American bank has increased 56 per cent. There are nearly 6,000 fewer banks to-day than in 1921. Resources, on the other hand, have increased by $18,500,000,000. In the same period the weaker units have been shaken out until bank failures have been reduced in the last year to 662, of which more than two-thirds were in villages with a population of less than 1,000, according to the Federal Reserve Board.

There are still about 27,000 independent banks in this country, but this number is steadily being reduced.

FARMERS CAN NOT CONTROL PRODUCTION

Another statement often made by those opposing this legislation is, "Let the farmers decrease their acreage and production so as to produce enough to equal the actual demand." This is an absurd statement and a very dangerous statement. A decrease or increase in acreage would cut a very small figure as to what farmers will produce in the way of a small or large yield. If the cotton farmers decreased cotton acreage, that acreage would be planted in other major crops which would be in competition with other farmers in other sections. That may put cotton up temporarily, but would tend to help the other fellow overproduce in his line, only to force farmers from one line that has been depressed in price to the line of production that has increased in price. In the next place, you would decrease acreage and do away with a surplus of all major commodities, which perhaps would prove to be a national calamity.

I contend that with 120,000,000 people to be fed and clothed, we should at all times have a reasonable surplus in all of the major commodities, but should be able to so control that surplus so as to not let it prove a curse to the ones producing it.

Other lines of business sometimes find themselves overproducing but they are able to reduce or increase at will—farmers can not do it.

Mr. LAGUARDIA. Does the gentleman say that Mr. Clayton is against the bill?

Mr. FULMER. Yes.

Mr. LAGUARDIA. Then that is a recommendation for the bill.

Mr. FULMER. Farmers are not only unorganized to control their products and to have something to say about the price they shall receive for what they produce, but they are unorganized politically and therefore have a very small voice in governmental affairs. On the other hand, other groups being smaller in number are not only well organized financially but also politically, therefore, they are able to have legislation passed for their interest and defeat legislation offered in the interest of the unorganized.

Sinclair can steal the whole Tea Pot Dome and Capitol as well as pay out of the proceeds of same the expenses of the Republican campaign and walk around as free as a jay bird; yet let the rabble steal a small roll of barbed wire worth $5 or get caught with a half pint of cheap liquor and he is immediately sent to a Federal prison.

I want you to note what the New York Times and the Associated Press of Washington had to say about Mr. Sinclair in connection with the oil deal:

Harry F. Sinclair whose trial for conspiracy ended a few days ago in Washington has his residence and business home in New York. In commenting on his acquittal the New York Times said:

"Acquittal in such a notorious case does not mean restoration to public confidence or respect. A larger jury has already brought in its verdict. Mr. Sinclair stands legally quit of the crime of conspiracy, but on the moral counts of his indictment the general judgment has gone heavily against him. From that no appeal lies. He is condemned to figure as a man of great wealth who had snapped his fingers at its just and unescapable responsibilities. He tampered with one whom the Supreme Court has declared to be a 'faithless officer' of the Government. He sought to cover up his tracks by the lavish use of money, personally and politically. That record can not be altered. Nothing that happened in his criminal trial at Washington can change it. He will remain a scandal to his class; a public warning to rich men, tempted as he was, to avoid his example as they would the plague. For both him and ex-Secretary Fall the sentence of the intelligent public has been pronounced and will abide. As time goes on, it will be strange if Sinclair is not moved to exclaim, 'My punishment is greater than I can bear!'"

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WASHINGTON, May 1.—Harry F. Sinclair, testifying to-day before the Senate oil committee, said he had given Will H. Hays a net total of $160,000 to help wipe out the Republican deficit after the 1920 elections, but insisted that no inducement was offered to him. He said he had been a Republican in politics, but did not know what he was.

What is holding up the Muscle Shoals bill now before the Rules Committee which proposes to have the Government manufacture cheap fertilizer for farmers? The Rules Committee had a visit from the fertilizer trusts and they have said, "All right, boys, we will stick this bill in a pigeonhole and continue to force farmers to pay $50 and $60 per ton for nitrate, as well as a $12 tax to the Chilean Government on every ton of nitrate imported.

ASTOUNDING STORY OF CORRUPTION IS PLACED ON RECORD—POWER LOBBYISTS TELL HOW THEY "FIXED" POLITICIANS AND ALL CLASSES OF WRITERS

With cold-blooded effrontery power lobbyists declared they had bought up politicians to influence Members of Congress and State legislatures to vote in the interest of the Power Trust; that they had corrupted newspaper men and recruited them into their lying propaganda service; that they had on their pay roll authors and educators whose job is to write propaganda books and place them in the schools of the country, to influence the budding minds of children.

RAISING THE "JACK POT"

Nine months ago the trust raised a "jack pot" of $400,000 which was to be used to kill off the Boulder Dam bill, turn Muscle Shoals over to private power interests, and prevent an investigation of its activities. "Sam" Insull was the heaviest contributor.

A lobby was formed to carry out this program, and it was from the records of this organization that the amazing story of scandalous abuse of position and betrayal of trust was written into the commission's records.

The $400,000 which has been expended by the main lobby represents but a fraction of the sum used to corrupt public officials, pervert public sentiment, and poison the stream of education.

The lobby is merely the directing head of other lobbies maintained in every State, all of which have contributed liberally to the buying up of such talent as was purchasable.

The following clipping from the Washington Times gives us very interesting information along the line as to what the fellows who control the Republican administration can do:

WHAT ABOUT THE BIG FELLOWS?—WHAT THEY WANT THEY GET

The House Military Committee says the Government should operate its power plant at Muscle Shoals manufacturing commercial fertilizer, ready at any moment to produce nitrates for explosives in war.

Important news, if true. But what about the theory that the Government isn't sufficiently able or honest to do anything for itself? And what about possible Government competition with private power and fertilizer concerns?

Senator NYE said the other day: "You can't convict a million dollars in this country." He said then what is commonly called "a mouthful."

What the big people want they get, as a rule. And what they don't want usually doesn't happen.

The Power Trust, one of the most powerful in this country, doesn't want cheaper power prices, or competition from Muscle Shoals.

And the big fertilizer gentlemen didn't relish the suggestion of cheaper fertilizer produced by Government ownership.

Things that the big fellows don't want don't happen. Make a memorandum of that.

Look at the letters and telegrams that you are receiving now from mills, speculators, middlemen, and generally from those whom you have already protected opposing this legislation. If we succeed in passing same, then they will take their fight up to the White House with the hope that they may force the President to veto the bill.

FARMING NOW IS A REAL BUSINESS LINE

As the gentleman from Texas [Mr. SUMNERS] stated a few moments ago, in the beginning at least 75 per cent of the people were engaged in farming, primarily to take care of their own families. Since that time they have been going away from the farms into other lines of business cutting this per cent down to about 30 per cent; and to-day farmers are called upon to feed and clothe the world, therefore, farming is a business line just like all other businesses.

Farmers producing the staple agricultural commodities deal almost exclusively as an individual both in buying and selling; therefore they are now attempting to perform a variety of functions such as now obtained in almost no other trade. It is too much to expect a farmer to be an efficient producer as well as an expert salesman. He is supposed to be a judge of the market conditions as well as an astute financier. Therefore, the only way for farmers to succeed and take their business out of the hands of the fellow who is squeezing agriculture to-day is to organize so they can really control their own business.

The four major problems confronting farmers to-day are the controlling of the surplus, when they are blessed with one, production credits, establishing a marketing system of their own, and collective buying and selling.

AGRICULTURAL CREDITS

Production credit is one of the biggest problems with agriculture in my part of the country. It is almost impossible for a great many of the farmers to secure money under the present system to pay for labor and to carry on until they can produce their crops. It is easy enough for a farmer to go into town with 10 bales of cotton or with a receipt for 10 bales of cotton and borrow money from the bank; but under the present system in South Carolina, and I believe the same thing is true in a great many other States, farmers are unable to go direct to the intermediate credit bank, which is claimed to be the bank for the farmers. If they get any money out of the intermediate credit bank they have to go through certain corporations and they have to pay in the stock themselves; they have to pay an extra profit on the money and pay attorney fees and everything else, which makes it very expensive, and sometimes because of the amount of red tape they are unable to secure these funds in time to buy fertilizer and carry on. As a rule, those running these corporations are not especially interested in farmers, but in profits.

Under section 5 of this bill cooperatives will be able to qualify so as to be able to discount with the intermediate credit banks member's crop and stock paper. This will enable the cooperatives or corporations formed by the cooperatives to furnish their members with cheap money for production purposes. This will enable the cooperatives and their members to buy collectively fertilizer and other farm supplies at the very best prices.

Members of the committee frequently are asked to explain the provision in this section which would authorize the board to make loans to a cooperative association for the purpose of furnishing the association with "funds to be used by it as capital for any agricultural credit corporation eligible for receiving discounts under section 202 of the Federal farm loan act as amended."

The section 202 referred to authorizes intermediate credit banks to discount for or purchase from any agricultural credit corporation notes given to secure loans made in the first instance for "any agricultural purpose or for the raising, breeding, fattening, or marketing of livestock." Under regulations prescribed by the Federal Farm Loan Board an agricultural credit corporation is required to have unimpaired paid-in capital and surplus equal to at least $10,000.

Such an agricultural credit corporation would be a valuable adjunct to a cooperative association. It would make production and marketing credit from the intermediate credit banks available to agricultural producers for periods of time adapted to their needs and at a minimum rate of interest.

FARMERS' GROSS INCOME

The gross income of farmers for their products, as stated by Mr. Yoakum, of New York, when testifying before our committee, is around $7,000,000,000, while the consumers paid for the same products $22,000,000,000. Certainly I must be right when I contend that there is too much slack between producers and consumers. In this connection I want to deny statements made on this floor and outside of this Chamber by the opponents of this bill that if we succeed in increasing the price of farm products to the farmers that we will increase the price to the consumer. If we carry out the plan under section 8, which I think is one of the most important sections in this bill, we will be able to cut the slack between the producers and consumers to the advantage of both. The extreme high prices charged to the consumers is one reason why we very often have a surplus. The world to-day needs every pound, every bushel, and every basket of farm products if at a fair price. Thousands to-day because of their poverty are denied the privilege of an abundant supply of the real necessaries of life as well as the fruits of the land. Many a person refuses to buy fruits, watermelons, and so forth, because of the high price charged by middlemen, and millions of this stuff goes into waste at the expense of the producer.

FARMERS OUGHT TO OWN AND OPERATE THE MARKETING MACHINERY

To-day the marketing machinery is owned and controlled by middlemen. Thousands of these are parasites not only on the producer but also on the consumer.

Section 8 will enable producers to establish clearing houses and marketing facilities in the large marketing centers which will bring about orderly marketing and distribution. Under this section farmers will be furnished the money to establish or maintain warehouses, compresses, and bring about direct marketing with mills and foreign countries. With the control of compressing, we will be able to bring about high-density compression whereby we will be able to save millions in freights, warehouse space, insurance, and tare. We will then be able to load 100 bales of cotton on one box car, whereas to-day it takes three box cars to ship 100 bales of cotton.

Edgar B. Stern, president of the New Orleans Cotton Exchange, New Orleans, in a speech at Atlanta, Ga., some time ago, said:

And it is of marketing that I speak this morning—marketing, the most complicated, difficult, and baffling of the problems of agriculture. The modern farmer finds no great difficulty in producing crops. Our railroads and steamships have adequately solved the problem of transportation, even of perishable goods. When he has tried other things, he has had to face the bewildering uncertainties and disappointments of unstandardized markets. If he ships tomatoes to the nearest city, he may find the local market is flooded with tomatoes but wants beans. He is frequently at the mercy of the local buyer, who, if overstocked with the commodity which the farmer has to sell at the moment, can name no price at all for the product.

The following is a statement of Mr. B. F. Yoakum, 17 East Forty-second Street, New York:

Farm commodity marketing should be placed on a nation-wide business basis where it could stand alone as other big businesses do. Marketing of farm products should be controlled by the farmers themselves.

INSURANCE SECTION

Now as to the insurance feature, the gentleman from Mississippi [Mr. WHITTINGTON] covered that fully the other day, and I would be very glad if every Member would read his speech thereon. We had before our committee Mr. Stone and Mr. Bledsoe, from Mississippi, who have given this section a lot of thought; and from what I gathered from their testimony I am sure that the insurance section will be a most important part of the bill.

This bill does not force a farmer to join a cooperative association, but it does offer a great inducement in several instances. Under the insurance section the farmer delivering his cotton to the cooperatives will be paid at least 95 per cent of the

value of his cotton based on the price prevailing at the time of delivery. This cotton will be held and sold in an orderly manner, and the farmer will be able to participate in any profits at the end of the period. In the meantime he will not be subject to any losses. Otherwise he can sell his cotton on the open market as he is now doing and let the speculator or some cotton merchant receive the profit.

The insurance agreement really provides the cooperative marketing associations with a hedge against loss caused by decline in the average seasonal market price. It has an advantage over the ordinary market hedge. If the average market price during the sales season is higher than the average market price during the delivery season, the members of the cooperative association will receive the benefit of the advance. The insurance applies to agricultural commodities that can be warehoused or stored and held without deterioration and with safety over a period of time. The insurance can only be obtained upon an agricultural commodity that is regularly traded in on an exchange in sufficient volume to establish a recognized basic price for that commodity. In addition the exchange must have accurate price records covering a sufficient length of time to enable the board to calculate the risks of insurance on a sound basis. Over a period of years the market price for such a basic commodity will average higher during the period from the end of one harvest to the beginning of another harvest. This is necessarily true. Otherwise agencies which purchase and store commodities for later resale could not remain in business. Cotton is such a basic agricultural commodity. Wheat is another such commodity. Careful investigations have been made over a period of years. The committee had elaborate hearings on the insurance feature. It is generally conceded to be sound business, because it is based on good insurance principles and because there is an insurable risk.

Statistics for a period of 20 years show that, with the exception of certain years that are capable of reasonable explanation, the average price of cotton during the period that farmers usually sell their cotton, namely, from September 1 to December 31, is lower than the average price for the 12 months beginning September 1 and ending August 31. It would be to the benefit of the cotton farmers if a plan of insurance against price decline during any one crop year could be put into effect. It would promote orderly marketing and it would assist in the control of the surplus. The farmer belongs to the debtor class, and he usually sells his cotton and other products during the harvesting season. The result is that there is a dumping of too much cotton on the market. The mills buy as their requirements dictate. The farmer thus sells to the speculator. The speculator knows that the average seasonal price must be in excess of the average price that obtains during the period of delivery. The price is generally depressed when the farmer sells, and the result is that the farmer does not get a fair price. One of the great difficulties with the cooperatives is that their members need the value of the product at the time it is delivered to the association to liquidate their debts. The association now advances, in the case of cotton, something like 65 per cent of the market value. If the association is hedged or assured against decline, the producer may be advanced his market value less the cost of the storage, interest, and insurance, and the cooperative would thus be promoted while the farmer was insured.

The five years in which there were exceptions were due to unusual conditions, most of which are not likely to occur again. The examinations of the daily price records of the New Orleans Cotton Exchange for the period mentioned were made by Ernst & Ernst, public accountants. I embody herewith the result of these examinations:

First. A letter from Messrs. Ernst & Ernst to Mr. O. F. Bledsoe, jr., dated September 1, 1926, covering examinations of the New Orleans Cotton Exchange, and giving the average prices of middling spot cotton for the delivery and for the annual seasons for the 20 years, which show the average price during the farmer's delivery season from September 1 to December 31 to be 17.55 cents per pound, while the average price during the entire season from September 1 to August 31 is 18.03 cents per pound, or the average price for the year is 0.58 cent, or a little over one-half a cent per pound more than the average price during the harvesting, or farmer's selling period, as follows:

27 CEDAR STREET, *September 1, 1926.*

Mr. O. F. BLEDSOE, Jr.,
*President Staple Cotton Cooperative Association,*
*Greenwood, Miss.*

DEAR SIR: We hereby certify that we have examined the daily price records of the New Orleans Cotton Exchange from September 1, 1905, to August 31, 1925, and find that the average prices reported for middling spot cotton for the periods from September 1 to December 31 and from September 1 to August 31 were as follows:

| Sept. 1 to Dec. 31— | Average price | Sept. 1 to Aug. 31— | Average price |
|---|---|---|---|
| | *Cents* | | *Cents* |
| 1905 | 10.86 | 1905–6 | 10.92 |
| 1906 | 10.22 | 1906–7 | 11.22 |
| 1907 | 11.48 | 1907–8 | 11.14 |
| 1908 | 8.93 | 1908–9 | 10.03 |
| 1909 | 13.79 | 1909–10 | 14.51 |
| 1910 | 14.26 | 1910–11 | 14.39 |
| 1911 | 9.85 | 1911–12 | 10.87 |
| 1912 | 11.99 | 1912–13 | 12.26 |
| 1913 | 13.29 | 1913–14 | 13.23 |
| 1914 | 7.29 | 1914–15 | 8.29 |
| 1915 | 11.45 | 1915–16 | 12.15 |
| 1916 | 17.56 | 1916–17 | 19.78 |
| 1917 | 26.47 | 1917–18 | 29.40 |
| 1918 | 30.88 | 1918–19 | 30.01 |
| 1919 | 36.15 | 1919–20 | 38.38 |
| 1920 | 20.21 | 1920–21 | 14.75 |
| 1921 | 18.21 | 1921–22 | 18.71 |
| 1922 | 23.34 | 1922–23 | 26.15 |
| 1923 | 31.39 | 1923–24 | 30.51 |
| 1924 | 23.45 | 1924–25 | 23.89 |
| 20-year average | 17.55 | 20-year average | 18.03 |

Attention is directed to the fact that in the year 1914 the exchange was closed during August and September. Therefore price of 7.29 cents above actually covers three months. The prices of 13.23 cents for the year 1913–14 and 8.29 cents for the year 1914–15 actually cover only 11 months of each year.

ERNST & ERNST.

Second. The summary of the New Orleans spot prices of cotton, as follows:

*New Orleans Exchange spot middling cotton*

| Year | January | February | March | April | May | June |
|---|---|---|---|---|---|---|
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| 1906 | 11.55 | 10.67 | 10.84 | 11.27 | 11.31 | 10.99 |
| 1907 | 10.44 | 10.48 | 10.82 | 10.79 | 11.88 | 12.81 |
| 1908 | 11.83 | 11.59 | 10.91 | 10.19 | 10.91 | 11.57 |
| 1909 | 9.33 | 9.43 | 9.38 | 10.03 | 10.58 | 11.03 |
| 1910 | 15.22 | 14.87 | 14.73 | 14.63 | 14.88 | 14.84 |
| 1911 | 14.95 | 14.62 | 14.55 | 14.70 | 15.48 | 15.26 |
| 1912 | 9.52 | 10.31 | 10.64 | 11.62 | 11.71 | 12.06 |
| 1913 | 12.58 | 12.51 | 12.45 | 12.43 | 12.29 | 12.44 |
| 1914 | 12.92 | 12.90 | 12.94 | 13.09 | 13.36 | 13.78 |
| 1915 | 7.87 | 8.01 | 8.34 | 9.42 | 9.04 | 9.11 |
| 1916 | 12.03 | 11.45 | 11.72 | 11.88 | 12.61 | 12.79 |
| 1917 | 17.33 | 17.14 | 17.93 | 19.51 | 20.01 | 24.18 |
| 1918 | 31.06 | 30.90 | 32.75 | 32.94 | 28.92 | 30.71 |
| 1919 | 28.84 | 26.94 | 26.83 | 26.70 | 29.37 | 31.94 |
| 1920 | 40.27 | 39.38 | 40.69 | 41.41 | 40.31 | 40.49 |
| 1921 | 14.53 | 12.85 | 11.03 | 11.16 | 11.79 | 11.03 |
| 1922 | 16.51 | 16.36 | 16.74 | 16.79 | 19.30 | 21.68 |
| 1923 | 27.51 | 28.78 | 30.43 | 28.42 | 26.53 | 28.61 |
| 1924 | 33.94 | 31.90 | 28.73 | 30.41 | 30.69 | 29.47 |
| 1925 | 23.66 | 24.60 | 25.63 | 24.51 | 23.53 | 24.06 |
| Average | 18.09 | 17.78 | 17.90 | 18.09 | 18.23 | 18.94 |

| Year | July | August | September | October | November | December |
|---|---|---|---|---|---|---|
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| 1905 | | | 10.25 | 10.15 | 11.28 | 11.87 |
| 1906 | 10.95 | 9.97 | 9.24 | 10.75 | 10.35 | 10.48 |
| 1907 | 12.88 | 13.13 | 12.47 | 11.18 | 10.83 | 11.53 |
| 1908 | 10.80 | 9.92 | 9.10 | 8.92 | 8.96 | 8.74 |
| 1909 | 12.13 | 12.46 | 12.66 | 13.43 | 14.40 | 14.95 |
| 1910 | 14.92 | 14.91 | 13.49 | 14.19 | 14.49 | 14.84 |
| 1911 | 14.28 | 11.91 | 11.28 | 9.60 | 9.33 | 9.17 |
| 1912 | 12.93 | 12.04 | 11.36 | 10.94 | 12.15 | 12.80 |
| 1913 | 12.34 | 12.02 | 13.12 | 13.73 | 13.31 | 12.98 |
| 1914 | 13.33 | None. | 8.38 | 7.01 | 7.42 | 7.18 |
| 1915 | 8.71 | 8.93 | 10.40 | 11.95 | 11.50 | 11.88 |
| 1916 | 13.03 | 14.25 | 15.26 | 17.24 | 19.44 | 18.34 |
| 1917 | 25.41 | 25.03 | 21.68 | 26.75 | 28.07 | 29.07 |
| 1918 | 29.57 | 30.22 | 33.22 | 31.18 | 29.75 | 29.43 |
| 1919 | 33.93 | 31.37 | 30.37 | 35.18 | 39.57 | 39.88 |
| 1920 | 39.41 | 34.02 | 27.47 | 20.95 | 17.65 | 14.63 |
| 1921 | 11.48 | 12.77 | 19.35 | 18.99 | 17.27 | 17.17 |
| 1922 | 22.01 | 21.54 | 20.74 | 22.04 | 25.38 | 25.47 |
| 1923 | 25.73 | 24.22 | 27.70 | 29.18 | 33.68 | 34.88 |
| 1924 | 29.23 | 26.65 | 22.76 | 23.47 | 23.95 | 23.66 |
| 1925 | 23.97 | 23.07 | | | | |
| Average | 18.85 | 18.33 | 17.01 | 17.34 | 17.93 | 17.94 |

Grand average, 20 years, 18.03; Sept. 1 to Jan. 1, 17.55.

Third. Actual Staple Cotton Cooperative Association deliveries and prices for the years 1922–23, 1923–24, 1924–25, as compared with the theoretical average, show a gain of 0.11 cent per pound

of actual delivery average over the theoretical delivery average, as follows:

*Staple Cotton Cooperative Association*

| Month | Percentage of deliveries | 20-year average price | Average delivery price |
|---|---|---|---|
| | | *Cents* | *Cents* |
| August | 0.29 | 18.33 | 5.3157 |
| September | 26.27 | 17.01 | 446.8527 |
| October | 42.72 | 17.34 | 740.7648 |
| November | 23.02 | 17.93 | 412.7486 |
| December | 5.74 | 17.94 | 102.9756 |
| January | .71 | 18.09 | 12.8439 |
| February | .73 | 17.78 | 12.9794 |
| March | .23 | 17.90 | 4.1170 |
| April | .18 | 18.09 | 3.2562 |
| May | .02 | 18.23 | .3646 |
| June | .04 | 18.94 | .7576 |
| July | .05 | 18.85 | .9425 |
| Total | 100.00 | 18.03 | 17.44 |

| | *Cents* |
|---|---|
| Theoretical delivery average, Sept. 1 to Jan. 1 | 17.55 |
| Actual, based on association delivery average | 17.44 |
| Gain | .11 |

Fourth. Variations by annual seasons in middling spot quotations for the period of 20 years, as follows:

*Variations in middling spot cotton quotations—New Orleans*

| Season | Loss | Gain |
|---|---|---|
| | *Cents* | *Cents* |
| 1905–6 | | 0.06 |
| 1906–7 | | 1.00 |
| 1907–8 | 0.34 | (1) |
| 1908–9 | | 1.10 |
| 1909–10 | | .72 |
| 1910–11 | | .13 |
| 1911–12 | | 1.02 |
| 1912–13 | | .27 |
| 1913–14 | .06 | (2) |
| 1914–15 | | 1.00 |
| 1915–16 | | .70 |
| 1916–17 | | 2.22 |
| 1917–18 | | 2.93 |
| 1918–19 | .87 | (3) |
| 1919–20 | | 2.23 |
| 1920–21 | 5.46 | (1) |
| 1921–22 | | .51 |
| 1922–23 | | 2.81 |
| 1923–24 | .88 | (4) |
| 1924–25 | | .44 |
| | 7.61 | 37.69 |

[1] Money panic. [3] Armistice signed.
[2] World War. [4] Crop estimate.

Mr. Bledsoe is a man of broad experience and has given many years of thought and study to the marketing of cotton. The New Orleans Cotton Exchange is probably the most stable exchange in the world. Under the insurance plan which Mr. Bledsoe proposes, which is embodied in this bill and which I now advocate, the cotton cooperative associations would be guaranteed that their weighted average daily spot price during the delivery period, which is from September 1 to December 31, would not be less than their average selling price for the year; that is, from September 1 to August 31.

The examinations of the daily-price records of the New Orleans Cotton Exchange for a period of 20 years—beginning September 1, 1905, to August 31, 1925—show that with the exception of 5 years the average price during the harvesting season was lower than the average price for the 12 months.

That is because the average annual seasonal price is what the consumers of the country pay for our cotton. The growers do not have an opportunity to sell cotton to the consumers during the marketing period. We must sell largely to speculators, who sell at higher prices throughout the year to the consumers, so that the speculator and not the producer gets the benefit of the increase in price.

Mr. Bledsoe has prepared a statement giving profit and loss of seasonal cotton-price insurance from 1905 to 1919, and from 1921 to 1924, inclusive, which shows that the growers would have received, under the plan proposed, an increased amount for the annual period over the four months' delivery period in the sum of $1,011,325,750. The production during these years was 228,528,000 bales; and if the board had underwritten insurance against decline in the annual price at a premium of $1 per bale, the premiums would have amounted to $228,528,000, while the losses would have been $120,783,450, leaving a profit of $107,744,550, to the board. The statement which was prepared by Mr. Bledsoe on January 26, 1927, is as follows:

*Profit and loss statement of seasonal cotton price insurance from 1905 to 1919 and 1921 to 1924, inclusive*

| Fiscal year | Bales produced | Value per pound, Sept. 1, to Dec. 31 | Value per pound, Sept. 1, to Aug. 31 | Increased amount received by growers, yearly period over 4 months | Losses due to decrease in value, yearly period over 4 months |
|---|---|---|---|---|---|
| | | *Cents* | *Cents* | | |
| 1905–06 | 10,575,000 | 10.86 | 10.92 | $3,172,500 | |
| 1906–07 | 13,274,000 | 10.22 | 11.22 | 66,370,000 | |
| 1907–08 | 11,107,000 | 11.48 | 11.14 | | $18,921,900 |
| 1908–09 | 13,242,000 | 8.93 | 10.03 | 72,831,000 | |
| 1909–10 | 10,005,000 | 13.79 | 14.51 | 36,018,000 | |
| 1910–11 | 11,609,000 | 14.26 | 14.39 | 7,545,850 | |
| 1911–12 | 15,693,000 | 9.85 | 10.87 | 80,034,300 | |
| 1912–13 | 13,703,000 | 11.99 | 12.26 | 18,499,050 | |
| 1913–14 | 14,156,000 | 13.29 | 13.23 | | 4,246,800 |
| 1914–15 | 16,135,000 | 7.29 | 8.29 | 80,675,000 | |
| 1915–16 | 11,192,000 | 11.45 | 12.15 | 39,172,000 | |
| 1916–17 | 11,450,000 | 17.56 | 19.78 | 127,095,000 | |
| 1917–18 | 11,302,000 | 26.47 | 29.40 | 165,574,300 | |
| 1918–19 | 12,041,000 | 30.88 | 30.01 | | 52,378,350 |
| 1919–20 | 11,421,000 | 36.15 | 38.38 | 127,344,150 | |
| 1921–22 | 7,954,000 | 18.21 | 18.71 | 19,885,000 | |
| 1922–23 | 9,760,000 | 23.34 | 26.15 | 137,128,000 | |
| 1923–24 | 10,281,000 | 31.39 | 30.51 | | 45,236,400 |
| 1924–25 | 13,628,000 | 23.45 | 23.89 | 29,981,600 | |
| | 228,528,000 | | | 1,011,325,750 | 120,783,450 |

| | |
|---|---|
| Growers' income from premiums payable on 228,528,000 bales of cotton at $1 per bale | $228,528,000 |
| Losses due to decrease in value, yearly period over 4 months | 120,783,450 |
| Profit to underwriters | 107,744,550 |

Baleage: United States Department of Agriculture.

Prices: Average spot middling prices of the New Orleans Cotton Exchange, New Orleans, La., certified to by Messrs. Ernst & Ernst, certified public accountants.

STAPLE COTTON COOPERATIVE ASSOCIATION,
O. F. BLEDSOE, *President.*

In other words, the above computation proves that the average annual price is in excess of the delivery price and that as an insurable risk the Government can with safety guarantee and insure that the annual price will be in excess of the delivery price.

I call attention to the fact that while the theoretical average delivery price during the 20-year period, as shown by the above statistics, is 17.55 cents, the actual delivery price based upon the association's deliveries shows a gain of 0.11 cent per pound of the actual delivery average over the theoretical delivery average. Hence it is that section 12 of the Haugen bill provides that the measure of any decline shall be the difference between the average market price weighted for the days and volume of delivery and the average market price weighted for the days and volume of sales, for the actual delivery average of the Staple Cotton Cooperative Association was weighted for the days and volume of delivery. The foregoing statistics show that the average daily spot price of middling cotton on the New Orleans Cotton Exchange for the period September 1, 1905, to September 1, 1925, is higher for the selling season—that is, from September 1 to August 31—than for the delivery season—that is, September 1 to December 31—except for the season 1907–8, the year of the money panic, when there was a loss of 34 points, or $1.70 a bale; 1913–14, when the World War broke out and there was a loss of 6 points, or $0.30 per bale, during which year the exchanges were closed and no cotton was marketed for several months; 1918–19, the year of the armistice, when there was a loss of 87 points, or $4.35 a bale; 1920–21, the year of the great deflation, when there was a loss of 546 points, or $27.30 per bale, and inasmuch as it resulted from war, such a condition is not likely to occur again and might be omitted in the calculation; 1923–24, the year in which there was an overestimate of demand and an underestimate of supply, there was a loss of 88 points, or $4.40 a bale. Excluding the season 1920–21, deflation, the average annual loss for the 19 years included in the calculation is 56.6 cents per bale. The weighted price of the association, which shows the reduction of 11 points, would reduce the average loss to 46.3 cents per bale.

If cooperative associations, instead of selling futures, instead of hedging, with these reliable statistics, can procure insurance against seasonal decline without loss to the Government, it will promote cooperative marketing as nothing else can.

The aggregate of the loss cost for the 4 years out of the 20, exclusive of the year 1920–21 (deflation) amounted to $10.75 per bale. As an insurance proposition I think it would be mani-

festly unfair to include in this loss cost the whole loss due to deflation, as without deflation it is doubtful if there would have been any loss at all, but assuming for the sake of argument that the loss for the year 1920–21 would have been the average of the other entire 4 years of loss, or $2.68 per bale, we get a total loss cost for the entire 5 years out of the 20 of $13.43 per bale or $0.67 per bale per annum. If we add 33⅓ per cent for expenses, there would be a rate of $0.895 per bale. The Government could afford, according to these reliable statistics, to insure cotton against seasonal decline for a period of one year for $1 per bale.

It has been suggested that if the insurance feature is sound the cooperatives could secure the insurance from Lloyds or from other insurance companies. The answer is that neither Lloyds nor any insurance company in the United States insures against any sort of price decline. No insurance can be obtained for this purpose under the laws of New York, New Jersey, Mississippi, or under the laws of any other State in the Union, so far as I know, nor under the laws of the District of Columbia. It is outside of the province of insurance. In a way it invades the realm of banking. The matter of interest and carrying charges must be kept in mind. There is no private agency that can supply the insurance needed to stabilize a basic agricultural commodity. But the Government was organized to do what individuals can not do, what corporations are not authorized to do. The Government financed the railroads during the World War, and it has provided capital for banking under the Federal reserve system. It ought to do for agriculture what it has done for transportation and banking.

The committee considered very carefully the statistics which I have embodied herein, as well as other statistics, and they will be found in Mr. Bledsoe's statement in the hearings. Moreover, the hearings show that Mr. Bledsoe submitted these statistics to some of the leading insurance authorities in the country. Page 108 of the hearings shows that Edwin G. Seibles, manager of the Cotton Fire & Marine Underwriters, of New York City, one of the most prominent insurance men in the United States, believes that the proposition is sound. I quote from the hearings (p. 109), where Mr. Seibles says:

> This appears to me to be a sufficiently definite proposition to calculate a fair rate for the risk involved, and the statistics and records seem to me to be in better shape than a great many propositions which underwriters are willing to undertake.

He also says:

> I think the proposition is not only sound in itself but it has a particular attraction from an underwriting standpoint at the present moment.

He calls attention to the fact that the trend of prices is found in wheat as well as cotton, for he says:

> It will be interesting to know that the uniform trend of prices is found in wheat as well as cotton. This result, of course, is in strict conformity with the logic of the situation.

AGRICULTURAL AND INDUSTRIAL SURPLUSES

There is a fundamental difference between the surplus problem in agriculture and that of industry. It is possible for a manufacturer to adjust the volume of his production closely to the estimated requirements of his market. This the farmer can not do, since in many crops weather and pests have more weight than acreage in determining total yield.

Winds, droughts, floods, boll weevil, corn borer, wheat rust, and other pests and diseases make the accurate adjustment of the production of agriculture to estimated demands in order to avoid a surplus on the one hand, and national underproduction, possibly famine, on the other, out of the question. For example:

In 1920 the corn acreage of the United States—approximately 101,000,000 acres—produced at the rate of 31.5 bushels per acre; in 1924 the yield was 22.9 bushels. On the same acreage base for those two years the variation in total yield due to weather and other factors beyond the farmers' control was 858,000,000 bushels. According to the United States Department of Agriculture, the acreage in corn in 1927 was about a million acres less than in 1926, but the estimated production increased by nearly 100,000,000 bushels on the reduced acreage.

The average United States cotton acreage for the years 1921–1924 was 35,000,000 acres. The 1921 yield was 124.5 pounds per acre; in 1924, 156.8 pounds. The cotton yield variation in those years, due to uncontrollable influences, amounted to 2,225,000 bales on the average acreage.

The 52,000,000 wheat acres, which produced on the average 16.5 bushels per acre, a total of 862,627,000 bushels in 1924, yielded only 12.8 bushels per acre, a total of 669,365,000 bushels, in 1925. The difference, which no degree of foresight or organization on the part of the farmers could have presented, was nearly 200,000,000 bushels of wheat. In other words, the same acreage that yielded barely enough wheat to supply our domestic requirements in 1925 had produced a gigantic exportable surplus the year before. The foregoing examples show conclusively that control of acreage is not equivalent to control of production.

OTHER FACTORS THAN ACREAGE DETERMINE YIELD

The Bureau of Agricultural Economics of the Department of Agriculture points out:

> Crop production varies both because of changes in acreage, which farmers can control, and because of changes in yield, most of which farmers can not control. The relative importance of yield and acreage differs with different crops. During the last 20 years 95 per cent of the changes in spring-wheat production were due to differences in yields; 83 per cent of winter-wheat production changes and 85 per cent of corn production differences were likewise caused by yield changes. Corn and wheat, occupying together about half of all the crop land on American farms, thus offer only slight opportunity for the prevention of occasional years of very large crops.
>
> The remaining major crops—oats, hay, and cotton—are less dependent upon weather conditions, the proportions of variation due to yields being 60 per cent for cotton, 62 per cent for oats, and 47 per cent for hay. As a whole, perhaps three-quarters of the annual variation in crop production is due to yield variations, and lies beyond human control through acreage adjustments.

POLICY OF ACREAGE REDUCTION CONSIDERED

It is recognized as the responsibility of agricultural producers to make all possible readjustments in acreage and production to conform to changing economic conditions. It is felt that much can be accomplished under the influence of a central body like the Federal farm board, to assist producers in the development of sound programs of planting and breeding. But when all has been done that can be done in that direction there still remains the problem of uncontrollable surpluses which this bill attempts to meet. Furthermore, there is distinct difference between making wise crop adjustments and deliberately adopting a national program which aims to do away with all national surpluses of important food products and raw materials.

IT WOULD BE DANGEROUS TO CUT PRODUCTION

It would be difficult in practice, if not impossible, to cut down the farm acreage of the United States to the point where there would be no prospect of surplus production in a favorable season. From the consumer's viewpoint, nothing could be more dangerous than to urge general curtailment of the supply of essential food and raw materials. Repeatedly representatives of the American Federation of Labor have indorsed legislation for agriculture such as is embodied in this bill and have pointed out the serious danger to consumers of any policy to do away with crop surpluses. From the national viewpoint, the grave danger in such a policy is best pictured when one asks the question: "What would have happened to the United States and to the allied nations in the late war if the agriculture of the Nation previously had been reduced to a domestic basis?" It was the fact that they were then on an export basis that enabled the farmers of the United States to supply quickly to the Allies food that was necessary in carrying on the war.

SPECIFIC OBJECTS SOUGHT THROUGH SURPLUS CONTROL

Results obtainable through organized handling of agricultural surpluses would depend with any commodity upon the nature of the commodity itself, its markets, and its methods of marketing. In general the objects sought under this bill are—

First. To stabilize market price levels against excessive fluctuations.

Second. To secure on commodities whose exportable surplus is small relative to the total domestic production, but is still large enough to influence materially the price in the home market, a domestic price for the bulk of the crop independent of the world price at which the surplus must be sold.

Third. To secure a stable and satisfactory world price for the producers of a crop like cotton, of which the American supply is the dominant factor in world price.

In this, as in previous measures, the committee recognizes that weather and other uncontrollable factors influence crop yields to such an extent that farmers are unable through adjustment of acreage to fit their supply to the market demands during any one year. In the judgment of the committee reasonable efforts toward the adjustment of acreage by the producers is necessary, but they should be supplemented by the machinery necessary to control the market movement of surplus portions of the crop and to handle and dispose of such surpluses in the interest of the producers. It is recognized that those who

attempt this task, whether they are cooperative associations of the producers or stabilization corporations or other agencies, incur operating costs and risks of loss; and that these are inescapable if a considerable surplus is to be managed so that the remainder of any crop may bring the producer a fair and stable price.

AGRICULTURAL PROBLEMS NEED THE ATTENTION OF CONGRESS

The general situation of agriculture presents a problem of such widespread importance that there appears to be little difference of opinion as to the necessity of some action by Congress aimed to secure for agriculture greater stability and a more proportionate share of the national income. The differences of opinion which have developed have to do with the means through which this is to be sought rather than with the end itself.

PROBLEM OF FUNDAMENTAL IMPORTANCE

Any serious and careful consideration of the situation and trend of American agriculture makes it clear that in relation to it the United States is confronted with a question of fundamental national concern and of permanent importance to the American people. The specific problems which face individual farmers, the different branches of the industry, and the several agricultural sections of the country are numerous, varied, and constantly shifting; but beneath all these there lies the fundamental question of the maintenance, improvement, and wise utilization of the irreplaceable land resources of the Nation, which must remain the basis of the prosperity and even of the very existence of our people.

Agriculture is not merely a way of making money by raising crops; it is not merely an industry or a business; it is essentially a public function or service performed by private individuals for the care and use of the land in the national interest, and farmers in the course of their pursuit of a living and a private profit are the custodians of the basis of the national life. Agriculture is therefore affected with a clear and unquestionable public interest, and its status is a matter of national concern calling for deliberate and far-sighted national policies, not only to conserve the natural and human resources involved in it but to provide for the national security, promote a well-rounded prosperity, and secure social and political stability.

THE AGRICULTURAL SITUATION

The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to postwar conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

RELATIVE PRICES LOW

Since the war the prices of farm products have persisted in an uneconomic and unfavorable adjustment to the general scale of prices of other goods and services. Though the relative price of agricultural products has increased, the costs of production in agriculture have risen or tended to remain high in comparison with the agricultural income, so that the readjustment of price relationships alone does not assure real improvement in the relative economic position of agriculture as a whole.

Production in some of the important branches has been slow in readjusting itself to normal demand after expansion during the extraordinary emergency conditions of the war, while the foreign market for farm products has been depressed by the low purchasing power of European nations, by the stimulation of their own agriculture, by their internal and external indebtedness, and by the postwar restrictions upon international trade.

LOWERED STANDARDS OF LIVING

This disparity between urban and farm incomes has emphasized the disparity in standards of living in the rural and urban populations and caused a large net migration to the cities. In large part this migration has been a kind of natural or economic selection through which the agricultural position has been improved by the elimination of the inefficient farmers, but in part it has meant the withdrawal from agriculture of some of the more energetic and intelligent farmers who have been unwilling to accept the relatively low standards of living possible on the farm.

LAND VALUES HAVE DECLINED

The continued low incomes have been reflected in a general decline in land values. The index number of the value of farm land with improvements, which for the country as a whole stood at 169 in 1920 and 157 in 1921, has declined each year, reaching 124 in 1926 and 119 in 1927. Considered by geographic divisions, the decline has been greatest in the West North Central States and least in the New England and Pacific Coast States. As a result of this decline in real-estate values, it has been estimated that the value of all capital invested in agriculture declined from $79,000,000,000 at the beginning of 1920 to $58,000,000,000 at the beginning of 1927.

FARM BANKRUPTCIES HAVE MULTIPLIED

Largely as a result of the shrinkage in the value of farm capital and the low current incomes of so many farmers, there has been a great increase in the number of farm bankruptcies in recent years. In the 10-year period, 1904–1913, there were, on the average, 1.4 farm bankruptcies per year for each 10,000 farms, while during the three years ending June, 1926, there were 12.2 per year for each 10,000 farms. The number of farmers who resort to bankruptcy courts is so small that even in times of financial stress most farmers who lose their property do so without foreclosure or bankruptcy.

BANK FAILURES INCREASE

The decline in the economic position of agriculture has been the chief cause of the enormous number of bank failures in the United States since 1920, without parallel in any previous period in our history.

The number of bank failures in 1924 (915) was 42.5 per cent larger than the number of failures in 1893 (642). The number of failures for the period 1920–1925, inclusive (2,494), was greater than the number of failures during a period of 26 years up to 1920 (2,424). Most of the closed banks were located in agricultural districts.

The following table showing bank failures in the United States since 1920 does not include figures for closed national banks which were reopened without having been placed in the hands of a receiver.

*Bank failures by years ending on June 30, 1920 to 1927*

[Statistics obtained from the Comptroller of the Currency]

| Year ended June 30— | National banks | | Other banks | | Total | |
|---|---|---|---|---|---|---|
| | Number | Liabilities | Number | Liabilities | Number | Liabilities |
| 1920 | 5 | $1,930,000 | 44 | $18,955,000 | 49 | $20,885,000 |
| 1921 | 28 | 17,301,000 | 290 | 96,124,000 | 318 | 113,425,000 |
| 1922 | 33 | 20,287,000 | 363 | 95,029,000 | 396 | 115,316,000 |
| 1923 | 37 | 20,076,000 | 237 | 64,550,000 | 274 | 84,626,000 |
| 1924 | 138 | 74,743,000 | 777 | 223,188,000 | 915 | 297,931,000 |
| 1925 | 102 | 53,315,000 | 440 | 118,728,000 | 542 | 172,043,000 |
| 1926 | 78 | 38,112,000 | 496 | 147,823,000 | 574 | 185,935,000 |
| 1927 | 141 | 66,586,000 | 689 | 206,655,000 | 830 | 273,241,000 |
| Total | 562 | 292,550,000 | 3,336 | 970,052,000 | 3,898 | 1,263,402,000 |

Chairman HAUGEN, of the Committee on Agriculture, in his report on the present Haugen bill said:

As a result of high costs and impaired income of the farmer, the total farm indebtedness in the United States, which was estimated at $4,320,000,000 in 1910, has grown to $12,250,000,000 in 1920, and stands at approximately that figure to-day.

CONDITION OF AGRICULTURE

This is very convincing evidence written by a man from my State who really knows the condition of farmers:

FARM SITUATION IN TRUE LIGHT—GEORGE W. PARK DISCUSSES PLIGHT OF SOUTHERN AND WESTERN FARMERS

That there is a great depression among the cotton and wheat farmers no intelligent person will deny, if he speaks conscientiously. Since the World War the farmers have not been able to pay expenses and are running in debt to such an extent that many have left their farms. A few have kept the "wolf from the door" by persistent industry and rigid economy; but their old, weather-beaten, unpainted buildings indicate the stress, the hard times to which they are subjected. This depression is not simply around Greenwood. It is found throughout the South, Middle West, and West. Two years ago, it is said, one-tenth of the western wheat farmers lost their farms, and the loss has been almost as great ever since. If such conditions prevail for several years more, the farmers will be ruined.

Every farmer growing wheat and cotton who pays the ordinary wages of carpenters and even of common laborers will eventually become bankrupt.

It is about time for the people to stop reading and believing the articles that are being published about farmers in such periodicals as Collier's Weekly and the Saturday Evening Post. Those articles are mostly written by politicians who are trying to camouflage the public and prevent a knowledge of the truth. I would call attention to an article in a recent issue of the Saturday Evening Post entitled "Our

best customer," written by Secretary Mellon. He boasts of the "more equitable distribution of wealth, the better-clothed, better-fed, better-paid population, their comfortably heated houses with modern conveniences, their leisure, luxury, and amusements." Where are they? Does he realize the condition of the cotton and wheat farmers that form a very large part of our population? If not, he had better read the article in the July Review of Reviews, written by E. E. Miller, editor of the Southern Agriculturist. It will pay anyone interested in the South to read that article. Let me quote a paragraph. It shows that the Secretary is either ignorant of facts or is attempting to deceive the farming population by falsifying facts. Mr. Miller says:

"In Georgia in 1920, 481,000 males and 132,000 females were listed as agricultural workers; in Alabama 382,000 males and 123,000 females. These females were not only the wives and daughters of negro 'hands' or croppers but also the wives and daughters of white tenant farmers and small farm owners. Many a cotton farmer's wife makes a regular 'hand' in the field during planting and chopping season, going to the house an hour or so ahead of the rest of the family at noon and in the evening to get the meals ready. Little children play in the corners of the fields, or in the shade of near-by trees, while their mothers hoe or pick cotton. Nowhere else in America do so many farm women work in the fields.

"The pay received by cotton growers for their work is smaller than that received by any other class of laborers in the United States. Cotton is produced by the help of tens and hundreds of thousands of women and children who get a mere pittance for their labor. If the average cotton crop were produced by man labor working at an average rate of wages it would have to sell for fully twice the price now received in order to pay out."

Will these conditions last?

I dislike to present these pessimistic facts to the public, but it is high time that our cotton and wheat farmers should know whither they are drifting. The outlook is truly ominous. If the present conditions continue the fate of the culturist is sealed. His farm will soon be owned by those who are becoming wealthy under our unsound economic system, and he will be, like the scapegoat of the Israelites, turned loose in the wilderness.

But the farmer will surely get relief, and that speedily. Already he is beginning to realize his deplorable condition, and when the whole truth dawns upon him in all its hideous aspects, and his hair lengthens thinking upon it, like Sampson of old, he will feel of the political pillars upon which the present "artificial Coolidge prosperity" stands, and it will crumble and fall; or else it will secure for him equal rights.

Yes; the dark cloud now hanging over the farming industry is beginning to show a silver and gilt lining which will, by the farmers' cooperative might, dispel the darkness, and reveal a transformation of silver and gold dollars into the lean pocketbooks of the worthy toilers of the soil, enriching them as never before. My concluding letter, in a few days, will relate to this transformation and point out how it can or will be effected.

GEO. W. PARK.

GREENWOOD, S. C., *September 10, 1926.*

FALSE ECONOMY

The Republican administration is long on practicing economy when you want to spend the taxpayers' money for the relief of agriculture or for the relief of the great masses. I doubt seriously if we will get any relief to combat the pink bollworm or the corn borer that threatens the destruction of the farmers' corn and cotton. They have tied up legislation that would put Muscle Shoals into operation to manufacture nitrates for farmers. This administration would sacrifice agriculture, forgetting that we won the World War because we were able to feed and clothe our brave soldiers as well as our allies. Yet even the President would have us spend $4,200,000,000 on the Navy.

In my opinion, this is no time for the United States to flaunt its overshadowing power by engaging in a navy-building enterprise that will fill the world with ill will and crush reviving economic strength under a burden of taxation. Our influence should be all in favor of international good will and the elimination of war. No nation or group of nations in the world would dream of attacking us or risking our wrath in the present condition of things. They can not afford war. The approximate indebtedness of England is $37,200,000,000; the United States, $18,284,000,000; France and her colonies, $12,872,000,000; Italy, $4,942,000,000; and Japan, $2,500,000,000—making a total of nearly $76,000,000,000 for the five major nations of the world, most of which is the terrible toll caused by war. Another war in the near future would ruin our rivals. No matter how much they may dislike us, all want peace.

IN 1861–1865

It took 20 years for the South to get back to normal in the cotton markets, the price of each crop falling. The South was poorer than it was safe for any great section to be, many thousands moving away to the Southwest, where land was free. Others moved into the Northwest to make wheat cheaper than it was. Lands and ancient homes were deserted, as lands and homes had been deserted in 1820–1830.

Somebody set about a scheme to unite the restless West with the broken South. If they united they might control the United States and learn the way to self-help, farmers thus taking the control of things into their own hands, as they had done when young Calhoun and Clay tried their powers in 1820, tariffs and paper money and great banks to the contrary notwithstanding. But then somebody reminded them that the two sections of farmers had waged the Civil War. They must vote as they had shot; and children must vote as fathers had shot. There was an end of farmer self-help. Neither Bryan nor Roosevelt found any way to share with the farmers the vast and unprecedented prosperity of the new and unprecedented Republic. A single State in the East received twice as much of the annual income of the country as all the 13 Southern States!

Hundreds of thousands of farmers and children of farmers moved into the thriving cities. They sought places in the mills, on the railroads, in the great business houses, counting the money.

1914–1920

There was again a day of deceitful riches; and then a collapse, first of farmers, next of business in the cities. The world outside struggled between war and peace; the President, broken and hated for his scheme of peace that was failing, departed. He gave place to another, to a new régime that would save business if nothing else—a city régime made up of the fragments of all nations, bent upon a policy of oblivion and isolation. It was but another day till Europe once more ceased to buy cotton and wheat and pigs; the farmers were cast down from their high prosperity. Cotton could not be sold; wheat fell below the cost of production—dire distress. From 1921 till the present moment the experience of 1820, of 1866, repeated itself.

There was poverty wherever men produced the foodstuffs of the country; fair prosperity elsewhere. But the fears of 1921, like those of 1866 and afterwards, raised again the protecting wall against European competitors who would sell European goods at low prices and buy American farm products at rising prices. The fear of cheap imports raised the tariff walls higher than ever before. That secured the prosperity of business; it doomed the farmer, for no protective tariff could help him, nor were rich, vacant lands anywhere.

Somehow society found a way to relieve the fears and distress of those who own mills, run railroads, and operate the finances of the country. The price of manufactured products scarcely fell at all; the returns on railway investments were stabilized by official guaranty of 5½ per cent; the banks lent money at fixed and stable rates. Everybody received help save those who needed it. Statesmanship!

THERE IS ANOTHER SIDE TO THIS STATEMENT

Opponents of the bill will tell you that if you stimulate the price you will stimulate production. They make those statements because of the fact that they are not familiar with what farmers have to contend with and how they figure their way out.

With good prices, farmers will send their girls and boys to college. A great many of them will take a vacation like other folks do, and negroes with more money will not, under any circumstances, work full time.

Being a farmer and having supplied thousands of farmers as a supply merchant, I know that when prices are depressed, farmers will increase their acreage so as to increase the volume of production, hoping, with a depressed price, to have enough cotton at the price to bring in as much money as would a small crop at a better price.

If you will read on page 77, report on the condition of agriculture and the causes thereof, gotten out in 1927 by the Business Men's Commission composed of—

Charles Nagel, St. Louis, Mo., chairman of Nagel & Kirby.

E. N. Brown, New York City, St. Louis-San Francisco Railway Co.

E. M. Herr, New York City, president Westinghouse Electric & Manufacturing Co.

J. G. Lonsdale, St. Louis, Mo., president National Bank of Commerce.

A. F. McKissick, Greenville, S. C., vice president Alice Mills.

Clay Miller, San Francisco, Calif., of Clay Miller & Co.

Arthur R. Rogers, Minneapolis, Minn., president Rogers Lumber Co.

John Stuart, Chicago, Ill., president Quaker Oats Co.

Alfred H. Swayne, New York City, vice president General Motors Corporation.

Paul M. Warburg, New York City, chairman International Acceptance Corporation—

you will find that they have made this statement:

Once agricultural prices have definitely fallen it is a long and hard struggle to restore them again. Producers immediately tend rather to increase than restrict their output in order to make up by volume of sales what they lose in price, and the situation grows worse.

Mr. LAGUARDIA. It is far better to have a natural depression or reduction in production than an artificial market by these ticker manipulators.

Mr. FULMER. Absolutely. If this Government would spend less money in trying to increase farmers' production and many millions in research work, new uses for cotton and other commodities, new markets and marketing system owned and controlled by farmers so as to bring about orderly marketing and distribution we would be able to dispose of all crops at a fair price to the producer and consumer.

Dr. James E. Boyle, an economist of New York, in his book on agricultural conditions made a statement, and it sounds reasonable, that during the war when crop prices were high farmers plowed up 5,000,000 acres of pasture lands and planted same in crops. I think the gentleman from Texas [Mr. Box] will bear me out in this statement, that there were at one time thousands of acres of pasture lands plowed up in his State as well as in other States because the price of cattle got so low they could hardly give them away. Depressed prices in any line of agriculture will drive farmers into the other farmer's line. Let cotton prices go to 10 cents for a year or two and you will see a great many cotton farmers going into grain, hogs, cattle, or something else.

THIS BILL PROPOSES TO PUT ALL MAJOR COMMODITIES ON EQUALITY

If this bill will put all major agricultural commodities on a fair basis as to price, you will see each farmer and each section pushing his own line and farmers and sections bartering their goods and wares with each other.

Our farmers in the South are in need of thousands of good mules and dairy cattle, but because of their condition they can not buy; therefore, our friends from the West can not supply our market with that which they have an abundance.

JUST AN IMAGINARY SURPLUS

If you take the figures for the past 10 or 15 years in the production of cotton, you will see that we have never had a surplus over a period of, say, five years above that which we should have at all times. In the meantime, if you will take the average price for a period of, say, 10 or 15 years, you will find an average price of about 25 cents. If the farmers of the South could have gotten 25 cents for the cotton production for the past 10 or 15 years, we would to-day have the most prosperous country in the world.

TABLE 1.—*Cotton production in the United States and average price of New Orleans spots, 1907–1926*

| Year beginning August 1— | Production (linters not included) | Average price per pound of New Orleans spots |
|---|---|---|
| | *Thousands of 500-pound bales* | *Cents* |
| 1907 | 11,107 | 11.41 |
| 1908 | [1] 13,424 | 9.80 |
| 1909 | 10,005 | 14.33 |
| 1910 | 11,609 | 14.65 |
| 1911 | 15,693 | 10.77 |
| 1912 | 13,703 | 12.20 |
| 1913 | 14,156 | 13.12 |
| 1914 | [1] 16,135 | 8.35 |
| 1915 | 11,192 | 11.68 |
| 1916 | 11,450 | 18.84 |
| 1917 | 11,302 | 28.97 |
| 1918 | 12,041 | 29.88 |
| 1919 | 11,421 | 38.21 |
| 1920 | [1] 13,440 | 16.56 |
| 1921 | 7,954 | 17.91 |
| 1922 | 9,762 | 25.94 |
| 1923 | 10,140 | 30.33 |
| 1924 | 13,628 | 24.21 |
| 1925 | 16,104 | 19.71 |
| 1926 | [1] 17,977 | 14.74 |

[1] Production figures are from United States Department of Commerce, Cotton Production, 1926, p. 3. Prices are the annual averages of the official daily closing spot quotations of the New Orleans Cotton Exchange.

| Year | Production | Total value |
|---|---|---|
| 1923–24 | 10,140,000 | $1,615,911,300 |
| 1924–25 | 13,628,000 | 1,691,917,950 |
| 1925–26 | 16,104,000 | 1,616,875,380 |
| 1926–27 | 17,977,000 | 1,184,791,150 |

You will note that the 1924–25 total yield was three and one-half million bales larger than the 1923–24 crop, yet the smaller crop of 1923–24 brought the farmers over $76,000,000 more than the larger crop of 1924–25.

Also, while the 1926–27 cotton crop was around 2,000,000 bales larger than the 1925–26 crop, the smaller crop of 1925–26 brought the farmers $432,000,000 more.

The 1927–28 crop was 12,750,000 bales, yet the farmers received several million more for the smaller crop than the bumper crop of 1926–27.

I contend that because farmers were blessed with 5,000,000 more bales of cotton it is a national shame that they are unable to so control the same as to bring them a fair return, while in the meantime this 5,000,000, supposed to be a surplus, was taken by mills, speculators, and foreign countries at about from 5 to 8 cents below the cost of production, only to be held by them, either as cotton or cotton goods, to be fed back into the 1927–28 market from 18 to 24 cents.

I ask my friends to read the consumers' chart during these ups and downs, when the farmers are always down and the speculator always up, as far as prices are concerned; and you will note that the consumer was not considered as he continued to pay on a fairly straight line at top prices.

REPUBLICAN PROSPERITY

I am inserting herewith some statements which represent the Republican prosperity that we read about in the papers. While farmers, their wives, and children are toiling in the fields, speculators are fixing prices, either up or down, making millions, while legitimate business is slowing up, unemployed labor increasing, and farmers going broke.

SALES RECORD IS SET AS STOCKS SURGE UP—3,909,100 SHARES CHANGE HANDS—MARKET BOILS AS TECHNICAL CORNER IN RADIO IS RUMORED

(By the Associated Press)

NEW YORK, March 12.—Unconfirmed rumors that a "technical corner" has been created in the common stock of the Radio Corporation started a fresh outburst of speculation on the New York Stock Exchange to-day and carried that issue up $18.50 a share to $138.50, the highest at which it ever sold.

The day's total sales, 3,909,100 shares, established a new high record for all time.

Radio's advance since last Friday has been the most spectacular of any of the booming shares in the current "bull" movement. Closing last Friday at $98.25, its total gain to the end of to-day's session was $40.25 a share, eclipsing the advance of about $25 in seven days of feverish buying.

The former record for a day's total sales was established at 3,765,700 shares on March 3, 1926.

Speculative enthusiasm ran riot through a long list of popular issues, advances of $5 to more than $8 a share being recorded by Baldwin, American Linseed, General Electric, Gold Dust, International Nickel, Wright Aero, Montgomery Ward, International Harvester, Commercial Solvents, Woolworth, Vanadium Steel, A. M. Byers, and several others.

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MARKET BUCKS THE BANKS

(By Broadan Wall)

NEW YORK, March 19.—A bank roll of more than $1,500,000,000 is bucking the Federal reserve policy in the stock market. It is the money and profits of a group of millionaire industrial magnates and is victor for the moment at least. The result is more of an inflated market in stocks than a stock market. It's anyone's guess how long such a condition can last. The group dominating dealings are comparatively new to market circles.

Durant has been known to the Street for many years but he is the only one of those staging the present "merry-go-round" on the stock exchange who can be called an old-timer. Arthur Cutten was known in the Chicago wheat pit but never as a figure in stocks until three years ago. Raskob was not heard of before the Coolidge bull market.

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M. J. MEEHAN, CHIEF FIGURE IN WALL STREET BOOM, ROSE FROM RANKS

(By the Associated Press)

NEW YORK, March 14.—A man who 20 years ago was selling tickets at a Broadway theatrical ticket agency to-day was credited with putting over one of the most sensational coups in Wall Street history.

He is Michael J. Meehan, who almost single-handed engineered the sensational rise in Radio common, which carried the stock up 50 points in four trading days, brought him a fortune of millions of dollars and a severe case of nerves.

Just how much he has made in the past four days, which have seen the exchange record for sales volume twice broken, he probably does not know himself and estimates in the Street run from $5,000,000 to $15,000,000.

AMONG BIG SPECULATORS

He has pushed Durant, Livermore, Cutten, and the Fisher brothers into the background, and to-day is the "biggest man" in speculative Wall Street. There is evidence, however, that he is on friendly terms with all of them and has probably had some help from those sources during the past four hectic days.

He literally and actually "made the move" in radio, gave most of the orders, filled most of the bids, and churned the stock around at a million-dollar clip, which left Wall Street gasping and trying to guess what "Mike" Meehan would do next. Even the bears, who have taken

one of the worst whippings in years, pay tribute to the dashing drive that for daring and success is outstanding.

BOOM MARKETS BRING NEW RICHES

(By International News Service)

NEW YORK, April 12.—Many new millionaires have been made throughout the country—and in Wall Street, too—as a result of the spectacular rise in prices during the recent run of record-breaking 3,000,000 and 4,000,000 shares a day markets on the New York Stock Exchange.

George Briggs Buchanan, who has been a member of the exchange for almost a quarter of a century, says that more than 300 new millionaires were made all over the United States.

MEN MADE RICH BY STOCK MARKET GIVE FAREWELL DINNER TO AUTO MAKER

(By the Associated Press)

NEW YORK, April 20.—An elaborate dinner of men made millionaires by the stock market was disclosed by the New York Times to-day.

So many people have become a part of the Wall Street market that, in Buchanan's opinion, the future will see many days in which shares for the day will run between 4,000,000 and 5,000,000. A few months ago a "3,000,000-share day" attracted wide comment. Before the war a "1,000,000-share day" was out of the ordinary.

WHAT DOES IT MEAN?

Sales topping 4,000,000 shares; stocks up to record high levels; frenzied scenes on the floor of the stock exchange; brokers sustained in the fearful ordeal by fresh air mechanically pumped into the building; armies of clerks working night and day to post up the day's business; enormous profits for somebody—what does it all signify?

Stocks go up when the bulls are on the rampage, go down when the bears make an offensive, then go up again. For the mere service of buying and selling brokers are reaping profits of such magnitude as to inspire promises of handsome bonuses and trips to Europe for overworked employees. And when the gong sounds the closing there is no more wealth in the country than there was when the trading began, and the world is no better off. Men count huge gains who have produced nothing, rendered no valuable service. With its stock at 199 General Motors represents precisely the same instruments of production as it did at 180, and at a new high the New York Central has no greater potentialities in the way of public convenience than it had before the flurry.

All this furious trading is in tokens of ownership industries in which the traders never lifted a hammer or turned a wheel. All they do is to gamble with something which, in its useful aspects, means the lifeblood of large communities and the bread and butter of millions of workers and their families.

The best that can be hoped is that these stock exchange transactions mean nothing to the factories and railroads in whose name they are carried on; that gambling in shares, even reckless gambling, will not jeopardize industries and those who work in them. All the same, one can not escape the disparity between the riches that nonproducers gain through trading in shares, and the rewards that go to those who perform services socially worth while. There will be no trips to Europe for automobile mechanics and railroad employees.—New Bedford Standard.

FARMERS HAVE NO CONTROL OVER PRICES

The following will give you some idea as to why the farmer can not tell one day from the next what the price of his commodity will be. On September last the Department of Agriculture stated that later on cotton would be cheaper, the price then being 24 cents. Immediately the speculators got on a bear rampage and pushed the price down to 16½ cents or about $40 per bale in the midst of the farmer's cotton-selling season. Now that the cotton has passed into the hands of the mills and speculators cotton is advancing and selling to-day for about 22 cents per pound. You will notice by the newspaper clipping that they are able to put cotton up $1.70 per bale on the grounds that we had some rains or showers in Tennessee and North Carolina. No cotton is planted in Tennessee, and none was planted in North Carolina at the time this statement was made:

COTTON PRICES RISE IN TO-DAY'S DEALINGS—GENERAL BUYING INSPIRED BY FIRM CABLES AND REPORTS OF RAINS IN THE SOUTH

(By the Associated Press)

NEW YORK, May 1.—The cotton market showed continued activity and strength to-day, with the opening 17 of 34 points higher on more or less general buying inspired by relatively firm cables and reports of rains or showers in Tennessee and North Carolina.

COTTON HAS BREAK IN LATE DEALINGS—FEAR OF HIGHER MONEY RATE IN NEW YORK CAUSE OF HEAVY SLUMP IN PRICES

(By the Associated Press)

NEW ORLEANS, May 3.—Fear of a higher money rate in New York and England this afternoon was responsible for a wide-open break in cotton prices in the late trading on the exchange here to-day. Prices sagged $3 a bale before the decline was checked. The market closed barely steady at net declines of 53 to 59 points.

| | High | Low | Close |
|---|---|---|---|
| January | 20.66 | 20.11 | 20.11 |
| May | 21.17 | 20.54 | 20.54 |
| July | 21.03 | 20.37 | 20.42 |
| October | 20.80 | 20.15 | 20.18-19 |
| December | 20.77 | 20.13 | 20.14-15 |

I am inserting herewith a very interesting newspaper clipping which clearly shows the position of wheat growers, and yet the opponents of this bill will tell you, "Let the farmers take care of themselves."

HUGE PROFIT-TAKING CAUSES GRAIN BREAK

(By the Associated Press)

CHICAGO, May 1.—Unofficial crop reports to-day as to wheat proved fully as bullish as expected, but immense profit-taking sales carried prices downward in the early dealings. The average of the private estimates of the winter wheat crop was 474,000 bushels.

Buying on declines was based largely on the fact that domestic winter wheat acreage remaining for harvest has, according to some authorities, an indicated yield of only 13.6 bushels per acre, the smallest, with one exception in 18 years.

Notwithstanding that to-day's private monthly crop reports showed that the abandonment of winter wheat acreage this season is the largest ever known, wheat prices plunged headlong downward. Speculators, who had been buying on an immense scale of late in anticipation of these reports, made haste to collect profits, if possible, while the collecting was good. Despite the bullish character of the crop reports, however, the weight of selling proved too heavy, and the market collapsed nearly 6 cents a bushel.

The following statement will show how the cottonseed mills are able to combine and fix prices during the fall on the farmers cottonseed, every mill having the same price day in any day out and now are able to sell cottonseed meal for $15 and $20 per ton more than they paid the farmer for his cottonseed. Yet these same people will tell you, "Let the farmers do it."

FORT WORTH.—Another new peak has been set this week for cottonseed meal prices, which rose to $53 and $54 a ton of 1927 crop, now reaching the mills. Farm agents are warning farmers such prices make meal prohibitive as a fertilizer and urged that they plan feeding campaigns carefully so as to avoid losses.

Let me give you a concrete example as to what cotton farmers have to contend with in marketing their cotton:

During the year 1926 we were blessed with sunshine and rain. God Almighty withheld the ravages of the boll weevil and we had the largest crop in the history of cotton growing, which amounted to 18,000,000 bales. In 1921 we produced only 8,000,000 bales. When farmers began to gather their cotton the first of the fall of 1926, cotton was selling for 18 cents, and everybody was happy. About this time the speculators began to put on one of the largest bear campaigns ever waged. The Government came out with its report of the total prospective yield of 15,000,000 bales, and every 15 days thereafter the Government reports came, increasing each time until it reached 18,000,000 bales in December. Speculators sold millions of bales on the exchange and bought spot cotton at their own price, as it was forced on the market until it sold as low as 5 and 6 cents for low grade and 11 and 12 cents for best grades. What happened? The buyers in America took 8,000,000 bales of cotton and the foreign countries 11,000,000, 1,000,000 more than we produced in 1926. Out of the 19,000,000 bales, 17,000,000 bales were actually consumed up to July, 1927.

This crop was sold by farmers from at least 5 to 8 cents per pound under the cost of production. Now, let us see what happened. As early as May, June, and July, 1927, after the cotton had passed out of the hands of the farmer into the hands of foreign countries, mills, and speculators, these same speculators started a bull campaign. Why this sudden change? Because the large crop was out of the hands of the producers and safe and sound in the hands of speculators, millers, and two large spot-cotton operators. This cotton must now be fed back into the markets either as cotton or as manufactured cotton goods and now that we, the speculators and mills, see a prospect of a small cotton crop for 1927 we will get busy before the new crop is ready to go on the market. I imagine they said also that then we will be able to handle the new crop of 1927. The press was full of "bull dope." Telegrams were sent out to large cotton buyers and to the exchanges. The Government gave out bullish reports on the boll-weevil situation. In the meantime the same speculators began to buy on the cotton exchanges. Here is a telegram dated July 15, 1927,

sent out from New York to all cotton exchanges, large cotton buyers, and the press:

Cotton being bought vigorously by trade and speculators on acceptance of Government acreage as correct and calculating fourteen half-million bale crop will be liberal yield with favorable weather. Weevil damage already heavy some sections and infestations on increase. This indicates yield may be well under fourteen half million. Exports total eleven million, American mills taking eight million, total nineteen million, with crop promises fourteen and half million under this. Recommend purchase December contracts, believing results will be quite favorable.

If I had the time, I could stand here and read into the RECORD telegrams like this and statements from the press making even much stronger the pressure to buy cotton on the exchanges so as to bring about a bull market.

Now, you will notice that from this telegram, with a prospect of a crop of even fourteen and a half million bales, with all information in hand as to the large crop, surpluses, and so forth, from 1926, yet they state cotton is a good buy. They were perfectly willing to broadcast to the world the large export and American takings of cotton out of the 1926 crop that not only would we have a short crop for 1927 but the whole 18,000,000-bale crop of 1926 and 1,000,000 more had already been taken.

To carry out these bear and bull schemes successfully it seems that under the present law the speculator and cotton firms like Anderson-Clayton Co. and McFadden Co. do not have to organize. They control the exchanges and the fixing of the price of that which the farmer has to sell. Yet, knowing this as we do, the American Congress refuses to pass legislation so as to allow the producers of cotton and other farm products to have some say so as to what price they shall receive for that which they produce.

The Textile Institute of New York, representing the cotton mills, began to put out very bullish dope on increased mill production, consumption on the part of the consumer, and increased orders coming into the mill. The price of cotton commenced to climb until the first of the season of 1927 the price had reached 24 cents.

In the meantime consumers of cotton goods did not know that cotton had gone to such a low price, because the price to the consumer remained on a fairly straight line at top prices.

This institution got in on the bull campaign during the first of the year 1927, after the manufacturers and speculators had taken over the 19,000,000 bales of cotton, and it was their part to show to the world the very bullish position of cotton because of the full-time speed of the mills and spindles and the wonderful demand and sale of the manufactured cotton products.

They carried on their campaign by the use of a cotton Textile Bulletin and by giving out monthly and in some instances daily statements to the press.

Why, gentlemen, as a cotton farmer, the holder of spot cotton, and the representative of cotton farmers, their statements made my mouth run water and my heart leap for joy because of what I could see in the future for the cotton South.

But, my friends, let us read into the records some of their propaganda, so that you will be able to see why I was so joyful. On or about May—I have not any records before this date—they came out with a statement like this—

[From the Cotton Textile Bulletin]

INDUSTRY'S STATISTICAL POSITION CONTINUES TO IMPROVE

More than a billion yards of standard cotton cloth were sold during the first four months of 1927, according to combined monthly reports for this period compiled by the statistical staff of the association.

The volume of sales in this period was more than 38 per cent larger than the volume in the corresponding period last year.

Production has been slightly larger up to May 1, but stocks have declined and unfilled orders on May 1 had accumulated in record volume. During the first four months of last year stocks increased slightly and unfilled orders declined.

The improved statistical position of the industry is indicated in the following comparative summary (000's of yards omitted) based on combined yardage reports compiled by the association:

| | 1926 | 1927 |
|---|---|---|
| | *Yards* | *Yards* |
| Production | 894,187 | 976,057 |
| Sales | 866,348 | 1,196,197 |
| Shipments | 890,834 | 1,046,610 |
| Stocks on hand: | | |
| Jan. 1 | 268,716 | 247,234 |
| May 1 | 272,069 | 176,681 |
| Unfilled orders: | | |
| Jan. 1 | 261,317 | 324,943 |
| May 1 | 236,831 | 474,530 |

Unfilled orders during April this year increased 6.6 per cent from 445,171,000 yards on April 1.

Production during April, 1927, amounted to 237,185,000 yards, an increase of 11.9 per cent over April, 1926.

Sales were 252,301,000 yards, or 106.3 per cent of production. In April, 1926, the ratio of sales to production was 79.8 per cent.

Shipments during April were 222,942,000 yards, or 94 per cent of production. Shipments increased 17.1 per cent over the volume in April, 1926, when the ratio to production was 89.8 per cent.

Stocks on hand April 1 amounted to 162,438,000 yards. On May 1 they were 176,681,000 yards, or 35.1 per cent lower than on the corresponding date a year ago.

The reports compiled by the association are based on yardage statistics on the manufacture and sale of more than 200 classifications of standard cloths, and represent a large part of the production of these goods in the United States.

Now, I gather from this report that during the first four months of 1927 sales of cotton goods increased over 1926 38 per cent. I call that good business. I also gather that up to May 1, stocks had declined and unfilled orders for cotton goods in the hands of the mills to be shipped out had accumulated in record volume. I especially want you to get this, the unfilled orders to be shipped to jobbers and wholesalers of cotton goods had accumulated in record volume. In other words, the demand for cotton goods is so large that we, the mills of America, are unable to make prompt shipment. We gather from the statement also that on May 1, 1927, stocks of cotton goods held by mills were over 35 per cent below same date a year ago.

George A. Sloan, secretary to the institute, made this statement on May 18, in a speech at Chicago, Ill.:

I can not overestimate the importance that we attach to the proposed statistical work of the institute. The thought that is uppermost in the minds of our officers and directors is that our statistical reports, when compiled, be truthful and that they be presented in such an intelligent manner as to impart their real significance.

In a letter dated June 6, 1927, addressed to Walter Hines, president of the institute, signed by Floyd W. Jefferson, chairman executive committee Hunter Manufacturing & Commission Co., 58 Worth Street, New York, he agreed with Mr. Hines that now is a good time to go to the country with the slogan—

"This is cotton year." It can have a far-reaching influence on the whole market and is in entire accord with the idea of its general use—

Says Mr. Jefferson. From what I could gather from these folks and the press, it did really look to me that 1927 would be "cotton year," but it did not last long enough. In other words, it was only cotton year until the cotton or manufactured goods out of the 19,000,000 bales could be unloaded. When the fall of 1927 came on and farmers were ready to sell their cotton it ceased to be cotton year.

On June 9, this statement went out from this institute:

THE ASSOCIATION OF COTTON TEXTILE,
MERCHANTS OF NEW YORK,
*New York, June 9, 1927.*

Sales of standard cotton textiles during May were nearly twice as large as they were a year ago, according to statistics for the month just compiled by the Association of Cotton Textile Merchants of New York. Unfilled orders established a new high record.

Sales amounted to 328,144,000 yards, or 141.5 per cent of production which was 231,874,000 yards. The volume of sales was 91.5 per cent larger than during the corresponding period in 1926. Unfilled orders on June 1 were 572,009,000 yards, or 20 per cent larger than on May 1, and equivalent to nearly 10 weeks' production at the rate of output during May.

A summary showing the records of May, 1926, compared with May, 1927 (000's of yards omitted), follows:

| | 1926 | 1927 | Change from 1926 |
|---|---|---|---|
| | | | *Per cent* |
| Production | 201,058 | 231,874 | +15.3 |
| Sales | 171,394 | 328,144 | +91.5 |
| Shipments | 187,796 | 230,665 | +22.8 |
| Stocks on hand: | | | |
| May 1 | 273,658 | 176,681 | −35.4 |
| May 31 | 286,920 | 177,890 | −38 |
| Unfilled orders: | | | |
| May 1 | 234,252 | 474,530 | +102.6 |
| May 31 | 217,850 | 572,009 | +162.6 |

This is a most wonderful statement, which shows sales of manufactured goods during May, 1927, about twice as large as May, 1926. Also the statement of unfilled orders that seemed

to be rushing in on June 1, 1927, stood 20 per cent over May, 1926, with the broad statement that these unfilled orders are equivalent to nearly 10 weeks' production by the mills.

Let us see about that statement. Ten weeks' production would put the mills on full speed up to August 15 to catch up with the increased orders during the month of June over May. This certainly looks bullish to me.

Sales of May, 1927, increased over May, 1926, 91½ per cent. Stocks of cotton goods decreased 38 per cent during this month over same month in 1926; increased unfilled orders, 162.6 per cent. If I had been in on this bull campaign and could have known when to have gotten out, as these boys who were on the inside knew, I could have made enough money to have been able to compete with Andy Gump.

THE COTTON-TEXTILE INSTITUTE (INC.),
*New York, June 21, 1927.*

Eight new members have just joined the Cotton-Textile Institute (Inc.), George A. Sloan, secretary announced to-day. With these the membership of the institute now represents more than 21,540,000 cotton spindles.

Twenty-three members, representing 821,246 spindles, have been added to the membership of the institute since headquarters were opened at 320 Broadway, November 1, 1926. The new members are:

Neely Manufacturing Co., York, S. C.; Travora Cotton Mills, York, S. C.; Bourne Mills, Fall River, Mass.; Carolina Textile Corporation, Dillon, S. C.; Davidson Cotton Mills, Davidson, N. C.; Flint Mills, Fall River, Mass.; Dana Warp Mills, Westbrook, Me.; and Gem Yarn Mills, Cornelius, N. C.

On June 21, I am placing in the RECORD a statement showing that everything was running so fine that eight new members were added to the institute that day, making a membership now that represented 21,540,000 cotton spindles. Three hundred and twenty members, representing 821,246 spindles, have been added to the membership of the institute since headquarters were opened at 320 Broadway, New York, November, 1926. South Carolina and North Carolina mills are added to this list.

Now I bring you a remarkable statement of the continuation of the best "bull dope" ever placed before the public.

On July 1 we step up a month.

(Available for publication in newspapers of Monday, July 11)

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK,
*New York, July 10, 1927.*

| | June | Six months | | Per cent of change |
|---|---|---|---|---|
| | | 1926 | 1927 | |
| Production | 279,456 | 1,321,052 | 1,487,387 | +12.6 |
| Sales | 179,060 | 1,209,891 | 1,703,401 | +40.8 |
| Ratio of sales to production per cent | 64.1 | 91.6 | 114.5 | |
| Shipments | 269,723 | 1,281,291 | 1,546,998 | +20.7 |
| Ratio of shipments to production per cent | 96.5 | 97 | 104 | |
| Stocks on hand: | | | | |
| First of period | 177,890 | 268,716 | 247,234 | −8.0 |
| June 30 | 187,623 | 310,825 | 187,623 | −39.6 |
| Unfilled orders: | | | | |
| First of period | 572,009 | 261,317 | 324,943 | +24.3 |
| June 30 | 481,346 | 182,708 | 481,346 | +163.4 |

Sales of standard cotton textiles during the first six months of 1927 were 40.8 per cent greater in volume than during the first six months of 1926, according to yardage reports just compiled by the Association of Cotton Textile Merchants of New York.

The volume of unfilled orders on June 30 this year was 163.4 per cent larger than a year ago and 48.1 per cent greater than at the beginning of the year. Stocks on hand on June 30 this year were 39.6 per cent lower than they were on the same date last year and 24.1 per cent lower than on January 1, 1927.

A summary of the statistics for June, covering a period of five weeks, and consolidated reports for the first six months of 1927 compared with the first six months of 1926 (000's of yards omitted) are given in the above table.

In this statement we still have some startling figures as follows: Production of manufactured goods increased 12.6 per cent, sales increased 40.8 per cent, shipments increased 20.7 per cent, stocks on hand July 1 had decreased 39.6 per cent, unfilled orders on this date increased 163.4 per cent. This looks like good business to me as a business man.

We will now step up to August 1, where I am still prepared to show that they were "slinging the bull." But this is cotton-picking time in Dixie, and you will note that we begin to have some blue mixed with what seemed to be in the past all white:

(Available for publication in newspapers of Tuesday, August 9)

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK,
*New York, August 8, 1927.*

Production of standard cotton cloth in July was 24.5 per cent greater than during that month last year, while stocks declined 5.4 per cent during the month, according to yardage reports just compiled by the Association of Cotton Textile Merchants of New York.

Although sales were less than production and 21.2 per cent less in volume than they were in July, 1926, they were 20 per cent larger than during June, 1927. A large consumption of cotton goods is indicated by shipments which continue to exceed production.

The reports for July, 1927, and July, 1926, may be summarized (000's of yards omitted), as follows:

| | 1926 | 1927 | Per cent of change |
|---|---|---|---|
| Production | 184,033 | 229,097 | +24.5 |
| Sales | 273,900 | 215,730 | −21.2 |
| Shipments | 206,676 | 239,193 | +15.7 |
| Stocks on hand: | | | |
| July 1 | 310,825 | 187,623 | −39.6 |
| July 31 | 288,182 | 177,527 | −38.4 |
| Unfilled orders: | | | |
| July 1 | 182,708 | 481,346 | +163.4 |
| July 31 | 249,932 | 457,883 | +83.2 |

For the month of July, 1927, over 1926 we seem to have increased production of 24½ per cent. A decrease of stock on hand of 38.4 per cent, and unfilled orders increased 83.2 per cent.

We are now ready to give you the real beginning of what has proven to be the blackest bear raid that has ever been put over on legitimate cotton merchants and producers of cotton.

(Available for publication in newspapers of September 12)

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK,
*New York, September 11, 1927.*

Reports on the production, sales, shipments, and stocks of cotton cloth for August just compiled by the Association of Cotton Textile Merchants of New York show for this month a more comprehensive picture of the current statistical position of the industry than ever before.

Through the cooperation of the Cotton Textile Institute (Inc.) the August report includes data from a great many mills not previously reporting to the association. While this gives a much better view of current operations, unfortunately for the time being intelligent comparison with previous reports is impossible.

Production of cotton cloth for the month of August amounted to 245,605,000 yards. Sales during the month amounted to 255,992,000 yards. Sales represented 104.2 per cent of production.

Shipments during August amounted to 225,462,000 yards, or 91.8 per cent of production. Stocks on hand on August 31 amounted to 201,217,000 yards as against 177,527,000 yards on August 1, an increase of 13.3 per cent.

Unfilled orders on August 31 amounted to 491,960,000 yards as against 457,883,000 yards on August 1, an increase of 7.4 per cent.

The report includes yardage statistics on the production and sale of more than 250 classifications of standard cotton cloth and represents in many instances more than 90 per cent of the total production of those fabrics in the United States.

The next statement was issued October 10, for the month of October, showing decreases in sales, shipments, and unfilled orders. It also showed an increase in stock. Some time prior to September 15, Prof. John A. Todd, of Liverpool, England, in an analysis of the "World Outlook for American Cotton" which was published by the Association of Cotton Textile Merchants of 70 Worth Street, New York, giving a very bullish statement that I am going to insert at this point. It is too long to read to you, but if you are interested, you should certainly take the time to read it in the RECORD:

(Release for publication in newspapers of September 16, 1927)

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK,
*New York, September 15, 1927.*

In view of the record abundance of raw cotton during the last season, "the really astonishing feature in the situation thus created has

been the capacity shown by the world to digest such a supply," states Prof. John A. Todd, of Liverpool, England, in an analysis of "The World Outlook for American Cotton" just published by the Association of Cotton Textile Merchants of New York.

World consumption of American cotton during the year ended July 31, as recently announced by the International Cotton Federation, was 15,777,000 bales, or more than 2,000,000 bales greater than the consumption during the preceding 12 months.

"The elasticity of demand has proved greater than anyone could have anticipated," Professor Todd writes, "and the growth of consumption has more than kept pace with the increase of supplies.

"The world has not realized the extent of the arrears of potential consumption of cotton goods in the Old World as well as the New; and on that point it must be remembered that, in the East especially, cotton consumption is to some extent capable of accumulation.

"In many parts of the East clothing is rather a luxury or a sign of prosperity than a real necessity, and in many oriental countries the vast millions of the population buy new clothing only when they have special occasion, and then when the occasion happens to coincide with a period of prosperity and good purchasing power. Their total expenditure on such goods is rather a certain amount of money than a fixed quantity of goods. When prices are high they do without, and when prices fall their purchases increase almost in proportion.

"At the same time, the abundance of the cotton supply came at a time when most of Eureope was just emerging from the cloud of the postwar depression. In England the long period of organized short time which was first necessitated by the deflation period of 1920 and had then to be continued through the three years of short supplies would have been brought to an end earlier in 1926 but for the coal strike; but that also passed just in time to let England take full advantage of the abundant supplies of that year. * * *

"The question remains whether this extraordinary power of absorbing cotton has been due to abnormal conditions or whether such an achievement could be repeated if the world's supply could repeat the enormous figure of 1926.

"It is, of course, certain that another crop of 18,000,000 bales, if such were possible, either this year or in the near future, would not pass into consumption at anything like present prices (say 20 cents a pound), but on the other hand, in view of the experience of the past season, there is no reason why even such a supply should permanently reduce prices to levels so low as during the early part of last season—say below 12 cents. That was largely due to the sudden change in the situation produced by early crop reports and the expectation that the crop would actually reach still higher figures.

"It must be recalled that before the war the world's consumption had been steadily increasing, except when short supplies made it impossible, and there is no reason why the same should not become the normal course of events again in the future. England's consumption is still far behind pre-war, but has recovered substantially since the end of the coal strike. The Continent last season probably exceeded pre-war consumption for the first time, but the United States and Asia have been far beyond pre-war figures for several years, and there is no reason why they should not continue consuming on that scale.

"Had there been no war the world's consumption of American cotton would by this time have exceeded 20,000,000 bales annually, and a few years of steady supplies would soon bring us to that figure again.

"But it may be asked, can the world consume increasing quantities of American cotton when so many other countries, especially India, are increasing their local supplies? On that point it may be stated quite definitely that America has nothing to fear yet from all these other supplies. The most that they can do so far is to compensate partially the extreme vagaries of the American crop. Thus India has increased her total by almost 50 per cent from pre-war average figures, say to 6,000,000 bales, and of this quite one-third is of seven-eighths inch staple or above, and reasonably capable of substitution for the lower grades of American cotton.

"All the other new sources of supply, especially in the British Empire, are still comparatively small in quantity and do little more than to fill in odd corners in the world's supplies, though in certain directions their good quality has enabled them to do that very usefully. But the future prospects of all these new cotton countries depend very largely on the price of American cotton."

Professor Todd made his analysis by request after completing a visit with friends and a series of lectures in Southern States and an address at the Institute of Politics at Williamstown, Mass. He is principal of the City School of Commerce, of Liverpool, and the author of several authoritative books based on his statistical studies of cotton.

It seems, prior to this time, Professor Todd traveled through the South giving quite a lot of publicity in the way of lectures on the "bullish dope" contained in the above statement.

We now find the cotton crop of 1927 5,000,000 bales under 1926, or a crop of 12,750,000, and the price advanced to 24 cents. Now that those who had robbed the farmer out of his 1926 crop and 1,000,000 bales more than we produced during 1926 were about to double up on the price to a peak price of about 24 cents. At this time the farmers were selling the cotton produced in 1927, this being about September, the same crowd started the blackest bear raid that has ever been recorded in history. The Department of Agriculture joined in by making a statement about the 15th of September while cotton was selling for 21 and 22 cents per pound by issuing a statement that cotton would sell cheaper later on. This was used by the speculator on the cotton exchanges, through the press, and in telegrams to the mills and large cotton buyers and thereby were about to reduce the price of cotton to 16½ cents, a loss of about $40 per bale to producers. At this time, now that they have the 1927 crop well in hand, cotton is advancing daily, selling for about 21 cents per pound to-day. Inasmuch as we can not tell what the 1928 crop will be, it is a very strange thing to me, as well as to the producers of cotton, that after the 1927 cotton has passed out of the sellers' hands, that speculators proceed to put the price about $40 per bale higher than the low price. Yet you say, "Let the farmers run their own business." They can not do it with what they have to contend with; therefore I believe with Abraham Lincoln when he said:

> That which a people should do for themselves, but could not do, the Government should do it for them.

In closing I am reminded of the statement of James J. Hill when he stood on the bank of the Red River which separates Minnesota from North Dakota and looked across the vast expanse of what was then considered as desert and is now known as the "bread basket" of the world:

> Not armies, or navies, or commerce, or diversity of manufacture, or anything other than the farm is the anchor which will hold through the storms of time that sweep all else away.

Surely a prosperous agriculture is fundamental to the success of all related business enterprise and to yourself.

Mr. FORT. Mr. Chairman, I yield 15 minutes to the lady from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting therein certain papers relative to this bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ROGERS. Mr. Chairman, for the last three years I have worked constantly with the western Members of the House who are so desirous of securing the passage of this measure. I like them so much and respect them so highly I am very sorry that I can not vote for their measure conscientiously, and regret that I can not speak in favor of it. I can not see how this measure will settle the farm problems in any way. It may give the farmers more money temporarily, but then the day of reckoning will come—the day of retribution. By this measure Congress with its own hands would fatten the agricultural goose and then wring its neck. I fully realize the harm that it will do to our cotton industry all over this great land, not only to the cotton industry in my own district, which means so much in the State of Massachusetts and all over New England, but to the cotton industry in every part of the country.

It is my belief up to a few days ago some of the Members of this House did not fully realize that cotton is an agricultural commodity. Two Members told me that they did not realize that it is an agricultural commodity.

I have word from the Nashaba Apple Packing Association, with its headquarters in my own district, in Harvard, Mass., and they say:

> We are very strongly opposed to the inclusion of fresh fruits and vegetables in the McNary-Haugen bill.

In addition to the Nashaba Apple Packing Association, of Littleton, Mass., the leading growers' packing association in New England, the following desire the exception of fruits and vegetables from the bill:

> The Massachusetts Fruit Growers' Association.
>
> The Clintondale Fruit Growers' Cooperative Association, Clintondale, N. Y., the leading fruit growers' cooperative association in eastern New York.
>
> In Michigan: The Fennville Fruit Exchange, Fennville, Mich.
>
> Pennsylvania: Adams County Fruit Packing & Distributing Co., Biglerville, Pa.; the American Fruit Growers (Inc.), with about $6,000,000 invested in fruit and vegetable farms.
>
> Illinois: Illinois Fruit Growers' Association.
>
> Wisconsin: Door County Fruit Growers' Union.

Montana: The Fruit Growers Distributors of Hamilton, who handle 33 per cent to 50 per cent of Montana production (a cooperative).

Georgia: Consolidate Apple Growers' Exchange, Cornelia, Ga.

Washington: Yakima County Horticultural Union, Yakima, Wash.; the Yakima Fruit Growers' Association.

The above are among the leading fruit growers' cooperatives of the United States.

The Wenatchee District Cooperative Association, Wenatchee, Wash., the largest cooperative association in Wenatchee; the North Western Fruit Exchange, Wenatchee, Wash.

Oregon: Hood River Apple Growers' Association; Mosier Fruit Growers' Association.

California: Sebastopol Apple Growers' Union.

Ohio: Marietta Truck Growers' Association, Waterford, Ohio.

West Virginia: J. G. Maples, Martinsburg, W. Va.; Cumberland Fruit Exchange, Martinsburg, W. Va.; Rothwell Gatrell Co., Martinsburg, W. Va.; American Fruit Growers, Martinsburg, W. Va.; Export Apple Co., Martinsburg, W. Va.; West Virginia Horticultural Society, Martinsburg, W. Va., by the president, Ed Leatherman, Rada, W. Va.; E. Graham Wilson, Charles Town, W. Va.; P. R. Harrison, Martinsburg, W. Va.; Consolidated Orchard Co., Paw Paw, W. Va., by H. W. Miller, president; L. P. Miller, Paw Paw, W. Va.; Oakland Orchard Co., Charles Town, W. Va.

New York growers: S. J. T. Bush, Morton, N. Y.; Morton Cold Storage, Morton, N. Y. (owned by growers); Fred W. Cornwall, Pultneyville, N. Y., and 14 others growers of fruit and vegetables who ship annually 650 cars of fruit and vegetables; Walter J. Clarke, Milton, N. Y.; Paul Judson, Kniderhook, N. Y.; W. P. Rogers, Williamson, N. Y.; Samuel Fraser, Geneseo, N. Y.

Virginia: Growers of apples who have expressed themselves are unanimously in favor of being exempted from this bill.

Not a single person in my district, so far as I know, wants the passage of this measure.

Last evening a gentleman from Georgia spoke of helping the farmer. What of the manufacturer and the consumer? He will realize that the day of reckoning will come with his own cotton manufactures of Georgia. Georgia has 3,070,688 cotton-spinning spindles. He surely does not want to pass legislation that will cripple the Georgia mills and that labor will walk the streets. I do not believe that he entirely realizes what he was advocating last evening. Do you realize that 28 States have among them 36,012,262 cotton-spinning spindles, and that over 191 Members of Congress have in their keeping the welfare of the operators of those spindles, the stockholders in those mills, and the townspeople where they are located, to say nothing of the merchants? If the operatives do not have the money to purchase the merchants can not sell their wares. I know that because I have lived all of my life in manufacturing cities, and I know exactly what it means when the operatives have no money with which to buy the things that are sold in the shops. The chart which I have here shows the cotton-spinning spindles in the United States in 1927. It will be seen from the chart that Massachusetts has the greatest number of cotton-spinning spindles, but that does not mean that she has the greatest number of cotton-spinning hours, as it has the humane 48-hour law and because the southern mills work not only all day but all night.

*States' trade in March, 1928, cotton spindles in place in the United States*

| | |
|---|---|
| Alabama | 1,595,620 |
| California | 54,128 |
| Connecticut | 1,125,412 |
| Georgia | 3,070,688 |
| Maine | 1,123,268 |
| Massachusetts | 9,773,322 |
| Mississippi | 175,402 |
| New Hampshire | 1,415,694 |
| New Jersey | 378,936 |
| New York | 860,280 |
| North Carolina | 6,201,576 |
| Rhode Island | 2,345,960 |
| South Carolina | 5,475,498 |
| Tennessee | 604,116 |
| Texas | 276,736 |
| Virginia | 710,952 |
| Illinois | 59,072 |
| Indiana | 85,704 |
| Kentucky | 83,202 |
| Louisiana | 100,764 |
| Maryland | 81,784 |
| Pennsylvania | 114,164 |
| Vermont | 144,808 |
| Arkansas | 45,044 |
| Missouri | 31,724 |
| Oklahoma | 30,912 |
| Michigan | 35,136 |
| Ohio | 12,360 |
| Total | 36,012,262 |

*Number of active ring and mule cotton spindles, by States, for specified years: 1899 to 1927*

| State | Number of active cotton spindles | | | |
|---|---|---|---|---|
| | 1927 | | 1919 | |
| | Ring | Mule | Ring | Mule |
| United States | 32,727,676 | 1,682,234 | 31,561,268 | 3,369,666 |
| Alabama | 1,487,556 | | 1,170,658 | 3,640 |
| Connecticut | 798,612 | 322,760 | 932,813 | 402,578 |
| Georgia | 2,914,414 | 26,808 | 2,451,101 | 48,230 |
| Illinois | 58,920 | | 45,838 | 11,705 |
| Indiana | 82,788 | | 81,256 | |
| Kentucky | 79,532 | 4,078 | 76,968 | 16,520 |
| Louisiana | 100,764 | | 102,944 | |
| Maine | 979,802 | 15,760 | 1,064,892 | 42,160 |
| Maryland | 85,524 | | 140,940 | |
| Massachusetts | 8,398,112 | 833,864 | 9,743,150 | 1,633,153 |
| Mississippi | 154,312 | | 143,874 | |
| New Hampshire | 1,169,938 | 9,634 | 1,410,947 | 23,008 |
| New Jersey | 238,016 | 140,428 | 204,355 | 276,012 |
| New York | 747,502 | 5,670 | 862,981 | 113,608 |
| North Carolina | 6,079,528 | 14,608 | 4,736,288 | 33,840 |
| Pennsylvania | 110,574 | 3,760 | 155,228 | 96,605 |
| Rhode Island | 2,042,926 | 279,494 | 2,037,036 | 634,896 |
| South Carolina | 5,375,634 | 400 | 4,907,745 | 2,460 |
| Tennessee | 570,776 | 10,000 | 355,138 | 13,401 |
| Texas | 253,068 | | 140,054 | |
| Vermont | 134,358 | 10,200 | 131,024 | 10,200 |
| Virginia | 686,892 | 4,410 | 552,440 | 7,050 |
| All other States | 178,128 | 360 | 113,598 | 600 |

| State | Number of active cotton spindles | | | |
|---|---|---|---|---|
| | 1909 | | 1899[1] | |
| | Ring | Mule | Ring | Mule |
| United States | 23,256,023 | 4,922,839 | 13,444,872 | 5,563,480 |
| Alabama | 909,587 | 3,916 | 403,328 | 8,000 |
| Connecticut | 832,830 | 446,586 | 607,448 | 393,126 |
| Georgia | 1,703,071 | 71,896 | 730,619 | 84,926 |
| Illinois | 23,240 | 16,000 | 15,488 | 16,000 |
| Indiana | 115,152 | 8,952 | 86,168 | 16,320 |
| Kentucky | 68,124 | 16,920 | 48,234 | 18,399 |
| Louisiana | 63,096 | 4,806 | 55,600 | |
| Maine | 867,364 | 161,316 | 584,573 | 256,948 |
| Maryland | 133,302 | | 154,064 | |
| Massachusetts | 7,480,902 | 2,156,699 | 5,228,371 | 2,556,316 |
| Mississippi | 159,104 | 800 | 75,122 | |
| New Hampshire | 1,169,850 | 156,050 | 956,390 | 287,165 |
| New Jersey | 107,381 | 313,403 | 64,638 | 367,092 |
| New York | 547,512 | 415,329 | 353,132 | 367,136 |
| North Carolina | 2,886,453 | 71,782 | 1,098,080 | 35,352 |
| Pennsylvania | 139,062 | 139,245 | 182,190 | 124,447 |
| Rhode Island | 1,496,434 | 875,343 | 940,294 | 940,328 |
| South Carolina | 3,732,063 | 28,828 | 1,420,597 | 10,752 |
| Tennessee | 237,530 | 10,000 | 103,116 | 20,780 |
| Texas | 97,628 | | 48,756 | |
| Vermont | 75,872 | 15,840 | 56,712 | 43,316 |
| Virginia | 316,970 | 7,572 | 124,502 | 2,325 |
| All other States | 93,496 | 1,556 | 107,450 | 14,752 |

[1] Includes only spindles in establishments classified as cotton goods.

ACTIVITY IN THE COTTON-SPINNING INDUSTRY FOR MARCH, 1928

WASHINGTON, D. C., April 20, 1928.—The Department of Commerce announces that, according to preliminary census figures, 36,012,262 cotton-spinning spindles were in place in the United States on March 31, 1928, of which 31,412,820 were operated at some time during the month, compared with 31,687,012 for February, 31,697,876 for January, 31,715,388 for December, 32,269,478 for November, 32,497,504 for October, and 32,920,466 for March, 1927.

The aggregate number of active spindle-hours reported for the month was 8,312,305,109. During March the normal time of operation was 27 days, compared with 24⅔ for February, 25½ for January, 26 for December, 25¼ for November, and 25¾ for October. Based on an activity of 8.83 hours per day, the average number of spindles operated during March was 34,865,589, or at 96.8 per cent capacity on a single-shift basis. This percentage compares with 101.2 for February, 101.5 for January, 94.3 for December, 107.2 for November, 105.3 for October, and 109.8 for March, 1927. The average number of active spindle-hours per spindle in place for the month was 231.

The total number of cotton-spinning spindles in place, the number active, the number of active spindle-hours, and the average spindle-hours per spindle in place, by States, are shown in the following statement:

| State | Spinning spindles | | Active spindle-hours for March | |
|---|---|---|---|---|
| | In place Mar. 31, 1928 | Active during March | Total | Average per spindle in place |
| United States | 36,012,262 | 31,412,820 | 8,312,305,109 | 231 |
| Cotton-growing States | 18,456,362 | 17,830,552 | 5,508,055,878 | 298 |
| New England States | 15,928,464 | 12,216,306 | 2,511,842,649 | 158 |
| All other States | 1,627,436 | 1,365,962 | 292,406,582 | 180 |
| Alabama | 1,595,620 | 1,539,006 | 452,240,872 | 283 |
| Connecticut | 1,125,412 | 1,051,488 | 228,945,309 | 203 |
| Georgia | 3,070,688 | 2,953,626 | 940,362,764 | 306 |
| Maine | 1,123,268 | 885,102 | 169,694,890 | 151 |
| Massachusetts | 9,773,322 | 7,349,966 | 1,506,313,241 | 154 |
| Mississippi | 175,402 | 159,334 | 51,978,982 | 296 |
| New Hampshire | 1,415,694 | 1,033,944 | 233,351,148 | 165 |
| New Jersey | 378,936 | 371,328 | 73,652,709 | 194 |
| New York | 860,280 | 653,262 | 148,107,338 | 172 |
| North Carolina | 6,201,576 | 5,954,196 | 1,866,229,650 | 301 |
| Rhode Island | 2,345,960 | 1,778,918 | 346,692,252 | 148 |
| South Carolina | 5,475,498 | 5,392,376 | 1,725,938,586 | 315 |
| Tennessee | 604,116 | 585,284 | 188,288,849 | 312 |
| Texas | 276,736 | 248,890 | 69,508,908 | 251 |
| Virginia | 710,952 | 685,518 | 130,169,666 | 183 |
| All other States | 878,802 | 770,582 | 180,829,945 | 206 |

Mr. FULMER. Mr. Chairman, will the lady permit a question?

Mrs. ROGERS. Yes; certainly.

Mr. FULMER. South Carolina is in the lead in the number of spindle-hours.

Mrs. ROGERS. South Carolina and North Carolina together have more cotton spindles than Massachusetts. Our mills are moving south. We have lost a good many cotton spindles out of my home city of Lowell and out of New England to Southern States.

*Spindles in place in New England States and cotton-growing States*

| | Cotton-growing States | | New England States | |
|---|---|---|---|---|
| | Spindles in place | Annual change | Spindles in place | Annual change (increase (+) or decrease (−) |
| 1911 | 11,596,000 | | 17,045,000 | |
| 1912 | 11,896,000 | +300,000 | 17,571,000 | +526,000 |
| 1913 | 12,430,000 | +534,000 | 17,620,000 | +49,000 |
| 1914 | 12,939,000 | +509,000 | 17,682,000 | +62,000 |
| 1915 | 13,200,000 | +261,000 | 17,526,000 | −156,000 |
| 1916 | 13,498,000 | +298,000 | 17,788,000 | +262,000 |
| 1917 | 14,145,000 | +647,000 | 18,002,000 | +214,000 |
| 1918 | 14,526,000 | +381,000 | 18,267,000 | +265,000 |
| 1919 | 14,902,000 | +376,000 | 18,393,000 | +126,000 |
| 1920 | 15,179,000 | +277,000 | 18,543,000 | +150,000 |
| 1921 | 15,720,000 | +541,000 | 18,734,000 | +191,000 |
| 1922 | 16,075,000 | +355,000 | 18,856,000 | +122,000 |
| 1923 | 16,458,000 | +383,000 | 18,930,000 | +74,000 |
| 1924 | 17,226,000 | +768,000 | 18,576,000 | −354,000 |
| 1925 | 17,635,000 | +409,000 | 18,333,000 | −243,000 |
| 1926 | 17,875,000 | +240,000 | 17,946,000 | −387,000 |
| 1927 | 18,169,000 | +294,000 | 16,871,000 | −1,075,000 |

I believe in time the pendulum will swing back and that we will produce a greater amount of cotton manufactured products than any other city in the entire world. We have a large industrial population there.

The president of a great corporation told me that if he were going to start an industry in any new city in this country or in any other country, he would go to my own city of Lowell, Mass., because we have the most scientific, highly skilled, and best class of labor in the entire world. When we are placed on equal terms in the matter of hours of labor and wages and taxes we can then produce more than any other part of the country owing to our class of labor.

With this chart [indicating] which you see before you, I want the Members of the House to realize that they have cotton mills in their States. Last year, when I spoke against the Haugen bill then pending, one man told me he did not realize that there were cotton spindles and cotton mills in his State. The chart is here before you, so that you can all see.

I have here a resolution from the National Association of Cotton Manufacturers, and I will read it and insert it with the rest of my speech. I read:

NATIONAL ASSOCIATION OF COTTON MANUFACTURERS' STATEMENT UNANIMOUSLY ADOPTED

The board of government of the National Association of Cotton Manufacturers to-day considered certain features of the McNary-Haugen bill which affects the cotton textile industry.

The board of government appreciates the unfortunate economic conditions which have adversely affected the position of the farmer, but believes that the present bill is uneconomic, unsound, and will not afford the relief to the farmer for which it is designed. Furthermore, certain features of the bill if put into operation would so seriously affect the cotton-manufacturing industry as well as other branches of the textile industry as to cause further serious depression if not actual disaster.

If, however, this type of legislation has prospects of favorable consideration by Congress and the administration, the board believes that an amendment should be offered by which the textile industry, whose interests are very closely related to the farmer, would not be so seriously damaged. The damage thus caused to the American textile industry, the cotton farmer's best customer, would in turn react on and seriously damage the cotton farmers themselves. The amendment suggested is that of including cotton goods within the operations of the act and to apply the equalization-fee plan to cotton goods in respect to both imports and exports.

Following are outlined some effects upon the textile industry which would result from the enactment of the legislation passed by the Senate and now before the House unless an amendment to include cotton goods is added.

The present bill provides that raw cotton be exported at world market prices, which means at prices below those current in the domestic market; and that the losses on such exports of cotton would be made up out of equalization fees collected on sales of cotton to domestic mills. In effect, this means that foreign mills could secure American cotton at prices less than that paid for it by domestic mills.

Foreign mills, therefore, could convert the American cotton into yarns and cloth, and because such were made out of cotton obtained at prices oftentimes considerably below that paid for it by domestic mills, could export these yarns and cloths to the United States at prices low enough to undersell with the yarns and cloths from American mills in spite of any tariff. Furthermore, foreign mills would make yarns and cloths out of their cheaper American cotton and export them to the world's markets in competition with American exports of such commodities, thus almost entirely killing our own export trade in cotton textiles, which now amount to nearly 600,000,000 square yards a year.

The disastrous effects of the operation of such a law on the chief consumer of farm products has been recognized in the provisions for the protection of the packers and flour mills, their most important customers.

The flour mills and the packers process and distribute grain and animal products. The cotton mills process and distribute raw cotton, the product of the cotton farmer. The cotton mills should, therefore, be included in the McNary-Haugen bill in order to protect the cotton farmer's chief market.

In view of the serious consequences to the textile industry which would follow from the operation of the McNary-Haugen bill as now before Congress, your board of government recommends that this association urge the adoption of such an amendment, and that a committee of four be appointed to bring this situation to the attention of Members of the House and Senate.

I think the Members who have cotton mills in their districts are probably now receiving messages from the cotton manufacturers as to just what the bill will do to their products, just how their mills will be injured by the passage of this measure, especially if the equalization fee is not placed upon the imports of finished products of cotton.

I suppose that perhaps the women are somewhat to blame for the fact that the cotton industry of this time is a sick industry. Perhaps we do not wear enough cotton dresses, and there is not material enough in the cotton dresses that we do wear. [Laughter.] We have not made it the fashion to wear cotton dresses. I am going to tell you of an incident that happened in a Washington shop. I made a purchase here of an emergency Christmas present, and asked to have it charged. I try to buy everything I can in my own city, but I purchased this article for an emergency, and when I went out of the shop I learned that a clerk told a man standing near by that he was afraid I could not pay the bill for the article. He said, "I read in the papers that Mrs. ROGERS always wore cotton dresses, and no one wears cotton dresses that can afford to buy anything else." I hope we shall all wear more cotton dresses, and I hope you will assist in making it the fashion to wear cotton, and we ought to put all the men in cotton suits also. The mills make fine cotton suitings. [Laughter.]

THE BILL UNDER DISCUSSION

This is the latest revision of the so-called McNary-Haugen bill, and represents the House amendments, which include some new features over the Senate bill and over the bill of last year.

An important change appears on page 48 of this bill, paragraph (b), line 14. It provides that the equalization fee shall be collected upon the importation of any food product derived in whole or in part from an agricultural commodity and im-

ported into the United States for consumption therein. Regardless of any good or bad features of this provision, an equalization fee would have to work both ways in order to be effective. It is supposed to be the equivalent of a tariff schedule which could be adjusted by the board. In other words, the equalization applied to exports has the same effect as tariff imports, and accordingly agricultural commodities and food products are relegated to the farm board. If this provision is a sound one, why not make it include products of all agricultural commodities?

Mr. WYANT. Mr. Chairman, will the lady yield?

Mrs. ROGERS. I am sorry, but my time is very short. Yes; I will yield.

Mr. WYANT. Does not the lady think that the coal industry ought to be included in the McNary-Haugen relief bill, considering its present depressed condition? [Laughter.]

Mrs. ROGERS. We are still importing about 150,000,000 yards of cotton goods every year. Presumably the equalization fee would be imposed on imports of cotton from Egypt, China, and Peru, kinds of cotton which are regarded as essential to our manufacturing industry, inasmuch as we do not produce the necessary long staple in this country. If the equalization fee is applied to cotton it would seriously hamper many sections of New England industry. It would make it difficult to market cotton goods in competition with the cotton imports which would come in largely increased quantity, because our raw material would be very much higher.

It seems to me there is a fascination, for some strange reason, among people of this country to buy imported goods when they can buy exactly the same thing and the same quality manufactured in our own mills. I hope you will all help to change that state of mind. [Applause.]

Page 40, section 6, line 20, provides for a control on increased production of agricultural commodities. The whole purpose of the bill is to improve the prices of agricultural commodities in the domestic market, and always when price improvement occurs an increase in production follows. If section 6 provided for some strict and rigid control of acreage or production according to some well-considered plan of balance and averages, it might not be so bad, but it is noted that the board—

> may refuse to make advances for the purchase of such commodity if their advice as to a program of planting and breeding has been substantially disregarded.

It is unlikely that their advice to curtail under a period of high price levels will be accepted, and, furthermore, it is unlikely that the board would refuse to make advances.

Last year's bill covered six principal agricultural commodities and excluded cotton. The present bill includes cotton in the list and also it comes within the operation of the equalization-fee plan. It would be disastrous to our cotton manufacturing industry to have cotton go abroad at a lower price than the price paid for it by domestic mills and then have the cotton goods made abroad from the low-priced cotton shipped back to this country in competition with the product of our own mills. This would happen, as the present tariff will not be high enough, and, furthermore, Section D, on page 48, does not provide for the assessment of the equalization fee against the import of products of cotton. Raw cotton could be sold more cheaply than in this country. Also cotton goods made abroad from cotton at lower prices than paid by our own mills would result in the loss of our present foreign markets. We should effectually kill our foreign trade.

The equalization-fee plan provides for operation in respect to any agricultural product and to any food product. This brings into the system the millers, the packers, the canners, and others. Such groups are in a no more desperate condition than the cotton-textile industry. They can not strictly be classified as agriculture, although they handle the raw products of agriculture; so do the cotton mills. Why not, then, include in the equalization plan the product of cotton mills and of tobacco factories, for example? The trouble with the packers, millers, and the like is that of a surplus of products and commodity. This is equally true of the cotton-textile industry. If so included, the cotton-textile industry would immensely benefit for a time, at least, by being able to export the surplus of their full-time production at prices below those current in the domestic markets. In effect it would mean that they could dump goods abroad without regard to price and have the losses on export made up out of the equalization fees collected on domestic distribution, which at present is something like 92 per cent of production. This would be a wonderful thing for the mills until the vicious circle was completed, and then disaster would ensue. Our export cotton-cloth trade has increased steadily since 1913 in yards and in value.

Another unfathomable problem relates to the position which foreign governments would take toward our dumping of goods under this scheme. With respect to agricultural products, which they find it necessary to buy under any conditions, the different countries would no doubt be glad to get these products at as low a price as possible. The same might be said of food products going to those countries which do not produce very much themselves and which import quantities annually. Where dumping of food products or manufactured products would be a serious interference with the local production in a foreign country, these governments are going to seek antidumping legislation or retaliatory measures against the United States.

Another indirect effect might be illustrated by corn at low prices going to central Europe to feed to hogs, thus stimulating that branch of the animal industry and curtailing our exports of lard and other hog products to the particular country, and also possibly interfering with our exports of similar products to other countries, due to the ability of the European hog raiser to export his products because of the much lower costs of feeding corn. Corn could go to Ontario at a low cost. We should have Ohio versus Ontario, at a terrible disadvantage to Ohio.

Only the merest reference need be made to the tremendous size of the organization necessary and the expense involved under the operation of the board in collecting statistics and information and in supervising all of the operations, issuing licenses, collecting equalization fees, administering of the revolving funds and stabilization funds, operating the insurance plan, examining books, and so on. It is conceivable that the size of the organization and its operations might in time outstrip that of the existing Department of Agriculture. All of this would have to be paid for, and every dollar of it by the consumer in this country. It is bad enough that the consumer will have to pay for the artificial and uneconomic stimulation of domestic prices, but it would be adding insult to injury to demand that the American consumer subsidize the dumping of goods abroad so that foreigners may have price benefits denied ourselves, and so that in many articles the foreigners might be enabled to further compete with us in domestic and foreign markets, thus aggravating again the distress of agriculture, industry, and the consumer in this country, and Congress would have only itself to blame. [Applause.]

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman and colleagues, I find myself in complete accord with the sentiments expressed by the Member from Massachusetts, who has just taken her seat, that the women, if possible, should be induced to wear more cotton, and that those who do wear cotton should wear a little more of it—especially the latter. [Laughter.]

I have listened attentively to the discussions here and I find there are two things which have not been stressed as I think they deserve to be stressed. In fact, one has not been mentioned at all, and the other touched upon by only two gentlemen.

There is an old adage saying: "Tell me who thy friends are, and I will tell thee who thou art."

And I think we may express the same truth almost, if not quite, as well by saying: "Tell me who thy enemies are, and I will tell thee who thou art."

Who are the friends and who are the enemies of the measure which we are trying to enact into law? The answer is, the enemies are the grain gamblers and speculators in our country, and the friends are the farmers. Practically all of the farm organizations in the United States are in favor of this bill, whereas the enemies, as I say—and you will find this to be so if you search it to the bottom—are the grain gamblers and speculators. They are back of all this opposition. By that I do not mean to say that those who are opposing this bill on the floor of the House are in collusion with the grain gamblers. Not at all. They are just as sincere in their opposition and as interested in the farm proposition as I am. But they are, perhaps unwittingly and unknowingly, giving aid and comfort to the enemy by opposing this measure.

I want to call attention to the crime committed against the farmer by the indefensible delay in bringing this measure before the House. For the fourth time in a few years we are permitted to vote on this measure at the close of the session. Now, I ask, why have we not had a chance to vote upon it before?

Last July, in St. Paul, we had a large meeting of farmers and others interested in agriculture. I offered there a resolution, which was adopted unanimously, that we request the

chairman of the Committee on Agriculture of the House and of the Senate to call a meeting of their committees before the opening of Congress in order that they might at the beginning of the session have a bill prepared to present before the House so that we might vote upon it in January or February. That resolution was unanimously adopted.

And yet here we are five months after the beginning of the session of Congress and are just given an opportunity to consider a farm bill. They did not even begin the hearings until the latter part of January. Why is this? In the meantime, with the Coolidge prosperity, the closing of banks in my district is continuing. That is true of the rest of the country. Why has it not been reported before? The Ways and Means Committee is always here on time, and they have no trouble in having their bills considered. When Secretary Mellon wants legislation which will aid the millionaires he has no trouble in getting it. Why does not the Secretary of Agriculture show the same interest in the farmers and have a bill prepared for the relief of agriculture? But nothing of the kind.

The reason I wanted this bill reported early in the session was that if it were vetoed we might have a chance to vote on another bill. For I can not join the ranks of those who say "the equalization fee or nothing." I want the equalization fee. I want this bill. But if I can not have this bill I am willing to go along and vote on some other substitute which will at least do something. Beggars are not choosers. Half a loaf is better than no bread. I will go along and vote for one-eighth of a loaf. Our people are prostrate.

Give us something, no matter how little, and then in the next session we can amend and change and improve, or if we can not do this in the lame-duck session that is coming, it can be done in the next Congress. For I am in hopes that the Chief Executive after March 4 next will be more sympathetic toward agriculture than the present occupant has shown himself to be.

I can not go along with those who say we will wait three or four years more until we can get the equalization fee. There is an old adage which I heard from my grandmother when I was a little boy, which says, "Mens grässet gror dör koen," which being interpreted means, "While you are waiting for the grass to grow the poor cow is starving to death." This is the case here.

I want some kind of bill, I want some kind of law creating a Federal farm board with power and authority from the United States Government to buy and to sell. And if we can have such a board, under this bill or under some other bill, with this power, that will at once do these two things. It will give new hope and courage to agriculture which at present is prostrate. It will also do this. It will put a crimp in the activities of the grain gamblers and the speculators, and this is the main point that should be stressed, as it was by the gentleman from Illinois [Mr. ADKINS] and now by the gentleman from South Carolina [Mr. FULMER].

It has been called to the attention of this House that the gamblers and the speculators who are back of all the opposition to the bill have robbed the farmers of the United States of billions upon billions of dollars during all these years. They have bled him white, and if you can stop their activities you will have put billions of dollars into the pockets of the farmers of the country. Under the protection of the United States Government these farmers have been robbed, under the protection of the Department of Agriculture, which is placed there to safeguard the interests of the farmers.

In February, 1924, the late Congressman Little, of Kansas, a good Republican, made the charge on the floor of this House that the Department of Agriculture had been instrumental in robbing the farmer of $150,000,000 in one year. I was a new Member at that time, but if I had been as old in service as he was, and if I had had the facts he claimed to have, and undoubtedly did have, I would seriously have considered making a motion to impeach Mr. Jardine, the Secretary of Agriculture.

Mr. WYANT. Will the gentleman yield?

Mr. KVALE. I will.

Mr. WYANT. I supported this bill the last time it was before the House. Now, in my judgment the coal industry is completely paralyzed. Will the gentleman agree to amending this bill so as to include the coal industry and then vote with me in support of it?

Mr. KVALE. I hardly think the coal problem comes within the purview of a bill for the relief of agriculture. But I will say this to the gentleman: That I will support any measure tending to stop the coal companies and the money power of Pennsylvania from bleeding the farmer white.

Mr. BLACK of New York. Will the gentleman yield?

Mr. KVALE. Yes; I yield.

Mr. BLACK of New York. Is it not the fact that whenever the National Government tries to do anything with respect to the coal industry it is met with the statement that it is an industry wholly within the State of Pennsylvania and the Government can do nothing?

Mr. KVALE. The State of Pennsylvania is a good Republican State, and if the people would only wake up they ought to be able to bring some pressure to bear upon the present administration.

On January 30, 1926, I made a rather lengthy address on the gambling going on in the United States. I called attention to the fact, and I now call the attention of the House again to the fact, that we have bills before this House which would make short selling a felony. Is there any chance to pass that bill? Not with Jardine at the head of the Department of Agriculture.

The short seller is the one who is responsible for a great deal of the trouble which agriculture finds itself in to-day, but we can not hope to pass those bills to stop gambling for the simple reason that this administration, backed by the Coolidge-Mellon-Jardine-Hoover oligarchy, is supporting the interests that have been robbing the farmer.

I say this advisedly. I know it is a terrible indictment of my Government, but the facts prove it, and it has been proven by the veto of this measure, that the gamblers and the grain speculators and the manipulators have more influence with our Government to-day than the 30,000,000 farmers. In the name of these 30,000,000 farmers and the 50,000,000 others who are dependent on the farmers, I protest against these two things. I protest against having this bill reported so late in the session that we can not have time to enact some other bill into law if this fails of enactment. And I also protest against the manipulation of the gamblers and the speculators under the protection of the Government of the United States.

Mr. LAGUARDIA. Will the gentleman yield there?

Mr. KVALE. Certainly.

Mr. LAGUARDIA. The gentleman should not be too hopeful that the bill will stop this gambling. We have a law in the State of New York against selling short and against buying or selling on margins, and yet there is more gambling going on in my little town than any place in the world.

Mr. KVALE. Well, I want the Government to function in such a way that they can enforce the law. Will the gentleman join with me on that?

Mr. LAGUARDIA. Yes; if we could enforce it.

Mr. KVALE. If they will not enforce it, then put somebody in power that will enforce the law. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. CARSS].

Mr. CARSS. Mr. Chairman, ladies, and gentlemen, speaking of silk and cotton, I agree with the lady from Massachusetts that the women might wear cotton, but I do not think they ought to wear any more of it. [Laughter.] I think the dress of the modern woman is the most attractive and sensible she has ever worn.

As far as this bill is concerned, I can not discuss it extensively in five minutes. If enactment of the bill accomplishes anything, it will raise the prices which the farmer gets for his products and the increase will fall on the consumer, as the middleman is organized and he will pass it on to the consumer, who in turn will act as the shock absorber, because he is not organized to protect himself.

When the consumer feels this increase in his cost of living, and knowing the farmer is not getting the money the consumer spends, we will have the farmer at one end of the line and the consumer at the other end cooperating to bring about a change in the wasteful and inefficient system of distribution which is at the bottom of the farmers' ills and which accounts in a large measure for the excessive cost of farm products to the consuming public.

So far as the attitude of labor is concerned, I think I can speak with some knowledge of that subject. Labor wants the farmer to stay on the farm and wants him to be living a happy, contented, and prosperous life, having purchasing power sufficient to buy the things labor makes in our factories. We want him to furnish work for our men in the transportation industry; we do not want him starved out; we do not want him to lose his farm. It is said that 185,000 farmers in the Northwest have lost their farms in the last six or seven years. We do not want him coming into town and crowding the labor market, bidding against us for the jobs which are scarce enough at the present time. Some of the opponents of this bill are interested in seeing a big crowd of hungry men before the factory gates every morning, willing to take employment at any wage that will keep body and soul together; but so far as the laboring people are concerned, they realize that the economic interest of

the workers on the farm and the workers in the towns are identical, and that one can not prosper unless the other is also prospering.

I hope this bill will pass. I intend to support it with the equalization fee in it. I say to some of you gentlemen over here on this side that it will be nothing new for the farmer when you ask him to pay the equalization fee. He is used to that. He has been paying the equalization fee for a good many years on every piece of farm machinery that he has bought. His competitors in the world's grain market are buying that machinery more cheaply than he can buy it here. He is paying the equalization fee and adding to his cost of production. I am very much in favor of this bill. I hope it will accomplish something for the farmer. When people are broke, the only way to help them is to give them an opportunity to make more money. If this bill does not do that, it does not do anything. So I am going to vote for it. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BRAND], with the understanding that the chairman of the committee [Mr. HAUGEN] yields five minutes of that time.

Mr. BRAND of Georgia. Mr. Chairman, this is the first time I recall that I have ever had anything to say on the floor with reference to this bill. I shall discuss it from a legal or judicial point of view in the time allotted to me. What I shall say will be mostly the declarations of law writers and the Supreme Court. Ever since the bill has been pending before Congress its constitutionality has been challenged, and therefore has become a controversial issue. Studying over it I have found, one can safely say, I think, that that claim comes as a rule from those who are naturally opposed to this character of legislation. For the benefit of those who are not Members of Congress and to refresh the recollection of those who are present and who are Members of Congress, I am going to state the fundamental principles material to this issue laid down by the courts, and especially the Supreme Court of the United States. In the first place, when an attack is made upon the validity of an act of Congress the law places the burden upon the person making the attack and alleging its repugnancy to establish clearly and plainly and beyond reasonable or rational doubt its unconstitutionality. In the second place, the person who makes the attack is confronted with the presumption of law that the act in question is valid and constitutional, a principle as old as the Supreme Court itself. In the third place, it is a well-settled rule of the writers of law, and the Supreme Court of the United States in construing an act of Congress which is susceptible to two constructions, one of which would render it valid and the other invalid, the court must adopt that construction which preserves its validity. In the next place, the rule is well settled that every possible presumption stands in favor of an act of Congress until overcome beyond a reasonable or rational doubt.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. SPROUL of Kansas. If the constructions to which the gentleman has called attention were being considered by the President, would the President be under obligation and would he be likely to adhere to the one holding it constitutional?

Mr. BRAND of Georgia. I shall come to that in a moment or two. I want to state only one other fundamental principle. The last one is that if the Supreme Court of the United States holds a portion of a Federal act unconstitutional, the other provisions of the bill are to be held constitutional if it is possible for the court to do so. Particularly is this true when the bill contains a provision to this effect, as this bill does. All these principles are as stable as the Ten Commandments, and the courts of the country are bound by them as the law of the land, because they have been laid down by the Supreme Court of the United States.

Replying now to the gentleman's question, I think that the President of the United States, who at one time vetoed this bill, in view of the decisions which I am going to quote and the fundamental principles which I have announced, should carefully consider them as the Chief Executive of the United States before he enters a second veto; and in addition I think he should consult with his Attorney General and ask him how far he is bound by them and whether or not he should not take these principles of law and the decisions I shall cite under consideration before he vetoes the bill again. In advising with his Attorney General, who is a sound lawyer and an upright man, the President should not be unmindful of the fact that there is some sense, there is some judgment, and there is some intelligence yet exercised by Members of Congress—whether lawyers or not—when such major matters as the bill are under consideration and that the lawyers in the American Congress yet know some law. [Applause.] The President is not a lawyer, as I understand it.

Mr. TIMBERLAKE. Oh, yes, he is.

Mr. BRAND of Georgia. Is he? Has he practiced law? Then I shall have to take that back. This being true, there is less excuse for his vetoing it the second time in face of these fundamental legal principles and these decisions of the Supreme Court, and I state that with the utmost respect for the President of the United States.

CITATIONS FROM THE COURTS

There are just two or three lines in each case. I read:

The presumption is in favor of validity, and only when the question is free from reasonable doubt will the Supreme Court hold an act of Congress to be in violation of the Constitution. (173 U. S. 509.)

This court has the power to declare an act of Congress to be repugnant to the Constitution, and therefore invalid. But the duty is one of great delicacy and only to be performed where the repugnancy is clear and the conflict irreconcilable. Every doubt is to be resolved in favor of the constitutionality of the law. (Mayor *v.* Cooper, 6 Wall 251.)

In Adkins *v.* Children's Hospital (261 U. S. 525) the court said that every possible presumption stands in favor of an act of Congress until overcome beyond rational doubt.

The duty of this court in construing a statute which is reasonably susceptible of two constructions, one of which would render it unconstitutional and the other valid, to adopt that construction which saves its constitutionality. (213 U. S. 367.)

A construction of a statute which makes its constitutionality doubtful is to be avoided if possible. (270 U. S. Sup. Ct. 466, par. 1.)

Provisions of statutes levying taxes will not be extended by implication beyond clear import of language, and, where doubt exists in construction, that most favorable to citizens and against taxing power will be adopted. (6 Fed. Rep. 2d series, p. 964, par. 3.)

A statute will be upheld unless clearly shown unconstitutional, all presumption and reasonable construction being in its favor. (7 Fed. Rep. 2d series, p. 715, par. 11.)

Necessarily the power to declare a law unconstitutional is always exercised with reluctance. (157 U. S. 429, 554.)

When this court is called on to consider whether an act of Congress is constitutional a due respect for Congress requires that we shall decide that it has transcended its powers only when that is so plain that we can not avoid the duty. (100 U. S. 96.)

When this court is required to pass upon the validity of an act of Congress, the duty imposed demands in its discharge the utmost deliberation and care, and invokes the deepest sense of responsibility. (158 U. S. 617.)

This court, by an unbroken line of decisions from Chief Justice Marshall to the present day, has steadily adhered to the rule that every possible presumption is in favor of the validity of an act of Congress until overcome beyond rational doubt. (261 U. S. 544.)

That is what the Supreme Court has held since John Marshall's day.

Under the title "The golden age of the Supreme Court," on page 259, in his book entitled "The Constitution of the United States," by JAMES M. BECK, the rule under discussion is stated as follows:

The second principle which the court adopted was that no law should be declared invalid unless its incompatibility with the Constitution was clear beyond reasonable doubt. All doubts were to be resolved in favor of the legislative act. The judiciary thus sought to support the legislative will. In a democracy no other attitude would be possible.

The policy of the legislation was for the lawmaking body, and the only question for the court was that of legislative power, and therefore a law should be sustained by the judiciary even though in its judgment it were grossly unwise, and even positively immoral.

Under these rules of law and the repeated declarations of the Supreme Court of the United States I do not believe for an instant that the court will ever hold this act to be unconstitutional.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes; but not out of my time, Mr. Chairman.

Now, it should be clearly understood that even if there are entertained by Members of Congress grave doubts about the constitutionality of this bill, it is the sacred duty of the Supreme Court, if a majority of its members share the opinion, to uphold and sustain it. This is what my experience as a lawyer, studying and practicing in that vocation for nearly 46 years, leads me to believe. This is what I believe the Supreme Court will say respecting this bill if and when it comes before this court.

I want to say in conclusion that I believe that President Coolidge, as a lawyer as well as in his capacity as President,

ought to consult with the Attorney General and have him take these citations and study and examine them, and if he, the President, arrives at the conclusion that the Supreme Court would hold that the McNary-Haugen bill is constitutional he ought not to veto it again. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLACK].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, I am very much tempted to go off the line of the subject under consideration and refer for a few moments to women's garments in connection with farm relief, including the views of the butter-and-egg man. [Laughter.] If the ladies are really going to help the political farmers, the only thing they can do is to adopt the Hawaiian hula-hula shredded-wheat garments. [Laughter.]

A recent editorial in the Saturday Evening Post discounting prohibition as a phase of the farm problem, induces me at this time to ventilate the relation of the dry laws to farm distress. The National Economic League recently held a vote of its members as to the relative importance of pending national problems.

About 50 of these problems were considered. The following are the number of votes which were cast for the first 10 subjects in their comparative importance:

| Subjects: | Number of votes |
|---|---|
| Administration of justice | 1,720 |
| Lawlessness, disrespect for law | 1,592 |
| Prohibition | 1,247 |
| Flood control | 1,073 |
| Prevention of war | 1,007 |
| Agriculture, farm relief | 951 |
| Ethical, moral, religious training | 862 |
| Taxation | 807 |
| The World Court | 643 |
| Conservation of natural resources | 629 |

It is and has been my notion that modification will go far to solve the first three of these and farm relief. It would also have a bearing on ethical training and taxation.

It is worthy of note that prohibition got its initial economic impetus in the Lever food control bill under an amendment offered by Mr. BARKLEY, of Kentucky, on June 23, 1917. The great demands for grains for food during the war brought about to a big extent war prohibition as a food-conservation proposition. Then the Volstead Act prevented a readjustment when the demand for American grain foods ended with the war. Food that was needed due to the war could not be turned to beverages, due to prohibition. The farmer lost his foreign war market and did not get back his brewery and distillery markets.

Farm experts, instead of stressing the disaster due to the loss of markets through the artificial means of prohibitory legislation, insist on the artifice of price fixing through socialistic legislation to make up the losses. One costly lobbied legislative measure is to be solved by additional error similarly stimulated.

Recent reports from the Department of Agriculture and the Prohibition Bureau indicate that prohibition has been a monumental gold brick for the American farmer.

The Prohibition Bureau reports that the tax on distilled spirits for 1919 was $365,211,252.26, and on fermented liquors $117,839,602.21, and in 1927 on distilled spirits $21,194,668.71 and on fermented liquors $883.25. There has been an increasing loss in the intervening years. Moreover, national enforcement has required appropriations of about one hundred millions and against which approximately forty millions has been collected in fines and penalties. The farmers, of course, bear a considerable portion of this tax loss and appropriations cost. This is not considering the losses by the States, and it is to the taxes of the States that the farmers are the heaviest contributors. The farm bill proposes to add to the tax burden of the country four hundred millions.

COST OF PROHIBITION

The New York World on October 24 published an article by Henry F. Pringle, giving the voters on the New York State referendum facts to be considered. The article reads: "Loss of taxes and license fees, salaries of army of enforcement officers, destruction of industries, graft, and new crimes some of facts voters must consider." Under the caption, "The cost," the article reads:

The cost of prohibition can properly be classified as follows: (1) Expenditures of Federal Government for Prohibition Unit and other agencies concerned with enforcement; (2) expenditures of States and cities for enforcement; (3) loss of revenue received before prohibition from excise taxes and import duties; (4) loss to State and cities in former license fees; (5) loss to the Nation in the destruction of industries once engaged in the manufacture of liquors and beer.

Against this bill must be placed the estimates of the savings caused by prohibition. These, according to the estimates of the prohibitionists, have more than made up the cost.

CITY POLICE BEAR MUCH OF THE BURDEN

The expenditures of the Federal Government for enforcement are among the few items that can be given in entirely authentic form. The records show the appropriations to have been:

| | |
|---|---|
| 1920: Prohibition Unit | $2,400,000 |
| 1921: Prohibition Unit | 6,350,000 |
| 1922: Prohibition Unit | 6,750,000 |
| 1923: Prohibition Unit | 8,500,000 |
| 1924: | |
| Prohibition Unit | 8,250,000 |
| Coast Guard operation | 1,692,100 |
| Coast Guard vessels | 12,194,900 |
| 1925: | |
| Prohibition Unit | 10,012,330 |
| Coast Guard operation | 8,192,000 |
| 1926: | |
| Prohibition Unit | 9,670,560 |
| Coast Guard operation | 11,560,011 |
| Total | 85,571,901 |

The expenditures of the States and cities are difficult to estimate. Appropriations for enforcement appear on few of the State budgets. In 1924, for instance, the only ones made were: Virginia, $70,000; Wisconsin, $60,000; Nebraska, $50,000; Wyoming, $52,000; New Hampshire, $15,200; Ohio, $109,430; Missouri, $8,500. Even the various organizations working for modification hesitate to make a guess regarding the expenditures by the States.

Not only in the tax losses are the farmers injured by prohibition, but they bear the great proportion of the direct damage in losses on crops. In 1919 the barley farmers produced 147,608,000 bushels at a value of $1.20 a bushel, or at a total value of $178,080,000. But in 1927, with the barley crop at 265,577,000 bushels, its face value was only $180,127,000. No brewers on large-scale production being in existence, the 1927 barley was only worth 67 cents a bushel. So the farmers lost on their latest crop approximately $140,655,000 due to prohibition. This is on one crop in one year. The following table shows what the barley farmers can charge as losses to prohibition. I base these on the 1919 per bushel price.

| | |
|---|---|
| 1920 | $94,666,000 |
| 1921 | 124,156,800 |
| 1922 | 123,806,240 |
| 1923 | 128,276,060 |
| 1924 | 93,624,500 |
| 1925 | 132,695,060 |
| 1926 | 116,490,150 |
| 1927 | 140,655,810 |
| Total | 954,368,620 |

Ten million acres of land would be used for barley production should the Volstead Act be modified. The drys will answer that the brewers did not consume the total crop in any one year, but they did use over one-third of it, and, paying a high premium for it, were responsible for such a high price as prevailed in 1919.

[United States Department of Agriculture, Miscellaneous Circular No. 23]

THE AGRICULTURAL OUTLOOK FOR 1924

By staff of Bureau of Agricultural Economics

1. The United States is exporting about 20,000,000 bushels of barley each year, and the price of barley is therefore affected by the world price. The recovery in European production is increasing the foreign competition.

Notwithstanding that production has been maintained, market receipts during the past five years have been less than one-half as large as formerly.

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[Yearbook of Department of Agriculture, 1922]

2. Effect of prohibition: The most recent factor affecting the production of barley has been the prohibition of brewing. * * * The brewers of the United States were using slightly more than 50,000,000 bushels of barley each year at the time when brewing was prohibited. This 50,000,000 bushels, while constituting only about 30 per cent or less of the crop, did cause a premium to be paid for the highest grades of barley.

The next important beer ingredient that tells a sad story for the farmer is hops. In 1919 hops had a per pound value of 77.6 cents and in 1927 of 23.1 cents. In 1919, 24,970,000 pounds brought $19,376,000, but in 1927, 29,794,000 pounds brought only $6,808,000.

Rice, which was extensively used in beer, has sustained a loss in value since prohibition. In 1919, 41,985,000 bushels of rice was worth $111,913,000 and in 1927, 40,231,000 bushels were worth $37,728,000, or a loss of over $70,000,000.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. BLACK of New York. Yes.

Mr. LAGUARDIA. What do they use now in making liquor?

Mr. BLACK of New York. Do you mean the bootleggers?

Mr. LAGUARDIA. Yes. What do the bootleggers use in making their liquor?

Mr. BLACK of New York. They are importing foreign grain, and outside of grain I think they use sawdust, garbage, peanut shells, and all kinds of rubbish. [Laughter.]

When we look at rice, we find a most astonishing situation in dealing with 1915, 1916, 1917. We find that in 1915 the brewery consumption of rice was nearly 168,000,000 pounds.

In 1916 somewhat over 141,000,000 pounds.

And in 1917 about one hundred and twenty-five and one-half million pounds.

A total used during that three-year period of over 434,000,000 pounds.

An average use per annum of nearly 145,000,000 pounds, which has been lost by the drys.

*Materials used in the production of fermented liquors in the United States, years ending June 30, 1915, 1916, and 1917*

[Compiled by the Bureau of Crop Estimates, U. S. Department of Agriculture, from records of the office of internal Revenue, Treasury Department]

| Material | Unit of quantity | July 1, 1914, to June 30, 1915 | July 1, 1915, to June 30, 1916 | July 1, 1916, to June 30, 1917 |
|---|---|---|---|---|
| Malt | Bushels | 62,991,856 | 57,683,970 | 67,931,577 |
| Hops | Pounds | 38,839,294 | 37,451,610 | 41,958,753 |
| Rice | do | 167,750,177 | 141,249,292 | 125,632,269 |
| Corn or cerealine | do | 604,890,901 | 650,745,703 | 666,401,619 |
| Grape sugar or maltose | do | 52,079,621 | 54,934,621 | 63,213,698 |
| Glucose or sirup | Gallons | 7,185,563 | 2,742,854 | 6,557,269 |
| Grits | Pounds | 116,619,510 | 109,371,482 | 193,263,640 |
| Other materials | Bushels | 484,641 | 72,355 | 180,436 |
| Do | Gallons | 6,630 | 19,112 | 16,656 |
| Do | Pounds | 68,880,530 | 24,756,974 | 17,573,893 |
| Total, all items estimated | do | 3,274,261,921 | 3,004,754,590 | 3,477,526,330 |

Those who, prior to prohibition had raised barley where they now raise too much wheat are especial sufferers because of the Volstead Act. Hon. Sydney Anderson indicated the extent of the farmer's interest in the brewing business when he stated to the House of Representatives Committee on Agriculture, on August 2, 1912, that—

There are to-day 8,000,000 acres of land in this country under cultivation in barley. The barley crop last year was 139,000,000 bushels, and the estimate this year is about 160,000,000 bushels. The production of beer in this country amounts to nearly 2,000,000,000 gallons annually, a per capita consumption of about 20 gallons. I merely mention these facts as an indication of the magnitude of the business. The brewers some years ago issued a propaganda to induce the farmers of the Northwest to engage in barley growing in order that they would have a sufficient supply of that product to manufacture beer. I feel that the farmers who have gone into barley raising—and there is practically no market for it except such as comes from its use in making beer—are entitled to have the term "beer" defined.

In an extension of remarks by Hon. Charles H. Randall in the CONGRESSIONAL RECORD (vol. 56, pt. 12, 65th Cong., 2d sess.) the farmer may find how much the brewers took of his product. Mr. Randall sets forth:

Mr. Speaker, there is before the House the report of disagreement between the House and Senate conference committees on the price of wheat. The House stands for $2.20 and the Senate insists upon $2.50 wheat.

The assurance which it is proposed to give the farmer of the price which he shall receive for his wheat, of course, has relation to the food supply of the country. Such a proposition is based upon the effort to assure a sufficient food supply by encouraging the increase of the acreage of wheat.

The Food Administration wants this law. Yet the Food Administration can by one stroke of a pen save 4,000,000 pounds of bread daily and fails to act. Last summer Mr. Herbert Hoover, in answer to an avalanche of demands that he save the food wasted by brewers, wrote the following response:

"In 1916 there was used in the production of malt for the manufacture of beer for home consumption and export about 60,000,000 bushels of barley, 15,000,000 bushels of corn, and about 3,000,000 bushels of rice. It will be seen, therefore, that the economic advantage to be gained from the prohibition of the manufacture of beer relates almost entirely to the question of saving 60,000,000 bushels of barley, which could be milled to 60 per cent of its food value and produce a pound loaf of barley bread per day for 6,000,000 people."

Since the above letter was sent out by Mr. Hoover he has written me under date of January 22, 1918:

"DEAR CONGRESSMAN RANDALL: In the administration of the food bill we have reduced the foodstuffs used in brewing by 30 per cent. I hope that by this order there may be effected a saving of approximately 18,000,000 bushels of grain.

"Faithfully yours,

"HERBERT HOOVER."

It will be seen at a glance that from Mr. Hoover's own figures the brewers are still permitted to use 42,000,000 bushels of barley, more than 10,000,000 bushels of corn, and more than 2,000,000 bushels of rice annually. The barley alone will make more than 4,000,000 pounds of bread daily.

About 8,000 square miles of American farm lands were at one time devoted to the production of barley for brewers, says E. C. Horst, an American farmer.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield for one question?

Mr. BLACK of New York. Yes. You are a pretty decent sort of gentleman. [Laughter.]

Mr. COLE of Iowa. Has the gentleman any intelligent idea as to the quantity of grain that was used in the making of whisky and beer before prohibition?

Mr. BLACK of New York. Oh, yes. I will give you all that as I go on. If I should be able to convert you, I would be very glad.

I have only seen one answer to my proposition and that was in an editorial in a recent number of the Saturday Evening Post. This publication is always intent on fairness and the editorial I now intend to make comment on has an honest inspiration, but nevertheless comes to unfounded conclusions if the logic of the situation is to have sway. It reads as follows:

PROHIBITION AND FARM DISTRESS

The perennial discussion of prohibition takes many turns, some of them devious enough. Now and then one hears a loud voice declaiming that prohibition has been a prominent cause of agricultural distress.

During the calendar year 1916 there were used in the manufacture of alcohol and of distilled spirits some 40,000,000 bushels of grains, and in the brewing of fermented alcoholic beverages some one and a half million tons of cereal preparations. During the year 1926 something like 9,000,000 bushels of grains and a hundred thousand tons of cereal preparations were so employed. These are official data from the Commissioner of Internal Revenue of the Treasury Department. The loss of market as material for alcohol and alcoholic beverages may therefore be placed at around 80,000,000 bushels at the outside.

The crop of grains in 1926 was around five and a third billion bushels. The 80,000,000 bushels that might otherwise have gone into distilleries and breweries was therefore under 2 per cent of the crop. This quantity of grain is less than the probable error in the crop estimates. It is nothing less than absurd to ascribe to the loss of this special market any substantial proportion of farm distress.

In 1917, when the question of curtailment of the use of grain in distilleries and breweries came up, the users of grain for such purposes resisted curtailment on the ground that little loss of feeding stuffs occurred, since distillery and brewery residues were fed to animals. There was some truth in this contention. But it is inconsistent to make this claim and at the same time to claim that a large market is lost when grains are not so employed.

During recent years the count of horses and mules has been substantially reduced, probably by as much as 5,000,000 head. This has been due to replacement by automotive equipment. These work animals would use annually between three and four hundred million bushels of oats and corn. Compared with this, the 80,000,000 bushels whose market has been lost through prohibition is of little importance. Would the people who wish distillation and brewing restored as a market for grain also wish machines banished and work animals restored as a market for grain?

There can be no doubt that the consumption of milk and fruit juices has been increased as a result of prohibition. This enlargement of market for farm produce must be set against the loss of market for grain. When alcohol dropped out of the diet something else took its place and represented new demand. We can not agree that agriculture as a whole lost a market through prohibition. The only people who lost business were distillers and brewers. For them to hide behind the skirts of distressed agriculture is too transparent a maneuver to fool anybody but the wets.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. BLACK of New York. Prohibition might be well called an antigrain consumption law. My purpose now is to compare

the consumption of grain before and after prohibition. Of the 5,000,000,000 bushels of grain produced only the corn and barley production were of major importance in the prohibition debacle. Rye, from the standpoint of the crop produced and quantity ever used, was affected in a minor degree, and, of course, wheat and oats were only consequentially affected.

Last year's wheat crop measured nine hundred millions and oats twelve hundred millions in bushels. So these two crops contributed twenty-one hundred millions to the five and one-third billion bushels cited in the editorial.

The destruction of the brewery market for corn and barley would only have an indirect effect on prices of wheat and oats but a direct and serious effect on corn and barley prices. The rye farmer, with land too poor for other grains, has conclusive evidence of harm in the loss of his domestic market.

Adam Smith, in substance, said:

A man who brings to market for sale 10 bags of wheat and finds in the market place buyers willing to purchase only 8 bags learns that it is the price of the 2 bags for which he fails to find immediate buyers that makes the price on the 10.

Applying Adam Smith's wisdom, and developing the figures involved, we can not conclude on a parallel with the editorial, though we may assume the correctness of the elementary mathematics of the editorial. Its arithmetic is sounder than its economics.

I have had the help of an expert grain market man in making the analysis I am about to submit on prohibition, the grain market, and the conclusions of the Saturday Evening Post.

The fiscal year 1926-27 indicates a consumption for beverages of under 5,000,000 bushels of malt, or barley, and a little over 2,000,000 bushels of corn.

In the last three preprohibition years the use of corn by the distilling and brewing industries aggregated—

| | Bushels |
|---|---|
| 1915 | 27,143,000 |
| 1916 | 45,643,000 |
| 1917 | 49,324,000 |

A total of a little over 122,000,000 bushels of corn, or an average consumption per year of nearly 41,000,000 bushels.

In the most recent three years for which complete figures are available these industries used—

| | Bushels |
|---|---|
| 1924 | 5,357,000 |
| 1925 | 7,496,000 |
| 1926 | 8,262,000 |

A total use during these years of a little over 21,000,000 bushels, or an average use per year by these industries of about 7,000,000 bushels.

These figures establish that in the three-year dry period the domestic demand for corn was reduced by an aggregate of 100,000,000 bushels and that the yearly use of corn by these beverage industries has been reduced on the average about 33,000,000 bushels.

In these same dry years the exports of corn have been as follows:

| | Bushels |
|---|---|
| 1924 | 18,366,000 |
| 1925 | 12,762,000 |
| 1926 | 23,064,000 |

A total of 54,000,000 bushels and an average export of a little over 18,000,000 per annum.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ASWELL. I yield to the gentleman, Mr. Chairman, five minutes more.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. BLACK of New York. Yes. The gentleman is on one of my committees. I yield.

Mr. KVALE. According to the gentleman's reasoning, then, prohibition does work, does it not?

Mr. BLACK of New York. Yes; not to the good of the farmers.

This exportable surplus of corn which farm experts claim is the cause of the distress would not during these last three years have existed had the corn crop enjoyed the domestic demand of a size equal to that which obtained as an average consumption for the three preprohibition years. The domestic brewing and distilling demand has been reduced by prohibition 33,000,000 bushels per year. The exportable surplus in the same three years has been about half that amount. A universally condemned cause of the farm trouble, the surplus of corn, was caused itself by prohibition. The proximate cause is the surplus, but the real, though remote, cause is prohibition.

When we consider barley we find the brewing and distilling use was in—

| | Bushels |
|---|---|
| 1915 | 65,349,000 |
| 1916 | 62,164,000 |
| 1917 | 85,738,000 |

A total use of 213,252,000 bushels, or just about an average crop for any recent year. This is an average annual consumption of 71,000,000 bushels.

These same industries used in the dry area in—

| | Bushels |
|---|---|
| 1924 | 5,831,000 |
| 1925 | 5,468,000 |
| 1926 | 5,863,000 |

A total of only 17,162,000 bushels, or an average annual use of about 5,700,000 bushels. We find a reduction of use annually on the average of about 65,000,000 bushels.

The domestic demand for, or market, has been destroyed by a yearly average of thirty-three and one-third million bushels of corn and sixty-five and one-third million bushels of barley, or a total disappearance of American annual demand for the two grains of about 100,000,000 bushels.

It is true that in both brewing and distilling feed by-products are recovered, which products are in high favor amongst the dairy interests.

These by-products aggregate about 20 per cent of the initial weight of the raw material, so that the net disappearance after deducting feed residue would be in substantial accord with the editorial's 80,000,000-bushel estimate.

The price registered in terminal markets which gives the crop value is measured by the demand there for the supply of grain which is brought there for sale. We must therefore compare these primary receipts, namely, the arrival of grain at the terminal markets, with the demand, actual as experienced now, and the theoretical demand which would have existed had "pre" prohibition demand in addition been preserved.

The receipts of corn at primary markets in the last three years have ranged from 232,000,000 to 284,000,000 bushels. Those receipts approached markets and found the demand for corn has been reduced by an average of 33,000,000 bushels. The demand has been reduced by prohibition alone nearly, say, 14 per cent. The demand for barley has been reduced approximately by 65,000,000 bushels per year, or by more than the whole amount of present primary receipts.

So barley has had to find a new market. It has had to compete with corn for the feed trade, and it has done this at the injury to both the corn and barley farmer.

To apply the Adam Smith theory: The American corn farmer brought to market seven cars of corn and found there buyers for six cars, the buyer for the seventh car having been outlawed from the market by prohibition. The farmer who has raised barley has brought his barley to market and found that as the premium-paying brewer could not brew, he would not buy. He has had to sell it to a buyer who paid cheaply for it only for its feed value.

The man on the farm is paying for prohibition through the nose. [Laughter.]

The CHAIRMAN (Mr. HOOPER). The time of the gentleman from New York has expired.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. BLACK of New York. Adam Smith would be forced to declare that prohibition has had a crippling effect on the farmer. The man on the farm is paying for hypocrisy through the nose.

The arrangement of figures given, all of which are from governmental documents, contradict the inferences drawn from the editorial and indicate that the comparison of an annual loss of market demand for 80,000,000 bushels of grain is far more serious in the results to the American producer of grain, in the way of reducing his income, than is indicated by the editorial comparison of that loss with the whole crop. If one compared it with the national debt or the annual American bank clearings in dollars, it would appear even more insignificant than the Post's editorial indicated.

The farmers have been propagandized by the drys for many years. They were led to believe if they supported prohibition their taxes would be reduced 80 per cent; that crime would disappear and there would be no more criminal court costs, and that jails and eleemosynary institutions would be emptied. Just the reverse has been true. The principal interest of the farmer in the prohibition question was to get rid of the saloon in his own particular locality, something he could have done through local option, and he had no idea when he was agitat-

ing a wider degree of prohibition that he was paving the way for his own economic destruction.

A dispatch from Washington, D. C., appearing in the February 18 New York World states:

The District of Columbia has increased its arrests for intoxication 168 per cent in the seven years since the Volstead Act went into effect. Arrests for manufacture of liquor advanced 307.7 per cent; for sale of liquor, 825.4 per cent; for transporting, 4,580.9 per cent; for possession, 13,323 per cent; and for driving a vehicle under the influence of liquor, 1,083 per cent. The only declines are 9.4 per cent in arrests for "drinking in public," and 83.3 per cent for possession of property designed for manufacture of liquor, according to a chart submitted by Maj. Edwin B. Hesse, district police head, to a House appropriations subcommittee and made public to-day.

The Canadian farmer must be amused at the Yankee farmer across the border as he contemplates the reports of Canadian grains in liquid form sent into the Volsteadized United States.

The Washington correspondent of the New York Times, February 6 reports that:

The minutes of the August conference, with some deletions, were made public at the State Department to-day, and revealed a large annual increase in the amount of liquor exported from Canada to the United States in violation of the United States laws. This movement was set forth from official records by William R. Vallance, assistant solicitor of the State Department, to the customs conference in figures on the value of alcoholic beverages exported from Canada, which were as follows:

| Fiscal year | Total | To United States | Percentage to United States |
|---|---|---|---|
| 1924 | $14,854,175 | $8,714,709 | 62 |
| 1925 | 16,225,533 | 11,610,169 | 72 |
| 1926 | 21,207,777 | 17,207,777 | 82 |
| 1927 [1] | 9,069,093 | 8,236,126 | 91 |

[1] 5 months ending Aug. 31, 1927.

Also from a Washington (D. C.) dispatch in the Seattle (Wash.) Star of February 7:

Vast dimensions of the illegal liquor traffic on both sides of the Canadian-American border were revealed to-day with publication of minutes of a joint customs conference here last August. Prices of bootleg liquor on the American side of the border will be increased if legislation recommended by the conference to the Canadian Parliament is enacted. The minutes revealed that between 1924 and 1927 the percentage of liquor exported from Canada ostensibly to the United States increased from 61 to 91 per cent.

Moreover, the farm country has always proven a rich harvest for Anti-Saloon League collectors. How much they have gathered from the farm belt I do not know. Perhaps the league will be glad to tell the farmers how much the farmers have paid for prohibition propaganda, which has been to them the promulgations of an Iscariot.

Modification of the Volstead Act will go a long way toward economic relief of the farmer, and when the figures are presented to him he will change his views particularly when he realizes that while he has grown poor the bootlegger, the Canadian farmer, the prohibition agent, the dry lecturers and press agents have prospered at his expense in a theoretically dry country.

I hope the farm organizations will carefully study this phase of the farm problem. I realize the woeful economic condition of the farm country, but believe that a relief, working no harm on the rest of the country, can come if the farm organizations will begin to view prohibition as a false friend. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman and gentlemen of the committee, ordinarily when we approach a proposition with respect to legislation we have to discuss the real needs of the proposed legislation, but that is not true in this case, because it is admitted by all that there ought to be some farm-relief legislation. Farm relief goes hand in hand with Government control. It has been the policy of this Government to control several of the outstanding great economic instrumentalities of our national life, and when we see the outcome of that and see how that has benefited those instrumentalities and those economic conditions in our life then we are persuaded that the proper thing to do is to extend these same rights and these same remedies in aid of the farmers of this country so that they can again reach their proper place in the great economic life of America.

When we think, gentlemen of the committee, that one-third of the farm property of this country has been destroyed since the period of deflation it impresses us with the absolute necessity for legislation in behalf of this patient and patriotic element of our population.

More than 6,000,000 of the farmers of this country have recently left the farms and nearly 20,000,000 have left in the last 20 years, but just recently more than 6,000,000 have left the farms and gone into the industrial centers of this country. That has not only flooded the industrial centers with labor, but it largely, in my opinion, gentlemen of the committee, accounts for the great disorganized and idle labor of this country, the people having left their farms and gone to the cities and to these industrial place and can not be absorbed.

We take our Federal banking system and we make it flexible, and make it so it will accommodate the people of this country and the economic life of this country, and it is done through Government control. Everybody admits that is correct. We take our great transportation system of this country and that is made to serve the people through Government control, and the owners and operators thereof are guaranteed a fair and legitimate income and wages.

We take other great interests of our country and their success and their prosperity is largely determined by the relationship of the Government to them and by laws which assist and regulate them, but the farmer is becoming more and more impoverished each year and there is apparently no real endeavor whatever on the part of the great American manhood, on account of either indifference or selfishness, to render unto the farmers those things which are simple justice. The time has arrived for us to meet this great problem and legislate for this great element in our industrial life—the farmers.

I have been struck, gentlemen of this committee, with the fidelity—and I wish you would hear this—with which those people who want to serve all the people of this country have undertaken to bring a bill before this Congress which will aid the farmers. I believe that the bill which has been presented to this House and which has for its purpose the honest intention of helping the farm life of America has as much character in it, as much dignity in it, as much wisdom in it, and as much faithful endeavor in it as any bill ever presented to this House. [Applause.]

Now, gentlemen, this bill has been criticized, but you have noticed in this committee and away from the center of this legislation that those who criticize it have nothing to offer in its place.

Mr. ASWELL. Will the gentleman yield?

Mr. KERR. Yes.

Mr. ASWELL. The gentleman has not kept up with the record. There are five or seven bills that have been offered, but the lobby would not permit the committee to discuss them.

Mr. KERR. I am not talking about those proposed bills. I am talking about those who criticize this particular kind of legislation.

Mr. ASWELL. I am in that class and I have offered a real bill, so there has been offered something by way of a substitute for this bill.

Mr. KERR. I think it is the duty of this House to give the country the very best bill it can, and when we do that we have gone as far as we can and as far as our constituents require us to go.

Now, gentlemen of this committee, let us view this bill from a lawyer's standpoint in respect to several criticisms for just a minute or two. I know this bill has been attacked by some who say that what the farmer needs in this country is diversification; that if they would diversify their crops there would not be any necessity for this kind of legislation. I call your attention to this fact and I insist that that ought not to be the position taken in this great country of ours, and it ought not to be so. Those sections of our country which can best raise particular crops ought to be allowed to do so, and there ought to be a complete and perfect interchange of commodities between the different sections of the country.

I think one section of the country should be allowed to raise one thing, and another section another thing, each section raising what it could best produce. It would not hurt the people in the South Atlantic slope to diversify their crops. They can well afford to do it and can do it. In my State we can raise anything we want to raise—wheat, cotton, oats, tobacco, barley, or anything else—but there are a great many sections of this country, which our country is a market for, that can not raise the things we can raise in North Carolina but can raise one crop much cheaper and better than we can. So I insist that the question of diversification ought not to influence us in approaching a bill of this importance and of this import. Diversification was all right once in our national life, when our needs were simple and our exchange mediums slow and uncertain; now farming must be conducted with a view of supplying food,

clothing, and raw material for our industrial enterprises and industrial workers, and extensive provisions must be made to accommodate many millions who engage in other activities; and this is one of the great reasons for the orderly marketing of the tremendous surplus crops particular sections of our country produce, in order that the farmer may not be impoverished whenever he makes a good crop.

This bill, gentlemen, has been criticized because of the equalization-fee feature. The principle of the equalization fee is that those who are the recipients of the special benefits under this bill, that particular class, should pay for the hazards which naturally arise out of that business incident to the protection of their interests. It is not an innovation so far as this Government is concerned, and the principle is well established in the highest courts of the land. The deduction from employees' salaries creating the civil-service retirement and disability fund is similar in every respect. The principle involved is that these employees by operation of this law are the recipients of an annuity after they have reached the age of retirement. This statute has never been questioned for the reason of the benefit derived by those of that class from which it is collected.

The workmen's compensation acts of the several States if they are deemed to impose a tax do so for a public purpose, because they aid in the scheme to prevent economic wastes which arise from personal injury, and it is for the benefit of the public to care for the victims of industrial life.

The fact that the tax operates for the benefit of the injured employees and their dependents does not characterize it as taking private property without due process of law. This principle of assessments for an equalization fee is also similar to the bank depositors guaranty fund in several States of the Union, which has been held to be within the police power of the State, but do not deprive the banks assessed of their property without due process of law or deny to them the protection of the law.

In regard to these cases the United States Supreme Court held that this legislation is in the interest of the public and for the protection of our financial system. The same principle is illustrated in those cases, both in the States and in the United States, which requires those persons who are the special recipients of benefits by reason of a drainage district to contribute certain assessments which go to promote a drainage district and to keep them up and, in some cases, they have gone as far as to hold that the Federal Constitution will not prevent the State itself from defraying the entire expense of creating and developing and improving a political subdivision.

The principle always involved is that those who are the recipients of benefits by reason of the operation of the law can be assessed for costs, expenses, and liabilities incident to the privilege which is granted them.

The advocates of this Federal farm-relief legislation claim that this bill comes within that clause of our Constitution which allows the Government to regulate interstate and foreign commerce. I think that this is true and, in my opinion, can be justified under the public-welfare clause of our Constitution for the reason that agriculture should be kept upon a sound and successful basis, the Government should aid through legislation every effort which tends to promote its welfare and keep it upon a parity with other great economic activities. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. KETCHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and members of the committee, I shall make no effort whatsoever to contribute any very great amount of information to that which has already been given to the committee. I merely want to take this opportunity to say that I am keenly alive to the competition that the United States producer not only in agriculture but in every line of industry is going to be called upon to meet, and I am in entire sympathy with anything to which I can subscribe that will give the agricultural interests a more equitable distribution of the profits of industry than they are now getting.

My position on the former McNary-Haugen bill has been very well understood, and I have not changed my position in the least on that particular type of remedial legislation.

If the equalization fee were taken out of the McNary-Haugen bill, as it is before us to-day, I would support it. I would even go further and say that if the equalization fee were made applicable to one crop for a single experiment—and I said this two years ago—I would also support the bill. The equalization fee is only a tax levied on the farmer, and according to the best lawyers would be unconstitutional. But with what little ability I have to reason and analyze, it seems to me the complexities that will be encountered in making this particular legislation, if enacted into law, at all workable will be absolutely insurmountable.

Mr. BURTNESS. Will the gentleman yield?

Mr. BEGG. I would rather not until I have finished my statement, and then I will be pleased to yield, and my statement will be rather brief.

There is a proposal that has been indefinitely presented to this House by the representatives of the National Grange, the export debenture plan which is constitutional. I want to say now if that can be put in this bill in place of the machinery that is in the bill, I can lend it my whole-hearted support as an experiment.

This, too, with the proviso that the money available to pay the debentures on exports of agricultural products shall be confined to the moneys received as duties paid on agricultural products brought into this country. I could then go before my people, whether laboring man or one engaged in industry, and defend the proposition as economically sound, and I would like to direct the attention of my colleagues, if you please, to this proposition for a few moments.

There is not any radical departure from the fundamental principles of government in this proposal. If we collect a tariff of $100,000,000 annually on agricultural products brought into America it is certainly fair to assume that the bringing in of them damages the domestic market for agriculture.

Mr. KETCHAM. Will the gentleman yield right there?

Mr. BEGG. Yes.

Mr. KETCHAM. Is it not considerably more than $100,000,000?

Mr. BEGG. Oh, it is. It is more than twice that, but I said if it were any sum——

Mr. KETCHAM. It is about $225,000,000.

Mr. BEGG. I am using the figures for the purpose of illustration.

Now, I submit that the man in the city would not object to taking the money received by the Government in destroying in part the farmers' market and using that money to rebuild and reestablish his market. This is certainly economically sound, and I can subscribe to this kind of farm relief 100 per cent. I was about to say that these other schemes seem to me absolutely futile of enforcement. I can not understand how they can be enforced without inspectors and accountants and bookkeepers sufficient to make a check on everything the farmer sells in the United States. We now have too many Government inspectors and supervisors running around the country telling the people what to do and not to do. The more complex a governmental machine is the less effective it will be and the more dissatisfaction there will be among the masses. I think, gentlemen, in a word, this states my position on agriculture.

I had rather go down to defeat in every ambition I might have than to prostitute what I believe is my good judgment for the best interests of the whole Nation, and I believe that is exactly what we are doing if we stampede a bill like this through the House, when most of us believe it will not work.

The export-debenture plan is so simple there is not anybody that will say it is impossible of practical application at a minimum cost to the Nation, which after all is a big item of consideration for the next 10 years.

You bring about a condition where industry closes down and you have brought about a condition where the revenue of the Federal Treasury will cease to flow, and then the condition of the agriculturists will be worse than it is to-day.

I wish my colleagues would give serious consideration to the debenture plan. The money paid would only be an amount equal to the tariff, ineffective to the farmer, and that money would not come out of the pockets of the American taxpayer, but out of the importer of farm products from Australia, South America, Canada, and so forth. If the wheat grower of Canada, the woolgrower of Australia, the sugar grower of Cuba, and the meat grower of Argentina ship their products to the United States and ruin the farmer's market, why not make him furnish the money to pay the debenture on the exported American products of the farm?

There is the source of supply for your money, and so far as the farmers in Ohio are concerned I think I can come as nearly to speaking for them as any other man—no more so—but I am sure the farmers in Ohio do not want one dollar of assistance if they believe it comes out of the taxpayers of some other line of endeavor. They do want and they do ask that the tariff that is applicable to industry—because industry can control her output—shall be made effective for them as well. Under the export-debenture plan, according to my light, the tariff can be made 100 per cent effective at a minimum cost and with a minimum expense to operate. [Applause.]

Mr. ASWELL. Mr. Chairman, I now yield 15 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, the McNary-Haugen bill is now before Congress for the fourth time, and yet the same bill has never been here twice. The same name and dress comes back, but each time a vitally different being wears them. Some of the most dangerous bills have the prettiest names and parade in the gayest uniforms. The McNary-Haugen bill of 1924 did not provide for any fee or tax on cotton or tobacco, and some of us were willing that the western farmers be permitted to try the plan as an experiment with their basic agricultural commodities before it becomes effective as to cotton and tobacco.

Those of us voting for that bill did not vote at all for an equalization fee or tax on either cotton or tobacco. We wanted to see how the plan worked without our people trying the experiment. The McNary-Haugen bill of two years ago appropriated a large sum to be used to bring about better prices of certain commodities, including cotton but not tobacco. There was to be no equalization fee on any commodity for two years. Thus the plan could be tried out and if not good could be repealed by Congress before any fee could be assessed. Many favored giving a trial to the plan indorsed by so many farm organizations. If that bill had become law, by this time we would have been ready to perpetuate it by a new appropriation or such other legislation as the farmers might wish after a fair trial, or it would have proven to be unsatisfactory and we would be ready to pass some other measure for the farmers. As it is, the McNary-Haugen bill is blocking all other farm bills which many think much better than it, is not yet law, and may never go on the statute books.

When this bill was up for consideration two years ago, even though the fee was postponed for two years, and tobacco was not included, I sought to amend the provisions as to equalization fees on pork, beef, and other commodities, and last year I was fighting to better the provisions as to cotton and tobacco. I read from CONGRESSIONAL RECORD of February 4, 1927, page 3002, as follows:

Mr. LANKFORD. Mr. Speaker, I have to-day introduced a farm-relief measure identical in terms with the McNary-Haugen bill, except as to equalization fees on cotton. My bill would only authorize equalization fees to be levied upon the spinning, milling, or manufacture of cotton into thread or cloth and upon the sale of cotton for such manufacturing purposes and for export purposes.

Realizing that cotton may be sold by original producers to manufacturers, or for export purposes, I put a provision in the bill that no equalization fees shall be collected from original producers of cotton, except when good middling cotton is selling above 17 cents per pound, and then only out of the excess cotton brings above that price.

I had hoped for the passage of a farm relief bill without any equalization fee, but many differ with me and it seems that a bill will probably pass with such a fee. It is my purpose, therefore, to perfect any bill that may pass so as not to put this burden on the ginning or sale of cotton by the farmer. Of course, as is usually the case, the fee may be eventually passed on to the farmer. I am hoping, however, to help secure the passage of a bill which will prove more beneficial than harmful to the farmer. I am of the opinion that the McNary-Haugen bill, if so amended as to contain the provisions now presented by me, will be helpful to the farmers as a general proposition, even though it does not measure up to my ideal of a farm-relief measure.

Let me say just here that if the McNary-Haugen bill is amended as suggested by me, the provisions of the bill will be very much improved as to equalization fees on cotton. The present bill as now drawn is much better than the bill of last year as to the equalization fees on meat products, and so forth. I very much feared that the bill of last year would be construed to authorize the collection of equalization fees from every farmer who carried pork to market. The present bill does not authorize any such collection.

In order to show fully how I felt about equalization fees on the producer last year and what I did to prevent such fees, I quote from the CONGRESSIONAL RECORD of May 18, 1926, page 9661, the following:

"Mr. LANKFORD. Mr. Chairman, a parliamentary inquiry. The amendment I have would really come at the conclusion of the amendment of the gentleman from South Carolina [Mr. FULMER]. I doubt if my amendment be now in order until the amendment of Mr. FULMER is disposed of. My purpose was to offer it after the disposition of that amendment, and I ask that my amendment be reported for information, and I will discuss it now.

"The CHAIRMAN. The amendment will be reported for information.

"The Clerk read as follows:

"At the end of the Fulmer amendment add the following: '*And provided further*, That no equalization fee or charge shall ever be collected upon any basic agricultural commodity while owned by the original producer, nor upon the sale thereof by the original producer direct to consumers or to any person, firm, or corporation which buys basic agricultural commodities for the purpose of and sells same directly to consumers, regardless of whether such sale is made before or after processing.'

"Mr. LANKFORD. Mr. Chairman, the purpose of my proposal is made clear by the reading of the amendment. But I want to put in the bill a provision that so long as the producer retains his product there can be no equalization fee on that product. In other words, there should be no equalization fee charged at the gin on cotton, provided the farmer keeps it and stores it and retains the ownership of it.

"Mr. FULMER. Will the gentleman yield?

"Mr. LANKFORD. Yes.

"Mr. FULMER. This bill takes care of the cotton equalization fee until he sells it.

"Mr. LANKFORD. Yes; but my amendment goes further and provides that where the farmer sells his pork or his beef to his neighbor in the little town where he lives there shall be no equalization fee charged for the selling of that to the consumer. It also provides that if the farmer brings into market his hog or beef and sells the product to the butcher shop or market no equalization fee can be charged on that sale. In other words, if my amendment is adopted there can be no equalization fee charged except where the product is sold in wholesale or in interstate commerce. I shall ask for a vote on my amendment at the proper time."

Thereafter upon a vote being taken my amendment was lost. This amendment was voted down last year, and yet those of us who are anxious to prevent any equalization fee being levied upon the producer will very probably this year be able to go much further than we could possibly hope to go last year. We are gaining by keeping up the fight.

Personally I believe that farm relief legislation can be worked out without any equalization fee whatever. I feel that if any is levied it should be only on the excessive acreage that a man plants, and that even then it should be done only as a part and parcel of a program to help the farmer get a good price for his products. If we succeed in getting worth-while legislation for the farmers and provide for the raising of a fund to stabilize the prices of the farmers' products at a reasonable profit above the cost of production without a direct charge upon the farmer, then all will be well and good. If we can not get what we want, then we can afford to compromise if the compromise is in the interest of the farmer; otherwise it would be better that no bill be passed.

Mr. Chairman, I lost temporarily in that fight, but I later secured the help of others to carry on the fight and finally won. The bill of last year and the present measure are so worded that in no event will an equalization fee be levied on pork which a farmer carries to market in his home town. Neither will the fee apply to sales by one farmer to another. Thus it will be seen that those of us who oppose the fee have worked continuously to make it as harmless as possible. Ofttimes when we can not defeat a measure we can so amend it as to make it much less objectionable.

Last year I reintroduced the McNary-Haugen bill, not because I liked it as a whole, but to demonstrate how the equalization fee as to cotton could be very much improved. I later helped prepare an amendment which we had placed on the bill in the Senate. The amendment is still a part of the bill, and while I oppose the equalization fee, I am truly glad I helped to make less offensive the provisions as to cotton, so that if the bill should ever become law it will be much better for the cotton growers. While last year we succeeded in getting a good cotton amendment on in the Senate we were not so fortunate as to tobacco. No amendment was placed on the farm bill last year in the House. The friends of the bill stood pat and would not let any kind of an amendment be adopted. An amendment would have thrown the bill into conference and Congress would have adjourned, by law, March 4, without the bill reaching the President. Having failed to get an amendment adopted helping the equalization fee as to tobacco, we renewed early this Congress the effort to remedy the matter.

On both occasions we found the problem as to tobacco much more difficult of solution than any other equalization-fee problem. Especially is this true as to south Georgia where much, if not all, of the leaf tobacco is sold by the planter directly to the manufacturer or the exporter. I am absolutely sure this can not be remedied except by placing the fee, if at all, on the sale of prepared tobacco in wholesale quantities. I have reintroduced the bill showing just how this can be done. I shall, at the proper time, offer an amendment to the bill to remedy to a large extent the viciousness of the fee as to tobacco.

I may say just here that unless my amendment or a similar one is adopted and the bill perfected in other vital essentials I will not vote for it again. The bill is much worse, generally, than ever before, but I wish to discuss the other features of the bill a little later. I have shown that, under the first two McNary-Haugen bills, no fee would have been levied as to

cotton or tobacco unless the plan of the bill proved popular, and the farmers themselves desired legislation putting the fee provisions into effect. Last year when the bill came up, even after my suggestion as to the cotton fee was written into the bill, I was not satisfied as to tobacco or as to any other equalization-fee provisions.

I have all the time, with all my heart, wanted to help pass some worth-while farm-relief measure, so last year I finally whipped myself into voting for the bill after Senator MCKELLAR had put an amendment on in the Senate, as follows:

*Provided*, That in any State where not as many as 50 per cent of the producers of the commodity are members of such cooperative associations or other organizations, an expression from the producers of the commodity shall be obtained through a State convention of such producers, to be called by the head of the department of agriculture of such State, under rules and regulations prescribed by him. Such operations shall continue until terminated by the board. Any decision by the board relating to the commencement or termination of such operations shall require the affirmative vote of a majority of the appointed members in office, and the board shall not commence or terminate operations in any basic agricultural commodity unless members of the board representing Federal land bank districts which in the aggregate produced during the preceding crop year, according to the estimates of the Department of Agriculture, more than 50 per cent of such commodity, vote in favor thereof and until the board shall become satisfied that a majority of the producers of such commodity favor such action.

So those of us who voted for the McNary-Haugen bill last time did not vote for an equalization fee on any product, but only to let a majority of the producers of cotton, tobacco, or other commodity decide for themselves under rules and regulations of the secretary of agriculture of the State whether or not they, the producers, desired operation under the bill and also desired the collection of the equalization fee as set out in the bill.

Mr. Chairman, I finally voted to go this far, although I feel we should work out a bill to help the farmers without any suggestion of an additional tax to become effective under any circumstances. The present bill does not in the least give the farmers any say so in the matter. The bill gives the board—a big majority of whom would not live in the South and all of whom probably would not be in sympathy with the cotton and tobacco growers—the full authority to assess taxes against the production of cotton, tobacco, and other products grown by my people. "The power to tax is the power to destroy," and I will not knowingly give the power to destroy my folks to those who do not live among my people, who are not in sympathy with them, and who ofttimes hate them.

The older the McNary-Haugen bill gets, the worse it gets. It does not at all improve with age.

I have heretofore voted for it as the best thing in sight, even though it has never measured up to my ideal of a farm bill. I struggled for more than eight years after I came here to find my ideal of a farm-relief measure. I found objectionable features in all. After many efforts I put my ideals of farm relief in a bill of my own—H. R. 77. I have at least satisfied myself and am willing to argue that my bill is better for the farmer, in a contest anywhere, anytime, with anybody who wishes to argue in behalf of any other bill against mine.

Real farm-relief legislation, to my mind, must be definite and unequivocal in its provisions as to the duties and powers of those officials who by any chance may be unfriendly to the farmers sought to be helped, and must with the utmost definiteness provide for the friends of the farmer to be the sole triers and arbiters of all discretionary matters and issues. Otherwise the enemies of the farmer will capture the very means set up for the farmers and thereby further exploit and rob them.

The McNary-Haugen bill creates a board, the majority of whom will not be in sympathy with any one group of farmers, but will be more in sympathy with the enemies of the producers of each commodity, and grants to that board almost unlimited power to determine discretionary matters and issues concerning the very life of the farmers and producers. In other words, there will be more members on this board not in sympathy with the growers of cotton and tobacco than there are friends of these producers. This is true as to the producers of all other commodities. You are about to tie the farmer hand and foot and deliver him into the hands of his avowed enemies. Under the McNary-Haugen bill of last year the farmers were given a splendid opportunity to control the appointment of the members of the board, and the farmers were given a veto power over the most vital acts of the board. This bill would deprive the farmers of all voice in the selection of the board and makes the board the supreme dictator as to the powers conferred on it. The farmer could neither say yea nor nay as to the orders issued against him. But some one says there is to be an advisory council for each commodity to look after the interest of the farmer. This council will be selected by the board and not by the farmers and therefore will feel kindly toward the board. The farmers will still be in court without a friend of their own selection.

Now, let us see what wonderful powers this council has. Here they are. I am quoting from the bill:

Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, to call for information from it, or to make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, including the amount and method of collection of the equalization fee, and (2) to cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under this act.

These are all the duties of the advisory councils, except the right to draw $20 per day salary, traveling expenses, patronize hotels, hold meetings, and have splendid vacations at the expense of the farmers and the taxpayers. Briefly stated, these councils would draw compensation for "conferring directly with the board" and for advising the farmers. My farmers confer with me, with their Senators, their governor, and with the President of the United States without so much cost. Then, so far as advice is concerned, the farmers get too much advice now, unless it was better. They need less advice and more nearly a square deal. That would be some board, would it not? What a wonderful privilege the council would have? The council could actually write to the board or speak to its members if it happened to get near them. And just think, they would get $20 a day for enjoying this blessed privilege. Seriously, there is no use of an advisory council if it is to have no duties or powers except to talk to the farmers on one hand and talk to the board on the other. Certainly any citizen would have the right to talk, write or wire the board about any material relevant matter. Why create an expensive body of parasites with no right or power not already possessed by ordinary folks?

The present bill has a new provision, which gives the board the power to withhold help from the producers if there happens to be an overcrop, with low prices and help is needed, and requires them to help when there is a small crop, high prices, and help is not needed. In other words, the board is to be the physician charged with the duty of curing the farmer's ills when he is sick from overproduction, but may refuse to help him when he needs help and must help him when he does not need it. There are all kinds of brakes on the help that may go to the farmer, but no brakes on the salaries of the board or anyone else; neither is there any provision that no fee shall be collected out of the farmer while he is either receiving no help or while the help is all going to a few individuals and not to the farmers as a whole. The board as doctor will say to the farmer patient, "I am to get good pay to doctor you when you get sick, but since you get sick over my objection I will not help you, even though you suffer unto death. I shall wait until you do not need me and are well, then I shall stand ready, willing, and anxious to help you. Pay me my bill regularly though."

There are many other objections to the bill which have been in the bill from the beginning. There has been some merit in the bill all the while. I have tried to point out wherein the bill is now much worse than ever. The vicious provisions now so far outweigh the meritorious ones until I can not vote for the measure in its present form. I hope it may be amended yet, so that I may support it. I know of many good amendments that will be offered, and I sincerely hope they may be adopted. The bill which passed the Senate a few days ago is much better than the one which is now about to be passed through the House, I fear, without any substantial redeeming amendments. All bills have in them the good and the bad. To my mind at present the bad in this bill predominates. [Applause.]

Mr. FULMER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting therein certain statements and statistics.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MOORMAN].

Mr. MOORMAN. Mr. Chairman, Ladies and Gentlemen of the committee: In the whole history of the world, I doubt if there has been so much talk about any one thing and so little done about it as farm relief. All the wise ones have had their say, pro and con, in Congress and out. After all these discussions, arousing hopes and promising action, and the unjustified inter-

vening delay, we stand here to-day with the S O S of millions in economic distress ringing in our ears, and we face the great responsibility of determining the present legislative fate of American agriculture. The Senate has passed the measure, thereby increasing our responsibility. Whatever else happens, I hope there will be a roll call every time one is possible, that the real attitude of finance, industry, transportation, commerce, and labor may be registered, in so far as such is possible by our votes. The time has come for agriculture to know its friends and to know them by their votes, not by their mere words of impotent sympathy, constructive criticism, or fruitless advice. Each Member of this House is now confronted with most astounding revelations, as expressed by volumes of unchallenged statistics and proof, depicting the deplorable plight of those engaged in and dependent upon agricultural pursuits.

PERFECTION NOT CLAIMED FOR THE MEASURE

It is not the first time that great minds have differed about important remedial legislation. The bill, neither as originally introduced nor as it may be amended, will be altogether acceptable even to its supporters. It contains objectionable and questionable features and omits provisions that many honestly feel should be incorporated in it. Like all such measures, it must be the result of compromise, and, essentially, may have imperfections. But it is the product of the best agricultural minds of our great country, on a most important subject. It embodies many agreed principles and, a thing to be emphasized is, it can later be modified to suit developments or absolutely repealed, as future experiences may demand. All that the friends of the McNary-Haugen bill ask for it is a fair trial. Is this not reasonable? Many others have discussed the details of this bill, so I shall address my remarks to some of the causes, results, and possible remedies of existing agricultural conditions.

OBJECTIONS OF OPPOSITION UNTENABLE

Any time one desires to hear learned discussions on the impracticability of any farm-relief measure or on the necessity of Coolidge economy in governmental administration in the United States, just listen to some of the loquacious foes of farm relief. An appropriation for a private denominational negro school involves no violation of the Constitution, among the enemies of agricultural aid; the open and notorious ignoring of the constitutional mandate to reapportion representation, since 1920, by several Republican Congresses, is a fact, but these antifarm-aid champions of the sanctity of this good old instrument make the halls ring when any chance appears to inject a supposed constitutional impediment to farm justice. Analyze the interests of the districts which furnish the objectors, investigate their records and attitudes, otherwise, and the picture usually gets plainer.

DISCRIMINATION AGAINST AGRICULTURE PLAIN

Has agriculture received the consideration it deserves at the hands of Congress? The answer is a comparison with the benefits received by interests otherwise engaged. Reference to only a few facts reveals unjustified discrimination. In finance, capital has the great Federal reserve system, a creation of law, to regulate the volume and flow of credit. Many other legislative enactments tend to stabilize banking, investments, and other kindred undertakings. Labor has been, as it should be, recognized by Congress by the most helpful and liberal legislation. Industry has been developed and protected by a tariff so high as to even evolve our whole economic system. Tariff results not only threaten our friendly relations with the rest of the world but it is the farmer's greatest single burden. Transportation, watered stock and all, is enabled by law to guarantee satisfactory dividends. Commerce has but to ask and has received about all that law can give. Power interests are getting all they could possibly desire. Through tax manipulations, departmental rulings, board and commission decrees, and a few other friendly agencies, everybody organized receives all deserved, and often special blessings, except the farmer. Why should not agriculture, in the light of these facts, have recognition by legislation to help channelize commodities, give producers bargaining power, provide guarantees against loss, and to furnish an automatic check against overproduction? With what others have, why should they worry? They call this one-sided existence national prosperity, but what about the agricultural status of the Nation? Why is similar legislation "unsound," if sought to be applied to agriculture, when it is so eagerly sought and so helpfully applied to other industries and endeavor?

AGRICULTURE ASKS EQUALITY OF OPPORTUNITY

Many thousands of millionaires were made on account of the late war. They got theirs at "cost plus," or surer and easier, while the farmers were being urged and trained to overproduce to save the world. The Government has made good millions on commercial contracts and similar adjustments, but who helped agriculture readjust itself? Thousands of persons have bought ships, supplies, and hundreds of other things entailing great loss to the Government and gain to these purchasers. What did the farmer get? He had the blessed privilege of patriotically furnishing much of the "human material," unflinchingly contributing to every other kind of war sacrifice, even spending his meager savings in buying Liberty bonds; and, after the war, as his reward and recognition, he witnessed the inability of foreign governments to buy his products on account of the war and their inability to trade for his products on account of the tariff. Yet, this very Congress refuses legislative enactment giving agriculture just tariff benefits. Tariff-protected industries, guaranteed transportation, high-powered finance, well-treated commerce, as has organized labor, should now reach out a helping hand to their dependable sister, agriculture, and exert themselves to elevate her to a position of equal advantage in our economic system. They here and now have a chance to do this without hurting themselves, thereby engendering better feeling and creating beneficial results to all.

My position, and I think the position of all farmers and real friends of agriculture, is that it is desirable and right that capital should yield profitable returns, that transportation should pay good dividends and maintain good service, that industry and commerce should be treated so as to thrive, and that labor should be paid so as to maintain high American standards of living. This has all been happening to the other classes. At the same time, during so-called prosperity, agriculture has struck rock bottom. Now, as I really believe, our Nation is faced with serious impending depression. The whole truth about unemployment would shock the country, notwithstanding the Coolidge prosperity myth. Instead of agriculture having been treated right and being strong enough to help support such a condition, as it always has to do in the final analysis, it is absolutely prostrated, rural credit is overextended, and all connected are helpless, discouraged, and despondent. Does the condition not justify legislative action?

CAUSES OF AGRICULTURAL DEPRESSION

If asked the name of the worst enemy and controlling force against general agricultural welfare, I would have to answer that, in my opinion, secret understandings and intrigues of the bipartisan political, financial, national, and international systems, coupled with the unsympathetic attitude of most powerful coalitions of self-serving interests, are, as much as any other influence, throttling rural development and relative progress. These influences, acting together, more with a purpose of exploitation than destruction, are fast reducing rural dwellers to a state of peasantry. They are giving an undue measure of appropriations and other helpful governmental function to population centers and to finance, commerce, and the industries. Their wrong to agriculture is as much a matter of indifference to its importance and welfare as anything else. Due to its unorganized condition, it simply has had the weakest hand in the economic game of the survival of the fittest. But the farmer is crushed too low to be able to rise again, without assistance. Somebody is about to kill the goose that has always laid the golden eggs. Deliberately or unwittingly, this destructive and unsympathetic system is surely conducing to the making of radicals and paupers out of the most conservative and most dependable citizenship on earth, the American farmer.

THE BIPARTISAN SYSTEM A CURSE

I do not believe in bipartisan government, either in the State or in the Nation. I recognize and make the distinction between administration by efficient nonpartisan boards and commissions and the administration and conduct of a city, State or government by a coalition of interests or combinations of politicians, without party responsibility or political loyalty. Boards and commissions composed of members of different political convictions have, in many ways and places, functioned most efficiently. On the contrary, the dissection of bipartisan rule usually reveals unholy alliances and sordid personal and business intrigues. Often it leaves its slimy trail as a reminder of misused confidence and power. It destroys political loyalty, invites treachery, and decreases respect for those who administer government. The party in power should have all the responsibility, and it deserves whatever honor and credit is due its administration. Where bipartisan government reigns, as a rule, whatever good that is done is claimed by both parties. The mistakes and wrongs are denied by each party and laid on the other.

The taxpayers—the public—lose, and no member of either party knows definitely where anybody stands or what will happen. Public servants removed from direct accountability, as a rule, are less efficient generally. Under the despicable bipartisan system that holds some States in its clutches, millions of dollars of the taxpayers' money has been manipulated to influence and intimidate individuals and communities in efforts to confer political favors at public expense or to destroy honest

men who have declined to stultify their consciences by contributing to schemes of wholesale political perfidy. Thousands of dollars of taxpayers' money has gone for salaries and traveling expenses of supposed public servants and their underlings, who sometimes operate from their offices, but more often parade the state to consummate under-cover political trades and trickery instead of performing their real duties. Thus spending taxpayers' own money against them, often fighting members of their own party, means stabbing men in the back without notice with their own dirks; it means crucifying faithful public servants because of doing their duty; it means shamefully misusing positions of public trust and official power to crush individuals with whom the political boss differs; it means the triumph of political tryanny, intolerance, and personal venom; and, finally, it means that true democracy and true republicanism must choke off these politically irresponsible despotic "fixers" of the existing bipartisan supergovernment.

MELLON POWERFUL AND INVINCIBLE

Andrew W. Mellon is the most powerful individual in America to-day. Through his untold personal wealth, through his position as head of the finances of the Nation that holds the purse strings of the world, through his own and affiliated financial organizations and interests, this one man's will is made economically invincible. These things and others vest in him unlimited power in all things legislative and financial, and politically he almost holds the veto power on presidential nominations. He is all this officially, in the face of the law that solemnly proclaims, in effect, that a man personally and financially situated as he is said to be is not eligible to be Secretary of the Treasury of the United States. Farm sympathizers, lovers of justice, and believers in fair play, I ask you, forgetting your politics, to think of the tariff on this official's reputed aluminum interests, and other similar unjustified and oppressive conditions, and trace the hundreds of ramifications of this man's power and interests, including legislative reductions of his own taxes, and you will shiver in justified apprehension and bow your heads in economic shame. Some Democrats are also, seemingly, somewhat tenderfooted when their duty demands the thwarting of his or some other powerful associated will. But, once aroused, the farmers' enemies are afraid of his power. The safe way is to keep him down, and it is, therefore, necessary to crush anybody with nerve enough to champion his cause.

UNPRECEDENTED POWER; UNPARALLELED CORRUPTION

Power and corruption, when the latter is present in government, often go hand in hand. What has happened to the citizenship of a country that can view the records of many of its representatives in high places, for the past eight years, without sincere alarm and shame? The rottenest of corruption has stalked about the National Capital, even permeating the Department of Justice. It is, in my opinion, the due and natural result of bought special privilege, of unconscionable monopolistic greed, of the bold trading of governmental favor, and, in effect, immunity from punishment, for campaign funds; and, in its final analysis, is the result of the moral turpitude of rank combinations engaged in maladministration of national affairs. In spite of their apparent guilt, perpetrators of high crimes and misdemeanors go unpunished, under the shadow of the National Capitol; seemingly, protected crooks challenge the power of the Government to punish; and, without much apparent general public resentment, colossal spectacles of official crookedness attract and challenge the attention of the rest of the world. What sacred institution of the people is safe, whose rights guaranteed, in the light of these unusual and sensational developments, and what may reasonably be expected next?

SPECULATORS AGAINST FARM RELIEF

Under a New York headline, by United Press, a news article in the last few days said:

"Men who have had their hands on the market's pulse say 20,000,000 people are buying and selling, and everyone agrees that the estimate is conservative.

"And of the 20,000,000, experts calculate that at least 15,000,000 are riding for a fall and slated to lose everything. The market will break one of these days. It always has."

Weigh this statement as to Wall Street, bearing in mind all the thousands of bucket shops and other local speculative agencies, as affecting agriculture. Agricultural products furnish the basis for much speculation, and powerful opposition to farm legislation comes from this source. Measure the hurtful consequences of all this manipulation on the producers, as revealed by cotton investigations and other information. Who has the investment in land and labor, pays the taxes, pays for modern public improvements, takes the chances of seasons, and actually creates the wealth? Then realize who has the most influence and receives the greater consideration in governmental matters to-day, whether the real producers or those who exploit their creations by intervening between the producers and the consumer? The answer is that all are closer to the throne of organized cooperation and interlocked protection than those engaged in agricultural pursuits. The farmer is the unorganized prey of all branches of coordinated endeavor. Their numbers and personal independence, coupled with diversity of ideas and interests, has an almost insurmountable tendency to make it so. The country uses them, needs them, and should help them to help themselves. If farm legislation will not help the farmer, why the strong opposition to it by those with adverse interests? The law is intended to stabilize prices, which would tend to destroy speculation.

OTHER AGENCIES MUST PLAY PART

Farm relief will not come from legislation, except as laws may create and regulate agencies and avenues for the guidance, financial support, and helpful recognition of the farmers' own cooperative efforts. In the Census Committee, of which I am a member, matters of the most vital importance to agriculture are now being considered. The 1930 census will probably cost $40,000,000, will require the employment of 100,000 people, and many new and important features have been added. Every member interested in agriculture should read the hearings, realize the importance of the suggested additions and changes, and assist in seeing that the census is taken at the right time and in such manner as to accurately show the rural population and get the best picture possible of rural economic conditions.

This bill provides preference for veterans in taking the census. I have suggested further schedules and statistics in an effort to determine what becomes of the spread between the farmer's selling price and the consumer's buying price and to reduce it; and, also, to get statistics that will otherwise more fully advise us as to production available, supply on hand, market demands, sales facilities, and other helpful data. Great benefits can be had by the farmer by availing himself of all the agricultural information that is to be had through county agents, experiment stations, and United States Department of Agriculture, his Congressman, and many other sources. Opportunities not taken advantage of are lost. For instance, I induced the United States Geological Survey to offer to do some most valuable soil survey work in Kentucky, but local pressure was not strong enough in the Kentucky Legislature to secure an appropriation for the small amount of $5,000 to start the work. This, notwithstanding the Government was offering to put up much more than half of the cost. What is wrong when agricultural interests are thus neglected? It is easy to legislate away the people's money for roads, schools, and many other desirable and costly things, but it is equally important to pass constructive legislation enabling the taxpayers of agricultural districts to more easily bear their increasing burdens.

LET'S PRACTICE JEFFERSONIAN PRINCIPLES

Thomas Jefferson, to whose theories and administration of government our country could now so well afford to turn, and whose teachings and practice the Democratic Party in the Nation and in Kentucky could now so well afford to emulate, in his first inaugural address, said:

About to enter, fellow citizens, on the exercise of duties which comprehend everything dear and valuable to you, it is proper that you should understand what I deem the essential principles of our Government, and consequently those which ought to shape its administration. I will compress them within the narrowest compass they will bear, stating the general principle, but not all its limitations. Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations—entangling alliances with none; the support of State governments in all their rights as the most competent administrations for our domestic concerns and the surest bulwarks against anti-Republican tendencies; the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad; a jealous care of the right of election by the people, a mild and safe corrective of abuses which are lopped by the sword of revolution where peaceable remedies are unprovided; absolute acquiescence in the decision of the majority, the vital principle of Republics from which there is no appeal but to force, the vital principle and immediate parent of despotism; a well-disciplined militia, our best reliance in peace and for the first moments of war, till regulars may relieve them; the supremacy of the civil over the military authority; economy in the public expense, that labor may be lightly burdened; the honest payment of our debts and sacred preservation of the public faith; encouragement of agriculture, and of commerce as its handmaid; the diffusion of information and the arraignment of all abuses at the bar of public reason; freedom of religion; freedom of the press; freedom of person under the protection of habeas corpus; and trial by juries impartially selected—these principles form the bright constellation which has gone before us and guided our steps through an age of revolution and reformation. The wisdom

of our sages and the blood of our heroes have been devoted to their attainment. They should be the creed of our political faith, the text of civil instruction, the touchstone by which to try the service of those we trust; and should we wander from them, in moments of error or alarm, let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty, and safety.

Above all things, I would like for the people of the Nation, truly mindful of the foregoing principles of Jefferson, and, especially, the Democrats of Kentucky, to get together once more and march unitedly to a triumph of political right in government over the many existing political and economic wrongs.

BILLIONS GIVEN TO FOREIGN COUNTRIES

The United States, by its Congress, not satisfied with showering its special legislative and appropriation blessings on nearly every other element of its citizenship, except the basic industry of agriculture, impressed the world, in making our foreign-debt settlements, with our country's great financial strength and its unprecedented generosity. You deliberately and unqualifiedly gave to foreign countries not millions nor hundreds of millions, but billions and billions of the people's money. Notwithstanding all this, now the mere mention of the McNary-Haugen bill or the proposed modest appropriation for further vocational education to make rural existence more endurable and profitable, is likely to be met with urgent suggestions of necessary economy. Other arguments equally unreasonable and untenable come from many antifarm relief sources. I live in a strictly agricultural district. My constituents are of the highest rural type. The farmers are intelligent, energetic, and endeavor to be progressive. Our bankers and business men are conservative and efficient, and they have freely given their financial aid and helpful advice to our farmers. In spite of all this, those farmers who have tried the hardest and operated on the largest scale have usually fared the worst. Mortgages have been executed, the money spent in a hopeless struggle to survive, and now the sound of the hammer on the auction block is daily expected by many. It is hard to see good men, many of whose heads have grown gray and whose backs have become bent in honest toil, suffer the humiliation of undeserved failure and the privations of depression and poverty. But those noble women, the self-sacrificing country mothers, who have long borne the brunt of rural existence, are the ones for whom all red-blooded men should now be willing to fight. If, by some miracle, each of my city-dwelling colleagues and all those engaged in other endeavor, could be placed in the shoes of the average Kentucky farmer to-day just long enough to fully understand the true situation, and if skilled labor should shift to farm work, farm hours, and farm living conditions just long enough to fully appreciate how fortunate they are, there would be no rest in Congress until existing discrimination is removed.

We are squarely confronted with the solemn duty of furnishing a remedy for existing conditions. If you will not reduce the tariff and apply other indisputably sound governmental principles that will result in equality, then you must, if our civilization and institutions are not to decline with agriculture, apply to it similarly helpful remedies as those invoked by many otherwise engaged.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman and gentlemen of the committee, I have always believed in the merits of the McNary-Haugen bill and have supported it twice before and will do so again. No doubt there are other plans that have been offered to Congress that would give some relief to the farm situation. Much has been said about the debenture plan, but I can distinguish no difference between that and a subsidy. It would be taking money out of the Treasury and spending it for farm relief, because it will take the customs duties that would otherwise be collected and use them for that purpose. I have no doubt that there are bills for cooperative marketing with straight-out appropriations that would bring relief to agriculture, but I am for the McNary-Haugen bill because it has the means in the bill of sustaining the relief that is granted through the equalization fee and utilization of this fund that shall be so collected. The farmers of the country with whom I have had correspondence do not desire a straight-out subsidy.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. No; not now, as I have only 10 minutes. The farmers desire a bill that will permit them to levy the charge themselves which will perpetuate the legislation and keep the fund intact for their relief. I am favorable to the McNary-Haugen bill. We need a surplus in this country. The surplus is the salvation of all of those consumers who live in the cities, and the man who lives on the farm should not be penalized for raising this surplus, which will be a salvation in time of famine and short crops and provide food for the people of the country.

The equalization fee will assist in orderly marketing, and is the vital part of this legislation. The fee will be charged when the commodity enters the channels of commerce. That means when the bushel of wheat goes to the mill to be ground or when the cotton goes to the gin. We can not conceive that a bale of cotton could be ginned without entering the channels of commerce, because that is merely a preliminary process; and it will have to be carried on to some other source before it can be manufactured into cloth and used for commercial purposes. Some have attacked the equalization fee claiming that it is a tax. Cooley, who is an authority on taxation, says:

> Taxation is the exercise of the sovereign power to raise revenue for the expenses of the Government.

This is not raising revenue for the expenses of the Government. It is raising revenue to keep intact this fund that is created for the purposes of orderly marketing and distribution to take care of the surplus production that arises from year to year, and it has none of the elements of taxation because it is not used for governmental purposes.

The theory upon which this authority rests is the commerce clause of the Constitution. The commerce clause does not speak alone of transportation, but it speaks of commerce, and commerce, under the definitions of the Supreme Court, takes in the widest scope. An article that is exchanged by one person with another enters the channels of commerce. It is to take care of the exportable surplus and is based on the very idea of commerce, because this exportable surplus must enter the channels of commerce before it can be disposed of. Congress plainly has the power to legislate on all matters pertaining to commerce, especially where it is based on the surplus product that is bound to enter the channels of commerce before it can be disposed of.

Some have attacked it on the ground that this equalization fee would be taking property without due process of law, but it is one of the principles of law where Congress has power, as it has under the commerce clause, that it has all the power necessary to legislate in a way that would benefit the subject, just as it has under the transportation act. This idea of an equalization fee taken from one person for the benefit of another person or group is not new. The transportation act gives the power to the Interstate Commerce Commission to fix maximum rates, and where a railroad earns more than the maximum rate that sum goes into a revolving fund to be used to provide an income for a property that does not bring the maximum rate, and that is exactly on a parallel with, and is the principle that is involved in this equalization fee. When that point was raised in what is known as the Dayton-Goose Creek Railroad case in the Two hundred and sixty-third United States the court said:

> The power of Congress to regulate interstate commerce includes the power to foster, protect, and control it, with proper regard for the welfare of those who are immediately concerned as well as of the public at large (p. 478).
>
> Authorizes Interstate Commerce Commission to provide fixed rates to yield certain return and recapture of excess earnings for a general revolving fund. Excessive income is held in trust for United States, to be used on railroads yielding lesser income.
>
> The taking of the excessive income from a railroad by this act is not a taking by the Government without due process as in violation of the fifth amendment (p. 484) and may be given by United States Government to the weaker roads to help yield a proper earning.
>
> It was insisted that the power to regulate interstate commerce is limited to fixing reasonable rates and preventing discriminations, and when these objects were attained the power of regulation was exhausted. This is too narrow a view of the commerce clause. To regulate in the sense intended is to foster, protect, and control the commerce with appropriate regard to the welfare of those who are immediately concerned as well as the public at large and to promote its growth and insure its safety. * * * Congress has plenary power over the whole subject.

So when any commodity is declared to come under the operation of this act and the fee is levied on every unit that goes into the commerce, it is levied for this revolving fund in order to create a benefit for the whole of that group that is producing the commodity; so that it can be applied to agriculture the same as the power to use the interstate-commerce clause is applied to railroads. The commerce clause of the Constitution is just as broad as the taxing power, and when we levy a tariff rate we levy it on the theory, if it is for protective purposes, that it will help everyone engaged in any particular line of

activity. And if you can use the taxing power in order to help a group, you can use the commerce clause in the manner of levying a fee upon any unit engaged in commerce; and as the power is just as great in the commerce clause as under the taxing clause, the only difference is that it is being applied for the benefit of a larger group.

That is what the farmers of our country are demanding and urging. They do not want a subsidy. They do not want a debenture plan that will take money out of the Treasury of the United States for their special benefit. All they ask is under the commerce clause to be put on an equality with those who enjoy the privileges of a high-protective tariff in order to raise the price of commodities in this country behind a tariff wall. I think agriculture, which is a basic industry, is entitled to it.

Furthermore, this legislation will not only help the farmers but, as was pointed out by the gentleman from New York [Mr. LAGUARDIA], it will help consumers of this country, because they are constantly being defrauded by the storage of grain, and it will not only help the producer by giving him a larger price but it will help the consumer by preventing an excessive price, so that as to these producers, when the price becomes excessive in storage, all they have to do is to release a portion of it and put it on the market, and thereby pull the price down to a reasonable point, and thereby help the consumer as well as the producer. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. LOZIER].

The CHAIRMAN. The gentleman from Missouri is recognized for 15 minutes.

Mr. LOZIER. Mr. Chairman and members of the committee, I am wholeheartedly in favor of the pending McNary-Haugen bill, not because I consider it a perfect measure, but because I am convinced and really believe it will afford substantial relief to the agricultural classes and materially contribute to the rehabilitation of that great basic industry. It has been my privilege and pleasure to aggressively support every former legislative proposal embodying the so-called McNary-Haugen formula.

I realize that these legislative proposals have not been perfect or free from objections, but they have been fundamentally sound and based on a wholesome principle. Few bills are perfect when they are first presented.

This bill and similar bills have been debated for years. Every argument that can be advanced in favor of this bill has been presented and every argument leveled against the measure has been repeated over and over again. Congress and the American people understand this bill, and Congress and the American people favor this legislation. The time for debate has ended and the time for action is at hand. I for one am ready to vote for this bill without any further debate.

In view of the protracted debate, I will not at this time attempt to discuss this measure in detail. I desire to make a few observations in answer to some arguments that have been made against this bill. I only want to refer to the claim advanced by the opponents of this measure that the provision for an equalization fee is unconstitutional.

I do not claim to be a constitutional lawyer, though in a long and somewhat active practice of law I have been a student of our Federal Constitution and given some thought to its construction. I have some little familiarity with the decisions of our courts construing laws with reference to their constitutionality. In my humble opinion the pending bill does not carry any provision that the Supreme Court would declare unconstitutional. But I am willing to pass this measure because I believe it to be just, and I am willing to take the judgment of the Supreme Court on the question as to whether or not the provision in relation to the equalization fee is or is not constitutional.

All constructive legislation is of a progressive or experimental character. Every great constructive act of legislation that we have had in this Nation in the last hundred years was vigorously opposed on the floor of the House, in the Senate, on the platform, and in the public press on the ground that it was unconstitutional.

I challenge you to point to a single forward-looking act of constructive legislation in the history of this Nation the constitutionality of which was not aggressively and strenuously challenged in debate on the floor of the House and Senate. When the bill to establish the United States bank was pending in Congress in 1791, its validity and constitutionality were challenged by some of the ablest men in public life; and Attorney General Randolph promulgated an opinion vigorously opposing the measure and alleging that its provisions were in violation of the Constitution of the United States.

When it was proposed to build the Cumberland Road over the mountains and into the valley of the Ohio, to open up a highway to the West, many thoughtful students of our organic law denounced the proposal to extend Federal aid to the project as unwarranted and unconstitutional. When it was first proposed that the Federal Government donate public lands or grant public funds to aid in the construction of canals, wagon roads, and railroads, and for local or State projects, men who were eminent in their day and generation, men who were recognized as authorities upon our Constitution, strenuously opposed such legislation on the ground, as they alleged, that it was in violation of the Constitution of the United States. But these wise and well-meaning men were mistaken and the Supreme Court of the United States held that this legislation and these policies were not in violation of the Constitution. I call your attention to the fact that when the great Civil War came, with its deluge of blood and intestine strife, our financial system was bottomed upon State banks under what is known as the subtreasury act of 1846. While the destiny of our Republic trembled in the balance, the American Congress, public press, financial journals, and economists for two years debated the question as to whether or not we could or should establish a national banking system, although the existing fiscal system had failed and broken down. Under the stress of civil war, Secretary Chase and the administration tardily advocated the creation of a national bank or banks of issue, but many able constitutional lawyers in and out of Congress opposed the establishment of our national banking system, vigorously contending that national banks could not be created without doing violence to our Federal Constitution. And, as I have said, it was not until the fiscal system broke down under the great strain incident to the Civil War that Congress finally closed its eyes, gritted its teeth, and in effect said, "We will enact that legislation, and put it up to the Supreme Court to determine whether or not it is violative of our organic law."

I call your attention also to the fact that the legal tender act was assailed on the floor of this House and in the other branch of Congress as unconstitutional. Many leading men of the Nation insisted that the legal tender act was violative of our Federal Constitution and contrary to the genius and spirit of our institutions. But the law was enacted by Congress notwithstanding the croakings of these legalistic birds of evil omen. As soon as it became operative its constitutionality was assailed. Its validity was first argued in the Supreme Court of the United States in December, 1867. It was not until November, 1869, that the Supreme Court of the United States handed down a decision affirming the constitutionality of the act. Although the constitutionality of the legal tender act had been challenged by many of the greatest lawyers in America, the Supreme Court by a vote of 5 to 3 held that the act was constitutional, having been enacted in a period of national financial distress and as a war-emergency measure.

However, this decision was not accepted by many as final, and eminent lawyers continued to argue that the law violated the letter as well as the spirit of our Federal Constitution, and its opponents watched and waited for a new opportunity to submit the question of its constitutionality to the Supreme Court in the hope that on reconsideration that august tribunal might reverse its former decision and declare the law unconstitutional. This chance soon came. There was a change in the personnel of the Supreme Court, and the question as to whether or not the legal tender act was constitutional again came before that tribunal for determination. Again, by a vote of 5 to 3, the Supreme Court held that the legal tender act was constitutional, although the greater weight of opinion among the outstanding constitutional lawyers in America at that time was to the effect that the legal tender act was clearly unconstitutional and violative of the fundamental principles underlying our organic law.

Inasmuch as this second decision was by a divided court, those who denied the constitutionality of the act maneuvered to have the question argued and tried anew in the United States Supreme Court, but it was not until 1879 that the Supreme Court, in an opinion written by Justice Gray and concurred in by all the other justices with the exception of Justice Field, by a vote of 7 to 1 burned the bridges behind it and held unequivocally that the legal tender act was valid and that Congress had the full power and constitutional right to direct the issue of paper money and make United States notes legal tender for public and for private debts not only in war times but in peace times.

In support of my argument I call your attention to the decision of the Supreme Court in the case of Juillard *v.* Greenman (110 U. S. 421), in which the court affirmed the constitutionality of the legal tender act by a vote of 7 to 1. As I have

already said, the majority opinion in this case was written by Justice Gray and the dissenting opinion by Justice Field.

If I remember correctly, this last case was presented to the Supreme Court by a battery of very able lawyers, George F. Edmunds being chief counsel for plaintiff in error and Benjamin F. Butler being leading counsel for the defendant in error.

Among those who persistently and vigorously challenged the constitutionality of the legal tender act was George Bancroft, the great historian, who, after the final decision, issued a brochure entitled "A Plea for the Constitution," in which he bitterly opposed the validity of this act. I recall having read this pamphlet when I was a boy—at a time I could but poorly comprehend its full purport—but I have not forgotten the earnestness with which this venerable scholar attacked the constitutionality of the act that made Government notes legal tender for the payment of private debts.

Those who are interested in the details of this outstanding case should consult the decisions to which I have referred; also Thayer's article on "Legal tender," published in the Harvard Review in 1887; Miller's Lectures on the Constitution of the United States, and the article by George Bancroft to which I have referred.

This Legal Tender case furnishes a striking illustration of a law that was almost universally thought to be unconstitutional but which the Supreme Court of the United States sustained as constitutional. In enacting legislation we should be very slow to reject a wise and beneficent proposal because, forsooth, a few lawyers or many lawyers pronounce it unconstitutional. Great lawyers have condemned legislation as unconstitutional only to find out to their sorrow and chagrin that the Supreme Court of the United States upheld the constitutionality of the act that they were so "cocksure" was unconstitutional.

The constitutionality of the interstate commerce law was challenged when its enactment was proposed; the constitutionality of the act creating the Federal Trade Commission was challenged and had to be tested in the courts; the constitutionality of the legislation subsidizing the land-grant colleges was attacked, but sustained by the Supreme Court; the constitutionality of the pure food act was attacked; the constitutionality of the grain inspection act was attacked; the constitutionality of the Capper-Tincher grain grading acts was attacked, and the first Capper-Tincher law was held unconstitutional in a decision rendered by Justice Taft, after which Congress reenacted the bill with changes that met the objections raised in the Supreme Court.

I want to say to you, my friends, that in all our legislative history whenever any constructive, forward-looking legislation has been proposed in the Congress of the United States there have always been able, eloquent, logical, and forceful men honestly and sincerely or from other motives challenging the validity of those acts. But the constitutionality of the great majority of acts of Congress has been sustained by the Supreme Court and only comparatively few acts of Congress have been declared violative of the Constitution of the United States.

Mr. LAGUARDIA. The gentleman must not overlook the Adamson eight hour law.

Mr. LOZIER. Oh, yes; the Adamson eight hour law affords another striking illustration of how far wrong self-constituted constitutional lawyers may be when they arrogantly declare proposed legislation unconstitutional. The public press and many of the greatest constitutional lawyers of the United States opposed the Adamson eight hour law and ridiculed the idea that the law was constitutional. But the greatest judicial tribunal in the world pronounced this act constitutional, to the discomfiture of those "wise birds" that arrogated to themselves the prerogative of foretelling the views of the Supreme Court on legislative proposals.

The opponents of this farm-relief legislation are setting themselves up as a supreme court to destroy this wholesome formula for the rehabilitation of American agriculture. They are seeking to discredit this bill and destroy this legislation; they are seeking to prevent this plan from having a fair trial. They are not willing for the American farmer to have a square deal and an even chance. Unable to successfully answer the arguments in favor of this bill, they with unsurpassed presumption look wise and assert that the Supreme Court will declare the provision with reference to the equalization fee unconstitutional and void.

After an active practice of 42 years at the bar I have learned in my more mature years to be very slow in challenging the constitutionality of any act. When I was young and during the first few years of my practice at the bar, I, with the reckless assurance of youth, flippantly declared many acts of the State legislature and many acts of Congress unconstitutional, but after I had learned a little real law and acquired some little familiarity with court decisions I learned that the courts of the States and the courts of the United States, at all times and under all circumstances, are very reluctant to set aside the express mandates of Congress, and I soon learned they never hold an act unconstitutional if its constitutionality can be sustained by any rule of reason.

It is the settled policy not only of the State courts but of the Federal courts, including the United States Supreme Court, to resolve every doubt of the constitutionality of an act in favor of its constitutionality.

Mr. FORT. Will the gentleman yield?

Mr. LOZIER. Yes.

Mr. FORT. Is not the reason back of that rule of the court the presumption that the Congress has first carefully analyzed and discussed the constitutionality of the act and has reached the conclusion that the act is clearly constitutional?

Mr. LOZIER. On the contrary, that is not the determining factor.

Mr. FORT. Is not that the presumption?

Mr. LOZIER. When the Supreme Court has presented to it a question involving the constitutionality of a law they do not consider the arguments made in Congress by men who are lawyers and men who are not lawyers as to the constitutionality of that act——

Mr. FORT. That is not the question I asked the gentleman.

Mr. LOZIER. They examine and construe the act from its four corners; they attempt to determine the purpose and the scope of the act, and it is their policy to hold every act constitutional unless it is clearly an infringement of the organic law.

Mr. FORT. But is it not a fact, if the gentleman pleases, that from the days of John Marshall to the present time the court has reiterated the doctrine that they give the presumption of constitutionality because they believe Congress to have exercised the function of passing on its constitutionality?

Mr. LOZIER. No; they have gone further than that in determining whether or not an act is constitutional. There is a philosophy that underlies their action in holding legislation constitutional.

The underlying reason that influences courts to hold acts constitutional, unless clearly repugnant to our organic law, is because the Supreme Court, ever since its creation, has recognized that primarily, sir, this is not a government by the Executive, but a government primarily and essentially by Congress. The Supreme Court has recognized the proposition that under the genius and spirit of our institutions ours is, above all things, a government by Congress. [Applause.] No man can read the Constitution of the United States and come to the conclusion that the framers of that document did not intend to create a government in which the preponderating and controlling influence was to be vested in Congress. And there was a reason for this. As I read the history of the world, since men dared to dream of freedom there never has been a struggle between despotism on the one hand and liberty-loving people on the other in which the legislative branch of the government has not been in favor of the people, and stood as a bulwark against autocracy and despotism.

In the history of every great nation that has attained any degree of self-government the legislative branch of the government has always been the champion of the people. [Applause.]

The blessings of free government that we enjoy—the blessings of free government enjoyed by citizens and subjects in other lands—were not the gifts and bounty of kings or princes, but they were won at the point of the sword on bloody battle fields, and invariably in these contests the legislative branch of government has championed the cause of the people against the unwarranted aggression of the executive.

Congresses and parliaments have always led in every struggle for human freedom. Our constitutional fathers realized this self-evident fact, and in building our Nation they made it preeminently and essentially a government the controlling factor in which is the Congress. I do not look with contempt on the prerogatives of the executive branch of our Government, but I do assert that our whole scheme of government is built around the Congress, and our Constitution vests in the Congress supreme right and power to determine the policies of government, and in this sphere Congress is supreme.

Nor do I challenge the right of the Supreme Court to invalidate laws that clearly infringe on the provisions of the Constitution. But the duty and province to determine whether or not a law is constitutional does not primarily devolve on the President, but that responsibility, under the Constitution, is placed on the Supreme Court. I therefore suggest that the self-constituted constitutional lawyers in this House quit worrying about the constitutionality of the act we are considering

and let the Supreme Court pass on that question. I am for this bill, and I think it should be enacted without any further delay. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SPROUL].

Mr. SPROUL of Kansas. Mr. Chairman, ladies, and gentlemen of the committee, I quite heartily concur in the general argument of the gentleman from Missouri [Mr. LOZIER]. I believe the Constitution of our country has created a duty for the Congress and has given it a lot of power. It has given it power to vest in the Chief Executive the power to make appointments, and inasmuch as the Congress has power to authorize the Executive to make appointments the Congress has the same power to take away from the Executive the right to make appointments.

I liked very much the provisions of the last McNary-Haugen bill, giving to the farm organizations the power to nominate the men who were to run the machinery organized by the Congress for their benefit. It seems to me there was an unwarranted manifestation of jealousy on the part of the Executive in taking exception to what the Congress did in that regard. Inasmuch as the machinery was made for the farmers and their organizations, no exception should have been taken to their selecting the men who were going to run their business. Now, why? Because if the McNary-Haugen bill could function as it was intended by the framers to function the prices which they were to realize for their products could not be above what the protective tariff laws of the country intended they should receive and could not be above what they were entitled to receive.

This fee that is provided for in the bill, and which is objected to by those who represent the consuming part of our country, is for the purpose of allowing the farmers to fix the price at which their products shall be sold, just the same, members of the committee, as is realized by the dealers in all other commodities. It is meting out to our people equal opportunities in industry, equal powers over our respective industries, giving to the farmers exactly what they are entitled to have and what they can not get in any other way.

The farm organizations of the country can not function without this character of machinery. For one I believe that they ought to be privileged to try it out. They ought to have the opportunity to see whether it will do the things which it is claimed it will do.

The power designed to pass upon the constitutionality of the laws which we enact is unquestionably the Supreme Court. Why? Because before that body the authorities are presented for the constitutionality of the measure and the authorities against its constitutionality, and both sides of the question are argued before the court. The court is supposed to be unbiased, unprejudiced, fair, and nonrepresentative of any consuming community which is bitterly opposed to this legislation. This is the body where the question of constitutionality should be settled and determined, and no other body, when there is any question of constitutionality, should pass upon the question, as a reason for a veto, in my judgment; and I hope the President of the United States will conclude when this bill comes to him that it is the duty of the Supreme Court to pass upon it and that he will not undertake to function as an unbiased, unprejudiced officer without allowing those who advocate the constitutionality of the question to come before him and present their arguments.

Mr. ASWELL. Will the gentleman yield?

Mr. SPROUL of Kansas. I yield.

Mr. ASWELL. If the President vetoes the bill, and you do not have a two-thirds majority, how will it ever reach the Supreme Court?

Mr. SPROUL of Kansas. I daresay it could not, but I am advocating——

Mr. ASWELL. You are just pleading with the President.

Mr. SPROUL of Kansas. Yes, indeed; I am.

Mr. ASWELL. And the gentleman is not giving any opinion at all. The gentleman is just hoping about something.

Mr. SPROUL of Kansas. The gentleman from Louisiana has the right to say that I am not giving an opinion——

Mr. ASWELL. The gentleman says he does not know whether the President will veto it or not.

Mr. SPROUL of Kansas. That is not what I am passing on. I am saying it is the duty of the Supreme Court to pass upon this question.

Mr. ASWELL. How will it get to the Supreme Court?

Mr. SPROUL of Kansas. If the President signs the bill it may get there, probably.

Mr. ASWELL. If?

Mr. SPROUL of Kansas. Yes; and he should sign it. He should not function as a Supreme Court. We have the right to expect him to sign the bill without reference to whether it is possibly constitutional or not, because he is not a suitable party and is not equipped with the legal help to come to a just and proper conclusion as to its constitutionality.

Mr. JONES. That is the Attorney General's department?

Mr. SPROUL of Kansas. No, indeed; I think the Supreme Court is the one proper place where the constitutional question involved should be passed upon rather than the one who may veto. If that is not so, let us do away with the Supreme Court for such purposes.

Mr. HERSEY. Will the gentleman yield?

Mr. SPROUL of Kansas. Yes.

Mr. HERSEY. The gentleman is a lawyer. Suppose he was President and the bill came before him; would he consider it from a lawyer's standpoint whether it was constitutional or not?

Mr. SPROUL of Kansas. I might.

Mr. HERSEY. The President did.

Mr. SPROUL of Kansas. I do not know whether he did or not; he assigned that as a reason.

Mr. HERSEY. Does not the gentleman think he exercised his knowledge as attorney, and a very good attorney?

Mr. SPROUL of Kansas. I do not know whether he was a very good attorney; I do know that he did not allow to come before him the proponents of this bill who claimed that it was constitutional to present their authorities and arguments——

Mr. HERSEY. He called on the Attorney General of the United States and took his opinion and quoted his opinion in his veto, did he not?

Mr. SPROUL of Kansas. Yes.

Mr. HERSEY. What is the office of the Attorney General for? To give advice, is it not? If you were President, would you call on the Attorney General of the United States for his opinion?

Mr. SPROUL of Kansas. If I were hunting for an excuse to kill the bill, that is what I might do. [Laughter.] If I thought there was a constitutional question, I would sign the bill and pass it on to the body which the founders of the Constitution created to do such work. [Applause.] I would think I was doing my duty as an executive when I did it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ASWELL. Mr. Chairman, I yield five minutes to myself.

Mr. Chairman, for the benefit of those interested, I would like to have you remember this number, H. R. 13269, a bill containing the exact language of the McNary-Haugen bill before the House in every detail except the equalization fee. I have stricken out all reference to the equalization fee, and it is a complete bill as such. It was testified in the hearings many times that the bill as I have presented it here is a complete bill and will work without the fee or production tax 100 per cent on the leading products. Some have said that it would not work as well without loss on wheat. Many witnesses testified repeatedly that this bill would work on cotton without costing the Government a penny. It contains the $400,000,000 revolving fund, which would be used in the place of the equalization fee as well as for loans to the cooperatives.

Now, gentlemen, I stated in the beginning of this discussion that it then seemed to me a childish, vain thing to pass this bill with the equalization fee when all of us know it can never become a law and means no farm legislation in this Congress. I am deeply interested in farm legislation and want something that can become a law. I stated in the beginning, and I have listened sympathetically during all these hours of debate, listening to the proponents of the bill as they in a heartless sort of way—in some instances pathetic—and there has not been an enthusiastic, strong supporter of the bill who tried to explain its workings. They know the bill is primarily political and put forward for selfish purposes. The Haugen bill is really not for farm relief but for lobby purposes and for DAWES's relief.

One of the orators, one of the leaders of the proponents of the bill, stated that the equalization fee is the heart of the bill, and the very next orator, a leading orator, rose and said:

> We will suspend the pulsations of that heart for a year or two until we spend the $400,000,000.

If the equalization fee is the heart of the bill, you could not suspend the heartbeats by declaring that it would not be operative until the money which has been appropriated by the Government was expended.

I will say this, that if any gentleman in Congress or out of it can show me one single statement in this bill that authorizes

the board to suspend the operations of the equalization fee on any commodity for any time until the $400,000,000 has been expended I will apologize and support the bill. There is not a single line in the bill that directs the board with its monstrous power to suspend the operation of the equalization fee to any particular time. The fee will immediately apply on cotton, and sad will be the lot of a Member of Congress from the cotton sections who votes for this production tax should the bill ever become operative. But if in the wisdom of the committee or the House these provisions of the equalization fee are stricken from the bill I will gladly support it, every line in it.

I notify you gentlemen now that you will have the chance before this bill reaches a final conclusion to vote for this proposed complete bill, H. R. 13269, as I have presented it without the fee. If that fails, then you will have another chance to vote in the committee to strike out the fee, and you will have a final chance on a roll call to vote on a motion to recommit to strike out the fee. In any case, if we strike out the fee, we shall have a constructive, worth-while farm bill that can, and I think will, become a law. [Applause.]

Mr. FORT. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I had not intended to take any part in this discussion, but the gentleman from Missouri made a statement which I think should not pass unnoticed. As I understood him, in speaking of the matter of the veto of the President, he said that Congress was established in the Constitution as practically the unlimited power in the Government of the United States. I heard with great interest the statement of the gentleman from Georgia [Mr. BRAND] on the relations of Members of Congress and the Supreme Court to legislation. There is no question that is firmer in the minds of all lawyers than this, laid down by Judge Cooley and Judge Marshall, and all of them, that no man should vote for any bill in this House unless he believes beyond a reasonable doubt that it is a constitutional law. How many of us do that? Every day you hear men say, "Well, we will let it go through and let the court take charge of it." The court is established for that purpose, the gentleman from Kansas [Mr. SPROUL] said. My friend from Georgia stated the doctrine admirably well. When we pass a law here and it goes to the Supreme Court, that court will not declare it unconstitutional unless beyond a reasonable doubt they believe it to be so. Why? Because they have the right, or used to have that right, to rely upon the fact that every Member of Congress who votes for a bill here has determined in his own mind after examination and study that beyond a doubt in his mind it is constitutional. Therefore, the court not only has the reliance of its own examination, but it can say, "Here are 435 men in whom we have confidence, who, when they took the oath of office swore practically to the fact. that they would vote for no law to pass this body until they had determined that it was a constitutional law."

I shall bring in to-morrow morning the authority sustaining that view. I merely did not desire the House to adjourn with any such idea resting in the mind of any Member of Congress that the court was acting without reference to us and that we have a right to pass anything here and throw it up to the court. Oh, no. This is a great body, but it is a great body because we are expected to discharge our duties; and this bill, of all that we have ever had before us, should be studied with a great degree of care and caution, because of its great importance and because the President has once vetoed it. [Applause.]

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. RAMSEYER. The rule that the Supreme Court follows and has followed for years in passing on the constitutionality of an act of Congress is correctly stated by the gentleman; but when the gentleman states the rule that it is the duty of every Member of Congress to find the bill he votes for to be constitutional beyond a reasonable doubt, I must confess that is new to me. I never heard of it. I agree with the gentleman that the duty is on us, first, as Members of Congress to pass upon it; but does not the gentleman state the rule more strongly than it really is when he says that we should also find beyond reasonable doubt that the proposed legislation is constitutional? I should like to have the authorities on that rule.

Mr. TUCKER. I shall bring in the authority.

Mr. RAMSEYER. I agree with the gentleman that the duty is on us, and the duty is also on the President. I do not think we discharge our duty as Members of Congress if we simply pass that responsibility from our shoulders to the Supreme Court.

Mr. TUCKER. And, by the way, the Supreme Court has said within the last year, in that great decision on the child-labor question, speaking through Chief Justice Taft, in rendering that decision he in effect said: "Here is a question that everybody in the United States sees except us, because we are supposed to be held by a certain tradition; we know this fact as well as the whole world knows it." That court will very soon know what is the common, everyday practice of this House.

I have heard it to-day. You will hear it to-morrow: "I do not know whether this thing is constitutional or not; therefore, take it up to the court." The court, however, has been acting on the presumption that we have given it our sincere and earnest study and have passed on its constitutionality.

Mr. RAMSEYER. That is true, although the inference might be gathered from the statement of the gentleman that it is the practice of the House recklessly to pass those things on. I think the Members of the House as a whole seriously consider those matters whenever they arise.

Mr. TUCKER. I do not desire that my remarks should be considered as a criticism of the House. I do not mean that, but I must stand by the truth. I must say that I hear that every day.

Mr. RAMSEYER. But the gentleman should not believe everything he hears.

Mr. TUCKER. I believe that many do.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. BANKHEAD. I do not know whether the gentleman would care to express any opinion or not, or whether he has sufficiently studied this question of the constitutionality of the equalization fee to venture an opinion; but has the gentleman reached any definite conclusion as a lawyer upon the constitutionality of that question?

Mr. TUCKER. I have.

Mr. BANKHEAD. Would the gentleman mind stating what his opinion upon it is?

Mr. TUCKER. I want to give that to you in the morning.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. SPROUL of Kansas. Did I correctly understand the gentleman to say that the Supreme Court had determined what the duties of the Members of the Congress are with reference to passing on the constitutionality of a bill?

Mr. TUCKER. Oh, no.

Mr. SPROUL of Kansas. Congress is to be the judge of its own duties, and to make rules, and so forth, for its activities, is it not?

Mr. TUCKER. Oh, yes; absolutely. I do not think I could be misconstrued. Of course, the courts have nothing to do with our duty here. The court, merely in its action in passing upon the constitutionality of a law, recognizes what I stated to be the fact, that before a bill leaves this House every man must be able to put his hand on his heart and say, "Under my oath I believe it to be a constitutional act."

Mr. SPROUL of Kansas. That is all right.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. BURTNESS. Suppose Congress by a very large majority believes in the adoption of a certain policy, something new. They believe in the adoption of a certain policy, but there is considerable doubt in the minds of individual Members of Congress as to whether that policy would be in accordance with the Constitution or not.

Mr. TUCKER. Yes. In that case you can not vote for it. If you have got a doubt you can not vote for it. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HAUGEN. Mr. Chairman, there are no further demands for time. The general debate, therefore, is now closed. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, having under consideration the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, reported that that committee had come to no resolution there.

### REREFERENCE—SALARY INCREASE BILL

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to rerefer to the Committee on the Civil Service the bill H. R. 6518, the Welch salary increase bill.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to rerefer to the Committee on the Civil Service the bill H. R. 6518. Is there objection?

Mr. GARNER of Texas. What is the object? Is that a trade between two committees to refer a bill from one committee to another?

Mr. LEHLBACH. No. The request is to refer the bill back to the committee which reported it, because the committee desires to give it further consideration.

The SPEAKER. Is there objection?

There was no objection.

LEGISLATIVE BILL

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12875, the legislative salary bill, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. Is there objection?

There was no objection; and the Speaker appointed as conferees on the part of the House Mr. MURPHY, Mr. WELSH of Pennsylvania, Mr. HOLADAY, Mr. SANDLIN, and Mr. TAYLOR of Colorado.

LEAVE OF ABSENCE

Mr. BRIGHAM was granted leave of absence (at the request of Mr. GIBSON), indefinitely, on account of illness.

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, in order that the consideration of the farm relief bill may go on continuously and be finished at as early a date as possible I ask unanimous consent that Calendar Wednesday business, in order to-morrow, be postponed until the first regular day after the completion of the merchant marine bill, which will immediately follow the farm relief bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the business in order to-morrow, Calendar Wednesday, be postponed. Is there objection?

Mr. QUIN. Mr. Speaker, I object.

Mr. TILSON. Does the gentleman from Mississippi understand that no one loses any rights under this request? The committee having the call to-morrow, which is the Committee on the Merchant Marine and Fisheries, will have the call on the first day not otherwise fixed by the rules of the House. There will be another Calendar Wednesday next week, so that in all probability there will be two Calendar Wednesdays together—that is, consecutively.

Mr. RAMSEYER. If perchance this Calendar Wednesday is deferred, will it follow on Thursday?

Mr. TILSON. Yes.

Mr. GARNER of Texas. Will the Committee on Military Affairs be called next week?

Mr. TILSON. No. The Committee on the Merchant Marine and Fisheries will have the call on the first Calendar Wednesday.

Mr. GARNER of Texas. Under the gentleman's request the Committee on the Merchant Marine and Fisheries will have the call on the next regular day after the completion of this bill and the shipping bill?

Mr. TILSON. Yes.

Mr. GARNER of Texas. That would not take the place of Calendar Wednesday of next week?

Mr. TILSON. The Committee on the Merchant Marine and Fisheries will take the first Calendar Wednesday, whenever it may be.

Mr. WHITE of Maine. Let us see if I understand the situation. Unless the Committee on the Merchant Marine and Fisheries gets a day on Calendar Wednesday prior to a week from to-morrow it might happen that we would get the Calendar Wednesday another day prior to a week from Wednesday?

Mr. TILSON. Yes. The Committee on the Merchant Marine and Fisheries will have the call on the first day, and following that the Committee on Military Affairs.

Mr. GARNER of Texas. They will have that day, whatever day it comes on?

Mr. TILSON. Yes.

Mr. CRISP. Has the gentleman from Connecticut moved to dispense with Calendar Wednesday?

Mr. TILSON. No. I had not intended to ask that it be dispensed with, because I do not wish anyone to lose any rights.

Mr. LAGUARDIA. If we dispense with it, it would put off Military Affairs one week longer?

Mr. TILSON. Yes. It would put off Military Affairs one week longer.

The SPEAKER. Is there objection?

Mr. QUIN. I object.

DEATH OF REPRESENTATIVE THADDEUS C. SWEET

Mr. SNELL. Mr. Speaker, it is with very deep sorrow that I announce to the Members of the House the very tragic death by an airplane accident of our colleague, the Hon. THADDEUS C. SWEET, a Representative from the thirty-second congressional district of the State of New York. This accident happened about 1 p. m. As yet the details are very meager, although I understand he left here this morning at 9 o'clock to go to his home at Oswego, N. Y., by airplane. It was necessary to make a forced landing at Whitney Point, N. Y. He was thrown from the machine in making this landing, and I understand that he was immediately killed.

Mr. SWEET, like our deceased friend, Martin Madden, was entirely a self-made man. Everything he accomplished in the business world, in the political world, and in other walks of life was entirely through his own efforts. He represented his district, Oswego County, in the Assembly of the State of New York for 11 years. He was speaker of that body for seven years, and he made a most enviable reputation in that position. He was a lifelong personal and political friend. By his death the State of New York and the Nation has lost a most valuable public servant. A host of friends will mourn his death.

At some future time I shall ask that a day be set aside to pay proper tribute to his memory. At the present time I present a resolution and ask for its immediate consideration.

The SPEAKER. The gentleman from New York offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 182

*Resolved*, That the House has heard with profound sorrow of the death of Hon. THADDEUS C. SWEET, a Representative from the State of New York.

*Resolved*, That a committee of 25 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect, this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Wednesday, May 2, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Wednesday, May 2, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity (H. R. 7759).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

COMMITTEE ON EDUCATION

(11 a. m.)

To create a department of education (H. R. 7).

COMMITTEE ON MINES AND MINING

(10.30 a. m.)

Authorizing an appropriation for development of potash jointly by the United States Geological Survey of the Department of the Interior and the Bureau of Mines of the Department of Commerce by improved methods of recovering potash from deposits in the United States (H. R. 496).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress, as expressed in sections 201 and 500 of the transportation act," approved June 3, 1924 (H. R. 10710).

EXECUTIVE COMMUNICATIONS, ETC.

475. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting supplemental estimate of appropriation for the Navy Department for the fiscal year 1928, in the sum of $92,162.56, for the relief of contractors (H. Doc. No. 256); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GOODWIN: Committee on Patents. H. R. 12112. A bill amending the Statutes of the United States with respect to reissue of defective patents; without amendment (Rept. No. 1435). Referred to the House Calendar.

Mr. McLEOD: Committee on the District of Columbia. S. 2660. An act to amend an act entitled "An act to provide for the examination and registration of architects and to regulate the practice of architecture in the District of Columbia," approved December 13, 1924, and for other purposes; without amendment (Rept. No. 1439). Referred to the House Calendar.

Mr. McLEOD: Committee on the District of Columbia. S. 3581. An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia; with amendment (Rept. No. 1440). Referred to the Committee of the Whole House on the state of the Union.

Mr. FROTHINGHAM: Committee on Military Affairs. S. 2463. An act to amend an act entitled "An act for the purchase of a tract of land adjoining the United States target range at Auburn, Me.," approved May 19, 1926; without amendment (Rept. No. 1441). Referred to the Committee of the Whole House on the state of the Union.

Mr. FURLOW: Committee on Military Affairs. H. R. 13250. A bill to authorize the Secretary of War to fix the percentages of enlisted men of the Army in the sixth and seventh grades, and for other purposes; with amendment (Rept. No. 1450). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 13407. A bill relating to the tribal and individual affairs of the Osage Indians of Oklahoma; without amendment (Rept. No. 1458). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARE: Committee on Claims. H. R. 7378. A bill for the relief of Wade Allen and Ed Johnson; with amendment (Rept. No. 1436). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 6263. A bill to provide for reinstatement of Larry Cardwell in the United States Naval Academy; without amendment (Rept. No. 1437). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 10274. A bill for the relief of Commander Francis James Cleary, United States Navy; without amendment (Rept. No. 1438). Referred to the Committee of the Whole House.

Mr. HOFFMAN: Committee on Military Affairs. H. R. 3443. A bill for the relief of Alfred O. Huestis; without amendment (Rept. No. 1442). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 4244. A bill for the relief of Joseph Lee; without amendment (Rept. No. 1443). Referred to the Committee of the Whole House.

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 4626. A bill for the relief of Maj. Arthur A. Padmore; without amendment (Rept. No. 1444). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 11289. A bill for the relief of Katherina Kautz and Fred G. Wautz, heirs of the estate of Christian F. Kautz, deceased; without amendment (Rept. No. 1445). Referred to the Committee of the Whole House.

Mr. JOHNSON of Illinois: Committee on Military Affairs. H. R. 6112. A bill for the relief of Armstrong Hunter; with amendment (Rept. No. 1446). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 12641. A bill to correct the military record of George A. Cole; with amendment (Rept. No. 1447). Referred to the Committee of the Whole House.

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 13097. A bill for the relief of Thomas W. Moore; without amendment (Rept. No. 1448). Referred to the Committee of the Whole House.

Mr. FURLOW: Committee on Military Affairs. S. 2733. An act for the relief of Joseph Cunningham; without amendment (Rept. No. 1449). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Claims. S. 1541. An act for the relief of George A. Robertson; with amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2061. An act for the relief of W. H. Kaufman; without amendment (Rept. No. 1452). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2764. An act for the relief of Nelle McConnell; without amendment (Rept. No. 1453). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 3168. A bill for the relief of Douglas B. Espy; without amendment (Rept. No. 1454). Referred to the Committee of the Whole House.

Mr. BECK of Wisconsin: Committee on Claims. H. R. 3967. A bill for the relief of the next of kin of Edgar C. Bryon; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 2486. A bill for the relief of Andrew Jackson Seward, jr., deceased; with amendment (Rept. No. 1456). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Missouri: Committee on Naval Affairs. H. R. 5019. A bill for the relief of T. G. Roberts; with amendment (Rept. No. 1457). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11160) granting a pension to Eliza Hagenbach; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 13435) for the relief of Carrie M. Haney; Committee on Claims discharged, and referred to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPEAKS: A bill (H. R. 13446) to amend the national defense act; to the Committee on Military Affairs.

By Mr. DAVIS: A bill (H. R. 13447) authorizing and directing the Secretary of Agriculture to establish and maintain a dairy and livestock experiment and demonstration station for the South at or near Lewisburg, Tenn.; to the Committee on Agriculture.

By Mr. EDWARDS: A bill (H. R. 13448) to provide for advancement in rank of certain officers on the retired list of the Navy; to the Committee on Naval Affairs.

By Mr. GRIEST: A bill (H. R. 13449) to provide for the promotion of clerks and general mechanics in the motor-vehicle service; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 13450) to provide for the promotion of clerks, general mechanics, driver mechanics, and garage-men drivers in the motor-vehicle service; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 13451) to authorize the Postmaster General to hire vehicles from letter carriers for use in service; to the Committee on the Post Office and Post Roads.

By Mr. VESTAL: A bill (H. R. 13452) to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended, in respect of mechanical reproduction of musical compositions, and for other purposes; to the Committee on Patents.

Also, a bill (H. R. 13453) amending the statutes of the United States to provide for copyright registration of designs; to the Committee on Patents.

By Mr. CURRY: A bill (H. R. 13454) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. LEAVITT (by departmental request): A bill (H. R. 13455) to authorize the collection of penalties and fees for

stock trespassing on Indian lands; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 13456) to authorize an appropriation for the purchase of certain privately owned land within the Fort Apache Indian Reservation, Ariz.; to the Committee on Indian Affairs.

By Mr. TREADWAY: A bill (H. R. 13457) to provide for deepening the channel of the Connecticut River between Hartford, Conn., and Holyoke, Mass.; to the Committee on Rivers and Harbors.

By Mr. GARNER of Texas: A bill (H. R. 13458) authorizing and directing the Secretary of War to sell 3,304.8 square feet of the Fort Brown Military Reservation, Brownsville, Tex., to the Gateway Bridge Co.; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 13459) making women veterans eligible for admission to the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. RATHBONE: A bill (H. R. 13460) to provide for the construction of a post road and military highway from a point on or near the Atlantic coast to a point on or near the Pacific coast, and for other purposes; to the Committee on Roads.

By Mr. GIBSON: A bill (H. R. 13461) to provide for the acquisition of land in the District of Columbia for the use of the United States; to the Committee on the District of Columbia.

By Mr. SABATH: Joint resolution (H. J. Res. 293) directing the Secretary of State to instruct our ambassadors and ministers that our country affairs should not be subordinated to our title and social seekers; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H. R. 13462) granting a pension to Leonard Webber Nelson; to the Committee on Pensions.

By Mr. BRAND of Georgia: A bill (H. R. 13463) granting an increase of pension to David S. Harrison; to the Committee on Pensions.

By Mr. DAVIS: A bill (H. R. 13464) granting a pension to Mary Lizzie Mosby; to the Committee on Invalid Pensions.

By Mr. ROY G. FITZGERALD: A bill (H. R. 13465) for the relief of Thomas T. Gessler; to the Committee on Naval Affairs.

By Mr. GARBER: A bill (H. R. 13466) granting an increase of pension to Susan J. Boston; to the Committee on Invalid Pensions.

By Mr. IRWIN: A bill (H. R. 13467) granting an increase of pension to Blanche Holston; to the Committee on Invalid Pensions.

By Mr. JACOBSTEIN: A bill (H. R. 13468) granting an increase of pension to Margaret Hayes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13469) granting an increase of pension to Catherine Sullivan; to the Committee on Pensions.

Also, a bill (H. R. 13470) granting an increase of pension to Elizabeth K. Kershaw; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13471) granting an increase of pension to Fannie F. Marts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13472) granting an increase of pension to Jennie N. Milliken; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13473) granting an increase of pension to Mary A. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13474) granting a pension to Edward L. Mosier; to the Committee on Pensions.

Also, a bill (H. R. 13475) granting a pension to John A. Miller, jr.; to the Committee on Pensions.

By Mr. RANSLEY: A bill (H. R. 13476) for the relief of Joseph M. McAleer; to the Committee on Military Affairs.

By Mr. SMITH: A bill (H. R. 13477) to provide a preliminary survey of South Fork Snake River, in Idaho, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. UPDIKE: A bill (H. R. 13478) granting an increase of pension to Mary Taylor; to the Committee on Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7341. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, protesting against the Lankford Sunday bill (H. R. 78); to the Committee on the District of Columbia.

7342. By Mr. BOYLAN: Resolutions adopted by the Society of Medical Jurisprudence of New York, favoring amendment to revenue act; to the Committee on Ways and Means.

7343. By Mr. CARTER: Petition of E. K. Taylor and many others, of Alameda, Calif., urging the passage of legislation increasing the pensions of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7344. By Mr. COOPER of Wisconsin: Petition of residents of Janesville, Rock County, Wis., urging the passage of bill to increase pension of Civil War widows; to the Committee on Invalid Pensions.

7345. By Mr. FULBRIGHT: Petition of citizens of Doniphan, Mo., in favor of legislation in behalf of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7346. By Mr. GARBER: Petition of J. H. Stolper, general counsel and chairman national executive committee, American Veterans of All Wars, Muskogee, Okla., in support of Senate bill 777; to the Committee on World War Veterans' Legislation.

7347. Also, petition of John A. Stewart, chairman executive committee of George Washington American-Citizens Bicentennial Commemoration Committee of New York City, in support of House bill 4625; to the Committee on Roads.

7348. Also, petition of Ray O. Baird, Vocational Agriculture Institution, Garber, Okla., in support of House bill 12241; to the Committee on Education.

7349. Also, petition of W. W. Rucks, Oklahoma City, Okla., in support of Senate bill 777, Tyson bill, for retirement of disabled emergency Army officers; to the Committee on World War Veterans' Legislation.

7350. Also, petition of James H. Teel Post, No. 105, American Legion, Bartlesville, Okla., in support of Senate bill 777; to the Committee on World War Veterans' Legislation.

7351. By Mr. HANCOCK: Petition of Miss Effie J. Hallock and other residents of Cortland, N. Y., favoring the passage of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7352. By Mr. WATSON: Resolution passed by the Amalfi Commandery, No. 392, Ancient and Illustrious Knights of Malta, concerning restricted immigration; to the Committee on Immigration and Naturalization.

7353. By Mr. JACOBSTEIN: Petition of citizens of New York, urging Congress to pass House bill 11410, to amend the national prohibition act; to the Committee on the Judiciary.

7354. By Mr. LAMPERT: Petition signed by citizens of Oshkosh, Wis., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

7355. By Mr. O'CONNELL: Petition of the American Federation of Labor, favoring the passage of Senate bill 744, with certain amendments, for the establishment and maintenance of the Nation's merchant marine service; to the Committee on the Merchant Marine and Fisheries.

7356. By Mr. RATHBONE: Petition by residents of Chicago, urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

7357. By Mr. SMITH: Petition signed by Sid Stuart and 60 other residents of Camas County, Idaho, favoring the enactment of legislation to increase the pension of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7358. By Mr. SWING: Petition in behalf of soldiers and sailors of the Spanish War, Philippine insurrection, the China expedition, and widows, minor children, orphans, helpless children, and dependent parents of such soldiers and sailors; to the Committee on Pensions.

7359. By Mr. TEMPLE: Petition of E. G. Baily, Carmichaels, Greene County, Pa., in support of the Sunday rest bill for the District of Columbia (H. R. 78); to the Committee on the District of Columbia.

7360. Also, resolution of Local Unions Nos. 155, 179, 593, 2230, and 2232, all of western Pennsylvania, adopted at a mass meeting, protesting against certain actions of the State police and coal and iron police; to the Committee on the Judiciary.

7361. Also, petition of a number of residents of Greene County, Pa., in support of House bill 11410, to amend the national prohibition act; to the Committee on the Judiciary.

7362. By Mr. WINTER: Resolution re House bill 9956 by Paul C. Miner, president Lions Club, Lyman, Wyo.; to the Committee on Irrigation and Reclamation.

7363. By Mr. WYANT: Resolution of National Coal Association, in support of House Concurrent Resolution 19; to the Committee on Interstate and Foreign Commerce.

## SENATE

### WEDNESDAY, *May 2, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, who art near us always, we thank Thee for the blessings about our path, for the love that makes life beautiful, for thoughts that uplift and gladden us, for disappointment and failure which humble us, for pain and distress which teach us our need, but most of all for our hope in Thee and the fullness of joy which Thy presence brings. Breathe upon us now Thy hallowed calm, lift the burdens from our hearts, soothe the anxieties of our minds, and send peace into our souls, that standing in the shelter of Thy shadowing wings we may feel that power which alone can lift us far above the plane of common standards of the good into the sacred precincts of Thy divine perfection. Grant this, O Father, for the sake of Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### COOPERATIVE MARKETING OF FARM PRODUCTS

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 34, Sixty-ninth Congress, special session of the Senate (agreed to March 17, 1925), the report of the commission on the cooperative marketing of farm products, consisting of two volumes, volume 1, dealing with the development and importance of the cooperative movement, together with the results of the inquiry as it related to illegal interference with the formation and operation of cooperatives, and volume 2, presenting the results of a study of comparative costs, prices, and marketing practices, as between cooperative marketing organizations and other types of marketers and distributors handling farm products.

Mr. SHIPSTEAD. I move that the communication, with the accompanying documents, be referred to the Committee on Printing.

The motion was agreed to.

#### APPROPRIATIONS FOR THE LEGISLATIVE BRANCH

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12875) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist upon its amendments, accept the invitation of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WARREN, Mr. SMOOT, Mr. CURTIS, Mr. BROUSSARD, and Mr. COPELAND conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 11629) to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service.

#### PETITION

Mr. CAPPER presented a petition numerously signed by citizens of Atchison, Kans., praying for the passage of the so-called Brookhart bill, relative to the distribution of motion-picture films in the various motion-picture zones of the country, which was referred to the Committee on Interstate Commerce.

#### THE WORLD COURT

Mr. SHORTRIDGE. I hold in my hand a letter addressed to me from Pomona College, Claremont, Calif., with an accompanying petition, relating to the resolution of the Senator from Massachusetts [Mr. GILLETT] in respect to the Court of International Justice. I ask that the petition, with the names of the petitioners, be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the petition, with the names of the petitioners attached, was ordered to be printed in the RECORD and referred to the Committee on Foreign Relations, as follows:

POMONA COLLEGE,
*Claremont, Calif., April 27, 1928.*

Senator SAMUEL M. SHORTRIDGE,
*The Wardman Park, Washington, D. C.*

DEAR SENATOR SHORTRIDGE: May I commend to your interest the attached petition, forwarded by the members of Pomona College, in the hope that their interest in the Gillett resolution will be shared by you?

May we respectfully request that this petition, with its complete names of signatures, be inserted in the CONGRESSIONAL RECORD, where it will undoubtedly prove of interest to the other Members of the Senate?

Respectfully yours,

F. P. BRACKETT.

A group of members of the College Club of Claremont, associated with Pomona College, would urge the importance of passing the Gillett resolution in regard to the World Court. All of us who sign this communication are voters in Claremont or in neighboring cities of California.

F. P. Brackett, George S. Burgess, Russell M. Story, Charles Fairman, Arthur Babcock, E. C. Lincoln, F. R. Iredell, W. H. Kerr, A. A. Douglass, W. P. Russell, Harold Davis, Kenneth Duncan, James A. Blaisdell, Charles J. Robinson, Gilbert N. Brink.

#### REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment:

A bill (H. R. 2658) for the relief of Finch R. Archer; and

A bill (H. R. 4925) for the relief of John M. Savery.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 11951) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by the acts of March 6, 1920, and February 27, 1926 (Rept. No. 977);

A bill (H. R. 12899) authorizing the erection for the sole use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, District of Columbia (Rept. No. 978); and

A bill (H. R. 13171) authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes (Rept. No. 979).

Mr. KEYES also, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 10799) for the lease of land and the erection of a post office at Philippi, W. Va., and for other purposes, reported it with an amendment and submitted a report (No. 980) thereon.

Mr. BORAH, from the Committee on Foreign Relations, to which were referred the following bills and joint resolution, reported them each without amendment and submitted a report thereon, as indicated:

A bill (H. R. 9043) to authorize the payment of an indemnity to the Government of France on account of losses sustained by the owners of the French steamship *Madeleine* as a result of a collision between it and the U. S. S. *Kerwood;* and

A joint resolution (S. J. Res. 131) providing for the participation by the United States in the International Conference for the Revision of the Convention of 1914 for the Safety of Life at Sea (Rept. No. 981).

Mr. EDWARDS (for Mr. WAGNER), from the Committee on Military Affairs, to which were referred the following bills, reported adversely thereon and moved that they be indefinitely postponed, which was agreed to:

A bill (S. 367) to authorize the President to appoint Alonzo Edward Wheat a second lieutenant, Philippine Scouts, United States Army;

A bill (S. 2530) for the relief of W. O. Whipps; and

A bill (H. R. 5065) for the relief of James M. Winston.

Mr. REED of Pennsylvania, from the Committee on Military Affairs, submitted the views of the minority to accompany the bill (S. 3089) to increase the efficiency of the Military Establishment, and for other purposes, heretofore reported from that committee, with amendments, which were ordered to be printed as part 2, Report No. 871.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DENEEN:

A bill (S. 4308) for the relief of Maj. H. E. Miner, Capt. A. J. Touart, Capt. J. L. Hayden, Capt. H. H. Pohl, First Lieut. C. C. Jadwin, and First Lieut. F. B. Kane, United States Army; to the Committee on Claims.

A bill (S. 4309) to authorize the Secretary of Commerce to dispose of a certain lighthouse reservation and to acquire certain land for lighthouse purposes; to the Committee on Commerce.

By Mr. HOWELL:

A bill (S. 4310) for the relief of A. Ogden Pierrot (with an accompanying paper);

A bill (S. 4311) for the relief of Marion Letcher (with an accompanying paper); and

A bill (S. 4312) for the relief of Julian E. Gillespie, of the Bureau of Foreign and Domestic Commerce, Department of Commerce; to the Committee on Claims.

By Mr. DILL:

A bill (S. 4313) granting a pension to Carrie Crockett; and

A bill (S. 4314) granting a pension to W. A. Hone; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4315) authorizing and directing the Secretary of War to sell 3,304.8 square feet of the Fort Brown Military Reservation, Brownsville, Tex., to the Gateway Bridge Co.; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 4316) granting an increase of pension to Debbie Beebe; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4317) granting a pension to Frank M. Gable (with accompanying papers); and

A bill (S. 4318) granting an increase of pension to Mary A. Smith (with accompanying papers); to the Committee on Pensions.

A bill (S. 4319) to provide for the acquisition of land in the District of Columbia for the use of the United States; to the Committee on the District of Columbia.

By Mr. HARRIS:

A bill (S. 4320) to provide for advancement in rank of certain officers on the retired list of the Navy; to the Committee on Naval Affairs.

By Mr. ASHURST:

A bill (S. 4321) authorizing the Secretary of the Interior to dispose of two bridges on the San Carlos Indian Reservation, in Arizona, and for other purposes; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 4322) granting an increase of pension to Annie L. Starling; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4323) granting an increase of pension to Annie Tallerday; to the Committee on Pensions.

By Mr. BROOKHART (for Mr. ROBINSON of Indiana):

A bill (S. 4324) granting an increase of pension to Aurelia Snyder (with accompanying papers); to the Committee on Pensions.

By Mr. HAWES:

A bill (S. 4325) for the relief of Arthur E. Rump; to the Committee on Claims.

By Mr. MOSES:

A bill (S. 4326) granting an increase of pension to Mary J. Kendall (with accompanying papers); to the Committee on Pensions.

By Mr. BLACK:

A bill (S. 4327) to relinquish the title of the United States to land in the claim of Seth Dean, situate in the county of Washington, State of Alabama; to the Committee on Public Lands and Surveys.

By Mr. THOMAS:

A joint resolution (S. J. Res. 140) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to begin October 20, 1928; to the Committee on Foreign Relations.

AMENDMENTS TO TAX REDUCTION BILL—ESTATE TAXES

Mr. FLETCHER submitted two amendments intended to be proposed by him to House bill 1, the tax reduction bill, which were ordered to lie on the table and to be printed.

AMENDMENT TO BOULDER DAM BILL

Mr. PHIPPS submitted an amendment intended to be proposed by him to Senate bill 728, the so-called Boulder Dam bill, which was ordered to lie on the table and to be printed.

INVESTIGATION RELATIVE TO UNEMPLOYMENT

Mr. LA FOLLETTE submitted the following resolution (S. Res. 219), which was referred to the Committee on Education and Labor:

Whereas many investigations of unemployment have been made during recent years by public and private agencies; and

Whereas many systems for the prevention and relief of unemployment have been established in foreign countries and a few in this country; and

Whereas information regarding the results of these systems of unemployment, prevention, and relief is now available; and

Whereas it is desirable that these investigations and systems be analyzed and appraised and made available to the Congress: Therefore be it

*Resolved*, That the Committee on Education and Labor of the Senate or a duly authorized subcommittee thereof is authorized and directed to make an investigation concerning (a) the continuous collection and interpretation of adequate statistics of employment and unemployment; (b) the organization and extension of systems of public employment agencies, Federal and State; (c) the establishment of systems of unemployment insurance or other unemployment reserve funds, Federal, State or private; (d) the planning of public works with regard to stabilization of employment; and (e) the feasibility of cooperation between Federal, State, and private agencies with reference to (a), (b), (c), and (d). For the purposes of this resolution such committee or subcommittee is authorized to hold hearings and to sit and act at such times and places; to employ such experts and clerical, stenographic, and other assistants; to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, which shall not be in excess of $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman. The committee or subcommittee shall make a final report to the Senate as to its findings, together with such recommendations for legislation as it deems advisable, at the beginning of the second regular session of the Seventieth Congress.

Mr. WALSH of Massachusetts subsequently submitted an amendment intended to be proposed by him to Senate Resolution 219, submitted to-day by Mr. LA FOLLETTE, which was referred to the Committee on Education and Labor and ordered to be printed in bill form, and to be printed in the RECORD, as follows:

On the line following "and (d)," strike out the period and insert the following: "(f) to what extent has there been curtailment of production, in various industries throughout the country; the causes of these conditions and the remedies needed to restore prosperity to these industries; and (g) to what extent is the prevalent consolidation and reconsolidation of industries bringing about economic conditions that are unsound and insecure."

SENATOR FROM MONTANA

Mr. LA FOLLETTE. I ask unanimous consent to have printed in the RECORD an article from the current issue of Labor, on the Montana senatorial campaign.

There being no objection, the article was ordered to be printed in the RECORD as follows:

PLOT TO "GET" WHEELER IS BEING BARED IN MONTANA—ANACONDA CROWD SEEKS TO DIVIDE PROGRESSIVES IN ORDER THAT STANDARD OIL ATTORNEY MAY WIN DEMOCRATIC NOMINATION; MANIPULATION ON REPUBLICAN SIDE

In a telegram printed below, Labor's Helena, Mont., correspondent tells how the reactionaries are plotting to defeat Senator BURTON K. WHEELER, the man who drove Daugherty from the Cabinet and who is now making such a fine fight to win justice for the bituminous-coal miners.

Labor hopes the Senator's friends in Montana, and particularly the readers of this paper, will not underestimate the strength of the opposition. Crooked business could well afford to spend a million dollars in order to retire WHEELER from public life.

That being the case, we may rest assured the million will be spent.

There is only one way to defeat such a conspiracy. That is for the farmers and workers in all parts of Montana to organize in every voting precinct. Senator WHEELER should be renominated in the primary and triumphantly reelected in November.

In saying this, Labor is voicing the sentiments of the railroad workers, who own this paper.

The chief executives of all the railroad labor organizations, when they met in Washington a few weeks ago, unanimously indorsed Senator WHEELER and urged his reelection.

(Special correspondence)

HELENA, MONT., April 30.—Led by the Anaconda Copper Co., Montana "big business" is out to "get" Senator BURTON K. WHEELER, who will be a candidate for reelection this year.

If the conspirators can defeat WHEELER they will go after WALSH in 1930. They are determined to drive from public life the two great progressive Senators who have done so much to expose corruption in Washington.

Developments during the last week have made the details of the plot reasonably clear.

Sam V. Stewart, a former governor, and now attorney for the Standard Oil interests, is the man picked to beat WHEELER in the Democratic primary.

In a clean-cut fight between WHEELER and Stewart, the latter would not have a show.

SCHEME TO SPLIT LABOR

So the Anaconda crowd is endeavoring to split the labor and progressive vote which would naturally go to WHEELER. Through their emissaries they are endeavoring to induce young George Bourquin, district judge of Butte, to enter the race. Bourquin has always been credited with progressive tendencies, and his father, the noted Federal judge, is respected by everyone.

It is doubtful, however, if Bourquin will permit himself to be used in this way, but he is being subjected to great pressure, especially from certain make-believe "radicals" who are really on the Anaconda pay roll.

The Anaconda crowd has also worked out a little scheme on the Republican side which they hope will weaken WHEELER.

Some time ago former governor Joseph M. Dixon was persuaded to become a candidate for the Republican nomination for Senator. Many of his friends urged him to seek the gubernatorial nomination instead.

It is believed he decided to run for the Senate, because the Anaconda crowd, which has opposed him heretofore, gave him to understand that they would not fight him for that position.

PLAYING ON BOTH SIDES

Now, however, Charles Williams, wealthy sheepman of Deer Lodge, has been entered against Dixon, with the understanding that he will get the backing of "big business."

The conspirators hope that many Progressives will go into the Republican primary in an effort to save Dixon, and thus more votes will be drawn from WHEELER.

If the Anaconda crowd could secure the nomination of Stewart on the Democratic ticket and Williams on the Republican, they could afford to keep out of the November contest, because it would then be a case of "Heads, I win, and tails, you lose."

THE LATE SENATOR WILLIS

Mr. LOCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Herbert R. Mengert, published in the Cincinnati Enquirer on April 1, 1928, entitled "A look into the soul of WILLIS—honor and integrity above reproach, sterling character; all these found embodied in life of Ohio's senior Senator."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LOOK INTO THE SOUL OF WILLIS—HONOR AND INTEGRITY ABOVE REPROACH, STERLING CHARACTER; ALL THESE FOUND EMBODIED IN LIFE OF OHIO'S SENIOR SENATOR

COLUMBUS, OHIO, March 31.—Ohio has looked into the soul of FRANK BARTLETTE WILLIS, whose sudden death came last night, and found that he was clean. Through long observation the discerning people of this State had come to be impressed deeply with his sterling character. Thus the late United States Senator, former governor, former Congressman, former State representative, teacher, and lawyer, has come now to take his place with the cherished political household memories of Buckeyedom.

No fair critic ever impugned the integrity of the Senator in all his long service in public station. Men and women may have questioned his acumen and his vision in matters of politics and statesmanship, his ability may have ranked him below others of his party and of other parties, but deep down in the hearts of millions of Ohio people was a faith in the big fellow, a man almost boyish to the very day of his death. There was, too, an affection for him, born of the settled conviction that right motives governed his life and dictated his actions.

If, for example, Senator WILLIS believed that statutory prohibition of the liquor traffic was a solution of a problem that has vexed humanity since men learned certain of the secrets of nature, he was honest in that belief. He came to the height of a career in public life during the ascendancy of the great crusade, and no one who knew him doubted but that he would have persisted in his course had the turn of the tide of sentiment carried "the cause" to oblivion and him to retirement. In private life, too, Senator WILLIS practiced what he advocated on the platform and in legislative halls, and hence his course never could be assailed in public or in private as hypocritical.

It may be noted, too, of the Senator that his friends and admirers who had been organized about him in his earliest days in Ohio affairs continued with him. That was a point to be set down by those who beware of men who change their associates often. The WILLIS followers were grappled to his heart "with hooks of steel." It is worth a passing notice, because one may read there traits of character.

After all, is it not much to be said of man that he has loyal friends in politics as well as in other walks of life. Surely, men and women who continue through the years to cherish the friendship of a man have had their reasons.

This strong note of friendship was exemplified last night as Senator WILLIS died while an audience waited expectantly to hear the political message which he was to have given. If death was to come to a man, how better than surrounded by his neighbors, friends, and admirers in his old home at the climax of a career that held the mirage of White House occupancy at the end of the road?

Those who look over the field of activity in political affairs may wonder at many incidents. In Ohio Mr. WILLIS was a regular of regulars. He buried his own views after the party had spoken on most public questions and issues. Thus, as a young man his party leaders in Ohio took the position in favor of a franchise tax on corporations and handed him the bill in the Ohio General Assembly for sponsorship. As a loyal party man he helped to put it through. Over in Wisconsin in that same year the late Robert M. La Follette fought for the very same measure, but in opposition to the regular party organization. One does not perceive WILLIS as a man to have carried on as La Follette did. He might have attempted to persuade the organization but never to fight it.

In his career as governor Mr. WILLIS had come into office on a tide of criticism. His party then was of the "outs," due to internal dissension among the members over the new issue of "progressiveism." It followed, then, that he was not able in the short term of two years to break through the chain of circumstances that surrounded him. The WILLIS administration left no deep impress upon the State, although it was not an unpopular régime, because it offended no interests to produce retaliation.

In the years out of power the stricken leader probably had his greatest influence in the life of the State, because he was in the thick of the effort to achieve statutory prohibition. By one of those curious turns of fortune he failed in his efforts to regain the governorship at the very time in 1918 when his beloved prohibition cause succeeded. This bid for power a failure, Mr. WILLIS turned again to the law and to the lecture platform. His next opportunity found the tide running to Republicanism so strongly that he was swept into power in the great Warren G. Harding landslide, running well up with his chief.

No one who knew WILLIS believes that he was privy to any of the secrets that have been revealed by senatorial investigation and that unfortunately have been confirmed by records of courts, among them the highest tribunal in the land. When he expressed his judgment about a fellow Republican in a rather famous expression it was because Senator WILLIS believed he was telling the truth. It is a fact known to scores of his friends that he later demanded the facts in each matter and would not be content until he knew the truth.

The revelations at Washington were a distinct shock to Senator WILLIS, as his Ohio friends knew. He had either the fault or the virtue, as one may see it, of being an intense partisan, and the defiling of the party temple, which he was ready to defend with vigor and vehemence on any and every occasion, touched him more deeply than he allowed the world to know.

In the circumstances of his 1926 canvass against former Senator Atlee Pomerene his vote for the seating of former Senator Truman H. Newberry, Michigan, brought its embarrassments. There followed the declaration that he would vote in the future to unseat any man guilty of such expenditures as to suggest wrongdoing. The pledge was like other public pledges of the Senator. It was kept. No man truthfully could say that the Senator intended to condone wrongdoing, but that he had not had the vision to take a certain position at once—that was a charge that could be laid at his door. Party feeling at times carried him into dangerous positions.

Few men have been victims of more downright misrepresentation in a canvass for a few delegates from his native State than was Senator WILLIS. In fairness it must be said that his personal opponent, Herbert C. Hoover, Secretary of Commerce, was not guilty personally, and that many of the Secretary's followers likewise in all instances were not the offenders. But neither truth nor reason stayed the whims of the Hoover propagandists. It was said that Senator WILLIS sought to "hog tie" the delegation. This was the exact opposite of the fact, which was that Senator WILLIS insisted that the delegates he would win were to be bound to vote for him only so long as the majority of the delegates from Ohio, nominally committed to him, believed that he had a chance.

As a matter of fact, Senator WILLIS was more liberal in his interpretation of the position of a favorite son of a great State than any Republican in the memory of those who had followed a long line of

Ohio-sponsored candidates. Others had demanded personal attachment until personal releases were given. The selection, too, of delegates was left to local organizations without attempt to "hand pick" except for the delegates at large, and here the party leaders were recognized.

The plain truth of the matter is now due above all times. The proposed delegation was not primarily a WILLIS delegation at all in the sense that it was composed of men and women who could be bartered and traded, and those who knew the men proposed realized it fully. But this is of the past.

Those who journeyed last night through a March blizzard to participate in the WILLIS meeting, or to be professional observers, felt that in the midst of what was a tragedy of deepest hue to the little college city they had added to the stock of prized recollections. Here was, after all, the favorite American theme—of the boy, born to humbleness, who had made the most of his opportunities and the most of his talents, had brought his laurels back for the old friends and neighbors to see, and had, in Goldsmith's beautiful lines, achieved the dream of the wanderer:

"I still had hopes, my long vexations past,
Here to return and die at home at last."

SINCLAIR AND DOHENY OIL LEASES

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lewistown Democrat-News, one of the leading Democratic newspapers in Montana, in its issue of April 28, 1928, relative to the Sinclair and Doheny oil leases.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BLIND JUSTICE

The Supreme Court of the United States, after pondering the facts presented with its traditional deliberations and discriminating judgment declared: "The Sinclair and Doheny oil leases were shot through with fraud and corruption." Juries in the Federal court in Washington have returned verdicts of "not guilty" following the trials of Sinclair and Doheny for their parts in the perpetration of this "fraud" and "corruption." The highest judicial tribunal in the land, comprising nine of our most learned men of the law, including a former President of the United States, and happily above and beyond any influence of money or power, renders a deliberate judgment. A jury of 12 laymen of no particular training of any sort reverses the highest court. In one trial the Sinclair defense offers one explanation of certain essential facts. In a second trial that explanation is abandoned and another is substituted. Secretary of the Interior Fall, under circumstances of suspicious secrecy, awarded to Sinclair, a multimillionaire, an oil lease presumably worth a very great sum of money. At the same time Sinclair delivered to Fall Government bonds in the value of more than a quarter of a million dollars. Secretary Fall, under the same attendant circumstances of secrecy, awarded to Doheny an oil lease worth, net, according to Doheny's own statement, at least $100,000,000. Doheny at the same time delivered to Fall a satchel containing $100,000 in currency. Sinclair and Doheny have both been acquitted. Fall may never be brought to trial. Sinclair delivers to the chairman of the political committee which represents the party in charge of the affairs of our Government and responsible for the appointment of Fall, $235,000 worth of Liberty bonds. Those bonds are used to liquidate a part of an indebtedness incurred in the election of the President who appointed Fall to the position which enabled him to grant these leases. Crooked big business, cynical big politics, to speak charitably, an inefficient jury system. A Government corrupted and corruptionists and conspirators permitted to go unpunished.

Silence on the part of many outstanding leaders in both major political parties. Increased cynicism of the general public in relation to efficacious functioning of our courts of justice when unlimited money—money in bonds and in cold cash, appears in the dock. A boy in Michigan sells a pint of gin and goes to prison for life. Sinclair bribes a member of the President's Cabinet and goes free. A man in New York steals a small quantity of food to give his starving children and is sentenced to jail. Doheny attempts to steal a hundred million dollar oil reserve from the Government and is acquitted. Justice sits blindfolded and its ears catch the rustle of bonds and bills while deafened to the piteous appeals of the humble unfortunate. Great men in high places stand mute in the presence of conspiracy affecting the honor of the Government; lesser men flout those who seek to arouse the national conscience to the dangers of sickening corruption. Some crack-brained radical harangues from a soap box and is held a menace to the established order, a "bolshevik." A man of great wealth defies decency, defies the Government itself, and is accounted a "solid citizen" of worth and social standing. Which is really the "bolshevik," the enemy of institutions for which many tens of thousands of men have died and millions have suffered willing privations? One Sinclair, safe behind his piled-up millions, is more of a menace to the perpetuity of this great Government than a thousand loose-tongued radicals spouting their heresies from a thousand soap boxes.

RIKER MISSISSIPPI SPILLWAY PLAN FOR FLOOD CONTROL

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the preceding day.

The resolution (S. Res. 217) submitted yesterday by Mr. FRAZIER was read, as follows:

*Resolved*, That Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, having replied to a recent request of the Senate for "an immediate report upon the merits of the Riker Mississippi spillway plan for flood control" by a statement solely presenting his opinions upon its demerits without one word respecting its merits, be hereby again requested to report more specifically upon the merits of the proposed plan for flood control.

Mr. JONES. Mr. President, I ask that the resolution may go over without prejudice. The Senator from North Dakota [Mr. FRAZIER] is not here.

The VICE PRESIDENT. The resolution will go over without prejudice.

RACIAL POLICY IN EXECUTIVE DEPARTMENTS

Mr. SMOOT. Mr. President, I would like to call the attention of the Senator from South Carolina [Mr. BLEASE] to a letter which was inserted in the RECORD on April 16, 1928, by him. The letter is unsigned, and therefore I do not know who its writer was, but the substance of the letter has reference to a statement made in it:

The Land Office at its best a regular hell hole.

The letter which was inserted refers to a Mr. "Bully" McGee, a Mr. Keefer, a Mr. Obenchain, a Judge Harvey, a Mr. Parrott, and a Mr. McCall. I think that covers all the names that were mentioned. I do not know for what purpose the letter was put in the RECORD, whether political or otherwise, but I want to say to the Senator, if it was for political reasons, that every name mentioned is the name of a Democrat in the employ of the Government in the General Land Office. That would make no particular difference if the facts in the case, as outlined in the letter, were true. I merely wanted to call attention to the fact that every name mentioned in the letter is the name of a Democrat working in the Land Office.

Mr. BLEASE. Mr. President, with reference to what the Senator from Utah has just said, I desire to say that it does not make any difference to me whether a man is a Democrat or whether he is a Republican; if he is trying to conceal the truth from the American people, I would just as lief expose, as I have done, a man in the highest office in the country or any other office regardless of his politics.

INTERMEDIATE CREDIT BANK, COLUMBIA, S. C.

Mr. BLEASE. Mr. President, in the Greenville News, of Greenville, S. C., of Tuesday, May 1, 1928, there appeared the following telegraphic dispatch from Washington by Associated Press:

MELLON REPLIES TO COLE BLEASE—SECRETARY SAYS HE KNOWS OF NO IRREGULARITIES AMONG LAND BANKS

WASHINGTON, April 30.—Replying to charges made by Senator BLEASE, Democrat, South Carolina, Secretary Mellon said to-day that he knew of no unusual conditions in the Federal land banks.

In resolution introduced earlier in the day, BLEASE declared that conditions "approaching a national scandal" existed in 6 of the 12 land banks.

The resolution asserted that Secretary Mellon was withholding the annual report of the Federal Loan Board and asked that it be transmitted to the Senate.

To this Mr. Mellon replied that the report would be sent to Congress in its routine form.

Consideration of the resolution went over until to-morrow at the insistence of Senator CURTIS, Kansas, the Republican leader.

A resolution by BLEASE asking an investigation of the Columbia, S. C., land bank is pending in the Banking Committee which has asked the Farm Loan Board for a report.

I would like to call the attention of Mr. Mellon to the fact that the resolution was introduced on February 28, 1928. I would also call his attention to letters and statistics and other facts inserted in the RECORD on March 8, 13, 24, 26, and on April 2, 5, 13, 19, 20, 25, and 30, and that he also could get the proof which I filed with the Secretary of the United States Senate, and for which I hold the Secretary's receipt. I also desire further to enlighten Mr. Mellon by asking that there be published, as a part of my remarks, an article by Huston Thompson, a former member of the Federal Trade Commission, published in Farm and Fireside, of New York.

I ask also that there may be printed in the RECORD a number of letters from stockholders, protests from farm-bank people from all over the country—Oregon, Michigan, Wisconsin, Illinois, and many other States—so that the distinguished Secre-

tary of the Treasury may know that the reason why he has not heard of these scandals is because he is so closed up in his business affairs that he will not let anybody reach him to give him the information.

The VICE PRESIDENT. Without objection, the article and letters will be printed in the RECORD.

The article and letters referred to are as follows:

[Article appearing in Farm and Fireside, New York, March, 1927]

GIVE US THE TRUTH!—VITAL FACTS ABOUT THE FEDERAL FARM LOAN SYSTEM ARE BEING WITHHELD

By Huston Thompson, former member of the Federal Trade Commission

(Interview with Gertrude Matthews Shelby, writer and specialist in cooperation, executive secretary of the National Committee for Cooperative Banks, who wrote the important committee report for the American Farm Bureau Federation's investigating committee on Federal farm loan system, printed in CONGRESSIONAL RECORD April 25, 1928.)

FARMERS NOW OWN 12 FEDERAL LAND BANKS WHICH THE POLITICIANS PILLAGE

Farmers who own fifty-five millions of stock in the 12 land banks of the Federal farm loan system are worse off than stockholders in any other reputable enterprise in the United States.

(NOTE.—As per report of Farm Loan Bureau of the Treasury Department, as of February 29, 1928, farmers had paid for $61,482,997.50 of the capitalization of the 12 Federal land banks and had paid for $717,440 of the capitalization of the same banks on loans made direct to these banks through agents, while individual farm borrowers had subscribed $115 to the stock. The Federal Treasury held $710,651 of the stock, the total capitalization of the banks being reported as $62,911,203.50. Economists wonder why the Federal Treasury has nearly three-quarters of a million of the peoples' money tied up in a strictly class banking institution, in view of the alleged need of money to tide over (?) the Coolidge administration's so-called "economy"(?) campaign? Why has not this money long since been devoted to reduction of taxes and the farmers' money used to fully repay to the Treasury this advance?)

WHY IS IT THAT FARMER OWNERS OF THE 12 LAND BANKS ARE DEPRIVED OF THEIR PROPERTY RIGHTS AS ENJOYED BY ALL OTHER CAPITAL STOCK OWNERS IN THE UNITED STATES?

Why?

In any normal corporation the holder of securities automatically receives by mail an annual financial statement which deals with that enterprise and no other. Farmers who hold stock in the 12 district land banks receive no annual report without solicitation. If they send to the Federal Farm Loan Board or the Superintendent of Documents in Washington for information they receive a pamphlet of about 50 pages addressed, as required by statute, to Congress, not to stockholders.

(NOTE.—In 1927 the Secretary of the Treasury withheld issuance of this report to Congress, as required by the farm loan act of 1916, until after Congress had adjourned, though in previous years the Farm Loan Bureau's report had always been released early in January. By thus withholding the release date of the report for about five months, Mellonized political plunders were able to safely avert a scandal in the maladministration of the 12 district land banks. They are playing the same game this session of Congress—the report is about five months late at this writing—May 1, 1928.)

GIVE FACTS, NOT JUMBLED-UP FIGURES

This contains a consolidated statement of the assets and liabilities of the 12 district land banks, in which the figures are lumped. It does not give separately financial statements showing the exact condition of each land bank, although complete separate statements are necessary to judge the welfare of the system. Since the farm loan is so organized that the liabilities or losses of one bank are in the end the liabilities and losses of the other 11, every stockholder has a right to demand this information. Every investor in farm-loan bonds would be protected by such publicity.

EVEN AN EXPERT CAN NOT UNDERSTAND THE FARM LOAN BUREAU'S REPORT—HOW CAN THE FARMER-OWNER OR THE BOND BUYER BE EXPECTED TO FIND ANY SENSE IN THE REPORTS?

This annual report of the Federal Farm Loan Board to Congress covers not only the billion-dollar Federal land banks system but includes also the annual statements of 50 joint-stock banks and a third system of the dozen Government-owned Federal intermediate-credit banks, sixty-odd more banks which have practically a second billion of assets. All three are discussed in the report, to the confusion of any but an expert in farm credits. Even for such an expert or an accountant the information given is wholly inadequate.

FARMER NOT SUPPOSED TO KNOW WHAT IS GOING ON!

If this report is not sufficient for such an expert to comprehend, the stockholder on the farm may conclude that he is not supposed to understand it. Yet—here is the predicament shared by close to 400,000 farmers—to get his loan he was compelled under the act to purchase stock in the land bank of his district. This was justifiable because farmer stockholders were guaranteed control. They were not permitted complete self-management as in all true cooperatives, but they were assured the right to elect the majority of the directors of the land bank in which they owned stock.

HOW FARM LOAN BUREAU TRICKED CONGRESS AND STOLE THE FARMERS' FEDERAL LAND BANKS

In 1923, upon the recommendation of the Federal board, the law was amended. Without the full knowledge of Congress stockholders were deprived of majority control, having thereafter the right to elect only the minority of each land-bank board.

FARMERS NOW OWN OVER $61,000,000 OF BANK STOCK, THOUGH THE COOLIDGE POLITICIANS COMPLETELY DOMINATE THEIR PROPERTY, DEPRIVING THE FARMERS OF EVERY CONSTITUTIONAL RIGHT TO MANAGE THAT WHICH THEY HAVE PAID FOR IN FULL AND WHICH THEY NOW OWN

To create the farm-loan system farmers pooled lands worth close to two and a half billions as security for a billion of outstanding loans. They put up hard cash in addition, fifty millions of it. Yet the dissemination of essential information was not assured, nor were stockholders encouraged to feel that they owned their banks and had free rein in their local farm-loan associations.

FARMERS NOT GIVEN STOCK CERTIFICATES AS ARE OTHER BANK STOCK OWNERS

When they became members of the system, bought stock, and received their loans they were given no certificates of stock. Individually they had nothing except a receipt for money paid to show that they had actually invested in the system.

FARM LOAN BUREAU HAMSTRINGS FARMERS WITH RED-TAPE RULES WHICH DEPRIVE THEM OF ORGANIZATION TO SAFEGUARD THEIR PROPERTY FROM NEFARIOUS POLITICIANS AND SELFISH MONEY INTERESTS

Upon the advice of the Federal Farm Loan Board the local associations generally employed nonstockholders, bankers or business men, as secretary-treasurers. Compared with the work of this position the pay was small. Secretaries were not primarily disposed to make a business of disseminating even such information about Federal farm-loan affairs as they received. The stockholders have been prohibited by the Federal Farm Loan Board from supporting out of the funds of their own local associations a national federation through which they could voice organized opposition to anything they considered either a neglect or an abuse of power.

FARM LOAN BUREAU SPEND FARMER'S CASH AND GIVE HIM NO STATEMENT OF ITS USE—NO STATEMENT GIVEN OF MORE THAN $500,000 SPENT—FISCAL AGENT'S OFFICE A LAW UNTO ITSELF THOUGH USING FARMER'S MONEY IN LARGE SUMS—"WHERE DOES MY MONEY GO?" ASKS THE FARMER OWNER, BUT RECEIVED NO ANSWER

Without the general knowledge of the farmers who foot the bill, the expenses of the Federal Farm Loan Board in Washington have swelled to more than a half million dollars annually. If stockholders sent to Washington for the annual report, they would not have found in it this item nor any statement of the expenses of the fiscal agent, his staff, and the offices for which farmers pay the rent.

FARMERS PAY HUNDREDS OF THOUSANDS OF POLITICIANS' SALARIES, YET KNOW NOTHING OF THE COST TO THEM OF THESE PILLAGERS

Farmers pay many hundreds of employees throughout this system who are political appointees, yet as stockholders have no uncontested way of finding out what it costs to maintain this huge force, including 600 appraisers and examiners constantly traveling over immense districts.

WOULD LIKE TO MAKE "ANDY" BIG BOSS

The Federal board, nominally a bureau of the Treasury but privately paid, has for years engaged the usual Treasury rules of monthly audit. The McFadden-McLean bill, just proposed at time of going to press, would transfer to the Secretary of the Treasury control of financial policies of the farm-loan system and administration of an essential part of the political patronage. The Federal board, deprived of certain powers, is to be left intact. Farmers will still pay all the bills of political management and be further taxed without additional and just representation or increased control.

UNCLE SAM IS MORALLY IN POSITION OF TRUSTEE FOR THOSE FROM WHOM CONGRESS STOLE PERSONAL PROPERTY AND RIGHTS TO ITS MANAGEMENT

Under such conditions it may be seen that the importance of information about all and every expenditure is greater than in the case of stockholders in ordinary corporations. Uncle Sam is morally in the position of trustee for those whom Congress has deprived of power to help themselves.

TIME TO STOP "HIDDEN SECRET" OPERATION OF A NATIONAL INSTITUTION—GIVE OWNERS AND BONDHOLDERS AN HONEST STATEMENT

The Federal Farm Loan Board can be a model in the matter of giving stockholders essential information. In language a layman could understand it might render a model service. In this great cooperative credit pool the bonds are all sold through a syndicate. An annual report should provide stockholders and bond buyers with a record of all

agreements under which these bonds are distributed. It should furnish a list of the investment houses participating in the sale of each and every issue. It should give the exact report of commissions or bonuses received. A separate statement of the assets and liabilities of each bank should supplement the present consolidated statement in the annual report. Additional information should cover the following points for each land bank for each fiscal year:

1. Gross earnings.
2. Deductions:
   Interest.
   Commissions and expense of sale of bonds.
   Operating expenses.
3. Net earnings.
4. Disposition of net earnings:
   Dividends paid.
   Carried to reserve account.
   Carried to suspense account.
   Undivided profits.
5. Dividend rate for each dividend payment.
6. Amount of stock upon which each dividend rate was paid.

DEPRIVE OWNERS OF RIGHTS AND INFORMATION FREELY GIVEN BY SUCCESSFUL PRIVATE CORPORATIONS OF THE COUNTRY—WHY?

Prof. W. Z. Ripley considers the financial and general reports of the United States Steel and General Electric corporations the best in the country. Why should not stockholders of the Federal farm-loan system get treatment equal to that furnished by the security holders of these private corporations? Certainly no right of control or management to which corporations are entitled should be denied to cooperative enterprises capitalized entirely with farmers' money.

AS LONG AS POLITICIANS RUN THAT WHICH PRIVATE PROPERTY OWNERS REALLY OWN, EVERY TAXPAYER HAS SOMETHING AT STAKE

So long as politically appointed men run a system which controls a lending power too vast to realize, extending over the entire country, every ordinary citizen has something at stake. If we are to marry political control to lending power we must guard against the development of the danger of government by secrecy.

ALL PROSPERITY AND PROGRESS HINGES ON GETTING THE FARM-LOAN SYSTEM OUT OF THE HANDS OF POLITICIANS AND INTO THE HANDS OF THE RIGHTFUL OWNERS—THE FARMERS WHO HAVE PAID FOR THE CAPITAL STOCK OF THE 12 FEDERAL LAND BANKS

If well administered, the Federal farm-loan system should increase agricultural prosperity, which supports all other industries. If not properly administered, such a system may prove detrimental to farmers and to other industries, introducing a new, subtle, perilous condition in politics.

Hence, it is fundamentally necessary that the Federal Farm Loan Board should give full information in simple and understandable language to stockholders on the farms, to bond buyers, and to the public.

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[Extract from article in Good Business Magazine]

UNCLE SAM, OPERATOR OF FARMER-OWNED FEDERAL LAND BANKS

One of the most gigantic steals of the age was when Congress, at the last moment of a long and weary session, and without the knowledge of most of the Members, passed, without roll call, an amendment to the fundamental farm loan act, advanced by as vile a gang of political tricksters as ever invaded the halls of the American Capitol Building, and deprived the half million farmer owners of the 12 district Federal land banks of their property rights. By doing this shady piece of work the Senate and House voted out of the hands of the rightful owners of this bank stock the simple privilege of voting it, as do all other American owners of bank stock, while permitting the "dear farmer back home" to assume the double liability to safeguard the banks against any losses which the Mellonized politicians might run up. We repeat, this gigantic steal, aggregating more than $61,000,000 of Federal land-bank stock, as of February, 1928, was without parallel in history, and should shame the most craven-minded alleged representative of the American people who now warms a seat in either the Senate or the House to immediate action. How these representatives have thus long remained calmly seated in the legislative halls, apparently suffering from the palsy of moral paralysis, is beyond the comprehension of folks who have been reared amid even common everyday moral surroundings.

THE FARMER PAYS THE FREIGHT

Added to this incomprehensible trickery way of treating the American farmer, in a legislative way treating him with even less consideration than the Indian, the same Congress passed another joker amendment whereby the farmer who now owns this string of 12 Federal land banks was forced—blindly, mind you—to pay the major portion of the bills which the political plunderers set up might wish to spend. How much money they have pillaged out of the farmer-owners no one knows; probably the Farm Loan Bureau itself has no idea, for their strange so-called system of bookkeeping does not permit of showing this; they set down important figures on wrapping paper or wall paper, which has become missing when Senators or Representatives of the House asked for a simple statement regarding their stewardship. But we do know that half a million dollars a year is being stolen from the pockets of the nearly half million farmers who now own these land banks, or about $1 per head per farmer per year. This, remember, is the "saving grace" of the modern political plundering going on under the title of "relieving the dear farmer."

THE POLITICAL GANG GETS ITS HANDS IN DEEP

Now, we must add to this tremendous drain on the American farmer's annual income—which everybody agrees is none too large—the enormous and unknown sums which the political gangsters all over the country pillage out of the pockets of the same farmers. There are the loan agents, who, although apparently held down to a commission not to exceed 1 per cent of the amount of the farmer's loan per year, have been known to dip in much deeper, and if these agents have the right kind of a "stand in" with the Mellon gang nothing is doing about it beyond sending out a "cake-eater" examiner, who "goes over the thief's books" and reports to the farmer-owners making the complaints that everything is O. K. They did that in the case of the loan agent located at Meadville, Pa., who not only withheld from the farmer-owners of the Crawford County National Farm Loan Association for a period of years a dividend from the land bank on their stock holdings, thus depriving them of participation in the "savings" (?) of belonging to that association, but the same examiner—D. J. Coughlin, of ill-famed reputation among farmer-operated and farmer-minded associations—also helped the same loan agent to hide in the matter of charging extortionate commissions on foreclosure proceedings, records of which may be seen by anyone in the local courthouse. The same Coughlin was mighty handy with both hands; in many associations where the local loan agent has been laboring in behalf of building up a cooperative organization that would really serve farmers, but who has fought the political red tape of the Farm Loan Bureau, Coughlin has been known to stoop to most doubtful methods of "blackjacking," and many are the good and faithful men in the service who quit as a result of his persecutions rather than remain in the ranks at the dole which the Farm Loan Bureau and land bank would permit as compensation to these "unfriendly" men to the pillaging process of the politician bankers.

NEED OF BLEASE INVESTIGATION

Senator COLE L. BLEASE, of South Carolina, has asked the Senate to name an investigating committee to go over the whole farm-loan system from top to bottom and already has produced most startling facts based upon authoritative statements of fact to substantiate his claim that everything is not right in the system. In fact, Senator BLEASE has demonstrated to the entire satisfaction of sound economists that there is "something very rotten in Denmark," and the only bridge to now cross to secure the much-needed investigation is to break down the barrier of political control which Mellon holds over certain Members of the United States Senate, who have held out about as long as they are able to in face of nation-wide public opinion for a real and searching investigation of the entire farm-loan system.

GIVE THE FARMERS THEIR LAND BANKS

This investigation is essential for two or three reasons, the most important of which is that it is needful that the United States Government determine to what extent the political plunderers have illegally expended the money of the American farmer-owners of the land banks; that the Congress may make an appropriation ample to repay these farmers the amount which political appointees have spent which does not belong to them. Congress repaid to the Germans that which was taken away from them during the World War; surely the same Congress should as willingly repay to their own farmers that which the Harding-Coolidge pillage crew has stolen from these farmers. It is a handsome bill Congress owes these farmers, but the quicker they pay it the sooner they may join the forces of honest, square-dealing, self-respecting manhood. As the matter now stands, no representative, either in the Senate or the House, can do other than hang his head in shame that he is partner to this gigantic steal from the farmers unless he be so craven in his warped moral viewpoint as to be beyond human relief.

The Blease investigation is needful that the truth may be known. Irrespective of the fact that Congress stole from the farmer that which he has paid for and which he rightfully owns and which is now personal property as much as the soil he tills from a national standpoint, the criticism of the maladministration of the Farm Loan Bureau's political wrecking crew has been so widespread as to call for a searching investigation.

WHAT ABOUT THE SPOKANE LAND-BANK MANIPULATIONS?

No report has been given the farmer-owners or the country with respect to the receivers' committee named to act in the Spokane Federal land-bank case, although the property rights and the property possessions of half a million farmers is now, as for a long time past, been bound by the action of that secret-working committee. What they have spent, or agreed to spend, or their gifts of land to this man or that, is unknown. Thus far they have revealed no desire to give the farmer-

owners, whose property they thus pillage, any hint of their activities; and the annual reports of the Farm Loan Bureau have been withheld on two occasions by the Secretary of the Treasury many months past the usual release date. This, we take it, for the purpose of averting an acknowledged scandal, which would surely spread to every part of the United States, were real facts revealed. The Senate committee should go after the real facts about the Spokane bank case.

FEDERAL LAND BANKS NOW WALK THE LINE

It is no secret that the financial condition of half a dozen Federal land banks, including Spokane's, now are in open jeopardy. The political directors of these banks are hoping that they can remain seated over the "fire hole" until after Congress adjourns, and that the big smash which they now face may thus be held off so that the Senate will not, in keeping with Senator BLEASE'S wishes, name a committee to look into their shady deals. However, the Republican leaders are most fearful that these banks may go to pieces before the "dear people" can go to the polls next November and register their "solemn mandate" in behalf of the pillagers of the Coolidge crew, who are of the same stripe and shade, regardless of who bears the standards, as they have been for the past eight years.

EVERY FARMER BORROWER'S PROPERTY AT STAKE

Due to the mutual methods under which the 12 district Federal land banks are operated, under the present political régime, the stock and liability features of a farmer living in Maine may be jeopardized by a financial wreck in a bank in Spokane. Each of the half million farmers stands to lose by any wreck in any land bank. Thus the Senate, acting for the farmers, whose hands they tied and whose property they helped the present Mellon crew to steal, should now name a committee to fully investigate the condition of all banks, that they may assist in averting a crash which may result in a loss of many millions to farmers if the searchlight is now turned on instead of some months hence. The investigation is bound to come, for Mellon can not much longer stem the tide; the quicker the investigation is held the larger the saving to the farmer-owners and the less the disgrace to the shameless Coolidge crew.

IS HE A DOUBLE DEALER?

And is this man Coolidge a double dealer? We wonder! Speaking before the Daughters of the American Revolution in Washington, on April 16, 1928, he said, in part, with respect to the Government operating private business:

"If it is desirable to protect the people in their freedom and independence, if it is desirable to avoid the blighting effects of monopoly supported by the money of the taxpayer, if it is desirable to prevent the existence of a priviliged class, if it is desirable to shield public officials from the influence of propaganda and the acute pressure of intrenched selfishness, if it is desirable to keep the Government unencumbered and clean, with an eye single to public service, we shall leave the conduct of our private business with the individual, where it belongs, and not undertake to unload it on the Government."

If Cal is sincere in the above statement, why has he waited so long to forward a message to Congress, and why has not the "White House spokesman" long since whispered something about returning to the American farmers those 12 Federal land banks which his—Coolidge's administration—stole from the selfsame farmers?

Or, did Cal wish thus to add his name to the illustrious heroes of America and stand, for a moment only, in the shade of the overspreading career of Abraham Lincoln, who said with respect to the Federal Government getting into private business?—

LINCOLN AGAINST GOVERNMENT OWNERSHIP

"The legitimate function of government is to do for the people what needs to be done but which they can not by individual effort do at all or so well for themselves."

STEALING PRIVATE PROPERTY

The amendment to the fundamental farm loan act of 1916 really deprived hundreds of thousands of farmers of their property—the capital stock which they had paid for in the 12 Federal land banks—without due process of law. The only honest way that Congress could have went about this steal—if steal they wished to effect—would have been to institute a legal action against the respective thousands of farmers, haled them into a justice's court, and secured a judgment against them in the sum of the capital stock which they had paid for, and thus legally stolen the property of the farmer. To have passed a blanket amendment which deprived these thousands of farmers of the powers to manage the banks which they owned, and the liability of which they fully assume, was one of the most cowardly tricks ever played upon any particular people anywhere, any time.

FARMERS DID NOT WISH PROPERTY STOLEN

Even had any considerable number of farmer-owners of these land banks went to Washington and vigorously requested Congress to thus subsidize their property holdings, it is most doubtful if any sane legislator would have consented, since to do this established a precedent that was both unsound and unsafe. However, the facts are that not one single farmer-stockholder of one single Federal land bank asked the Senate and House to thus steal his property. Those testifying and those lobbying for this gigantic steal were recruits exclusively from the ranks of the political Farm Loan Bureau, under the leadership of $25,000 Charles Lobdell, fiscal agent, hired to act for the politicians by the 12 politician presidents of the 12 Federal land banks, who he, as farm loan commissioner, named to preside over the destiny of those farmer owned though politically pillaged banks. It was a case of "You tickle me and I will tickle you." Lobdell handed these very common and inexperienced ward heelers jobs that paid four and five times as much as they had ever received prior to their rise to bank presidents, and so it was not so strange that, when Lobdell had manipulated things to best suit Lobdell, that these fellows held a little secret conference in Washington, at which Lobdell arose and nominated Lobdell to become fiscal agent of the banks at $25,000 per annum (two and one-half times as much as Lobdell was ever paid as member of the Farm Loan Bureau), that the same Lobdell seconded the nomination, and that Lobdell's dummy bank presidents voted "Aye, aye, Captain."

THE FARMER PAYS THE SHOT

From that day to this the farmer, who pays all the shot, has never received any statement of the amount that the same Lobdell had dipped into and taken from the same farmer's pocket. Not only does Lobdell make the farmer—through the district Federal land bank contributions to his fiscal office—pay his gigantic salary of $25,000 per year but the Lord only knows how much more the farmer is paying Lobdell as "expenses." Lobdell was shown, as per the report of the investigation of the American Farm Bureau's committee, to have dipped into Federal land bank funds and "played the Wall Street market," as a common stock manipulator. What will happen, some sad day, when the tricky and unsafe market "goes against" this manipulator, who takes the American farmer's money to play the races? The farmer, make certain, will pay (though he may not know it) all of the bill of Lobdell's stock-market manipulations.

Since neither the Farm Loan Bureau nor Lobdell has revealed the slightest disposition to render a report of his manipulations of this office—an illegal office, by the way, not mentioned in the farm loan act—the Blease Senate investigating committee should put Lobdell over the coals and search out the facts. If there is evidence of crookedness, the proper parties should receive a buggy ride at Government, not farmer, expense to that popular year-round resort down in Georgia.

THE LESS YOU DO THE MORE IT COSTS

Although the peculiar reports of the 12 district Federal land banks do show that gigantic sums of money are each month being contributed to the Lobdell office, for a purpose no one knows save those in the confidence of the politicians therein, now and again evidence of double dealing has been revealed.

LOBDELL'S SECRET BANK ACCOUNT

For instance, Lobdell carried a secret bank account in the Franklin National Bank in Washington, totals amounting to more than $70,000, and no vouchers or receipts were available. What was Lobdell doing with this money? Well, the Howell investigation showed that he was using some of it, at least, to pay his "worthies." D. J. Coughlin, his right-hand bower, while receiving from the United States Treasury compensation for acting as farm-loan association "examiner," and supposedly devoting his entire time and energies to this, was paid out of this secret Lobdell fund (which really belonged to the Federal land banks) money for doing some secret and unknown work with reference to handling bonds. We may well assume that Lobdell is now using money in about the same way he did while acting as farm loan commissioner, and seated upon a high and holy throne, sitting in judgment of the secretary-treasurers of the more than 4,000 farm loan associations whose books were audited (?) by his examiners of the Coughlin complex!

Enough evidence is, therefore, already in the hands of the Senate and House to fully warrant immediate investigation of the entire farm loan system which Senator BLEASE now requests, and not one moment of time should be further wasted in withholding from the American farmer, whose property has been stolen and whose money is still being misused to the extent of millions a year, and from the American public, who have a right to know how their Government is being administered, or more truly, maladministered, by the present wrecking crew in Mellon's offices.

Let us now have the investigation and let it be nation-wide, fearless, and all searching.

The hour has long since struck for the thieves of the farmer's land-bank stock.

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[Excerpts from letters, 1924 to 1928]

WHAT FARM LOAN STOCKHOLDERS AND LOCAL ASSOCIATION OFFICIALS SAY ABOUT THEIR OWN SYSTEM—STOCKHOLDERS PROTEST THAT THEY ARE DEPRIVED OF FUNDAMENTAL RIGHT OF CONTROL OF THEIR OWN PROPERTY, THE 12 LAND BANKS, GUARANTEED BY THE ACT

Farm Loan Board perpetuated political control: "Election was a farce * * * damnable outrage." (St. Louis land bank district:)

"The law as amended by Congress in 1923 gives the Farm Loan Board autocratic control over the associations. All they had to do

was to follow the law to perpetuate their control over the banks. The election was a farce. Also the reorganization of the banks on a permanent basis. Speaking of this district, there was no such thing as a reorganization, the old organization was simply continued. The Federal appointees being in control swiped up everything in sight. The three members elected by the farmers are simply eliminated. It is a damnable outrage on the farmers who own $41,000,000 of the $43,000,000 of stock. The farmers' representatives are at home while the political appointees are running the bank to suit themsleves. * * * The amendment of the last Congress relating to land-bank elections and reorganization was a genuine camouflage. It pretended to give the farmers an honest minority representation, when as a matter of fact it intended nothing of the kind."

Fears emnity of Farm Loan Board until law is changed: County Farm Bureau's agent (Oregon), Spokane Bank:

"The point of the matter is this, as the law now stands, the Farm Loan Board now controls four of the directors in the Federal land banks and the farmers three, while as you know the farmers are the principal owners of all the stock in the Federal land banks, but the control of these banks has been denied by various acts of Congress. * * * The fact still remains that the Farm Loan Board controls the operations of the Federal land banks and establishes its salaries by a majority of the board of directors. * * * I can not see any other way as long as this situation exists but what the farmers will have to submit to the political control which exists in Washington of the Federal land banks.

"I do not think there is occasion for the present high salaries paid some of the officers connected with the farm loan system. But it is useless to argue this matter unless this law is changed, as we will only incur the enmity of the Farm Loan Board."

Secretary St. Louis bank district:

"If I could honestly believe that Congress would tie a knot in the tail of the Farm Loan Board, I would not hesitate to answer your questions freely, but as I stated above, it seems to me that every move that has been made has tended to strength the hold of the Farm Loan Board."

"Our association's board is not satisfied with the way the election of directors of the Federal land bank at Spokane was held. We would like to kick at the Federal Farm Loan Board at Washington on several other scores. Will mention its un-American antagonism to district or State associations of farm-loan associations; its recommendations about the Federal farm loan act, depriving the stockholders of the Federal land banks of the right to elect six of the nine land-bank directors; giving themselves the power to levy on the several farm-loan banks for the expense of the Farm Loan Board without limiting the said expense; and last, but not least, the board's extravagance."

For complete freedom of the system from Federal Government prompts feeling for real cooperation or return to original act. Stockholder and appraiser for N. F. L. A., Kansas (Wichita bank district):

"In the matter of election of directors I think that there should not be any directors but what are elected by members of the association and are also members of the associations themselves.

"I think all secretary-treasurers of associations should be members of the association.

"I think that the Federal appraisers should be elected by the farmer directors.

"I would be in favor of the original act in regard to association—have six directors and the Government three directors.

"In regard to reserve fund, to amend the act so that when a member pays his loan he gets his portion of the reserve fund back."

No control for farmers: Michigan secretary and stockholder. (Requests name withheld:)

"We nominally were to select four of these seven directors, one being the director at large—so large, by the way, that he 'happens' to be the vice president of the Federal land bank at St. Paul—the other three being the hand-picked favorites of the bank, and, of course, the Farm Loan Board returned the compliment by selecting three good farmers (nit) like the president, secretary, and treasurer of the said Federal Land Bank of St. Paul. The hand-picked directors elected by the farm loan associations were, I believe, all bankers—at least the one from Michigan is—and, from the methods of propaganda, I judge the others are.

"We think the bank has put something over us in getting amendments to the Federal land bank act, so that the Farm Loan Board now has practically seven directors and the farmers not one to run their business, in which the directors or their political bosses have not one cent of cash, except their salaries and other things pulled out.

"Can you tell me of any other banking business on earth managed by those not having a cent of money invested in same?"

Control in hands of Government appointees: Stockholders deprived of power to defend themselves. Nebraska secretary and stockholder, Omaha Land Bank:

"The law has been changed so that it now gives complete control of the system into the hands of Government appointees, to protect the interests of the bond investors and taking away from the borrowing stockholders the power to defend themselves against the gross extravagance in operating the system that reduces dividends which belong to stockholders.

"If the dividends were getting too large in the estimation of the board, why is it not as good an arrangement to pay secretary-treasurers a little more for the work as it was to boost the salary of a farmer member of the Farm Loan Board to $25,000? It seems since the permanent organization the strangle hold is a little stronger than ever on the associations and the liberalities all going the other way."

"The actual government of the Federal land banks should be put more under the jurisdiction of the stockholders, as the original bill was drawn." Kansas secretary, Wichita district.

Editor, Montana:

"As it stands to-day the Farm Loan Board is the whole thing. The borrowing farmers are completely disfranchised."

Secretary-treasurer Springfield (Mass.) land bank district:

"To my mind the Farm Loan Board has exercised a repressive and unfriendly attitude toward the operation of the farm loan act from the very start. Through an amendment they retained their temporary organizations of the land banks up to one year ago. In response to general protests they railroaded through an amendment which changed the number of directors from nine to seven, four of whom are really appointed by the Farm Loan Board and three elected by the large group of associations in each district. There is no other organization in the country in which the members or shareholders own from 90 to 100 per cent of the stock and yet have no deciding vote in its vital affairs. 'A farmer is not supposed to be interested in affairs of the kind; it is his business to keep digging in the dirt.'

"One year we received 6 per cent on our Farm Loan Association stock. At the annual conference with the officers of the land bank the next spring there remained $240,000 of undivided profits. The officers debated with us the advisability of allowing a book credit to each shareholder or distributing the amount in extra dividends. They did neither, and you can imagine the consternation of some of our members when they were allowed only a 3 per cent dividend last year. Many farmers said, 'We pay them 6 per cent on their money and they allow us only 3 per cent for the use of ours.'

"The present administration of the act is working toward the elimination of the farm loan associations, as the men who carry on the work receive practically nothing for their services. This comes about through the centralization of all detailed work at the land banks, which, because of the large volume of business on their books and the liberal operating margin of 1 per cent (the difference between the interest paid on land-bank bonds and the rate the farmer pays on his mortgage), are now permanent institutions, whether or not they close another loan for the next 20 years. This was never intended by the original act, which visioned thousands of thrifty cooperative units throughout the land, uniting and encouraging that group of people who work harder and get less than any other class at the present time. If the farm loan associations can be crippled, the day of the joint-stock land bank is at hand * * *.

"If politics were not such a strong factor the administration of the act could have been placed in the hands of an impartial and friendly board who would have worked for its favorable growth, to the general good of the country.

"If I am correctly informed, the Farm Loan Bureau is the only bureau of the Treasury Department which is compelled to bear the expenses of its own supervision and operation. The Federal Government carries the expense of the national bank supervision, etc.—but here again the farmer is the goat.

"The American people are far removed from their Government and when their trusted electors traitorously barter their influence in playing the fortunate against the unfortunate, a disgust is overwhelming and we long for retaliatory justice. The originally magnificent Federal farm loan act is hardly recognizable to-day, and further sinister amendments will divest it of the last atom of any fine American spirit. * * * Mr. Lobdell, the farm loan commissioner, resigned his $10,000 job and bade farewell to his associates of the system. What are we outsiders to think when he comes back to a $25,000 berth, the expenses of which are to be saddled on the borrowing farmers?"

Unfair elections: Complained of in many letters from every district after the stockholders had waited seven years without any election whatever. They charge prearrangement by banks; "temporary officials."

NOTE.—Documents show that in each district the president sent out a letter. Some other director, present or past, wrote about the president to all associations. In Wichita, for example, Miles La Sater himself wrote, and in the New Mexico territory John B. McManus wrote a mimeographed letter to all New Mexico secretaries. (Information given by a man not running for a directorship.)

"In Texas (Houston district) the two Farm Loan Board directors who would be dropped communicated with associations, advocating themselves for election."

In St. Louis, Omaha, Spokane, New Orleans, Baltimore, and St. Paul, Springfield, letters report same tactics used. Not specifically stated for three remaining districts, but indicated.

Secretary of the State of Idaho Utilities Commission, Boise, former secretary of the Mountain Home Farm Loan Association, wrote:

"The whole matter appeared to us to be prearranged, and there seemed nothing to do except to join in the program outlined. It occurred to us at the time that there should have been a method by which, as an association, we could have expressed more fully our choice for these nominees. * * * It occurred to us that southern Idaho associations should have had ample time to have called a meeting or to have communicated with each other to ascertain the desire of our district as to who should have been nominated for these positions. * * * We had no candidates for southern Idaho, due in my judgment to the fact that insufficient time was allowed for any action on our part."

National Farm Loan Association secretary:

"Will advise that the land bank advised us that a certain party was a candidate for director. Blank ballots were forwarded us, which were never completed. Everything was evidently arranged, so we did not even cast a vote."

"Glance at the results of the nominations and the final election as shown on pages 34 and 43 of the seventh annual report of the Farm Loan Board. You will see that the fake-election program was carried out throughout the system." (Texas secretary, Houston bank.)

INFORMATION DENIED TO STOCKHOLDERS FIRST BY FARM LOAN BOARD ITSELF, THEN BY LAND BANKS

(NOTE.—Information was not given to farmers' candidates concerning associations and their officials in the district prior to the elections in most cases. In Texas, upon pressure, the land bank did belatedly send information to candidates, but too late to permit them to get in touch with other secretaries. In Texas the land bank refused to call a meeting of secretaries before the coming election, so it was quite impossible to know whom, except the land-bank nominees, to vote for.)

All persons whose candidacy was initiated or supported by the bank could naturally get access to the lists on file there.

LAND BANK DISTRICTS SUBDIVIDED AT THE SAME TIME ELECTION NOTICES WERE SENT OUT AND INFORMATION EITHER INADEQUATE OR LACKING

Kansas man, Wichita district, writes:

"We were told that the two western tiers of counties of Kansas were tacked onto Colorado, but not told to how much of Colorado. Looks as though it were manipulated."

From Texas secretary:

"We candidates who were afterwards so badly defeated had to take a map and ferret out what associations were in our district * * *.

"Directors and officers of local associations have no organization, are not known, and can not hope to be elected directors of Federal banks. It takes time and money to make a campaign against the regular men. No one except party connected with present organization can possibly win."

From secretary and stockholder, Florida, Columbia Bank:

"Our association received circular letters sent out by the land bank to different associations advocating certain nominees at the same time they were notified of the election and the machinery. They must have been prepared and ready for mailing before information in regard to the election of directors was mailed to all associations. This would indicate that the election was controlled from a central point and the candidates who were advocated by these circular letters were all elected, and from the annual report of the Federal Farm Loan Board * * * these directors elected were very satisfactory to the Farm Loan Board."

APPRAISERS USED

From the Spokane district:

"I was asked by an appraiser to support a southwest Washington man who was a candidate. A list of names of the candidates was sent us in time for the election, but we did not know any of them, nor did we have time to find out about any of them. Mr. O'Shea was the only one we knew at all."

From the following districts comes similar testimony: Houston, St. Louis, Baltimore, St. Paul, Wichita—six at least—that appraisers have been used to influence vote.

STOCKHOLDERS' MONEY USED BY TEMPORARY OFFICIALS TO DEFEAT FARMERS' CANDIDATES

"At the time of the election we received a telegram advising us that certain candidates would interfere with the policy of the bank." (National Farm Loan Association in Nebraska, Omaha Bank.)

"The land bank plastered the district with communications." (Stockholder in Baltimore district.)

Appraisers appear to have used stockholders' money for telephoning, traveling, telegraphing, to secure election of land-bank officials.

Kansas secretary (Wichita bank): "Not a single director is identified with a farm loan association."

Another Nebraska secretary in Omaha district writes: "If you know of any land bank director in any district who actually represents farmers, please send me his name and address so that I may write and congratulate him." Also, "There was absolutely nothing in the methods followed in the elections to allow a fair presentation of candidates and a full, free, and fair expression of choice by associations."

COMPLAINTS OF ADMINISTRATION—INTEREST RATES TOO HIGH

Another Nebraska secretary (Omaha bank district) answers a question about the restrictions on loans that there is no limit to the number of applications that are allowed his association, because farm loan rates "are higher than old-line rates, and only the undesirable and slow loans apply."

Texas secretary (Houston Land Bank district): "The interest rate should be reduced. Old-line loan companies are loaning money at 5 per cent, while most of the land banks charge 5½."

Letter from secretary of Anderson, Ind. (Louisville bank), already in record of hearings, shows same conditions prevail in Louisville district. A number of others make the same point, indicating that from Canada to the Gulf and the Rockies to the Alleghenies the rate is now higher than charged by competing mortgage companies. (This is feeding the enemy, is it not?)

Oklahoma secretary (Wichita district):

"The per cent held by the Federal land banks of the total loans in force in this territory is small, but it is enough to cause or contribute to the closing of the agencies of the more substantial loan companies formerly operating in this territory, with result that a higher rate obtains than when the companies were competing.

"Few loans are made (by the land bank) in the amount applied for. Usually the amount is cut just enough either to make the loan impossible or undesirable."

POOR SERVICE

Delay, whether unintentional or intentional, results in forcing farmers who want loans to turn to private sources, from which they get reasonably quick service, says the president of a Kansas bank (Wichita district).

"As a banker with 22 years' experience in this locality, I have come to the conclusion that if the Federal farm loan law was properly administered it would serve the purpose for which it was intended. I have been secretary-treasurer of the local association ever since its organization, and if I ever get forgiveness for taking the job I don't believe I would ever be guilty of the same offense. As secretary-treasurer you do the work for practically nothing, and there is so darn much red tape connected with getting a loan through that I have just about given up in despair. I believe in the law and want to see it succeed, but from my observation it has had rotten administration." Six other bankers in various districts likewise serving as secretary-treasurer of farm loan associations make similar complaints.

A New Mexico secretary (Wichita):

"Loans are not acted on with reasonable promptness. As an instance, acknowledgment of receipt of application dated October 19, 1923; notice of approval dated February 14, 1924. Four months after."

Several hundred letters from Texas, Wichita, Spokane, New Orleans, and Columbia districts specifically complain that service is "unreasonably slow."

INADEQUATE SERVICE REPORTED IN SEVERAL HUNDRED COMMUNICATIONS

Appraisers complained of in the Berkeley bank district. Secretary-treasurer, National Farm Loan Association, Utah:

"Our troubles do not come from the way our director was elected, but they come from what we believe incompetent Federal appraisers—men who are not taken from practical farmers, but usually, we believe, from men appointed through politics. For instance, Senator SMOOT had his son-in-law—so we are told—to be the chief supervisory appraiser for this bank district appointed. He then appoints an assistant, who does the real work. The assistant is a man from California, who took a law course—from my own observation absolutely unqualified for a position where he had the lifeblood of some poor struggling farmers in his hands. That man turned down loans upon the best farms in the district, and farmers the best qualified to operate successfully that could be found in the United States. (Cites specific cases and values.)

"These fellows act as though they were appointed to see that worthy people did not get loans. How could the system be more quickly undone than by the men playing into the hands of the local banks who gladly pick up such risks after they—borrowers—have been worried almost to death by our muddled-up methods?"

From secretary and stockholder, St. Louis district, Illinois:

"It has been practically impossible to get a loan for this association. They have turned down thousands of dollars worth of business for us, notwithstanding the security has been good and sufficient and just such security as gets the money from other investors.

"The bank at St. Louis is afraid of a State organization of farm-loan associations and hence is against it. They want absolutely to dominate everything, just as they are dominated by those higher up. You may know how the Farm Loan Board fought our national union of farm loan associations. They finally threatened to boycott any association using its own money to join the national association. So vigorously did they—the Farm Loan Board—prosecute the associations that the spirit of organization was killed. They never made a greater mistake. They knocked on the head the only source through which the banks can get business, viz, the farm loan associations."

From secretary in Oklahoma, Wichita district:

"One Federal appraiser, a city boy, was out on his first trip, and I picked up a handful of soil and asked him how he would classify it, and this was his reply:

"'Don't ask me anything about soils for I don't know a thing about soils.'

"Another appraiser did his work at 11 p. m. of a dark night and cut $700 from a $2,500 loan to make it look like he was a careful appraiser."

"We were afflicted with a worse one—but why bother? It is 'pull.'"

REJECTION—DISCRIMINATION

No information to stockholders about their business. Poor appraisers.

Secretary Idaho Farm Loan Association (Spokane bank district):

"Until recently this association has never been able to get a statement as to the condition of the Federal Land Bank of Spokane. During the past month such statement was received and the indications are that there will be less secrecy as to the workings of the bank. Loans will be disallowed without any explanation and the secretary-treasurer is unable to get the reason therefor. If he could get information as to why the application was disallowed he could avoid taking applications of this kind in the future.

"This association objected, together with four other associations, to a certain appraiser's methods, and since then we have not had adequate service. While we are not trying to dictate who our appraiser shall be, we find that there is an appraiser near here who has had nothing to do for several months."

From Michigan secretary:

"There are something like six appraisers in the Michigan area, but we can not get service."

COUNTY AGENT NOW BOSS

President Farm Loan Association (New Orleans bank district):

"On account of delay in getting applications through and the expense attached for the loan, we are receiving no applications in our association. * * * The land bank at New Orleans reduces our loans from one-fourth to one-third below the amount of our careful appraisement. The bank is also now demanding that the loan be recommended by the 'county demonstration agent,' which makes him virtually dictator or boss in this county, and which we believe is in violation of the Federal farm loan act."

AGRICULTURE SUFFERING

Michigan secretary (April 5, 1924):

"Farms are being foreclosed here because of delay in making appraisements."

Secretary-treasurer Texas Farm Loan Association (Houston bank):

"We notice the latter part of the first paragraph of your letter of the 4th instant refers to the adequacy of amount of loans being made. We will say that after the Houston meeting of secretary-treasurer, where my friend, the district appraiser, hereinabove referred to, was hissed by the secretary-treasurers (the writer not being one guilty), this appraiser tightened up on his appraisals to such an extent that of the 17 applications we succeeded in getting 3 loans through.

"We had one application for $17,500 whereon the appraiser offered $70 per acre, and the land sold the next week for $175 per acre for cash under forced sale, when there is a Federal loan made through this association within 600 yards of this land of $86 per acre of land this appraiser admitted was not as good as that which I offered.

"During the same period I offered an application of $25,000 on 600 acres, formerly the stock farm of ex-Senator Bailey, of Texas, and was offered $17,000. The owner is now closing a loan with an old-line firm for $20,000. I had another application whereon he offered $2,300 on 100 acres, and within three weeks the party obtained a loan of $3,500 from an old-line company.

"We hasten to say, however, that recently our appraisals are picking up." (This man testifies that the appraiser stood over him and the association board during their election and induced both him and the board to do precisely what the land bank wanted.)

(NOTE.—The allotment plan in regard to applications for loans is shown by letters to be now used by Columbia, St. Paul, and Wichita banks. That is, each association is told that it may receive a given number of applications for loans. The number apparently is not an equal allotment to each association, but an arbitrary parceling out of the opportunity to get money through this system. It is possible to discriminate, first, in the number of applications allowed. On this plan it would be impossible ever to register the real loan demand upon the system, for it practically limits the business any association may hope to do. This allotment may have relation to the previous amount of business done in that locality, but that is not a safe guide to what the present may be. Such an allotment might be used by other money lenders in the country as a gauge of exactly how far they could go in competition for the local business. The allotment plan is a vicious limitation on the farm loan system, which tends to destroy even the regulatory effect of the system. As a disciplinary measure the land bank may starve a whole community by this plan. It may allot to one section of its district and not to others, thereby starving a whole State, for example. The power to make allotments should be prohibited.)

CONSERVATIVE AMOUNTS APPLIED FOR UNREASONABLY REDUCED BY APPRAISERS

From a Nebraska secretary (Omaha Bank):

"The amounts offered by the Omaha bank are not adequate and the service is much too slow. Senator GEORGE NORRIS is a landowner in our territory, and he would be willing to send to you for his perusal a list of amounts offered on farms that he will positively know from personal inspection, and he can judge whether southwest Nebraska is being fairly treated. If he so regards it, we shall bow—but we feel that the amounts are unfair. The bank has loaned $100 per acre in eastern Nebraska, and will often refuse $10 in this territory."

Testimony from association appraiser and stockholder in Kansas Association, Wichita:

"I have been one of the appraisers since the association was started, and have found that there has only been about 50 per cent of the applications that have got through, with 35 per cent of the amount of money recommended by the local appraisers."

Secretary National Farm Loan Association (Springfield district):

"My candid opinion is that the general policy of the Federal land bank is to do as little to compete with the local banks as possible. To my mind that is a mistake. The farmers need help and the benefit of the doubt far more than the banks. In our district the savings bank will always loan from one to seven or eight hundred dollars more than the Federal land bank. Again, the attorneys' fees, from $60 to $80, and the purchase of stock cuts the final amount."

COUNTRY BANKS BENEFIT

Colorado secretary (Wichita Bank):

"We have complained that our applications after having been judiciously passed upon by our local committee and again by our board of directors have been unnecessarily and in some cases unreasonably reduced by the bank, thus placing the borrower in an embarrassing position of having to go to a local country bank for a supplemental loan to clear an existing lien on his property, to refund which was his purpose in procuring the Federal farm loan. In this connection it appears quite evident that nearly all country banks have assumed an attitude of opposition in line with that of the national bankers' association, with which you are no doubt familiar.

"From the reports now available it appears that the earnings of the system are largely exceeding the dividends distributed to borrowing stockholders, and we desire to protest the diversion of the earnings of any portion thereof to investments in securities, office buildings, or salaries that appear to be out of proportion to the service rendered.

"We opposed the creation of a super bank at Washington."

Secretary and stockholder, farm loan association, Washington (Spokane district):

"We are rapidly losing our grip on the borrowing farmers of this county. They are afraid to place an application in our hands, knowing our inability to secure the closing of a loan within any reasonable time.

"Applicants marry, are divorced, and die between the signing of an application and the closing of their loans. Many of them linger with us a few months and then withdraw their application and go over to the Puyallup association, who have frequent Federal appraisings.

"Although the Puyallup association is taking more than the 1 per cent allowed by the amended law of July, 1920, while we are standing strictly by that law as you will see by comparing the inclosed circulars of the two associations, farmers would rather submit to be bunked out of a few more dollars if they can get action looking toward the closing of the loans. We protest against being penalized while the real exploiters are profiting by discriminations. We are not working off any high-priced, old-line insurance on our people, nosing in on their real estate, or conniving with any abstractor.

"We are close to the largest of the Sound cities, have three ferries and a large number of passenger boats, so your appraiser can run over here for three or four applications with no more cost per application than he would have for any one of a score of long drives he makes out from Puyallup. He can slip across at any hour of the day and be back in Tacoma in a few hours. There is no good reason why we should not have just as good treatment as Puyallup does."

PROTEST HOLDING UP OF UNDIVIDED PROFITS BELONGING TO STOCKHOLDERS

Demand surplus should be divided annually as intended by law.

Secretary-treasurer, Waverly, Iowa (Wichita):

"I think the surplus on hand, aside from the legal reserve, should be divided up among the borrowers who created it and to whom it belongs."

National Farm Loan Association (Wichita):

"Our chief complaint is that we do not receive dividends for periods where we have no delinquents. We think this dividend money is held unjustly."

Secretary-treasurer, Madison National Farm Loan Association (Omaha):

"The land bank holds up the dividends on account of one or two delinquent members."

National Farm Loan Association secretary:

"There is a matter I believe should be brought to the attention of Congress, and that is the lack in the Federal farm loan act of any

provision applying to the division of accrued dividends on the stock of members who pay their loan off in five years or who sell their land and the Federal land bank mortgage is assumed by the purchaser. Under the present conditions in either case the original borrower does not receive any of the undivided profits either of the Federal land bank or the association. As both of these banks must set aside 10 per cent of the dividends to reserve account, you will see that the arrangement is not fair to the borrower who sells or who pays off, or for that matter, to the borrower who sells or who pays off, or for that matter, to the borrower who carries his loan for the full time, as he would be in the same condition then as the other two are now."

Kansas (Wichita):

"All moneys not used up as expense by the Federal land banks in any fiscal year should at the end all be prerated to the stockholders instead of piling it up in half a dozen funds for somebody eventually to get away with. * * * Congress in passing the bill failed to say what the surplus or reserve in local associations was for. * * * Some provision should be made in the law so it would be used * * * in case of emergency."

Federal Loan Association, Idaho:

"This surplus belongs to borrowers—undivided profits—and those stockholders are the borrowers. The surplus should be paid back to the borrowers because they paid it. If not, it should be used by the banks to take care of loans on foreclosed farms."

Nebraska (Omaha):

"The practice of the Federal land banks piling up such large amounts as surplus funds above their legal reserves * * * is very unpopular among the stockholders."

Township National Farm Loan Association, Missouri (St. Louis):

"I have noted for some time that there were huge sums of money being carried as undivided profits. If these earnings are becoming burdensome and so tempting that the Farm Loan Board must resort to extravagance, then it seems to me that this temptation should be removed by having these undivided profits divided between the National Farm Loan Association as a cumulative dividend. This money belongs to stockholders and they should have it."

PROTESTS PATRONAGE

Berkeley secretary comments:

"I presume that the Federal Farm Loan Board appointments are all political favors and that men are appointed to such positions without any definite knowledge of farm values or economic rural conditions. The salaries of the board seem to be very excessive, and I also believe the officers of the Federal land banks * * * in private life would get about one-third of their present salaries."

Resolutions from certain associations call for independent investigation by congressional inquiry of Lobdell's manipulation to secure complete control for the Federal board and a $25,000 job for himself.

Phoenix, Ariz., Rogue River:

"Stockholders have been intimidated or refused information on vital matters, for example, disposition made of undivided profits; even the lists of associations and officers in the district or proper business inquiry."

Secretary-treasurer of Nebraska association:

"They have tried to influence our association to refrain from making complaints. I inquired about the large reserve held by them, and asked them whether it could not be divided among the stockholders, or whether the interest rates could not be reduced to compete with the old-line companies. They came back with a letter addressed to the directors urging my resignation. Freedom of speech, as long as you wrong no one, should never be discouraged."

(Intimidation to prevent federation. See documents (form letters) from Federal boards, Nos. 27, 29. Form 37, and others, containing threats of withholding lands.)

Secretary Federal loan association, South Carolina:

"Our association got word * * * that we were expected not to join any national federation, that if we did our applications might be held up on us."

The Federal land bank at Houston also tried to intimidate the borrowers at Hereford, Tex. They recommended the discharge of the secretary. Bank unsuccessful. Farmers retained Potts, who had brought in a million of business. Then the bank used another method.

"While the executive committee of the Federal Land Bank of Houston recognizes the fact that secretary-treasurers are chosen by the boards of directors of farm loan associations, yet we sometimes doubt if the borrowing membership of the Hereford association is advised of the position assumed by Mr. Potts and of his chronic attitude toward the Farm Loan Board and the Federal land bank. * * *

"If under these conditions the Hereford association desires to continue the services of Mr. Potts, you of course may do so; but the executive committee of the Federal Land Bank of Houston may decide to organize another association at Hereford to serve the future needs of borrowers in that territory.

"You are advised to send direct to the Federal land bank payments owing on the June and July installments."

By order of the executive committee.

THE FEDERAL LAND BANK OF HOUSTON.

Re federation. Oregon secretary writes concerning the prohibition of use of association funds for the support of an association of stockholders. "I'll say so. I was compelled to replace in our association's treasury money paid as membership fee in a federation of National Federal Loan Association before we were allowed to do business with the Federal land bank."

The result of such autocratic methods, Secretary of Iowa Farm Loan Association (Wichita district):

"They have got the strongest body of self-perpetuating officeholders, all responsible to the next higher up, that we have in the Government."

A FARM LOAN STOCKHOLDER MAY NOT EVEN COMPLAIN TO HIS SENATOR

Michigan secretary (St. Paul Bank district):

"Recently I made complaint to Senator COUZENS, which he kindly took up with the Farm Loan Board at Washington, with the result that my complaint was sent to the Federal land bank and I received a letter threatening a thorough investigation of the affairs of this association.

"I have had two examinations this winter in an effort to trap me in some irregularity in carrying out a multitude of rules and regulations promulgated by the Farm Loan Board.

"On his last visitation the examiner was kind enough to show me the real reason for his visit, as warning to me to stop complaining. The board has every letter I have ever written to anyone regarding the rottenness that is going on, and I will be glad if you will let them have this one. They are tied up hand and foot with Wall Street. Any fool could see that. They do not want the farmers to get their money at lower rate than the money sharks offer it."

POOR FARMER EXCLUDED FROM BENEFITS OF ACT

National Farm Loan Association secretary, Wyoming (Omaha district):

"The amounts approved by the Federal Land Bank of Omaha are usually so inadequate to the needs of the applicant, and the cost of the appraisal having increased, that the small farmer is prohibited from making application. If these methods are continued, the standard of the Federal land bank will certainly be lowered. We are unable to state who is responsible for this unfairness in valuations and low corresponding loans as approved by the board. The people who are developing the agricultural interests of this far-western State are deserving of more consideration."

Secretary Minnesota (St. Paul district):

"The farmers don't get satisfaction from the Federal land bank. The farmer has to be well farmed, with good buildings and no debts and rich before he gets a loan. Last summer I took applications for nine loans and only one could have got a loan. So I don't know what the bank stands for. Not for the farmer—for other bankers, I guess."

FARM LOAN HELP REFUSED TO THE LITTLE BORROWER

Secretary National Farm Loan Association (Spokane district) (recited cases of a worthy small loan refused):

"Now, we all understood that the farm loan act was to help a man get on the land. * * * They seem to want to cater to the big man and let the little man go unhelped. I could go into more details and call your attention to other cases, but I have written the Farm Loan Board at Washington and the bank repeatedly about these matters, and it seems of no use, so I almost have lost hope. I am a member borrower and a farmer living on the farm I homesteaded here in 1910. I have refused $2,000 an acre for my land."

Complaints from many other districts. New Orleans bank, however, has fine record.

FARM LOAN SYSTEM FAILING—WHAT ABOUT THE $10 FEES ON REJECTIONS?

Secretary Oklahoma association (Wichita):

"Under the present management the Federal land bank is a farce and a failure.

"They induce farmers to make application and put up their $10 for inspection and then cut the value of their land so low that the loan they offer the farmer is so low he can't use it, and he loses his $10 and other money he puts up to pay local inspectors. This results in deterring other farmers from making any attempt to get a loan from this bank and the farmer goes to some old-line loan and trust company and pays their high interest and commission notes.

"If you can induce Congress to take a hand in this matter and in some way have the bank make better loans, it will be a blessing to this country and save many a farmer from losing his lifetime's savings."

INCOMPETENT SERVICE—DISREGARD LOCAL ADVICE OF RESPONSIBLE MEN

Idaho secretary (Spokane) complains of limitation of service and says:

"I have no complaint to make as far as Mr. O'Shea is concerned, but he certainly has an incompetent bunch working with him. * * * I wish you could see some of the letters that farmers get from the new collector, A. B. Thompson. They are simply insulting. He will never accomplish anything until he changes his methods. * * * They have started foreclosure on some of the farmers that are on their places and would make good if they were given a chance. Then, again, in some cases where the farmers have starved out and gone and we have recommended foreclosure so we can get control of the place and lease

it to some one, they will just let it and charge the interest up to our dividends."

HIGH INSURANCE

Wisconsin secretary complains of high insurance required by the St. Paul Land Bank, particularly tornado insurance.

Also Indiana and Oregon secretaries, one of whom suggests one reason the secretaryship of the farm loan association is desirable to non-stockholders.

FACTS PROVIDED ARE NOT FULL ENOUGH FOR STOCKHOLDERS' LIKING

Kansas secretary believes examination and title fees are too high. Also asks for detailed annual report to stockholders of salaries and expenses paid by banks.

EXPENSE WIPES OUT SERVICE

Secretary-treasurer, National Farm Loan Association, Montana:

"We do not try to interest farmers in it (the farm loan system) any more, as the results do not justify us in charging them the necessary expense to render service."

OVERLAPPING OF TERRITORY

Wisconsin secretary complains that organizing it is "not wise and a poor policy for the Federal Farm Loan Board to pursue."

Unreasonably poor pay for secretary-treasurer protested by a very large number.

WANTS FACTS ABOUT ACCOUNT IN FRANKLIN NATIONAL IN WASHINGTON

Nebraska secretary demands to know why the Franklin National Bank account was kept in 1924 subject to farm loan commissioner's check, and whether the Federal board makes checks on any other account, as it is not under bond.

"Let us have more service and help a greater number instead of creating more offices and bigger salaries, which have not helped us in the least.

"The borrowers should own and control everything, by the consent of Congress."

Secretary Texas Farm Loan Association (January 5, 1927), Houston Federal Land Bank:

"As you will note, I am still secretary-treasurer, but they are making life miserable for me and business hard.

"The man Shropshire, who conducted a campaign in this district for Rowan Mills as director (of the Houston Land Bank) and whom I antagonized, has been chosen chief appraiser at Houston and has the routing of appraisers and the final approval of our loans. He has placed one P. W. Chunn, of 1809 South Tenth Street, Waco, Tex., as appraiser for my district. In the second quarter of 1926 I lost every application I received. He approved none high enough for me to get the loan. Early in December I had $46,000 applied for on six loans and I lost every one of them. Four of them he positively refused a loan on, and on two he reduced the approval below what the parties could use. He has become very dictatorial. His last act is assuming authority to write me letters in practically the same verbiage I usually get from the bank, advising me he has rejected certain applications and giving his reasons. I have been informed by two different secretaries, one of whom had another appraiser and one of whom had Chunn, that they refused to let him appraise for them. However, should I do that way, they could get the business through another secretary in this county. They have held my appraisals about 20 per cent under the average amount loaned by joint-stock land banks. In two instances there were double appraisals—by accident this was proved about two years ago. Last month I gave them applications for a loan to take up a joint-stock loan that had been running five years and they reduced it 20 per cent. Of course, I could not get it."

Louisiana secretary (New Orleans Bank district):

"Expense should be reduced."

Pennsylvania stockholder (Baltimore Bank district):

"Nearly four years ago I resigned as secretary-treasurer, and the place is now in the hands of a politician attorney, who is rapidly turning our association into a graft ring.

"One amendment to the law I strongly urge. Require the secretary-treasurers of all farm loan associations to be stockholders in the associations they manage, same as the other officers. He is the real life of the organization; he ought to be in sympathy with the troubles of the farmers and think in terms of the farm."

Nebraska secretary-treasurer farm-loan association:

"The officers of the Federal land banks are going to ruin the system unless something is done. It has come to a pass where large and profitable loans are the only ones desirable; all ordinary loans are rejected for some trivial excuse. It is only profits these banks are looking for; increased profits and increased salaries go together. New offices are being established all the time, and relatives of the officers, personal friends, and those of the same church affiliations are given nice fat jobs. The conduct of the bank at Omaha has been very noticeable for a long time.

"The office of 'pistol agent' at $25,000 per annum is ridiculed everywhere it is mentioned, and the other appointments—new directors or members of the Farm Loan Board at $10,000 per annum—are not in favor with the farmer stockholders of these land banks. The law provides for an election of directors of these banks, which is little less than a practical joke, so much so that any member of farm-loan associations do not go to the trouble to take any part in these elections whatever.

"The land banks claim that they can operate on one-fourth of 1 per cent of the profits. If this is the case—and we do not doubt it—why could not the borrowers have a little reduction in their interest rate? Why accumulate such large profits to be corrupted and spent in extravagance by the officers of the Farm Loan Board and the Federal land banks?"

Louisiana Chamber of Commerce secretary and farm-loan stockholder:

"By all means this department (Farm Loan Bureau) should be kept under close Government supervision, otherwise bond buyers will lose confidence in the securities and the farmers will again be in a bad way for money."

Secretary in Columbia Bank district:

"This meritorious institution will lapse into decay if some drastic measures are not passed by Congress."

Secretary National Farm Loan Association, Washington (Spokane district):

"What more could the great mortgage companies ask of us than we are giving them?"

POSTAL RATES

Mr. MOSES. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 883, the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes.

Mr. BRUCE. Mr. President, may I inquire what became of the retirement bill?

Mr. MOSES. It was the subject yesterday of a filibuster.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

Mr. BRUCE. Mr. President, I ask the Senator from New Hampshire whether he has an understanding with the Senator from Vermont [Mr. DALE] about taking up the retirement bill?

Mr. MOSES. I have an understanding with the leaders about taking up this bill.

The VICE PRESIDENT. Does the Senator from Florida insist upon a quorum call?

Mr. FLETCHER. I call for a quorum.

Mr. McKELLAR. Was the motion of the Senator from New Hampshire agreed to?

The VICE PRESIDENT. It was not. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edwards | La Follette | Sheppard |
| Barkley | Fess | Locher | Shipstead |
| Bayard | Fletcher | McKellar | Shortridge |
| Bingham | Frazier | McMaster | Simmons |
| Black | George | McNary | Smoot |
| Blaine | Gerry | Mayfield | Steck |
| Blease | Gillett | Metcalf | Steiwer |
| Borah | Glass | Moses | Stephens |
| Bratton | Goff | Norbeck | Swanson |
| Brookhart | Gooding | Norris | Thomas |
| Broussard | Gould | Nye | Tydings |
| Bruce | Greene | Oddie | Tyson |
| Capper | Hale | Overman | Vandenberg |
| Caraway | Harris | Phipps | Wagner |
| Copeland | Hawes | Pine | Walsh, Mass. |
| Couzens | Hayden | Pittman | Walsh, Mont. |
| Curtis | Howell | Ransdell | Warren |
| Cutting | Johnson | Reed, Mo. | Waterman |
| Dale | Jones | Reed, Pa. | Wheeler |
| Deneen | Kendrick | Robinson, Ark. | |
| Dill | Keyes | Sackett | |
| Edge | King | Schall | |

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present. The question is on agreeing to the motion of the Senator from New Hampshire to proceed to the consideration of House bill 12030, the postal rates bill.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with amendments.

Mr. MOSES. Mr. President, the bill now before the Senate represents a final conclusion on the part of the Senate Committee on Post Offices and Post Roads in dealing with the vexed question of postal rates, a question which has engrossed the attention of the committee, by subcommittee and through joint action with the House through a select committee for more than three years.

It will be remembered that the postal salary bill was vetoed by President Coolidge and that by a narrow margin the veto

was sustained, the basis of the President's objection to the measure being that it carried no additional revenue with which to meet the burden placed upon the Treasury by increases in salaries which Congress with great unanimity then voted. As the result, a postal rate bill was hastily framed. None of its authors claimed that it was scientific, and few of us felt sure that the schedule would be productive. As a matter of fact, it was not productive to the extent which the framers of the schedule had hoped. It lays burdens upon the users of the mails in almost every class of mail matter, burdens which, I am glad to say, were freely assumed in order that the beneficial salary legislation might be assured.

As time went on, however, the burden of these additional rates became apparent. Their unscientific character was known from the start, and their unproductiveness became much more evident. In consequence, the House sent to us earlier in the session a schedule of postal rates which returned in large measure to the schedules which had existed prior to the enactment of the legislation of 1925, and in some respects returned to the schedules which had existed even earlier than that; that is to say, with reference to rates on second-class matter.

Briefly, Mr. President, the House proposed a return to the old rates on first-class matter, a return to the rates of 1921 on second-class matter, a return to an earlier rate on third-class matter, and a return to the earlier rate on fourth-class matter. There were provided, however, some additional features, so that third-class matter might receive a treatment somewhat similar to that in the second class, in that a pound rate was established for that class of mail matter. The result of the House changes has been augmented by the changes made through the amendments submitted by the Senate committee, so that on the face of the facts as we now know them there will be an apparent total reduction in postal revenues of $38,550,000.

I ought to say, Mr. President, in justice to the Postal Service and in justice to the users of the mails, that two schools of opinion arise concerning those figures. One is that this represents the absolute net reduction in postal revenues which will result from the workings of the bill as now drawn. The other is that by a reduction in postal rates, especially for those classes of mail which constitute the great bulk and the great weight of the mail, there will be drawn back into the mails many millions of pounds of mail matter which was formerly carried in the Postal Service under the old rates, but which has been taken out and transported by express and other methods since the new and onerous rates were imposed by the legislation of 1925.

I ought to say that there is a marked divergence of opinion between the House and the Senate with reference to the rates on those classes of mail which are dealt with by the amendments proposed by the Senate committee. It is, therefore, desirable, inasmuch as so many people are affected by this legislation, that the bill should be sent to conference as speedily as may be.

In justice to myself, I ought to say in conclusion that some of these amendments did not meet my approval in the committee, and I voted against them; but, Mr. President, that does not dilute my duty as chairman of a committee. It is my business to bring the action of my committee to the floor of the Senate and to secure its approval here if possible. That does not dilute my duty, either, as a conferee, if I should be named to the conference on this bill, where it would then be my duty to stand by the action of the Senate.

Mr. FESS. Mr. President, will the Senator yield?

Mr. MOSES. Yes.

Mr. FESS. Is the $38,000,000 loss that is estimated on account of the Senate bill or the House bill?

Mr. MOSES. No, Mr. President. The total reduction made by the House changes from the existing rates is $13,585,000; but the Senate has added $24,965,000. If the Senator desires, I can tell him the items of difference.

Mr. FESS. No. The Senator, the chairman of the committee, is not convinced that the reduction will be that amount?

Mr. MOSES. Mr. President, I hesitate to give an opinion of my own about that. It has been represented to us everywhere, in the course of the hearings which we held in all sections of the country, that if the rates were reduced to the point where they are placed by the Senate committee's amendment, at least 100,000,000 pounds of mail matter of the second class which had been withdrawn from the mails under the high rates would be restored to the mails; that that amount of additional matter could be carried in the mails with no additional overhead charge and with very little additional compensation to the railroads for the space occupied; and that the estimate of the department as to the reduction in revenue caused by these lower rates could not be accepted wholly.

The Senator should have this fact in mind also in connection with whatever takes place regarding postal rates: The normal increase in postal business, as shown by the actuarial tables covering a long period of years, is between 6 and 7 per cent of the total postal revenues; and the postal revenues now, in round numbers, are $750,000,000. That, however, does not mean that that would be the full amount of the increase, because necessarily, through increases in personnel, through increases in transportation charges, through increases in additional quarters for the enhanced volume of mail matter, that would be reduced; but the point of view of those who maintain that the low rates bring matter into the mails, and the point of view of those of us who look upon the regular annual increase in postal revenues as an element to argue in behalf of this legislation, lead me to think that the results of the operation of this measure will not be as serious as the estimated figures would show.

Mr. FESS. Mr. President, if the Senator will permit me, I should like to know whether we are abandoning the principle of making the Post Office Department self-sustaining.

Mr. MOSES. Mr. President, the principle of making the Postal Service self-sustaining never has been applied, so far as I know. There is always an operating deficit in the Postal Service, and there is a bookkeeping deficit, the two figures not being alike; but the operating deficit has ranged as high as $39,000,000 in some years. In the years that I have had to do with the Postal Service my theory has been that the people of the country did not much care whether the Postal Service was self-sustaining or not; what they wanted was postal service, because there are certain very costly elements in the Postal Service which never can be made self-sustaining. The 40,000 rural free-delivery routes, for instance, never can be made self-sustaining; but nobody in the country would think of abandoning that service.

Mr. FESS. That is the embarrassing feature. There are certain divisions, like the rural service, that never can be self-supporting. I am aware of that; but I thought it was our purpose to make the service as a unit as nearly self-supporting as is possible, and that is why I voted against the measure before, being one of only three Senators who voted against it, not because I am satisfied with the salaries, but because I should hate to abandon the principle of making this service self-supporting to the degree that it is possible to do so.

Mr. MOSES. I do not see how a principle which never obtained can be abandoned; but the fact is that year by year the Postal Service comes nearer to being self-supporting. That is to say, the annual increment in postal revenues, unless some great additional burden like another salary bill is laid upon the Postal Service, would mean that within a comparatively short time, five or six years, the service ought to be substantially self-supporting.

Mr. GOODING. Mr. President——

Mr. MOSES. I yield to the Senator from Idaho.

Mr. GOODING. I should like to ask the Senator who is in charge of this bill if he is familiar—and of course he is—with the loss which the Government is now sustaining in the handling of second-class mail matter. It is my understanding that that is something like $86,000,000 at the present time.

Mr. MOSES. Seventy-six million dollars, according to the cost-ascertainment report.

Mr. GOODING. My advices from the Post Office Department, I think, are that it is around $86,000,000. If the Senate amendment is adopted, it means an additional loss of $7,610,000 on top of a very, very large deficit already sustained in carrying second-class mail matter.

Mr. President, why should we carry second-class mail matter at a great loss to the Government? Can not every line of business afford to pay the Government the actual cost of transacting its business? Why do we favor second-class mail matter by carrying it at a loss, or any other class of mail matter, so far as that is concerned—I do not care what it is? I do not think that any line of business has a right to ask the Government to transact its business for it at a loss, be it great or small; and the loss to the Government in carrying second-class mail is enormous, and that is admitted.

Mr. MOSES. I can only say to the Senator that two schools of thought exist with reference to that question also. The department, through its cost-ascertainment report, estimated the loss in the carrying of second-class mail matter at $76,000,000 a year, as I recall the figures. The publishers, however, maintained before the Joint Select Committee on Postal Rates—and maintained with very great force, and certainly with plausibility and with every show of accuracy—that the great publications more than paid the cost of handling in the mails. If we come to analyze second-class matter, however, it will be

found that the deficit of that class of mail arises from causes wholly dissociated with the great publications.

To begin with, every weekly paper printed in the United States is circulated in the county of its home office without paying any postage whatever. There are 6,000 publications which receive a preferential rate, a flat rate, all over the country—a rate approximating the very low rate on second-class mail matter which existed prior to the revenue legislation of 1917. To those two elements may be attributed the greater part of the deficit in second-class mail transportation. I imagine that no Senator would think of taking away from the country weekly the privilege of free circulation in the county; and when Senators reflect that the privileged class of second-class publications consists of the religious, scientific, educational, and agricultural publications, I imagine that most Senators would hesitate before depriving that class of publications of this preferential rate.

Mr. GOODING. Yet the Senator agrees with the department that its investigation of the cost of actually carrying the mail shows a loss now of $76,000,000. My understanding is that it is $86,000,000.

The point I am making is that these great publications that this bill will benefit have made a vicious attack upon agriculture in that they say that agriculture is "going to loot the Treasury" because it is asking a loan of something like $400,000,000 to enable the great business of agriculture to be carried on successfully; and that involves no loss to the Government. Every dollar will be paid back; but every year the Government is sustaining a loss in carrying second-class mail matter of, I say, from my information, $86,000,000, and you are going to add to that immense loss $7,600,000 more. It seems to depend on whose ox is being gored when we talk about "looting the Treasury."

Mr. MOSES. That is a fact with reference to most legislation that comes in.

Mr. PHIPPS. Mr. President, will the Senator yield for a question?

Mr. MOSES. I yield to the Senator from Colorado.

Mr. PHIPPS. I desire to know if it is the purpose of the Senator to ask that the amendments made by the Senate committee in the House bill shall be considered in their order?

Mr. MOSES. Yes.

Mr. PHIPPS. I thank the Senator.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. MOSES. I yield to the Senator from Utah.

Mr. KING. If it is the purpose of the Government, as indicated in the response of the Senator to the queries propounded by the Senator from Ohio, to make the Post Office Department self-sustaining, and the House bill provides for a deficit of only $13,000,000 and the Senate bill for a deficit of $38,000,000, why would it not be better for us to take the House bill and reject the labors of the committee of which the Senator is the able chairman?

Mr. MOSES. One answer to that, Mr. President, is the argument of business generally that low prices stimulate trade, and that by reducing the rates on second-class matter we shall attract into the mails again this 100,000,000 pounds of second-class mail matter which was driven out by reason of the high rates. The other answer is that, in the language of a great leader of the party to which the Senator from Utah belongs, we are confronted by a condition and not a theory.

Mr. KING. May I propound another inquiry?

Mr. MOSES. Yes, indeed.

Mr. KING. In view of the Senator's statement that further investigations were needed, if I understood him correctly, I should like to ask him why, after these years of investigation—and I know that the question of postal rates has been the subject of investigation for many, many years—facts have not been elucidated that will enable us to determine whether the Post Office Department's figures are correct or not? They report a deficit of between seventy and eighty million dollars in carrying second-class mail matter.

Mr. MOSES. Yes.

Mr. KING. Those figures are challenged. With all of these investigations, and with the vast amount of figuring which has been done by experts who have worked upon this scheme, is the committee of which the Senator is chairman now uncertain as to what the facts are respecting that matter?

Mr. MOSES. I am very clearly of the opinion, Mr. President, that the great periodicals against which the chief complaint is registered in connection with the great volume of second-class matter are probably paying their own way, in view of the zone rate of postage applied to their advertising. The great item of cost which produces the deficit in the handling of second-class mail arises from the small publications, so slight in weight that some of them, as shown before the committee, would take 120 to the pound, and yet each one of those pieces has to be given the same handling that a periodical weighing 3 pounds would have; and the 120 pieces pay only the cent and a quarter rate in the first zone, whereas the pound piece pays the same, or in multiples of that, depending on the weight of the periodical. Those are conditions in the Postal Service which can not be obviated by legislation, as I believe, although I understand that the Senator from Colorado [Mr. PHIPPS] intends to offer an amendment—which, so far as I can, I shall accept and take to conference with the bill—which would obviate a great deal of this cost of individual piece handling, or, at any rate, would make that kind of mail much more nearly pay its way.

Mr. KING. May I make one observation in the Senator's time?

Mr. MOSES. Indeed, yes.

Mr. KING. If the Senate accepts the Senator's suggestion and passes the bill in order that it may go to conference for further investigation, I hope the Senator and the conferees will not deduce from our action that the Senate approves of this bill. I think I shall vote for it to go to conference, but I want to assure the Senator that I am very much opposed to the bill. I think it will operate as a very great injustice to the Government and will result in very great losses, and in voting for the bill in order to get it to conference I hope that the Senator, as a conferee—and I am sure he will be—will not take the vote of some of us as an approval of the bill.

Mr. MOSES. I assure the Senator that I shall not misinterpret his position.

Mr. KING. May I make one further observation?

Mr. MOSES. Yes, sir.

Mr. KING. I understood the Senator to say that the Post Office Department had never been self-sustaining. My recollection is that four years out of six, or six out of eight, during an administration different from that which is in power to-day, the Post Office Department showed a surplus instead of a deficit.

Mr. MOSES. Well, that is still a question.

Mr. COUZENS and Mr. LA FOLLETTE addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Hampshire yield; and, if so, to whom?

Mr. MOSES. I yield first to the Senator from Michigan.

Mr. COUZENS. The Senator spoke of 100,000,000 pounds of mail matter going out of the service of the Post Office Department. Where does it go?

Mr. MOSES. Some of it is carried by express. Some of it is carried on trucks. Some of the large metropolitan newspapers, for instance, finding the zone rate to be, as they deem it, onerous, set up truck services of their own, which enabled them to take into the near-by territory their publications at a cheaper rate than that imposed by the postal rates.

Mr. COUZENS. Was that service satisfactory to them?

Mr. MOSES. Does the Senator mean the truck service?

Mr. COUZENS. Yes.

Mr. MOSES. Evidently not, because they want the lower rates so that they can put this matter back into the mails.

Mr. COUZENS. Evidently the service that they set up so as to take this matter out of the Post Office Department is not satisfactory; and they ought to pay materially more for better service, although they do not seem to be willing to do so.

Mr. MOSES. Possibly I made a bad choice of words, I will say to the Senator. There is a great element of safety to the mails when in charge of the Postal Service, which does not obtain when the mail is carried on trucks or by private conveyance. Most users of the mail look upon the element of safety as of very great value in the use of the mails.

Mr. COUZENS. Are they willing to pay for it?

Mr. MOSES. They think they are paying for it.

Mr. COUZENS. As I understand, the committee has not obtained any figures which enable them to arrive at even an approximate estimate as to whether that pays the cost of the service.

Mr. MOSES. I am willing to admit that there is no class of mail matter to-day, except letter mail, which is carried at anything like a profit in the Postal Service. In other words, the service exists for the purpose of rendering service.

Mr. COUZENS. Has the Senator any figures as to what the difference will be between the cost and what we receive on this particular class of mail as provided in the bill?

Mr. MOSES. The Senator means if the 100,000,000 pounds come in?

Mr. COUZENS. Yes.

Mr. MOSES. Immediately, I would say, we ought to get between six and eight million dollars.

Mr. COUZENS. Of additional revenue?

Mr. MOSES. Yes.

Mr. COUZENS. And to obtain that additional revenue, what will it cost the Government?

Mr. MOSES. In overhead, nothing.

Mr. COUZENS. No; but in actual transportation?

Mr. MOSES. The immediate reduction, according to these figures, $38,000,000.

Mr. COUZENS. So to get $6,000,000 worth of additional business we pay $38,000,000. Is that the idea?

Mr. MOSES. No; that is the business that is promised by the publishers to come in at once. Of course, it is thought that a great deal more will come in, and it probably will.

Mr. COUZENS. I understand the more that comes in the greater the deficit, because the actual handling is costing us more, regardless of the overhead.

Mr. MOSES. The Senator means the greater will be the cost on that particular class of mail?

Mr. COUZENS. Yes.

Mr. MOSES. That may be true, but the general deficit in the department will diminish from year to year.

I was in error in the figures which I gave to the Senator regarding the second class. I should not have charged this whole $38,000,000 to the second class, because, as the Senator would see from these figures which I quoted before, the total reduction in second-class zone rate revenues is $7,610,000, and we should get at least $6,000,000 immediately. My own opinion is we will get much more.

Mr. COUZENS. The Senator has not any figures, then, as I understand it, leaving the overhead out, which, of course, is reduced by the volume, as to the actual cost of the transportation between the new business we get and the actual cost of handling? The Senator has not any figures as to that?

Mr. MOSES. No; I do not think any exist.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. MOSES. I yield to the Senator.

Mr. NORRIS. I was interested in the colloquy the Senator just had with the Senator from Michigan, and I want to make inquiry of him about what he designated as the "truck" service. That applies particularly to the second-class mail?

Mr. MOSES. Yes.

Mr. NORRIS. The Senator says that is unsatisfactory to the people who are sending that kind of mail.

Mr. MOSES. Evidently, or they would not be clamoring to get back into the Government-carried mail.

Mr. NORRIS. The truck service is not Government operated?

Mr. MOSES. Not at all.

Mr. NORRIS. I believe the Senator said that the patrons sending that kind of matter through the mails regarded the Government service as much safer than the truck service.

Mr. MOSES. Yes.

Mr. NORRIS. I am rather dumbfounded at that. That would seem to indicate that the Government is doing more efficient business than these private parties who operate the trucks, where the blessed private initiative comes in. That seems to go contrary to the conviction that the Government ought to do no business, and that private people can do all business so much better.

Mr. MOSES. It ought to be said at that point, the Senator will admit, that the Postal Service is made up of very highly trained and responsible people, who have been long at it, and therefore have become very efficient.

Mr. NORRIS. Yes. I have an idea that argument would probably apply to other activities, like water power, and so forth.

I want to ask the Senator another question. On page 6 of the bill, referring to fourth-class matter, with the exception of a clause referring to a preceding paragraph, it seems to me that the charges for fourth-class matter in the first zone and in the second zone are exactly the same. Is that correct?

Mr. MOSES. In what zones?

Mr. NORRIS. The charges for mail matter in the first zone seem to be just the same as the charges in the second zone.

Mr. MOSES. Five cents; that is right.

Mr. NORRIS. Commencing on line 15, page 6, the paragraph seems to apply to postage rates on fourth-class matter in the first zone. Commencing in line 24, of the same page, the paragraph seems to apply to mail matter of that class in the second zone, but the charges are just the same.

Mr. MOSES. The Senator refers to the figure appearing in line 4 on page 7?

Mr. NORRIS. I am referring to the figures appearing in both those paragraphs.

Mr. MOSES. That is a typographical error, which I intended to have corrected as I came along to it. That should be 6 cents, in line 4, instead of 8.

Mr. NORRIS. In line 4?

Mr. MOSES. Yes.

Mr. NORRIS. Then, what about the 5 cents in line 24, on page 6, which is just the same as the 5 cents in line 16?

Mr. MOSES. That is true.

Mr. NORRIS. For that sized package, the charges in the two paragraphs are just the same.

Mr. MOSES. Yes; that is right.

Mr. NORRIS. What is the theory of the committee on that?

Mr. MOSES. That came to us, I will say to the Senator, by the somewhat circuitous route of the Post Office Department, the Post Office Committee in the House, and the House itself, and as originally drawn was carrying the zone service charge on all of the fourth-class matter. Because the service charge was there contained, that uniform rate was made in the first two zones. We have not undertaken to change those rates, because the opinion of the committee was that the parcels post could be made much more productive if we gave the uniform treatment in the two zones, the fact being that the great bulk of all the mails of all classes is carried in the first three zones.

Mr. NORRIS. Yes; but it always seemed to me that it was the theory of the parcels post—and I thought it was a correct one—that where there was any perceptible weight to a package, the distance of its transportation ought to be taken into consideration. For instance, you would take a package for delivery in the first zone for 5 cents for the first pound. For a pound package, or a package of any weight, it is 5 cents for the first pound, and 1 cent for each additional pound, and in the second zone it is 5 cents for the first pound and 1 cent for each additional pound.

Mr. MOSES. I think I can anticipate the Senator's thought about that by saying that the parcel post constitutes one of the great anomalies of the Postal Service, in that under the legislation of nine years ago, I think it was, the rate of compensation to the carriers was changed from a weight basis to a space basis, while we still continue to collect postal revenue on the weight basis. The result is that we find that the parcel post is very largely filled up, not with heavy packages, but with packages of considerable volume which are very light in weight.

Mr. NORRIS. As I understand it, then, the experience of the Post Office Department shows that for all practical purposes it costs just as much to the department to carry these packages the short distance of the first zone as it does the longer distance of the second zone?

Mr. MOSES. Yes; due to the changed character of the matter going into the mails.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MOSES. I yield.

Mr. LA FOLLETTE. I do not desire to let the full implication of the statement made by the junior Senator from Utah [Mr. KING] go unchallenged. Of course, the Senator has a perfect right to explain his reasons for voting for or against any measure; but it seemed to me, as he made the statement, that the clear implication was that there was a large group in the Senate who would support this bill merely on the theory that it is to be sent to conference. So far as I am personally concerned, and I know from the discussion in the committee so far as the majority of the committee is concerned, we are sincerely in favor of the recommendations made by the committee, and I believe that there is an overwhelming majority in the Senate who are sincerely in favor of the recommendations made by the committee.

Mr. MOSES. The chairman of the committee shares the opinion expressed by the Senator from Wisconsin regarding the opinion of the Senate as to the provisions of this bill, and the chairman himself is supporting this bill because of his belief in the intrinsic merits of very many of the recommendations which the bill contains.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Does the Senator from New Hampshire yield to the Senator from New Jersey?

Mr. MOSES. I yield.

Mr. EDGE. Has the Post Office Committee any records as to the bulk of second-class matter carried following the raising of the rate in 1920 and again in 1921? In other words, did the bulk of second-class matter materially fall off when the rates were raised?

Mr. MOSES. Yes. I ought to say, however, to be perfectly frank with the Senator, that there was one other condition which may have contributed to that, and that was certain administrative features in the Post Office Department.

Mr. McKELLAR. Mr. President, will not the Senator speak louder?

Mr. MOSES. I am referring to a class of matter which is very dear to the Senator from Tennessee, the "blue-tag" matter.

Mr. McKELLAR. I thought the Senator was about to refer to that, and therefore I wanted to hear what he had to say.

Mr. MOSES. The administrative features in regard to the so-called "blue-tag" mail were so changed, in many instances

being wholly abolished, that a very great deal of mail matter was withdrawn because of that. That is, the class of second-class mail matter as to which we can not estimate the amount which will be returned. As I said to the Senator from Michigan a few minutes ago, we know, from the figures presented in the testimony by some of the publishers, that a hundred million pounds is coming back at once. We think that a great deal more is coming back, because, as a necessary concomitant of these rates, we believe that the "blue-tag" service will have to be reinstated; that has been talked over in an administrative way with the department, and we have good reason for believing that.

Mr. EDGE. Has the Senator in his investigation through the department, or with representatives of the department, reached the conclusion that, through a return to the lower rates of 1920, as provided, as I understand, under the bill, there will be a sufficient increase in second-class matter at the lower rate to enable the department to transport it at a profit, or even to break even with it? Has the committee gotten that far in its investigation?

Mr. MOSES. I think it is very likely that the Government will break even, and for the reason that because of the space method of compensating the railroads, we shall be able to utilize the space in the mail cars much better than we do now; that is to say, paying for space in a mail car by linear feet, the loadings will be higher toward the roof of the car, and, without any additional compensation to the carriers, I think without question this added volume of second-class mail matter will come in, and the added revenue will be practically all "velvet."

Mr. EDGE. Recurring to a question which I understand was asked by the Senator from Nebraska while I was not in the Chamber, of course, that might account for the fact of private interests being ready to give up their independent transportation, in order to get a very much lower rate, and the Government, on the other hand, being able to transport the matter at a lower rate because of the volume of business they have, which is an answer, I think, to the suggestion that some business interests are prepared to use the governmental service when it is handled in that way.

Mr. MOSES. When it suits their interest, of course.

Mr. EDGE. Exactly.

Mr. COUZENS. Mr. President——

Mr. MOSES. I yield to the Senator.

Mr. COUZENS. I can not let the statement of the Senator from New Jersey go by in that way, because the Senator from New Hampshire said that the service was better and more reliable when performed by the Post Office Department than it was when performed by private trucks.

Mr. MOSES. I maintain that position, I will say to both these Senators, who may be on opposite sides of the question of Government ownership. I maintain the statement just made, that the Postal Service is superior and safer, and that is why these people want to come in and use it.

Mr. EDGE. I want to add my word of compliment, and to say that after a service has been developed through years and years of training, I would hope it would be much better than a casual service put into effect by some business interests.

Mr. MOSES. Mr. President, if possible, I would like to have the committee amendments taken up in the order in which they appear in the printed bill.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. MOSES. I will yield the floor to the Senator from Tennessee, if he wishes to make a statement.

Mr. McKELLAR. I want to make a statement.

Mr. BLACK. Mr. President, I would like to ask the chairman of the committee a question.

Mr. McKELLAR. I yield to the Senator for that purpose.

Mr. BLACK. I have some letters here complaining about the third-class rate. It was originally a protest against what was known as the Griest bill.

Mr. MOSES. That has been corrected by the Senate committee.

Mr. BLACK. It has been corrected in part as to the objections this writer makes. I will tell the Senator what the objections are and ask him about them. This writer states that under this bill, in order to obtain the benefit of the cheaper rate on catalogues for mail-order houses, a man must ship as much as 20 pounds. Therefore, he claims, the little man would not receive the benefit of the reduced rate, and that it would result in permitting the mail-order houses further to drive out the small-town merchant.

Mr. MOSES. I can hardly conceive of any house big enough to use a catalogue of any size at all that would not be depositing pieces that would be at least 20 pounds in weight.

Mr. BLACK. What objection would there be to giving a man the benefit of that rate if he shipped as much as 1 pound? Is there any reasonable objection? I am asking for information.

Mr. MOSES. The Senator heard my colloquy with the Senator from Michigan, I think.

Mr. BLACK. On account of the confusion I could not hear it.

Mr. MOSES. The great cost in the Postal Service is in the handling. Each piece, no matter how small, has to receive just the same handling as the biggest piece, and necessarily when we set up a pound rate for one class of mail, if that pound is to be composed of 100 pieces it is going to cost a hundred times more to handle that pound than it will to handle but one piece which weighs a pound.

Mr. McKELLAR. Mr. President, if the Senator from Alabama will permit me in regard to that question, I would like to make this statement: The change in rate from one and a half cents to 1 cent absolutely cures the matter about which the Senator speaks.

Mr. MOSES. The Senator from Alabama does not think so, however. The correspondent of the Senator from Alabama apparently does not think so. The Senator from Tennessee and I think it does; in fact, I am absolutely positive about it, but the correspondent of the Senator from Alabama does not think so.

Mr. McKELLAR. His letter was evidently received before the Senate committee made the change from one and a half cents to 1 cent.

Mr. MOSES. I am quite sure of that, because the protest of the Senator's correspondent was directed toward the Griest bill.

Mr. BLACK. As amended. What is the reduction in third-class matter—from one and a half cents to 1 cent?

Mr. MOSES. Yes; together with the reduction that goes with the pound rate.

Mr. BLACK. It has been one and a half cents?

Mr. MOSES. Yes.

Mr. McKELLAR. Mr. President, I have just a few words to say about the matter. The Senator from New Hampshire has made a very fair statement of the bill as it comes from the Senate committee. I want to say to the Senate also that this is substantially the same bill that was passed by the Senate last year and sent to conference, but which was not reported from conference.

Mr. President, the principal changes from the Griest bill are three. The Griest or House bill provides for the 1921 rate on second-class matter, to wit, to the first and second zones the Griest bill has 1¾ cents, while this bill recommends the 1921 rate of 1½ cents; for the third zone, 2½ cents according to the Griest bill and 2 cents according to the pending bill; for the fourth zone, 4 cents according to the Griest bill and 3 cents according to the Senate bill; for the fifth zone, 4¾ cents in the Griest bill as against 3½ cents in this bill; for the sixth zone, 5½ cents in the Griest bill as against 4 cents in this bill; and for the seventh zone, 7 cents in the Griest bill as against 5 cents in this bill. In other words, the Senate restores the old rates of 1920, so far as second-class matter is concerned, and the Senate has gone on record before by a very considerable majority in favor of those rates.

As to the third-class matter, it will be remembered that the rate was 1 cent up until 1925, when the Congress passed a bill raising the rate to 1½ cents. What was the result? The result of that increase of one-half cent caused, according to the statistics, 800,000,000 pieces of mail to leave the Post Office Department. In other words, with the same freight rates, with the same overhead, with the increased salaries, we lost, because of the increase in rate, 800,000,000 pieces of mail matter from the mails. The result was a consequent large loss in the revenues of the department. It not only injured business but caused a great loss in revenue to the department.

Mr. NORRIS. Mr. President, may I ask the Senator how much was the loss in revenue?

Mr. McKELLAR. It has been variously estimated. We do not know, and it is very difficult to ascertain. We do know that this enormous bulk of mail was sent into other channels of distribution, such as trucks, freight, and express.

The same was true of second-class matter. What we did several years ago was to increase the rate to a greater degree than the traffic would bear. The result was that much of our mail traffic went into other channels, like trucks, freight, and some express, and in that way the Post Office Department has lost enormous quantities of mail matter. The 1920 rates on

second-class matter should be restored. Our joint committee took a great deal of proof, and the evidence was overwhelming that enormous quantities of second-class mail matter would be restored to the mails if the 1920 rates were restored. I have no doubt we will get more revenue from the 1920 rates than we do now, and more than we would if the 1921 rates were adopted as proposed in the House bill.

As to fourth class, we all remember the situation. We added in 1925 a service charge of 2 cents on each parcel-post package. It was not a scientific rate at all. We just added 2 cents on each parcel supposedly for the purpose of increasing the revenue. The effect it has had is very difficult to state. Business decreased very much. The normal increase of 7 per cent for the whole postal system was not sustained, and while it is a question of dispute, yet in my judgment we sustained a loss of revenue because of that charge of 2 cents on parcels post.

Those are the three principal changes between the so-called Griest or House bill and the Senate bill. The Senate has already gone on record in favor of the changes, and I hope the bill may pass and be sent to conference so that we may get a law reducing the rates.

In the matter of reduction of rates on post cards, let me say just a word in conclusion. The old rate was 1 cent and it remained that way up until 1925, when we increased it to 2 cents. What was the result? Instead of obtaining an increase in revenue we lost an enormous amount of revenue. Not only that, but we put more postal-card concerns out of business than we might imagine, if they testified before the committee according to the facts, and I think they did. I think the chairman of the committee will agree with me that the post-card concerns all over the country stated that they had virtually been put out of business by the increased rate. We not only put them out of business in that way, but we reduced the Government revenues. In other words, we did with post cards just what we did with second-class matter or rather third-class matter. We put on a greater charge than the traffic would bear.

Mr. BLACK. Mr. President——

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. BLACK. I understand that part of these rates have been reduced on account of the fact that the higher rates were driving certain mail matter away from the Government.

Mr. McKELLAR. Yes.

Mr. BLACK. I see that catalogues are now placed at 8 cents per pound. What reduction is that?

Mr. McKELLAR. That is the reduction on catalogues.

Mr. BLACK. A reduction of how much?

Mr. McKELLAR. I do not remember what the old rate was just at this moment. I took exactly the same view the Senator takes about it. I did not think there was any reason for it. I did not think it ought to be in the law, and for that reason I offered an amendment in the committee which proposed to reduce the rate, as the Senator will see on page 4 of the bill, from 1½ cents to 1 cent for each 2 ounces. The Senator, by a simple mathematical calculation, will see that the 1-cent rate for 2 ounces makes a pound rate of 8 cents, which is the same as the catalogue rate. I see no discrimination there. In other words, the catalogue houses will not get any cheaper rate than does the small user of the mails for that kind of literature.

Mr. BLACK. On pages 4 and 5 of the bill, certain classes of mail matter are carried at 12 cents per pound, but further down we find several changes, including mail-order catalogues, which are at 8 cents.

Mr. McKELLAR. I can easily see how the Senator is confused by it. If the Senator will notice the amendment on page 4, line 10, he will see that the pound rate was a rate established on the theory that the regular postage for 2 ounces would be 1½ cents. A reduction of the rate on books, catalogues, seeds, cuttings, bulbs, roots, scions, and plants to 8 cents would be a very substantial reduction. In other words, it would have given to those particular commodities substantially a 1-cent rate, depriving others of the use of that rate. The amendment now in the bill, which I offered in the committee, reducing third-class matter to 1 cent for 2 ounces corrects that situation and, of course, the pound rate is immaterial, because it is just the same as if the pound rate had been stricken out.

Mr. GOODING. Mr. President, I express the wish that the hopes of the Senator in charge of the bill and of the Senator from Tennessee will be realized, and that an increased business, with the reduction in the price charged for all classes of mail matter apparently as appears in the present bill, will be the result. But I want to say to them that I am satisfied they are going to be disappointed. The Saturday Evening Post is not using the Government mails for distribution of their publication to any great extent, because they find that they can do it much more inexpensively by freight in carload lots, and this is, no doubt, true of other great publications.

The Saturday Evening Post, in a large measure, is shipped out in carload lots by freight, and in that way distributed over the country, and, of course, it is done more cheaply than the Government can possibly do it. I believe at the present time the post office is as efficient in its line of business as any we have in the country and that there is no waste or extravagance there. I do not understand how any transportation company can carry the mail any cheaper than the Government is carrying it and yet give the same service. Of course, we know that the newspapers are using automobile trucks to a very large extent. They are going to continue to use them because it means quicker and better service to them. I am satisfied that the reduction which is being inserted in the bill will not bring about an increase in the business of the Government, so far as the transportation of mail is concerned. The loss is not due to the price the Government is charging.

Again I object, so far as I am concerned, and I shall vote against the bill. I do not believe the Government should transact business at a loss for anyone. It is a wrong policy and dangerous, to my mind, and against the best interests of the Government.

The PRESIDING OFFICER. The clerk will state the first amendment.

The first amendments of the Committee on Post Offices and Post Roads were, under "Second-class matter," on page 3, line 12, to strike out "one and three-fourths" and to insert "one and one-half"; in line 13, strike out "2½" and insert "2"; in line 14, strike out "4" and insert "3"; in line 15, strike out "4¾" and insert "3½"; in line 16, strike out "5½" and insert "4"; in line 17, strike out "7" and insert "5"; and in line 21, strike out "7¾" and insert "5½," so as to make the section relating to second-class matter read as follows:

SECOND-CLASS MATTER

SEC. 4. Section 202, paragraph (a) (2), of the act of February 28, 1925 (43 Stat. 1066, U. S. C., title 39, sec. 283), is hereby amended to read as follows:

"SEC. 202. (a) (2) On that portion of any such publication devoted to advertisements the rates per pound or fraction thereof for delivery within the eight postal zones established for fourth-class matter shall be as follows:

"For the first and second zones, 1½ cents.

"For the third zone, 2 cents.

"For the fourth zone, 3 cents.

"For the fifth zone, 3½ cents.

"For the sixth zone, 4 cents.

"For the seventh zone, 5 cents.

"For the eighth zone, and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 5½ cents."

The amendments were agreed to.

Mr. PHIPPS. Mr. President, I think before adopting these amendments seriatim as it is proposed to do, it should be understood that the Committee on Post Offices and Post Roads was not unanimous in reporting the amendments. It was a very narrow question, as I am informed, and as the chairman of the committee may state. I was unfortunately prevented from attending the committee meeting at the time the bill was ordered to be reported out, but I left my proxy with the chairman in opposition to the increases which have been made by the committee.

Mr. MOSES. Mr. President, I may say to the Senator from Colorado that I made that statement in my opening remarks regarding the bill. There was a division of opinion in the committee and there were many of the amendments against which I myself voted in the committee and I also voted the proxy of the Senator from Colorado.

Mr. PHIPPS. I thank the Senator. I was sure he would do so. I merely wanted to have that understood before the vote proceeded.

The next amendment of the Committee on Post Offices and Post Roads was, on page 4, under third-class matter, to change the rate from 1½ cents to 1 cent for each 2 ounces or fraction thereof.

The amendment was agreed to.

The next amendments were, under fourth-class matter, on page 6, line 12, to strike out the numeral "7" and insert the numeral "5"; in line 16, to strike out the numeral "7" and insert the numeral "5"; in line 24, to strike out the numeral "7" and insert the numeral "5"; on page 7, to strike out the numeral "8" and insert the numeral "6"; line 10, strike out the numeral "8" and insert the numeral "7"; line 13, strike

out the numeral "9" and insert the numeral "8"; line 16, strike out the numeral "10" and insert the numeral "9"; line 19, strike out the numeral "12" and insert the numeral "11"; line 25, strike out the numeral "13" and insert the numeral "12," so as to make the section read:

The postage on matter of the fourth class shall be as follows:

"On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, 5 cents for the first pound or fraction of a pound and 1 cent for each additional 2 pounds or fraction thereof.

"For delivery within the first zone, except as provided in the next preceding paragraph, 5 cents for the first pound or fraction of a pound and 1 cent for each additional pound or fraction of a pound (and except where the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more, in which case the rates of postage shall be 8 cents for the first pound or fraction of a pound and 2 cents for each additional pound or fraction of a pound).

"For delivery within the second zone, 5 cents for the first pound or fraction of a pound and 1 cent for each additional pound or fraction of a pound (except where the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more, in which case the rates of postage shall be 8 cents for the first pound or fraction of a pound and 2 cents for each additional pound or fraction of a pound).

"For delivery within the third zone, 6 cents for the first pound or fraction of a pound and 2 cents for each additional pound or fraction of a pound.

"For delivery within the fourth zone, 7 cents for the first pound or fraction of a pound and 4 cents for each additional pound or fraction of a pound.

"For delivery within the fifth zone, 8 cents for the first pound or fraction of a pound and 6 cents for each additional pound or fraction of a pound.

"For delivery within the sixth zone, 9 cents for the first pound or fraction of a pound and 8 cents for each additional pound or fraction of a pound.

"For delivery within the seventh zone, 11 cents for the first pound or fraction of a pound and 10 cents for each additional pound or fraction of a pound.

"For delivery within the eighth zone and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 12 cents for the first pound or fraction of a pound and 12 cents for each additional pound or fraction of a pound."

The amendments were agreed to.

Mr. MOSES. Mr. President, on page 7, line 4, a typographical error gives 8 cents as the rate. It should be 6 cents. I move the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, line 4, strike out the numeral "8" and insert the numeral "6."

Mr. MOSES. This is the removal of the service charge. Through a typographical error it was not removed in this particular place.

Mr. McKELLAR. It is entirely all right.

The amendment was agreed to.

The next amendment was, on page 8, lines 3 to 9, to strike out the following proviso:

*Provided*, That the rate of postage on matter of the fourth class when mailed on rural routes shall be, for local delivery and for delivery within the first, second, and third zones, 2 cents less than the rates prescribed in this section, and for delivery within the fourth, fifth, sixth, seventh, and eighth zones, 1 cent less than the rates prescribed in this section.

The amendment was agreed to.

The next amendment was, on page 9, line 3, after the word "individual," to insert the words "as a service to county or other unit libraries or"; and in line 5, after the word "latter," to insert the words "libraries or readers"; and in line 8 to strike out "2 cents" and insert in lieu thereof "1 cent," so as to make the paragraph read:

(d) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholders or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations shall be charged with postage at the rate of 3 cents for the first pound or fraction thereof, and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third or fourth class matter shall apply in every case where such rate is lower than the rate prescribed herein for books under this classification: *Provided*, That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed.

The amendment was agreed to.

Mr. COPELAND. Mr. President, if I am inclined to find fault with this section, may I ask the chairman of the committee, the Senator from New Hampshire, whether I should do so now?

Mr. MOSES. If the Senator wishes to offer the amendment to this section which he offered in the committee, I would like to have him wait until the committee amendments are disposed of.

Mr. COPELAND. Very well.

Mr. MOSES. That completes the committee amendments.

The PRESIDING OFFICER. The bill is in Committee of the Whole and open to amendment.

Mr. PHIPPS. Mr. President, I send to the desk an amendment, which I ask to have read and which I will explain.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, after line 21, insert:

That section 202, Title II, act of February 28, 1925, is amended by the addition of a paragraph 4, to read as follows:

"(4) *Provided*, That in the case of publications entered as second-class matter where the number of individually addressed copies or packages to the pound is more than 16 and not in excess of 32, the rates of postage thereon shall be double the rates prescribed in paragraphs (1), (2), and (3)a of the act of February 28, 1925; where the number of individually addressed copies or packages to the pound is more than 32 and not exceeding 48, the rates of postage shall be three times the regular rates, and for each additional 16 individually addressed copies or packages, or fractional part of such number of copies or packages, there may be to the pound the rates of postage shall be correspondingly increased over the regular rates."

Mr. MOSES. Mr. President, I will say to the Senator from Colorado that, unless he wishes to make a statement about the amendment, I am prepared, so far as I am personally concerned, to accept it.

Mr. PHIPPS. I am glad to have that done.

Mr. McNARY. That authority does not lie within the chairman of any committee.

Mr. MOSES. I said "so far as I am personally concerned."

Mr. McNARY. That is not very far. I want to have the amendment stated. I do not know about it. It did not sound very good to me as it was read. I am not familiar with it and I certainly shall insist upon having it presented.

Mr. PHIPPS. If the Senator desires to have the amendment read again, I will wait for that; otherwise I will try to explain the purpose of it.

Mr. McNARY. I understood the language as read, but I am asking for an explanation of the purpose of the amendment.

Mr. PHIPPS. I am quite willing to offer an explanation.

The amendment is intended to cover a character of publications which are registered in the Post Office Department, under existing law and rule, as second-class matter. They are put out by different organizations in small pamphlet form and in many instances consist of not more than two or four pieces of paper no larger than the ordinary Senate committee reports, so that in many cases there are not in excess of 100 or 200 on which the pound rate is charged.

The purpose of the amendment is to assess against each 16 pieces weighing less than a pound the additional charge, which will not begin to cover the handling cost. It is estimated that the cost of handling and delivering a postal card is at least three-fourths of a cent; two postal cards, a cent and a half. But here we are delivering hundreds of these pieces of literature, great portions of which are wastebasket stuff—those that come to me are largely so—at a very excessive cost for service, for which there is no real compensation. The Post Office Department favors making this charge, and does not consider that it is an unreasonable charge for the service required.

Mr. McNARY. Mr. President, the subject is an entirely new one to me. It may be a very plausible effort legitimately to improve the service. It does appear to me, though, from reading the bill, that it makes a higher assessment against the small weekly papers of the country than against the great, large magazines published in the metropolitan centers of the country.

Mr. PHIPPS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. McNARY. I do.

Mr. PHIPPS. I call the Senator's attention to the fact that in the third classification there is a similar requirement for pieces of mail matter of minimum weight. This proposition has

been under consideration for three or four years, at least, and is favored by the Post Office Department.

Mr. McNARY. That is not very persuasive.

Mr. PHIPPS. The fact is that it woud bring quite a large amount of additional revenue to the service.

Mr. McNARY. Mr. President, I heard it said on this floor in former years by some who believed they had the knowledge to make the assertion that the cost to the Government of the services it rendered to the Curtis Publishing Co., which publishes the Saturday Evening Post, the Country Gentleman, and the Ladies' Home Journal, read by town people, was equal to a subsidy to that company of from eight to ten million dollars a year. That assertion, be it so or not, is in the CONGRESSIONAL RECORD. I am not at this time complaining about that situation, though I do not think it is fair if it is true. It does occur to me that the small newspapers, the weekly papers, the semi-weekly papers——

Mr. PHIPPS. The amendment would not affect them.

Mr. McNARY. Pardon me just a moment—and the papers published in medium-sized rural districts and communities would suffer by reason of the adoption of the amendment of the Senator from Colorado as compared with the magazines and metropolitan press throughout the country. If my interpretation is wrong I shall subside.

Mr. PHIPPS. It does not cover that class of matter.

Mr. McKELLAR. I had the same understanding from the Senator from Colorado, that it does not affect the country weeklies.

Mr. PHIPPS. It does not.

Mr. McKELLAR. If it does, I take the same attitude that the Senator from Oregon does; but I was assured by the Senator from Colorado that it did not affect them.

Mr. PHIPPS. It is not intended to, and I believe it will not affect them.

Mr. MOSES. Mr. President, will the Senator permit an interruption?

Mr. McNARY. Not for a moment. It is all new to me. The language appeared a little uncertain in that respect; hence I asked an explanation of the matter. If the committee has given thought to that phase of the matter and can assure the Senate that it is not the way in which the bill will operate, I shall not further oppose the amendment.

Mr. MOSES. Mr. President, I think I can thoroughly assure the Senator from Oregon that this amendment does not affect the small country weekly, because, in the first place, it does not in any sense change the free-in-county privilege; and so far as the experiments go which were performed before the committee, I do not recall any country weekly, even the small ones which were seeking the second-class privilege, which fall within this category of weights.

The PRESIDING OFFICER. The question is upon the amendment proposed by the Senator from Colorado.

The amendment was agreed to.

Mr. McMASTER. Mr. President, I send to the desk an amendment proposing to strike out all after the words "Section 9," and to insert in lieu thereof the matter which I am sending to the desk, and to add a new section, section 10, which comprises the language now contained in section 9.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert as a new section——

Mr. McMASTER. Beginning with the words "Section 9," I move to strike out all of the present section and to insert the amendment which I am sending to the desk, and the new section 10 would then be comprised of the language contained in the present section 9.

Mr. McKELLAR. The Senator refers to the two sections at the end of the bill?

Mr. McMASTER. At the end of the bill.

The CHIEF CLERK. On page 12, line 12, after the numeral "9," it is proposed to strike out the present section 9 and to insert in lieu thereof the following:

SEC. 9. The Postmaster General is authorized and directed to appoint a director of parcel post, whose chief duty shall be to encourage the use of parcel post and who have the authority to initiate and to carry into effect, subject only to the approval of the Postmaster General, adjustments and modifications of service, regulations, and policies affecting parcel post, not inconsistent with existing statutes. The director of parcel post shall be appointed subject to the civil service laws and his compensation fixed in accordance with the classification act of 1923.

And to insert as section 10 the present section 9.

The PRESIDING OFFICER. The question is upon the amendment proposed by the Senator from South Dakota.

Mr. KING. Mr. President, I should like to ask the chairman of the committee if it is his purpose to accept the amendment offered, which to me seems, if I may be pardoned for saying so, wholly unnecessary and somewhat revolutionary.

Mr. MOSES. As far as I may, I am prepared to accept the amendment, for this reason, I will say to the Senator from Utah: The discussion of this particular subject in the committee developed so much opinion in favor of it that I am quite sure that if it had ever been brought to a formal vote it would have been brought here by the committee itself.

Mr. KING. Mr. President, I shall be very glad to have the Senator from South Dakota, if he cares to do so, make some explanation of the amendment. If not, I desire to submit a few observations against it.

Mr. McMASTER. I suggest that the Senator make his observations first.

Mr. KING. Mr. President, this is the first suggestion I have heard of this amendment. It seems to me that it is an attempt, first, to create a new office which is unnecessary, and, secondly, to encourage the utilization of the post-office system for the carrying of freight.

Many evidences have been brought to my attention of the fact that there has been a perversion of the functions of the Post Office Department. It was created for the purpose of carrying the mails. It is being utilized to a large extent for the purpose of carrying freight. I have seen lumber and shingles and flour and coal and all sorts of commodities carried under the parcel-post provisions. That has been notably the case where traffic has been interrupted because of bad roads, cold weather, and so forth.

I recall a situation when for weeks it was difficult for vehicles to cross the mountains for the purpose of carrying needed freight to the people. It could be carried, but the charges were very heavy; so those who desired to send freight to the valley to which I refer concluded that they would have it sent by parcel post. They put the flour into 50-pound sacks and they placed other commodities in small bundles or boxes and sent them through the mails, thus costing the Government literally hundreds of dollars during that period. That is a perversion of the use of the mails.

We do not need to encourage the use of the Parcel Post System. I think it is being used now in an improper way, and at a great loss to the Government. We have excellent transportation systems, our railroads and trucks furnish practical and efficient means for the transportation of freight and all forms of commodities. To utilize the mail service to carry freight and commodities which should be hauled by express companies or transportation companies appears to me to be an improper use of an instrumentality or agency of the Government.

If there are some limitations upon the size of the articles which will be sent, if there shall be some proper classification of the commodities which may be transmitted through the mail, that is one thing; but the Parcel Post System is being abused and there should be no effort to increase the evil.

Just one word in regard to the first point:

The Post Office Department now has a large personnel. It is well organized. The Postmaster General has various assistants who are familiar with all of the functions of the department. It is not necessary to create a new bureau or a new organization or agency in the department to make available proper benefits to be derived from the Parcel Post System.

Therefore, Mr. President, I am opposed to this amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Dakota [Mr. McMASTER].

The amendment was agreed to.

Mr. COPELAND. Mr. President, I send to the desk an amendment which I shall ask to have stated in a moment. It is a long amendment, and perhaps I can explain what it is at the same time that I comment upon it. I should like to have the attention of Senators, because there is not one here who has not had this matter discussed with him. It relates to the postage on books.

Forty-four per cent of the people of this country are not within reach of libraries or bookstores. Fifty million of our citizens have no contact with libraries or bookstores; and it seems only fair that provision should be made for the carriage of books through the mails. If the matter happens to be fiction, when this fiction is printed in a magazine it is carried to the people at a very low rate; but when it is bound in the form of a book the rate is exorbitant, as many of us view it.

The committee did make some concessions and arranged in the bill that books sent to libraries or from libraries within the State or within the first three zones should have a special rate; but that does not take care of 50,000,000 of our people. So I urge upon Senators the fact that everybody who buys a book and has it sent by mail from the publisher in New York or in Boston or in Pittsburgh or Chicago has to pay the list price of

that book, plus the postage upon it, and that represents a very considerable sum of money, which comes out of the pockets of worth-while people who are sufficiently interested in these books to order them. It does not relate to fiction, because it develops that only a fraction of the books ordered in this way are fiction. These books are substantial books, making for the education and the welfare of the people. Every doctor, every lawyer, every engineer, every teacher, every person who desires a substantial book on history or economics or some other subject, must pay this tax in excess of what would be charged if the matter contained in that book were printed in a publication.

Therefore, Mr. President, I present this amendment, and trust that the chairman of the committee—who is amiable this morning, as always, and, I am sure, in sympathy with the purpose of the amendment—will be glad to accept it for the committee.

The PRESIDING OFFICER. The Senator from New York offers an amendment, which will be stated.

The CHIEF CLERK. On page 8, line 23, it is proposed to strike out all to and including line 21, on page 9, and to insert in lieu thereof the following:

(c) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, shall be charged with postage at the rate of 2½ cents per pound or fraction thereof, with a minimum charge of 3 cents for each parcel and subject to the same maximum weights per parcel now prescribed by law for mail matter of the fourth class, except that the rate now or hereafter prescribed for third or fourth class matter shall apply in every case where such rate is lower than the rate prescribed herein for books under this classification: *Provided, however,* That such books when sent by public libraries, organizations, or associations not organized for profit, and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations, if addressed for local delivery, for delivery in the first, second, or third zone or within the State in which mailed, shall be charged with postage at the rate of 3 cents for the first pound or fraction thereof, and 1 cent for each additional pound or fraction thereof, except that the rate now or hereafter prescribed for third or fourth class matter, or the special rate provided by this subdivision for books, shall apply in every case where either of such rates is lower than the rate prescribed for library books.

Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General under such regulations as he may prescribe, satisfactory evidence that none of the net income of such organizations inures to the benefit of any private stockholder or individual.

Mr. MOSES. Mr. President, I am in thorough sympathy with the principle of disseminating information; but I am not in favor of this amendment, because the committee feels that by the amendments already incorporated in the bill with reference to the cheapened circulation of books from libraries within the States where the loaning library system prevails we have gone as far as would be possible.

I wish simply to call attention to one fact which was brought out in the hearings on the amendment which the Senator now proposes, and which was debated at some length before the committee.

The president of a great publishing company testified that 60 per cent of all books are shipped by freight and 25 or 30 per cent by express. The Post Office Department is clearly of the opinion that if this rate is made for books, as proposed by the Senator from New York, the books now sent by freight and express will be brought into the mail and carried at a loss estimated—and we can estimate only by parcel post—at one-eighth of a cent a pound for each book so transported.

Mr. COPELAND. Mr. President, one closing word, because I assume that this amendment will be annihilated, and die a-borning. This is of interest to every Senator, and to practically every constituent of every Senator.

If we are seeking to disseminate knowledge through good books, we should make it possible for those of our citizens who are not within reach of libraries to buy these books as reasonably as possible. If you buy a $2 book, it will add anywhere from 17 to 25 cents to the cost of that book if it is sent by mail; and that is an exorbitant charge.

I therefore appeal to Senators to give this amendment consideration, because I feel that it is in the interest of the common people.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York. [Putting the question.] By the sound the noes seem to have it.

Mr. COPELAND. I should like to have a division on this question.

On a division, the amendment was rejected.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### LOAD LINES FOR AMERICAN VESSELS

Mr. JONES. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 1781) to establish load lines for American vessels, and for other purposes. When this bill was called once before on the calendar the Senator from Utah asked that it might go over.

I want to say with reference to the bill that it deals with ships in foreign trade only. It has been urged that it should deal with vessels in the coastwise trade, and possibly it should, but ships in the foreign trade are in a different situation from those in the coastwise trade, and the passage of this would not in anywise prejudice a bill relating to the coastwise trade.

Mr. ROBINSON of Arkansas. Will the Senator explain what the purpose of the bill is?

Mr. JONES. Briefly, the purpose is to provide for the placing of a load line on vessels in the foreign trade of over 250 tons. As it is now, our ships are entering English ports and other foreign ports simply upon sufferance. We have no load line established, and the authorities in the foreign countries have been threatening to shut our ships out unless we conform to their load line laws. But on the assurance of this Government that we would pass legislation taking care of the matter, they have been postponing their action from time to time. This is to meet that situation.

Mr. ROBINSON of Arkansas. Is the bill reported by the committee unanimously?

Mr. JONES. The report of the committee is unanimous. A similar bill has been reported from the Committee on Commerce, I think, in three different Congresses.

Mr. KING. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. KING. Did I understand the Senator to state that our merchant marine—that is, those who are engaged in trans-Atlantic business—are loading their ships too heavily?

Mr. JONES. I do not know whether they are or not, but we have no load line established by law, and, as I have said, the British authorities, especially, have been threatening to enforce against our ships the English load line law. In other words, they have been threatening not to let them enter their ports unless their load lines conformed with the English law. I do not know of any particular instances where the vessels have been overloaded. There was testimony before the committee, however, that some ships had been lost, and the surmise was that they were really overloaded, and that that possibly was the cause of their loss. That was not definitely shown, however. The embarrassing situation that may come about would result from the action of foreign governments enforcing their load line laws against our ships, because we have no load line established by our law.

Mr. KING. Mr. President, will the Senator permit another question?

Mr. JONES. Yes.

Mr. KING. Suppose we should pass a law which would fix a load line, or set up an agency which might fix a load line, and that was entirely different from the load line prescribed in Great Britain, for instance, or in Germany, would that difference result in the exclusion of our vessels from their ports?

Mr. JONES. I have not a copy of the bill before me just now, but my recollection is that there is a provision in the bill under which we would recognize the load lines established by other countries, and they would recognize the load line established by this country, at least that is the understanding. In my judgment, we would make our own load line practically correspond with the English load line.

Mr. KING. I shall not object to the consideration of the bill, but several persons, and among them Mr. Furuseth, who knows more about shipping than any man in the Senate, I think, and who is usually very sane and fair in his presentation of questions relating to marine matters, has told me, and I have a memorandum—but not anticipating that this would come up, I did not bring it with me from my office to-day—to the effect, first, that there is no necessity for the passage of this measure; and, secondly—and this was the matter he emphasized—that efforts had been made for a number of years to secure a load line law with respect to our coastal and intercoastal boats, and those engaged in shipping of that character had sufficient influence to prevent the passage of such a law.

They did not want a load line law; they wanted to load too heavily; he saw in this bill an opportunity to secure proper legislation dealing with our coastwise trade, and he was afraid

that if this bill were passed we would encounter the same obstacles and influences in the future as in the past that defeated efforts to secure a proper load line law for the vessels to which I have just referred. Therefore he was very much opposed to the passage of this bill unless and until there should be included within it provision that the load line should be prescribed with respect to the coastwise trade.

Mr. JONES. Mr. President, I want to say to the Senator that I have the same opinion of Mr. Furuseth he has. I have every confidence in his judgment in regard to matters of this kind. It was in conformity with his views with reference to some of these matters that the committee made changes in the bill, for instance, reducing the minimum tonnage requirement from 500 to 250. But the main reason why the committee reported this bill relating to foreign trade is the situation in the foreign countries I have described to the Senator. I shall be glad to enter upon the consideration of legislation extending this to the coastwise trade. My impression now is that this ought to be done, especially for certain ports on our coast, anyhow. My sympathies are that way.

Mr. KING. It does seem to me that because we are seeking the safety—for that is the object of it—of ships that cross the Atlantic, we ought to seek the safety of ships that go from port to port on our own coast line.

Mr. JONES. I agree with the Senator, and I shall support legislation of that kind.

Mr. KING. I shall offer a bill to-morrow and have it referred to the Senator's committee, and I hope he will give it attention, because I do think the appeals of Mr. Furuseth and those for whom he speaks ought to have consideration.

Mr. JONES. I agree with the Senator.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.,* That load lines are hereby established for the following vessels:

SUBSECTION 1. (a) Cargo-carrying vessels of 250 gross tons or over, loading at or proceeding to sea from any port or place within the United States or its possessions for a foreign voyage by sea.

(b) Cargo-carrying vessels of the United States of 250 gross tons or over, loading at or proceeding to sea from any foreign port or place for a voyage by sea.

SUBSEC. 2. The Secretary of Commerce is hereby authorized and directed in respect of the vessels defined in subsection 1 (a) and (b) of this section to establish by regulations from time to time in general accordance with the practice of the principal maritime nations the load water lines and marks thereof indicating the maximum depth to which such vessels may safely be loaded: *Provided,* That no load line shall be established or marked on any vessel, which load line, in the judgment of the Secretary of Commerce, is above the actual line of safety. Such regulations shall have the force of law.

SUBSEC. 3. It shall be the duty of the owner and of the master of every vessel subject to this section and to the regulations established thereunder to cause the load line or lines so established to be permanently and conspicuously marked upon the vessel in such manner as the Secretary of Commerce shall direct, and to keep the same so marked. The Secretary of Commerce shall appoint the American Bureau of Shipping, or such other American corporation or association for the survey or registry of shipping as may be selected by him, to determine whether the position and manner of marking on such vessels the load line or lines so established are in accordance with the provisions of this act and of the regulations established thereunder: *Provided, however,* That at the request of the shipowner the Secretary of Commerce may appoint, for the purpose aforesaid, any other corporation or association for the survey or registry of shipping which the shipowner may select and the Secretary of Commerce approve; or the Secretary of Commerce may appoint for said purpose any officer of the Government, who shall perform such services as may be directed by the Secretary of Commerce. The Secretary of Commerce may, in his discretion, revoke any appointment made pursuant to this section. Such corporation, association, or officer shall, upon approving the position and manner of marking of such load line or lines, issue a certificate, in a form to be prescribed by the Secretary of Commerce, that the same are in accordance with the provisions of this act and of the regulations established thereunder, and shall deliver a copy thereof to the master of the vessel. It shall be unlawful for any vessel subject to this section and to said regulations to depart from any port or place designated in subsection (1) of this section without bearing such mark or marks, approved and certified by such corporation, association, or officer, and without having on board a copy of said certificate.

SUBSEC. 4. It shall be unlawful for any vessel subject to this section and to the regulations established thereunder to be so loaded as to submerge, in salt water, the load line or lines marked pursuant to this act and to the regulations established thereunder applicable to her voyage; or so as to submerge under like conditions the point where such load line or lines ought to be marked pursuant to the provisions of this act and of the regulations established thereunder; or so as in any manner to violate the said regulations.

SUBSEC. 5. Whenever the Secretary of Commerce shall certify that the laws and regulations in force in any foreign country relating to load lines are equally effective with the regulations established under this act, the Secretary of Commerce may direct, on proof that a vessel of that country has complied with such foreign laws and regulations, that such vessel and her master and owner shall be exempted from compliance with the provisions of this section, except as hereinafter provided: *Provided,* That this subsection shall not apply to the vessels of any foreign country which does not similarly recognize the load lines established under this act and the regulations made thereunder.

SUBSEC. 6. It shall be the duty of the master of every vessel subject to this section and to the regulations established thereunder and of every foreign vessel exempted pursuant to subsection 5 of this section, before departing from her loading port or place for a voyage by sea, to enter in the official log book of such vessel a statement of the position of the load-line mark applicable to the voyage in question with reference to the actual water line at the time of departing from port as nearly as the same can be ascertained.

SUBSEC. 7. If any collector of customs has reason to believe, on complaint or otherwise, that a vessel subject to this section and to the regulations established thereunder is about to proceed to sea from a port in the United States or its possessions within his district when loaded in violation of subsection 4 of this section, or that any vessel exempted pursuant to subsection 5 of this section is about to proceed to sea from such port when loaded in violation of the laws and regulations of her country with respect to load line, he may by written order served on the master or officer in charge of such vessel detain her provisionally for the purpose of being surveyed. The collector shall then serve on the master a written statement of the grounds of her detention and shall appoint three distinterested surveyors to examine the vessel and her loading and to report to him, whereupon the said collector may release or may by written order served on the master or officer in charge of such vessel detain the vessel until she has been reloaded in whole or in part so as to conform to subsection 4 of this section; or, in case of a vessel exempted pursuant to subsection 5 of this section, so as to conform to the laws and regulations of her own country with respect to load line. If the vessel be ordered detained, the master may, within five days, appeal to the Secretary of Commerce, who may, if he desires, order a further survey, and may affirm, set aside, or modify the order of the collector. Clearance shall be refused to any vessel which shall have been ordered detained.

SUBSEC. 8. (a) If the owner or master of any vessel subject to this section and to the regulations established thereunder shall permit her to depart from her loading port or place without having complied with the provisions of subsection 3 of this section, he shall for each offense be liable to the United States in a penalty of $500. If the owner or master of any vessel exempted pursuant to subsection 5 of this section shall permit her to depart from her loading port or place without having the load line or lines required by the laws and regulations of the country to which she belongs marked upon her as required by said laws and regulations, he shall for each offense be liable to the United States in a penalty of $500. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph, or discontinue prosecution therefor on such terms as he may deem proper.

(b) If the master of any vessel subject to this section and to the regulations established thereunder, or of any foreign vessel exempted pursuant to subsection 5 of this section, shall fail, before departing from her loading port or place, to enter in the official log book of such vessel the statement required by subsection 6 of this section, he shall for each offense be liable to the United States in a penalty of $100. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph.

(c) If any person shall knowingly permit or cause or attempt to cause any vessel subject to this section and to the regulations established thereunder to depart, or if, being the owner, manager, agent, or master of such vessel, he shall fail to take reasonable care to prevent her from departing from her loading port or place when loading in violation of subsection 4 of this section, or if any person shall knowingly permit or cause or attempt to cause a foreign vessel exempted pursuant to subsection 5 of this section to depart, or if, being the owner, manager, agent, or master of such vessel, he shall fail to take reasonable care to prevent her from departing from her loading port or place when loaded more deeply than permitted by the laws and regulations of the country to which she belongs, he shall, in respect of each offense, be guilty of a misdemeanor, unless her going to sea in such condition was, under the circumstances, reasonable and justifiable, and shall be punished by a fine not to exceed $500.

(d) If the master of any vessel or any other person shall knowingly permit or cause or attempt to cause any vessel to depart from any port or place in the United States or its possessions in violation of any order of detention made pursuant to subsection 7 of this section, he

shall, in respect of each offense, be guilty of a misdemeanor and shall be punished by a fine not to exceed $500 or by imprisonment not to exceed three months, or both such fine and imprisonment, in the discretion of the court.

(e) If any such person shall conceal, remove, alter, deface, or obliterate or shall suffer any person under his control to conceal, remove, alter, deface, or obliterate any mark or marks placed on a vessel pursuant to this section or to the regulations established thereunder, except in the event of lawful change of said marks, or to prevent capture by an enemy, he shall in respect of each offense be guilty of a misdemeanor and shall be punished by a fine not to exceed $1,000, or by imprisonment not to exceed one year, or both such fine and imprisonment, in the discretion of the court.

(f) Whenever the owner, manager, agent, or master of a vessel shall become subject to a fine or penalty by way of money payment pursuant to the provisions of this section, the vessel shall also be liable therefor and may be seized and proceeded against in the district court of the United States in any district in which such vessel may be found.

SUBSEC. 9. This section shall take effect one year after the approval of this act or at such earlier time as the Secretary of Commerce may fix.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE—ENROLLED BILL

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 10151) to amend section 9 of the Federal reserve act.

ARMORY DRILL PAY

Mr. BINGHAM. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 4216) to authorize the adjustment and settlement of claims for armory drill pay.

This is a very brief bill, authorizing the Comptroller General to adjust and settle and present to Congress for payment certain claims for money due the National Guard for drill pay during the years 1917, 1918, and 1919, which moneys went back into the Treasury because the pay rolls of the National Guard were not in order.

The War Department has asked for the passage of this bill. The total amount involved, I am informed by the Secretary of War, will not be over $80,000, which represents money owed and due to officers and men of the National Guard for drills which they have performed.

Mr. ROBINSON of Arkansas. Has the bill been unanimously reported by the committee?

Mr. BINGHAM. It is unanimously reported by the committee.

Mr. ROBINSON of Arkansas. And is it recommended by the War Department?

Mr. BINGHAM. It was prepared by the War Department, and recommended by the department.

Mr. ROBINSON of Arkansas. Very well; I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. KING. Let the bill be read.

The Chief Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle claims for pay for services rendered during the fiscal years 1917, 1918, and 1919, or any portion thereof, for which appropriations are now being made pursuant to sections 67 and 92 of the national defense act, approved June 3, 1916, as amended, and certify such settlements to Congress from time to time.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REMOVAL OF CONFEDERATE MONUMENT TO GARFIELD PARK

Mr. FESS. Mr. President, I ask unanimous consent that we proceed to the consideration of the bill (H. R. 7475) to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park.

This bill is to grant authority to remove a Confederate monument in the city of Indianapolis out to a new cemetery, as a place better fitted for the monument. The old cemetery, where the monument is now located, is being abandoned. We can not remove the monument unless we have the authority of Congress.

Mr. ROBINSON of Arkansas. Is the bill reported unanimously by the committee?

Mr. FESS. It is reported unanimously.

Mr. ROBINSON of Arkansas. I have no objection.

Mr. BRATTON. Have any protests or objections reached the Senator against this bill?

Mr. FESS. No; everyone is in favor of it.

Mr. KING. Let the bill be read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of War is authorized and directed to provide for the removal of the Confederate monument and tablets erected by the United States from Greenlawn Cemetery, Indianapolis, Ind., to Garfield Park, Indianapolis, Ind.

SEC. 2. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,000, or so much thereof as may be necessary to carry out the provisions of this act.

Mr. KING. I would like to ask the Senator from Ohio whether any Confederate organization has been advised about the pendency of this bill.

Mr. FESS. I have no information on that score, but I understand that there is no opposition to it. In fact, it is to take care of the monument.

Mr. HARRIS. I would like to say to the Senator from Utah that the Confederate organizations are very much interested in this bill, and hope it will pass.

Mr. FESS. That is my understanding.

Mr. KING. My anxiety was in seeing that a Confederate monument which had been erected with the approval of those interested should not be removed without the consent of the organization which was responsible for it.

Mr. FESS. As I understand it, it is the wish of all concerned that this should be done.

Mr. KING. I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TITLE TO LAND IN MILITARY RESERVATIONS

Mr. FLETCHER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (S. 3752) to amend section 3 of an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes," approved March 12, 1926. It is a local bill, intended to take care of a situation at the Government reservation at Pensacola, Fla., where we are authorizing the War Department to dispose of certain lots. We did this in 1926, but there was an error in punctuation, and we are trying to correct that legislation.

Mr. KING. Is it correctly punctuated now?

Mr. FLETCHER. It is.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. CURTIS. Let the bill be read.

The PRESIDING OFFICER. The clerk will read the bill.

The bill was read, as follows:

*Be it enacted, etc.,* That section 3 of an act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes, be, and the same is hereby, amended to read as follows:

"SEC. 3. The Secretary of War is hereby authorized, directed, and empowered, in the event it be found that any citizen of the United States, or the ancestors, the assignors, or the predecessors in title of a citizen, either separately or by tacking, shall have for a period of 20 or more years immediately preceding the approval of this act resided upon and occupied adversely or improved any part or parcel of the aforesaid designated property; or exercised ownership thereof based upon a deed of conveyance, purporting to convey a fee simple title and executed 20 years or more prior to the passage of this act, and theretofore made by one claiming title to such part or parcel, to have such part or parcel so claimed separately surveyed if requested in writing by a claimant within 60 days after the service of written notice on such person or his tenant or agent that the United States claims such land, and to thereafter convey title to the claimant by quitclaim deed upon payment of 10 per cent of the appraised value thereof: *Provided,* That any claimant who fails or refuses for more than 60 days after the notice herein provided to make written application for survey and submit satisfactory record and other evidence required by the Secretary of War to substantiate the claim that he is entitled to a quitclaim deed under the provisions of this section shall forever be estopped from exercising any claim of title or right of possession to the property: *Provided further,* That the Secretary of War may, in his discretion, extend to citizens of the United States who have themselves or whose predecessors in interest have occupied and improved portions of such reservations under leases from or with the consent of the War Department for more than 15 years prior to the approval of this act, an option to buy the portions of such reservations so occupied and im-

proved at the appraised value of the land exclusive of improvements placed thereon; and the Secretary of War is hereby authorized to convey title to such persons by quitclaim deed upon payment of the appraised value of any such portions: *Provided further*, That in carrying out the provisions of this section the Secretary of War shall not incur any expense other than that incident and necessary to giving the notices required and surveying and platting such of the property as may be claimed by a citizen of the United States."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MARGARET T. HEAD, ADMINISTRATRIX

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H. R. 3216) for the relief of Margaret T. Head, administratrix. It is a bill to pay compensation for an accident due to a postal truck.

Mr. KING. Let the bill be read.

The PRESIDING OFFICER. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Margaret T. Head, administratrix, of Watertown, Mass., as full compensation for the accidental death of her son, Alfred Head, on June 11, 1924, caused by being struck by an automobile truck then in the service of the United States Postal Service.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ZACHARY TAYLOR NATIONAL CEMETERY

Mr. SACKETT. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H. R. 11482) to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925.

Mr. CURTIS. Let the bill be reported.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925, is hereby amended to read as follows:

"SEC. 2. That the Secretary of War be, and he is hereby, authorized to accept, free of cost to the United States, from the State of Kentucky, and from any others having authority to donate the same, the land comprising the aforesaid burial grounds, and such other and additional land contiguous or adjacent thereto as in his judgment may be deemed advisable; and upon the conveyance to the United States of a valid, fee-simple title to said land or lands the Secretary of War is authorized and directed to establish thereon a national cemetery, to be known as the Zachary Taylor National Cemetery."

Mr. SACKETT. Mr. President, the bill does not call for the appropriation of any money. It is simply to permit the Government to accept a little donation of land.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

GOVERNMENT ROAD IN GEORGIA

Mr. HARRIS. Mr. President, I ask that the Senate take up for consideration Senate bill 2990, to provide for the paving of the Government road extending from Lee & Gordon's mill to La Fayette, Ga., known as the La Fayette extension and constituting an approach road to Chattanooga and Chickamauga National Military Park.

Mr. CURTIS. Mr. President, I ask the Senator if the bill is recommended by the War Department.

Mr. HARRIS. It is recommended by the War Department. It is also unanimously reported by the committee. The House has passed a similar bill, and I ask that the House bill be substituted for this bill. The two bills are exactly alike.

Mr. KING. Mr. President, I would like to ask the Senator one question. Was not provision made in the War Department appropriation bill for this matter?

Mr. HARRIS. No; no such provision has been made.

Mr. KING. I know that bill carried many millions of dollars for roads, and I can not understand why these separate bills come in when we have a general appropriation covering such matters.

Mr. HARRIS. This is made under the general act, I will say to the Senator from Utah, which allows just such legislation for the Government to turn over to a State a road or approach road through a national park or Government reservation, provided the State will take it over, improve it, and be responsible for its upkeep. The House has passed a similar bill at this session, and I ask that the House bill be substituted for this bill.

The PRESIDING OFFICER. The Chair asks the Senator from Georgia if the House bill has been reported and is on the calendar?

Mr. HARRIS. The House bill is exactly like the Senate bill which has been considered by the Committee on Military Affairs, and was unanimously approved. I ask that the House bill be substituted for my Senate bill. I repeat, they are exactly alike.

The PRESIDING OFFICER. Without objection, the Committee on Military Affairs will be discharged from the further consideration of House bill 11723.

Mr. JONES. As I understand it, Mr. President, this money is to be spent within the limits of the military reservation.

Mr. HARRIS. Within the limits, and the approach road to the park, and is done under a general act which has been passed by which the Government can turn over roads in a park, and the approach to the park, provided the State will take charge of those roads and keep them in order.

Mr. JONES. What does the Senator mean by the approach to the park? It might be a hundred miles or 50 miles.

Mr. HARRIS. It is just a few miles, I will say, and I will state that if the Senator will read the report he will see that the War Department have gone into the matter thoroughly. They sent their special representative down there to investigate and make a report.

Mr. JONES. What I have in mind is that we have a general road fund, which is provided for and expended on roads throughout the country. I have been confronted with this situation with reference especially to Indian reservations: Congress will not make an appropriation for a road on an Indian reservation, at least will not actually appropriate any money for it, that applies to roads outside of the Indian reservation.

The PRESIDING OFFICER. Is there objection to substituting House bill 11723 for Senate bill 2990? The Chair hears none, and it is so ordered. The Senator from Georgia now asks unanimous consent for the consideration of House bill 11723. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11723) to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park, which was read, as follows:

*Be it enacted, etc.*, That the Secretary of War is authorized to improve and pave the Government road, known as the La Fayette Extension Road, commencing at Lee and Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., in the length of approximately 12.9 miles, for which an appropriation of not to exceed $193,500 is hereby authorized out of any money in the Treasury not otherwise appropriated: *Provided*, That no part of the appropriation herein authorized shall be available until the State of Georgia or any county or municipality or legal subdivision thereof, or any State or county or municipality or legal subdivision thereof, or any State or county or municipal highway commission, or equivalent public authority shall contribute at least an equal amount for the same purpose, and the Secretary of War is hereby authorized to expend such sum as may be contributed by said local interests concurrently with the appropriation herein authorized in the improvement and pavement of said road: *Provided further*, That should the State of Georgia or any county or municipality or legal subdivision thereof, or any State or county or municipal highway commission, or equivalent public authority desire that the position of said road be changed in any particular from the present Government-owned right of way, and should such local interests acquire title to the land necessary to effect such changes, the Secretary of War may expend the funds herein authorized for the improvement and pavement of such road as changed: *And pro-*

*vided further*, That no part of the appropriation herein authorized shall be expended until the State of Georgia, or the counties or municipalities thereof concerned, have accepted title to the present Government-owned road known as the La Fayette Extension Road and have obligated themselves in writing to the satisfaction of the Secretary of War that they will maintain said road as built under the provisions of the act approved March 3, 1925 (43 Stat. L. 1104), immediately upon the completion of such improvements as may be made under this appropriation.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 2990 will be indefinitely postponed.

RECEPTION OF GERMAN AND IRISH AVIATORS

Mr. CURTIS. Mr. President, I am advised that at about half past 3 the aviators of the *Bremen* will be on this side of the Capitol. I ask unanimous consent that when they come to the Senate side of the Capitol the Senate shall take a recess of 10 minutes in order to give them a reception.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NICARAGUA AND THE UNITED STATES

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Amy Woods on "Nicaragua and the United States."

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection it is so ordered.

The article is as follows:

On March 7, 1928, its Committee on Foreign Relations reported to the Senate that—

"The Government of the United States has made an agreement with the Government of Nicaragua to supervise an election in Nicaragua.

"The so-called Liberal factions in Nicaragua have laid down their arms upon the promise of the United States Government to supervise said election.

"To withdraw our troops at this time from Nicaragua would be a violation of said agreement."

Two days later Senator NORRIS presented a resolution (S. Res. 164), which propounds five most pertinent questions, as follows:

"1. What, if any, authority did the President of the United States have to accept an invitation to supervise elections in Nicaragua?

"2. If he did have such authority, does the same authority give the President of the United States the right to supervise any election in any foreign country?

"3. If the President of the United States has authority under existing law to use the United States Army and Navy to supervise an election in Nicaragua, has he not the same authority to use the same forces in the supervision of elections in foreign countries?

"4. Will the use of the Army and Navy of the United States in supervising elections in foreign countries have a tendency to bring on war between our Government and foreign nations where such supervised authority is attempted?

"5. If the President of the United States, under existing law, has the authority to use the Army and Navy to supervise elections in foreign countries, does he possess the same authority to use the armed forces of the United States to supervise elections in different States of the Union, and would such use of the Army and Navy be advisable in cases where the Senate has official information of corruption taking place in State elections, where Members of the United States Senate and the House of Representatives are elected?"

The Norris resolution concludes:

"If the President of the United States does not possess authority to use the Army and Navy of the United States to supervise elections in foreign countries, then the Committee on Foreign Relations is directed to report to the Senate the necessary legislation that will prevent such illegal use of the armed forces of the United States in the future."

* * * * * * *

Salomon de la Selva, Nicaraguan delegate to the Fifth Pan American Labor Conference last July, said to that international gathering:

"War is on in Nicaragua, and unless the United States marines leave they will have to destroy the entire population."

Six months later President Coolidge, in his annual message to Congress, reported that we are at peace; that our example has become of great importance in the world.

"It is recognized," said the President, "that we are independent, detached, and can and do take a disinterested position in relation to international affairs." (President's Annual Message, December 6, 1927.)

Members of the United States Senate, who were not satisfied with these presidential statements, called for further information early in the session. Several bills and resolutions were introduced and referred to the Committee on Foreign Relations. (See last page.) Hearings were held and Senator BORAH, as chairman, gave out the information that the committee had exhausted the subject so far as military operations in Nicaragua were concerned. No action was taken by the committee, however, and no facts were given out until Senator DILL, of Washington, brought the question to an issue on March 2 by reading into the RECORD a dispatch from Nicaragua reporting five more American marines killed in the process of preparing the people of that country for an election to be held in October, 1928.

When asked what had become of the resolution of Senator HEFLIN providing that the bodies of marines killed in Nicaragua be brought back, Senator DILL replied:

"I presume it sleeps the sleep that has no awakening in the Foreign Relations Committee, where all such resolutions have died up to this time."

Twelve days later the position of the Foreign Relations Committee was given to the public through the Associated Press, as follows:

"The Washington administration feels that its position has been materially strengthened by the action of the Senate Foreign Relations Committee under BORAH in quashing proposals referred to it looking to American withdrawal. * * * The committee has taken the position that since the pledge of American supervision was given and both Liberals and Conservatives surrendered their arms with that understanding, to withdraw from the engagement would merely be to abandon the Liberals to the mercy of the most reactionary elements of the Conservative group. With that position complete accord between the State Department and the White House has been indicated." (Washington Post, March 14, 1928.)

An inconvenient question at once arises. How would the "most reactionary" Conservatives be able to control those tragically abandoned Liberals, who happen to be a large majority in Nicaragua, if an embargo on arms were continued, since "all arms in Nicaragua are now in our custody." (United States State Department release, June 10, 1927.)

Senator DILL, in presenting his resolution, made it quite clear that he did not believe a forced contract to be legal, even though made by the Chief Executive of the United States. He objected to the "spending of American lives to buy profits for men who had made investments in Nicaragua." He would vote, he said, to have the Senate direct the President to withdraw the marines from Nicaragua. (CONGRESSIONAL RECORD, March 1, 1928, page 4029.)

On March 4 the hearings "on the use of the United States Navy in Nicaragua" appeared as a printed report. (Hearings before Foreign Relations Committee, 70th Cong., 1st sess., on S. Res. 137, February 11–18, 1928.) It gives official details of what is sometimes called President Coolidge's private war, since no declaration of war has been made by the United States and Congress has not yet been consulted as to the use of the Army and Navy in Nicaragua.

The report covers the period from August, 1926, to February 8, 1928. The casualties of the American marines are 16 killed and 35 wounded. The casualties among Nicaraguans could not be determined with any degree of accuracy. "One hundred and fifty-six are known to have been killed." (Ibid., p. 9.)

At the engagement of Ocotal, Captain Hatfield, who was on the ground, estimated 300 Nicaraguans killed, but it was an estimate only. (Ibid., p. 49.) Ocotal, the capital of the Province of Nueva Segovia, is a very well-built town, laid out in squares, with a population ordinarily of 2,000. The fighting continued from 1 or 2 in the morning to 3 or 4 o'clock in the next afternoon. General Lejeune, who was in charge of the expedition, says:

"There were probably a few inhabitants killed during the fights in the streets."

He was told that a few of the people who were killed met death by stray bullets from the firing down the streets and into the public square. He also told the committee: "It is impossible to have street fighting without having somebody killed." (Hearings on S. Res. 137, p. 49.)

In another encounter near Quilali the marines estimated 100 killed. (Hearings on S. Res. 137, p. 54.) On the 14th of January, when El Chipote, the mountain stronghold of Sandino, was bombed it was "swarming with men, and everywhere they went they were shot at." General Lejeune's description of this American attack upon Nicaraguans is vivid:

"The aviators approached El Chipote from the clouds, 5,000 feet up, and they came down at the rate of about 200 miles an hour, vertically, so that they could drop the bombs accurately, and they struck the houses, and the people ran out and they shot them up with machine guns, and it was a very successful bombing operation."

These casualties, with others in Nueva Segovia, were the result of Admiral Latimer's orders to "start after Sandino."

On January, 1927, five destroyers and two light cruisers of the United States Navy were detailed to Nicaraguan waters, and a marine expeditionary force of about 3,000 officers and men were landed. Also six airplanes were landed. (Hearings on S. Res. 137, pp. 15–16.)

After the Stimson agreement, on May 11, 1927, 1,200 marines and from two to four vessels of the special service squadron were all that it was deemed necessary to continue in Nicaragua. (Hearings on S. Res. 137, p. 15.)

By January 1, 1928, however, the activity of Sandino and his eight or nine hundred followers in the vicinity of Nueva Segovia "rendered advisable the dispatch of additional forces," according to the Navy report, and the number was increased to approximately 2,700 marines

and two to four vessels of the special service squadron. (Hearings on S. Res. 137, p. 27.)

The Navy Department offered further explanation:

"It should be clearly understood that all disturbances since the conclusion of the Stimson agreement have been confined to a relatively small area in the immediate vicinity of Nueva Segovia. This locality is sparsely populated and composed principally of a mountain jungle. It borders on Honduras."

Admiral Latimer described the Province of Nueva Segovia, where the American marines are fighting, as practically a wilderness. Few people live there but Indians—not over 3 per cent of the entire Nicaraguan population. One can go for miles without seeing a shack. The villages are mere rows of 3, 4, or 5 houses. The only town of size is Ocatal of about 1,500 people. The Province, which covers something less than 7 per cent of Nicaraguan territory, is almost impassable. They call it "the wilderness." During the wet season (May to November) one can hardly get through at all. "The only way you can get through is with barefooted men and oxen and cows. They do their transporting of goods by oxen and cows and their split feet keep them on top of the mud." (Hearings on S. Res. 137, pp. 23–24.)

General Lejeune described the people of west Nicaragua to the committee as very attractive, kindly, hospitable, courteous, generous, and proud. They have many good qualities; the relations between them and the American marine are remarkably good.

The summary of operations in Nicaragua, filed by Secretary of the Navy Wilbur, with the Foreign Relations Committee, says:

"The steps that have been taken since the Stimson agreement are those considered necessary to prepare the country so that a fair election may be conducted in 1928." (Hearings on S. Res. 137, p. 16.)

Admiral Latimer told the committee that when Stimson reached Nicaragua in May, there had been a pitched battle imminent for three months (hearings on S. Res. 137, p. 34), but the situation was about at a stalemate. "With the rainy season coming on, it would have remained stalemate until January." He added that "the country was just sinking into chaos and anarchy."

Admiral Latimer did not know how many United States citizens are living in Nicaragua. (Hearings on S. Res. 137, p. 41.) The largest number at any one place is 250 at Puerta Cobezas, the most northern harbor on the east coast. They are employed by the Bragman Lumber Co.

There are probably 20 or 25 at Bluefields, the other eastern port, where bananas are shipped to New Orleans. There are about 40 or 50 in the capital city, Managua, on the western plateau, and there is one American family besides the consul in Corinto, the western port where 60 per cent of the exports and imports pass through the customs. There are none in Ocatal. (Hearings on S. Res. 137, p. 62.) The city of Leon, the center of the Liberal Party, Admiral Latimer did not mention.

In answer to questions as to why our troops were ordered back to Nicaragua, Admiral Latimer said that the United States marines were sent to Bluefields beginning December 26, 1926, for the purpose of "protecting American and foreign lives and property," and also at the request of the Conservative President, Adolfo Diaz. It was a strong Liberal place, held by the Conservatives, and an uprising was imminent. There was no intention of attacking American rights there. (Hearings on S. Res. 137—Admiral Latimer, p. 41.)

As a result of further developments the American forces in Nicaragua have included Army, Navy, and marine detachments. These expeditionary forces were acting without authority from Congress, which has the sole power to declare war.

The Comptroller General of the United States has ruled in the case of five officers of the Second Battalion, Fifth Regiment, United States Marine Corps, that they were "on field duty" for the purpose of allowances. These officers landed in Bluefields January 10, 1927, and in Corinto January 24, with their regiment. By Executive order of August 13, 1924, the term "field duty" was construed to mean service under orders with troops operating against an enemy, actual or potential.

The Comptroller General states that it would seem that—

"Rebel forces might look upon the military forces of the United States, landed in Nicaragua for the purpose stated, as their enemy, and attack them accordingly." (United States Daily, September 28, 1927, p. 4. Text of Comptroller General's decision.)

It is difficult to get away from the conclusion that either we are at war with Nicaragua contrary to constitutional authority or we are committing wholesale murder.

* * * * * * *

Nicaragua's relations with the United States are easily divided into three periods: United States intervention from the overthrow of Zelaya to the withdrawal of American marines (1909–1924); Chomorro's coup d'état to the Stimson agreement (October, 1925, to May, 1927); Sandino's rebellion to the present (July, 1927, to March, 1928).

Without some knowledge of the financial and political strategy developed in both the United States and Nicaragua, no opinion of value can be formed of the most imminent question before the people of the United States to-day: Is the President of the United States justified in carrying out a military intervention in foreign countries, such as Nicaragua has been subjected to, without the consent of Congress? Has he constitutional authority to supervise elections in foreign countries?

The answer to these questions by the American people will determine the future foreign policy of the United States, and test the fundamental principles of democracy.

The history of Nicaragua is a composite of domestic revolutions and military and financial foreign invasions. It is the largest of the Central American countries, and yet is only a little larger than the State of Ohio. It has a population of 700,000, largely of Indian origin in the east and of Spanish and Indian descent on the Pacific coast.

There is an abundance of natural resources, and the location and size of its lakes make logical a waterway from the Atlantic to the Pacific. The question of building a canal has always been a factor in its international relations. With the Panama Canal rapidly reaching its capacity for trading vessels and becoming inadequate for the developing of the military program of the United States, a second canal through Nicaragua has again become an issue. As outlined by the War Department, it would cost five hundred million to a billion dollars. President Coolidge is quoted as saying that the construction of an additional canal would bring economic benefits and undoubtedly have a pacifying effect upon Nicaragua's political situation.

The political interests of Spain and the commercial interests of Great Britain and France were gradually superseded by early financial and political intrigue of American private interests.

This early history forms a background for the events of the 15 years between 1909 and 1924. Nicaragua declared her independence from Spain in 1821, and for 40 years thereafter was disrupted by civil war and revolution.

Filibustering which followed and apparently grew out of the adventurous life fostered by the "Forty-niners," pushing westward for gold, subjected Nicaragua to American colonization by intrigue, by force, and by purchase of land grants. William Walker, from California, aided by financial interests in New York, invaded Nicaragua with an army recruited from the United States, and in 1856 had himself declared President. He was ousted by an alliance of the other Central American States financed by other American interests.

The pressure for transcontinental transportation about the same time brought Cornelius Vanderbilt's money into the country.

Politically, from 1867 to 1893, Conservatives were in power, followed by the Liberals, with Jose Santos Zelaya as President. For 14 years he ruled as a dictator. During the last of Zelaya's régime he was not supported by the Liberal Party but by personal hangers-on of both parties interested only in the monopolies and concessions granted by Zelaya. In 1909 Zelaya negotiated a loan with a London firm, which was later repudiated as unconstitutional by the Nicaraguan Government.

The following year he was overthrown by a coalition of Liberals and Conservatives. When the matter of the London loan was adjusted, Nicaragua had a debt of only $2,500,000. And during her independent life she had never defaulted on a payment of a foreign debt, except once. This was in the year 1910, when Zelaya was overthrown by a revolution financed by United States interests. (S. Con. Res. 15, hearings January 25, 26, 27, and February 16, 1927.)

During the next 15 years, American bankers promoted a series of financial contracts with Nicaragua that, according to Robert W. Dunn, "provide a historical case which is still interesting for the thoroughness of the accompanying intervention for which the contract provided." (American Foreign Investments, by Robert W. Dunn, Viking Press.)

The facts regarding these 15 years are now matter of public record.

According to the State Department these transactions are nominated "financial reforms." Through the assistance of the United States the State Department claims "it was possible to place Nicaraguan finances in a better position than those of any other Caribbean country." And "in consideration of the establishment of a customs collector, named by themselves and approved by the Department of State, two New York banking firms advanced somewhat over $2,000,000 to place the new government on its feet financially and to stabilize the depreciated and fluctuating paper currency." (Dana G. Monro, officer of the Latin American Division, Department of State.)

Nicaragua is divided, politically, into two camps. You are either born into the Conservative Party, with your interests that of the large property owner and centered in the southwest city of Granada, or you are a Liberal in sympathy with merchants and labor, centered in the northwestern city of Leon. These 675,000 citizens on the west coast, who are under the domination of the leaders of the two political parties, are cut off by mountain ranges, rivers that overflow with rain from May to November, and impassable roads, from the 25,000 Indians, negroes, and mixed whites on the hot tropical east coast.

The Liberal Party has traditionally opposed attempts on the part of the United States Government to obtain control of the canal route, and to establish a naval base at Fonseca Bay, an inlet of the Pacific Ocean, which washes the shores equally of Salvador, Honduras, and Nicaragua. The Liberal Party also opposed further extension of American business interests in the Republic.

Walter W. Liggett writes, in the New Masses of March, 1928, that Philander C. Knox, Secretary of State under Taft, was the largest stockholder in La Luz y Los Angeles Mining Co., which held the mineral concessions over an area of 60,000 square miles. Henry Fletcher, now ambassador to Italy and then a minor official in the State Department, was also a heavy stockholder.

This company had a dispute with the Nicaraguan Government over the amount of royalties it was to pay. The merits of the dispute are obscure, but it is known that President Zelaya was considering canceling the concession.

There also had been a strike in the Nicaragua banana fields, which Zelaya did not suppress with sufficient vigor to please American fruit interests. (New Masses, March, 1928, "Ham and yeggs," by Walter W. Liggett.)

When the two political parties united in their attempt to overthrow the dictator Zelaya, American business interests took advantage of the revolution to push a conservative administration into power.

In the hearings before the Foreign Relations Committee of 1914 many of the details were laid bare. The revolution against Zelaya was financed by Adolfo Diaz, then a clerk of the American mining corporation, La Luz y Los Angeles Mining Co. He had a salary of $1,000, and though it was not known that he had other resources he advanced the revolution $600,000 and later made a claim against the Nicaraguan Government and repaid himself. (U. S. Foreign Relations Com., "Conventions between U. S. and Nicaragua," 1914, Pt. I, p. 32, Pt. II, p. 88.)

The American consul at Bluefields knew about the revolution in advance, and wired the State Department that it would break out the next day and that the new government would apply to Washington "for immediate recognition."

Five days later the consul reported to Washington that a provisional government had been established, "friendly to American interests," and that it guaranteed "annulment of all concessions not owned by foreigners" (U. S. Foreign Relations, 1909, p. 452). American marines were sent to Bluefields to "protect American life and property," but when the revolutionists were located in the city the marines forbade the Government army to come into the city. (U. S. Senate Foreign Relations Committee, "Hearings on Foreign Loans," 1927, S. Con. Res. 15, p. 2.)

When President Zelaya was at last forced to resign, the Nicaragua Congress elected Dr. Jose Madriz as his successor. Doctor Madriz was a well-known jurist and at the time a member of the Central American Court of Justice. American marines were landed on the west coast and sent up to the capital, Managua, where they assisted the Conservatives, under the leadership of General Estrada and General Chamorro, to overthrow this Government also. (U. S. Foreign Relations, pp. 910, 738–760.)

Thomas G. Dawson, who, as American minister to Panama, had already arranged for American control of the customs of Santo Domingo, was sent by the State Department as a special agent to Nicaragua (Ibid.), and two months later on board an American battleship secret agreements were signed under his direction.

The Dawson pact, as these agreements were later to be known, stipulated that the United States would recognize the revolutionary Government of Nicaragua provided—

"1. That Estrada as President and Adolpho Diaz as Vice President be elected by a newly chosen constituent assembly * * * and that no supporter of Zelaya be included in the administration.

"2. That a mixed commission satisfactory to the United States Department of State be appointed to settle claims. * * *

"3. That Nicaragua would solicit the good offices of the American Government to secure a loan to be guaranteed by a certain per cent of the customs receipts, collected in accordance with an agreement 'satisfactory to both Governments.'" (U. S. Foreign Relations, 1910, pp. 763–4.)

Under the Dawson pact there was no chance for free and fair elections. The terms were carried out after Dawson wired the State Department:

"A popular presidential election is at present impracticable and dangerous to peace."

On January 1, 1911, President Taft formally recognized the Estrada Government. Three weeks later Secretary Knox instructed the new American minister to Nicaragua to carry out the provisions of the Dawson pact.

The year 1911 was a momentous one for Nicaragua. There was a storm of protest against the terms of the Dawson pact, many Nicaraguans seeing in them the establishment of a virtual protectorate. Then the invincible strength of dollar diplomacy began to show itself.

In February the American minister cabled Secretary Knox:

"The natural sentiment of an overwhelming majority of Nicaraguans is antagonistic to the United States and even with some members of Estrada's cabinet I find a decided suspicion, if not distrust, of our motives." (Foreign Relations, 1911, pp. 655–6.)

In March he wired that President Estrada was—

"Being sustained solely by the moral effect of our support and the belief that he would unquestionably have that support in case of trouble." (Ibid.)

In April the national assembly voted to adopt a constitution guaranteeing the independence of the Republic and directed against foreign control through loans. Upon this, President Estrada, with the approval of the United States Department of State, dissolved the assembly and called for new elections. Protest against these proceedings forced the resignation of Estrada in favor of Vice President Adolpho Diaz, the man who had originally financed the revolution, and the President of Nicaragua at the present time. (Ibid., pp. 657–658, 600.)

In May the American minister wired that to sustain Diaz "a war vessel is necessary for the moral effect." (U. S. Foreign Relations, 1911, p. 661.) Later he wired that the Liberals were "in such a majority over the Conservatives" that he hastened to repeat the suggestion "as to the advisability of stationing permanently, at least until after the loan had been put through, a war vessel at Corinto." In response to this wire an American warship was dispatched to Nicaragua, and Secretary Knox wired that Diaz should not be allowed to resign.

In June, while the majority of citizens in Nicaragua were struggling to maintain the independence of their country, the representative of the Conservative government, which was being kept in power by the United States, signed a treaty in Washington with the United States through the State Department.

This Knox-Castrillo treaty, which was ratified by the American-controlled Nicaraguan Congress in June, provided that Nicaragua should borrow $15,000,000 from American bankers and that Nicaraguan customs should be controlled by the United States.

At the same time, the State Department negotiated with Brown Bros. & Co. and J. & W. Seligman & Co., of New York, to handle the loan as fiscal agents, the United States Mortgage & Trust Co. to act as trustees, on condition that the Knox-Castrillo treaty should be made an integral part of the contract for the loan.

The treaty was referred to the United States Senate, which adjourned in August without ratifying it. This prevented the agreement for the bankers' loan from being carried into effect. The treaty was never ratified, although it was considered by the Senate three times. (U. S. Foreign Relations, 1912, p. 1076.)

The American bankers, however, with a persistency which spells success, presented another contract to Nicaragua, based on the assumption that the Senate would ratify the treaty at its next session. It was called the "Agreement of gold treasury bonds," and under American pressure was accepted by the Nicaraguan Assembly on September 1, less than a month after the United States Senate had rejected the treaty upon which it was predicated. During this time an American official cabled the State Department that—

"Opposition to these loan contracts and concessions is becoming more determined."

Secretary Knox, however, was unyielding and directed the Chargé d'Affaires to keep the Nicaraguan Legislature in session until the loan agreement was approved.

This contract was the entering wedge which placed the control of the customs in the hands of American financiers. A collector general, "designated by the bankers, approved by the United States Department of State, and named by the Republic," was to have absolute control of the collection and disbursement of both export and import duties. The bankers reserved to themselves the power to remove him at their pleasure.

It was agreed that if the customs were not sufficient to meet the demands of the loan that the collection of taxes on the alcohol monopoly should be given over to the American collector general. In case of disputes or difficulties in respect to the interpretation or fulfillment of the agreement, the question was to be submitted to the United States Secretary of State for final decision.

This clause of the 1911 Nicaragua contract appears to be the forerunner of the San Salvador contract of 1922, which went but one step further in making the judge of the supreme court, instead of the Secretary of the State, the final arbiter.

The concession referred to in the contract allowed the American bankers to use a part of the loan to establish under a charter of the State of Connecticut a national bank in Nicaragua, with an authorized capital of $5,000,000, and a paid-up capital of $100,000, where all funds of the Republic should be deposited without earning interest. The bank was made the fiscal agent and paymaster of the Government. It was exempt for 99 years from all forms of taxation, as was also all money deposited in the bank, and all business connected with the bank. It was given the right to issue Government money with or without guaranty; that is, without any gold deposited as security for the paper currency, and to "introduce and maintain a monetary system." This contract placed the fiscal life of Nicaragua in the hands of the New York private financiers. (U. S. Senate Committee on Foreign Relations hearings, S. Con. Res. 15, pp. 3–4.)

The so-called "fiscal reform" was started at once. Mr. Harrison and Mr. Connant came to Nicaragua as financial experts to prepare the necessary legislation and to make a study of the currency. They were selected by the bankers, paid by the Nicaraguan Government, and approved by the State Department of the United States. The

New York bankers loaned $2,000,000, half of which was used for the capital stock of the bank and half for expenses, and to put the "currency on a gold basis."

In order that this part of the concession could be approved by the Congress, and not be unconstitutional, the old banking laws in Nicaragua were repealed and a provisional amendment to the constitution was made. (U. S. Senate Committee on Foreign Relations hearings, S. Con. Res. 15. Testimony of Toribio Tijerino, financial agent and director of the railroad and national banks of Nicaragua in 1924 pp. 4–6.)

Then, with a free hand to "issue bonds, warrants, bank notes, deposit certificates, obligations and credit documents of all kinds with or without guaranty," they went ahead changing the unit of currency from pesos to cordobas, which was supposed to have a $1 backing for each cordoba. The value of the peso at the time was 28 to $1. The bankers arbitrarily fixed the value of the pesos in circulation. Mr. Toribio Tijerino, who testified to this effect before the Foreign Relations Committee in 1924, had been financial agent of Nicaragua, and director of the railroad and the national bank.

Mr. Tijerino told the Senate committee how Diaz before this arrangement was made, had, first as Secretary of the Treasury under Estrada and then as President, issued 30,000,000 paper pesos that were used to pay himself and his friends for what they claimed had been expended in the revolution, so that they had all this paper money in their hands. This they exchanged for gold at double its original value and left the rest of the paper money converted into paper cordobas without any gold backing. In other words, Nicaragua now has 4,000,000 cordobas in circulation, nearly a third of which has no gold backing or other guaranty, and having spent $2,000,000, they have the same amount of paper money as before. The American bankers claim that the best work they have done in Nicaragua is to "stabilize the currency."

From the American bankers' point of view the year 1911 had been successful and further financial negotiations were advanced in the first half of 1912. These included a further loan to the Republic of $725,000 "for monetary experts to stabilize the exchange and to pay current expenses." The bankers obtained as security a first mortgage on the Government railroads and the steamship lines, with the right to purchase a controlling share of the capital stock of both and the right to collect a balance of more than a million dollars on the loan which Nicaragua had negotiated in London and upon which the payment of interest had lapsed because of the revolution which placed the Government of 1912 in power. This balance was to go to the bankers as part payment on their previous loan.

The Liberal Party in opposition to President Diaz proclaimed a revolution. They seized part of the Government railway, some steamers, and several customs houses. The American bankers wired to the State Department for protection. The report of the secret hearings of the United States Senate Committee on Foreign Affairs, 1914, shows that a locomotive and two flat cars owned by the bankers were seized, and the next day 3,000 marines, 125 officers, and 8 naval vessels went into action to protect life and property. The leader of the Nicaraguan revolution surrendered to the United States commander and was exiled to Panama on board a United States warship.

In the fall of 1912 Nicaragua went to the polls, which were guarded by American marines, and in opposition to public opinion President Diaz was reelected for another four years. The election of 1916 showed the domination of Washington. The Liberals were more numerous and would have won if American marines had withdrawn. Instead, the American minister openly supported the Conservative candidate, Chamorro, while the candidate whom the Liberals had chosen was not allowed to enter the country to carry on his campaign.

The 1916 elections were fraudulent and Chamorro was held in power against the opposition of three-fourths of the population, according to a report of the commander of American forces at the time.

In 1920, President Emilio Chamorro was succeeded by his uncle, Diego Chamorro, aided by marines and the United States Department of State. An American "special observer" was sent to Nicaragua. He reported that "fraud undoubtedly did take place in the registration and the counting of votes by the Government."

The President gave all the important appointive offices to his immediate relatives. The American Federation of Labor prepared a list giving the official governmental titles of 12 of the Chamorro family in 1921. Walter Liggett says:

"They looted the treasury on an extensive scale and were retained in power solely by the presence of United States marines."

When, by the death of the President in 1923, the Vice President, Martinez, became head of the Government, there was great poverty, unemployment, and business failures; natives were leaving the country in search of work. With a genuine desire to help his country he decided to buy back the national railroad and bank.

American marines were kept in Nicaragua from 1911 to 1925, when they were replaced by a native police force officered by Americans.

Secretary of State Knox wrote:

"It is fair to assume that these military and naval tactics have continued to be a heavy annual expense to the United States taxpayers. During the course of the year it is many times necessary for the United States to send forces to the ports of some of the Central American Republics in order to afford protection to foreign life and property. (That is, American life and property.) This is done at an enormous expense, an informal estimate from some of the naval officers showing that the annual cost to the Government amounts to over $1,000,00. (U. S. Foreign Relations, 1912, p. 586.)"

In 1921 the United States shipped rifles and ammunition to Nicaragua to suppress Liberal uprisings, and in 1922 the Conservative government was maintained in power only by threats of force on the part of the United States marines and the arrest of 300 of the Liberal Party.

When the great nation shows military concern for the life and property of its citizens in another country or the impulse to establish a "free and just government" for its neighbor it is well to look up the bank and the railroad and the private concessions in the other country.

The National Bank of Nicaragua, in September, 1911, was organized with $100,000 as capital supplied from the first loan of $1,500,000 to the Government by Brown Bros. and J. & W. Seligman & Co. The following March the paid-in capital was raised to $300,000, of which the Government supplied $49,000 and the New York bankers $151,000, thus obtaining control of the bank. In 1914 the bankers made another agreement with Diaz for further issuance of paper cordobas and 500,000 were delivered to the Government. This loan was repaid in 1920, so that from 1914 to 1920 the currency was again on a paper basis. These cordobas were to be retired from circulation by the interest paid on the moneys deposited in New York as guaranty and by the profit in coining money; but the money deposited in New York received but 1 per cent yearly interest, and the bills from the management of the currency were larger than the profits from the interest and the coinage.

This state of affairs was called to the attention of the State Department by Gen. Emiliano Chamorro, when he was minister to Washington in 1922, and in 1924, under the presidency of Martinez, the Nicaraguan Government was allowed to buy back the bank stock belonging to the bankers for $300,000 in cash, approximately double the original purchase price. (Foreign Relations Committee hearings, 1927, S. Con. Res. 15, p. 7.) The bank directors were changed at the time to include six Nicaraguans and three Americans "who represented the State Department"—Mr. Robert F. Loree, Mr. Hansel, and Mr. Jeremiah W. Jenks. Mr. Jenks was also made financial adviser to the Nicaraguan Government to help in a plan which was to be put in force in 1925. (Ibid., p. 9.)

The bank again belonged to the Nicaraguan Government, but the control by American bankers opened the way for a contract on March 21, 1927, which again placed bank and railroad in the hands of the Guaranty Trust Co. and J. W. Seligman & Co. The details of this last transaction will be described later. (Committee on Foreign Relations hearings, 1927, S. Con. Res. 15, pp. 6–7.)

At the same time, in 1911, the Nicaraguan railroad was incorporated under the laws of the State of Maine with $300,000 capital stock. It included the road which had been built from the surplus in the national treasury between 1881 and 1904, and the steamers plying in the Nicaragua Lake and the San Juan River. These form the only means of communication between the two oceans.

In the contract of 1911 the New York bankers obtained an option to purchase 51 per cent of the stock for $1,000,000. At the same time they obligated themselves to loan the company $500,000 to be used for improvements. In 1914 the bankers exercised the option and purchased the 51 per cent of the stock. In 1919 the road was in such bad shape that the Nicaraguan Government paid two American engineers to examine and estimate the value of the road. They reported that less than half of the rails and ties were in good shape, not one new locomotive had been added, and the lake and river steamers had been allowed to be completely destroyed. The Pacific Railroad was in a "most dilapidated and deplorable condition." (Ibid., p. 11.)

In 1920 the Nicaraguan Government and the same bankers entered into a new agreement for a loan of $9,000,000. One of the features of the agreement was that the Government should buy back the bankers' $1,000,000 interest for $1,750,000. So, with the railroad deteriorated and their steamers sunk in the mud, the people of Nicaragua, through Government officials, paid $350,000 in cash to the bankers and 9 per cent interest on the balance of $1,400,000, which was covered by a note which had to be renewed every six months at an expense of 1 per cent. The last installment was paid in July, 1924, and the railroad became again temporarily the property of the Government. (Ibid., p. 11.)

Both the railroad and the bank, because they were chartered in Connecticut and Maine, are obliged to pay State and Federal taxes to our Government. The Nicaraguan Government immediately began to put the railroad in repair and renew and extend the rolling stock.

These facts regarding the earlier railroad deals are fairly well known, but the rest of the story, which Mr. Tijerno also made public before the Foreign Relations Committee in 1927, needs to be retold.

Jeremiah Jenks, of J. W. Seligman & Co., and Joseph Choate, of the G. J. White Managing Corporation, remained on the board of directors of the railroad after 1924. While the railroad was under the control

of the bankers, the G. J. White Managing Corporation was retained to manage the railroad, at a compensation of $15,000 a year, with 2 per cent commission on all supplies bought in the United States. (Ibid., p. 12.)

The G. J. White organization has three companies—a managing corporation, a construction corporation, and one other. So that, in purchasing for the Nicaraguan Railroad, this triplicate organization charged 2 per cent commission for buying materials from itself, and so made one hand pay the other. When the Nicaraguan Government attempted, in 1925, to cancel this agreement, it was found impossible to do so, because Jeremiah Jenks, the financial adviser of the Nicaraguan Government and director of the bank and of the railroad by appointment of the State Department, came to Washington and used the private code of the State Department to send cable messages to President Solorzano, of Nicaragua, asking him not to cancel the contract with the White Managing Corporation.

The message was sent through the American minister in Managua, giving the impression that the State Department was interested in maintaining the old arrangements with the White Managing Corporation (Committee on Foreign Relations hearings, 1927, S. Con. Res. 15, p. 13), and President Solorzano reversed the official order to cancel the contract.

No satisfactory explanation was given for this action either by Mr. Jenks or members of the State Department, who claimed that they had allowed the code to be used out of courtesy to the Nicaraguan President, as Mr. Jenks explained that there was no direct code with the Nicaraguan Government. At a meeting of the directors of the railroad in New York in the early part of October, Mr. Tijerino, who is a director of the railroad, testified that Mr. Baillie, another member of the board, gave as a reason for extending the White contract another two or three months that "in this time many things can happen in Nicaragua." (P. 14, S. Con. Res. 15.)

The multiple contracts made by the New York bankers with the Nicaraguan Government form a network of political and financial scheming, with their real significance hidden in a labyrinth of words. Few people in either country would have the patience to study their intricacies. The fact that they were originally written in French adds to their obscurity. The English text of three is given in the report of the hearings before the Foreign Relations Committee in 1925. (S. Con. Res. 22, 1925, pp. 152–167.)

The contract of October 20, 1917, known as the "financial" or "Lansing" plan, dealt with the canal treaty and gave Nicaragua the right to receive $3,000,000 American gold from the United States Government. Less than 30 per cent reached Nicaragua.

The bulk of this $3,000,000 remained in the hands of the New York bankers to pay the arrears of loans to the Diaz régime and to pay also the Emery claim against Nicaragua, which the bankers had bought at a tremendous profit from its original owner. (Foreign Relations Committee hearings, 1927, S. Con. Res. 15.)

The financial plan, proposed by the bankers and under which Nicaragua is now living, provides for a high commission of three members, one a Nicaraguan, the other two citizens of the United States appointed by the United States Secretary of State. One of these shall act as arbitrator in case of discord between the other two. Any difference arising between the Republics, the collector general, and the bankers is to be referred to the high commission "whose decision will be final and obligatory."

In return for $3,000,000 paid by the United States, the Bryan-Chamorro treaty of 1916 gives the following concessions to the United States:

1. The right to construct a transcontinental canal through Nicaragua.

2. A 99-year lease of Great Corn and Little Corn Islands, off the Nicaragua coast in the Caribbean Sea, for a naval base and an option to renew the lease.

3. The establishment of a naval base on the west coast in Fonseca Bay. (Foreign Relations, 1913, p. 1021–1034; 1914, p. 953–969; 1915, p. 1140–1141; 1916, p. 849, 852.)

Col. Clifford D. Ham, collector general of customs in Nicaragua, says of the Bryan-Chamorro treaty:

"It is an important link in the chain which we are attempting to forge, of preparedness and national offense and the protection of our investments in the Panama Canal."

The Bryan-Chamorro treaty was ratified and proclaimed by the United States Senate June 24, 1916. Before that date Costa Rica and Salvador protested the treaty as a violation of their rights. Their objections did not bring about any changes in terms, but the Senate, before ratification, added a clause that nothing in the treaty should affect any existing right of those two countries or of Honduras. (Ibid.)

Costa Rica and Salvador also referred the question to the Central American Court of Justice which ruled that Nicaragua should maintain the status quo existing prior to the signing of the treaty. (Ibid.)

Neither the United States nor Nicaragua paid any attention to the decision of the court, and as the court was created through the initiative of the United States, it was rendered useless and two years later, after 12 years of service, was formally dissolved.

In 1924 Nicaragua paid off her debt to the bankers and bought back her railroad. Nominally she was a free republic; virtually she was a protectorate of the United States; and the story of Nicaragua was only just begun. (For list of debts see For. Rel., 1913, p. 1043–1044.)

Three weeks after the board of directors of the Nicaragua bank had heard "that many things can happen in a short time in Nicaragua," General Chamorro started the revolution of October 21, 1925.

Walter Liggett writes, in the March issue of "New Masses":

"There is every reason to suppose that the revolution was planned and financed in New York by the bankers, with the tacit consent of the State department * * * if not with the active aid of Jordon H. Stabler, ex-banker employer and chief of the Latin-American division."

The presidential election of the year before was of especial significance to Nicaragua since the withdrawal of American marines rested on the results. The election was to be carried out under a new law drafted by H. W. Dodds, known as an American expert who had acted as an "observer" during the American-dominated elections of 1916 and 1920.

A split in both parties brought four candidates into the field. Gen. Emiliano Chamorro came back from Washington to conduct his own campaign as one of the Conservatives. A compromise ticket which did not include him was finally negotiated with Carlos Solorzano as President and Juan B. Sacasa as Vice President, and the State Department was asked if Washington would approve. The State Department declined to express its views but said:

"The Government of the United States has no preference whatever regarding presidential candidates in Nicaragua * * *. It desires only a free and fair election." (Current History, July, 1924, p. 1010.)

Then Nicaragua made a gesture of self-government. It notified the State Department that it would prefer not to have "observers" at the coming elections.

This election was pronounced the fairest election ever held in the country. Solorzano and Sacasa were elected by a nearly 2 to 1 majority. The United States at once recognized them.

The new President was not a strong leader, and the Congress, made up of two Conservative wings as well as Liberals, was not leadable. Three acts of the Congress were obviously anti-American. Two new loans, one for the bank and one for proposed public construction, aggregating 5,500,000 cordobas were rejected, and it was voted to investigate the expenses of the commission of which Jeremiah Jenks, the fiscal arbiter, was head. (Current History, April, May, and July, 1925.)

A law suggested by the American chargé d'affaires, establishing a new national constabulary of 400 was passed, and C. B. Carter, of Texas, was appointed to instruct it. (Current History, September, 1925.) This law is the forerunner of the development of a national guard under the control of American marines as discussed in the early months of 1928.

American marines were withdrawn from Nicaragua in August, 1925, following the election. Quarrels soon broke out between Conservatives and Liberals, and the President revised his cabinet, keeping the war department in his own hands. On October 25 Chamorro took possession of the fortress commanding Managua. He forced the President to dismiss the Liberal cabinet members, pay him $10,000 for his expenses in arranging this coup d'état, and to appoint him commander of the army. The President, refusing to call upon war vessels hovering around the coast, was obliged to resign, and Vice President Sacasa left the country to save his life. Chamorro had gained control of Nicaragua.

Chamorro, a member of a prominent Conservative family of Granada, has been one of the best-known political leaders of the country. It is said that it was he who started the revolution against Zalaya in Bluefields. Minister of War in Diaz's administration, openly supported by the American minister for President in 1916, with the aid of American marines he received the election. As minister to Washington, his name became linked with Bryan's on the treaty which made Nicaragua a virtual protectorate of the United States. He evidently counted upon his close relationship with the State Department when he usurped the presidency in 1926.

He tried to propitiate by sending as minister to Washington Castrillo, another man of hyphenated treaty fame. Isaac Joslin Cox, professor of history of Northwestern University, writes that Chamorro also offered to sell the Nicaragua Railway and the bank. (Nicaragua and the United States, by Isaac Joslin Cox; World Peace Foundation pamphlet, p. 779.) Mr. Cox also says that the State Department refused to recognize him, but the various fiscal agents and the American minister maintained with him unofficial relations that were outwardly friendly. (Ibid, p. 779.) He remained in power for more than a year.

The following May the Liberals started a revolution against the Chamorro government by raiding the branch of the national bank at Bluefields. Under the excuse that the bank is chartered under the laws of Connecticut the American Navy arrived to "protect American citizens and American property" and established a neutral zone. Five other neutral zones were established, including one on the railroad, which, like the bank, belonged alone to Nicaragua. The Liberals found

themselves deprived of victory by the Government of the United States, which would not recognize the administration they were fighting against.

In September Admiral Latimer arranged a 15-day armistice. Lawrence Dennis, in charge of the American Legation and now associated with the firm of J. W. Seligman & Co., acted as director under orders from Washington.

The Liberals proposed to submit the question of the Presidency to arbitration by a representative of the United States Department of State and one from each of the other four Central American Republics.

The Conservatives would submit the matter to the State Department only. Adolfo Diaz was the candidate which both the Conservatives and Washington wanted. With respect to the coup d'état of the preceding October, Diaz was "as deep in the mire as Chamorro was in the mud," says Mr. Cox. But he had avoided the open acts that rendered the latter unavailable. (Ibid, p. 781.)

The Liberals refused and Diaz withdrew from the conference. United States pressure was continued and Diaz was made President by the Nicaraguan Congress on less than a two-thirds vote, more than a fifth of the entire body refusing to vote.

Diaz was elected President on November 11 and quickly recognized by the State Department. A week later it was reported that the American bankers were ready to make a temporary advance of $300,000 to the Government, to be followed by a loan of $6,00,000. Diaz denied this but, according to the New York Times, the first was negotiated. (New York Times, November 18, 19, 20, 1926; January 1, 1927.) Then came the scare-up of Bolshevism from Mexico, with Diaz's appeal to the American State Department to help prevent it. (New York Times, November 18, December 14, 1926; State Department release, No. 18, 1926.) Sacasa returned to Nicaragua and established a "constitutional government," which Mexico recognized. Sacasa represented the wing of the Liberals that believed in using peaceful methods. (H. W. Dodds in the Annals American Academy of Political and Social Science, p. 139.)

He offered several times to give up his claim to the presidency and stop fighting if both parties would agree on a neutral candidate.

On December 23, 1926, Admiral Latimer, following instructions from Washington, landed at Puerta Cabezas, the Liberal capital, and at Rio Grande Bar, both on the east coast, and established neutral zones. The Liberal envoy believed this was to prevent the Conservative forces from being driven from Pearl Lagoon. (New York Times, December 24, 25, 1926; State Department release, Deeember 25, 1926.) The Liberal cause was growing more popular. Diaz called again for help from the State Department. President Coolidge, in a special message to Congress, defended the stand taken by the State Department in none too convincing a manner. Congress was aroused to debate. The press of the world was divided in its comment according to its imperialistic bias.

Guatamala and Costa Rica offered mediation. Sacasa expressed his willingness to accept Costa Rica's offer, but Diaz refused. Diaz proposed peace terms which involved United States protection, and asked President Coolidge for "guidance, cooperation, and aid." (New York Times, January 16, 21, 1927.) Sacasa was ready to welcome the advantages the United States had to offer. In an open letter he spoke of the fear of the "proceeding employed for quite a number of years against Nicaragua and other small republics of Central America." He said:

"It is not an American national policy, beneficial to Americans as a whole, but rather a policy for the exclusive benefit of a certain group of bankers. * * * We wish a frank and dignified understanding between Nicaragua and the United States—an understanding between the great commercial and financial interests of two sovereign entities." (New York Times, January 20, 1927.)

In view of the fact that Coolidge would recognize no one but Diaz, Sacasa feared a possible clash between American and Liberal forces.

In January, 1927, the Liberal forces began fighting again. A terrible battle occurred at Chinandega. American aviators reconnoitered and encouraged the Conservatives from bombing planes. They were reported as "private individuals," and the State Department disapproved. (Current History, March, 1927, p. 919.) Diaz offered to retire, and said he would "welcome the return of the marines." Then came Diaz's "benevolent and honorable plan," a proposal for a treaty of alliance between the United States and Nicaragua.

American intervention followed closely. With the advice of Admiral Latimer, the State Department announced in February that the number of American marines were to be increased to over 5,000. (State Department release, February 21, 1927; Current History, April, 1927, p. 104.) A British cruiser appeared in Corinto, and stayed less than two weeks. This precipitated a popular discussion of the Monroe doctrine and hints of collusion between American and British diplomats. (Chicago Daily Tribune, February 25, 1927, and other dailies.) Admiral Latimer sent a mission to confer with Moncada, chief of the Liberal forces. The mission returned, and the State Department on March 8 announced that Moncada accepted Diaz's peace terms "in principle." (State Department release, March 8, 1927.)

Moncada is the candidate for the coming elections whom the State Department will recognize. He has been in New York this winter talking about future loans. The Nation of February 1 shows him to be a party turncoat and a traitor, having supported Honduras in a war against his own country. Sandino is reported to have predicted that Moncada would fail Sacasa.

On February 25 the State Department announced a sale of 3,000 rifles, 200 machine guns, and 3,000,000 rounds of ammunition, at a cost of $217,718, to the Diaz Government. (State Department release, March 23, 1927; New Republic, April 13, 1927.) These are to be paid for after January 31, 1929, thus placing the burden on the next President. The details of the contract which was made with the usual New York bankers to cover this expense is given later under date of March 21, 1927. (State Department release, March 23, 1927; New Republic, April 13, 1927.)

Just as the rainy season was coming on and nature would force an armistice upon the waring factions, Henry L. Stimson, as President Coolidge's special emissary, reached Nicaragua. He was one time Secretary of War of the United States, and has now been sent to the Philippines as Governor General.

The Stimson agreement was the outcome of his mission. Sacasa and Moncada yielded to Mr. Stimson's persuasion, made impregnable by threats of force. Diaz looked on smiling. He had triumphed again, backed financially by New York bankers and politically by the United States Department of State.

Sandino alone, of all the Nicaraguan leaders, refused to capitulate to American dollar diplomacy at its worst.

Salomon de la Selva, in the Nation of January 18, gives a description of Augusto Calderon Sandino, which absolutely refutes the hearsay report of the Navy Department that he had spent 22 years in Mexico and had been the lieutenant of Pancho Villa. Most of his life has been spent in his own country.

The following letter from Mr. Stimson to Moncada shows how the Stimson agreement was brought about:

"Confirming our conversation of this morning, I have the honor to inform you that I am authorized to say that the President of the United States intends to accept the request of the Nicaraguan Government to supervise the election of 1928;

"That the retention of President Diaz during the remainder of his term is regarded as essential to that plan and will be insisted upon;

"That a general disarmament of the country is regarded as necessary for the proper and successful conduct of such election; and

"That the forces of the United States will be authorized to accept the custody of the arms of those willing to lay them down, including the governmental, and to disarm forcibly those who will not do so." (State Department release, May 10, 1927.)

Both governmental and Liberal forces laid down their arms, and by June 6 the State Department reported "practically all arms in Nicaragua are now in our custody." (State Department release, June 10, 1927.)

Moncada received in return certain supplies of clothing and $10 for each rifle turned in to the American forces, and Mr. Stimson publicly favored the candidacy of Moncada for the presidency.

The outstanding facts are that during the whole period of civil strife Nicaragua had respected American property, and it was not until after the Stimson agreement that it was put in jeopardy. Neither had foreign trade suffered a loss. The total foreign trade for 1926, $23,283,237.91, was the largest of any except 1920.

Two months after Stimson had forced the Liberals to lay down their arms and accept a program of military supervision by the United States, equivalent to the protectorate already operating in San Domingo and Haiti, Sandino seized some mines of the La Luz y Los Angeles Mining Co. This was the American company in which Secretary Knox had a pecuniary interest and for which Diaz worked when he advanced $600,000 to carry on the revolution of 1909. The recent hearings before the Foreign Relations Committee revealed that after refusing to capitulate to either American force or bribery Sandino started north with the idea of crossing into Honduras. The Nicaraguan Government notified the Honduran Government of Sandino's movements and troops were sent down to catch him when he crossed the border. He turned back and, keeping about 40 men with him, sent the married men back to their homes. (Foreign Relations Committee hearings, S. Res. 137, p. 25.)

Major General Lejeune, in command of the United States Marine Corps, issued an ultimatum to Sandino to lay down his arms at El Ocatol before a certain hour on July 14 or suffer an attack by joint American and Nicaraguan forces. Sandino refused, as Patrick Henry would have done, "calling for a free country or death."

The conflict which resulted was described by Major Lejeune to the Foreign Relations Committee as: "Entirely a surprise attack" on the United States garrison at Ocotal, "without warning and without any preliminary or anything that happened which indicated that he was going to make an attack." (Ibid., pp. 47–48.) The actual battle has previously been described. Two-thirds of the Nicaraguan losses were inflicted by bombing and machine-gun attacks made from United States airplanes dispatched from the capital Managua. (Ibid., p. 48.) The United States Government, by recommending the officer in command of the bombing raid for distinguished service, sanctioned this method of carrying out the terms of the program to establish peace.

The day after the battle at Ocotal, President Greene, of the American Federation of Labor, notified Secretary of State Kellogg that officers and members of the Pan American Association of Labor, then in session at Habana, were "deeply concerned over the exceedingly disturbed conditions which exist in Nicaragua."

Secretary Kellogg in his reply to President Greene reviewed the events leading up to the El Ocotal incident and characterized Sandino's forces as "nothing more than common outlaws who do not have the support or approval of any of the leaders of either of the political parties of Nicaragua." (Current History, September, 1927.)

The same day Moncada, former Liberal generalissimo who had accepted the Stimson agreement and delivered over the arms of his forces, placed full responsibility upon Sandino, saying that "Sandino preferred to gather a band of bandits and assassins" and create disorder than "to lay down his arms and return to peaceful pursuits." (Current History, September, 1927.)

A telegram from Sandino which was intercepted by airplanes patrolling the district was reproduced in Current History of September, 1927. It gave his explanation of why the Ocotal combat took place, as follows:

"1. To show that we continue protesting and defending the constitutionality of Doctor Sacasa.

"2. To disabuse the idea that we are bandits.

"3. To prove that we prefer death to slavery, for the peace secured by Moncada is not the peace that can give liberty to men but puts men under the domination of others."

And he added:

"I wish to say that the only one responsible for what has happened is the President of the United States, Calvin Coolidge, who has supported Diaz." (Ibid.)

The answer from the State Department did not convince the Pan American Labor Congress, and three days later by a rising vote it unanimously approved a resolution which stated that—

"The people of Nicaragua have been the unfortunate victims of a foreign intervention which has caused not only internal suffering but internal difficulties."

It petitioned the United States Government to effect an "immediate withdrawal of United States forces on land, sea, and air" from Nicaragua, and deplored the "recent tragic events said to have accrued on account of the intervention decreed as against a free country."

It is not labor alone that protested. An extreme wave of anxiety swept over the United States in regard to the official actions of the United States toward Latin America. Hardly an American magazine appeared without some approach to the subject. (Current History, Latin-American number, September, 1927. The Annals of the American Academy of Political and Social Science. "Some outstanding problems of American foreign policy," July, 1927. The World To-morrow, "The Caribbean," May, 1927. The Nation. The New Republic.) Current History, the Annals of the American Academy of Political and Social Science, and the World To-morrow devoted a whole issue to the subject.

The Pan American Labor Conference also touched a sensitive nerve when it denounced in another resolution the arrangements "alleged to have been agreed to by President Diaz, of Nicaragua, whom the United States marines are again holding in power * * *, by which New York bankers would secure complete control of Nicaraguan finances." (Current History, September, 1927.)

The substance of this resolution is based on a contract signed by New York bankers and agreed to by the State Department eight weeks before Colonel Stimson was sent to Nicaragua.

This contract was signed on March 21, 1927. It is between the financial agent of Nicaragua, Don Dr. Joaquin Cuadro Zavala, and the Guaranty Trust Co. of New York, and J. and W. Seligman & Co., also of New York. It is for a so-called "loan" to the interim government of Adolfo Diaz, pending the coming elections of 1928. This contract was sent to the proconservative congress on March 22, and the following day published in the Nicaraguan papers. It was not made public in the United States, as the American bankers stated that it was a private affair between themselves and the Nicaraguan Government.

Mr. Teribio Tijerino, former consul general and financial agent of Nicaragua, analyzes the contract in this way (letter written by Mr. Tijerino in possession of writer):

It does not in the least deal with a straight loan. The bankers are not lending Nicaragua one red penny of their money. They are only opening a credit in the United States of $1,000,000 to the Nicaraguan Government. The life of the credit is one year, with the possibility of extending the time six months longer on one-half the amount. Six per cent interest is to be paid on whatever part of the credit is used. Besides this interest, the contract stipulates that the first money taken from the credit shall be 1 per cent ($10,000) as payment to the bankers for arranging the credit, and for this also Nicaragua will have to pay 6 per cent interest from the day the contract was approved.

Nicaragua is bound by the contract to use the credit exclusively for the following purposes:

1. For buying provisions for the armed forces of the Diaz Government.

2. For maintaining and equipping the Diaz forces and to pay them off.

3. For any other purposes judged necessary, as determined by a special board composed of the American high commissioner (Roscoe Hill), the American manager of the national bank (Lois Rosenthal), and the Nicaraguan minister of finance. As all decisions of this board will be binding when approved by two of its members, control of the expenditures rests with the two Americans.

Eight weeks later the Liberals were forced by the United States Government to disarm.

This million-dollar credit is guaranteed in such a way as to throttle all possibility of self-government, Mr. Tijerino claims, by a mortgage placed on new taxes which were created by a special decree of the Nicaraguan Congress in January, 1927, for the express purpose of repaying small farmers for the supplies taken from them for the Diaz forces, and to meet other war claims of a similar nature such as commandeering livestock and looting farms and shops. These taxes include an increased export tax on coffee, the largest crop of the country, and an increased import tax upon all goods coming into the country except rice, flour, and corn.

Mr. Tijerino writes:

"This means less pay for the peon working on the coffee plantation as well as less profit for the owners. * * * It means higher prices on most of the many imported commodities such as cigarettes, lard, and other food stuffs, calico and gray sheeting of which the national dress is made, cement which is so necessary for modern construction, and medicine of all kinds. * * * It means loss of business for the merchants and greater poverty for the people."

Bad as this increase in living costs is, it is not the worst result of this contract. Mr. Tijerino points out that the injury done by the Diaz troops has been in the section where the Liberals predominate, and where the anti-Diaz feeling runs highest. This mortgage upon the tax receipts which were to pay the people will act as a big stick to force them to submit to the will of the Diaz régime or to forego indemnities due them. "Free elections becomes but an empty phrase when the free action of the people is bound and tied to the will of the minions in Nicaragua of the New York bankers," he rightly says.

This secret credit is also guaranteed by the surplus of the national treasury revenue, thus preventing the Nicaraguan people from undertaking any national improvement such as road building, without the consent of private American bankers.

In the same way the bankers now have obtained complete control of the national bank and the railway through a mortgage upon all stock and dividends of both.

In the contract Nicaragua is pledged to reorganize the boards of directors of both the railroad and the bank so as to include a majority of directors chosen by the bankers. The result is an interlocking directorate of six out of nine members in each of the two boards.

The bankers are given priority rights for the next five years in regard to other loans and bond issues; that is, all competition is eliminated; and the nation if it needs to borrow more is at the mercy of the bankers as to amount and rate of interest.

"All these conditions," Mr. Tijerino writes, "have been fulfilled by the Diaz government, and with a vengence." At the first meeting of the boards of directors of the bank and the railroad it was decided to cancel an existing agreement with the Royal Bank of Canada and to transfer all the various funds belonging to or held in trust by the Nicaraguan bank and the railroad to the New York bankers. The amounts aggregate some three and a half million dollars, for which the bankers will pay 2½ per cent interest, while requiring 6 per cent on their credit. The president and the treasurer of the National Bank, both Americans, receive $6,000 salaries. The president is a vice president of the Guaranty Trust Co. of New York.

In summing up, Mr. Tijerino says:

"This contract, which places the absolute control of a sister Republic in the hands of New York bankers, was entered into with the knowledge and approval of the United States Department of State, and is typical of the kind of business that certain New York bankers have been doing in Nicaragua for the past 15 years under the protection of the United States flag."

In the light of the coming Nicaraguan elections in October, 1928, which President Coolidge has decreed shall be guaranteed by the United States Government, this contract ceases to be a private affair.

Since Mr. Stimson reported: "The civil war in Nicaragua is now definitely ended (1)," there have been 50 engagements or more between American forces and Nicaraguans. (2) In January of this year they were almost daily occurrences. Sandino's forces have increased in number and are called "rebels" now instead of "bandits." They are fighting under the colors red and black, of the organized labor group. They call themselves the "wild beasts of the mountains," probably much in the same spirit as the Italian troop which the United States feted during the World War nominated themselves the "Blue devils." General Lejeune says:

"Sandino has ability and is ambitious and * * * he would rather be a leader of a band in the mountains than to be working in the mines as a clerk."

Who with ability and ambition would not? But General Lejeune said something really important when he told the Foreign Relations Committee that—

"Sandino has become a symbol in Central America."

Sandino is fighting for an imperishable principle embedded in the hearts of men from the beginning. He is but one of the many courageous young men who are arising in every part of the world to-day against the hydra-headed diplomatic military banking beast, which sucks the very life blood of democracy.

"What would happen," Senator McLEAN asked, "if the American marines took the defensive only" against Sandino? And General Lane answered: "He would be simply king of the Province of Nueva Segovia, and would prevent the elections being held there in September."

There is no report of civilians having been killed by Sandino's forces in Nueva Segovia or the surrounding territory. General Latimer stated before the Foreign Relations Committee that no one was killed in the American mine where Sandino obtained dynamite and other supplies.

Sandino in the wilderness of Nueva Segovia is too small an objective to account for 2,700 United States marines in Nicaragua and more to come.

It is an open secret that neither Diaz nor Chamorro want the elections held next fall, and they are giving encouragement to Sandino. Others are undoubtedly strengthening his position also.

Two new issues have stirred Nicaraguans to further resistance: By the presence of marines in the capital, attempts have been made to force through a treaty for the establishment of a national guard, and a law which would legalize American supervision of elections.

American marines are in Nicaragua not to suppress Sandino, says Mr. Tijerino, but they are in Managua to see that "Congress behaves meekly and raises no protest." (Letter signed by T. Tijerino, January 9, 1928, in possession of writer.)

Information came first from the Nicaraguan paper El Comercio, of Managua, that a covenant is under consideration between the United States and Nicaragua concerning the establishment and organization of a guardia nacional in Nicaragua. (Letter signed by T. Tijerino, January 9, 1928, in possession of writer.)

Mr. Tijerino explains that by legislation of the Solorzano-Sacasa government the country is pledged to establish a national guard, but not by treaty with the United States which would give the United States control.

The pending covenant stipulates that the guardia nacional is to replace all military and police force of the country, and that it will not be subject to the judiciary branch of the Government as would be the national constabulary provided for in the 1924 law. American officers of the guardia would be subject to neither Nicaraguan courts or law. The cost to Nicaragua would be a minimum of $700,000, more than half of the annual national budget. Ninety-two American officers are to receive $117,000 in wages, while 1,101 Nicaraguan members receive not much more, $177,960. American are to have a minimum of $200,000 for expenses also, for which they will not be accountable to anyone.

Mr. Tijerino writes:

"This covenant which the national congress will be forced, if possible, into approving is in opposition to Nicaragua's constitution and to her jurisprudence."

By this covenant the State Department is evidently trying to make a continued control of Nicaragua by American officers legal under Nicaraguan laws.

It is an attempt to establish a military dictatorship as bad, if not worse, than that of Haiti. The United States Senate ratified that treaty without knowing how it had been obtained. It looked at the time like a friendly act freely entered into by the Haitians.

A summary of the results of American dictatorship in Haiti after 12 years is to be found in Senator KING'S resolution (S. Res. 158), now before the Foreign Relations Committee, calling for investigation. It charges that—

"The suppression of civil authority by military power is contrary to the Constitution of the United States and those principles of political and civil liberty which are professed by the Government and the people of the United States."

Mr. Carr, of the State Department, has announced the "approval of a private loan to Nicaragua, to be used to pay the expenses of the national guard and of the coming elections." This loan will put the entire administration of the revenue into the hands of New York bankers.

Diaz and Moncada, through the directivas of their respective political parties, have agreed to the treaty, but it is reported that Diaz has turned against the terms of the loan.

Besides an American collector general of customs and an American high commissioner there has been appointed lately an American general inspector of internal revenues. The United States now has governmental control of Nicaraguan finances, armed forces, and prisons, and private control of the national bank and railroad, for all of which Nicaragua pays the bills.

The attempt of the United States executive department to legalize American supervision of elections in Nicaragua under the law of that country has recently failed.

Admiral Latimer told the Foreign Relations Committee:

"As far as principles and practices are concerned there is no difference between the two political parties in Nicaragua. The original dividing line was the church, but that has long since passed." (Foreign Relations Committee hearing, S. Res. 137, p. 40.)

There is also "no differences between the two parties as far as protection of American rights and property is concerned." (Ibid. 41.)

Marines have been acting as "observers" in recent elections in the Provinces, where Liberal victories and "no frauds" are reported.

Ostensibly we are in Nicaragua only to assure a fair election. It was brought out in the recent hearing by a Navy officer that Admiral Sellers wrote Sandino a "very carefully prepared letter," pointing out that the United States was determined to bring about a state of peace in Nicaragua. The United States had no ulterior motive; its only desire was to do something for the good of the people; it wanted to hold and had promised to hold a free and fair election under American supervision. (S. Res. 137, hearing Foreign Relations Committee, p. 60.)

General Lane told the Foreign Relations Committee that the United States is trying to instill in the Nicaraguans "a spirit of patriotism in support of Nicaraguan institutions, as distinguished from partisan institutions." He thought it doubtful if it could be accomplished. He also said that in his opinion the plan of protecting this election would not pacify the country and that no election would accomplish it in any Central American country whether it was fair or not. General McCoy is the man whom the United States has appointed to have charge of supervision of elections. It is under his name that the new election law was presented to the Nicaraguan Congress.

The McCoy electoral law passed the American-controlled senate unanimously. It provided that the elections should be held under the "control and supervision" of the United States.

The chamber of deputies amended the law so that the elections should be held under "observation" only. When put to a vote the measure failed by 22 to 16.

The Conservatives, led by Chamorro, who opposed the bill, held that President Diaz had no authority under the constitution to abrogate the right of Congress to supervise elections. Article 84, section 2, of the Nicaraguan constitution reads:

"It shall be the duty of Congress to regulate the votes and judge and declare election of President and Vice President of the Republic, and to elect those officers in the way provided by the constitution."

It is evident that the marines have not yet succeeded in uprooting partisanship and replacing it with the kind of patriotism which President Coolidge feels is necessary to deserve our moral support.

The United States is placed in an unenviable position. If we go through with the election it must be under the decree which President Diaz at once issued establishing American supervision of election, on the unsound legality of his own position.

The United States Department of State, on March 26, released the text of the decree signed by Diaz March 21, 1928.

The authority of the decree is based upon a resolution of the Nicaragua supreme court of justice, adopted four days before, which "designated Gen. Frank Ross McCoy to be president of the national board of elections by virtue of his nomination thereto by the President of the United States."

The national board of elections, consisting of General McCoy and two representatives of the political parties or their alternates, is vested with full authority to supervise the elections of 1928 "and to prescribe with obligatory force, all measures necessary for the registration of voters, for the counting of ballots, and regarding all other matters that may pertain to the election." Alternates for each member of the board, known as "suplentes," are provided for. General McCoy's position in absolute power is made impregnable. His "suplente" shall be a citizen of the United States who may be nominated by the President of the United States. The President of Nicaragua shall remove any other member of the board if the chairman so recommends, but can not do so without his recommendation.

No meeting of the board can be held without the chairman. The chairman, with either of the other two members, shall constitute a quorum; but if an emergency meeting be deemed necessary, the presence of the chairman alone shall constitute a quorum, provided that a formal notice to the other members has been given a day in advance. No action or decision of the board shall be valid unless concurred in by the chairman, and in the case of a tie he shall have a double vote. Finally, the chairman is authorized to declare an emergency measure any action or demonstration which in his opinion may be indispensable for the conduct of a free and fair election.

General McCoy is given authority by this decree to command the services of the guardia nacional, and to give that force "such orders as he may deem necessary and appropriate to insure a free and impartial election."

If the Liberals win, the Conservatives can point to the failure of the passage of this law to justify them in another revolution. If

the Conservatives should win, the Liberals can claim they were forced to accept the terms of an election at the point of a gun.

In either case, if we continue our present plan we shall have to maintain the next administration in office by marine protection. President Diaz, as unofficial spokesman for the State Department, proposed to "permit" the passage of the bill on condition that the United States agree to supervise the next four or five elections.

If the marines are withdrawn, partisan fighting may begin again.

Will Rogers says, "Nicaragua voted the other day not to have us supervise their elections, but that's not official, as we didn't supervise that vote." (Washington Post, March 24, 1928.)

We are in a dilemma. The only excuse given for not acknowledging that the administration is wrong is that the State Department must "save its face." It would seem better to retrieve our national integrity than to save our face. Our refusal to supervise the elections of Panama points the way.

The New Republic, of March 28, suggests a four-cornered conference in which the United States, the Moncada Liberals, the Conservatives, and Sandino would all be represented to see whether some sort of compromise agreement can not be reached.

Two objections present themselves to this: First, the Conservative Party is now split into Diaz and Chamorro factions, neither of whom can be counted on from past experience to sink self-interest for the welfare of their country. Secondly, the conference still would give a preponderance of power to the United States.

Sandino has offered terms of peace which would seem to lead to a possibility of more equitable adjustment. He proposes supervision by Latin-American representatives instead of American marines.

Admiral Sellers's letter to Sandino, together with a letter from General Sandino himself, has been placed in Senator BORAH'S hands as chairman of the Foreign Relations Committee of the United States Senate.

Sandino writes:

"The only way this struggle can be ended is by the immediate withdrawal of the invading forces from our territory;

"The substitution for the present president of some Nicaraguan citizen not a candidate for the presidency; and

"The supervision of the coming elections by Latin-American representatives instead of American marines."

The message of Sandino to the United States Senate reads:

"In the name of the Nicaraguan people I protest against the continued barbarism of your forces in my country, such as the recent total destruction of the town of Quilali. I shall never recognize a government imposed by a foreign power. I demand the immediate withdrawal of the invading troops. Otherwise from this date on I can not be responsible for the safety of any North American official resident in Nicaraguan territory." (Signed) "For fatherland and liberty, A. C. Sandino." (Washington Star, March 14, 1928.)

The Coolidge administration answers as George III would have done:

"A thousand more troops will sail to help enforce the Stimson peace agreement."

Secretary Wilbur says the new marine force will be used principally for maintaining order during the balloting for a successor of Adolfo Diaz. They will not be used in the field against Sandino, although some of them will be employed for guard duty and other marine activities. (Washington Star, March 17, 1928.) He does not explain why these 1,000 more men should leave the United States in March to supervise Nicaraguan elections in October at the additional expense to the Nicaraguan people, and their own discomfort through six tropical months of the wet season.

With 15 years of Nicaraguan history in mind, one turns back with curiosity to President Coolidge's message of December 6 to find that—

"We are a peaceful people and committed to the settling of disputes by amicable adjustment rather than by force."

And also that—

"Our country has made much progress. But it has taken and will continue to take much effort. Competition will be keen, the temptation to selfishness and arrogance will be severe, the provocation to deal harshly with weaker peoples will be many. * * * They will be overbalanced by cooperation, by generosity, and a spirit of neighborly kindness.

Rumor has it that after elections, if all goes well, the railroad and the bank may be given back to Nicaragua, but there will be no compromise nor investigation in regard to foreign concessions in Nicaragua.

There's a bill introduced in the Senate by Senator EDGE, of New Jersey, asking for an appropriation of $500,000 to be used by Secretary Wilbur for an immediate survey of a Nicaragua canal route. The canal would connect United States fortifications at Little and Big Corn Islands with Fonseca Bay.

It brings to mind that British war vessel hovering off the coast for less than 10 days. American world trade needs Suez and British world trade needs Panama. "In that circumstance," says the Chicago Tribune of March 14, "lies justification for an understanding between this country and Great Britain by which we would support Britain in maintaining her canal in exchange for her support in defense of ours."

It is right that Americans should question the legality of our present Nicaraguan policy.

Albert H. Putney, professor of constitutional law in the National University Law School, has forcefully presented the legal aspects of the matter in an article entitled "Executive Assumption of the War-Making Power." (Albert H. Putney, professor of constitutional law, National University Law School, "Executive Assumption of the War-Making Power," in the National University Law Review, May, 1927.) A brief summary of the points which he makes follows:

The Constitution declares that Congress shall have the power to declare war, and the Supreme Court has ruled that this power of Congress is an exclusive one and that the President has no power to initiate or declare war either against a foreign nation or a domestic State. These early decisions have never been overruled or modified.

As a principle of international law, "Armed intervention consists in threatened or actual force, employed or to be employed by one State in regulating or determining the conduct or affairs of another. Such an employment of force is virtually a war, and must be justified or condemned upon the same general principle as other wars."

The granting of the war-making power to Congress by the Constitution was one of the greatest innovations, in the direction of greater human liberty and justice, made by that document. It was in striking contrast to the prevailing rule in the European monarchies of the times.

Sumner said of it:

"Kings were rejected in substance as in name. The one-man power was set aside and this kingly prerogative placed under the safeguard of the people, as represented in that highest form of national life, an act of Congress * * *. I do not go too far when I call it an essential element of republican institutions, happily discovered by our fathers."

From the first inauguration of Washington to 1903 Congress maintained the exclusiveness of its rights to declare war, or to authorize offensive warlike acts even though limited in scope.

The validity of the claims of Congress have been acquiesced in by each Executive administration, frequently by expressed acknowledgment.

Details of the attitude of successive Presidents on this question are cited. Professor Putney writes:

"The most famous event in the history of the foreign relations of the United States was the proclamation of the Monroe doctrine, but this was not an assertion by the President of the right of the Executive to make war upon his own authority in support of this doctrine, but a recommendation to Congress as to what their action should be."

At no time did President Lincoln indicate that he believed that the President had the power to employ force abroad without the consent of Congress.

President Cleveland in connection with the Hawaiian revolution, when it was revealed that it had been aided by the American minister and American marines, repudiated the whole transaction. He believed that there was more disgrace in defending a wrong which had been committed than in acknowledging and attempting to remedy it. He said in his special message, December 18, 1893:

"By an act of war, committed with the participation of a diplomatic representative of the United States and without authority of Congress, the Government of a feeble but friendly and confiding people has been overthrown. * * * A substantial wrong has been done which in due regard for our national character as well as the rights of an injured people requires we should endeavor to repair. * * * The consideration that international law is without a court for its enforcement and obedience * * * depends upon good faith * * * brands any deliberate infraction of it not merely as a wrong, but as a disgrace."

McKinley awaited the action of Congress before declaring war on Spain.

The first quarter of the twentieth century has witnessed the change from the exclusive power of Congress to make war, guarded jealously and successfully to the winter of 1926–27, when the Executive definitely and openly appropriated this power with only a few Members of Congress having the courage to protest.

Roosevelt succeeded in exercising the war-making power in Panama without the consent of Congress.

Taft, in his annual message, doubted if he had the authority to intervene in Mexico without express congressional approval, and then without authority intervened in Nicaragua in 1912.

Wilson, after the Tampico incident, asked the authorization of Congress to send the troops into Mexico, and then, contrary to his fundamental belief in the right of every people to determine its own form of government, proclaimed a military government in Haiti and Santo Domingo. There was an attempt to justify this infraction of the Constitution by treaty, but, as Doctor Putney points out, it is Congress, not the President and the Senate, which has the power to declare war.

Doctor Putney writes:

"The construction of the United States Constitution can not be affected by such questions as * * * whether the intervention by

the United States in Nicaragua was necessary to protect legitimate American interests, or whether, as is charged, it is in support of a rebellion financed by American interests, who desire to keep control of property in Nicaragua after they had sold the same to the Government of Nicaragua, and whether the only American in one of the towns occupied by the United States was a single beachcomber who arrived in town a few hours ahead of the marines."

Professor Putney continues:

"President Coolidge's action brings the question to an issue. In his message of January 10, 1927, he virtually asserts that the President of the United States has the power to wage an offensive war, upon his own authority, against any country and for any reason which in his opinion appears to affect 'the lives and property and the interests of its citizens and of this Government itself.'"

Against the claim of the present administration are arrayed the plain and express wording of the Constitution, decisions of the Supreme Court, the attitude and conduct of legislative and executive departments down to November, 1903.

In support of his claim are a few "dubious actions by the executive department since 1903."

Resolutions submitted to the Seventieth Congress clearly indicate that both bodies are alive to the seriousness of the Nicaraguan situation and its implication in regard to the Constitution of the United States. Senator WHEELER, in two resolutions (S. Res. 47 and S. Res. 102) calls for an investigation of terms and conditions under which concessions have been procured by Americans in Nicaragua and other foreign countries, and also as to who ordered the marines to be sent to Nicaragua.

Senator NYE'S resolution (S. Res. 100) opposes any policy of the United States which would guarantee or protect by force the investments of its citizens in foreign countries.

On January 4 Senator HEFLIN introduced a resolution (S. J. Res. 57) requesting the President to immediately withdraw the armed forces of the United States from Nicaragua, which was reported adversely by Mr. BORAH. Two months later he entered a second resolution (S. Res. 103) to provide for the return of the bodies of American marines who had died in Nicaragua during the present intervention by the United States.

Senator BLAINE has a resolution, S. Con. Res. 7, which would declare the foreign policy of the United States in reference to American investments in foreign countries to be based on friendly negotiations and arbitration without recourse to arms to preserve rights to American citizens beyond those enjoyed by the native citizens.

Senator KING, in Senate Resolution 138, asks as to the right of the President to employ the armed military and naval forces to carry on belligerent operations in certain foreign countries. Senator NORRIS, in March, following along the same line in his Senate Resolution 164 asks the five questions given at the beginning of this article regarding the right of the United States to supervise elections in other countries.

At the same time, in the House Mr. ROMJUE in House Resolution 80 has called upon the President to furnish information pertaining to our military forces in Nicaragua. The McSwain House Joint Resolution 201 would prohibit the employment of armed forces to intervene in domestic affairs of any foreign country; and the two Fish resolutions, H. J. Res. 167 and 172, deal with the exportation of arms to any country with which we are at peace, or to any belligerent country without the consent of Congress. Mr. BLOOM, in House Resolution 73, asks information from the Navy and State Departments regarding the circumstances surrounding American marines in Nicaragua.

These bills reflect the awakened demand of citizens of the United States to an answer to Senator NORRIS'S pertinent question—

"What authority, if any, has the President of the United States to supervise elections in Nicaragua?"

## REPORT OF FEDERAL TRADE COMMISSION ON SALE OF FLOUR AND BREAD

Mr. BRUCE. Mr. President, I desire to ask for the publication as a Senate document of the final report of the Federal Trade Commission, made to the Senate on January 11, 1928, pursuant to resolution of the Senate No. 163, agreed to February 16, 1924, directing an inquiry into the Bakery Trust.

This is the report that relates to the bread trust. It is, of course, a matter of very great public significance. The Federal Trade Commission itself has not the necessary funds for the publication of the report.

The PRESIDING OFFICER. Without objection, the report will be printed as a Senate document.

## BOULDER DAM

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

The PRESIDING OFFICER. The Senator from Colorado [Mr. PHIPPS] is entitled to the floor.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Dill | Kendrick | Reed, Pa. |
| Barkley | Edge | Keyes | Robinson, Ark. |
| Bayard | Edwards | King | Sackett |
| Bingham | Fess | La Follette | Sheppard |
| Black | Fletcher | Locher | Shortridge |
| Blaine | Frazier | McKellar | Simmons |
| Blease | George | McMaster | Steck |
| Borah | Gerry | McNary | Steiwer |
| Bratton | Gillett | Mayfield | Stephens |
| Brookhart | Glass | Metcalf | Swanson |
| Broussard | Goff | Moses | Thomas |
| Bruce | Gooding | Norbeck | Tydings |
| Capper | Gould | Norris | Tyson |
| Caraway | Greene | Nye | Vandenberg |
| Copeland | Hale | Oddie | Walsh, Mass. |
| Couzens | Harris | Overman | Warren |
| Curtis | Hawes | Phipps | Waterman |
| Cutting | Hayden | Pine | |
| Dale | Johnson | Pittman | |
| Deneen | Jones | Ransdell | |

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. PHIPPS resumed and concluded the speech begun by him yesterday. The entire speech follows:

*Tuesday, May 1, 1928*

Mr. PHIPPS. Mr. President, the subject of legislation for the development of the lower Colorado River has had the attention of the Congress for at least 10 years past. I remember that as early as 1920 I was personally called as a witness before the House Committee on Irrigation and Reclamation, then considering a Boulder Canyon Dam bill.

In 1924 the Senate Committee on Irrigation and Reclamation, under the chairmanship of the Senator from Oregon [Mr. MCNARY], held hearings on Boulder Canyon Dam. They continued those hearings for quite a time. They took them up again in 1925; and, under a special resolution adopted by the Senate, that committee as an entire committee was authorized to visit the lower Colorado River for the purpose of looking at the situation and inquiring into the questions of flood control and river regulation. A majority of that committee went to California and held hearings in the city of Los Angeles, then at San Diego, then at El Centro in Imperial Valley, then at Yuma, Phoenix, and Prescott, Ariz., and at Las Vegas, N. Mex., during which visit the committee inspected the proposed site at Black Canyon below the Boulder Canyon site, which is some miles farther up the stream, but in practically the same basin.

Mr. President, the committee of the Senate is not composed of engineers. There are some attorneys who are members of that committee; but the members of the committee have some ideas of business, and have exerted every effort to determine the features entering into this question of flood control and regulation of the rivers. Witnesses appearing before the committee—and they came from all quarters of the United States—were questioned, we think intelligently, and every endeavor was made to bring out all facts bearing upon or relating to this great question.

Mr. President, had it not been for the necessity claimed for flood control, I doubt if very serious attention, and certainly not as definite attention, would have been paid to this subject as that accorded it by the committee of the Senate.

The hearings were again taken up in the year 1927 and carried along for quite a length of time, still under the leadership of the Senator from Oregon [Mr. MCNARY]. This year, with the beginning of the present session of Congress, it was thought that possibly hearings might not be required; but after consideration the committee agreed that they would devote one week to hearings, so that everyone desiring to present his views on this important question might be given an opportunity to be heard. Those hearings consisted not only of one session a day but of two sessions per day.

After the testimony had been printed—and now all of the hearings that have been held by committees of the House and Senate mean volumes, a little library of itself—the committee got to work on the bills that had been proposed. The leading bill, of course, was Senate bill 728, now before the Senate for consideration. Its author, the senior Senator from California [Mr. JOHNSON], had had a bill in the Sixty-ninth Congress which did not come to final action. Not being entirely in accord with some of the features of the Johnson bill, I undertook to prepare a substitute measure which was given consideration by the committee; but the desire was to perfect the Johnson bill. That was my own feeling. That is what I desire.

The bill as reported by the committee had only one vote in opposition. All other members voted for reporting out favorably the Johnson bill. It is true that in order to report it out it was necessary for members of the committee to concede points which they were not entirely willing to concede, but they stood by the vote of the majority.

I do not feel that the bill is in as good form now as it should be. In order to perfect it, I have presented so far three amendments, to which I shall make reference later.

The principal interest of the Government, naturally, is in flood control. The experience of the past in the Imperial Valley is the full answer and reason for that. Were it not for the necessity of affording flood control in the lower reaches of the river, I doubt very much if the Federal Government would be justified in considering the present measure.

The estimates that have been made as to the cost of a dam that would afford flood control vary from twelve to twenty million dollars. The Senator from Utah has given the figures for the proposed dam at Topock; and while he states an estimate of $15,000,000, yet his proposal now is to authorize the expenditure of $20,000,000, which is the exact figure that in one amendment submitted to the Senate committee I used as an amount that the Federal Government could afford to contribute for that purpose, and then be reimbursed only if and when the dam structure were raised to a height which would afford production of hydroelectric power, bringing a revenue which would be devoted to paying off the investment.

Taking an expenditure by the Federal Government of $20,000,000, not reimbursable, it has seemed to many of us that it would be good business to double that amount and thereby secure a dam which would produce revenue, so that the project could and would pay for itself. I call attention to the fact that the estimate for the dam structure as embraced in this bill is $41,500,000. The other items making up the total of $125,000,000 proposed to be authorized are $35,000,000 for the power plant and $31,500,000 for the proposed all-American canal. The power plant need not necessarily be built by the Government, and a little later on I shall discuss that question.

The all-American canal is authorized only if and when the Secretary of the Interior finds that the lands to be irrigated by the use of such proposed canal can bear the burden and repay to the Federal Government the cost of the construction of such canal. The difference between the amounts I have named and the total of $125,000,000 is the estimated amount of interest during construction and until repayment.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Colorado yield to the Senator from Utah?

Mr. PHIPPS. Gladly.

Mr. KING. I think the Senator ought to state that with respect to the all-American canal it is not contemplated that interest shall be charged upon any advancement, even if the people in the valley are ever able to pay it; in other words, that the interest is to be remitted, and that they are to have an indefinite period—40 years at least—within which to make payment.

Mr. JOHNSON. No; they are to repay under the reclamation law.

Mr. KING. That means without interest.

Mr. JOHNSON. Exactly.

Mr. KING. It will take 40 years.

Mr. PHIPPS. As other reclamation projects—that is correct.

Mr. KING. And, judging this reclamation project by many other reclamation projects, it may mean that the Government will get nothing. There are several reclamation projects that are absolute failures and will be wiped off the ledger; and in the case of other reclamation projects we have had to reduce the amount of payment and extend the payment of that which we finally charged them for a period of 40 years.

Mr. JOHNSON. But the Senator would not eliminate the reclamation law for that reason, would he?

Mr. KING. I would eliminate many of the engineers who have been employed in the Reclamation Service, and I would put the Reclamation Service on a better and more efficient basis than it ever has been up to date.

Mr. JOHNSON. The Senator has the same view that I have of personal elimination in certain instances.

(At this point Mr. PHIPPS was interrupted for the day by a message from the House of Representatives announcing the death of Representative SWEET, of New York.)

*Wednesday, May 2, 1928*

Mr. PHIPPS. Mr. President, briefly yesterday, in speaking upon the pending measure known as the Boulder Dam bill, I referred to the interest of the Federal Government in flood control. At the time of adjournment we were speaking about the reclamation projects which could be irrigated by means of the proposed all-American canal. I now desire to have it made plain that under the language of the bill the all-American canal would come under the reclamation law and that the money, estimated at some $31,000,000, authorized for that purpose would be refunded to the Government, if expended, and that it would be the duty of the Department of the Interior to determine that the recovery could be made before authorizing expenditures on the project.

Another purpose of the bill is to supply potable water for use in the cities of the coastal plain. The committee has had a great deal of testimony on that subject and the evidence is very strong to the effect that this water is not only desired, but that it will be needed, and that steps should now be taken by those cities to provide themselves with a plentiful supply of good drinking water.

Mr. President, the main question around which the dispute appears to have centered is that of the power possibilities, the development of hydroelectric power. The many engineers and other well informed witnesses who have appeared before our committee have testified that it is not only possible, but practicable and advisable, while securing flood control, to continue the height of the structure of the dam itself to that point where the water will be made available for the production of hydroelectric power and by that means the expenditure for the enterprise may be recovered within a reasonable length of time, estimated at not to exceed 50 years and under some estimates as short a period as 25 years, through the sale of the hydroelectric power which would be produced from a dam 550 feet in height.

The firm or constant horsepower would be 550,000 horsepower or a maximum of at least 1,000,000 horsepower. The estimates for recovery of receipts or return on the investment are necessarily based upon the constant figure of 550,000 horsepower. I shall not at this time attempt to go into any details as to the cost of production, expense of operation and maintenance, or the price at which the power may be sold; but I call attention to the fact that, given the proposed project of the coastal plain cities for construction of their aqueduct line to carry water to the Pacific coast, there will be required promptly at least 200,000 horsepower, which will no doubt be increased to 250,000 and eventually perhaps to almost 400,000 horsepower; so that there we would have a market close at hand for the power to be produced at the dam.

Mr. President, bear in mind that the demands for power, hydroelectric or steam electric, in California and that section of the country increase so rapidly that they double in five or six years. Personally I am of opinion that no matter what developments may come in the lessening of cost of electrical power produced by steam, it will still be found practicable and economical to construct hydroelectric plants and produce power on our western rivers.

In one instance—I think my information was dependable, although it was not given in the form of more than an assertion—were it known to-day that this bill is passed and it becomes known that the Boulder Dam is to be built and that the power is to be produced, applicants who are interested in at least one other site on the Colorado River will promptly, when the way has been opened for release of the present embargo on the power commission, make application for their permits to build a dam at least 380 feet in height on the Colorado River for the purpose and the sole purpose of producing hydroelectric power without any reference whatever to irrigation uses.

Mr. President, I believe I referred to the trip of the majority of the members of the Senate committee which was made to the Imperial Valley in 1925, in early November, at which time the members of the committee visited the site of the proposed dam at Black Canyon. Two or three members of the committee also visited the site further up the river, I believe, at Glen Canyon. Other members were prevented, on account of their engagements, from making the latter trip. But the determination of a proper site for a project of this nature would not come within the direct judgment of the committee. The committee necessarily would have to depend upon the testimony of expert witnesses, of those who are familiar with the possibilities of the lower Colorado River.

Mr. President, the one main feature of disagreement, the one thing which has delayed final consideration of the bill for this purpose, has been the difficulty in securing an understanding and agreement among the States of the lower basin, the three States there, as to a division of the waters of the stream. I do not believe they are very far apart at the present time. I believe they should compose their differences, accept the Colorado River compact, and give us a seven-State agreement, removing the principal obstacle which has stood in the way of

this legislation. Frankly, I have always favored the seven-State compact. In offering at one time a substitute for the present bill, which was presented at the opening of the present session of Congress, one provision which I included in the bill was that unless the seven States came to an agreement within the period of one year, then if six States ratified the compact the bill could become effective.

The committee did not accept that amendment when I proposed it and offered it to the present measure; and I take this occasion to call attention to the fact that an amendment should be made to the present bill, because in changing from a proposed four-State compact to a six-State compact a reference to seven States was omitted, I think through oversight or inadvertence; so I have prepared an amendment that will take care of that feature.

Another item which was considered of importance by the States of Arizona and Nevada—and I think properly so—was the fact that in the event the power plant as well as the dam were constructed by the Federal Government, those States would not be permitted under the law to exact taxation in the manner that they would in the event the structures were erected by private enterprise. Very grave consideration has been given to that feature. It was finally worked out in an amendment which is satisfactory to the States of Nevada and Arizona, as the committee has been led to believe, and which I do not oppose. That amendment provides that in the event of excess revenue over and above the amount required for operation and maintenance, for payment of interest on the Government's advances, and for retirement of the indebtedness within a period of 50 years, 37½ per cent of such excess may be divided equally between the States of Nevada and Arizona. It is believed that in no event would those States derive from that source and by that means anything like the amount they would receive by way of taxation in the event the enterprise were carried forward with private capital.

As to the feasibility of successfully damming the stream at the point recommended by erecting a dam 550 feet in height, this is one of the most important questions with which the committee has had to deal. The evidence showed that the river had been examined by various experts, engineers, and others interested; yet there was a feeling on the part of some of us that a separate, independent examination should be made by a committee of engineers who are not in any manner interested in the enterprise.

With that point in mind, under date of January 18, 1927, one year and three months ago, I presented Senate Joint Resolution 146, to authorize the President to appoint a board of five engineers to make a comprehensive investigation of the lower Colorado River for the purpose of determining and reporting the most economical, efficient, and feasible method of control for the prevention of floods, the use of water for domestic and irrigation purposes, and for the production of hydroelectric power.

In the regular course this joint resolution was referred to the Department of the Interior for its consideration; and a report was received by the chairman of the committee to the effect that in view of the many investigations which had already been made, and which had involved expenditures amounting to one-half million dollars or more, the department believed that it had in its possession all of the information that could be obtained or that might be considered desirable. Naturally, with that adverse report, the committee did not favorably report out my joint resolution, and it was not considered on the floor of the Senate. Now, however, the department is rather inclined to take a little different view as to the advisability of having an independent examination.

Under date of April 21 the Secretary of the Interior, Dr. Hubert Work, wrote me as follows, addressing me as chairman of the Committee on Irrigation and Reclamation:

> MY DEAR SENATOR: I see that in discussion of the so-called Boulder Dam bill in the Senate fear has been expressed that a safe foundation may not be found for such a structure.
>
> In a previous report some years ago on this project I stated that "it would be an engineering experiment." It has, however, since had the approval of some of the ablest engineers and geologists. Borings have been made by the engineers of this department to the depth of 250 feet, cores have been analyzed by the geologists of the department, and their reports agree that a safe foundation can be laid in both the Black and Boulder Canyons.
>
> I have previously stated, in event the project is authorized by Congress, that I would ask five of the ablest engineers in the country to determine faults, if any, in the geology of the area and confirm or disapprove our findings.
>
> I wish, however, that there might be included in the bill pending a mandate to the Secretary of the Interior that a board of five engineers and geologists should examine and approve the adopted site before construction should begin.

Mr. ODDIE. Mr. President——

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Colorado yield to the Senator from Nevada?

Mr. PHIPPS. I do.

Mr. ODDIE. A statement has recently been made on the floor of the Senate to the effect that a rather recent earthquake has done great damage to one of the walls of the canyon at the Black Canyon site. Is the Senator familiar with anything of the kind?

Mr. PHIPPS. I have had no report of that nature. I have not heard the rumor.

Mr. ODDIE. I will say from my own knowledge, and having talked to many people, including numbers of engineers, who are familiar with the Boulder Canyon Dam site, that no such thing has ever happened, and the statement recently made on the floor of the Senate is in error in that particular.

Mr. PHIPPS. Mr. President, the Senator from Utah [Mr. SMOOT], in his address, attacked the engineering feasibility of the Boulder Canyon project. I desire to call his attention to an amendment proposed by me to the pending bill. It provides that a board of five competent engineers, of outstanding reputation, shall examine into and review all the plans and estimates heretofore made, and take every possible step to be assured as to the financial, economic, and engineering feasibility of the project. Until a favorable report is received from them, no contract shall be made, and no construction work shall be undertaken.

Certainly Senators believe that we must rely upon the best judgment of engineers who carefully investigate such a project. As a matter of fact, the Senator from Utah has made his present argument upon the basis of engineering testimony. If, then, outside engineers of national reputation, after investigation, agree with those in the Government service, his objection to proceeding with the work should be removed. In other words, I believe that the Senator should join with me in this amendment; and I believe that it affords a complete answer to any argument against the possibility of constructing the project from an engineering standpoint.

Mr. President, the amendment to which I refer was printed. However, I have found that it contained one typographical error; and I desire further to perfect it by providing for the payment of the board. Therefore I desire to have the amendment printed in its present form in lieu of the one that was heretofore printed, and have that one disposed of.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. PHIPPS. Mr. President, under date of February 28, 1928, I received a letter from the Secretary of the Interior from which I quote:

> If the entire project—
>
> Referring to the Boulder Canyon Dam—
>
> could be constructed by private enterprise, at private expense, with proper protection to State, interstate, and international rights and interests involved, I should prefer that method. If not, lease of the rights to use the water to the highest bidders would be the simplest and best means of reimbursing the Federal Government for its outlay. If it should prove that no adequate lease could be so secured, I believe that the Government should have authority to erect the power plant and lease the plant itself, and if no adequate contract of this character could be made, then the Government should have authority to generate and sell the power at the generating station to persons willing to purchase it and provide their own transmission and distribution.

I call attention to a statement included in President Coolidge's message to Congress of last December, in which he referred to Boulder Dam:

> Flood control is clearly a national problem, and water supply is a Government problem, but every other possibility should be exhausted before the Federal Government becomes engaged in the power business. The States which are interested ought to reach mutual agreement. This project is in reality their work. If they wish the Federal Government to undertake it, they should not hesitate to make the necessary concessions to each other.

With that point in mind, Mr. President, I have offered and had printed another amendment which states that the hydroelectric plant and incidental structures shall not be constructed by the Secretary of the Interior if a satisfactory contract or contracts can be entered into with a State or States or public subdivisions thereof, or individuals, associations, or corporations, in the order of their priority, for the construction of such plant, and for the fullest economic development of electrical energy.

Mr. President, I am fully aware that the bill contains a clause which provides for construction by private enterprise and gives to the Secretary of the Interior the authority to contract for that purpose; but I believe that language should be included in the first section of the bill, wherein the Secretary is authorized to construct a hydroelectric plant, rather than in a separate section, quite a little farther on in the bill.

Mr. President, when this bill or a similar bill was under consideration in the Sixty-ninth Congress, some reference was made to my personal interest in the hydroelectric power business; and I endeavored to state exactly what that was. I have been interested at any time in only one hydroelectric power company; and that has grown up from a very small concern until it is now one of considerable magnitude, with 8 or 10 different plants; I do not know how many. Mine is not a controlling interest, and I devote no time or attention to the management of the business. That company operates in Nevada and California, the southern part of California, and in the Imperial Valley.

I desired to learn from that company its views with reference to the possibility of acquiring power through this Boulder Canyon Dam project. For that purpose I addressed to the president, Mr. Edwin S. Kassler, a letter under date of January 11:

Mr. EDWIN S. KASSLER,
*President Nevada-California Electric Corporation,*
*Symes Building, Denver, Colo.*

MY DEAR MR. KASSLER: You will recall our conversation, during which I told you that you had been quoted as stating that the corporation would prefer to purchase power at the switchboard in event a dam is constructed across the Colorado River in the neighborhood of Boulder Canyon, rather than to finance a proportionate amount of the expenditure required to install a power house and pay the Government for the right to use the water.

If this is also in accord with the feeling of the board, I would appreciate it very much if you would write me, setting out the above expressions in full, as I think it would go a long way toward removing the existing sentiment that my attitude with reference to the Boulder Canyon Dam bill has been dictated by the interests of the Nevada-California Electric Corporation.

With personal regards,

Yours sincerely, LAWRENCE C. PHIPPS.

To that I received a reply under date of January 16, addressed to me at the Senate Office Building, and reading:

DENVER, COLO., *January 16, 1928.*

Hon. LAWRENCE C. PHIPPS,
*143 Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: Replying to your recent inquiry, in event of the construction of a dam at or near Boulder Canyon by the United States Government, the board of directors of the Nevada-California Electric Corporation would unquestionably prefer to have its subsidiary companies purchase electric power at the switchboard at a fair rate, rather than pay a proportionate cost of financing construction of a hydro power plant at the dam site, together with attendant rental payments for use of water.

The cost of electric power generated by tidewater steam plants has been so far reduced, with possibilities for still further cost reductions, that it is questionable whether electric power can be generated at Boulder Dam and transmitted to coast cities in competition with steam-generated power when transmission losses are taken into consideration.

Very sincerely yours,

E. S. KASSLER, *President.*

In my presentation of those letters to our Committee on Irrigation and Reclamation I made this statement:

In presenting these letters I desire to state that, notwithstanding the position of the Nevada-California Electric Corporation, which would prefer that the Government erect the plant, I am absolutely opposed on principle to the Federal Government going into the business of producing hydroelectric power and selling it at the switchboard.

Mr. President, referring to the interest of the upper-basin States in this project, I call attention to the fact that claims have been set up and statements have been made repeatedly that the natural flow of the Colorado River has already been appropriated, if not, indeed, overappropriated. Within the past two years rumors have come to us in Colorado to the effect that those claiming the right to use water under certain filings made in Colorado would probably be taken into court within a short period of time because their taking of water was interfering with the flow of the stream and preventing priorities in southern California from receiving the full amount of water to which they were entitled.

At the present time the Pittman resolution, so called, is in force, and under its provisions developments on the Colorado River and its tributaries are not permitted; that is to say, the Federal Power Commission is prohibited from issuing permits for use of water on the Colorado River or any of its branches.

At the present time that is the only protection the upper-basin States have against appropriations which would interfere in time with their requirements. It is a well-known fact that the States of the lower basin, particularly California and Arizona, in that order, may develop their lands, and irrigate them, much more rapidly than we in Colorado; or, in fact, citizens of any of the upper-basin States can or may develop theirs. For that reason, and to avoid conflicts in court, the seven-State compact was devised. As I previously stated, I always favored that compact, I think it should be made effective, and I sincerely trust that the States of California and Arizona will soon come to an understanding and settle that question.

It is true that in event Colorado were called upon to defend in the courts what she considers her rights to the waters appropriated, she would probably find herself on a little different footing than in the case of Wyoming against Colorado, where there was no question of riparian rights involved, because neither of those States has recognized that doctrine. But in a case of California against Colorado, I can see where that question might very readily be raised, because California does recognize riparian rights.

The Senator from California referred to the limit of 4,600,000 acre-feet of water written in this bill as the maximum amount which California might use per annum out of the stream. I think in that statement he was disregarding the fact that California would be entitled to at least her one-half of the surplus or additional waters which are known to pass through the stream annually, to the extent, it is estimated, of at least 1,000,000 acre-feet.

I do not care to enter into a discussion as to an equitable division of water between California and Arizona, as that is a matter they could settle between themselves, and the more promptly that question can be disposed of I think the better off they will both be.

The Senator from California, in referring to subdivision (a) of section 5 of the bill, as I took it, expressed the feeling that the purpose of that language was to enable the Secretary to secure contracts which would yield greater revenue, and thereby increase the possible surplus revenue for the benefit of Arizona and Nevada. I do not believe that was the intention of that provision, and I do not think it would operate in that way. The fact is that unless provision is made which will permit of a revision of the base rates for the hydroelectric power at about 10 or 15 year intervals, it would be next to impossible to find any large user of hydroelectric power who would be willing to contract at a fixed price for a 50-year period of time. The term is too long, and that, to my mind, is the only reason for insistence that a provision authorizing the Secretary to revise the rates up or down as to price, depending upon conditions at the time, was considered necessary to the making of a real bill that would be effective.

Mr. President, while I do not believe that the Senator from Utah meant in any manner to reflect upon the ability or the work of the committees of Congress, which have been laboring with this question on the House side, as I have intimated, for at least eight years, and in the Senate at least four years or more, the term "meager consideration" in referring to the study of this measure by the committees in the Senate and in the House does not quite fit in with the facts. During my service in Congress I have not had to give attention to any problem as difficult, as intricate, or as hard to master as this question of the development of the lower Colorado River. I do not see how committees of the House or the Senate could have gone to greater pains to inform themselves, to get the best advice possible, to endeavor to solve this problem of Boulder Canyon Dam, or, in a broader term, the development of the lower Colorado River, and, above all, flood control. Of course, before contracts can be made, the Department of the Interior would have to be satisfied that the receipts would be sufficient to cover the operation and maintenance, the interest requirements, and the amortization of the principal sum itself.

Mr. KING. Mr. President, would it interrupt the Senator if I should ask a question?

Mr. PHIPPS. I yield.

Mr. KING. Does the Senator interpret the bill as assuring the Government the execution of contracts, binding in their character, which will give the Treasury sufficient to compensate for all the sums advanced, plus interest?

Mr. PHIPPS. That is the intention of the bill, and I believe its terms cover that. I have referred to the fact, however, that it might be necessary, in order to secure contracts covering a 50-year period of time, that there should be price adjustments

at stated periods of 10 or 15 years; but in order to cover that, the Secretary would necessarily have to make some leeway or allowance in his calculations. I stated earlier in my remarks that the firm horsepower is only 550,000, but the ultimate will be perhaps double that, at least, estimated at 1,000,000 horsepower.

As the science advances and power is used in larger quantities and for more varied purposes, there will be a demand on the lines for assistance, and so on. To illustrate, a hydro development, in order to assure of its ability to supply, must have stand-by power. The general practice was for each company to have a steam plant which, floating on the line, could almost instantaneously, within a minute, perhaps, take the place of the hydroelectric power in case of an interruption, so as to avoid shut downs of manufacturing plants or the going off of electric-light systems in cities, the stopping of the working of elevators, and so on. But to-day, with a greater demand and a more general use, the power companies have lines with which they connect up, and they have contracts or agreements for interchange of power, so that if one company has an abundance of water, we will say, in its reservoirs, that will run its hydroelectric plants to their full capacity, it can afford to sell to a competing company the surplus over and above what it requires for its regular customers, which will enable the competing company to shut down its steam plant, and they are both advantaged in that way and they can all help each other out in case of accident or the power lines going out. I think there is ample leeway in the possibilities of a hydroelectric plant such as would be erected at Boulder Canyon Dam to enable the department to safely figure upon a return.

It has been argued on the floor that the advance in the science of producing power by steam is such, and will be such, as to put hydroelectric power in the discard. I do not go to that length. I would not be surprised to see further reductions in the cost of producing power by steam. At the present time, perhaps, there are more steam plants than hydroelectric plants being constructed, but I do not expect to see an abandonment of hydroelectric-power development.

I have stated here, from the testimony of one witness, the belief that even on the passage of this bill, when this plant is authorized and the embargo on the use of Colorado River water is removed—that is, granting permits for power—responsible interests will promptly make a request for a permit to erect another large plant, and for the sole purpose of producing hydroelectric power on the Colorado River.

Mr. KING. A plant at the same place, at the Boulder Dam?

Mr. PHIPPS. Oh, no. I am speaking of one within a distance of 150 miles of Boulder Dam. I would not like to designate the plant, for that would hardly be fair, but within the distance of 150 miles—another plant, with a dam 380 or 400 feet high, is proposed to be constructed to produce and sell hydroelectric power.

Mr. KING. I would like to ask the Senator another question, with his permission.

Mr. PHIPPS. Certainly.

Mr. KING. I have tried to ascertain from this bill whether it is the intention to require those who now have privately owned lands in the Imperial Valley, who would be great beneficiaries of this bill, to pay any sum whatever for the water which they receive through the all-American canal. I understand, of course, that if there are publicly owned lands which will be brought under cultivation under the reclamation project, then the terms of the reclamation act will apply to them, and they will pay only such fixed prices as may be determined by the Secretary of the Interior over a period of 40 years, without interest. But the point I am trying to get at is whether the other owners there, who own several hundred thousand acres of land, and who own now a considerable part of the water of the Colorado River as it goes down through the canal, will be required to pay for the water which they get, and for the cost of the construction of the all-American canal.

Mr. PHIPPS. I will say to the Senator that my information is to the effect that the so-called mesa lands of the Imperial Valley, which can not now be reached by gravity flow through the present canal and the adjoining lands in the Coachella Valley, which could be watered by the proposed all-American canal, could not stand the expense of the estimated cost of construction of the all-American canal. The lands now under irrigation in the Imperial Valley would have to be called upon to contribute in order to insure the building of the all-American canal. If they have those lands leased, with an assurance of a constant supply of water, it would help; but more than that they need to be relieved of the enormous cost of taking care of the silt that is annually deposited on their lands by the Colorado River waters. If that silt were evenly distributed over the lands and did not form a crust, the expense of disposing of it would not be so bad; but as it is to-day it clogs up not only their main canal but their laterals as well and the small distributing ditches on the farms, so that there is a large acreage expense at the present time in disposing of the silt. It is becoming an increasing problem to them. Those lands would be largely benefited by the construction of the all-American canal, and I have every reason to believe that they would gladly pay what was found to be a reasonable charge for the protection they would have in their assurance of a regular supply of water and relief from the excessive cost of the silt deposit.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New York?

Mr. PHIPPS. I yield.

Mr. COPELAND. I think the Senator from Arizona [Mr. ASHURST] has said that because of the silt the water is too thick to drink and too thin to farm, which causes the situation to be burdensome. [Laughter.]

Mr. PHIPPS. The Imperial Valley, no matter what one may say, is a garden spot. It is a wonderful piece of territory. It is as productive as any place in the United States. It is capable of further development. In due course of time that land will come in for improvement, not only the mesa lands of the Imperial Valley and those of the Coachella Valley, but further development of the lands now under cultivation.

Mr. KING. Mr. President, will the Senator yield again?

Mr. PHIPPS. I yield.

Mr. KING. I have asked other questions and am asking the question I am about to propound in no controversial spirit, and I shall be glad if the Senator from Colorado or my friend from California, when he comes to address the Senate again, will give his views upon the question. I confess that the bill to me is very uncertain as to the obligation which will be imposed upon those who are beneficiaries through the use of water through the all-American canal. It seems to me as though the plan is to put upon the power development and the revenues to be derived from power which is sold practically the entire burden. I have felt that those who get water through the all-American canal, whether they shall become the owners of new lands, of Government lands, or are the owners of lands which are now irrigated, should pay a reasonable proportion of the cost—indeed, should pay all the cost of the all-American canal—and should make some reasonable contribution, perhaps, toward the maintenance of the entire system; if not, then something toward the construction of the dam, although I will say very frankly I am very much interested in the welfare of the people of the Imperial Valley. I am very anxious that it shall be productive. I shall be very glad to see new lands or raw lands in that valley brought under cultivation. But considering the benefits which will be derived by those who now have irrigated lands, I have felt that they should make a reasonable contribution to the cost of this great enterprise, and I have felt that the bill is too uncertain to be passed in its present form, if it shall be passed, until that question has been entirely clarified and made more precise.

Mr. ROBINSON of Arkansas. Is it not expected that those who secure water rights will pay a fair share of the cost of the works that produce the water and make it available for them?

Mr. KING. I am just complaining about that point. I think the bill before us does not make that certain.

Mr. PHIPPS. My answer to the question or series of questions propounded by the Senator from Utah will, I hope, give a fair understanding of the proposal. To begin with, the Government's interest is in flood control. It is estimated that $15,000,000 to $20,000,000 will be required for that purpose at any point on the river. The Government engineers of the Department of the Interior state that with an expenditure of $41,500,000, their estimate of the cost of a dam 550 feet high, hydraulic power can be produced at prices which will enable it to be sold on the market to yield a profit that will retire the investment within a period of 50 years; in fact, the first estimates were based on about 30 years, as I recall. If the Government builds the dam and leases to power companies the right to use the water, then the power companies would build a power plant at an estimated cost of $35,000,000, to be paid for, of course, by the power companies. They would have to charge a price that would enable them to amortize their investment and have a profit on their investment. The Government would have to have enough revenue from the right to use the water to pay for the dam.

Mr. ROBINSON of Arkansas. Who would determine how the water should be used for irrigation purposes and what charges should be made for it?

Mr. PHIPPS. I will come to that point too. The purposes of the bill, in the order of priority are flood control, the use of

the water for domestic purposes and purposes of irrigation, and for power. The irrigation feature is placed, and we believe properly, under the conditions of the reclamation law which provides for repayment, but without interest.

Mr. ROBINSON of Arkansas. Is it proposed to determine the portion of the investment properly assessable to irrigation, and how will that be decided?

Mr. PHIPPS. The entire cost of the all-American canal will be charged to the reclamation project if the canal is built.

Mr. ROBINSON of Arkansas. Will any part of the cost of the dam be charged to reclamation?

Mr. PHIPPS. It is not so assessed under this bill.

Mr. ROBINSON of Arkansas. It is not?

Mr. PHIPPS. No; it is not. I will say that that is exceptional. The committee gave it very careful consideration. It was felt that the very heavy cost of the all-American canal was such that it would be as large a burden as the lands to be served by it could well stand. Under the reclamation law, of course, any expenditure that is contemplated, authorized, or contracted for by the Department of the Interior, having charge of reclamation enterprises, must be of such a nature as to assure the department of the return of such expenditure. It is possible that in an enterprise of this magnitude, on account of the limited amount of money that comes annually into the reclamation fund, a direct advance would have to be made out of the Treasury of the United States rather than out of the reclamation fund. But that is a question with which I do not believe the Congress would have to deal immediately, because I think it will take some little time to work out the plan, although large amounts of money have been expended in the making of the surveys and estimates as to the cost at the present date. They would have to be checked and perhaps further engineering work would be required before dependable estimates would be available. I hope I have answered fully with reference to the reclamation law.

Mr. President, I do not care to say much further about the measure. At the proper time, when we reach the pojnt where amendments are to be considered, I shall submit some further remarks. I think I have covered about all I desire to say to-day. I feel that at the earliest possible moment the amendments should be taken up for consideration and disposed of. As far as I am concerned, I do not see any objection to considering first the two particular amendments that were referred to by the Senator from Nevada [Mr. PITTMAN]. I mention these because I do not see him on the floor at the moment.

The PRESIDING OFFICER. Is it the desire of the Senator from Colorado to have the amendments considered at this time?

Mr. PHIPPS. No; I am not asking for that to-day. I leave that to the Senator from California [Mr. JOHNSON], who is the author of the bill and was authorized by the committee to report it to the Senate.

### FERTILIZER PRICES

Mr. McKELLAR. Mr. President, several days ago I called the attention of the Senate to a very peculiar condition existing in my State and in the State of Alabama in reference to prices charged for fertilizer. In Lincoln County, in the southern part of my State, it was found that the fertilizer association charged from $3 to $5 a ton more for fertilizer than they charged right across the line in Alabama. Complaints were made to me by citizens of Tennessee, and I at once took it up with various departments. I first took it up with the Attorney General by letter of March 27. In the meantime I took it up with the fertilizer associations themselves. The fertilizer associations sent an explanation virtually admitting that they were charging higher prices in Tennessee than in Alabama, but claiming a number of reasons in justification therefor, only one of which was a good reason, and that was that there was a tax of 20 cents per ton on fertilizer in Tennessee greater than in Alabama, and to that extent their reasons were good. Otherwise their reasons were without merit, in my judgment.

The other suggestions that the Alabama customers bought a few more cars than the Tennessee customers; that the Tennessee customers demanded better drilling conditions than those in Alabama; that the freight charges were greater; and that there was a difference in the cost of bags—all these reasons were trivial and without merit, in my judgment. As a matter of fact, much of this fertilizer comes through Mobile and New Orleans, and the freight rates should be no more in southern Tennessee than they are in northern Alabama, and, as a matter of fact, the letter hereto attached from the Interstate Commerce Commission shows the contentions of the fertilizer people as to freight to be without merit.

But the remarkable thing to which I wish to call attention is the fact that while I received a letter from the fertilizer people on April 13 setting out their reasons for the larger charge, I received on April 27 virtually the same letter from the Attorney General of the United States, or his assistant, Mr. Donovan, not verbatim, but substantially so. In other words, it is perfectly clear from the correspondence that when I took up the matter with the Attorney General he proceeded to take it up with the fertilizer association, and in his letter to me simply repeated the reasons or alleged reasons given by the fertilizer people themselves. I am frank to say that this is quite astonishing, and I call the attention of Senators to the two letters, and I ask them to read them in to-morrow's RECORD.

I will give the reasons as set forth in both and ask that the correspondence be placed in the RECORD. I especially want the two letters, one from the Attorney General of date April 27, 1928, and the other from Mr. Brand, representing the fertilizer companies, of date April 13, 1928, to be printed one right after the other in the RECORD so that it may be seen how closely they tally. I can not believe that either Mr. Donovan or Attorney General Sargent, for both of whom I have a very high opinion, looked into the matter himself. Surely they would not have simply repeated and reiterated the excuses given by the fertilizer people. The fertilizer people themselves admit they are charging more for fertilizer in Tennessee than in Alabama, and apparently, if we are to judge by his letter, the Attorney General takes the same attitude about it.

Mr. President, I have also applied to the Federal Trade Commission to have the matter examined into, and I have a letter from that commission saying they will begin an examination at an early date. If they do not, then I want the Senate to appoint a committee to examine into the matter. It is a most important matter. It is a tremendous tax upon the farmers of my State unless it is corrected. I am determined it shall be corrected if it is possible to correct it.

I also took up the matter with the Interstate Commerce Commission, it being claimed that freight rates had something to do with the situation. I have a letter from the chairman of the Interstate Commerce Commission in which he says that the freight rates are substantially the same all over the South and that no differential can be substantiated on the question of freight rates. I am sure that that is so.

I ask unanimous consent that these letters be printed in the RECORD, and I call the attention of Senators to them in the hope that they will be read to-morrow. I hope that the Attorney General's office will not undertake simply to make inquiries only of the very people whom we are to investigate. It seems to me the investigation ought to be made from independent sources, and I hope that will be done. I hope that all that may be necessary to be done is for me to make this public statement about it. There is no reason on earth why the Fertilizer Trust should sell fertilizer in Tennessee at a higher price than it is sold in other States immediately adjoining, and I do not intend, if I am able to prevent it, to permit it to be done.

Mr. President, in our part of the country the question of fertilizers is tremendously important. Many of our lands are well worn and have to be built up. Commercial fertilizers have long been used and must be continued in ever-increasing quantities. The farmers' fertilizer bill is a large bill. It constitutes a large tax and a severe drain on him. The idea that the fertilizer companies can get together and arbitrarily fix the price of fertilizers can not be tolerated at all.

I quote from the Assistant Attorney General's letter as follows:

> It would, of course, be impossible to obtain exact information on these points without a very detailed and lengthy investigation. No trace of a price agreement has been discovered which would justify such an investigation.

It is incomprehensible to me, Mr. President, that such a statement should be made by the Assistant Attorney General. The very fact that on the south side of the State line fertilizers are being sold at prices from three to five dollars a ton more than that used in the same field on the other side of that State line is the most cogent proof that somebody is fixing prices in that locality.

The very letter of the Assistant Attorney General, and the very last paragraph of his letter, shows that these fertilizer companies have been fixing prices in the other parts of the country, because General Donovan says:

> You will recollect that in December, 1926, the Government filed a criminal information in the district court in Baltimore against 39 of the leading fertilizer manufacturers of the United States, charging them with price fixing, which resulted in a collection of approximately $100,000 in fines.

It is inconceivable with a record like this and under the facts as presented to the Attorney General that his office could reach the conclusion that—

> no trace of a price agreement has been discovered.

Mr. President, I hope the Attorney General's office will busy themselves and see to it that the law against price fixing is complied with.

The PRESIDING OFFICER. Without objection, the correspondence referred to will be printed in the RECORD.

The correspondence is as follows:

MARCH 27, 1928.

Hon. JOHN G. SARGENT,
*Attorney General, Washington, D. C.*

MY DEAR MR. ATTORNEY GENERAL: Inclosed I hand you a letter and a copy of a telegram from Mr. William M. Smith to me and a copy of my reply, and a further letter from Mr. Smith in reference to the price of fertilizer.

I will greatly appreciate it if you will have the matter examined into and advise me.

There is no earthly reason why fertilizer should be sold cheaper in Alabama than in Tennessee, unless by an agreement of some sort.

Very sincerely yours,

KENNETH MCKELLAR.

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APRIL 10, 1928.

Mr. C. J. BRAND,
*616 Investment Building, Washington, D. C.*

MY DEAR MR. BRAND: Your letter of the 9th received and will have careful consideration.

Not having a direct connection with this, but applying to the fertilizer situation in general, I wish to say that I have advices from Fayetteville, Tenn., to the effect that the fertilizer company will sell fertilizer across the line in Alabama from $3 to $5 a ton cheaper than they will sell in my State.

My authority for the statement is Mr. William M. Smith, of Fayetteville, Tenn. I have been asking information in reference to this matter ever since Mr. Smith first wrote me about it, but have been unable to ascertain anything further except that there is greater competition in Alabama than in Tennessee.

Will you kindly have the matter examined into and advise me?

Very sincerely yours,

KENNETH MCKELLAR.

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DEPARTMENT OF JUSTICE,
OFFICE OF THE ASSISTANT TO THE ATTORNEY GENERAL,
*Washington, April 27, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: With further reference to your letter of March 27, addressed to the Attorney General and inclosing a telegram from William M. Smith, Fayetteville, Tenn., complaining that commercial fertilizer is some three to five dollars per ton cheaper across the line in Alabama than in Lincoln and other border counties in Tennessee.

The department has given careful consideration to this complaint, and the following facts have been obtained:

1. There is a difference in prices on fertilizer sold in Alabama and in Tennessee, and information obtained shows an average difference on four leading grades of fertilizer of $1.73 per ton, the largest difference being $2.25 per ton on 12–4–4 grade.

2. The State tonnage tax is 20 cents per ton higher in Tennessee than in Alabama.

3. Tennessee dealers buy from 1 to 5 cars per season, while Alabama dealers buy from 5 to 20 cars. The higher sales cost appears to be about 55 cents per ton.

4. Tennessee customers demand better drilling conditions than those in Alabama, which involves double milling and screening and longer curing, with a resulting extra cost of preparation of 50 cents per ton.

5. Freight charges to Tennessee average 30 cents per ton more than freight charges to Alabama.

6. The Tennessee law requires that all fertilizer shall be shipped in 125-pound bags, while in Alabama a 200-pound bag is most commonly used. This means six additional bags per ton for goods going into Tennessee, with a resulting addition of at least 50 cents per ton to the cost.

The foregoing additional costs total $2.05 per ton. This figure is approximate, but I believe that it is very close to the actual difference in cost. The foregoing figures are based upon cash prices to dealers on fertilizer sold by the various manufacturers. It would seem that a three to five dollar per ton difference reported to you must be a retail price difference. There is nothing in the telegram sent to you to indicate whether the differences were on cash sales or on time sales. Also part of the difference may be due to varying commissions charged by different dealers.

It would, of course, be impossible to obtain exact information on these points without a very detailed and lengthy investigation. No trace of a price agreement has been discovered which would justify such an investigation.

You will recollect that in December, 1926, the Government filed a criminal information in the district court in Baltimore against 39 of the leading fertilizer manufacturers of the United States, charging them with price fixing, which resulted in a collection of approximately $100,000 in fines. Since that time a few complaints of price fixing have been received, all of which have been carefully investigated by this department; but no price agreement has been found since that date.

Very truly yours,

WILLIAM J. DONOVAN,
*The Assistant to the Attorney General.*

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WASHINGTON, D. C., *April 13, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate, Washington, D. C.*

DEAR SENATOR MCKELLAR: I have received your letter of the 10th and am glad to know that you will give careful consideration to my letter of the 9th.

In regard to the apparent price disparity in northern Alabama and the adjoining counties in Tennessee, it happens that I have just received information bearing on this situation from a number of companies that sell in that territory. It is therefore comparatively easy to answer the question raised by Mr. William M. Smith. In answering this question I am giving you summarized information which I have obtained within the past few days from at least five different companies.

One company reports an average difference on four leading grades of $1.73 per ton, the largest difference being $2.35 per ton on a 12–4–4 grade. Another company reports an average difference of $1.33 per ton, the largest difference on a specific grade being $1.76. Another large company reports an average spread of $1.40 per ton, another $1.75, and still another $1.35.

These differences exist for a number of reasons.

1. The State tonnage tax is 20 cents per ton higher in Tennessee than in Alabama.

2. Tennessee customers (dealers) buy from 1 to 5 cars per season, while Alabama customers buy from 5 to 20 cars. This higher sales cost is estimated by one company at 55 cents per ton.

3. Tennessee customers demand better drilling condition than is demanded in Alabama. This involves double milling and screening and longer curing, making an extra preparation cost of 50 cents per ton.

4. The additional freight cost averages about 30 cents per ton.

5. The Tennessee law requires that all fertilizer be shipped in 125-pound bags, while in Alabama a 200-pound bag is most commonly used. This means six additional bags per ton for goods going into Tennessee. This adds at least 50 cents to the cost.

These added costs would total $2.05, and although this figure should be considered more or less approximate it must be very close to the actual difference in cost, since one of the larger companies estimates this difference at an average of $1.82 per ton. Although the others have not estimated the total difference in cost, they agree pretty well on the above-enumerated items.

It therefore seems to me that there is ample justification for the slightly higher prices that are being charged in southern Tennessee as compared to northern Alabama. The larger difference—namely, $3 to $5 per ton reported to you by Mr. Smith—is, of course, a retail price difference, and the figures I have given you are all based on cash prices to dealers. It is, of course, entirely possible that such differences may be found to exist in adjoining counties in the two States, due to the varying commissions charged by dealers. This might easily be true of time prices quoted by different dealers, or it might even be that the cash prices of one dealer are being compared with the time prices of another. At any rate, I am convinced that in so far as fertilizer manufacturers are concerned there are no price differences between the two territories that can not be amply justified by the difference in actual costs of manufacturing and selling.

Very truly yours,

CHARLES J. BRAND,
*Executive Secretary and Treasurer.*

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APRIL 6, 1928.

INTERSTATE COMMERCE COMMISSION,
*Washington, D. C.*

DEAR SIRS: Inclosed please find another letter from Mr. W. M. Smith, of Fayetteville, Tenn.

I can not conceive that such a situation as he describes exists. He says that he received a letter from the fertilizer people saying that they were willing to bill fertilizer to him at an Alabama destination and then he could have it stopped in Tennessee. Is it possible that the Interstate Commerce Commission permits a lesser rate for Alabama than Tennessee, and if so, under what possible construction of the law can this be done? Your early attention to the matter will be greatly appreciated.

* * * * * * *

Very sincerely yours,

KENNETH MCKELLAR.

INTERSTATE COMMERCE COMMISSION,
*Washington, April 9, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: Your communication of April 6 to the secretary of the commission respecting the complaint of Mr. William Smith, of Fayetteville, Tenn., and submitting copy of letter written him by Mr. Hendley, of the Tennessee commission, has been referred to me for reply.

I assume that Mr. Smith is complaining of the intrastate-rate adjustment in Alabama as it has existed on fertilizer and fertilizer materials as compared with the interstate-rate adjustment on this traffic. In this connection I may say that on July 1, 1927, a general line of rates on fertilizer and fertilizer materials became effective in the South in compliance with an order of this commission and that contemporaneously we required the Alabama commission to adjust its intrastate rates in conformity with the interstate level under the authority of sections 3 and 13 of the interstate commerce act. The Alabama commission thereupon sought an injunction in the Federal courts against our order. This was denied, but an appeal has since been taken to the Supreme Court of the United States. It is understood, however, that on or about March 1, 1928, the rates in Alabama were adjusted in compliance with our order. You will note, therefore, that the inequality about which Mr. Smith complains was brought about by the action of the Alabama State commission and not by any action of ours. As indicated, however, I understand that this inequality no longer exists.

Very truly yours,

JOSEPH B. EASTMAN, *Commissioner.*

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APRIL 28, 1928.

FEDERAL TRADE COMMISSION,
*Washington, D. C.*

DEAR SIRS: Inclosed I hand you an excerpt from the record that explains itself.

I want you to make an investigation as to why the fertilizer people are selling fertilizer cheaper in Alabama than they are in Tennessee. That they are doing it there can be no question, and I have an idea they are fixing the prices themselves.

Please let me know at your earliest convenience when it can be taken up.

Very sincerely yours,

KENNETH MCKELLAR.

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FEDERAL TRADE COMMISSION,
OFFICE OF THE SECRETARY,
*Washington, May 1, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: Your letter of April 29, with inclosures relating to the fertilizer situation, has been received and laid before the commission, and the commission has referred the matter to its chief law examiner for a preliminary inquiry and report.

Upon the coming in of the chief examiner's report you will be advised further.

Very truly yours,

FEDERAL TRADE COMMISSION,
OTIS B. JOHNSON, *Secretary.*

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DEPARTMENT OF AGRICULTURE,
STATE OF TENNESSEE,
*Nashville, April 25, 1928.*

Hon. KENNETH MCKELLAR,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: Your kind letter of the 21st with attached copy of letter from Mr. Charles J. Brand, executive secretary-treasurer of the National Fertilizer Association, was duly received. The letter of Mr. Brand has been read with interest.

Referring to his statement of the difference in prices for the same goods in Alabama and Tennessee, I wish to state that I have before me a statement from a large farmer who resides in Lincoln County, Tenn. This statement is in the form of an affidavit. The gentleman states that he owns a farm of 650 acres in Lincoln County, Tenn., and another farm in Madison and Limestone Counties, Ala., containing about 1,200 acres. He states that during the spring of 1928 he purchased two cars of commercial fertilizer, one car consisting entirely of the analysis 15–4.11–5; that is, 15 per cent available phosphoric acid, 4.11 per cent nitrogen, and 5 per cent potash. The other car contained a considerable amount of the same brand and same analysis. One of these cars to be delivered in Tennessee, the other in Alabama. He found, however, on getting prices, that the delivered price in Alabama on this grade of goods was $42.75 per ton, and the delivered price for the same grade in Tennessee was $47.80 per ton, and that both prices were given the same discount for cash. He, therefore, made the purchase of both cars to be delivered to Harvest, Ala., and stopped one car at Fayetteville, thus getting advantage of the Alabama price and effecting a saving of $5.05 per ton on the goods.

This is one of a number of instances which have been brought to our attention of cars diverted from Alabama points to Tennessee points on account of the substantial saving in prices, due to the difference between Alabama prices and Tennessee prices on the same grades.

I note that Mr. Brand gives five reasons for the difference in prices in Alabama and Tennessee. I will take up these reasons and comment on them serially:

1. We admit the difference in the State tonnage tax in Tennessee and Alabama, which he claims.

2. Mr. Brand is mistaken in his statement that Tennessee dealers confine their purchases from one to five cars per season. Under the Tennessee commercial fertilizer law, copy of which I am sending you under separate cover, the manufacturer is required in section 15 to notify the commissioner of agriculture of all shipments of commercial fertilizer to points in Tennessee, such notifications to show the grade and amount of the fertilizer, and the name and address of the consignee. I have taken one county from each division in the State. Up to the present time, which is about the middle of the spring shipment season, one dealer in Greene County, east Tennessee, has received 34 cars; another 11 cars; another 10 cars; another 8 cars. One dealer in Robertson County, middle Tennessee, has received 30 cars; another 25 cars; another 23 cars; another 11 cars; another 10 cars; and two others 9 cars each; and one 8 cars. One dealer in Gibson County, west Tennessee, has received 23 cars; another 13 cars; another 9 cars; and five others 8 cars each.

Bear in mind that the shipping season continues to the last of May and sometimes until the middle of June. These shipments are of record in this office, and consist of cars carrying from 20 to 40 tons each.

3. Answering Mr. Brand's statement that Tennessee customers demand better drilling condition of the goods than is demanded in Alabama.

The superintendent of the division of foods, fertilizers, and dairies, which division is charged with the administration of the fertilizer law, and one of the inspectors working out of that division, have examined a number of the Alabama cars diverted to points in Tennessee and have taken samples of a number of the brands contained in these cars. They state that their examinations showed that the mechanical condition of the fertilizer in the cars billed to Alabama and diverted to points in Tennessee was just as good as that of the fertilizers being billed to points in Tennessee.

4. I can not quite understand how the freight cost to points in Tennessee from Nashville and other shipping points in the State would average about 30 cents per ton more than the freight to points in Alabama. I am reliably informed that the freight on commercial fertilizers from Nashville to Huntsville, Ala., is $2.55 per net ton. The freight from Nashville to Springfield is $1.35 per net ton (Springfield, Tenn.).

5. Mr. Brand states that the Tennessee law requires that all fertilizer be shipped in 125-pound bags. The Tennessee law does not specify the size package in which commercial fertilizer shall be sold. The act, however, confers upon the commissioner of agriculture the power to make such rules and regulations as may be necessary for the proper enforcement of the law. By referring to regulation 2 on page 14 of copy of bulletin being mailed you you will see that shipments of commercial fertilizers may be made into Tennessee in bags or packages of 100, 125, or 200 pounds net weight.

I notice Mr. Brand states in the concluding paragraph of his letter that the difference reported to you by Mr. Smith in the letter referred to in Mr. Brand's communication, is the retail price difference. In this Mr. Brand is mistaken, as you will note by referring to the inclosed price list of one of the large concerns, which gives you the price list for the spring season 1928 to dealers in Alabama and dealers in Tennessee. You will note that this price list is based on 100 and 200 pound bags in Alabama, and on 125-pound bags in Tennessee. But by turning over to the back of the list for Tennessee, the statement is made that the prices quoted are for goods in 125-pound bags and that when other sizes are desired add 50 cents per ton for 100-pound bags, and deduct 50 cents per ton for 200-pound bags. We have a number of price lists which have been secured from dealers. The price lists which we have are all prices made by the manufacturer to the dealer, as shown on the inclosed list.

An interesting fact in this connection is that the prices made by the different manufacturers on similar analyses are exactly the same. This covers perhaps, all told, 25 or 30 different analyses. It is inconceivable that this could have happened without an understanding between the fertilizer companies. Therefore, it seems to me a plain case of price fixing, possibly under a gentleman's agreement. Then the question arises as to whether this is a violation of the Federal and Tennessee antitrust laws.

May I assure you that I appreciate the interest you are manifesting in this matter. I believe you are rendering the farmers of Tennessee a valuable service, and I sincerely hope that we may get favorable results from our efforts to correct this apparent injustice to the farmers of our State.

Very sincerely yours,

HOMER HANCOCK, *Commissioner.*

FAYETTEVILLE, TENN., *April 25, 1928.*

Senator MCKELLAR, *Washington, D. C.:*

Your letter and CONGRESSIONAL RECORD received and carefully noted. The statement made by Mr. Charles J. Brand has not, as I understand the situation, given any light on the matter. Take statement No. 5, for instance. He states that the size of bags makes a difference.

| | |
|---|---|
| Tennessee prices on 12–4–4 in 100-pound bags are | $39.65 |
| Alabama prices on 12–4–4 in 100-pound bags are | 36.65 |
| A difference of | 3.00 |
| Tennessee prices on 15–5–5 in 100-pound bags are | 48.30 |
| Alabama prices on 15–5–5 in 100-pound bags are | 42.75 |
| A difference of | 5.55 |

These are bona fide prices given me by agent of the company. All these prices are subject to 10 per cent discount, bill of lading with goods.

Please do not let this matter drop now that you have gotten it started for Mr. Brand's explanation will not hold in the face of the facts in the case. Again thanking you for the help you have been to the cotton farmers of this section, and assuring you of their appreciation, beg to remain,

Respectfully yours,

WM. M. SMITH.

FAYETTEVILLE, TENN., *April 28, 1928.*

DEAR SENATOR: Your letter to hand and am glad to state that the greater part of the fertilizer was shipped to Alabama points and diverted to points in Lincoln County by paying a switching charge and paying the State 50 cents a ton for bags. In fact, Mr. Jesse Lowery, who handled nine cars, said he got all of his at Alabama prices. Mr. Charles J. Brand's statement in the CONGRESSIONAL RECORD is misleading in most of its contents. The writer bought a car for his own use and had paid Tennessee prices before he knew that the fertilizer companies were making the difference they were, as on last year we got it the same as north Alabama, and I do hope that when this is all thrashed out that Tennessee farmers will not be compelled to ship to Alabama and divert to Tennessee. If I can serve you, please command me.

Yours truly,

WM. M. SMITH.

### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edge | La Follette | Sheppard |
| Barkley | Edwards | Locher | Shipstead |
| Bayard | Fess | McKellar | Shortridge |
| Bingham | Fletcher | McMaster | Simmons |
| Black | Frazier | McNary | Steck |
| Blaine | George | Mayfield | Steiwer |
| Blease | Gerry | Metcalf | Stephens |
| Borah | Gillett | Moses | Swanson |
| Bratton | Glass | Norbeck | Thomas |
| Brookhart | Goff | Norris | Tydings |
| Broussard | Gooding | Nye | Tyson |
| Bruce | Gould | Oddie | Vandenberg |
| Capper | Hale | Overman | Wagner |
| Caraway | Harris | Phipps | Walsh, Mass. |
| Copeland | Hawes | Pine | Walsh, Mont. |
| Couzens | Hayden | Pittman | Warren |
| Curtis | Johnson | Ransdell | Waterman |
| Cutting | Jones | Reed, Pa. | Wheeler |
| Dale | Kendrick | Robinson, Ark. | |
| Deneen | Keyes | Sackett | |
| Dill | King | Schall | |

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

### RECEPTION OF GERMAN AND IRISH AVIATORS

Mr. CURTIS. Mr. President, I understand that the trans-Atlantic aviators are here. In pursuance of the unanimous-consent agreement, I ask that the Senate take a recess for 10 minutes, in order that they may be received.

The VICE PRESIDENT. Without objection, that order will be made.

The Senate being in recess, the German aviators, Capt. Hermann Koehl, of the German Army, and Baron Günther von Huenefeld, and the Irish aviator, Maj. James FitzMaurice, chief of the Irish Free State air force, were escorted into the Chamber by Vice President DAWES, Mr. CURTIS, the majority leader, and Mr. ROBINSON of Arkansas, the minority leader, amid great applause from the floor and the galleries.

The VICE PRESIDENT personally presented the Members of the Senate and guests to the distinguished visitors, after which they retired from the Chamber amid great applause; and the recess having expired, the Vice President resumed the chair.

### BOULDER DAM

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works, for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. HAYDEN. Mr. President, the State of Arizona has three primary or fundamental objections to Senate bill 728 as introduced by the senior Senator from California [Mr. JOHNSON].

The first objection is that the bill seeks to use the power of the Federal Government to coerce a sovereign State to its injury, and to the benefit of another State.

The second objection is that the bill contemplates an unjust division of the water of the lower Colorado River Basin, to the permanent detriment of the State of Arizona, and to the great advantage of the State of California and the Republic of Mexico.

The third objection is that the bill as introduced makes no provision for compensation to the States of Arizona and Nevada for the use of their natural resources, their lands, and their waters, for the generation of hydroelectric power.

The committee amendments suggested by the Senator from Nevada [Mr. PITTMAN] have the great merit of recognizing a principle which we of those two States believe to be fundamental. Later in my remarks I shall discuss the Pittman amendments.

Before we proceed to discuss these three fundamental objections to the bill, before we attack the larger trees in the forest, there is some underbrush which should be removed.

There are some amendments to this bill that I intend to propose which I believe the Senators from California [Mr. JOHNSON and Mr. SHORTRIDGE] will, upon reflection, be willing to accept. I shall address myself this evening principally to amendments of that character.

The first amendment that I intend to suggest relates to the rights of the Yuma reclamation project. My colleague the senior Senator from Arizona [Mr. ASHURST] discussed the matter in his minority report; but the senior Senator from California [Mr. JOHNSON], in his remarks the other day, did not see fit to discuss the issue thus raised. I shall read very briefly, from what my colleague had to say on the subject, in order that the Senate may understand just what is involved in the Yuma controversy.

Senator ASHURST said:

### RIGHTS OF YUMA PROJECT

Any analysis of this legislation would be incomplete that failed to recognize the avidity with which its authors have availed themselves of every opportunity for advantage. The bill is inconsistent and contradictory; it is vague and indefinite where it should be clear and certain, and is harsh and unyielding where it should be flexible. But no point has been overlooked where advantage might be reaped, at whatsoever cost, to others for the interests it is designed to enrich.

A striking illustration of this may be found in section 10, supplemented, extended, and enlarged by the provisions of section 7.

Section 10 empowers the Secretary of the Interior with the consent of Imperial irrigation district, to modify the existing contract, dated October 23, 1918, authorizing the use of Laguna Dam for the diversion of water for the irrigation of Imperial Valley. That may appear reasonable enough to the casual observer, since the Secretary of the Interior and Imperial irrigation district are the parties of record to the contract in question. It should be understood, however, that the contract, in all of its details, relates to property rights and interests vital to the welfare and existence of Yuma project.

The Secretary of the Interior is a party to the contract merely in his capacity as an officer of the United States, in which the title to the Yuma project temporarily vests. The contract was the result of long negotiations, in which the negotiating parties were representatives of Imperial irrigation district on one hand and Yuma project on the other.

The protection to Yuma project, as embodied in the completed agreement, was the result of hard labor and determined effort over the attempts on the part of the California representatives seeking, as they now seek, every advantage for themselves. To disturb the status quo of this contract and agreement without the consent of the organization conducting the affairs of the landowners and water users of Yuma project, which originally confirmed its provisions, would constitute a violent outrage of the rights of those water users.

The water users of the Yuma project have taken notice of these provisions in the bill. I have here in my hand numerously signed and identical petitions addressed to the Congress of the United States, one of which I shall read. The petition states:

*To the Congress of the United States:*

Your petitioners, the board of governors of the Yuma County Water Users Association, with headquarters at Yuma, Ariz., and the undersigned individual water-right holders and farmers of the Yuma project (Arizona-California) respectfully represent:

That under date of October 23, 1918, a contract was entered into by the Secretary of the Interior and Imperial irrigation district, of Imperial County, Calif., whereby the said district secured the right to use Laguna Dam, in the Colorado River near Yuma, Ariz., and to divert water therefrom for the irrigation of the lands of said district, and to use the main canal of the said Yuma project for the conveying of water to a point known as Siphon Drop, where a proposed canal for the irrigation of the land of said district will digress from the said main canal of the Yuma project.

That the Secretary of the Interior, acting as a party to the aforesaid contract, did so in his official capacity as an agent of the United States and as trustee for the Yuma project; that Laguna Dam and the main canal therefrom to the point known as Siphon Drop were constructed by the United States, under contract with the Yuma County Water Users Association, as integral and essential parts of the Yuma project; that the lands of the Yuma project were and are obligated for the construction of said works; that the maintenance of the integrity of these works, as parts of the Yuma project, is essential to the independence and successful management of the said project and the preservation of the rights of the water users thereunder; that in the negotiations leading up to the contract aforesaid the rights and interests of the water users under the Yuma project were fully recognized, and the Yuma County Water Users Association was a party thereto by its accredited representatives; that the said contract was not entered into nor authorized by the Secretary of the Interior until it had the approval of the said governing board of the water users under the Yuma project, and that the said contract, when so approved, authorized, and entered into, contained provisions deemed by the said governing board to be ample for the protection of the rights and interests of the said water users under the Yuma project, and particularly with respect to the title to said Laguna Dam and the main canal of the project down to the point known as Siphon Drop; to the water rights of the said project and to the development of power necessary for the full development of the land embraced therein; that it was at no time the purpose of the negotiations nor the purpose of the said contract to alienate the title nor any interest in the title to the Laguna Dam and the said main canal from the water users of the Yuma project, nor to convey the title to said works to Imperial irrigation district.

That to alienate the said title to these essential works of the Yuma project, or to impair the rights of the water users of the Yuma project which are theirs under the reclamation law, under the contract between the United States and the Yuma County Water Users Association for the construction of Yuma project, and under the aforesaid contract of October 23, 1918, would be illegal and confiscatory and do violence not only to fundamental principles of law but as well to vital considerations of justice, equity, and morals.

That the bill now pending in Congress and known as S. 728 would, if enacted into law, work this very injustice, commit this very outrage. Under the provisions of section 10 it would authorize the Secretary of the Interior, with the consent of Imperial irrigation district, and without the consent of the Yuma County Water Users Association, to modify the said contract of October 23, 1918, and to surrender the protection which under the terms of the said contract is afforded to the water users of the Yuma project. Under the provisions of section 7, and in direct contravention of the terms of the said contract, it would authorize the Secretary of the Interior to convey the title to the main canal and appurtenant structures authorized by the bill to the districts having a beneficial interest therein in proportion to their respective capital investment, the effect of which would be to turn the main canal of the Yuma project, down to the point known as Siphon Drop, over to Imperial irrigation district. Under later provisions of the same section, and likewise in utter violation of the contract of October 23, 1918, it would give to Imperial irrigation district the right to utilize power possibilities of great value reserved to and necessary for the full development of the Yuma project.

For the reasons above set forth, your petitioners most earnestly pray and hope that the Congress do not pass the said bill, S. 728, containing, as it does, provisions violative of the reclamation law, in impairment of vested rights, and destructive of a contract vital to the protection of the water users under a Federal reclamation project.

Authorized and adopted by unanimous vote of the board of governors of the Yuma County Water Users' Association, held at Yuma, Ariz., April 2, 1928.

YUMA COUNTY WATER USERS' ASSOCIATION,
By J. P. COREY, *President.*

Attest:
[SEAL.] J. C. POWER, *Secretary.*

This petition was circulated among the farmers of the Yuma Valley, who are landowners and water users under the United States reclamation project. I have a number of copies of it here, each accompanied by a certificate similar to one which I shall now read:

YUMA, ARIZ., *April 29, 1928.*

*To whom it may concern:*

This is to certify that I, O. M. Clark, member of the board of governors of Yuma County Water Users Association, spent part of two days in circulating the accompanying petition of protest against certain sections of the Swing-Johnson bill, and of the 98 persons asked to sign same, only two refused; making a 98 per cent majority.

Respectfully yours,

O. M. CLARK.

I have a number of other certificates of a similar character, which I ask unanimous consent to have printed in the RECORD along with the document itself.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection?

There being no objection, the papers were ordered to be printed in the RECORD, as follows:

YUMA, ARIZ., *April 27, 1928.*

*To whom it may concern:*

Mr. J. A. Gifford, member of the board of governors from fourth district, had this petition only after the ground had been covered by Mr. Moss and Mr. Clark. I talked with him over the phone just prior to going to his place for the petition, and he stated that no one had refused to sign same. He was not at home when I came for his petition, hence the absence of his certification as to this petition being 100 per cent against the Swing-Johnson bill.

[SEAL.] J. C. POWER,
*Secretary Yuma County Water Users' Association.*

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YUMA, ARIZ., *April 21, 1928.*

*To whom it may concern:*

This is to certify that I, J. C. Barter, member of the board of governors of Yuma County Water Users' Association, spent two days in circulating the accompanying petition of protest against certain sections of the Swing-Johnson bill, and of the 73 bona fide landowners asked to sign same only 2 persons refused. Making a 97 per cent majority against the above-named sections, as is contained in the body of the petition of protest.

Respectfully yours,

J. C. BARTER,
*Member of Board of Governors.*

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YUMA, ARIZ., *April 26, 1928.*

*To whom it may concern:*

This is to certify that I, George Stinnett, member of the board of governors of Yuma County Water Users' Association, carried this petition to secure signatures upon a certain protest which is being made against certain provisions contained in the Swing-Johnson bill. Of the 21 water users and landowners to whom I presented this petition none refused to sign same.

G. A. STINNETT,
*Member of the Board of Governors, Fifth District.*

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YUMA, ARIZ., *April 26, 1928.*

*To whom it may concern:*

This is to certify that I, O. J. Moss, member of the board of governors of Yuma County Water Users' Association, carried this petition to secure signatures upon a certain protest which is being made against certain provisions contained in the Swing-Johnson bill. Of the eight water users and landowners to whom I presented this petition none refused to sign same.

O. J. MOSS,
*Member of the Board of Governors, Fifth District.*

Mr. HAYDEN. Mr. President, I shall read the contract entered into between the Secretary of the Interior and the Imperial irrigation district on the 23d of October, 1918, so that the Senate may understand that the water users under the Yuma project have substantial rights which this bill would violate. The contract reads as follows:

CONTRACT BETWEEN THE UNITED STATES AND THE IMPERIAL IRRIGATION DISTRICT

This agreement, made the 23d day of October, A. D. 1918, by and between the United States of America, acting in this behalf by Franklin K. Lane, Secretary of the Interior, hereinafter styled the United States, party of the first part, and the Imperial Irrigation, a corporation, duly organized and existing under and by virtue of the laws of the State of California, hereinafter styled the district, party of the second part—

Witnesseth:

2. Whereas in connection with the Yuma project, Arizona-California, under the provisions of the reclamation act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto, and particularly section 25 of the act of April 21, 1904 (33 Stat. 224), the United States Reclamation Service has constructed on the Colorado River a dam known as the Laguna Dam and certain auxiliary works, situate about 10 miles northeast of Yuma, Ariz., together with a main supply canal extending from said dam southwesterly to a point known as Siphon Drop, situate in section 10, township 16 south, range 22 east, S. B. M.; and

3. Whereas under the aforesaid act of Congress the United States contemplates the reclamation of 120,000 acres of irrigable land, more or less under the Yuma project with water from Colorado River diverted at Laguna Dam, and the district desires to change its point of diversion and secure the right to divert water at said dam for the irrigation of all irrigable land within the boundaries of the district; and

4. Whereas the district is authorized under chapter 160 of the Statutes of California, 1917, page 243, to contract with the United States for a supply of water for irrigation;

5. Now, therefore, in consideration of the mutual covenants and agreements to be kept and performed and considerations to be paid, as hereinafter provided, it is hereby agreed as follows, to wit:

6. That immediately on the execution of this contract the district shall proceed with diligence to secure data, which, together with other available data and data to be gathered under the existing cooperative contract dated February 16, 1918, will constitute a complete detailed survey with specifications and estimates of cost for the following:

(a) All necessary works and structures for the diversion of water from the Colorado River at Laguna Dam; thence through said existing main canal of the Yuma project, and sufficient enlargement and modification, including such works or devices as the Secretary of the Interior may require for the purpose of maintaining as near as may be the efficiency of the desilting and sluicing works at Laguna Dam, as such efficiency would be, were the Yuma project fully developed, to divert and carry all water needed by the district for the irrigation of its lands above referred to, without impairing the utilization of said Laguna Dam, main canal, and auxiliary works to the full extent necessary to irrigate the Yuma project when fully developed.

(b) A main canal entirely within the United States, with all necessary appurtenant structures for the practical operation thereof, of sufficient capacity and proper construction to irrigate all lands in Imperial County, State of California, susceptible of economic irrigation from said canal. Such canal to connect with said main canal of the United States at a point described as Siphon Drop, and thence to connect with the canal system of said district in the United States upon the line located and approved as provided by the terms of the cooperative contract of February 16, 1918, above referred to.

7. Upon the approval by the Secretary of the Interior of the said survey, specifications, and estimates, district will provide for beginning and carrying to completion with due diligence, at the cost of the district, the work of construction and installation at the Laguna Dam and on the main canal, described in and contemplated by this agreement, and the district shall provide proper pecuniary support for the same in advance, in a manner satisfactory to the Secretary of the Interior. All such work shall be carried on in such manner as not to interfere with the proper operation of the Yuma project by the United States, and the district will promptly carry out any measures required by the United States or its authorized agents to avoid or relieve any interference with the delivery of water to the Yuma project during and due to such construction, and will save the United States harmless as to any claims for damages that may be presented by reason thereof.

8. All work of construction and installation, and the materials used therein, shall at all times be subject to the approval of the Secretary of the Interior, and be under the supervision and inspection of his authorized agents and engineers, to the end that the works shall conform strictly with said surveys and specifications, and such modification thereof as the Secretary of the Interior may approve in writing. In case any of said works are constructed under contract made by the district and are not in accordance with said surveys and specifications, the Secretary may, at his option, replace such unsatisfactory construction work at the expense of the district, or stop said work of construction or cancel this contract, or resort to any other lawful remedy, and the decision of the Secretary of the Interior whether said surveys and specifications or modifications thereof have been complied with shall be final and conclusive. The district shall make complete detailed progress reports of the said construction work upon demand of the Secretary of the Interior. The cost of the inspection on the part of the United States provided by this section shall be paid by the district to the United States upon demand.

9. For the right to use the Laguna Dam, the main canal and appurtenant structures, and divert water, as herein provided, the district agrees to pay to the United States the sum of $1,600,000, in 20 installments, the first of which shall become due and payable December 31, 1919, and subsequent installments annually thereafter. The first four installments shall each be 2 per cent, the next two installments each 4 per cent, and the next 14 each 6 per cent of the total amount. Upon failure of the district to make any such payment at the time and in the amount specified, then all rights under this contract shall be at an end, and all payments theretofore made shall become forfeited to the United States as liquidated damages; and as a further consideration for entering into this contract on the part of the United States, the district hereby releases and relinquishes any and all claims whatsoever for said moneys or any portion thereof so forfeited and paid as liquidated damages: *Provided*, That the Secretary of the Interior may in his discretion extend the time for any such payment upon the payment of 7 per cent interest in advance.

10. Subject to the provisions of the reclamation act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto, the United States shall have and retain perpetually the title to and the complete control, operation, and management of said Laguna Dam, auxiliary works, and enlarged main canal from the dam to and including the Siphon Drop with appurtenant structures as enlarged, including the diversion works at Siphon Drop for the diversion and delivery of water to the Yuma project and the district. The district shall pay to the United States, quarterly, on demand, April 1, July 1, October 1, and December 31, its proportionate share of the cost of operation and maintenance of said dam, auxiliary works, and enlarged main canal for the preceding quarter, such payment by the district to bear the same ratio to the total cost of such operation and maintenance as the amount of water received by the district at the point of delivery to the district's canal at Siphon Drop bears to the total amount of water carried in said main canal at that point plus the amount of water diverted from the canal above the Siphon Drop for use on the Yuma project lands: *Provided*, That such extraordinary expense as may be caused by the operation of such desilting works as may be necessary to as nearly as may be maintained the efficiency of the desilting works at Laguna Dam, as such efficiency would be were the Yuma project fully developed, shall be borne by Imperial irrigation district. Such extraordinary expense, if any, shall be determined by the Secretary of the Interior. If the district fails to pay to the United States within 30 days after rendition of bill all operation and maintenance charges as determined by the Secretary of the Interior as they become due, the Secretary of the Interior, in addition to any other remedy which may be available to him for recovery of such charges, is authorized to shut off water from the intake of the district until such time as all sums due have been paid, with interest thereon at the rate of 7 per cent per annum, from rendition of bill.

11. The United States reserves the right to arrange for the connection with and use of Laguna Dam on such terms as the Secretary of the Interior may deem expedient, by any other irrigation enterprise, district, corporation, or individual; also of the headworks and main canal and other governmentally constructed works, and works constructed jointly by these parties, after proper enlargement and modification, on terms herein stipulated, without, however, impairing the utilization of said dam, canal, and other works to the extent necessary to irrigate the lands within the boundaries of Imperial irrigation district.

12. The United States reserves the right to develop power with the water in the enlarged main canal down to and including Siphon Drop. All other power possibilities in the main canal down to and including some convenient power site near Pilot Knob shall be developed by the United States to the extent deemed expedient by the Secretary of the Interior, at the joint expense and for the joint benefit of the Yuma project and the Imperial irrigation district, as herein provided. The apportionment of the cost of canal and headworks alterations and enlargement, and of canal extension from the Laguna Dam to the site selected for power development, near Pilot Knob, shall be made to the United States (for the Yuma project) and to the Imperial irrigation district, in the proportion that 2,000 second-feet bears to the total canal enlargement, less 2,000 second-feet. The cost of constructing power plants, transmission lines, and other power-plant accessories shall be also apportioned to Yuma project and the district, respectively, in the ratio that 8,500 water horsepower bears to the aggregate water horsepower capacity of the plant installed.

The operation and maintenance of any such power plant or plants constructed for joint benefit and the sales of power therefrom shall be under the control of the Secretary of the Interior, and charges for commercial power shall be upon rules adopted by the Secretary of the Interior applying equally to both valleys. Such power as, in the judgment of the Secretary of the Interior, is necessary for pumping and other operation and maintenance purposes shall be delivered to the Yuma project and to the Imperial irrigation district, at the cost of development thereof, plus 10 per cent, said cost to include interest at 5 per cent per annum on the capital invested in power plants, transmission lines, and power-plant accessories, and also a proportional part of the headworks and canal enlargement from Laguna Dam to Pilot Knob, determined by the relation 2,000 second-feet bears to the total enlarged canal capacity and reasonable depreciation as may be determined by the Secretary of the Interior. The preference right to purchase power developed at the price herein specified shall be given over other uses of power, to the requirements of the Yuma project (limited to an area not exceeding 120,000 acres) for power to be used in pumping irrigation water. The profits from power sales or power leases shall be divided between the Yuma project and the Imperial irrigation district in the proportion of their respective investments in power plants, transmission lines, and power-plant accessories, and in the canal and headworks alterations, canal enlargement, and canal extension(s) from the Laguna Dam to and including the power-house site near Pilot Knob, to be determined by the Secretary. In case capacity be also provided by enlargement for the irrigation of lands in the United States outside of the Imperial irrigation district, then the cost of enlargement computed as above as chargeable to the Imperial irrigation district shall be borne "by such district and such"

other lands in the ratio of their respective irrigable acreages(s). The cost of any works used jointly by several irrigation enterprises below the point near Pilot Knob, where power is developed, shall be apportioned "equitably" by the Secretary of the Interior. No water shall be diverted for power purposes from such main canal below Siphon Drop at any time when such water shall be required for irrigation of lands being irrigated therefrom in Imperial County.

13. It is understood and agreed that the connection with Laguna Dam, herein provided for, is to be constructed as a part of an all-American canal, which the district hereby agrees to build at as early a date as possible and within reasonable time, and "when" the district shall have completed said all-American canal it shall have the right to drop water at some other point than the vicinity of Pilot Knob for power development, and in this event agrees to place at the disposal of the United States at Pilot Knob, or some other point to be agreed upon, such power in addition to that generated at Pilot Knob as in the judgment of the Secretary of the Interior is necessary for pumping and other irrigation operation and maintenance purposes of the Yuma project or any auxiliary thereof, not in excess of 8,500 water horsepower in the aggregate, at the cost of development thereof at the power house, plus 10 per cent, said cost to include interest at 5 per cent, and reasonable depreciation as determined by the Secretary of the Interior. All power development, operation, and maintenance of power plants on the all-American canal and sales of power shall be under the control of the Secretary of the Interior, and charges for commercial power shall be upon rules adopted by the Secretary of the Interior, applying equally to both Imperial and Yuma Valleys. The profits from commercial power shall be divided between the Imperial irrigation district and the Yuma project in ratio of their respective investments in power, including the enlargements, alterations, and extensions of the headworks and main canal down to and including the power-house site near Pilot Knob, plus investments in the power plants, power house, transmission lines, and other accessories. In dividing profits the district shall be credited with the net revenue from the amount of power by which the total power output is increased by the all-American canal west of Pilot Knob, which shall be determined by the Secretary of the Interior. Power delivered to Imperial irrigation district for pumping and other irrigation operation and maintenance purposes shall be delivered on the same terms as power delivered to the Yuma project for said purposes.

14. It is understood and agreed that the Secretary of the Interior shall control the division of water and shall divert for use of the Yuma project, or any auxiliary thereof, as heretofore or hereafter undertaken by the United States within the present boundaries of the United States, and not exceeding 120,000 acres, sufficient water to secure the permanent and economical reclamation thereof, not exceeding, however, one-quarter of the water in the river above Laguna Dam. The foregoing applies only to the natural flow of the Colorado River, and not to storage water, which shall be delivered to the party entitled thereto.

The United States makes no guaranty or representation as to the quantity of water that may be available without storage for delivery to the district under this contract, and shall not be responsible for failure to deliver water under this contract caused by insufficient supply of water in the Colorado River, hostile diversion, or drought, interruption made necessary by repairs, nor on account of any valid order or decree of a competent court; nor for any damages by floods, acts of hostility, or unavoidable circumstances, nor for loss of crops or other damage caused by nondelivery of water.

15. It is understood and agreed that the district shall have the right at any time to extend its boundaries within the United States and water additional lands upon payment of same amount per acre as irrigable lands in present Imperial irrigation district are to pay under terms of this contract. This right to be also available on same conditions to Yuma project, additional to 120,000 acres herein mentioned. All proceeds from payments on account of initial connection charges assessed to and collected from such new lands shall be used under the direction of the Secretary of the Interior for the construction of storage works for the benefit of the lands contributing.

16. This contract shall not become effective until the same shall have been duly ratified and confirmed in accordance with law, by a vote of the people of the Imperial irrigation district, and unless it shall be so ratified within six months from the date of execution hereof by the Secretary of the Interior, it shall become void and of no further effect.

17. In case of failure on the part of the district to provide for beginning the work of enlargement of the Yuma main canal within two years from the date hereof, the Secretary of the Interior shall have the right to abrogate this contract.

18. No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Government shall be admitted to any share or part of this contract or agreement, or to any benefit to arise thereupon. Nothing, however, herein contained shall be construed to extend to any incorporated company, where such contract or agreement is made for the general benefit of such incorporation or company, as provided in section 116 of the act of Congress approved March 4, 1909 (35 Stat. L. 1109).

In witness whereof the parties hereto have caused the execution of these presents as of the day and year first above written.

[SEAL.] THE UNITED STATES OF AMERICA,
By FRANKLIN K. LANE,
*Secretary of the Interior.*

[SEAL.] THE IMPERIAL IRRIGATION DISTRICT,
By LEROY HOLT, *President.*

Attest:

F. H. MCIVER, *Secretary.*

I direct the particular attention of the Senate to the fact that the water users of the Yuma reclamation project have a substantial interest not only in the Laguna Dam but the main canal, down to a point called Pilot Knob, where there is a power possibility in the benefits of which, if developed, the Yuma project would share. As the case now stands, with the provisions in the bill whereby the Secretary of the Interior may transfer the title of the Laguna Dam and the main canal and appurtenant structures to irrigation districts and other agencies in proportion to their respective capital investments, it is quite evident that the Yuma project would lose out in such an arrangement. Under the all-American canal in California, if completed according to the plans of the Government engineers, there will be some 785,000 acres of irrigated land, whereas under the Yuma project, if it is completed to the fullest extent, there would be only 120,000 acres in cultivation. The bill provides that the title may pass to these organizations and the main canal and appurtenant structures shall be controlled in proportion to capital investment, whereas the contract between the United States and the Imperial irrigation district provides that the title to the Laguna Dam and the main canal, as far as Siphon Drop, shall remain in the United States forever. In addition thereto, the contract provides that any power development at Pilot Knob shall be shared by the Yuma project.

The contract refers to a certain act of Congress (33 Stat. L. 224), a provision in an Indian appropriation act which authorizes the construction of Laguna Dam, and I read that into the RECORD:

[33 U. S. Stat. L., p. 224, ch. 1402, sec. 25]

That in carrying out any irrigation enterprise which may be undertaken under the provisions of the reclamation act of June 17, 1902, and which may make possible and provide for, in connection with the reclamation of other lands, the reclamation of all or any portion of the irrigable lands on the Yuma and Colorado River Indian Reservations in California and Arizona, the Secretary of the Interior is hereby authorized to divert the waters of the Colorado River and to reclaim, utilize, and dispose of any lands in said reservations which may be irrigable by such works in like manner as though the same were a part of the public domain. * * *

If the Colorado River were not a navigable stream, it would be entirely unnecessary for the Secretary of the Interior to have authority to divert its water. The law that I have read is the authority and the only authority authorizing such diversion, and under that authority the Laguna Dam was constructed.

In order that the Senate may completely understand this issue and in order to be perfectly fair, I shall read from a pamphlet, entitled "The Boulder Dam and All-American Canal Project," issued in 1924 by the Imperial irrigation district in support of this legislation, which gives the reasons why that district made the contract of October 23, 1918. I read from page 7.

Another phase of our problem we have mentioned as being that of diversion. In the earlier years in the Imperial Valley no serious difficulty was experienced in diverting water from the Colorado River through a gate installed parallel with the California side of the river bank, through which water was admitted over flashboard, but without any structure being provided in the river channel which would regulate the head of water on the intake gate.

As the acreage under cultivation increased from year to year it was found that the intake canal silted up during flood season, and as the waters in the river receded very extensive dredging operations were necessary before normal river bed and canal conditions could be restored, and very frequently water service was so badly impaired for a term of four to eight weeks that great loss, totaling millions of dollars, to crops resulted.

To correct this impairment of service the district board has, during a series of years, installed and maintained a temporary brush weir in the Colorado River immediately below the canal intake, which serves to maintain and regulate the head of water at our gate during the low-

water period. By this expedient we have been enabled to maintain our water service with greater regularity and with less frequent periods of shortage. But meanwhile 50,000 acres of land have been brought under cultivation in the Yuma project. These lands are river-bottom lands and were naturally subject to overflow in flood season, and the flood waters are now held back by a system of levees erected and maintained as a part of the Yuma project development.

The people of Yuma naturally feel a very grave concern as to the maintenance in the river channel of any obstruction which during flood season might so obstruct the run-off of flood waters as to endanger their protective levee system.

Consequently, they have been very insistent that the people of Imperial Valley provide another and a safer method of diverting the waters of the river required by them, and have urged upon us the availability for that purpose of Laguna Dam. We have no criticism to offer as to this attitude on the part of the people in the Yuma Valley. It is natural for them to seek to protect their property rights. They have been very insistent yet have refrained from going to harsh lengths in the courts in their desire to protect themselves. We have endeavored to take them fully into our confidence, and have stated to them frankly that we recognize the justice of their contention and that we will, as quickly as possible, conform to their demands and will endeavor to connect our canal system with the Laguna Dam and thereafter refrain from the maintenance of any temporary structure in the river below that point. They are vitally interested in our progress along these lines.

It is apparent, therefore, that the Imperial irrigation district must speedily provide for a connection of its canal system with the Laguna Dam in order to increase the efficiency of its own service; to provide means by which water, when available, may be diverted for new lands and, by no means of least importance, to protect the values created under the Yuma project, and relieve the people of that section of the natural apprehension which will exist so long as the present methods of diversion are maintained.

Therefore, under date of October 23, 1918, the Imperial irrigation district entered into a contract with the Government of the United States, Secretary of the Interior, Franklin K. Lane, acting on behalf of the Government, under the terms of which the district obligated itself to pay to the Government for the privilege of making such a connection with its Laguna Dam, the sum of $1,600,000. The district, in that contract, obligated itself, so soon as it could secure the sanction of its people and the authority of the State engineer and bond commission, to provide funds with which to construct a canal connecting its system with such dam. Since that time the district has paid to the Government the annual installments on the purchase price stipulated in the contract $192,000, with future payments ranging from $64,000 to $96,000.

I must say, Mr. President, that on the face of this showing there is no apparent desire on the part of the people of the Imperial irrigation district to do any injustice to the water users of the Yuma project.

If the bill is amended to provide that the all-American canal shall be constructed as an ordinary reclamation project, then all of the provisions contained in the bill relative to the transfer of title to the main canal and appurtenant structures are wholly unnecessary. I read from the original reclamation act of 1902 the following provision:

SEC. 6. That the Secretary of the Interior is hereby authorized and directed to use the reclamation fund for the operation and maintenance of all reservoirs and irrigation works constructed under the provisions of this act: *Provided*, That when the payments required by this act are made for the major portion of the lands irrigated from the waters of any of the works herein provided for, then the management and operation of such irrigation works shall pass to the owners of the lands irrigated thereby, to be maintained at their expense under such form of organization and under such rules and regulations as may be acceptable to the Secretary of the Interior: *Provided*, That the title to and the management and operation of the reservoirs and the works necessary for their protection and operation shall remain in the Government until otherwise provided by Congress.

The reclamation extension act of 1914 contains this proviso, which slightly modifies the provision of the original act. I read from section 5:

*Provided*, That whenever any legally organized water users' association or irrigation district shall so request, the Secretary of the Interior is hereby authorized, in his discretion, to transfer to such water users' association or irrigation district the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as he may prescribe.

Therefore, if the project is to become a regular reclamation project there is no necessity for any language in the bill authorizing the transfer of the title to irrigation districts or other agencies. The Imperial and Coachella irrigation districts will be in the same position as any other irrigation district. The Secretary of the Interior can transfer to them the care, operation, and management, which are all that count. The water users under the Salt River reclamation project are in complete control of that project, although the title to the works of the entire project remains in the United States. So it would be with the farmers in the Imperial and Coachella Valleys if they knew what was best for them.

I am satisfied that under these circumstances neither the people of the Imperial irrigation district nor those who speak for them here on the floor of the Senate can legitimately object to the amendment to the bill which I now ask the clerk to read. I offer the amendment, not expecting that it shall be accepted instantly, but for the careful consideration of the Senators from California, so that at a later time they may express to the Senate their approval or disapproval thereof. I shall be glad to hear from them in connection with the other amendments which I may offer. If they do not care to agree to accept them in their entirety, I shall be glad to hear from them as to what changes may be brought about which may bring us into closer accord. I ask that the amendments may be read and I now offer them.

The PRESIDING OFFICER. The clerk will read, as requested.

The Chief Clerk read the proposed amendments, as follows:

On page 12, line 20, insert the following: After the word "advanced" strike out the words "with interest reimbursable hereunder" and insert the following: "as provided in the reclamation law."

Page 12, line 22, after the word "structures," insert the words "below Pilot Knob."

Page 12, lines 22 and 23, after the word "agencies," strike out the words "of the United States."

Page 13, line 3, after the word "canal," insert the words "below Pilot Knob."

Page 13, line 8, after the word "canal," insert the words "below Pilot Knob," and before the word "fund" insert the word "reclamation."

Page 17, lines 5 and 6, strike out the words "fund herein provided for" and insert in lieu thereof the words "reclamation fund."

Page 18, lines 5 to 11, strike out the remainder of the section after the word "dam," in line 5.

The PRESIDING OFFICER. As the Senate is considering committee amendments first, the amendments submitted by the Senator from Arizona will be printed and lie on the table.

Mr. HAYDEN. I think it appropriate to now mention another matter, inasmuch as we are speaking about the all-American canal, and that is that there should be in the bill a limitation providing that water shall not be furnished from that canal to any land in private ownership in excess of 160 acres. I find in a pamphlet called "The Story of a Great Government Project for the Conquest of the Colorado River," issued by the Boulder Dam Association, Los Angeles, Calif., in support of the Swing-Johnson bill, this statement:

SOLDIERS' PREFERENCE RIGHTS

The act provides that all lands practicable of irrigation and reclamation by the irrigation works authorized shall be withdrawn from entry, and when the works are sufficiently constructed to permit the delivery of water the same shall be open to entry in tracts not exceeding 160 acres, with preferential right to persons who have served in the United States Army, Navy, and Marine Corps. There are 166,900 acres known to be irrigable from the all-American canal which will be subject to such entry, or 4,172 farms of 40 acres each.

That statement would lead one to believe that the public lands which are to be open to entry will be divided into 40-acre farm units and that all the land which a veteran could obtain would be 40 acres. The bill is silent on the subject of how much land in private ownership may be irrigated, but if ex-service men are to be limited to 40 acres certainly private landowners should not be given water for more than 160 acres.

I find on page 80 of the so-called Fall-Davis report on the problems of the Imperial Valley, which is Senate Document 142, Sixty-seventh Congress, second session, that lands to be irrigated under the proposed all-American canal aggregate net 785,000 acres, of which 167,000 acres are public lands; and that conforms to the figure I have just quoted from the Boulder Dam Assocation pamphlet; 529,500 acres of private lands, 14,700 acres of State lands, and 47,300 acres of railroad lands. The railroad lands referred to in the report are a part of the grant of alternate sections to the Southern Pacific Railroad Co. It is obvious that the major portion of the benefits to be extended by the construction of the all-American canal are to go to private landowners.

Congress has adopted a very definite policy on that subject. The policy of limiting the acreage in private ownership had its inception in a report transmitted by the President to the Sixty-

eighth Congress and published as Senate Document 92, entitled "Federal reclamation by irrigation." The report was made to the Secretary of the Interior by Messrs. Thomas E. Campbell, former Governor of Arizona; James R. Garfield, former Secretary of the Interior; Oscar E. Bradfute, of the American Farm Bureau Federation; Clyde C. Dawson, of Colorado; Elwood Mead, present Director of Reclamation; and John A. Widtsoe, of Utah. I find in this report a discussion of the reasons for the adoption of a better and more enlightened policy with respect to United States reclamation projects. One of the reasons for the failures of the past is speculation in land. I read from page 111 of that report, under the title "Homesteader versus speculator—the purpose of the reclamation act," as follows:

A main purpose of the reclamation act was to provide opportunities for homestead making for rural-minded people. Making a homestead, a place able to support a family and desirable for family life, must remain the central thought of every activity connected with the Federal reclamation.

It was hoped that the homesteader under the Federal irrigation works would settle upon the land with a strong determination to subdue the soil, to build a home, and to add another rural farmstead to the thousands which form the stable foundation of our Republic.

Such benefits did not flow from the original reclamation act and the report discusses the reasons for the disappointing results. Among other reasons given is this:

Those who made use of the opportunity offered by the Government to secure land and water on most easy terms, and with the intention to hold them until the unearned increment would enable them to sell out at a large profit. Such men are seldom farmers. They are always seeking for an opportunity to sell the lands at a good profit to themselves. These are the speculators.

Then the report continues, on page 114:

A closely related type of speculation has influenced the financial condition of many farmers. Large holdings of private land which became part of the project lands, but without water, had very little value before the project was authorized. When water became available their value immediately arose. The public lands were soon exhausted and the later settler attempted to secure his homestead by purchase from the large landholder. These private lands were often held at a very high figure, and the settler, full of hope, frequently agreed to pay a high price for the land, in addition to the construction cost included in his water-right contract. This added greatly to the farmer's burdens.

It should be remembered, however, that, although two-thirds of the lands now under water contract with the Government were in private ownership at the time water was ready for delivery, not all of these private lands were in large holdings and susceptible of this type of land speculation. Such private land, when held for speculative purposes, only added to the difficulties of the farmer who was engaged in winning a homestead from the desert.

The special advisers on reclamation, otherwise known as the "fact-finding commission," then made the following recommendation:

Disposition of private lands in excess of farm unit: That no reclamation project should hereafter be authorized until all privately owned land in excess of a single homestead unit for each owner shall have been acquired by the United States or by contract placed under control of the Bureau of Reclamation for subdivision and sale to settlers at a price approved by the Secretary. This price to be considered in determining what land and water will cost settlers and hence the feasibility of the project under the payment conditions of the law.

That recommendation was made in 1924. Subsequently Congress had under consideration a bill, introduced at the request of the commission, wherein they translated their recommendation into the form of a proposed statute, found in a proviso, as follows:

*Provided*, That no part of any sum provided for herein shall be expended for construction on account of any division of any project until all areas of land irrigable under such division and owned by any individual in excess of 160 irrigable acres shall have been conveyed in fee to the United States free of encumbrance to again become a part of the public domain, under a contract between the United States and the individual owner providing that the value as shown by said appraisal of the land so conveyed to the United States shall be credited in reduction of the construction charge thereafter to be assessed against the land retained by such owner; and lands so conveyed to the United States shall be subject to disposition under the reclamation law when so ordered by the Secretary of the Interior: *Provided further*, That no part of any sum provided for herein shall be expended for construction on account of any division of any project until an appropriate contract in form approved by the Secretary of the Interior shall have been properly executed by all holders of Federal land grants of more than 160 acres irrigable under such division, which shall provide for the sale of such lands to actual bona fide settlers at not more than the value thereof as shown by said appraisal.

The last proviso is applicable in this instance, because there are railroad-grant lands within the proposed all-American canal project.

When Congress took up the consideration of the bill to authorize the construction of the Coolidge Dam in Arizona, for completion of the San Carlos irrigation project, a provision similar to the one I have just read was incorporated in the act approved June 7, 1924. I shall read just exactly what is contained in that law:

*Provided further*, That no part of any sum provided for herein shall be expended for construction on account of any lands in private ownership until all areas of land irrigable under the project and owned by any individual in excess of 160 irrigable acres shall have been conveyed in fee to the United States free of encumbrance to again become a part of the public domain under a contract between the United States and the individual owner providing that the value as shown by said appraisal of the land so conveyed to the United States shall be credited in reduction of the construction charge thereafter to be assessed against the land retained by such owner; and lands so conveyed to the United States shall be subject to disposition by the Secretary of the Interior in farm units at the appraised price upon such terms and conditions as he may prescribe.

We find that in the companion bill to the measure now under consideration by the Senate that the House Committee on Irrigation and Reclamation has included a provision limiting the area in individual ownership to 160 acres. I have, therefore, rather than copy the law as enacted with respect to the San Carlos project in Arizona, taken from the House bill the language of an amendment which I now offer and ask to have read.

The PRESIDING OFFICER. The clerk will read, as requested.

The Chief Clerk read the proposed amendment, as follows:

On page 17, line 25, after the word "provided," insert the following: "*Provided further*, That all contracts for the delivery of water for irrigation purposes shall provide that all irrigable land held in private ownership by any one owner in excess of 160 acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof fixed by the said Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works provided for by this act; and that no such excess lands so held shall receive water from said canal if the owners thereof shall refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior."

Mr. HAYDEN. I feel very confident that, upon reflection, the Senators from California will accept an amendment of that character to the pending bill. I am quite sure it will remove much criticism and be of immense advantage to bona fide settlers in the Imperial and Coachella Valleys.

In conversations that I have had with representatives of the Imperial irrigation districts they have expressed a fear that, by reason of some treaty with the Republic of Mexico, they might be deprived of water to which they now have a perfected right. I, myself, doubt very much whether anything like that could happen. I can conceive, however, by reason of the contacts they have had with the Mexican landowners and the friction which has taken place, that such a fear is one which might properly arise in their minds. In talking with them I made the suggestion that, inasmuch as the Federal Government and the Federal Government alone, would be the authority which could enforce a treaty, Congress has complete authority to prescribe the manner wherein the actual delivery of water to Mexico in compliance with any treaty should be carried out.

It occurred to me that the logical way in which such water should be delivered would be in accordance with the Colorado River compact, which requires the upper basin to furnish one half of it and the lower basin to furnish the other half in case of shortage.

But when that time arrives, the Federal authorities could not deal with basins. They would be compelled to deal with States, and there would be a quota of water imposed upon each State to be delivered to Mexico in the event the fulfillment of the treaty required it. The proper way for any State to carry out its delivery of the quota of water assigned to it would be in the inverse order of appropriations; that is, the last person who had acquired a right to water should be the first to furnish water to Mexico in case of a shortage.

I have, therefore, prepared an amendment which I offer to the bill at this time. I hope that the two Senators from Cali-

fornia will give it very careful consideration. I feel quite sure that some of their constituents will be interested in seeing such a provision as this included in the bill.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 22, line 3, it is proposed to insert the following:

SEC. 15. If, as provided in paragraph (c) of Article III of the Colorado River compact, it shall become necessary to supply water to the United States of Mexico, the United States of America shall not require any land having a perfected right to water at the date of the approval of this act to be deprived of water. Unless otherwise provided by State law, lands having the latest order of priority to the use of water shall be the first to be deprived of water to supply the quota of water which any State may be required by the United States of America to supply to the United States of Mexico.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. HAYDEN. Mr. President, the senior Senator from California [Mr. JOHNSON], in his remarks last week, did not discuss the question, which has aroused a great deal of interest on the Arizona side of the river, as to whether this bill really and in fact does place the all-American canal in the category of a United States reclamation project. However, in his report I find these words:

The reason for many of the committee amendments above outlined are obvious and made for the purpose of making the various provisions conform one with another. A few of them, however, are entitled to special consideration.

The amendment on page 2, commencing on line 11, making the expenditure for the all-American canal reimbursable under the provisions of the reclamation law, is for the purpose of avoiding conflict with well-established precedent. The latter part of the amendment to the effect that no charge shall be made for irrigation water through the all-American canal is to avoid duplication of charge on the lands. These lands already have a water-right, and since they are to reimburse the Government under the reclamation law the act should be perfectly clear that the lands are not to pay additional charges for water service.

The Senator, in his remarks, referred to section 2 of the bill, saying:

Section 2 of the bill, sir, contains the financial features. These were furnished by the Secretary of the Treasury. I assume, therefore, they will meet with an enthusiastic reception even from the opponents of the measure. They were written into the bill at the suggestion of the Treasury Department.

I am frank to say that I can not be very enthusiastic about the provisions in section 2 of the bill to which the Senator referred, because, if the the all-American canal is to be constructed as a United States reclamation project, it is my best judgment that the money for that purpose should be appropriated by Congress and placed in the reclamation fund, and not in the fund mentioned in section 2.

I believe it will be well for me to recite some of the history of this legislation so as to explain the financial provisions in the bill.

You will all remember that in the last Congress it was proposed that the works to be constructed on the Colorado River, both the dam and power plant and the all-American canal, were to be paid for by a bond issue. I find in the Swing-Johnson bill of last year two provisions which are not in the bill as introduced in this Congress. They are provisions (f) and (g) in section 2, which have been deliberately omitted from the bill by its authors this year.

Paragraph (f) reads:

In order to make the advances to the fund, the Secretary of the Treasury may, if he deems it advisable, exercise the authority granted by the various Liberty bond acts and the Victory Liberty loan act, as amended and supplemented, to issue bonds, notes, and certificates of indebtedness of the United States; and any bonds so issued shall be disregarded in computing the maximum amount of bonds authorized by section 1 of the second Liberty bond act, as amended.

Paragraph (g) reads:

The Secretary of the Treasury is authorized and directed to use, upon such terms and conditions as he may prescribe, for the payment, redemption, or purchase, at not to exceed par and accrued interest, of any bonds, notes, or certificates of indebtedness of the United States, the money covered into the Treasury under subdivision (e) in repayment of the amounts advanced.

All of the financial provisions in section 2 of the bill were originally predicated upon the theory that there was to be a Federal bond issue. The bond-issue feature has been stricken from the bill this year. Whether that was done for parliamentary reasons, in that it would not be in order to pass a revenue bill in the Senate, or whether, upon reflection, it has been determined that such provisions are unnecessary, I can not say. Undoubtedly the senior Senator from California can give the reason for the omission.

It is my judgment, as I stated before, that if Congress is to set up this financial scheme, it should apply only to the dam and the power plant and not to the all-American canal, because that can best be handled through the reclamation fund. That is, by placing sufficient money in the reclamation fund the all-American canal can then be constructed in the ordinary way, as in the case of all other reclamation projects.

As to the financial features of the bill, the Senator from California repeated, as he has many times, a statement that the ultimate cost of this project was to be without expense to the United States. In order that I may not misquote him, I shall read what he stated to the Senate on April 26:

At the beginning of what I say to-day, at the end of the argument whenever that shall occur, whether within a week or a day or a month or a year or a lifetime—at the beginning and at the end of the argument upon the pending measure, I want to make plain to those who do me the honor to listen to me that under the provisions of the measure the United States Government will not be required ultimately to pay a single dollar. I iterate and reiterate this, sir, because again and again in newspapers which publish their articles for one reason or another, by individuals who make their assertions for one cause or another, repeatedly it has been asserted that under the measure the taxpayers of the United States will be required to go deep into their pockets in order to afford some benefit to the people in the southwestern portion of our country.

Not so, sir; not so at all. Nothing will be required from the United States Government ultimately. The provisions of the bill emphatically make that plain, as we will see when we reach those provisions. No sum is asked from the United States Government in this plan. Before there can be a shovelful of earth turned or a single dollar expended the United States Government must have in its hands wholly executed contracts which will repay every penny contemplated to be expended under the bill.

Never before in any measure of this magnitude or of this character has such a provision been presented; and I repeat, because of the misrepresentation which has been indulged all over this land, that the taxpayers will be mulcted not of a single penny by the passage of this bill. Taxes will be increased not a farthing. No community, no individual, will be required to pay a single cent toward this project. Every bit of money that may be expended upon it must be paid out of the project itself, and the Government of the United States must be satisfied upon that point before it begins any activity of any kind or any character.

The thought behind the statement made by the senior Senator from California is based upon the old and abandoned bond-issue idea. I have seen in the public press a statement by another Senator that it is well understood that when this bill has passed the Senate it will be amended in the House to provide for a bond issue, and not for a direct appropriation of funds from the Federal Treasury.

This proposal for bond issue was first considered by the House Committee on Irrigation and Reclamation, of which I was then a member.

Mr. BLAINE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Wisconsin?

Mr. HAYDEN. I yield.

Mr. BLAINE. Does the Senator have any objection to the proposition that the Government should be repaid the amount that it invests in this whole project?

Mr. HAYDEN. I have no objection whatever. I propose to demonstrate that the purpose to be accomplished, however, will be accomplished with the money of the taxpayers of the United States, and that such is the true intent of the bill. Certainly the taxpayers should be reimbursed. I am not objecting to that at all; but I am objecting to a statement which has been quite often broadcast that this project will not cost the taxpayers one penny, not a farthing. I am sure that I can demonstrate to the Senator in a very few moments from a very high financial authority that such is the fact.

Mr. BLAINE. If the Senator will yield for another question—I do not like to interrupt him——

Mr. HAYDEN. I am very glad to explain any matter that I can to the Senator from Wisconsin.

Mr. BLAINE. As I understand, this project involves a reclamation project for irrigation purposes, the furnishing of water for cities of southern California to a certain extent, flood control, and the development of a hydroelectric power, which it is

hoped, I understand, will be one of the main sources from which funds are to be derived for the purpose of paying for this result. Is there anything essentially wrong about a proposition of that kind, so far as the taxpayers of the United States are concerned, if they are guaranteed, as far as it is possible to guarantee any obligation, that ultimately, and within the time fixed by law, the project itself will have paid for the initial expenditures?

Mr. HAYDEN. I am making no comment upon the merits or demerits of the project itself. I am merely trying to state the fact, first, that the funds to be used to pay for the all-American canal should be placed in the reclamation fund, and not scrambled in with another special fund out of which it is proposed to build a dam and power plant. I should like to have the two funds kept separate. In the second place, I want to demonstrate that the money which will go into this scheme, for whatever purpose, is the money of the taxpayers of the United States.

As I stated, I have the very highest authority on that point in the testimony of the present Secretary of the Treasury, Mr. Andrew W. Mellon. This proposal for a bond issue was investigated by the House Committee on Irrigation and Reclamation during the consideration of a measure similar to the one now under consideration, except that it had a Federal bond-issue provision in it.

It was sent down to the Treasury Department for report; and I shall read the letter of Secretary Mellon dated March 18, 1926, addressed to the chairman of the House Committee on Irrigation and Reclamation:

TREASURY DEPARTMENT,
*Washington, March 18, 1926.*

DEAR MR. CHAIRMAN: I have your letter of March 6 requesting my advice on the financial plan proposed by H. R. 9826. This bill contemplates the sale by the United States of $125,000,000 of 15–50 year 4 per cent bonds and the use of the proceeds to pay for the cost of construction of a dam on the Colorado River and an irrigation canal to the Imperial and Cochella Valleys. I am not familiar with the engineering features involved, nor with the earning prospects of the project, and I accordingly express no opinion thereon.

Proceeds from the sale of our bonds are not governmental revenues. The payment for the project by the sale of bonds has exactly the same effect on our governmental accounts as the payment of the same expenditure out of any governmental revenue, and the fact that it is a dam and might have earnings in the future does not differentiate it from an expenditure for a battleship, a public building, or to pay employees. In each case the expenditure would appear as an expenditure in the Treasury statement, and if the sum of this expenditure and all other expenditures during the fiscal year was less than the revenue for that year from all sources there would be a surplus. If this sum was in excess of the revenue there would be a deficit. With our large Government indebtedness outstanding, the effect of a surplus is to require less borrowing at the next quarterly refunding period, and the effect of a deficit is to require more borrowing. In other words, if there were no provisions at all in the bill for the floating of the loan and the general revenues of the Treasury were insufficient to pay for the project, the Treasury would be obliged to sell additional securities from which to obtain the cash to cover the cost of governmental operation in excess of Government revenues.

The proposal for the bond issue, therefore, simplifies in no way the fiscal problem involved. As a matter of fact, the limitation in the bill as to rate of interest and maturity and the power of the Secretary of the Interior to control some of the terms of the proposed issue would hamper the Treasury in meeting a money market which might exist at the time the securities had to be sold and to some extent would increase the cost of money to the Government. If the project is adopted by Congress, it would be, in my opinion, better fiscal policy to authorize the Secretary of the Treasury to pay for the project out of the general fund, or out of the proceeds of bonds authorized generally to be sold to replenish the general fund, and then earmark the earnings from the project to the payment of interest and principal on an amount of public debt equivalent to that created for this purpose. This policy would permit the Treasury to take care of our debt structure as a whole and in the manner most effective at the time.

If we eliminate the question of paying for the project out of the bond issue, which, as I have said, is no aid from a Treasury standpoint, then the question for the determination of Congress is, Should the United States spend $125,000,000 in the construction of a power and irrigation project? I believe that, in general, sound public policy in America, as elsewhere, is to encourage private initiative and not to have the Government ownership or operation of projects which can be handled by private capital under proper governmental regulations. The governmental operation of railroads in this country was our largest experiment on this line, and a comparison of public and private operation in that field justifies my faith in private enterprise. Canadian and European experience is the same. To get the Government out of business, whether it be in banks, utilities, or monopolies, has become one of the most essential steps to a permanent fiscal restoration of Europe, and I am loath to have the United States embark upon enterprises not strictly governmental in their nature. The fact that a government can furnish capital at lower rates of interest is illusory, if there be taken into account that the public project pays no tax and therefore does not bear its share of the cost of government. It seems to me that if the project is one which can pay its way, private capital can be found. If it can not pay its way, then we should consider whether all the taxpayers throughout the United States should be taxed for the benefit of a part of the country.

To these general principles, which I feel to be correct, there may arise exceptions. The Colorado River project involves the adjustment of the interests of seven States and a division of water between the United States and Mexico. In a project which involved a compact between different States and an international agreement, it is apparent that action must be had by the Federal Government if a satisfactory solution is to be obtained. It might be practicable to solve the problem through the Federal Government and still have the project constructed and operated by private enterprise. Congress may, however, feel that full or partial Federal Government ownership would be more convenient and under the particular circumstances the present case be made an exception to the general rule of sound policy.

If my suggestion as to a more satisfactory way of financing the project meets the approval of the committee, I shall be glad to have prepared a draft of legislation along this line.

The period of amortization of the cost of the project over 50 years seems to me a little long.

Very truly yours,

A. W. MELLON,
*Secretary of the Treasury.*

Hon. ADDISON T. SMITH,
*Chairman Committee on Irrigation and Reclamation,*
*House of Representatives.*

Later, Mr. President, at my request there appeared before the House Committee on Irrigation and Reclamation Undersecretary Winston, of whom I asked a number of questions in order to obtain an explanation of the financial set-up as now evidenced in part in this bill.

Mr. Winston appeared before the committee on April 23, 1926. I shall read from the hearings certain questions which I propounded to him, and his replies:

Mr. HAYDEN. What I am trying to ascertain is whether there is any difference between the plan proposed in this bill and the general practice of the Treasury Department or whatever department handles special appropriations for particular purposes.

Undersecretary WINSTON. There is a departure in that we have tried to create something so that we could show at all times what it costs and whether it has paid back its costs to the Government. Whenever this project pays itself out, the Government will be in the same position as if it had never advanced the money.

Mr. HAYDEN. In the case of the San Carlos Federal irrigation project and the Coolidge Dam, there was authorized an appropriation of $5,500,000 out of the Treasury for a specific purpose. It can not be possible that accounts are so loosely kept by the Treasury Department or any other department of the Government that one could not be told at any time how much money had been spent for a particular purpose, and how much had been repaid as repayments are made?

Undersecretary WINSTON. I will ask Mr. Hand to answer that question.

Mr. HAND. Whenever there is a specific appropriation, it is set up on the books of the Treasury Department and funds are advanced out of that alone. If there are dozens of different projects all embraced in one appropriation, separate accounts are kept by the administrative offices. Each separate appropriation has to be set up separately.

Mr. HAYDEN. The appropriation for the construction of Boulder Canyon Dam will be a specific appropriation, and the Treasury Department is not proposing to do anything different by this legislation than you would if there was no legislation.

Undersecretary WINSTON. Yes; we are providing for a return of interest and the exact interest on the amount advanced.

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Mr. HAYDEN. I want to know whether, aside from the collection of interest during construction, you have departed from the usual accounting practice of the Treasury Department?

Undersecretary WINSTON. Do you mean a departure by way of keeping accounts or a departure in legislation by Congress?

Mr. HAYDEN. By way of keeping accounts.

Undersecretary WINSTON. I do not think it is very much of a departure.

Mr. HAYDEN. If it is, I would like to know in what manner?

Undersecretary WINSTON. Mr. Hands knows these matters better than I do.

Mr. HAYDEN. Mr. Hand, by the proposal we are now considering as an amendment to this bill, are we following the usual and routine

practice and not doing violence to the usual accounting methods of the Treasury Department with respect to specific appropriations for a particular purpose? You are not asking Congress to adopt some new bookkeeping system in the Treasury?

Undersecretary WINSTON. It is not going to change the method of keeping accounts, and the principle is not very much different from other legislation.

* * * * * * *

Mr. HAYDEN. This bill in its original form was submitted to the Treasury Department. I shall read a paragraph from the report of the Secretary of the Treasury in which he refers to the proposed bond issue and ask whether this present provision fits in with what he then said. The report is dated March 18, 1926, and is signed by Secretary Mellon.

"Proceeds from the sale of our bonds are not governmental revenues. The payment for the project by the sale of bonds has exactly the same effect on our governmental accounts as the payment of the same expenditure out of any governmental revenue, and the fact that it is a dam and might have earnings in the future does not differentiate it from an expenditure for a battleship, a public building, or to pay employees. In each case the expenditure would appear as an expenditure in the Treasury statement, and if the sum of this expenditure and all other expenditures during the fiscal year was less than the revenue for that year from all sources, there would be a surplus. If this sum was in excess of the revenue there would be a deficit. With our large Government indebtedness outstanding, the effect of a surplus is to require less borrowing at the next quarterly refunding period, and the effect of a deficit is to require more borrowing. In other words, if there were no provisions at all in the bill for the floating of the loan and the general revenues of the Treasury were insufficient to pay for the project, the Treasury would be obliged to sell additional securities from which to obtain the cash to cover the cost of governmental operation in excess of Government revenues."

If that general proposition is true, and appropriations for the Boulder Canyon project are the same as appropriations for a public building or for pay of employees, as the Secretary of the Treasury states, what is the necessity for issuing bonds for this particular purpose?

Undersecretary WINSTON. It is only, as I have explained, that if we did want to borrow the money through Liberty bonds we do not want to handicap ourselves on that Liberty bond limit. That is the sole purpose of this provision. It has no bearing on the part of the letter you have just read.

Mr. HAYDEN. In this morning's paper I read that there is a probability of a deficit of $21,000,000 during the next fiscal year. If that should occur, the Treasury Department would have to borrow $21,000,000 to meet it.

Undersecretary WINSTON. If we should spend less money than we take in, of course there would be a surplus. When we come to a period in which we have a maturity, which is every three months, we will borrow less. Of course, if we are spending more money than we take in, we have to borrow. The money we borrow goes into the general fund of the Treasury and it comes out of there for such expenditures as Congress appropriates for those expenditures.

Mr. HAYDEN. That is what Secretary Mellon meant when he said, in the third paragraph of his letter to the chairman of this committee:

"If the project is adopted by Congress it would be, in my opinion, better fiscal policy to authorize the Secretary of the Treasury to pay for the project out of the general fund or out of the proceeds of bonds authorized generally to be sold to replenish the general fund."

* * * * * * *

Mr. HAYDEN. Is it perfectly clear in your mind that the way in which this project is to be built is by appropriations out of the general fund of the Treasury? In other words, does the bill, as it now stands, utterly and completely abandon the plan to which Secretary Mellon objected, namely, that the Boulder Canyon project should be financed by the sale of Government bonds?

Undersecretary WINSTON. Yes. It makes it a perfectly clear proposition.

Mr. HAYDEN. I notice on page 22 of the report made to the Senate by Senator JOHNSON on Senate bill 3331, under the caption "Power," the following:

"The Federal Government is interested in power on the project from two sources from two points of view; first, as a means by which the great works authorized may be financed without a drain on the National Treasury."

If money is appropriated by Congress out of the Treasury, is it not a drain on the Treasury?

Undersecretary WINSTON. There is not any way of spending money of the United States without spending it. If you spend $125,000,000, I do not care where you get it, you are spending money of the United States.

Mr. HAYDEN. That was always my opinion, and I was therefore greatly surprised to read a statement in such a carefully written report saying that the project may be financed without a drain on the National Treasury.

* * * * * * *

Mr. HAYDEN. I think you have already stated the Treasury Department's views in regard to it, but for fear there might be some doubt in the mind of somebody else, I direct your attention to a statement made in a speech by Secretary Work at Los Angeles, on April 26, 1926, in which he refers to the proposed bond issue. He said:

"My proposal that the funds needed for this entire development be obtained from the sale of Government bonds was made because it is believed that enough revenue can be obtained from the sale of water for irrigation and domestic use, and the sale of power, to make this a solvent undertaking, paying interest on all the money expended and returning the principal within a reasonable time. To finance the enterprise in this way would remove a serious objection from taxpayers in other parts of the country, who can see little reason for advancing funds out of the National Treasury as a temporary expedient, to be replaced by them in the form of taxes, when it may be possible to make the project a self-sustaining one without disturbance in the fiscal operations of the Government."

As I understand the bill in the present form, Secretary Work's proposal for a bond issue is utterly rejected, and we have returned to the original proposition that this project shall be paid for out of the Treasury with money raised by taxes imposed upon the American people. The only question is, if enough taxes are not collected, whether the Government shall issue bonds to meet a general deficit in the Treasury.

Undersecretary WILSON. I do not want to disagree with Secretary Work, but it makes no difference from a governmental standpoint whether you borrow money directly and spend it on a project or whether you spend some other cash on a project and borrow the money to replace that cash. That is the only difference between the two bills. Secretary Work proposed to borrow the money directly for the fund. This proposal is to use the general cash in the Treasury, and if we need to, to replenish it. It is the same thing.

* * * * * * *

Mr. HAYDEN. I want to thank Mr. Winston for coming before the committee, because he did so at my request. He has made a very clear and definite statement of the purposes of the amendments proposed by the Treasury Department.

However, I want to say in all frankness that it appears to me that if the provisions with respect to bookkeeping were not specifically provided for in the bill, and the Treasury Department was directed by a general requirement to collect interest, the proper officials could arrange their books to meet that situation without difficulty.

With respect to the new bond-issue provision, it amounts to nothing more than raising the limit of $20,000,000,000, as now authorized, by an additional $125,000,000.

Undersecretary WINSTON. But we are approaching this limit and with this maturity of third Liberty bonds, we will probably go up to it. We do not want to be handicapped by having borrowed money for this particular project. The general plan, I believe, is clearer. It keeps everything intact and in one fund. It is better than a bookkeeping arrangement which might be worked out to carry out the same purpose.

I might state that he was referring to the Liberty bond provisions in the bill of last year, which I read, and which have been abandoned this year, so that the argument he then made is no longer applicable.

Mr. HAYDEN. Another thought, from the viewpoint of the advocates of the bill, is that, having originally proposed a bond issue, which was definitely rejected by advice of the Treasury Department, placing these bookkeeping provisions in the bill would have the appearance of providing a cushion upon which to break their fall from their original position. As a matter of fact the proposed amendments do not change the fundamental proposition which Secretary Mellon laid down and which is that the money to build the Boulder Canyon Dam must be appropriated from the Treasury from funds raised by taxation.

Undersecretary WINSTON. It is United States money and it has to come out of the United States Treasury.

Mr. CURTIS. Mr. President, does the Senator from Arizona wish to conclude his remarks to-night? If he does not, it is desired to have a short executive session.

Mr. HAYDEN. I will be glad to yield for that purpose.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Thursday, May 3, 1928, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate May 2, 1928*

COLLECTOR OF INTERNAL REVENUE

Joseph S. MacLaughlin, of Philadelphia, Pa., to be collector of internal revenue for the first district of Pennsylvania in place of Blakely D. McCaughn, resigned.

REGISTER OF THE LAND OFFICE

Arthur Wellington Doland, of Washington, to be register of the land office at Spokane, Wash., effective May 27, 1928. (Reappointment.)

PROMOTIONS IN THE NAVY

The following midshipmen to be ensigns in the Navy from the 7th day of June, 1928:

Thomas A. Ahroon.
Alfred M. Aichel.
John C. Alderman.
Stephen H. Ambruster.
Paul R. Anderson.
Robert J. Archer.
Carl R. Armbrust.
Theodore F. Ascherfeld
Thomas Ashcraft.
Michael P. Bagdanovic
Alan B. Banister.
Richard N. Belden.
Irwin F. Beyerly.
Lex L. Black.
John A. Bole, jr.
John T. Bowers, jr.
Clarence M. Bowley.
John M. Boyd.
James H. Brett, jr.
Chesford Brown.
Cuthbert J. Bruen.
John E. Burke.
Albert C. Burrows.
Raymond O. Burzynski.
Harlow J. Carpenter.
Eugene C. Carusi.
Max L. Catterton.
William A. Cockell.
Victor B. Cole.
George W. Collins.
John L. Collis.
Gordon V. Conway.
Albert B. Corby.
Neale R. Curtin.
Roger M. Daisley.
Edwin B. Dexter.
Thomas A. Donovan.
George P. Enright.
Augustus W. Estey.
Edward T. Eves.
Albert J. Fay.
Evan E. Fickling.
Joseph Finnegan.
Eugene W. Fitzmaurice.
Michael F. D. Flaherty.
Leonard F. Freiburghouse.
George Fritschmann.
Allan G. Gaden.
Philip D. Gallery.
Norman F. Garton.
Marcel R. Gerin.
Donald S. Gordon.
Walter N. Gray.
Robert S. Hall, jr.
Weldon L. Hamilton.
Edward A. Hannegan.
Claude M. Harris.
Wilfred J. Hastings.
Earle C. Hawk.
Lindell H. Hewett.
Allen S. Hicks.
William E. Howard, jr.
Charles P. Huff, jr.
George K. Huff.
William H. Jacobsen.
Ralph K. James.
Milton G. Johnson.
Horace B. Jones.
Thomas W. Jones.
Francois C. B. Jordan.
Robert T. S. Keith.
Charles H. Kendall.
William D. Kennedy.
Paul E. Kerst.
George E. King.
Rodney B. Lair.
James R. Lee.
Julian H. Leggett.
Carl A. R. Lindgren.
Donald A. Lovelace.
Edward E. Lull.
Elwood C. Madsen.
Edward J. Martin.
Harold A. McCormick.
John K. McCue.
David L. McDonald.
Maurice M. Merson.
William J. Millican.
George H. Moffett.
Albert O. Momm.
Idris B. Monahan.
Frederick E. Moore.
Robert L. Morris.
Baron J. Mullaney.
John F. Mullen, jr.
Nic Nash, jr.
John F. Nelson.
Frank McD. Nichols.
Hugh R. Nieman, jr.
Rollo N. Norgaard.
Oscar L. Otterson.
William S. Parsons.
Robert C. Peden.
John R. Pierce.
Robert A. Pierce.
Earl H. Pope.
William S. Pye, jr.
Joseph F. Quilter.
John Quinn.
William F. Raborn, jr.
Matthew Radom.
Howard F. Ransford.
Jack C. Renard.
Harry W. Richardson.
J. Clark Riggs, jr.
Basil N. Rittenhouse, jr.
Lewis W. Sayers, jr.
William A. Schoech.
James B. Schuber, jr.
John A. Scott.
William M. Searles.
Harry E. Sears.
William W. Shea.
Vincent Shinkle, 3d.
Thomas H. Simmonds.
Charles R. Smith.
Thurmond A. Smith.
Phillip G. Stokes.
Robert O. Strange.
Guy W. Stringer.
Stephen N. Tackney.
Henry B. Taliaferro.
Donald A. Taylor.
William A. Taylor.
William D. Thomas.
Wells Thompson.
David W. Todd, jr.
Jesse J. Underhill.
John G. Urquhart, jr.
Robert E. Van Meter.
Daniel J. Wagner.
Philip F. Wakeman.
Albert J. Walden.
William M. Walsh.
Charles R. Watts.
John T. White.
Harry B. Whittington.
John A. Williams.
Robert W. Wood.
Joe E. Wyatt.
Edwin J. S. Young.
John Zabilsky.
Hurley McC. Zook.

The following-named midshipmen to be assistant paymasters in the Navy, with the rank of ensign, from the 7th day of June, 1928:

James S. Bierer.
Edward H. Koepel.

POSTMASTERS

ALASKA

Lillian H. White to be postmaster at Kodiak, Alaska, in place of Z. T. Halferty, removed.

CALIFORNIA

Zylpha Potter to be postmaster at Hughson, Calif., in place of Zylpha Potter. Incumbent's commission expired May 1, 1928.

Frank N. Lawrence to be postmaster at Mount Shasta, Calif., in place of F. N. Lawrence. Incumbent's commission expired May 1, 1928.

Belle Kornelissen to be postmaster at Newhall, Calif., in place of Belle Kornelissen. Incumbent's commission expires March 7, 1928.

COLORADO

Walter P. Merrill to be postmaster at Brighton, Colo., in place of R. C. Alexander, deceased.

IDAHO

Peter W. McRoberts to be postmaster at Twin Falls, Idaho, in place of P. W. McRoberts. Incumbent's commission expires March 7, 1928.

ILLINOIS

Louis C. Schultz to be postmaster at Chebanse, Ill., in place of Oscar Siggins. Incumbent's commission expired January 7, 1928.

Mary Slocum to be postmaster at Franklin Park, Ill., in place of Mary Slocum. Incumbent's commission expired April 22, 1928.

Charles E. Hartman to be postmaster at Mount Carroll, Ill., in place of C. E. Hartman. Incumbent's commission expires May 5, 1928.

Burnham M. Martin to be postmaster at Watseka, Ill., in place of F. M. Maus. Incumbent's commission expired February 1, 1928.

John F. Shimkus to be postmaster at Westville, Ill., in place of J. F. Shimkus. Incumbent's commission expires May 5, 1928.

Willis D. Coffland to be postmaster at Seaton, Ill., in place of F. E. Walters, resigned.

INDIANA

Harold P. Willoughby to be postmaster at Spencer, Ind., in place of H. P. Willoughby. Incumbent's commission expired April 7, 1928.

IOWA

Charles B. Santee to be postmaster at Cedar Falls, Iowa, in place of C. B. Santee. Incumbent's commission expires May 5, 1928.

John E. Mieras to be postmaster at Maurice, Iowa, in place of J. E. Mieras. Incumbent's commission expires May 5, 1928.

KANSAS

Charles E. Schul to be postmaster at Grenola, Kans., in place of C. E. Schul. Incumbent's commission expires May 5, 1928.

Alice M. McLavy to be postmaster at Morganville, Kans., in place of A. M. McLavy. Incumbent's commission expires May 5, 1928.

Edgar F. Brungardt to be postmaster at Victoria, Kans., in place of F. B. Brungardt, deceased.

KENTUCKY

John P. Lawton to be postmaster at Central City, Ky., in place of J. P. Lawton. Incumbent's commission expired January 17, 1928.

MAINE

Roy A. Evans to be postmaster at Kennebunk, Me., in place of R. A. Evans. Incumbent's commission expires May 5, 1928.

Lyman E. Stinson to be postmaster at Stonington, Me., in place of L. E. Stinson. Incumbent's commission expires May 5, 1928.

MICHIGAN

Laurence C. Snyder to be postmaster at Blanchard, Mich., in place of L. C. Snyder. Incumbent's commission expires May 5, 1928.

MINNESOTA

Fred J. Page to be postmaster at Cusson, Minn., in place of F. J. Page. Incumbent's commission expires May 5, 1928.

Thomas Considine to be postmaster at Duluth, Minn., in place of Thomas Considine. Incumbent's commission expired April 21, 1928.

MISSISSIPPI

Charles Kramer to be postmaster at Stonewall, Miss., in place of Charles Kramer. Incumbent's commission expired December 19, 1927.

NEBRASKA

William I. Tripp to be postmaster at Belvidere, Nebr., in place of W. I. Tripp. Incumbent's commission expired April 7, 1928.

Hannah Price to be postmaster at Bennet, Nebr., in place of Hannah Price. Incumbent's commission expired April 25, 1928.

Harold L. Mackey to be postmaster at Eustis, Nebr., in place of H. L. Mackey. Incumbent's commission expired April 25, 1928.

Charles C. Cramer to be postmaster at Hardy, Nebr., in place of D. A. Page. Incumbent's commission expired December 19, 1927.

Arthur H. Logan to be postmaster at Ponca, Nebr., in place of A. H. Logan. Incumbent's commission expired April 25, 1928.

Albert E. Pratt to be postmaster at Tobias, Nebr., in place of A. E. Pratt. Incumbent's commission expires May 5, 1928.

NEW YORK

Thomas C. Richardson to be postmaster at Auburn, N. Y., in place of T. C. Richardson. Incumbent's commission expires May 5, 1928.

Adam Metzger to be postmaster at Callicoon, N. Y., in place of Adam Metzger. Incumbent's commission expired January 9, 1928.

Nellie Fredricson to be postmaster at Cornwall on the Hudson, N. Y., in place of Nellie Fredricson. Incumbent's commission expires May 5, 1928.

L. Frank Little to be postmaster at Endicott, N. Y., in place of L. F. Little. Incumbent's commission expires May 5, 1928.

Ralph D. Sanford to be postmaster at Hammondsport, N. Y., in place of R. D. Sanford. Incumbent's commission expires May 5, 1928.

Mary A. Blazina to be postmaster at Harrison, N. Y., in place of M. A. Blazina. Incumbent's commission expires May 5, 1928.

Harry M. Lanpher to be postmaster at Lowville, N. Y., in place of H. M. Lanpher. Incumbent's commission expires May 5, 1928.

J. Frank Smith to be postmaster at Patterson, N. Y., in place of J. F. Smith. Incumbent's commission expires May 5, 1928.

Austin E. Hummel to be postmaster at Prattsville, N. Y., in place of A. E. Hummel. Incumbent's commission expires May 5, 1928.

George A. Hager to be postmaster at Watertown, N. Y., in place of G. A. Hager. Incumbent's commission expires May 5, 1928.

Thomas Wheatcroft to be postmaster at Watervliet, N. Y., in place of Thomas Wheatcroft. Incumbent's commission expires May 5, 1928.

Charles J. Ryemiller to be postmaster at West Sand Lake, N. Y., in place of C. J. Ryemiller. Incumbent's commission expires May 5, 1928.

Mabel Parker to be postmaster at Yulan, N. Y. Office became presidential July 1, 1927.

NORTH CAROLINA

Ocie O. Freeman to be postmaster at Gates, N. C., in place of O. O. Freeman. Incumbent's commission expires May 5, 1928.

Lucile L. White to be postmaster at Salemburg, N. C., in place of L. L. White. Incumbent's commission expires May 5, 1928.

NORTH DAKOTA

Redmond A. Bolton to be postmaster at Jamestown, N. Dak., in place of R. A. Bolton. Incumbent's commission expired April 19, 1928.

John W. Campbell to be postmaster at Ryder, N. Dak., in place of J. W. Campbell. Incumbent's commission expires May 5, 1928.

OHIO

Ralph B. Troyer to be postmaster at Continental, Ohio, in place of R. B. Troyer. Incumbent's commission expired April 28, 1928.

Irvin F. Sherman to be postmaster at Deshler, Ohio, in place of I. F. Sherman. Incumbent's commission expires May 5, 1928.

OKLAHOMA

Stephen M. Gold to be postmaster at Indianola, Okla., in place of S. M. Gold. Incumbent's commission expires May 5, 1928.

Isaac W. Linton to be postmaster at Jones, Okla., in place of I. W. Linton. Incumbent's commission expires May 5, 1928.

OREGON

George B. Bourhill to be postmaster at Moro, Oreg., in place of G. B. Bourhill. Incumbent's commission expired May 1, 1928.

PENNSYLVANIA

Lionel W. Stevens to be postmaster at Knoxville, Pa., in place of L. W. Stevens. Incumbent's commission expired January 22, 1928.

Robert H. Wilson to be postmaster at Littlestown, Pa., in place of E. B. Collins. Incumbent's commission expired January 8, 1928.

Isaiah H. Stauffer to be postmaster at Millersville, Pa., in place of I. M. Stauffer. Incumbent's commission expires May 5, 1928.

Seth E. Sterner to be postmaster at Montgomery, Pa., in place of S. E. Sterner. Incumbent's commission expired January 22, 1928.

Thomas B. Painter to be postmaster at Muncy, Pa., in place of T. B. Painter. Incumbent's commission expired January 24, 1928.

Ray J. Crowthers to be postmaster at West Elizabeth, Pa., in place of R. J. Crowthers. Incumbent's commission expires May 3, 1928.

Lewis E. Knapp to be postmaster at Westfield, Pa., in place of L. E. Knapp. Incumbent's commission expired January 22, 1928.

John M. Kotch to be postmaster at Beaver Meadows, Pa. Office became presidential July 1, 1927.

SOUTH CAROLINA

Clarence L. Knight to be postmaster at Ellenton, S. C., in place of J. B. Bagnal, removed.

SOUTH DAKOTA

Ralph L. Hazen to be postmaster at Canistota, S. Dak., in place of R. L. Hazen. Incumbent's commission expired February 8, 1928.

Pius Boehm to be postmaster at Stephan, S. Dak., in place of Pius Boehm. Incumbent's commission expires May 5, 1928.

TEXAS

Charles W. Ford to be postmaster at Gatesville, Tex., in place of C. W. Ford. Incumbent's commission expires May 14, 1928.

Carroll T. Coolidge to be postmaster at Pasadena, Tex. Office became presidential July 1, 1927.

UTAH

Andrew Adamson, jr., to be postmaster at North Salt Lake, Utah, in place of Andrew Adamson, jr. Incumbent's commission expires May 5, 1928.

VERMONT

Charles A. Robinson to be postmaster at Milton, Vt., in place of C. A. Robinson. Incumbent's commission expires May 5, 1928.

Sheridan P. Dow to be postmaster at Sheldon Springs, Vt., in place of S. P. Dow. Incumbent's commission expires May 5, 1928.

VIRGINIA

George A. Chrisman to be postmaster at Christiansburg, Va., in place of W. F. Walters, removed.

WYOMING

William G. Haas to be postmaster at Cheyenne, Wyo., in place of W. G. Haas. Incumbent's commission expires May 5, 1928.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate May 2, 1928*

UNITED STATES MARSHAL

Thomas Bolton to be United States marshal, district of Montana.

APPOINTMENTS, BY TRANSFER, IN THE ARMY

Frank Henry Hollingsworth to be captain, Field Artillery.
Edward Fearon Booth to be second lieutenant, Air Corps.
Robert Wells Harper to be second lieutenant, Air Corps.

APPOINTMENTS, BY PROMOTION, IN THE ARMY

Frederick Sion Young to be colonel.
Thomas Samuel Moorman to be colonel.
Philip Henry Worcester to be lieutenant colonel.
George Veazy Strong to be lieutenant colonel.
Sereno Elmer Brett, Infantry, to be major.
William Dennison Alexander to be major.
Timothy Sapia-Bosch to be captain.

Edward Garrett Cowen to be captain.
Ralph Christian Bing to be first lieutenant.
Clinton John Harrold to be first lieutenant.

POSTMASTERS

DELAWARE

William H. Evans, Newark.

GEORGIA

Vera H. Cummings, Warthen.

LOUISIANA

Nettie Sojourner, Amite.
Minnie M. Baldwin, Bernice.
John A. Moody, Cotton Valley.
Vera M. Canady, Eros.
Harry Preaus, Farmerville.
David S. Leach, Florien.
Edward A. Drouin, Mansura.
J. Wiley Miller, Many.
Edwin J. LeBlanc, Melville.
William F. Hunt (Mrs.), Meridian.
Otto J. Gutting, Oil City.
Teakle W. Dardenne, Plaquemine.
James H. Gray, Pollock.
Avenant Manuel, Ville Platte.
Samuel A. Fairchild, Vinton.
Keary E. Ham, Wilson.

MASSACHUSETTS

Mary M. Langen, Lancaster.

MISSOURI

John M. Mathes, Aurora.
Charles F. McKay, Knox City.
Edward F. Walden, Morehouse.
Frank L. Mertsheimer, Pleasant Hill.

NEBRASKA

Milton R. Cox, Arapahoe.
Arvid S. Samuelson, Axtell.
Walter G. Mangold, Bennington.
Robert J. Boyd, Trenton.

NEW JERSEY

William M. Matthews, Berlin.
Raymond Johnson, Riverside.
G. Raymond Beck, Roebling.
Alfred T. Kent, Summit.

NORTH CAROLINA

Annie L. Stanton, Stantonburg.

VIRGINIA

Elroy Shelor, Meadows of Dan.
Richard F. Hicks, Schuyler.

## HOUSE OF REPRESENTATIVES

### WEDNESDAY, *May 2, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, our blessed Heavenly Father, the clouds hang low and the shadows, dull and dreary, fall on our reluctant path. We wonder what day of the week, we wonder what night of the year when our idols of earth shall shatter and we shall know just what the human heart has to bear. Our brother and friend, the conscientious and capable servant of state, has closed his eyes in death and gone out in silence. Shaking off in strange, resistless power, so swift the flight, so sudden the fall, and swept beyond the boundary of the stars and touched eternity. Oh, God is God, and somehow, some way, His plans will work out, and he who does his best shall never mourn in vain. The heart-stricken family. Oh, the deep fountains of grief from which their sorrows flow! Oh, be with them, dear Lord, as their mute hearts go out to Thee and as their feet are summoned to tread a way so hard and lonely. Comfort their poor, sick hearts and take them to Thy breast. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 10151. An act to amend section 9 of the Federal reserve act.

The message also announced that the Senate had passed bills of the following title, in which the concurrence of the House of Representatives was requested:

S. 1769. An act for the relief of the legal representative of the estate of Haller Nutt, deceased; and

S. 2720. An act for the relief of David McD. Shearer.

The message further announced that the Senate had passed the following resolution:

Senate Resolution 218

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. THADDEUS C. SWEET, late a Representative from the State of New York.

*Resolved*, That a committee of 10 Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The message also announced that pursuant to the foregoing resolution the Presiding Officer had appointed Mr. COPELAND, Mr. WAGNER, Mr. CURTIS, Mr. ROBINSON of Arkansas, Mr. BINGHAM, Mr. REED of Pennsylvania, Mr. HALE, Mr. WALSH of Massachusetts, Mr. SWANSON, and Mr. EDWARDS members of the committee on the part of the Senate to attend the funeral of the deceased.

THE DAIRY INDUSTRY IN THE SOUTH

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a subject akin to the subject of agriculture, being the subject of the dairy industry in the South.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi

There was no objection.

Mr. BUSBY. Mr. Speaker, the eye of the dairying industry of the Nation is being cast over our country for the most favored fields in which to economically and advantageously develop that industry.

In very recent years the dairying industry has looked over the Southland and there has discovered those essential elements so necessary to its most advantageous operation. There it has found a sunny climate but a section where the temperature in the summer months rarely goes higher than 95 degrees. It has found long grazing seasons, mild winters, inexpensive grazing lands, and amply supply of water and running streams—all provided by nature as aids to this great industry which must grow to supply a large part of the sustenance of the Nation.

Southern dairymen are following the trail of the dairy cow to farm stability and community prosperity it is indicated by a survey of the 16 Southern States showing the growth of dairying in the South to a farm value estimated at easily $275,000,000 as against $230,036,832 estimated by the Bureau of the Census for this group of States in 1925.

That this figure will be considerably increased in 1928 is the conviction of those watching the remarkable flood into the South of new capital from manufacturers of dairy products of other sections, who are beginning to show keen interest in the dairying possibilities of the Southern States.

In this light it is easy to understand that the future of dairying development in the States below the Ohio River in 1927 is more secure than at any time since the cotton-growing States first actively launched forth upon dairying enterprises 15 years ago in the face of the boll weevil's relentless march from the Texas border to the northernmost boundaries of the cotton States.

Last year's growth in farm value of dairy products is not the significant feature of the outlook for this industry's growth in the South; the coming in of new dairying capital is the development causing observers of this industry to believe that the tide of America's mighty dairying industry at last has set forth on a southward trend just as the cotton-mill industry earlier picked out the South as offering conditions altogether more favorable to its success.

In the South's record of dairying progress, the year 1927 will go down as the year of the coming in of the condenseries and cheese factories. While one milk condensery was established at Starkville, Miss., in 1926, and a few Southern States a few years ago began to interest themselves in cheese-manufacturing possibilities, it was in 1927 that leading manufacturers of cheese and condensery products from other sections of the country began a deluge of investments that yet will grow into several millions, in the opinion of those closely following this

trend, among them L. J. Folse, general manager of the Mississippi State Board of Development, who estimates that dairy manufacturing projects begun in 1927 and 1928 will approximate $2,500,000 in Mississippi alone before the year is out—this in investment in plants and equipment, to say nothing of corresponding growth in investments in cows and farm equipment to keep pace.

Impressed with the success of the Borden Condensery at Starkville, erected at a cost of $750,000, the Carnation Milk Products Co., Oconomowoc, Wis., one of the largest condensery manufacturers of the Nation, erected a $500,000 plant at Tupelo, Miss., in the spring of 1927, followed by another plant at Murfreesboro, Tenn., in the summer of 1927, the Pet Milk Co., in 1927, established condenseries at Mayfield and Bowling Green, Ky., and Greenville, Tenn., and early in 1927 had begun erection of a condensery at Kosciusko.

The Borden Co. followed up the successful operation of its Mississippi plant in 1927 by erecting plants at Lewisburg and Fayetteville, Tenn., in 1927.

The coming of the cheese factories to the South followed early efforts to build up a cheese industry in this section through local enterprise, Georgia and North Carolina made bids in the cheese industry a few years ago, and in 1927 the Mississippi State Board of Development cooperated with the Yazoo City Chamber of Commerce in establishing at Yazoo City the first cheese factory operated in Mississippi.

Then followed surprising interest in the Southern States on the part of the Kraft Cheese Manufacturing Co., the Barber Cheese Co., the Phenix Cheese Co., and other large dairy-products manufacturers of the Nation. The Kraft Co. is expected to run its 1927 investments in the South to more than $1,000,000, having picked out sites in Mississippi, Alabama, and Tennessee.

The Barber Co. has established headquarters at Columbus, Miss., where a $50,000 central manufacturing plant is being completed at this time. Twelve miles away, at Billups Station, the same company has completed a plant with a capacity of 20,000 pounds of milk a day, or 2,000 pounds of cheese. The plant at Columbus is to be one of the largest cheese factories established anywhere and can be expanded from its original capacity of 50,000 pounds of milk, or 5,000 a day, to ten times this amount; and it is significant that officials have purchased adjacent property with this thought in mind. While there is no official announcement, this company is known to be planning other plants in Mississippi, Alabama, and possibly in Tennessee.

While last year's activities in dairying development seemed to center in Mississippi, which State has grown from a farm value of dairy products estimated by the Government at about $11,000,000 in 1925 to an estimated value of $18,000,000 or $20,000,000 in 1927, other Southern States likewise are improving their opportunities in dairying and almost without exception are showing marked progress.

While Government estimates placed Georgia's creamery production at 1,982,000 pounds in 1926, a survey shows that State's creamery output in 1927 was around 5,500,000 pounds. State officials believe the Government's 1926 estimate was less than half that State's actual butter production, and records show that Georgia increased in amount of butterfat sold from 4,687,000 pounds in 1926 to 6,300,000 pounds in 1927, with an increase in whole milk to 44,000,000 gallons from 40,500,000 gallons the preceding year.

The farm value of dairy products for that State is estimated at $23,334,500, as against $22,875,876. In the opinion of Milton P. Jarnagin, of the Georgia State College of Agriculture, dairying is on a much firmer foundation in that State, for—

A recent survey of 200 typical dairy farms showed satisfactory net returns were being obtained from virtually all classes of dairy farms. Our farmers are improving pastures, growing a greater percentage of feed required, buying purebred bulls. Dairying is now on a substantial basis, and I believe each year will show material expansion and development.

Maryland is seen to have grown substantially in number of cows and in value of cows. A 7 per cent increase in cows for Kentucky is noted, and in the past year dairy heifers from 1 to 2 years old increased from 67,000 to 74,000. The State's dairy production is estimated at between $20,000,000 and $25,000,000, a substantial increase over $18,225,120, estimated for 1927. While dairying as a whole lost ground in South Carolina in the period from 1920 to 1925, it is seen to be on the upgrade since 1925. On January 1, 1928, there were 20,000 more cows than a year before, and of the 1,688,000 cows in the State, it is estimated that 53,000 produce milk used in some form of commerce. While census figures show no increase for dairy cows in Texas, Prof. J. A. Clutter, of the University of Texas, figures the average production for each cow is increasing and probably exceeds 3,000 pounds a year now. It is estimated that Texas produced 48,000,000 pounds of farm butter in 1927, sold 15,000,000 pounds of butterfat to creameries, 850,000 gallons of cream, and 36,000,000 gallons of whole milk, with a total value of dairy products estimated at $45,000,000, as against $33,442,933 estimated by the Government for 1925.

The number of cows in Missouri increased to 827,000 in 1927, and creamery production is estimated at 73,000,000 with the total farm value of dairy products estimated at $65,000,000. Alabama's creamery output in 1927 is estimated at well in excess of 2,000,000 pounds, although the Government's 1926 estimate was slightly less than 1,000,000 pounds. Arkansas easily manufactured 2,500,000 pounds of creamery butter in 1927, a gain of more than 1,000,000 pounds over the 1926 estimate. Georgia is estimated to have produced approximately the same amount. Kentucky's production is estimated at 22,000,000 pounds; Maryland, 1,000,000 pounds; Mississippi, 8,000,000 pounds; Oklahoma, 23,000,000 pounds; South Carolina, 1,000,000 pounds; Tennessee, 15,000,000 pounds; Texas, 18,500,000 pounds; Virginia, 6,500,000 pounds; and West Virginia about 1,000,000 pounds. Florida and Louisiana have negligible creamery production, although the latter State is laying ambitious plans to drive out the cattle tick and follow the good example of surrounding States that are rapidly advancing in dairying.

The almost south-wide movement now taking shape for tick eradication causes many to expect speedy elimination of this pest and an extraordinary course of dairying development for the Southern States, particularly in view of the growing interest of dairy products manufacturers of other States in this section—an interest it is significant to note—that developed fullest after steps had been taken to wipe out the tick from Mississippi and other Southern States.

Coming now to my own State of Mississippi, I desire to particularize concerning the development of the dairying industry there. By far the major portion of this development has come to us within the last two or three years.

As already stated, an estimate made by Mr. L. J. Folse, general manager of the Mississippi State Board of Development, at Jackson, Miss., shows that projects begun in 1927 and in 1928 will approximate an investment of $2,500,000 for dairying plants alone for these years. This does not take into consideration the additional dairying stock, improvement in dairying herds, or anything pertaining to the production of milk.

I quote from a letter received from Mr. Folse, dated April 30, 1928, as follows:

*Summary of the industry in Mississippi*

| | |
|---|---|
| Condensed-milk plants | 4 |
| Cheese plants | 11 |
| Creameries | 31 |
| Skimmed-milk plants | 6 |
| Ice-cream plants | 61 |
| Dried buttermilk plants | 4 |
| Semisolid buttermilk plant | 1 |
| Whole-milk shipping stations | 6 |
| Whole-milk distributing stations | 5 |

The dairy progress in Mississippi can best be stated by these facts:

In 1912 Mississippi produced one-half ounce butter per minute, for which it received 1 cent. In 1927, 6 pounds butter, for which it received $3.73. In 1928, 14 pounds of butter, for which it received $6.50.

With the magnificent showing that is being made in Mississippi, and likewise in all the other Southern States, in developing the dairying industry, I believe that this section of the country offers such advantages—cheap grazing lands, warm climate, long grazing periods—that the drift of the dairying industry to the South is permanent and is destined to become one of our outstanding economic institutions.

ADDRESS OF SENATOR BORAH, OF IDAHO

Mr. SMITH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech of Senator BORAH before the Hamilton Club in Chicago Saturday last.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SMITH. Mr. Speaker, under consent given by the House to extend my remarks, I wish to insert in the RECORD the address of Hon. WILLIAM E. BORAH, Senator from Idaho, before the Hamilton Club, Chicago, Ill., on the 28th ultimo. In view of the esteem in which Senator BORAH is held by the people of the country, this address should be preserved in the RECORD.

The speech is as follows:

PARTY RESPONSIBILITY

Mr. President, this is the year of the great election, a year in which candidates and political parties will ask for the commendation and confidence of the great American electorate. It is the most interesting and impressive event which takes place in the political affairs of our people. The world offers no more absorbing and inspiring scene than

that of 120,000,000 people selecting their President—the executive head of their Government. And no king, no ruler, anywhere on this earth is clothed with the power which the President of the United States enjoys. There are none whose influence for ill or for good exceeds the influence of the Chief Magistrate of the American Nation. He has been intrusted with an authority which, for weal or woe, has no parallel and has had but few precedents. It is an expanding power and with indifference upon the part of the people, it could soon become an absolute power. There is, there can be, therefore, no more exacting test of a people for self-government than the faithful and intelligent performance of this obligation thus imposed by the Constitution under which we live and commanded by the liberty which we would preserve.

The political parties facing each other in this campaign are historic parties. The humblest supporter of either will have no trouble in recalling the great leaders of his party and their achievements or the policies and theories of government which in the past have distinguished one from the other. We need not, as Democrats or Republicans, vie with each other in extolling the achievements of the past—they are secure. There is ample in the records of either party to arouse the pride and stir the patriotism of all true Americans. We can neither augment nor diminish the luster of past party deeds. Our task is with the present. The worth and the commendation of either party depend upon what it proposes to do now, depend upon the merits of the program with which it proposes to deal with present problems. Encomiums and denunciations, eulogies and criticisms will no doubt have their place in the campaign, but an inconsequential place, and, after all, prosaic place; for it is the present and what we propose to do with our own living questions which engage the attention and grip the hearts and minds of those whose favor we covet and whose judgment we now await.

Mr. President, the approaching contest for party supremacy promises to be an interesting one. I trust it may be. As a Republican, but more as a citizen, I watch its coming with uncommon enthusiasm. I see, or seem to see, an aroused and deeply interested electorate. Nothing could be better for the country. Nothing is more imperative. Organization has its place and I neither discard it nor decry it. But popular interest, a keen, searching, vigilant electorate is indispensable to clean government and sound policies. Ours is the best of governments when the people are vigilant. It is the worst of governments when the people are indifferent. We all rejoice, therefore, in the sign of renewed concern upon the part of those whose government this is. It means a cleaner and more responsive government. It means issues clearly stated and candidly met. It means just and equal laws, sincerely and courageously enforced. It means constitutional government respected and upheld. It means corruption driven from its lair in public places. When those out yonder in the open, out there where men and women have to meet and deal with the austere realities of life, where men and women ask of their Government nothing more than wise measures and sound policies, when those out there in the streets, in the factories, and on the farms bestir themselves in the public interests, the great campaign for the Presidency is the most interesting and the most assuring spectacle which takes place in politics, in any land, or under any government. Above all things, give us an aroused people and a fighting campaign. That is the beginning of all things worth while in American politics. The country needs again the kind of political warfare in which the voter demands some evidence of the fitness, some evidence of the sincerity, of candidates beside that of the party label, demands some justification for party fealty aside from the declarations and doings of the party fifty or a hundred years ago; that kind of political warfare in which the voters demand consideration of living issues and concrete programs for the problems of the hour. That is what made the campaign of 1828 forever memorable and its results forever justified. That is what lifted the great political battle of 1860 into the region of the sublime and baptized a nation with that moral fervor which finally melted the last shackle from every human being under the flag. In such times political candidates speak plainly to the people in language they understand of subjects in which they are deeply concerned. In such times "of difficulty and danger" partisan "flattery and falsehood can no longer deceive and simplicity itself can no longer be misled."

Both the old parties have had great periods—heroic days. I will not pause to recall them. They come readily to your memory. What made them great? What is there about those periods to which not only every partisan in his zeal, but every American in his pride, often and devotedly recurs? All Republicans, as well as all Democrats, recall with gratification and enthusiasm the marvelous story of Andrew Jackson. All Democrats, as well as all Republicans, recall the administration of Abraham Lincoln, wrestling with the problems of a dissevered nation, finally saving it through his unfailing wisdom and reuniting it with his undying love. It is a new doctrine, sirs, that moral questions have no place in party politics and should find no expression in party platforms. These men and those of their day thought otherwise. It is a strange and modern teaching that constitutional integrity is not a matter for party concern and pledges to uphold it when assailed are not worthy of a place in the creed of the party. These men and those of their day thought otherwise. Tariff had its place, business was not neglected, economy was not only preached but practiced, party success, then as now was zealously sought, but the great underlying, driving power was the moral problems of the hour and the upholding and preserving in all its integrity and all its strength and worth of the Constitution under which we live. They were not afraid of questions like these and they neither hesitated nor sought to avoid them because of the difficulty of estimating the number of votes for or against. No stronger partisans ever lived than these men. No greater party leaders have ever appeared in the politics of our country. But they neither compromised with moral problems nor surrendered to those who challenged the great charter of the Republic. These days which you and I, as partisans and as Americans are glad to recall, are the days in which were fought the great battles for constitutional government and for the upbuilding—intellectually, morally, and physically—a people upon whose shoulders could safely rest the weight and within whose wisdom could be safely intrusted the preservation of representative democracy. "Lord God of hosts! Be with us yet! Lest we forget! Lest we forget!"

I have been asked to say something this evening about the future of the Republican Party. I am not disposed to enter the rôle of a prophet. But I am not averse to expressing my views upon some matters which should, and I believe do, concern the party and with which it must inevitably deal. I say some matters with which the party must inevitably deal; for there are subjects now before the public relative to which millions of Republicans do not intend to keep the peace. When the public conscience is uneasy, it is time to be frank. When Illinois grows restless the country is on the verge of a riot.

Internal party troubles always give rise to two classes of partisans differing radically as to how to weather the storm. There are those who are willing to look facts in the face, condemn wrongdoing in the party as well as out of the party, call together the forces of straight thinking and right acting, and face the future with a purpose and with a program. These people believe in their party, believe in its principles, but are unwilling in the name of the party to protect or condone those who have betrayed the public. There is another class who may be properly styled "Wait till the storm blows over." Class? This class has been immortalized, properly immortalized, in a famous cartoon from the inspired pencil of Thomas Nast. You may recall it. Connolly, a name still prominent in the politics of New York City, Hall, Sweeney, and Boss Tweed are perched like obscene birds of prey against a beetling cliff, their claws fastened upon the skeletons of their victims, the forked lightning of public wrath splintering the rocky crags about them—slinking, silent; they are waiting for the storm to blow over. It did blow over and took them with it. This class of politicians feel no indignation because the public has been robbed and because a great party has been humiliated and discredited. They are interested solely in promoting their personal ambitions and in the length of the public memory.

The world will judge the Republican Party not by what took place prior to the recent exposures, but by the course and conduct of the party after the exposures. Nothing could be worse than the conditions lately uncovered at Washington. No one should underestimate the searching significance of these faithless and sordid transactions and no one can overstate the profound issues which they present for the consideration of the American people. But it is my contention that the future of the Republican Party and its possibility of service to the public depend not upon what a few men did in secret and without the slightest knowledge of the voters of the party, but upon what you and I and all Republicans, knowing the facts, advised of the treachery and warned of the evils, propose to do next, and in the open. Against the secret machinations of unscrupulous men, neither business nor political organizations can at all times defend. But when the deeds stand uncovered and the practices are known, the simplest and most primary principles of honesty and decency will repudiate the acts and reject the fruits and renounce the obligations of the crime. Calvin Coolidge, as the Republican candidate for President, received 15,725,016 votes. Of this number at least 15,725,000 Republican voters are guilty of no wrong, uncorrupted and incorruptible, and ready to fight for clean government and Republican principles. This is the Republican Party in which I am interested, and of which I speak to-night, and against whose fidelity to principles and devotion to country no one will dare to inveigh. All that these voters are asking for, or waiting for, are courageous leaders, clean candidates, decent organizations, and a platform of principles. Give them these and they will demonstrate that the Republican Party belongs to neither crooks nor cowards—refuse them these things and I leave the future to tell its own story. In such an event I do not seek to penetrate the veil.

Corruption will undoubtedly be one of the issues of this campaign. We can not avoid it if we would and we should not avoid it if we could. There are those, of course, who will charge that the party as a party has forfeited its right to the confidence of the American people. In such an event there will be those who will retort by hunting out the evidence to show that there are corrupt Democrats. The Queensboro scandal in New York and the oil scandal will take their places in cam-

paign literature. Teapot Dome and Tammany Hall will be weighed against each other on the hustings, and the voters will be urged to decide between acute and chronic corruption. But I beg the Republican Party to believe that the issue in which the people are interested is broader and deeper. The American people divide into parties, but whether Democrats or Republicans, they are first and above all devoted to our Government. The issue is, as they see it: Shall the people have clean government and clean politics; how is it proposed to protect the interests of the people against the domination of selfish and criminal influences in the affairs of government and in the domination of parties? The improper use of money in politics presents a problem as broad and deep and vital as representative democracy itself, and the people know it. Partisan fencing will not satisfy them. Purity of the ballot and integrity of officials are the beginning and the end of popular government. Without these the people are disfranchised and, sooner or later, become the victims of exploitation and oppression, and this they know. The fight for clean government is a fight for free government. This the people perfectly understand. The issue is here. It is a notorious fact that the officials of great cities, who hold in their keeping the decency and health of millions of men and women and children, go into partnership with crime and lawlessness. It is now notorious that the governors of great States, trusted executives of great and noble Commonwealths, barter their State's honor for a few paltry dollars, that men high in the Federal Government consort with those who seek the Nation's wealth, that venality has left its filth in the exalted precincts of Federal power. The issue is here. It is no ordinary condition. It is no ordinary situation. The future of our party turns upon how we propose to meet it. Timidity has no place in such a fight. Silence is accessory after the crime. Retention of corrupt funds while talking about clean politics is an insult to the intelligence of the voter. If those in places of leadership shirk their responsibility, they not only bring discredit to themselves but they betray the millions of men and women who over and over again have attested their devotion to our Government and in many a well-fought campaign have evinced their loyalty to the policies and principles of the party. We need not have the least uneasiness about support from the people. They will respond to any sincere and fearless effort to lift the Republican Party to the level of the demands of the hour. In the last interview of that celebrated American, Chauncey Depew, who had lived nearly a century through the most stirring period of the world's history, he said: "Democracy was better 50 years ago. Lincoln went before the people on a big moral issue that was tremendously interesting to thousands of young men." There is, there has been, there can be no greater moral issue in American politics than clean government, than a pure ballot, than the preservation against lawlessness, against selfishness and greed, the only real Republic that has ever existed on this earth. Let us imitate our first great leader.

Mr. President, the three great political parties in party history have been the Liberal Party of England, the party of Gladstone and Asquith, and Lloyd-George; the Democratic Party, the party of Jefferson, Jackson, and Cleveland, and Wilson; the Republican Party, the party of Lincoln, and Grant, and Seward, and Sumner, and Garfield, and McKinley, and Roosevelt. It will not be regarded as immodest for a partisan to claim that the Republican Party does not suffer in comparison with either or both. Its story is interwoven with the story of our national growth and advancement of the last half century. Its leaders have taken their place among the liberators and lawgivers and administrators of all time. Its policies and precepts have been built into institutions and written into laws and constitutions. The questions and problems of this day which now confront the party are no less vital, no less commanding, than the questions and problems of former days. The voters, the rank and file of the party, are no less intelligent, no less devoted to wise measures and good government. The issues are before us, the people await their presentation. The times and the occasion persist for great causes. And it is my judgment that the future of the Republican Party is merely a test of leadership. The perils of political parties ordinarily lie not among the voters and the people but are found in the organizations and among the leaders.

The Federalist Party, with its galaxy of brilliant leaders, lost touch with the people, disregarded their individual rights and liberties, and it perished. The Democratic Party, with Jefferson as its leader, took its place in the administration of Government. The Whig Party was wrecked and disappeared utterly, in consequence of a contempt for the inflexible integrity of the moral code upon the part of those who in a critical hour dominated its councils. The Republican Party, with Abraham Lincoln as its leader, took its place. Opinions alter, times change, material issues come and go, but the moral law and the great fundamental principles of right and decency do not change—they still have their place in the purposes and plans and hearts and minds of the American people. I would not overlook the great questions which make for our material welfare. Our tax laws; our revenue laws; economy in Government; the rehabilitation of the farm; the control of our rivers; the staying of the growth of bureaucracy, arbitrary as fascism, demoralizing as communism; the conservation of the Nation's natural wealth; coal; oil; power; all these are of great moment and of great interest to the American people. But I would place above them all in the platform and in the program and in the purposes of the party, as first in imminence and first in importance, a pure ballot, a clean government, and the integrity of the Constitution under which we live.

This club takes its name from one of the most gifted men who ever dealt with the science of government. Washington, Hamilton, and Jefferson, and in that period there is no fourth to be placed along with these. There are other names of imperishable luster, but these three hold a place apart. A short time before his fatal wounding upon the field of Weehawken, when planning how best to meet the machinations of his most unscrupulous foe, he wrote to a friend outlining his views and pleading for a great organization which would reach into every part of the country and gather the nobler elements of American life and discipline them against the enemy of orderly and constitutional liberty. In this letter he said: "Let an association be formed to be denominated 'The Christian Constitutional Society,' its objects to be, first, the support of the Christian religion; second, the support of the Constitution of the United States."

When we think of Hamilton we think of him at the age of 17, defending with rare skill and ability the rights of the colonists; at the age of 23 outlining in his letter to Duane his views on government; his great battle in the New York State convention for the ratification of the Federal Constitution; his report on the public credit. But in none of these instances does he disclose higher qualities of statesmanship than when he outlined to his friend the true basis of political power under our form of government and the only guarantee of permanency of our institutions. I repeat, we may talk tariff, preach economy, plan for prosperity, and all these things which make for dollars and cents. But is that all? Is that the only and the highest element in our national purpose and life? Shall we stop there? Is that the full aim and end of party? Is this the final goal of our boasted higher civilization? We know, as we look back over the last few years, we know as we trace the slimy wriggling of corruption through the corridors of government, that it is not all, that there is something more essential, something more vital. And the people know that it is not all. Along with these things, and not in conflict with them, but an essential part of them politically, are the great moral problems of the people and the constitutional questions where alone orderly liberty dwells. Organization, party strategy, the card index, and the check book will claim their place. But nothing has ever been as controlling with the American people as the simple power of great principles.

You will hear it said in these days that democracy as a form of government is breaking down—that upon the complicated questions of modern industrial life the people can not successfully pass. We need not debate that question now. But make no mistake, that upon the great questions which involve national honor and public decency the people have an interest that is insatiable and an instinct that is sure.

### LINCOLN ELLSWORTH

Mr. BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and consider the bill (S. 3919) awarding a gold medal to Lincoln Ellsworth.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table the bill S. 3919. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the President of the United States is hereby authorized to present a gold medal to Lincoln Ellsworth, the distinguished American explorer, who, by his conspicuous courage, sagacity, and perseverance made his famous polar flight of 1925, and the transpolar flight of 1926.

SEC. 2. That the President of the United States is hereby authorized to receive, in the name of the Nation, the American flag which the said Lincoln Ellsworth took over the top from Kings Bay over the North Pole to Point Barrow and Teller, Alaska.

The SPEAKER. The Chair will ask the gentleman if he takes this action by authority of the committee?

Mr. BURTON. There is no objection presented by the chairman of the Committee on the Library.

Mr. LUCE. No.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, this is the same expedition that Mr. Amundsen was on, is it not?

Mr. BURTON. Yes.

Mr. LAGUARDIA. This expedition attracted world-wide attention and are we not following a rather narrow attitude if we simply recognize the efforts of one who happens to be one of our nationals?

Mr. BURTON. It seems to me not. If there were a resolution on behalf of Mr. Amundsen or your own General Nobile, I do not think I should object; but special attention was given to the work of Lincoln Ellsworth. I have here a quotation from the book of Commander Byrd commending him especially and I also have a letter of congratulation from the President.

Mr. LAGUARDIA. There is no doubt about Mr. Ellsworth's participation in this venture and every one recognizes his merit, but I would suggest to the gentleman that he withdraw the bill for the present so that we may look into it somewhat. I believe there is a difference of opinion on it and we do not want to do a small thing. It is something that is of world-wide importance.

Mr. CRAMTON. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. CRAMTON. Has a similar resolution had consideration by the House committee or was it considered by the Joint Committee on the Library?

Mr. BURTON. It has not been considered by the House committee at all, I must say frankly.

Mr. CRAMTON. Mr. Speaker, I have a great deal of sympathy with the gentleman's resolution, but this does not impress me as a wise way for us to legislate, except when there is some clear emergency shown, which does not appear in this case, to bring up legislation that has great appeal but has not been considered by any committee of the House. It seems to me if the gentleman would withdraw his request for the present and let it take its orderly course——

Mr. BURTON. It is now on the Speaker's table, and the achievements of Ellsworth are so great, not only on this expedition over the North Pole but in other things, that it seems to me he is clearly entitled to recognition.

Mr. CRAMTON. But I would say to the gentleman the very fact that the appeal of the gentleman's resolution is so great would mean that he would not have any reason to fear lack of proper consideration in a committee of the House.

Mr. LAGUARDIA. I do not think it is even questioned, but, as I stated before, this was not a one-man expedition. Each one played his important part. One conceived the idea of the airship and attended to the navigation, another contributed scientific knowledge and experience, and another contributed his enthusiasm and finances. All were necessary. Now, let us not do the little thing, and I beg the gentleman to withdraw his request for the present.

Mr. BURTON. It is not so customary in a matter of this kind to vote medals to a foreigner.

Mr. LAGUARDIA. We did that yesterday, did we not?

Mr. BURTON. Sometimes that is done, but we owe recognition first to our own nationals.

Mr. LAGUARDIA. Other countries have recognized our own nationals.

Mr. CRAMTON. Mr. Speaker, these are the very things that a House committee would consider and advise us with respect to them.

Mr. BURTON. It seems no one has considered it worth while to introduce a resolution with regard to the others, so far as I am informed. I know there was some little friction between Mr. Ellsworth and the Italian member of this expedition, and I trust no degree of partiality for the Italian member will cause any objection to be made.

Mr. LAGUARDIA. No.

Mr. BURTON. I must say frankly that the achievement of Mr. Ellsworth was a most notable one. I might read, if I had the time, the reference to him in Commander Byrd's book, which ranked his achievement very high.

Mr. CRAMTON. Mr. Speaker, I have made an appeal to the gentleman which I think is based on proper legislative methods, and it is an appeal I will make to anyone else that brings in any other kind of bill here that has not been considered by a committee of the House, unless a clear emergency is shown. I do not understand there is any emergency or any reason for haste in this case. I do not like to object to it because of my sympathy with the resolution.

Mr. SANDLIN. Mr. Speaker, the gentlemen do not seem to be able to agree upon this matter, and I ask for the regular order.

Mr. LAGUARDIA. Mr. Speaker, the gentleman from Ohio himself has brought in one feature of the case which I regret exceedingly, and for the present I shall object.

The SPEAKER. Objection is heard.

Mr. BURTON. Under unanimous consent, I subjoin a letter from President Coolidge and a quotation from Commander Byrd's new book, Skyward, as follows:

The epochal flight of the *Norge* across the north polar regions did much to wipe out some of the skepticism created by disasters among dirigibles. The Amundsen-Ellsworth-Nobile expedition not only accomplished one of the greatest nonstop flights on record but also performed one of the greatest feats of exploration in all history. It is already apparent that the flight has had a profound and beneficial effect upon aviation in the lighter-than-air field, but when we think that plus that demonstration of the great value of aircraft, those hardy pioneers have performed a tremendous service in exploration, we must conclude that those men have accomplished one of the great feats of our age which will shine through future ages as the feats of Columbus, the Cabots, Magellan, and other great navigators of the past shine through our age.

PAUL SMITHS, N. Y., *July 13, 1926.*

Mr. LINCOLN ELLSWORTH,
*The Century Club, 7 West Forty-third Street,*
*New York City.*

MY DEAR MR. ELLSWORTH: If I were in Washington it would be a great pleasure for me to extend my congratulations to you in person upon your participation in the flight of the *Norge* over the North Pole. But, as I am not receiving here this summer, I shall have to content myself by expressing in a letter my satisfaction that you, an American, should have had a part in so notable an achievement.

Very truly yours,

CALVIN COOLIDGE.

OMNIBUS PENSION BILL

Mr. KNUTSON. Mr. Speaker, I desire to present a conference report on (H. R. 10141) an omnibus pension bill for printing under the rule.

CLAIMS OF THE NORTHWESTERN BANDS OF SHOSHONE INDIANS

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table S. 710, with Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Montana asks unanimous consent to take from the Speaker's table a bill, which the Clerk will report by title.

The Clerk read as follows:

An act (S. 710) conferring jurisdiction upon the Court of Claims to hear, adjudicate, and render judgment in claims which the Northwestern Bands of Shoshone Indians may have against the United States.

The SPEAKER. The gentleman asks unanimous consent to take the bill from the Speaker's table, to insist on the House amendments, and agree to the conference asked for. Is there objection?

Mr. GARNER of Texas. Reserving the right to object, has the gentleman consulted the minority members of the committee?

Mr. LEAVITT. Yes.

Mr. GARNER of Texas. And it is satisfactory?

Mr. LEAVITT. Yes.

Mr. CRAMTON. Reserving the right to object, I would like a statement as to the effect of the Senate amendments. This is a bill to which I offered some amendments, and it passed the House by unanimous consent by reason of those amendments. I would like to know if the House amendments are destroyed by the Senate amendments.

Mr. LEAVITT. The Senate amendments strikes out the House amendments, and we are disagreeing to that action and agreeing to a conference.

Mr. CRAMTON. Is the gentleman prepared to give assurance that the House position will be adhered to?

Mr. LEAVITT. I am not prepared to state that.

Mr. CRAMTON. Then for the present I will object.

EMPLOYEES OF THE INDIAN SERVICE

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 11629 and agree to the Senate amendments.

The SPEAKER. The gentleman from Montana asks unanimous consent to take from the Speaker's table and agree to the Senate amendments, the bill which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 11629) to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were read and agreed to.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE CONQUEST OF THE NORTHWEST TERRITORY

Mr. LUCE. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 23.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent for the present consideration of Joint Resolution 23, which the Clerk will report by title.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 23) providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest

Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779.

The SPEAKER. Is there objection?

Mr. BLACK of Texas. Reserving the right to object, what is the amount of the appropriation involved in the passage of this resolution?

Mr. LUCE. In answer to the question I will first say that this request has been made at the instance of the delegation from Indiana on both sides of the House. The Senate resolution would authorize an appropriation of $1,750,000. The House committee advised that that be reduced to $1,000,000.

Mr. BLACK of Texas. Mr. Speaker, I think bills of this kind should not be taken up by unanimous consent and passed in that manner. I shall feel compelled to object.

Mr. WOOD. Will the gentleman reserve the objection?

Mr. BLACK of Texas. I will.

Mr. WOOD. There is a very great necessity for action on this resolution, for the reason that the Legislature of Indiana has made all provisions for the completion of this work, and if the resolution is not passed at this session it will be absolutely destroyed.

Mr. BLACK of Texas. Well, next Monday is the regular day for unanimous consent and suspension of the rules.

Mr. WOOD. I understand next Monday is District day.

Mr. GARNER of Texas. The trouble is that this resolution will not be reached next Monday. If the gentleman will examine the calendar he will see that it will take two full days to reach the bottom of the calendar.

Mr. BLACK of Texas. It could be reached under suspension of the rule.

Mr. GARNER of Texas. I doubt the propriety of passing legislation like this under suspension of the rule. I would rather it would be considered under unanimous consent.

Mr. BLACK of Texas. That means no consideration at all.

Mr. GARNER of Texas. Yes; you could debate it after getting unanimous consent to consider it if it was thought desirable to debate it. If it is to pass this session, it ought to pass now.

Mr. BLACK of Texas. For the present I object.

### EFFICIENCY OF THE AIR CORPS

Mr. JAMES. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be allowed to file a supplementary report on the bill H. R. 12814, to increase the efficiency of the Air Corps.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the Committee on Military Affairs be permitted to file a supplementary report on H. R. 12814. Is there objection?

There was no objection.

### SPEECH OF HON. HENRY ST. GEORGE TUCKER, OF VIRGINIA

Mr. FORT. Mr. Speaker, under the leave granted to extend remarks in the RECORD on the McNary-Haugen bill, I understand that no remarks may be extended except those of a Member himself. I ask unanimous consent to extend my remarks by adding thereto the speech made by the Hon. HENRY ST. GEORGE TUCKER, a Member of this House from Virginia, in 1922.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to print in the extension of his remarks a speech delivered by the gentleman from Virginia [Mr. TUCKER], in 1922. Is there objection?

There was no objection.

Mr. FORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered in this House August 17, 1922, by Hon. HENRY ST. GEORGE TUCKER, of Virginia:

### THE SUPREME COURT AND THE CONSTITUTIONALITY OF LAWS

Mr. TUCKER. Mr. Speaker, the casual remark of a Member of this House to a friend the other day in my hearing is my apology for trespassing briefly upon the time of the House. The remark which I heard in passing was this:

"I doubt whether this bill is constitutional, but we can pass it up to the courts, and they can decide that question."

I may add that this was not the first time I had heard such a sentiment expressed, nor was it the last time. It is a question of great importance and one about which there seems to be some confusion of thought and of duty.

I think it can be safely stated that the courts will not declare a law unconstitutional unless in their judgment it is plainly unconstitutional beyond a reasonable doubt. A great many decisions of the courts, Federal and State, could be quoted in support of this position. I will give only a few:

In Knox *v.* Lee (12 Wall. 457) the court says:

"A decent respect for a coordinate branch of the Federal Government demands that the judiciary should presume, until the contrary is clearly shown, that there has been no transgression of power by Congress, all the Members of which act under the obligation of an oath of fidelity to the Constitution."

Chief Justice Waite declares in the Sinking Fund cases (99 U. S. 700):

"The declaration [that an act of Congress is void] should never be made except in a clear case. Every possible presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt."

In Ogden *v.* Saunders (12 Wheat. 213) the court says:

"It is but a decent respect due to the * * * legislative body, by which any law is passed, to presume in favor of its validity until the violation of the Constitution is proved beyond all reasonable doubt."

In Fletcher *v.* Peck (6 Cranch) the court says:

"It is not on slight implication and vague conjecture that the legislature is to be pronounced to have transcended its powers and its acts to be considered as void. The opposition between the Constitution and the law should be such that the judge feels a clear and strong conviction of their incompatibility with each other."

Justice Miller, in the Trade-Mark cases (100 U. S. 96–97), says:

"We adopt this course because when this court is called on in the course of the administration of the law to consider whether an act of Congress or any other department of the Government is within the constitutional authority of that department a due respect for a coordinate branch of the Government requires that we shall decide that it has transcended its powers only when that is so plain that we can not avoid the duty."

See also Osborne *v.* Staley (5 W. Va. 94) and Tate's Executors *v.* Bell (26 American Decisions, 222), where the court says:

"It is here proper to remark that it is with reluctance the court will declare a law unconstitutional; not from any fears of consequences which might arise from conflict of opinion with another coordinate branch of the Government, but because the court might incline the more to doubt that opinion, where, on the same point, it may seem to have been formed upon deliberation by others officiating in a high and responsible sphere. Hence this court, in a doubtful case, would permit a law called in question to have its effect. But when the court is satisfied, there is an obligation resting upon them that it would be criminal to compromise."

In the Origin and Scope of the American Doctrine of Constitutional Law Professor Thayer treats this subject most interestingly, in the course of which he says:

"It [the court] can only disregard the act when those who have the right to make laws have not merely made a mistake but have made a clear one, so clear that it is not open to rational question."

Many other authorities could be adduced, but these are sufficient to show that judges considering the constitutionality of a law regard the law as occupying the position of the prisoner in the dock, who has the right to claim his innocence unless the evidence shows him guilty beyond all reasonable doubt.

The reason why a judge can not declare the law of Congress unconstitutional unless he be satisfied beyond a reasonable doubt that it is unconstitutional rests upon strong grounds. First, the law has been passed by a coordinate branch of the Government, which is entitled to great respect at the hands of the court, and it will naturally hesitate to undo its work. Secondly, that reason is strongly enforced because the Members of Congress are required, upon taking their seats, to take an oath to support the Constitution of the United States. That oath carries with it the presumption that no bill will be voted for that the Member of Congress believes to be unconstitutional; so that the law comes to the court with the imprimatur of approval of 435 Members of the House and 96 Senators; and the weight of their approval, with the presumption of their examination of the bill, and of their conclusion as to its validity, must be, and ought to be, both compelling and persuasive. If a Member of the House or Senate can pass legislation up to the courts free from any responsibility for its validity themselves, what does the requirement of the oath which he takes mean? Is it merely a matter of form or is it a reality? The fact that we live under it carries with it the implication of obedience to the Constitution; and when a Member of Congress attempts to relieve himself of passing upon the constitutionality of a bill because the courts may have that duty to discharge, has he not failed to discharge the duty imposed upon him by his oath to support the Constitution—that is, to uphold it; not to pull it down, and not to do any act that will impair its integrity? Our oath is to support the Constitution.

Under the law of the land every man is required to support his wife and his family. If he doubts whether certain action on his part will contribute to the support of his wife and family, he must reject it; and any failure to contribute to their comfort, consistent with his condition in life, is a failure to support; and no man can justify his action in his relation to his family, about which he is uncertain, and the propriety of which he doubts.

And so a Member of Congress, in voting on a bill, must consider with care whether it be constitutional or not, and if he doubts its constitutionality it is held that he is not living up to the letter and spirit of his oath if he votes for it. So that if a Member of Congress doubts the constitutionality of a bill it is held that he should not vote for it, while the judge must declare it constitutional when it comes before him, unless beyond a reasonable doubt he believes it unconstitutional. That a Member of Congress, in obedience to his oath, is expected to consider seriously and carefully the constitutionality of a bill before he votes for it is recognized by all of the authorities.

Willoughby on the Constitution, page 1220, declares:

"From necessity the Constitution must have intended that the legislative and executive departments should have the power, in the first instance at least, of determining the extent of the powers constitutionally granted to them, and that, therefore, the judiciary should not substitute its judgment for theirs except in cases where there is no doubt that the action which has been taken is not constitutionally warranted."

Judge Cooley in his Constitutional Law, pages 153–154, says:

"Legislators have their authority measured by the Constitution; they are chosen to do what it permits and nothing more, and they take solemn oath to obey and support it. When they disregard its provisions they usurp authority, abuse their trust, and violate the promises they have confirmed by an oath. To pass an act when they are in doubt whether it does not violate the Constitution is to treat as of no force the most imperative obligations any person can assume. * * * A witness in court who would treat his oath thus lightly and affirm things of which he was in doubt would be held a criminal. Indeed, it is because the legislature has applied the judgment of its members to the question of its authority to pass the proposed law, and has only passed it after being satisfied of the authority, that the judiciary waive their own doubts and give it their support."

Tucker on the Constitution, page 379, declares:

"He [the legislator] is bound to support the Constitution, to uphold it as one of the pillars to an edifice. He is under the Constitution, not above it. He can not support it by doing an act repugnant to it."

"His public office is a public trust. If he doubts his power to do under the authority of the Constitution, he is bound to resolve the the doubt against the act, not in favor of it."

Hon. James M. Beck, Solicitor General of the United States, in a recent brief before the Supreme Court on this subject, uses the following language:

"It is the common belief that groups of men can agitate for any kind of a law without considering its constitutional aspects; for, if it be unconstitutional in substance or in motive, the Supreme Court will avert the evil of its enactment. This indifference to our form of government, which is now so widely prevalent, has its reflex action upon the representatives of the people both in the legislatures of the States and of the Nation. When laws are discussed which go to the verge of constitutional power the principal and sometimes the only discussion is that of policy, while the effect of such legislation upon our constitutional form of government is given little attention. The prevalent disposition seems to be to ignore constitutional questions by shifting them to the Supreme Court, in the belief that that court will exercise the full powers of revision, which I have tried to show the framers of the Constitution did not intend this court to have. The result may be an exaltation of this court, as a tribunal of extraordinary power; but, in the matter of constitutionalism, it inevitably leads to an impairment of the powers and duties of Congress and, above all, to the impairment of the popular conscience; for, in the last analysis, the Constitution will last in substance as long as the people believe in it and are willing to struggle for it."

Judge Cooley, in his Constitutional Limitations, page 254, seventh edition, puts more powerfully than any other author the duties of the legislator and the courts, and the reasons therefor:

"The constitutionality of a law, then, is to be presumed, because the legislature, which was first required to pass upon the question, acting, as they must be deemed to have acted, with integrity and with a just desire to keep within the restrictions laid by the Constitution upon their action, have adjudged that it is so. They are a coordinate department of the Government with the judiciary, invested with very high and responsible duties, as to some of which their acts are not subject to judicial scrutiny, and they legislate under the solemnity of an official oath, which it is to be supposed they will not disregard. It must therefore be supposed that their own doubts of the constitutionality of their action have been deliberately solved in its favor, so that the courts may with some confidence repose upon their conclusion as one based upon their best judgment. For although it is plain upon the authorities that the courts should sustain legislative action when not clearly satisfied of its invalidity, it is equally plain in reason that the legislature should abstain from adopting such action if not fully assured of their authority to do so. Respect for the instrument under which they exercise their power should impel the legislature in every case to solve their doubts in its favor, and it is only because we are to presume they do so that courts are warranted in giving weight in any case to their decision. If it was understood that the legislators refrained from exercising their judgment, or that in cases of doubt they allowed themselves to lean in favor of the action they desired to accomplish, the foundation for the cases we have cited would be altogether taken away."

The position of the legislator and the court, therefore, on this subject is this: The legislator can not, in accordance with his oath, vote for any bill if he doubts its constitutionality. The judge who is sitting in judgment on that same law, if he doubts its constitutionality, as did the legislator, must, unless in his judgment it is plainly and beyond a reasonable doubt unconstitutional, declare it constitutional. He must have a clear vision of its repugnancy to the Constitution. The judge, before he can declare it unconstitutional, must have no rational doubt of its validity, while the legislator can not vote for it if he has any doubt as to its constitutionality. The reasons for these positions seems clear. Bound by his oath to support the Constitution, the Member of Congress must not enact a law whose constitutionality he doubts, for to doubt its validity and then enact it does not square with his oath to support the Constitution. The position of the judge, however, is very different. He approaches the consideration of the validity of the law passed by a coordinate department of the Government with every presumption of its validity, not only because it has been passed by a coordinate branch of the Government, but because every member of that coordinate branch, the court has a right to believe, by voting for it, has examined it to determine whether it was valid, and having found it constitutional enacts it into law. So that the law comes to the court with the sanction of every Member of both Houses of Congress, fortified and strengthened by the fact which the court takes cognizance of, that every legislator in House and Senate has examined the bill and has voted for it because he had no doubt of its validity and constitutionality. The legislator might be unable to vote for a bill because of his doubts as to its constitutionality, and though he voted against it as a Member of Congress, if, after the passage of such a bill, he be transferred to the bench and has to pass upon the validity of that law, though he could not vote for the bill when in Congress because he doubted its constitutionality, he can not, as a judge, declare it unconstitutional unless beyond all reasonable doubt he believes it to be so.

Tucker sums up the argument as follows (Tucker on the Constitution, p. 380):

"In the case of the lawmaker the question to be asked is: 'Have I a right under the Constitution to pass the act?' The onus is for him to show his authority. In the case of the judge the question is: 'Is the law clearly unconstitutional? In annulling the law in support of the Constitution will I transcend my judicial functions and usurp the legislative; or is the repugnancy so strong that I will only act judicially in annulling the effect of the law and not transcend the boundary of my power?' The burden shifts in the two cases. The legislator must show that he has the right; the judge must show the legislator was clearly wrong.

"Hence the lawmaker may not justify a vote for a measure which as judge he could not declare void; but, if the judiciary declares such an act unconstitutional, it should forbid the lawmaker to pass similar legislation. On the other hand, though the judiciary can not declare a law unconstitutional because not clearly repugnant, it does not justify the lawmaker in voting for it."

If these principles are correct, how can we consent to abdicate our functions in this body? And if so, will the courts continue to be bound by the rule that is predicated on the discharge of our duty in this body which we now abandon? If that duty be abandoned, will the courts continue to recognize it as existing? Will the courts recognize as an existing fact what Members of Congress openly repudiate? Judge Cooley, in the language above quoted, indicates clearly that the courts will not be bound if the Members of Congress fail to live up to their obligations; and Chief Justice Taft shows the same tendency in his recent opinion in the case of Bailey against the Drexel Furniture Co. (child-labor case), when he says:

"In the light of these features of the act, a court must be blind not to see that the so-called tax is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?"

Why should the courts be bound by a rule which is openly and notoriously violated? Will they not, as indicated in the above case of Bailey against the Drexel Furniture Co., take judicial notice of such an open and notorious fact? To refuse to live up to our obligation and yet expect the courts to consider it as still existing is a fraud upon the courts and Congress would never knowingly be a party to such an act.

I invoke the careful consideration by the House of this principle that our Government may continue to meet the demands of the people in the orderly and constitutional performance of our duties and in the continued progress of this great people under the protecting care of our Constitution faithfully and obediently followed, which is our best, our only hope of progressive development.

### CALENDAR WEDNESDAY BUSINESS

Mr. TILSON. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business, in order to-day, be dispensed

with, and that in lieu of to-day the Committee on the Merchant Marine and Fisheries may have, as Calendar Wednesday, the first regular session day following the completion of the shipping bill, which is to be presented immediately following the McNary-Haugen bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that Calendar Wednesday business in order to-day be dispensed with, and that in lieu of to-day the Committee on the Merchant Marine and Fisheries may have, as Calendar Wednesday, the first regular session day following the completion of the shipping bill, which is to be presented immediately after the vote on the McNary-Haugen bill. Is there objection?

Mr. QUIN. Mr. Speaker, reserving the right to object, then that gives the Committee on Military Affairs next Wednesday?

Mr. TILSON. It would mean that the Committee on the Merchant Marine and Fisheries would have as Calendar Wednesday the first day that was not suspension day or Calendar Wednesday. I mean the first regular session day following the completion of the bill which the Committee on the Merchant Marine and Fisheries will bring before the House under a special rule.

Mr. GARNER of Texas. Mr. Speaker, that means the next Wednesday the Committee on Military Affairs will be called?

Mr. TILSON. That committee will be on call one week from to-day.

Mr. WHITE of Maine. And does that mean that if the shipping bill is concluded seasonably the Merchant Marine and Fisheries Committee might have Tuesday for its Calendar Wednesday, or, if the shipping bill is not concluded by that time, that we would have Thursday?

Mr. TILSON. Yes; it might be Thursday. It will be the next regular session day following the completion of the shipping bill.

Mr. ALMON. And this in no way will interfere with next Wednesday being Calendar Wednesday?

Mr. TILSON. Not at all.

Mr. ALMON. And the Committee on Military Affairs will have the call on that day?

Mr. TILSON. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object, I ask the privilege of making just a brief statement. As the House is well informed there is a matter of great importance, not only to the agricultural section of my State, but to the entire agricultural sections of the country that the Committee on Military Affairs has in mind to call up under its call on Calendar Wednesday, namely, the Muscle Shoals bill. As a Member of the Committee on Rules, I have been endeavoring to secure a rule for the consideration of that bill. On account of its tremendous importance I think that bill should be considered under a rule to be brought in, and I shall continue to ask my associates on that committee to give us a rule for the consideration of that bill. The Committee on Military Affairs, by almost unanimous vote, has requested the Committee on Rules to grant a rule to consider that bill on its merits, with a reasonable amount of debate, so as not to be compelled to take the chance of failing to complete the consideration of a bill of that importance on two Calendar Wednesdays. In reserving the right to object I merely wish to give notice that those who are interested in a fair consideration of that bill, notwithstanding the agreement that is made here, will earnestly and seriously ask the Committee on Rules to give us a rule for the consideration of that bill.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

### TRANSATLANTIC FLYERS

Mr. TILSON. Mr. Speaker, while I have the floor I take this opportunity to announce to the House that it is expected that the distinguished trans-Atlantic flyers who are now visiting our city will be at the Capitol this afternoon and will probably visit the House sometime between 3.30 o'clock and 4 o'clock. It is hoped that there will be a full attendance of the House at that time.

### ORDER OF BUSINESS

Mr. GARNER of Texas. Mr. Speaker, will the gentleman from Connecticut please state when he expects to reach a vote on the pending bill? A great many Members are wiring in here wanting to know, and I wish to get any information that can be had on the subject.

Mr. TILSON. The gentleman comes to the wrong source for information on this particular subject.

Mr. HAUGEN. Mr. Speaker, I shall put forth every effort possible to pass the pending bill to-morrow, in order to accommodate a number of people who desire to leave town.

### AGRICULTURAL SURPLUS CONTROL BILL

Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

The CHAIRMAN. The general debate having been concluded, the Clerk will read the bill for amendment.

Pursuant to the special rule, the Clerk proceeded to read the committee substitute, as follows:

### DECLARATION OF POLICY

SECTION 1. In order to stabilize the current of interstate and foreign commerce in the marketing of agriculture commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby declared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

Mr. ASWELL, Mr. KETCHAM, and Mr. LAGUARDIA rose.

The CHAIRMAN. The Chair will ask the gentleman from Louisiana [Mr. ASWELL] for what purpose does he rise?

Mr. ASWELL. To move to strike out all after the enacting clause and insert a substitute for the section just read, and to give notice that if my motion prevails I shall move to strike out the entire bill.

Mr. DOWELL. Mr. Chairman, I desire to make a point of order, and I also desire to suggest that the committee has reported the striking out of section 1, and the committee amendment should be considered before any other amendments are presented.

The CHAIRMAN. The Chair will state to the gentleman from Iowa that he has recognized the gentleman from Louisiana.

Mr. KETCHAM. Mr. Chairman, I object.

Mr. DOWELL. I reserve my point of order.

The CHAIRMAN. The Chair understands that the gentleman from Michigan objects and the gentleman from Iowa reserves a point of order.

Mr. ASWELL. Mr. Chairman, has the Chair recognized me?

The CHAIRMAN. The Chair is somewhat embarrassed on the question of recognition.

Mr. KETCHAM. Mr. Chairman, without losing my own right, I yield to the gentleman from Louisiana [Mr. ASWELL].

The CHAIRMAN. That simplifies the matter.

Mr. ASWELL. I move to strike out the section just read and insert the substitute which I offer, and if my motion prevails I shall move to strike out the entire bill.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Strike out section 1 and insert in lieu thereof the following——

Mr. DOWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The reading of the amendment can not be interrupted by a parliamentary inquiry.

Mr. FORT. Mr. Chairman, I rise to make a parliamentary inquiry, if the Chair please.

The CHAIRMAN. The gentleman from Louisiana has offered an amendment, which the Clerk has not yet reported. The reading of the amendment can not be interrupted by the making of a parliamentary inquiry.

Mr. DOWELL. I am not making a parliamentary inquiry. I make a point of order that the amendment can not be offered at this time. I make a point of order that it is not in order at this time to offer an amendment.

Mr. ASWELL. The gentleman does not know what the amendment is.

The CHAIRMAN. The Chair will hear the gentleman from Iowa.

Mr. DOWELL. The Committee on Agriculture has reported an amendment striking out the section of the Senate bill which the gentleman from Louisiana desires now to amend. The committee amendment of the Committee on Agriculture is first to be considered, and the striking out of this amendment and the presentation of any other amendment is not in order.

That is the rule that has been followed at all times by every Chairman on amendments that have been offered to strike out a section reported by a committee, and it occurs to me that at this time the committee has recommended the striking out of the section, and therefore that amendment must first be considered before any further amendment can be offered to that section. The gentleman's amendment is not in order until the committee amendment has been disposed of.

Mr. KETCHAM. Mr. Chairman, may I call the attention of the Chair to the rule under which we are considering the bill to see if the contention of the gentleman is not answered? It provides that—

> The bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of the point of order as provided in clause 7 of Rule XVI the substitute committee amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill.

Mr. DOWELL. Certainly. That is the rule at all times. It is the general rule.

Mr. KETCHAM. If we are considering this bill as an original bill, the motion of the gentleman from Louisiana would be in order at this time. I therefore make the point of order of the gentleman from Iowa [Mr. DOWELL] that the point of order is not in order.

Mr. DOWELL. The committee having recommended the striking out of this section, how will you strike out the committee amendment if you do not consider it before other amendments are presented? If the committee considers this section, then the gentleman from Louisiana might be in order to strike out the section. The committee has recommended that this section be stricken out. When that substitute comes before the House the gentleman's amendment, if then in order otherwise, would under the circumstances be proper to consider. But it seems to me that the rule universally followed is that the committee amendment must first be considered by the Committee of the Whole before other amendments are presented or debatable.

Mr. CRISP. Suppose the gentleman's contention should be accepted by the Chair, which I do not at present concede is the right way, because under the rule by which we are considering this bill the Committee on Agriculture amendment to the Senate bill is considered as the original text or bill; but admitting the proposition of the gentleman is correct, suppose the Committee of the Whole considered the Haugen bill by sections and approved it.

If anybody then offered to strike out and substitute a different text, would they not be confronted with the proposition that the committee had adopted the committee substitute (the Haugen bill) and, therefore, it would not be in order to offer an amendment changing that which the committee had already agreed to?

Mr. DOWELL. Of course, after the amendment had been agreed to that would be true, but while the amendment is before the committee it must be agreed to or voted down by the committee, and if the committee does vote it down, then any other amendment would be in order.

Mr. CRISP. Is not this also true, that under the rules of the House there can be four amendments—an amendment to the text, an amendment to that, a further amendment in the nature of a substitute to which one amendment can be offered—and is it not the universal practice in the House that when you are considering a bill and you determine to substitute a new text, the procedure is to move to strike out the first section of the bill and offer a substitute, and if the substitute prevails you can then move to strike out the succeeding sections of the original text you are considering?

Mr. DOWELL. But the gentleman must recognize the fact that the committee amendment is now before the committee and it is here for its consideration, and that may be amended.

The CHAIRMAN. The Chair will ask the gentleman from Iowa if he has in mind that the Clerk is reading the committee amendment?

Mr. DOWELL. No; the Clerk is reading the original bill, as I understand it.

The CHAIRMAN. The gentleman's understanding is incorrect. The Clerk is reading the committee amendment.

Mr. DOWELL. Then it is one amendment and can not be amended except as a whole.

The CHAIRMAN. The Chair is ready to rule.

Mr. DOWELL. If the amendment of the committee is now being read and considered, then that is one amendment, because it carries all of it; and it can not be amended until it has been read in its entirety, and then any amendment that is germane may be in order.

Mr. ASWELL. Will the gentleman yield?

Mr. DOWELL. Yes.

Mr. ASWELL. I am offering an amendment to the whole committee amendment; I am proposing to amend the whole amendment and, therefore, the gentleman's own argument indicates it is in order.

Mr. DOWELL. I object to its being presented at this time.

The CHAIRMAN. The Chair is ready to rule. It seems to the Chair that the language of the rule, which says that the substitute, for the purpose of amendment, shall be considered under the five-minute rule as an original bill, very largely answers the argument of the gentleman from Iowa [Mr. DOWELL]. It clearly indicates that the amendment is not to be read in toto but by sections, and that at the completion of the reading of any one section amendments may be offered to that section, and taking into consideration the next sentence of the rule the intent of the rule is still more manifest. The rule provides that the committee substitute shall be considered and voted upon by the House when the committee rises. The only way the House could be assured of having that right is to consider the substitute as a whole and have it reported to the House as a substitute in place of the original bill. If this committee had the right to vote on the question of substituting the Agricultural Committee substitute for the bill the House might never have a chance to vote on the committee substitute. The Chair thinks that the intent of the rule is clear and overrules the point of order.

Mr. KINCHELOE. Mr. Chairman, I want to reserve a point of order against the amendment as to its germaneness, although I do not know what it is.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

> Amendment offered by Mr. ASWELL: Strike out section 1 and insert:
>
> DECLARATION OF POLICY
>
> SECTION 1. In order to stabilize the current of interstate and foreign commerce in the marketing of agriculture commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby declared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

Mr. LAGUARDIA. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. LAGUARDIA. I understood that the gentleman from Louisiana was offering one section as a substitute for section 1.

The CHAIRMAN. He is offering a substitute bill to the section.

Mr. ASWELL. Mr. Chairman, I would like to make a unanimous-consent request.

The CHAIRMAN. The Clerk has not yet completed the reporting of the gentleman's amendment.

Mr. ASWELL. The Clerk has read the first section, and I want to make the request that the amendment be considered as read and may be printed in the RECORD at this point.

Mr. CANNON. Mr. Chairman, reserving the right to object——

Mr. CHINDBLOM. The amendment is being offered now, is it not?

Mr. HAUGEN. It seems to me the amendment ought to be read.

Mr. ASWELL. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to proceed for one minute pending the reading of the amendment. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Chairman, the language I have offered as a substitute is the exact language of the bill before the committee with the exception that sections presenting the equalization fee are omitted, and all reference to the equalization fee is omitted; otherwise, my substitute is the exact language of the Haugen bill. In other words, the exact language you have heard read as a substitute is the language of the bill before the committee and will be the same identical language in every line until you pass through the ninth section. After the ninth section, I strike out the two sections involving the equalization fee and then following those two sections I have stricken out references to the equalization fee. I have not changed a single word except this reference to the equalization fee, and therefore I have asked unanimous consent that my substitute may be printed in the RECORD and considered as read, and that we vote on the substitute section by section.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. COOPER of Wisconsin. Does that leave out sections 9, 10, and 11?

Mr. ASWELL. It does not. It retains section 9.

Mr. CANNON. Mr. Speaker, I reserve the right to object, to ask the gentleman from Louisiana a question. As I understand it, there is nothing in the substitute which the gentleman offers that is not in the original bill?

Mr. ASWELL. Not a line.

Mr. CANNON. It is merely a question of striking out?

Mr. ASWELL. Yes.

Mr. JOHNSON of Texas. Reserving the right to object, Mr. Chairman——

Mr. CANNON. Mr. Chairman, I desire to reserve a point of order.

Mr. ASWELL. I was merely trying to save time. If the Members want it read, go ahead. [Cries of "No! No!"]

Mr. CANNON. I have no objection to the gentleman's request, but desired simply to reserve a point of order.

The CHAIRMAN. The Chair is not sure he understood the reference of the gentleman from Louisiana in his unanimous-consent request that the amendment be read section by section, and in order that there may be no misunderstanding the Chair desires to state that he did not put that part of the gentleman's request.

Mr. ASWELL. Very well.

Mr. FORT. Mr. Chairman, reserving the right to object, I would like to be informed as to the rights of Members who desire to offer amendments to the substitute. If the amendment is not to be read, may all of the amendments to any section of the substitute be offered simultaneously at the conclusion of the reading or upon the granting of the unanimous-consent request?

The CHAIRMAN. One amendment may be offered to the substitute and disposed of, and that procedure may be followed indefinitely; but only one such amendment can be pending at the same time.

Mr. LAGUARDIA. Mr. Chairman, for the sake of the RECORD I desire to make the point of order that the substitute offered by the gentleman from Louisiana is not a bona fide substitute.

The CHAIRMAN. Will the gentleman from New York let us first dispose of the request that the amendment be considered as read?

Mr. LAGUARDIA. Then I reserve that point of order.

Mr. KINCHELOE. Mr. Chairman, I reserve the right to object in order to get some information. Do I understand from the gentleman from Louisiana that the amendment is identical with the McNary-Haugen bill as reported to the House with the exception of sections 11 and 12?

Mr. ASWELL. And except references to the equalization fee in the sections that follow those that are to be stricken out.

Mr. KINCHELOE. Then it is the McNary-Haugen bill, except it eliminates the equalization fee.

Mr. ASWELL. Yes.

Mr. FORT. And the nonpremium-insurance feature.

Mr. ASWELL. Yes; that is based upon the equalization fee.

Mr. KINCHELOE. I wanted to ask the gentleman about that. I reserved a point of order. The gentleman from New York can make it if he desires.

Mr. HARRISON. May I ask the gentleman how he proposes to finance the plan outlined in his bill?

Mr. ASWELL. There is a $400,000,000 revolving fund.

Mr. HARRISON. And does that have to be contributed yearly by the Government?

Mr. ASWELL. That depends on how long it lasts.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana that his amendment be considered as read and printed in the RECORD?

Mr. ADKINS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADKINS. As I understand it, we are getting ready to vote on an amendment offered by the gentleman from Louisiana [Mr. ASWELL], which in substance is the Haugen bill with the equalization fee stricken out, is it not?

Mr. ASWELL. That is it.

Mr. ADKINS. Suppose the House adopts the gentleman's amendment, then we are through. We can not amend the amendment any further, can we?

Mr. ASWELL. Oh, yes.

Mr. ADKINS. I understand we may do that while it is a pending amendment to the committee amendment, but I do not see how you are ever going to amend the gentleman's amendment after you have adopted it, and, therefore, if we adopt this amendment "the show is over."

Mr. JONES. Reserving the right to object, I would like to know if the offering of this substitute will interfere with the offering of another substitute until this is disposed of?

The CHAIRMAN. Only one substitute can be pending at the same time.

Mr. JONES. And another substitute will be in order after the actual disposition of this?

The CHAIRMAN. It is important that everyone should understand the procedure. As the Chair understands it, this substitute offered by the gentleman from Louisiana is subject to amendment. Only one amendment can be pending at the same time, but as many amendments can be offered and disposed of as Members care to offer. After the amendment stage is passed and the substitute is once adopted it can not be further amended.

Mr. RAMSEYER. After the amendment is adopted the committee is to proceed with the rest of the bill and strike out sections.

The CHAIRMAN. Yes; but the language which has been inserted could not be modified.

Mr. RAMSEYER. Each section would be read for such disposition as the committee sees fit to make.

Mr. DOWELL. Mr. Chairman, the first section is pending and the committee has recommended a certain amendment. This is the second amendment.

The CHAIRMAN. The Chair will say that for the purpose of procedure in Committee of the Whole the Senate bill may well be dismissed from consideration. We are considering the Agricultural Committee substitute to the original bill. The Chair will be glad to put the request for unanimous consent made by the gentleman from Louisiana.

Mr. HOCH. Reserving the right to object, there is one point that I am not clear about. The gentleman from Louisiana has offered this as one amendment. I understood him to say that he desired it to be voted on section by section. If this is one section and an amendment to it is in order—if it is to be considered as one amendment it will be in order for any one to offer an amendment to any part of it.

The CHAIRMAN. There is no doubt about that.

Mr. JONES. If we should let this go over until to-morrow and let the bill be read, then if the substitute offered by the gentleman from Louisiana is voted down it will be too late to offer another substitute, the rest of it having been read. We have to offer the substitute after the reading of the first paragraph of the bill.

The CHAIRMAN. If the amendment of the gentleman from Louisiana is voted down any other substitute would be in order.

Mr. JONES. The first paragraph will have been passed at that time.

The CHAIRMAN. No. This amendment simply will have been voted down, and then another amendment will be in order. Is there objection to the request of the gentleman from Louisiana that the amendment be considered as read and printed in the RECORD?

There was no objection.

DECLARATION OF POLICY

SECTION 1. In order to stabilize the current of interstate and foreign commerce in the marketing of agriculture commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby de-

clared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

FEDERAL FARM BOARD

SEC. 2. (a) A Federal Farm Board is hereby created which shall consist of the Secretary of Agriculture, who shall be a member ex officio, and 12 members, one from each of the 12 Federal land bank districts, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

(b) The terms of office of the appointed members of the board first taking office after the approval of this act shall expire, as designated by the President at the time of nomination, four at the end of the second year, four at the end of the fourth year, and four at the end of the sixth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Any member of the board in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

(e) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the appointed members in office shall constitute a quorum for the transaction of the business of the board.

(f) Each of the appointed members of the board shall be a citizen of the United States, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of $10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or if assigned to any other office established by the board, then while away from such office on business required by this act.

GENERAL POWERS

SEC. 3. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

(g) Shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(h) Shall keep advised, from any available sources, of crop prices, prospects, supply, and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products, and it may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity, in order that they may secure the maximum benefits under this act.

(i) Shall advise producers through their organizations or otherwise in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized, in order that they may secure such benefits.

COMMODITY ADVISORY COUNCILS

SEC. 4. (a) For each agricultural commodity, which the board from time to time determines may thereafter require stabilization by the board through marketing agreements authorized by this act, the board is hereby authorized and directed to create an advisory council of seven members fairly representative of the producers of such commodity. Members of each commodity advisory council shall be selected annually by the board from lists submitted by cooperative associations or other organizations representative of the producers of the commodity. Members of each commodity advisory council shall serve without salary but may be paid by the board a per diem compensation not exceeding $20 for attending meetings of the council and for time devoted to other business of the council and authorized by the board. Each council member shall be paid by the board his necessary traveling expenses to and from meetings of the council and his expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while engaged upon the business of the council. Each commodity advisory council shall be designated by the name of the commodity it represents, as, for example, "The Cotton Advisory Council."

(b) Each commodity advisory council shall meet as soon as practicable after its selection at a time and place designated by the board and select a chairman. The board may designate a secretary of the council, subject to the approval of the council.

(c) Each commodity advisory council shall meet thereafter at least twice in each year at a time and place designated by the board, or upon call of a majority of its members at a time and place designated in the call, notice of such call being sent by registered mail at least 10 days before the date of the meeting.

(d) Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, to call for information from it, or to make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, and (2) to cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under this act.

LOANS

SEC. 5. (a) The board is authorized to make loans, out of the revolving fund hereinafter created, to any cooperative association or corporation created and controlled by one or more cooperative associations, upon such terms and conditions as, in the judgment of the board, will afford adequate assurance of repayment and carry out the policy declared in section 1, and upon such other terms and conditions as the board deems necessary. Such loans shall be for one of the following purposes:

(1) For the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity.

(2) For the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing services, if the proceeds of the loan are to be used either (A) for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or (B) for assisting the cooperative association or corporation created and controlled by one or more cooperative associations in the acquisition, by purchase, construction, or otherwise, of facilities and equipment, including terminal marketing facilities and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or (C) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended, or (D) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for necessary expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations.

(b) In case of a loan to a cooperative association under paragraph (2) of subdivision (a), the notes or other obligations representing the loan (1) may be secured by marketing contracts of members of the cooperative association, and be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered under the members' marketing contracts, or (2) may be secured in such other manner as the board deems adequate.

(c) Any corporation created and controlled by one or more cooperative associations shall be eligible to receive loans under this section if the corporation is organized under the laws of any State, has the minimum capital required by the laws of the State of its organization, and agrees with the board:

(1) To adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(2) To keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

(3) To permit the board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(4) To set aside a reasonable per centum of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(5) To distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

(d) Any loan under this section shall bear interest at the rate of 4 per cent per annum. The aggregate amount of loans under this section, outstanding and unpaid at any one time, shall not exceed $400,000,000, but—

(1) The aggregate amount of loans for all purposes under paragraph (2) of subdivision (a), outstanding and unpaid at any one time, shall not exceed $25,000,000; and

(2) The aggregate amount of loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, outstanding and unpaid at any one time, shall not exceed $2,000,000.

INCREASED PRODUCTION

SEC. 6. If the board finds that its advice as to a program of planting and breeding of any agricultural commodity as hereinbefore provided has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity for the preceding five years, the board may refuse to make advances for the purchase of such commodity.

INVESTIGATIONS BY BOARD

SEC. 7. The board, upon the request of any cooperative association or upon its own motion, may investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

(1) Does a surplus of any such commodity exist or threaten to exist;

(2) Does the existence or threat of such surplus depress or threaten to depress the price of such commodity below the average cost of the actual production of such commodity in continental United States during the preceding five years; and

(3) Are the conditions of durability, preparation, processing, preserving, and marketing of such commodity, or the products therefrom, adaptable to the storage or future disposal of such commodity.

Before declaring or entering its finding upon the foregoing matters, the board shall consult with the advisory council for the commodity.

CLEARING HOUSE AND TERMINAL MARKET ASSOCIATIONS

SEC. 8. The board may assist in the establishment of, and provide for the registration of, in accordance with such regulations as it may prescribe, (1) clearing house associations adapted, in the opinion of the board, to effect the more orderly production, distribution, and marketing of any agricultural commodity, to prevent gluts or famines in any market for such commodity, and to reduce waste incident to the marketing of such commodity, and (2) terminal market associations adapted, in the opinion of the board, to maintain public markets in distribution centers for the more orderly distribution and marketing of any agricultural commodity. Only cooperative associations or corporations created or controlled by one or more cooperative associations shall be eligible for membership in any clearing house association or terminal market association registered under this section. Rules for the governance of any such association shall be adopted by the members thereof with the approval of the board.

MARKETING AGREEMENTS

SEC. 9. (a) From time to time upon request of the advisory council for any agricultural commodity, or upon request of leading cooperative associations or other organizations of producers of any agricultural commodity, or upon its own motion, the board shall investigate the supply and marketing situation in respect of such agricultural commodity.

(b) Whenever upon such investigation the board finds—

First. That there is or may be during the ensuing year a seasonal or year's total surplus, produced in the United States and national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity;

Second. That the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans; and

Third. That the durability, the conditions of preparation, processing, and preserving, and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—

Then the board, after publicly declaring its findings, shall arrange for marketing any part of the commodity by means of marketing agreements with cooperative associations engaged in handling the commodity or corporations created and controlled by one or more such cooperative associations. Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

(c) A marketing agreement shall provide either—

(1) For the withholding by a cooperative association, or corporation created and controlled by one or more cooperative associations, during such period as shall be provided in the agreement, of any part of the commodity delivered to such cooperative association or associations by its members. Any such agreement shall provide for the payment from the revolving fund of the costs arising out of such withholding; or

(2) For the purchase by a cooperative association, or corporation created and controlled by one or more cooperative associations, of any part of the commodity not delivered to such cooperative association or associations by its members, and for the withholding and disposal of the commodity so purchased. Any such marketing agreement shall provide for the payment from the revolving fund of the amount of the losses, costs, and charges arising out of the purchase, withholding, and disposal, or out of contracts therefor, and for the payment into the revolving fund of profits (after repaying all advances from the revolving fund and deducting all costs and charges, provided for in the agreement) arising out of the purchase, withholding, and disposal, or out of contracts therefor.

(d) The board may, in its discretion, provide in any such marketing agreement for financing any withholding, purchase, or disposal under such agreement, through advances from the revolving fund. Such financing shall be upon such terms and conditions as the board may prescribe, but no such advance shall bear interest.

(e) If the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. If the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposal, then the board may enter into the agreement with other agencies but shall not unreasonably discriminate between such other agencies.

(f) During a marketing period fixed by the board for any commodity, the board may enter into marketing agreements for the purchase, withholding, and disposal of the food products of such commodity, and all provisions of this section applicable to marketing agreements for the purchase, withholding, and disposal of the commodity, shall apply to the agreements in respect of its food products.

(g) Any decision of the board relating to the commencement, extension, or termination of a marketing period shall require the affirmative vote of a majority of the appointed members in office.

(h) The powers of the board under this section in respect of any agricultural commodity shall be exercised in such manner, and the marketing agreements entered into by the board during any marketing period shall be upon such terms, as will, in the judgment of the board, carry out the policy declared by section 1.

(i) The United States shall not be liable, directly or indirectly, upon agreements under this act in respect of agricultural commodities, in excess of the amounts available in the premium insurance and revolving funds.

INSURANCE

SEC. 10. (a) In order that a cooperative association handling any staple agricultural commodity may with reasonable security make payments to its members at the time of delivery of such commodity by the members, fairly reflecting the current market value of such agricultural commodity, the board is authorized to enter into an agreement, upon such terms and conditions as it may prescribe, for the insurance of such cooperative association against price decline as hereinafter provided. Such insurance agreement may be entered into by the board only with respect to any such agricultural commodity which, in the judgment of the board, is regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

(b) Any such agreement for insurance against price decline shall provide for the insurance of the cooperative association for any 12 months' period commencing with the delivery season for the commodity against loss to such association or its members due to decline in the average market price for the commodity during the time of sale by the association from the average market price for the commodity during the time of delivery to the association. The measure of such decline, where a decline occurs, shall be the difference between the average market price weighted for the days and volume of delivery to the association by its members, and the average market price weighted for the days and volume of sales by the association. In computing such average market prices the board shall use the daily average cash prices paid for the basic grade of such commodity in the exchange designated in the agreement. Any such agreement shall cover only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the agreement.

(c) Payments under insurance agreements in respect of any commodity shall be made out of the premium insurance fund for the commodity to be established by the board under such regulations as it may prescribe.

(d) For insurance under an insurance agreement the cooperative association shall pay a premium, to be determined by the board prior to the making of the insurance agreement, upon each unit of the commodity reported by the association for coverage under the insurance agreement. Such premium shall be calculated with due regard to the past price records in established markets for the commodity. The premiums applicable to the commodity in the successive 12 months' periods shall be adjusted with due regard to the experience of the board under preceding insurance agreements. There shall be deposited in the premium insurance fund for any commodity the premiums paid by cooperative associations under insurance agreements in respect of the commodity, and advances from the revolving fund in such amounts as the board deems necessary for the operation of the fund. There shall be disbursed from the premium insurance fund for any commodity (1) the payments required by any insurance agreement in respect of the commodity, and (2) repayments into the revolving fund of advances made from the revolving fund to such premium insurance fund, together with interest on such advances at the rate of 4 per cent per annum.

REVOLVING FUND

SEC. 11. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $400,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

EXAMINATIONS OF BOOKS AND ACCOUNTS OF BOARD

SEC. 12. Expenditures by the board from the premium insurance funds shall be made by the authorized officers or agents of the board upon receipt of itemized vouchers therefor, approved by such officers as the board may designate. All other expenditures by the board, including expenditures for loans and advances from the revolving fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Vouchers so made for expenditures from the revolving fund or from any premium insurance fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board (including the payments required by any marketing or insurance agreement) shall, subject to the above limitations, be examined by the General Accounting Office, at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund or from any premium insurance fund shall be for the sole purpose of making a report to the Congress and to the board of expenditures and agreements in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 13. (a) It shall be the duty of any governmental establishment in the executive branch of the Government, upon request by the board or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such governmental establishment, avail itself of the services and facilities of such governmental establishment in order to avoid preventable expense or duplication of effort.

(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any department or independent establishment in the executive branch of the Government, irrespective of his length of service in such department or independent establishment, to the service of the board, and (2) may direct any governmental establishment to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the governmental establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to any governmental establishment, in pursuance of any provision of law or of any agreement with the governmental establishment.

(c) The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

GENERAL DEFINITIONS

SEC. 14. (a) As used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "United States," when used in a geographical sense, means continental United States and the Territory of Hawaii.

(3) The term "cooperative association" means an association of persons engaged in the production of agricultural products, as farmers, planters, ranchers, dairymen, or nut or fruit growers, organized to carry out any purpose specified in section 1 of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922, if such association is qualified under such act.

(b) Whenever any agricultural commodity has regional or market classifications or types which in the judgment of the board are so different from each other in use or marketing methods as to require their treatment as separate commodities under this act, the board may determine upon and designate one or more such classifications or types for such treatment.

ADMINISTRATIVE APPROPRIATION

SEC. 15. For expenses in the administration of the functions vested in the board by this act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, to be available to the board for such expenses (including salaries and expenses of the members, officers, and employees of the board and the per diem compensation and expenses of members of the commodity advisory councils) incurred prior to July 1, 1929.

SEPARABILITY OF PROVISIONS

SEC. 16. If any provision of this act is declared unconstitutional or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity, is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

COOPERATIVE ASSOCIATIONS ACT

SEC. 17. Nothing in this act is intended or shall be construed to repeal or modify any provision of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922.

PENALTIES

SEC. 18. (a) The provisions of sections 123 and 124 of the Penal Code, approved March 4, 1909, as amended, shall apply to any member, officer, or employee of the board; and, in addition, it shall be held a violation of section 123 of such code if any member, officer, or employee of the board at any time speculates, directly or indirectly, in any agricultural commodity.

(b) It shall be unlawful (1) for any cooperative association, or corporation created and controlled by one or more cooperative associations, or other agency if such agency is acting for or on behalf of the board under any marketing agreement, or (2) for any director, officer, or employee of any such association, corporation, or agency, to which information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or agency, or director, officer, or employee thereof, violating any provision of this subdivision, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SHORT TITLE

SEC. 19. This act may be cited as the "Surplus Control Act."

Mr. CANNON. Mr. Chairman, I have reserved the point of order.

Mr. DOWELL. I reserve the point of order.

Mr. LAGUARDIA. And I make a point of order, Mr. Chairman.

Mr. CANNON. I make the point of order that the amendment is not admissible.

Mr. DOWELL. And it is not germane.

Mr. ASWELL. It is in the same language as the original bill.

Mr. CANNON. There is not a word, paragraph, or punctuation mark in the substitute that is not in the original bill. The gentleman from Louisiana is proposing to strike out the bill and put back the bill. The only difference is that in putting the bill back he leaves out certain paragraphs.

Mr. ASWELL. Will the gentleman yield?

Mr. CANNON. Yes.

Mr. ASWELL. Does not the gentleman consider that a vital and important change?

Mr. CANNON. That is the reason I am making the point against it. It is vitally important.

And what is still more to the point, it contravenes the orderly procedure of the House. While it is proposed in the guise of a substitute it is in fact not a substitute at all but is really a proposal to strike out certain sections of the bill which in the regular order will not be reached until later on in the reading of the bill.

The proposed amendment does not contain a single phrase or word or comma that is not already in the original bill. It is patent, therefore, that it can not be considered as a substitute. You can not offer the absurd proposal to strike out and put back exactly what you have stricken out. You can not propose to insert in lieu of a text the identical text that is already in the bill.

Consequently the effect of such an amendment if entertained would be to bring up out of its regular order and before the proper time for its consideration a proposition to strike out a section which has not yet been reached in the regular reading of the bill.

Now, that is not only in violation of the practice of the House, but it is manifestly inequitable. Why does not the proponent of the amendment wait until sections 10 and 11 are reached in their regular order? What is the occasion for this unseemly haste, for this unprecedented proposal at this inopportune stage of the consideration of the bill? I will tell you why. It is because the sections thus proposed to be stricken out by this amendment are the sections providing for the equalization fee—the issue about which all political considerations incident to this legislation have centered since the Seventieth Congress convened. They want to force a surprise vote on the controverted question of the equalization fee out of its regular order and before opportunity is given to amend preceding sections of the bill leading up to and affecting these sections.

It is the inflexible rule and practice of the House that in the consideration of a bill its sections shall be read and considered in their serial order. The first section is read and considered and disposed of. Then the second section is read and considered and disposed of. And then the remaining sections of the bill are taken up and disposed of in their turn. It is not in order to return to any section once disposed of, and it is not in order to take up in advance any section not yet reached in the reading of the bill. This has been the practice since the days of the Continental Congress.

To entertain such an amendment as that proposed is to violate the long-established practice of the House, and if followed would permit the consideration of any section of a bill or of all sections of a bill out of order and at any time, whether opportunity had been afforded to perfect related sections or not.

Why does not the gentleman wait until the sections on the equalization fee are reached in the order prescribed by the rules of the House? I submit, Mr. Chairman, that the proposed amendment is not admissible; that a proposal to strike out a text and put back the same text is not in order; that it is an effort to secure an unauthorized advantage; and that the gentleman, without sacrificing any of his rights, should wait until the sections he seeks to eliminate are reached in the orderly reading of the bill.

Mr. LAGUARDIA. Mr. Chairman, in submitting my point of order, I have in mind the same thought in part that has been stated by the gentleman from Missouri [Mr. CANNON]. I call the attention of the Chair to this situation: If the substitute offered by the gentleman from Louisiana [Mr. ASWELL], which, on his own statement, is word for word the bill now before the committee with the exception that he eliminates certain sections, is a proper substitute amendment at this time, it will establish an entirely new precedent and the very purpose of reading a bill under the five-minute rule for amendment will be entirely destroyed. Instead of bringing the bill up for consideration before the committee section by section, for its orderly consideration and amendment, it will bring the whole substituted bill before the committee for amendments, but all at one time. After the substitute is agreed to, if it is, the striking out of the remaining sections is purely pro forma. At any time the committee may rise and present the substitute bill to the House just as now offered. We can not amend a single section of the substituted bill. If the substitute as it is worded is exactly as the bill now before the House with the exception of one or two sections, is held to be a proper substitute to be considered in this confused manner, then any bill may be taken from the consideration of the committee, out from under the five-minute rule, by simply eliminating one section and offering the whole bill.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. CHINDBLOM. After this amendment has been acted upon, and amendments have been made to it, the original text will be read section by section and the gentleman will lose no opportunity to debate the original text.

Mr. LAGUARDIA. To do that we would have to vote the substitute down. What good is it or what effect will it have to amend the sections of the original text if the substituted bill is adopted in the manner suggested, to wit, as a complete bill?

Mr. CHINDBLOM. Each section will be taken up and a motion will be made to strike it out, and motions can be made to amend it. Each section of the original text will be read.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Louisiana [Mr. ASWELL] will have his rights protected by moving to strike out the particular sections to which he objects when we reach those sections regardless of the amendments or how an original section may have been perfected.

Mr. CHINDBLOM. And instead of being deprived of any opportunity for action or debate, the committee will get two opportunities to debate practically the same thing.

Mr. LAGUARDIA. Oh, no.

Mr. DOWELL. Mr. Chairman, I make the point of order that the proposed amendment is not germane, and I submit this proposition: The rules of the House are adopted for the purpose of allowing every Member a fair opportunity to present his questions squarely before the committee. That is the purpose of the rules of the House. Under the rules of the House the gentleman from Louisiana [Mr. ASWELL] will have a fair opportunity to move to strike out the sections he desires to strike out, and I think a point of order would not be sustained to a motion striking them out. Under his substitute amendment the gentleman seeks to operate this bill under a different plan than that submitted in the original committee amendment. I submit the gentleman has the opportunity to offer a separate amendment to strike out the equalization fee. In the present situation the gentleman from Louisiana is offering a substitute which entirely changes the operation of the proposed law, and therefore it is not germane to the original bill, which provides for an equalization fee.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield at this point?

Mr. DOWELL. Yes.

Mr. LAGUARDIA. Besides that, Mr. Chairman, the gentleman from Louisiana could not offer his section 1 as an amendment to the present section 1, because they are identical. Therefore, what he hopes by his motion to do is to jump the entire bill up to the paragraph that he is interested in, instead of waiting his turn, when he may move to strike it out. Sections 1, 2, and 3 could not be offered as substitutes for sections 1, 2, and 3 of the bill we are considering, because they are identical.

Mr. DOWELL. Mr. Chairman, the question that is before the Chair just now is one which is not usually presented, because the orderly method is to move to strike out the section. The gentleman is seeking to entirely change the operation of this bill; he is seeking to have it operated under a different plan than that provided by the committee, which is clearly not germane to the original bill. It has been held time after time that no amendment can be offered and sustained that is not germane to the original proposition. His amendment merely amends certain things in the bill, and in that he seeks to entirely change the operation of the bill. When an amendment is offered that changes the entire operation of the bill, I submit his amendment is subject to the point of order.

Mr. FORT. Mr. Chairman, will the gentleman yield?

Mr. DOWELL. Yes.

Mr. FORT. If that were true, would an amendment to strike out section 10 be germane?

Mr. DOWELL. I have just stated that I think it would be.

Mr. FORT. Then why is it not true here?

Mr. DOWELL. It is not true here. I have just stated that the orderly and proper method is to move to strike that out if he does not want it, but it is not in order to offer a substitute which entirely changes this program without waiting in the orderly way to strike out what he desires to strike out.

Mr. Chairman, I think this a very important matter not only in respect to this bill but in respect to every other bill that may come before the Committee of the Whole. The purpose of the rule is to give everyone an opportunity to get his case fairly presented to the committee, and the gentleman has a plain remedy if he wants to accept it, to move to strike out the sections to which he objects. If this be permitted now, I say to the Chair that it will revolutionize the entire rules of the House by permitting amendments to be offered in the form of substitute bills entirely changing the operation of the proposed bill by leaving out the main part of the bill. I submit that

Members must observe the rules and go direct to the motion to strike out any particular portions they desire to strike out.

I insist that in this case the amendment or substitute offered is clearly not germane, because, if adopted, it changes entirely the operation of this bill; and under the general rules and under the rule that has been laid down by the Chair heretofore a bill or a substitute that is not directly in line and not germane can not be sustained.

I insist that this amendment is not germane, because an entire change in the operation of this bill is made by this substitute.

Mr. CHINDBLOM. Mr. Chairman, I ask that the motion of the gentleman from Louisiana may be again reported; not the amendment, but the motion. My understanding is that the motion was to strike out the first paragraph and substitute therefor the amendment offered by the gentleman, with notice that if the amendment be adopted the gentlemen from Louisiana will move to strike out the remaining sections.

Mr. ASWELL. My motion was to strike out all after the enacting clause and insert my amendment.

Mr. CHINDBLOM. If that is the motion, and it is agreed that it is, then, of course, as each succeeding section of the original text will come before the committee, you will have an opportunity to act upon each one.

Mr. DICKINSON of Iowa. Suppose you had a bill under consideration and you offered an identical bill as a substitute, but leaving out the word "money" or the word "and," or leaving out any part of the bill that happened to be essential for the bill to function, and then would come in here and instead of presenting an amendment to strike from the bill you would come in and offer a substitute with that left out. That is what you are running into. [Applause and cries of "Rule!"]

The CHAIRMAN. The Chair thinks that for the most part the procedure is very well settled respecting the questions which have been raised by this point of order. The Agricultural Committee substitute pending before this committee must be considered as an original bill under the rule, and the practice is well fixed that anyone, on the completion of the reading of the first section of a bill, may offer an amendment to strike out the section and insert a complete bill as a substitute, at the same time serving notice that if his substitute is adopted he will move to strike out the remaining sections of the bill as they are read. That is the exact situation before the committee now. There is nothing new or strange in that procedure.

The gentleman from Louisiana [Mr. ASWELL] states that the first few sections of his amendment are identical with the first few sections of the Agricultural Committee substitute and objection is made to his motion for that reason. As the gentleman from Illinois [Mr. CHINDBLOM] has pointed out, the motion of the gentleman from Louisiana is a substitute for the first section of the bill, and his motion incorporates the other sections of his bill in order to make a complete bill.

This question as to how far a substitute amendment has to differ from the original text of the bill was passed upon a few years ago by Chairman Towner in a situation something like this, as the Chair understands it. The committee had been considering some legislation and had taken certain action in regard to it. The gentleman from Illinois, Mr. Mann, did not approve of the action that had been taken, and at the completion of the reading of the bill offered a substitute, eliminating or changing in the entire bill only the word "and." The bill contained two sections. The change of the word "and" was the only change, as the Chair understands, that was made in the substitute from the original bill; and Chairman Towner held that the substitute was in order. In giving his decision Chairman Towner said:

> There are two methods by which substitutes for the entire bill may be offered. The first is to offer, after the first paragraph has been read, a substitute for the entire bill, with the notice that with regard to the succeeding sections of the bill as they are read a motion will be made to strike them out. That method has been used in a good many instances. In that case gentlemen will notice that, of course, there is no opportunity for amending any subsequent section of the bill, providing the substitute is agreed to.
>
> The other method is to offer the substitute for the entire bill at the conclusion of the reading of the entire bill, as was done in this instance by the gentleman from Illinois. Of course, in that case all of the amendments that have been adopted by the committee, whatever they may be, are stricken out if the substitute is adopted. If the substitute contains in effect or in actual language some of the amendments that are already agreed to, that does not deprive the mover of the substitute of the consideration of his substitute. That applies practically to the case that we have before us, in the opinion of the Chair. No matter what the effect of this substitute may be, it is the right of the committee to vote down or to support the motion of the gentleman from Illinois. The point of order is, therefore, overruled.

The Chair appreciates the force of the argument of the gentleman from Iowa [Mr. DOWELL] and recognizes that a situation might arise where, in striking out certain provisions of a bill the entire plan and scope of the bill might be changed. But the Chair does not think that that is the situation here. In this bill there are loan features and insurance features; and contract-agreement provisions which are still left in the bill, and it is a question, not for the Chair but the committee, to decide whether it wants to approve these different provisions with or without the equalization fee.

The Chair, therefore, overrules the point of order and recognizes the gentleman from Louisiana.

Mr. ASWELL. Mr. Chairman, I wish to state very briefly that I have adopted this course not to confuse or to change the procedure of the House but for the specific purpose of placing before the committee a concrete example in exact language so that you will see what the bill is before you vote on it.

And I wish to say, gentlemen, these specific and earnest words, that it is generally recognized that the bill as written can not become a law in this year 1928. The substitute I have offered——

Mr. DICKINSON of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Not now.

The substitute I have offered, it is generally agreed, can and will become a law if adopted. It is a complete bill, and it has been recognized throughout the hearings that with a $400,000,000 revolving fund, to be used partly as a loan feature to the enterprise, the fund is ample to test this plan of action; and Congress will assemble again next December and again the next year, and you will have ample opportunity to include the equalization fee at a later date if it is found desirable. But you would have ample funds to put into operation this bill exactly as it would be put into operation if you had many more millions of dollars. You will have ample funds now without an equalization fee; and my contention is that without the fee we do have a prospect of getting farm legislation at this time. [Applause.] I have made my motion for this purpose in the hope that we may have some farm legislation and not to do the vain and childish thing of putting through the House a bill that can not become a law. [Applause.]

Mr. BLACK of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLACK of New York. If the Aswell motion prevails and then a motion is made to strike out succeeding sections of the committee bill, sections 2, 3, 4, and so forth, and those motions are not carried, may we not be in the position of having three or four sections identical with three or four sections in the bill?

The CHAIRMAN. That is a matter, of course, for the committee to determine and not for the Chair.

Mr. BLACK of New York. Assuming that the Aswell motion is carried and a motion is then made to strike out section 2 and that motion is not carried, might we not have two sections in the bill of identical language?

The CHAIRMAN. The Chair can not assume the committee would do that, but it is a matter for the committee to determine.

Mr. DICKINSON of Iowa. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. DICKINSON of Iowa. Mr. Chairman, when you take the equalization fee out of this bill you destroy the heart of the bill. There is no way possible by which you can substitute money for the equalization-fee principle. There is no way by which money can stabilize the price of a commodity. The equalization-fee principle is the thing that is essential for farm relief. It is the one principle we have been fighting for during the last seven years, and the people who want to deny us the privilege of having the equalization-fee principle in the bill are the people who want to make farm relief absolutely nothing but a foolish piece of legislation.

Next, the man who has offered this amendment has been the man who has been bitterly opposed to farm relief ever since its beginning.

The one principle which those of us who are in favor of farm relief have been asking is that we have something that will bring a commodity within the control of the legislation, and if you do not have that you have absolutely nothing but the possibility of having, if you please, a combination that can control enough of the commodity to affect its price, and no one has ever dreamed that you will ever bring within the control of any

cooperative association organization under existing conditions a sufficient percentage of the commodity so that you will be able to have a bargaining power, which is the real basis of the McNary-Haugen equalization-fee principle.

Now, to say that you can have this kind of a law without the equalization-fee principle, and you can not have it with it, is to my mind a foolish statement. I know not the source of the gentleman's information, but I do say this, that no one I know of is authorized to say that this law can not become a law with the equalization-fee principle in it.

I do not know the strength in the Senate; I do not know the strength in the House, and I do not know the action which will be taken at the other end of the avenue, and I do not believe any person knows it, with the result that we have here the possibility of sufficient votes in both the House and the Senate, and we also have the possibility that with a changed piece of legislation complying with the provisions of the veto of last year there may be no veto this year, and to say that we can not have legislation if the equalization fee is left in the bill is reaching a conclusion that is not justified.

I want to say one thing more to you. If you take out the equalization fee you are going to turn the farmers of the country against the Members of the House who have voted to strike it out. I believe this thing has been before this country long enough to show that the great majority of the farmers of this country understand it, and with that understanding they are demanding just plain justice; that they be put within the protective-tariff system of this country, and if they are not, then they are going to take things into their own hands and see whether or not they are not in shape to force something through the legislative halls of this Congress and put men and women in the seats of Congress who will give them what they think they are entitled to. The only way you can give them that equality, the only way you can maintain the American standard, and the only way you can carry it out to the farm is under the principle of the equalization fee. Nobody has offered anything anywhere, at any time, that is a substitute for the equalization fee.

The gentleman from New York says it is unconstitutional. He is the same kind of a lawyer I am, and his conclusion is no better than mine, and the rest of the lawyers in this House have disagreed about it.

Next, the farmers of this country demand one more thing, and that is that the constitutionality of a law be left to that branch of the Government which is set up to determine such a question. Under the organic law of this country, as at present formulated and constituted, there is a judicial body set up to determine the constitutionality of a law. This thing has been before this country so severely and so long that you are not going to satisfy the farmers who are interested in this legislation by coming here and heralding the fact that four or five Members of Congress say it is unconstitutional. They want the Supreme Court of the United States to pass on this principle, and they are not going to be satisfied with anything less. This is not the first great legislative act that came before Congress which was heralded as unconstitutional. You can go back and read the old tariff debates, and you will find that exactly the same charges were made against the protective tariff principle that are now being made against the equalization-fee principle in this bill.

Therefore, if that is the case, we want the one body that was constituted under our organic law to tell us whether this is constitutional or not. We do not want the individual opinion of any Member of Congress. We want the decision of the duly constituted body under our Constitution to say whether it is constitutional or not, and we are not going to be satisfied with any Attorney General's opinion or the opinion of anybody else, because the farmers have been working on this thing for all these years and they know that when you take out the equalization fee you take out the heart of the legislation. Why? Because it is the thing that brings the commodity within the control of the machinery, and the very reason our cooperative organizations have not been able to succeed is because so much of the commodity stays outside of their machinery that it wrecks their whole plan of price stabilization, and for that reason you have got to have some additional machinery that will put the commodities within the control of this legislation.

Just one more thing. Big business is claiming we are doing something for the farmer that we have done for nobody else. Now, this is absolutely untrue, and let me tell you why. Big business has been able to bring within its control a sufficient percentage of their commodities so that they have the exact bargaining power that we are asking here that the farmers shall have.

They also say you can work cotton without the equalization fee. Let me say to you that you can not work cotton without the equalization fee for the reason that the equalization fee is the security they will have in their cooperative organizations against a loss that they can not absorb, and you must either have the equalization fee to overcome this loss or you must pay it out of the public funds, which the farmers of this country do not want you to do.

I was amused the other day to read a press report that the Congresswomen from Massachusetts, [Mrs. ROGERS]—and I am sorry she has just left the room—had stated that the cotton spinners of this country would be at a disadvantage because the cotton spinners of other countries would be spinning cotton and would not have to pay an equalization fee. Let me suggest to you that we produce 60 or 70 per cent of the cotton in the United States and our price determines the price of the world, and for that reason the world price would go into the wheels of the spinners everywhere, and you would have nothing to do with difference between the price in Europe and the price here, but you would have a charge against the producer of the original commodity and it would be equally distributed. This is the very principle we have contended for and is one that would bring the cotton within the control of an organization of this kind. Then you have the whole cotton area of the United States fluctuating along hoping they can borrow enough money against their cotton to carry it over a depressed period, and if they can not do this, then the cooperative organization "busts" and is ineffective in its purpose.

Take the tobacco pool which is the best illustration of this principle that I know. If you had had an equalization fee whereby you created a sinking fund and brought in sufficient money to bridge over the low-priced period, then you would have had an effective piece of machinery which otherwise is absolutely no good whatsoever.

I want to say to you that if you adopt this amendment you are destroying farm legislation. Do you think, either as Republicans or Democrats, you can go out and sell this kind of theory to the country because it can not be done. I have been among them during all these years. I believe I was one of the earliest converts to this legislation and I have been working at it ever since. I want to say to you that the people of this country who are behind the farmers, as well as the farmers themselves, thoroughly believe that they got to have this type of machinery or they might just as well not have any legislation at all.

This means equality for agriculture and that is what we must have. If you are going to go on and continue to centralize and industrialize the United States, then you are going to have deterioration in your farm population all along the line.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FORT. Mr. Chairman, I rise to offer an amendment to the substitute.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT to the Aswell substitute: Page 13, line 14, strike out all of section 9.

Mr. FORT. Mr. Chairman and gentlemen of the committee, the substitute as offered by the gentleman from Louisiana, Doctor ASWELL, with the amendment which I offer, and one or two relatively minor amendments, will meet the situation which a day or two ago I said on the floor would constitute a bill which, in my judgment, could be supported by every Member of the House.

I understand the gentleman from Louisiana does not seriously oppose the amendment which I propose.

Mr. KINCHELOE. Will the gentleman yield for a question?

Mr. FORT. Yes.

Mr. KINCHELOE. Is section 9, the section which the gentleman refers to, the marketing-agreement section?

Mr. FORT. It is the marketing-agreement section.

As I explained to the House the other day, without sections 9 to 12——

Mr. ASWELL. Will the gentleman yield?

Mr. FORT. Yes.

Mr. ASWELL. So far as I am concerned I have no objection to striking it out.

Mr. FORT. If there is no objection, is there need of debate. I will submit that as a parliamentary inquiry.

The CHAIRMAN. The Chair does not feel that is a parliamentary inquiry. It is too much responsibility for the Chair to take.

Mr. FORT. If the gentleman accepts the amendment, is the amendment a part of the gentleman's proposal?

The CHAIRMAN. The gentleman can not accept it, except by unanimous consent of the committee.

Mr. FORT. Then I ask unanimous consent.

The CHAIRMAN. The gentleman from New Jersey asks unanimous concent that section 9 of the Aswell amendment be stricken out. Is there objection?

Mr. SUMMERS of Washington. Mr. Chairman, I object.

Mr. FORT. Mr. Chairman and gentlemen, the purpose of my amendment is this: As was explained to the committee a day or two ago section 9 is the section of the bill and the only section of the bill under which contracts with packers, millers, and other processors is permitted. Section 9 is the only section that puts the Government of the United States squarely in the business for its own account of buying and selling food products. Section 9 of the bill with the equalization fee out submits the Treasury of the United States to a charge far in excess of the entire revolving fund annually.

Unless section 10, the equalization-fee section, is to stay in, I take it that no proponent of the legislation would ask to have section 9 in. If, therefore, the substitute offered by the gentleman from Louisiana which eliminates the equalization fee is to be adopted section 9, which no one would advocate, unless the equalization-fee provision were in, should come out.

Mr. HOCH. Will the gentleman yield.

Mr. FORT. Yes.

Mr. HOCH. I call attention that section 9 refers to the stabilization fund.

Mr. FORT. The amendment of the gentleman from Louisiana strikes out all reference to the stabilization fund and the equalization fee.

Mr. HOCH. I will ask the gentleman from Louisiana if his amendment leaves in the language of the stabilization fund?

Mr. ASWELL. It does not. It strikes out all reference to the equalization fee, and the words "stabilization fund" are not in there.

Mr. ABERNETHY. Will the gentleman yield?

Mr. FORT. Yes.

Mr. ABERNETHY. I understand the gentleman wants farm relief?

Mr. FORT. I do.

Mr. ABERNETHY. Many of us who have honestly supported the bill heretofore, including the equalization fee and all, would like to support a bill containing the provisions of the Haugen bill without the equalization fee.

Mr. FORT. I yielded to the gentleman for a question.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. FORT. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FORT. Now, gentlemen, let us be perfectly clear in what we are doing. With section 9 in the bill even in the form the gentleman from Louisiana would leave it, we are definitely giving to the Federal Government the power and the duty of engaging in the trade in commodities for the account of the Treasury of the United States.

The profits and losses of the agency employed are a charge or a credit to the Treasury. With no offset, with no deduction, the charges of the agency employed which include its profits for its services are paid out of the Treasury of the United States.

With this section in, even though section 10 comes out, we are embarking on the wildest program for the Government in business that has ever been considered by anybody—far more so than would be the case if we adopted the bill even with the equalization fee.

Consequently as the proponents have never asked that we engage in the operation without the fee, and as the opponents have objected to our engaging in business without the fee, it seems clear that the section should be stricken from the substitute.

Mr. LEAVITT. Will the gentleman yield?

Mr. FORT. I yield.

Mr. LEAVITT. The gentleman means the Aswell proposition to the House measure is as vicious as the gentleman says it is.

Mr. FORT. In my judgment—through misinformation as to the effect of striking out all of the language which he moves to strike out.

Mr. LEAVITT. That would mean that we should be suspicious of a proposition from the gentleman from Louisiana.

Mr. FORT. I do not think so; I think the gentleman from Louisiana is a sincere, able, hard-working member of the committee.

Mr. ANDRESEN. Does not the gentleman think some part of section 12 should be stricken out?

Mr. FORT. I have an amendment that strikes out four lines which I shall offer later.

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I want to call attention to the argument of the gentleman from New Jersey just made. If you strike out section 9 you will bring the proposition back to the original plan of the gentleman from New Jersey—simply a loan proposition to the farmers. Under section 9 this board will have the privilege of arranging through an agency by advancing of money out of the stabilization fund to enable this agency to go into the market and take all or a part of the surplus off the market so as to be able to hold it and feed it back into the market in an orderly way and thereby stabilize the price. That has been the contention of the gentleman from New Jersey in the committee and all through the proceedings. I hope that the amendment will not be accepted.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. STEVENSON. Does the gentleman want us to vote in the equalization fee or take it out?

Mr. FULMER. I make the same statement to the gentleman from South Carolina that I made yesterday in my speech. While I have gone along as earnestly as I could for this bill in the interest of the farmer, yet unless we can adopt certain amendments which we tried to adopt in the committee I shall have to vote to strike out the equalization fee.

Mr. ADKINS. Mr. Chairman, everyone knows that for some years back the fight over this farm-relief legislation has been in respect to the equalization fee. The interests and the people generally who are opposing the bill I believe would favor any sort of a bill or any amount of money to be taken out of the Treasury if we would eliminate the equalization fee. Why all the concern on the part of the opponents of this type of legislation over the equalization fee? If they were paying it, or if the Public Treasury were paying it, there might be some reason for it, but if the farmer himself proposes to pay it, and if it enhances the price and stimulates overproduction, then no one is hurt except the farmer. If all of the things said about it could come to pass, the farmer is the fellow who pays the bill. Why the objection to it?

Gentlemen, you will remember that in the beginning of this Congress I made a speech here stating what I thought Congress should do. I said that Congress should meet every objection raised by the President in his veto message but one, and that we should meet the President more than half way if possible on his objection to the equalization fee. I said that I did not believe it was possible to operate a scheme of this kind, for a few years, at least, unless you could take care of the loss by spreading it out over the entire production through this equalization scheme, that your cooperative associations could not afford to do it or shoulder the load themselves.

Mr. Chairman, there are men here who are just as anxious to secure farm relief as I am. They met me in the cloak room and said, "My God, let us not put the equalization fee up to the President again. If we do, it will be vetoed, and we get no farm legislation at all." Many of them thought that we had better adopt the very "layout" that Doctor ASWELL has proposed rather than go home without anything, and they said that we could then come back again next Congress and make a fight for the equalization fee.

I set that all out in a letter to the leading farmers in my community, and to the heads of the farm organizations and to everyone interested. I specifically set out the statement that unless a large number of Congressmen and the President of the United States changed their minds, if we got any farm-relief legislation we would have to eliminate the fee. What was the result? Out in my country 94 counties were represented in their State farm bureau organization convention at Rock Island. Our Illinois Bankers' Association was in session in the same city at the same time. My letter was out there and the speech I made was out there. They got the people around the table, the representatives of those 94 counties, and read the speech that I had made and the letter that I wrote. They talked over the situation and what it would be in the event that they secured a law without the fee. They were not wild-eyed fellows; they were not men who were there just playing politics. They were there to consider a proposition that meant much to them. What was the universal verdict?

They said, "We will be just like we were 25 years ago when we started the local co-ops, and we applied the penalty clause. If we had not done it, the existing agencies would have put us out of business. Without the fee we are not getting anything outside of the loan and the board that we

have not already got. The only thing Congress would hand us would be this board in Washington and an opportunity to borrow an additional amount of money, and we will lose what we borrowed and be in the same fix that the tobacco men were and the cotton men were and the grain men were who undertook to control the surplus. We will go broke and lose this money."

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ADKINS. Mr. Chairman, I ask unanimous consent to speak for five minutes more.

Mr. ABERNETHY. Mr. Chairman, reserving the right to object, I am not on the Committee on Agriculture, but like many others I can not get recognition as long as the members of the committee seek it. If we are going to be given some chance to debate the bill, well and good. I would like to have five minutes myself on this proposition at some time during the day.

Mr. ADKINS. As far as I am concerned, the gentleman can have five minutes, and if they will yield me five minutes I will be very glad to yield it to the gentleman.

Mr. ABERNETHY. Oh, I shall not object, but I want an opportunity to say something.

Mr. ADKINS. There is no desire on my part to "ring" anybody off.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ADKINS. Mr. Chairman, those men thought and talked it all over. They were directly affected. They sent their representative down here, as high-class man as there is in this country. We sat down and talked it over. They outlined their objection and they had the picture before them clearly where they would be in the event that they started the proposition without the fee. It took half the night to talk it over. What would happen? They felt that they would lose their loan and be back here next session and that everybody would be laughing at them. They said, "Our whole effort for the past four or five years to work out a program for agriculture, a long-time program, will be gone." Mr. Chairman, that is the situation that exists in my country.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. ADKINS. Yes.

Mr. McKEOWN. What does the gentleman think of the prospects of the approval of legislation with the equalization fee in it? If the gentleman can give us any assurance that it will be approved, we will go along with him.

Mr. ADKINS. Oh, that is not our responsibility. The gentleman will recall that the legislative body that passed the homestead act, and sent it down to the Executive and the Executive disapproved it. But the legislative body believed in the principle and they came back again with more information and passed it, and it eventually became a law. I do not think that our responsibility as one of the coordinate branches of the Government should be swerved or influenced by the attitude of any other branch of the Government.

So it is the merits of this proposition that we are going into. Who knows whether this purpose will be attained? They say there is no stabilization fund provided. Of course not. The big speculative interests do not want the market stabilized. You would have as much chance to go out with a loan to this board to stabilize the market and settle the variations up and down as you would have to win the Kentucky Derby by substituting a jackass for a thoroughbred. [Laughter.] You would not accomplish the things that are sought under the operations of this bill.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. ADKINS. Yes.

Mr. SUMMERS of Washington. Were the representatives in the 94 counties you speak of for the bill with an equalization fee?

Mr. ADKINS. Yes.

Mr. SUMMERS of Washington. And the bankers of Illinois took what position?

Mr. ADKINS. The bankers at the same time adopted a resolution while they were in session, declaring that if they could not pass the bill with the fee they should not pass any law at all. That was the action of the Illinois Bankers' Association.

Mr. SUMMERS of Washington. They were for the bill with the fee?

Mr. ADKINS. Yes; and without it they said we would be better off without anything.

Mr. LAGUARDIA. I do not think the gentleman should press that argument, because I do not think the farmers have anything particularly in common with the bankers.

Mr. ADKINS. The bankers have their notes. That is the trouble.

Now, here is a man who has sent you all a little book. He has spent 30 years of his life in the grain trade. He is now retired. If you have read it you will notice that he comes to this final conclusion at the end of the little volume here, where he says, in substance, that we do not know whether this will do all that we hope for it, any more than any other legislation; but, my God, we ought to try. And in the wind-up he comments on this bill. This is the exact language from a trader who has spent 30 years of his life in the grain trade. I will read it. He says:

Finally a concerted move is being made to secure Government assistance through legislation in the form of a decree by Congress known as the McNary-Haugen bill. If any legislation can be enacted which carries with it the possibilities of Government appointees taking away from terminal markets the accumulated surpluses which are used as the basis of short selling of futures in pits and can assist in placing grain into consumption and out of storage, to get grain into an invisible supply instead of the visible supply, then farmers should rally to such a movement. With the limited education which now exists among farmers and wage earners and industrial organizations as to present requirements, the McNary-Haugen bill should become effective. It may do some good. There is a chance. The word "chance" is used because there is always a risk involved in Government appointees securing relief for farmers when Government is more likely to be controlled by the terminal rather than rural interests.

To have our Government in the business of merchandising grain is not an ideal method of commercial practice. It may be assumed to be as good or better than present monopolized and promiscuous practices. If we know no better, let us accept the plan which has a chance at least of some improvement.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ADKINS. Mr. Chairman, may I have two minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for two minutes more. Is there objection?

There was no objection.

Mr. ADKINS. I have read to you the judgment of a man who has made his money under the present system of marketing grain. That is the idea that the farmer himself has in mind. He says, in substance: "Let us try this. We will pay the bill. If it is wrong, it is our funeral. But do not let us start out on a scheme that has fallen down in every effort made heretofore by a small minority." [Applause.]

Mr. KINCHELOE. Mr. Chairman, I have no desire to take the floor at this time. I did not intend to, but I did not know that this substitute would be offered at this time. But I owe a duty to the Members of Congress from the cotton-growing States. The gentlemen who were here will remember that the other day I put in the RECORD some amendments that I desired to offer under the five-minute rule. One of those amendments is the one in which I am especially interested, and I think every man from the cotton-growing States is interested in it. It provides that this board shall not levy an equalization fee upon any commodity unless the advisory council for that commodity shall first agree to it. At my solicitation the drafting service has carefully drafted this amendment. I understand from them that there is no constitutional inhibition against it at all. I will ask the chairman of the Committee on Agriculture if he will agree to this amendment?

Mr. HAUGEN. As the gentleman will recall, in the committee I stated that if he prepared an amendment which was constitutional, I for my part, speaking for myself, would not object to it. I am not now speaking for the committee, but I have conferred with a number of members of the committee, and I understand they will make no objection to the gentleman's amendment. There may be an exception or two on the committee. I have talked with members on this side. I have not spoken of it with those on the other side.

Mr. KINCHELOE. Do I understand the gentleman will make no objection?

Mr. HAUGEN. I will make no objection to the gentleman's amendment.

Mr. KINCHELOE. I thank the chairman. Now, gentlemen, you are going to vote in a few minutes on the question as to whether you will eliminate the equalization fee.

Without an amendment like this on the McNary-Haugen bill, the board can go and levy an equalization fee without the consent of the commodity advisory council; but under this amendment which I have offered, which the chairman says he will accept, they can not levy an equalization fee on the cotton

or any other commodity without the consent of the members of the commodity advisory council agreeing to it.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BRAND of Georgia. Is the amendment to which the gentleman refers, and to which the chairman of the committee has no objection, identical in language with the one that is printed in the RECORD?

Mr. KINCHELOE. No.

Mr. BRAND of Georgia. Then the gentleman has a revised amendment?

Mr. KINCHELOE. I have a revised amendment from the drafting service.

Mr. BRAND of Georgia. Can we see that?

Mr. KINCHELOE. Yes; I have several copies here. In that connection I have two assurances. The drafting service assures me this will accomplish the same thing that my other amendment would accomplish, and that, in their judgment, there is no constitutional inhibition about it.

Mr. BRAND of Georgia. And that amendment is one that Mr. Haugen agrees to?

Mr. KINCHELOE. Yes.

Mr. STEVENSON. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. STEVENSON. The advisory committee, as I understand it, is to be appointed on the recommendation of the cooperative organizations?

Mr. KINCHELOE. Yes.

Mr. STEVENSON. Does not the gentleman know that the cotton cooperatives are all on their last legs and are doing their utmost to force the cotton farmers into this thing, so they will have to pay their expenses?

Mr. KINCHELOE. No; that is not exactly the provision in this bill. The bill provides that the commodity council shall be appointed from a list submitted by cooperatives and other farming organizations. Of course, I want this amendment in for all commodities, and I simply rose for the purpose of getting information from the chairman of the committee for the benefit of cotton people before they voted on this substitute.

Mr. FORT. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. FORT. Does the gentleman's amendment have reference only to the operation of the equalization fee?

Mr. KINCHELOE. Yes.

Mr. FORT. Then the gentleman's amendment, which would be reached before the reading of the fee section, would be useless if the fee were stricken out, would it not?

Mr. KINCHELOE. Yes; but it would be harmless if it were stricken out.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HASTINGS. Mr. Chairman, this is a bill to equalize agriculture. Its short title is "The surplus control act."

It is really a bill the purpose of which is to assist the farm producers of the country to market their products. We have been giving close study for a number of years to the principles involved in this bill. The entire country is intensely interested in it. The report shows we have 6,500,000 farmers in the United States, all of whom have gone through a period of unusual depression not shared to anything like the same extent by the other industries of the Nation.

OPPOSED AS CLASS LEGISLATION

It is urged by those who oppose the bill that it is radical legislation, and for that reason should not be enacted. That may be true, but we have enacted legislation for other classes, and therefore because this legislation goes to the relief of the farmers should not be a sufficient reason for opposing the bill.

It is urged that it is class legislation and paternalistic, and some of our friends raise their hands in holy horror at the mention of it. Practically all of the general legislation enacted by Congress benefits some class or industry more than others. We have enacted tariff legislation for the protection of the manufacturing industries of the Nation, necessitating every farmer to pay a higher price for practically everything he buys.

That legislation is declared economically sound by those who oppose this bill, though they must admit that it is in the interest of the manufacturing classes.

LEGISLATION FOR OTHER CLASSES ENACTED

In 1913 we passed the Federal reserve act for the protection of the banks of the country in times of depression, affording them a financial reservoir to which they could go in times of stress. It was a great piece of constructive legislation, but I invite attention to the fact that it was more particularly in the interest of those engaged in banking. That legislation was not denounced as paternalistic, but while it was pending consideration in Congress it was denounced as economically unsound. However, since it has been in operation it has been universally recognized as wholesome legislation.

Congress enacted the interstate commerce act in 1887. This was a radical departure at the time, being for the regulation of the railroads. It was strongly protested, but now its merits are recognized.

We have appropriated $2,150,000,000 in aid of our merchant marine. The contribution of this vast sum out of our Federal Treasury in aid of the shipping industry is hailed as economically sound and not paternalistic by those who oppose this bill.

We created the Tariff Commission which is spending vast sums of money annually to raise duties on imports and thereby enhancing the prices to the consumers of the country, and it has never lowered them except in three minor cases, namely, long-handled paint brushes, bob-white quail, and mill feed.

The fact is, let me repeat, that practically all of the general legislation which Congress enacts is far-reaching and more in the interest of certain classes than of others, and the argument, therefore, that this is class legislation designed to help particularly the farmers of the country, should commend it instead of condemn it.

We gave land grants to railroad companies to build their lines across the continent some 60 years ago. I am not criticizing this legislation, but am inviting attention to it to show that Congress has extended legislative relief to various business interests and industries.

Let me cite another illustration: Through acts of Congress we have restricted immigration, and I voted for that. Under existing laws approximately 150,000 immigrants of the quota class may now be admitted annually to this country. In 1907, 1,207,000 immigrants were admitted. This legislation was in the interest of labor and to the extent of those excluded prevented cheap labor from competing with the labor in this country. Immigrants should not be permitted to enter our country faster than they can be assimilated into our citizenship.

This bill is further opposed because of the financial assistance which it authorizes to be appropriated and used for the benefit of the farmers. We remitted to foreign governments on their war loans $10,705,000,000—all of which I voted against—because it was insisted they were unable to pay. When we insist that the Government should supply a revolving fund to assist the farmers, in the two ways provided for in the bill, in the orderly marketing of their products and to secure a fair price for them, it is criticized as class legislation and paternalistic and is denounced as a subsidy.

It is urged by those opposing the bill that there is no necessity for this legislation. Let us examine that argument and see if it be true.

OTHER REMEDIES PROPOSED

It is insisted, among other things, that diversification of crops is the proper remedy. It is admitted by everyone that the farmers should diversify in so far as conditions will permit. It must be remembered, however, that a number of things must be taken into consideration.

A man writing articles or speeches on agriculture in a 10-story building in the East does not understand the practical problems confronting the farmers. No one emphasizes the advantages of diversification more than I do. I want to stress it in every possible way. I have been urging it upon my farmers in practically every speech on agriculture which I have made. We must recognize, however, that certain conditions, financial and otherwise, prevent ideal diversification. In the first place the climate dictates to a certain extent what may be grown in a particular locality. To illustrate, you can not grow cotton in the Northern States and wheat can not be grown in many fertile valleys or in a sandstone formation. When we stop to think about it we must take into consideration both the soil and the climate when we urge diversification.

In the second place untold thousands of farmers are not in a financial condition to adopt complete diversification. In order to raise on the farm practically everything that is adapted to the soil the farmer must be financially able to own stock that will consume the products he raises. Speaking for the great mass of the farmers they are now in such a deplorable condition financially that but few of them own livestock to which may be fed the diversified products that may be grown upon the farm. These farmers therefore are compelled to raise such products as may be sold upon the market to secure money to meet their immediate needs. Again, a large number of farmers belong to the tenant class and are compelled to move from place to place and can not plant permanent crops demanded by diversification. The tenant farmer can not set out an orchard, nor can he sow alfalfa, clover, or other farm products which produce over a series of years, for the reason that

he does not know how long he is going to remain on that particular farm. These farmers therefore must of necessity, in a large measure, grow money crops.

Of the 197,000 farms in Oklahoma 115,000 are occupied by tenant farmers.

In my State most of the farmers are in distress and must have financial assistance, either from banks or business houses and must mortgage their crops to secure the same, and to do this must raise crops which can be sold for cash to liquidate their debts.

Again, it is urged that cooperation is the proper remedy. This is very strongly urged by the Secretary of Agriculture and by all of those not in sympathy with this bill. I am strongly in favor of cooperative associations, yet in the consideration of this remedy we must meet the actual practical facts. The farmers are scattered from ocean to ocean, some are located in sparsely settled communities, and because of their raising in small quantities the various farm crops, and because of their financial necessities, only about 7 per cent of the farmers have been induced during the past 25 years of strenuous efforts to join cooperative associations. But few of the tenant farmers have been brought into these associations.

TARIFF REDUCTION URGED

It is insisted that the tariff should be reduced. Many of those who oppose the bill, both in Congress and throughout the country, criticize the bill as not being the proper remedy. They insist that we should revise the tariff downward so as to insure lower prices for manufactured articles to the consumers. I favor a material reduction of the tariff duties on necessities and would vote for such a remedy. However, this would only be a partial remedy, and would not completely meet the situation. Everyone here knows that tariff reduction can not be accomplished during the present administration.

I can not understand the reasoning of anyone who attempts to convince the consuming public that tariff duties which raise the price which consumers pay for the necessities of life are for their benefit. Nor do I have any patience with the argument leveled at the farmers to attempt to convince them that a tariff duty on farm products would be to their benefit.

In 1921 the emergency tariff bill was enacted. Instead of the prices of farm products going up they went down. Everyone knows that where we raise an exportable surplus the tariff can be of no benefit on agricultural products. Take cotton for example. We export approximately 60 per cent of our cotton. We are attempting to find not only a domestic but a foreign market. A tariff of 50 cents per pound on cotton would be of no benefit to the cotton producers of the country. What is true of cotton is true of other agricultural products where we raise an exportable surplus.

I was raised on a farm. I own farm land. Every person in my district is either directly or indirectly dependent upon the farmer. They all sympathize with him. They do not believe he gets a square deal from our Government. I share this belief.

REDUCTION OF FREIGHT RATES PRESSED

Again, there are those who insist that freight rates should be reduced and, of course, to the extent of the reduction the farmers would be benefited. They receive the market price at a central point less the freight rates. I think no one believes that Congress, as at present constituted, could be induced to amend the Esch-Cummins Railway Act, which I voted against. If we can not apply the remedy of reduced freight rates, why withhold the remedy provided in this bill?

The truth is that those who are opposed to legislative relief for the farmers make an effort to find some other plausible excuse for opposing legislation for their benefit.

Let me repeat that the idealist in the East does not understand many of the pressing practical problems which face the farmers.

LOSS OF FARMERS (1920–1925) STAGGERING

The necessity for such legislation is recognized and admitted by all, but that admission does not fully present the full picture. When a patient is sick and struggling for life heroic measures are resorted to by his physicians and often a surgeon's knife must be used. The farmers are in that condition to-day. Since 1920 they have gone through a period of depression that is hard to describe and which can not be exaggerated.

What are the facts? During the consideration of this bill in the last session of Congress it was asserted and not denied that during the five years from 1919 to 1925 the exchange value of the farm products of the country had shrunk $13,000,000,000. The shrinkage of farm lands has been from $54,800,000,000 to $37,800,000,000, or $17,000,000,000. In other words, the loss to the farmers in the value of their products and the loss in value of their lands has been $30,000,000,000, or as much as was spent by the United States in the recent World War.

The report of the Secretary of Agriculture shows that the exchange value of farm products for manufactured products in 1925 was 60.3 cents. The farmer lost, in exchange value, 39.7 cents out of every dollar. The farmers contributed that amount out of every dollar to the industrialists of the East. No wonder the manufacturers are prosperous. The farmers of the West and South pay the toll.

FARMER'S INCOME COMPARED

The average income of the farmer, according to the last report, is approximately $730 yearly, and this includes the labor of the farmer, his wife, and other members of his family. Out of the $730 annual income there is deducted $630 for the living expenses of the farmer and his family, leaving him for clothing, education of his children, recreation, and other expenses, the sum of only $100 yearly. Contrast this with the average income of the industrial and clerical workers which is reported to be $1,415 per year, almost double that of the farmer. The industrial and clerical worker, generally speaking, is comfortably housed, and works about eight hours per day, while the farmer and his family work longer hours and all contribute their labor.

HAZARDS OF FARMERS

The farmers are exposed to all kinds of weather conditions—cold and heat, excessive rains and snow, with attendant floods overflowing cultivated fields, destroying fencing, washing away soil, and planted crops, oftentimes necessitating their replanting, and from pests such as boll weevil, pink bollworm, chinch bug, corn borer, and in fact every kind and character of pest imaginable.

The freeze frequently takes the entire fruit crop. Many times maturing crops are lost by drought, excessive rains, or other weather conditions, or pests. These hazards of the farmers, causing loss of time and great and unexpected financial losses, are not appreciated or experienced by the comfortably housed clerical or industrial workers, whose incomes are secure and which are double the incomes of the farmers.

Let us examine with a little more care the losses sustained by the farmers:

The cattlemen during this five-year period lost $2,360,000,000, and without exception every single one of them who did business on a large scale and on borrowed capital went broke. The hog producers during this period lost $2,680,000,000. The corn producers lost over $1,000,000,000 and the wheat farmers over $1,150,000,000. During part of this period cotton sold below the cost of production. Last year, because of the ravages of the boll weevil, a fair price was maintained for cotton, but in many sections—and this is true of my district—little or no cotton was raised, and in some fields not a lock of cotton was picked.

Added to these conditions the report given out on September 15, 1925, through the Department of Agriculture predicting the downward price trend of cotton lost the farmers of the South many millions of dollars. We are trying to prevent this by legislation.

No wonder the farmers of the country are demanding legislation at the hands of Congress because of their deplorable condition. This condition can not much longer continue. The farmers and small business men located in the agricultural communities throughout the South and Middle West will not stand for it. They are demanding and are entitled to the enactment of legislation that will equalize their condition with that of other industries.

I have called attention to the small income of the farmer and the much larger income of the industrial and clerical workers. This inequality is due to the fact that the consumers of the agricultural sections pay tribute on account of special class legislation.

In 1926 the United States Steel Corporation declared a 40 per cent stock dividend in addition to the regular quarterly dividend and placed an enormous amount to its surplus. The duty on pig iron was raised 50 per cent for its benefit.

The statistics show that the average farm dividend is less than 2 per cent. The farmers have been reduced to industrial slavery. They have mortgages upon their farms reported to amount to $12,250,000,000. Is it any wonder, then, that they are earnestly and insistently asking Congress for some relief?

MORTGAGE FORECLOSURES—FARMS SOLD FOR TAXES

The reports show that more farms were sold for taxes in my State during 1927 than in any previous year of our history. Mortgages are being foreclosed in surprisingly large numbers. Everyone who represents the farmers of the Middle West knows that this picture is not overdrawn. Nor are conditions improving. Surely this Congress should not adjourn until this most important question is carefully considered and relief legislation enacted.

Statistics show that 2,150,000 people removed from the farm during 1927, and even taking into consideration removals from

the city to the country and the number of births on the farm, there were 1,000,000 fewer people on the farms at the end of 1927 than during the previous year.

At the close of the Civil War two-thirds of the population of the country lived on the farm and the remainder in the cities. Now the reverse is true. Approximately one-third reside in the country and the remainder in cities and towns. Why is this true? The answer is that the people are trying to better their condition which, on the farm, is almost intolerable.

BANK FAILURES DUE TO FARM CONDITIONS

It should not be necessary to further argue the depressed condition of the farming industry, but let us examine the bank failures from 1920 to 1927. The report of the comptroller shows that during those eight years there were 3,941 bank failures, with aggregate deposits of $1,185,503,104. Of these failures 2,818, with deposits aggregating $726,365,778, were in 12 agricultural States. The great agricultural State of Iowa headed the list with 367 bank failures, with deposits aggregating $142,777,255. My State, I regret to say, had 209 bank failures, with deposits aggregating $45,356,270. The other 12 States were in the following order: North Dakota, 364; Minnesota, 299; South Dakota, 293; Georgia, 253; Missouri, 198; Texas, 189; Montana, 188; South Carolina, 158; Nebraska, 152; and Kansas, 148. The report for the past year shows that instead of conditions improving there were more bank failures than during any previous year—135 national banks and 689 State or private banks having failed, or an increase of 193 State bank failures for the year ending June 30, 1927, over the previous year. Two-thirds of these failures occurred in the 12 agricultural States of the Middle West, and were largely due to the depressed agricultural conditions. The failures in the Western States, including Wyoming and Colorado, because of losses on livestock were proportionally as great.

The commercial failures in the agricultural States reflect the bad condition of the farmers. There were 21,773 commercial failures in 1926 and 23,146 in 1927. There were 48,758 bankruptcy proceedings instituted in 1927, with liabilities of $80,000,000 more than in 1926. This is the result of bad agricultural conditions showing that instead of conditions improving they are growing worse.

ALL FARM ORGANIZATIONS INDORSE IT

This bill has been carefully studied and analyzed by every farm organization throughout the country. Differing as to minor details they all approve it. It has the support of the Members of both Houses reflecting the sentiment of the great agricultural States of the country. Analyze the vote this year in the Senate and in 1927 in both Houses of Congress, and it will disclose that those who represent the great agricultural sections of the country have given it their earnest and hearty support.

This bill should not be viewed from a partisan standpoint. Each Member must make his own record and, if the voters of the country would keep constantly in mind such major questions as this, which so vitally affects them, and not be diverted to questions of lesser importance, they would go to the polls and exert a controlling voice in the affairs of the country.

The farmers have not in the past been sufficiently organized. Many neglect to go to the polls. A large number vote their prejudices. The industrialists of the East are closely and compactly organized, always active and alert, and are able to poll their full vote on election day, and to frequently elect representatives who join in either preventing legislation for the benefit of the farmer or the adding of destructive amendments which will nullify such legislation.

The Cotton Growers Association of my State has heartily indorsed this bill. The State Bankers Association in 1927 indorsed it by resolution. The small business man appreciates that his prosperity is vitally affected by the welfare of the farmers. He has, therefore, deep interest in legislation that will enable the producers to realize the cost of production plus a reasonable profit for their farm products. Their interests are mutual.

Many of the farmers have not had an opportunity to carefully study and analyze the provisions of this bill. They know that it is an effort to legislate for their benefit and better their condition. They therefore welcome any legislation proposed for their advantage.

All kinds of imaginary objections to the bill are presented through the press, in the debates in Congress, and in private conversation. No important legislation has ever been enacted that destructive criticism has not been leveled against it.

When the Federal reserve act was being considered in 1913 almost every banker was opposed to it and predicted all sorts of dire consequences if it were enacted. I know of no outstanding banker in my State who favored it. Now, after it has been in operation for about 14 years, I know of no banker who opposes it. It is universally commended. I might add that this is true of much of the general and far-reaching legislation enacted by Congress.

The language of a bill is more or less technical, not always easy to completely analyze by the average citizen, and not, therefore, fully understandable. He therefore instinctively opposes it. Remember, too, that those who represent special interests and who are against the legislation, use all sorts of publicity to misrepresent the purposes of the bill and its administration.

CHARGE THAT IT IS FOR PARTISAN PURPOSES ANSWERED

Attempts are being made to deceive the people of the country into the belief that those favoring the enactment of this legislation support it for political purposes.

An analysis of the vote in the Senate a few days ago, and the vote in both Houses during the last session of Congress, completely disproves this assertion. All of the representatives from agricultural districts supported the bill. This included the entire delegation from Iowa, all the Members of both Houses from Indiana, those representing the rural communities outside of Chicago, in Illinois, all of the present Members representing the State of Kansas, and all of the Members representing the States of Arkansas and Oklahoma and other agricultural States. Many of these representatives are of the opposite political faith and strong supporters of the administration; but after a detailed study of the principles of this bill, extending over a period of four years, and taking into consideration the condition of the farmers, they give it their earnest support because they believe it will help agricultural conditions. The argument, therefore, that the bill is urged because of political reasons, is entirely disproved.

It is folly to attempt to argue that it is in the interest of any presidential candidate. The complete answer is that the bill has been before Congress and the country for the past four years and long before there were any known outstanding candidates for the Presidency.

I believe if the bill is enacted it will prove workable and will be sustained as constitutional. Neither do I fear a presidential veto. Practically all of the objections urged against the former bill have been eliminated. We must remember that it is the duty of Members of Congress who understand the agricultural question to enact legislation that we believe will be effective, and while I would be glad to agree with the President, we can not afford to enact legislation that will not accomplish the purposes of this bill and that will prove disappointing. We must remember that the responsibility is with Congress—the legislative branch—to originate and pass legislation that will effectively meet conditions and not permit a threatened veto by the executive branch to take the heart out of the bill and force the enactment of a bill that will be a disappointment and a failure. Who better understands the problems of the farmers, the representatives of the people, in close sympathetic touch with them, or the President who has an entirely different viewpoint?

With this background showing the deplorable condition of the farmers of the country, in part painted but not overdrawn, and the business interests of the country dependent upon them, bankrupt, and with conditions gradually growing worse, we are in position to sympathetically consider this bill, and study how the situation is to be remedied and the farmers of the country benefited through the enactment of this legislation.

In my judgment this bill is a great piece of constructive legislation. Its administration may disclose necessity for amendments. Every comprehensive bill passed by Congress for the benefit of other classes has been amended. In behalf of agriculture this bill should be enacted at the present session. If defects appear, the next Congress can amend it. A great emergency is facing the farmers of the country and Congress should not adjourn without making an earnest effort to remedy the situation.

M'NARY-HAUGEN BILL REVIEWED

The first section, entitled "Declaration of policy," defines the purposes of the bill, which should always be kept in mind in the analysis of the sections which follow. The language of the section can not be improved upon, and is as follows:

SECTION 1. In order to stabilize the current of interstate and foreign commerce in the marketing of agricultural commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby declared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodi-

ties, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

Section 2 provides for the creation of a Federal farm board consisting of 12 members, one from each of the 12 Federal land-bank districts, appointed by the President, by and with the advice and consent of the Senate, to administer the law. The members of this board in the bill we considered at the last session were to be appointed from a list of three names recommended by a nominating committee, but this provision was eliminated in the present draft to meet an objection of the President. The provision was designed to insure the selection of men to administer the law who were in sympathy with the farmers and interested in the success of the law. In my judgment this provision should have been retained in the bill, as I do not believe that it would have been held to be unconstitutional. The success of any comprehensive measure largely depends upon its administration. Under this bill the members of the board must either be producers of one or more agricultural products or truly representative of agriculture.

Section 3 defines the general powers of the board, their place of meeting, authorizes the use of an official seal, requires the making of annual reports to Congress, and relates to other administrative details.

Section 4 provides for an advisory council of seven members for each agricultural commodity. The members of this council are to be selected annually by the board only from a list submitted by the cooperative associations and other organizations representative of the producers of the commodity in question and by the governors and heads of agricultural departments of the several States where the commodity is produced, and is a governmental agency to act in conjunction with the board to ascertain and declare the existence of and determination of certain facts prior to the commencement or termination of a marketing period authorized to be declared by the board. The commodity advisory councils are the liaison representatives between the board and the producers.

TWO SEPARABLE REMEDIES PROPOSED

The bill proposes two distinct and separable remedies: Section 5 authorizes loans not to exceed $200,000,000 to cooperative associations or corporations created and controlled by one or more cooperative associations out of the revolving fund authorized to be appropriated in this act at 4 per cent interest per annum. This section provides in detail for what purposes loans may be made: First, for the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity; and, second, loans may be made, not to exceed $25,000,000, for (a) working capital to be used by the cooperative association or corporation created and controlled by one or more cooperative associations, (b) for the assistance of such associations in acquiring necessary facilities, plants, and equipment, (c) to assist such associations in extending and enlarging their membership.

Stripped of technical wording, section 5 authorizes loans to be made to the amount of $200,000,000 to cooperative associations, in aid of their efforts to assist the farmers in marketing their farm products to the very best advantage. While this provision may prove measurably helpful to the extent of the financial assistance extended by the Government, my fears are that it will prove ineffective because of the small percentage of producers who are members of cooperative associations. As to some commodities, the membership does not exceed 7 per cent. Why should this small number borrow money and incur the financial liability for the equal benefit of all producers of any commodity who are not members?

OVERPRODUCTION DISCOURAGED

It has been urged that a higher price for farm products which will be brought about by better marketing facilities will result in increased production.

Section 6 authorizes the board to advise with the producers of any commodity, and if they should disregard the advice of the board and increase the planting of any commodity over the average planting of five years the board may refuse to make further advances or loans for the purchase of such commodity. This section is intended to meet the criticism of a large number who fear that the enactment of this bill would result in overproduction.

Section 7 authorizes the board to assist cooperative associations in establishing (1) clearing-house associations and (2) terminal marketing associations. This section is particularly designed to be of assistance in marketing fruits, vegetables, and perishable crops.

THE REAL CRUX OF THE BILL—MARKETING AGREEMENTS AUTHORIZED

Section 8 provides a plan of surplus control provided the board finds that loans through cooperative associations, as provided in section 5, are ineffective. In that event the board is authorized to resort to the plan of operating through marketing agreements and equalization fees, provided further that the board finds (1) that there may be a surplus of any commodity in excess of requirements for orderly marketing; and (2) that the commodity is of a durable nature, and therefore nonperishable. The investigations by the board, upon which these findings are based, are made upon the request of the advisory council, cooperative associations, or farm organizations with respect to any agricultural commodity or upon its own motion.

In event such findings are made and published a marketing period may be declared and terminated by a majority of the board, and marketing agreements entered into with a cooperative association or a corporation created or controlled by one or more cooperative associations for withholding any part of the commodity delivered by its members or such agreement may provide for the purchase by such associations or corporations of any part of a commodity not delivered by its members and for the withholding and disposal of the commodity so purchased. A stabilization fund for each commodity is to be provided out of the revolving fund of $400,000,000 and the marketing agreement shall provide for the payment from the stabilization fund for that particular commodity the amount of the losses, costs, and charges, and also for the payment into the stabilization fund of any commodity profits arising out of the purchase, withholding, and disposal or out of contracts therefor. The bill provides for discretionary powers to be given the board in the making of such marketing agreements.

The next question arising is, How are these marketing agreements to be financed? First, they are to be financed from the stabilization fund set apart for each commodity out of the revolving fund. The equalization fee which is provided by section 9 is to be assessed against each unit of a commodity to cover the equitable ratable share of the losses, costs, and charges arising out of such agreements. The board is required, at the commencement of any marketing period, to estimate the probable losses, costs, and charges in respect to any commodity and determine and publish the amount of equalization fee for each unit of such commodity.

EQUALIZATION FEE IS A COMMISSION FOR SERVICE RENDERED

Let us examine a little more closely the equalization fee provided in the bill. There is perhaps not a cattle or hog man in the country who, when he ships a carload of hogs or cattle to market, but what ships them through a commission house and pays to the firm a commission or charge, or you might call it an equalization fee. The equalization fee is the commission which the producers pay on each unit of agricultural commodity which comes within the provisions of the bill, to cover the pro rata share of the costs or charges and estimated losses or advancements. He does just what the hog-and-cattle men do when they ship to market. He is paying a commission or equalization fee.

When the Federal reserve bank system was created every member bank was compelled to contribute its ratable share by subscribing for a certain amount of stock and depositing a per cent of its deposits without interest in order to create a financial reservoir or insurance fund which could be used by the Federal Reserve Board to come to the assistance of member banks through loans or rediscounts. The same principle is involved in this bill. Each pays a commission or equalization fee in proportion to the benefits received. No more and no less. The same principle is involved in the farm land bank system. Each borrower is required to subscribe for a certain amount of stock and to pay, in addition to the rate of interest, an amount sufficient to cover the cost of administration. You might call this a commission or equalization fee. If this bill will enable the farmers to get more for their products through the payment of a commission or equalization fee, as one interested in farming, it would be good business to pay it.

The bill provides that the board shall estimate the probable losses, costs, and charges to be paid as an equalization fee under marketing agreements in respect of each commodity and assess the same against each unit ratably, and provides for its collection under rules and regulations of the board on the transportation, processing, or sale of such unit.

These words are clearly defined in the bill. As to cotton, "processing" means spinning, milling, or any manufacturing other than ginning. "Sale" means the disposition of the cotton in the United States for spinning, milling, or manufacturing, or for delivery outside the United States. "Transporta-

tion" means the acceptance of cotton by common carrier for delivery for such purposes.

The board is authorized to make regulations requiring any person engaged in the transportation, processing, or acquisition by purchase of any agricultural commodity, to collect the equalization fee, and to file returns under oath, and become liable in event of the failure to do so. A like equalization fee is collected upon the importation into the United States of any such commodity. In practice, therefore, it will readily be seen that this fee will largely be collected, reported, and paid by corporations transporting, processing, or manufacturing any of the products covered by the bill for which a marketing period is declared.

Section 10 provides for a stabilization fund for each agricultural commodity and that the board shall have exclusive authority over the expenditure of the money in such fund, and the stabilization fund shall consist of advances from the revolving fund, profits arising out of marketing agreements, repayments of advances for financing and purchase, withholding and disposal of the commodities, and the equalization fees collected as provided in the bill.

INSURANCE AUTHORIZED AGAINST PRICE DECLINE

Section 11 provides that the board is authorized and empowered to enter into an agreement upon such terms and conditions as it may prescribe and for a period of not more than 12 months for the insurance of such cooperative associations against price decline with respect to any commodity.

Section 12 authorizes the appropriation of $400,000,000 to be administered under the direction of the board and used as a revolving fund in accordance with the provisions of the act.

Section 13 provides for the examination and audit of the books and accounts of the board.

Section 14 makes it the duty of any governmental establishment to cooperate with the board and render all assistance, furnish all information, and be of any additional service that the various bureaus or departments may be able to render.

HOW THE LAW WILL BE ADMINISTERED

The farmers have a right to inquire just how this bill would enable them to secure a higher price for their farm products.

In the first place, there would be a board of highly intelligent members which would be able to compile data from every available source so as to form the very best estimate as to the amount of each commodity produced not only in the United States but throughout the entire world, and the probable demand for each commodity, and will be able, therefore, to better direct when and where the commodity may be sold to the best advantage. At present the farmers, for the most part, are in financial distress, which compels them to dump their products upon the market in times of depression. That means that cotton when it is picked and ginned is sold. The cotton farmers of the South have little or no option in the matter. Representatives of foreign countries and of the eastern spinners, through their local agents, contract for their supply of cotton in advance. In 1926 as the result of the dumping of the cotton upon the market as it was picked and ginned, it will be remembered that while the price opened around 20 cents per pound it fell to about 11 cents per pound, and that after all the cotton was out of the hands of the small producers it went back to the former price of around 20 cents. If this cotton could have been held off the market, as this bill provides, either through cooperative associations or marketing agreements, and sold in an orderly manner the market would have been stabilized and such great fluctuations would not have occurred. This market, of course, will not only include our domestic market but the foreign demands for the commodity.

To be more specific, and using cotton as an example, when the representatives of the eastern spinners or of the foreign countries attempt to make contracts for their supply of raw cotton for the year the board, acting through the cooperative associations, or two or more of them, or other agencies selected, will withhold from the market and store in warehouses and purchase from the financially distressed farmer a sufficient supply of cotton until the representatives of those desiring to purchase it will pay the cost of production plus a reasonable profit.

The Department of Commerce reports 9,478,000 bales of raw cotton exported to foreign countries in 1927, including 2,611,000 bales to Germany, 1,694,000 bales to Great Britain, 1,437,000 bales to Japan, 975,000 bales to France, 670,000 bales to Italy. Are not our farmers entitled to legislation to assist them against loss in the orderly marketing of their cotton and not compelled, because of their financial condition, to dump it upon a depressed market? The question answers itself to one in sympathy with them.

Under section 5 the charges and costs are to be paid out of the fund borrowed by the cooperatives representing approximately 7 per cent of the producers of the commodity upon which there is an obligation to pay 4 per cent interest to the Government. Under section 8, marketing agreements are authorized to be made by the board with cooperatives or other agencies and these costs, charges, and losses, if any, are to be paid from a stabilization fund set apart from the $400,000,000 revolving fund, and this fund is supplemented by profits and the equalization fee assessed against each unit.

The difference in the two plans provided in the bill is that under the first plan 7 per cent of the producers are behind the cooperatives, whereas under the marketing agreement plan, 100 per cent of the producers of the country combine for the equal and mutual benefit of all. Under the first plan the cooperatives have the bargaining power of 7 per cent of the commodity. Under the second plan they have the bargaining power of 100 per cent of the commodity produced.

In the meantime provision is made to insure the cooperative associations against loss by decline in the price of cotton.

We must always keep in mind the economic truth that all nonperishable staple products, if properly and orderly marketed, whether they be farm or manufactured products, are worth the cost of production plus a reasonable profit. Keep in mind also that the bargaining power as to all of any commodity—100 per cent, not 7 per cent—for which marketing agreements are made is in the hands of or under the direction of the board during the marketing period.

In other words, it will operate with respect to each commodity very largely like the price of wheat was stabilized during the war. Comparatively little wheat was withheld from the market or stored in warehouses. It cost the Government about $42,000,000, but instead of the Government losing, it made a profit. The farmers may rest assured that this intelligent and orderly marketing of their products will insure for them the cost of production plus a reasonable profit. They are entitled to that. This board represents the power and prestige of the Government, which will greatly aid in the administration and the success of the law.

In my district the potato growers are organized 100 per cent, and they get a good price for potatoes through marketing them under the direction of the association. If 100 per cent of the farmers belonged to cooperatives and each commodity was marketed under the direction of cooperative associations, the same result would be realized.

Every one knows the disastrous results of compulsory marketing by financially distressed farmers of all of any commodity without any of it being stored and fed to the market in an orderly manner. The Government lost no money on wheat during the war. When this bill gets into operation it will result in the prices of farm products being stabilized without any loss to the Government.

The provision for an equalization fee is only to cover the costs, charges, and probable losses, so as to supplement the stabilization fund in event of an emergency which but few, if any, who have studied this bill carefully believe will ever be required.

Cotton fell from 8 to 9 cents per pound in 1926, or around $40 per bale. I am sure every farmer in my district would have been glad to have paid an equalization fee of from $2 to $3 per bale, if by doing this he could have been saved his loss of $40 per bale.

The bill passed last year was criticized because it covered only certain basic agricultural commodities; whereas this bill discriminates against no commodity but permits all to be included. It will result to the benefit of the producers of all commodities whether they belong to cooperatives or not.

This is a great piece of constructive legislation, and if efficiently and sympathetically administered I am confident that it will be of very great advantage, not only to every farmer throughout the country, but to the business men who are dependent upon it.

The board, through the agencies provided for, will be able to secure for the producers the cost of production plus a reasonable profit.

Those who live in industrial centers oppose the bill for fear that it will raise the price of farm products to consumers. The answer is twofold. First, it is conceded that the producers are entitled to an increased price. Second, if the board is able to so administer the law as to cut out the spread between the producers and the ultimate consumers, the price to the farmers would be greatly increased. No one denies this. It is the real reason hiding behind every conceivable smoke screen for the opposition to this bill. [Applause.]

Mr. HAUGEN. Mr. Chairman, I rise for the purpose of ascertaining whether we can not reach an agreement to close debate. I would like to know how much time will be required.

Mr. BURTNESS. I would like to have at least 10 minutes.

Mr. QUIN. I want five minutes.

Mr. HOWARD of Nebraska. Will the chairman permit a suggestion?

Mr. HAUGEN. Yes.

Mr. HOWARD of Nebraska. I would like to suggest to the gentleman if he will let the debate go on and have a few more talks like the one just made by the gentleman from Oklahoma [Mr. HASTINGS] the whole fight will be won. [Applause.]

Mr. HAUGEN. I have no desire to cut out anyone; but there are a number here who would like to be excused for a while, and they would like to know when a vote will come on this motion. I ask unanimous consent, Mr. Chairman, that all debate on the substitute and all amendments thereto close in 40 minutes, and that the time be allotted as indicated here.

Mr. BURTNESS. Mr. Chairman, I have not had an opportunity to speak on this measure and I would like to have at least 10 minutes.

Mr. WRIGHT. Mr. Chairman, I offer an amendment to the request and ask that the time be limited to one hour.

Mr. HAUGEN. Just so we can come to an agreement. I ask unanimous consent that we close the debate at 3 o'clock, which would mean 55 minutes.

Mr. FORT. Mr. Chairman, the matter which is pending before the committee is the amendment which I have offered to the substitute, is it not?

The CHAIRMAN. That is correct.

Mr. FORT. Is the request of the gentleman from Iowa, then, that debate on the pending amendment cease in one hour or that debate upon the substitute then cease?

Mr. HAUGEN. On the substitute and all amendments thereto.

Mr. FORT. Mr. Chairman, if that be the case, I have one or two further minor amendments to the substitute and I will want further time.

Mr. HAUGEN. It does not limit the number of amendments.

Mr. FORT. Will the Chair recognize the gentlemen in the order of those who favor or oppose the substitute or the amendment?

The CHAIRMAN. The Chair will do his best to recognize those who want to discuss the proposition in proper order, but the Chair can not give any absolute assurance that there will be time to recognize all who want to speak.

The gentleman from Iowa [Mr. HAUGEN] asks unanimous consent that all debate on the Aswell amendment and all amendments thereto close at 3 o'clock. Is there objection?

Mr. FORT. Reserving the right to object, the other amendments I propose to offer to the substitute I do not desire to offer if the pending amendment to the substitute be voted down. There is no use wasting the time of the committee in debating other prospective amendments which will not be offered if the pending amendment is voted down. It seems to me we would be proceeding in better order if the amendment already offered to the substitute could be voted on before the limitation of debate. Why not have a vote on the pending amendment in advance of this request?

Mr. HAUGEN. We can have a vote on that amendment in 35 minutes.

Mr. ABERNETHY. Mr. Chairman, reserving the right to object, I would like to have five minutes.

Mr. HAUGEN. I do not want to cut out anyone if I can help it. I am simply trying to accommodate some Members who have other matters they want to look after.

Mr. ARENTZ. Regular order, Mr. Chairman.

Mr. HAUGEN. The request is that debate on the amendment now pending close in 35 minutes and that all debate shall be closed at 3 o'clock on the substitute and all amendments thereto.

Mr. FORT. Still reserving the right to object, I suggest that the amendment which I have offered be voted on now, which is the regular order.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate upon the Fort amendment close at 2.40, and that a vote be then taken on that amendment; and that all debate on the Aswell amendment and all amendments thereto close at 3 o'clock. Is there objection?

Mr. ABERNETHY. Mr. Chairman, reserving the right to object, I shall not object, but I would like to have at least five minutes.

Mr. HAUGEN. I would like for the gentleman to have time. I am not undertaking to control the time, but only to expedite matters.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. HARRISON. Mr. Chairman, I would like to have it understood that I am to have five minutes on an amendment I propose to offer after the Fort amendment is disposed of.

The CHAIRMAN. The Chair will do the best he can in that regard.

Mr. WRIGHT. Mr. Chairman, I would like to be recognized on two amendments which I desire to offer.

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that debate on the Fort amendment has been exhausted. Let us vote on that amendment. [Cries of "Vote! Vote!"]

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. WRIGHT. Mr. Chairman, I would like to amend the request and have the debate limited to one hour.

Mr. HAUGEN. I accept that amendment.

Mr. FORT. Mr. Chairman, reserving the right to object, the suggestion already made by the chairman of the committee is that the vote on the pending amendment to the Aswell amendment be taken in 35 minutes.

Mr. QUIN. I object to that, Mr. Chairman. This is a vital matter, and we should not be fooling around here wasting time.

The CHAIRMAN. The gentleman from Texas [Mr. BLACK] makes the point of order that all debate on the Fort amendment is exhausted. The Chair sustains the point of order.

The question is on the amendment offered by the gentleman from New Jersey [Mr. FORT].

The question was taken; and on a division (demanded by Mr. FORT), there were—ayes 48, noes 100.

So the amendment to the substitute was rejected.

Mr. CHINDBLOOM. Mr. Chairman, a parliamentary inquiry. Has there been any agreement about limitation of debate?

The CHAIRMAN. No.

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, I rise in opposition to the amendment which has for its purpose the striking out of the so-called equalization-fee provisions of the bill under consideration. Not knowing just exactly how much time I may get for the discussion of the merits of the proposal or for a discussion of just what the equalization would do and what the omission of it would eliminate, I am going to put the cart before the horse somewhat in my discussion and touch another aspect of the matter before going into those specific merits. I desire to express my views, briefly, with respect to the position taken by those who argue that the equalization-fee provisions are unquestionably unconstitutional, but who at the same time believe as a number of men have indicated in debate that the balance of the bill would be a good constructive piece of legislation and would be worth while if enacted for the benefit of agriculture. Presumably that is the view of the gentleman from Louisiana [Mr. ASWELL], who has made the motion now pending to substitute a bill similar to the Haugen bill except as he has eliminated the equalization-fee provisions.

Now, of course, I am not here to suggest that anyone who is of the honest opinion that the equalization-fee provisions are unconstitutional should not vote for the pending amendment. I think it is their duty to vote for it if they entertain that sort of a conviction. Believing and hoping, however, that the amendment will fail, I want to emphasize that the practical result of enacting this bill as it is recommended by the agricultural committee, if you who entertain the view that this particular section is unconstitutional are correct, the result of a favorable vote for the bill and thus putting it on the statute book would be identical to what would be accomplished if the bill were passed without the equalization-fee provisions in it. In other words, let me try to emphasize it in this way, that if you are right in the view that the equalization fee is unconstitutional then certainly it does not do any harm to pass the bill with that provision in it and have that question definitely determined by the courts of this country. The bill carries a so-called separability-of-provisions section so that if any provision is declared unconstitutional it will not affect the remainder of the act.

Let me give you another reason why I think it is of great importance to have the question determined by the courts of the country at the earliest possible date, hence advisable to retain the provisions. That is to get that issue settled by the proper tribunal whose judgment will be accepted by all. The people all over this country, and particularly in the agricultural sections, are tremendously interested in the question as to whether the equalization-fee principle, which all of them are discussing and in which most of them believe as a policy—I say that they are greatly interested in the question whether that proposed device is in consonance with our constitutional provisions.

How can we ever get it definitely determined unless you include it in the bill and thus make it possible to have it passed

on by a tribunal that must finally pass on all such questions? As I say, if those of you who claim it is unconstitutional are right, you would in the passage of the bill in the exact form reported, including the equalization fee, accomplish the very thing that the gentleman from Louisiana [Mr. ASWELL] and the gentleman from New Jersey [Mr. FORT] and others have in mind, namely, to get this bill as a valid law without the equalization fee in it. Whether we strike it out or the court declares it invalid, the result would be the same; but those who just as earnestly believe the provisions are constitutional would have had their day in court.

After having settled that legal question you would be rid of that issue in the country, an issue which probably is not auguring particularly well economically for the Nation as a whole, for this issue to-day, and we might as well admit it, is tending to antagonize section against section and to separate class from class. Therefore I urge upon you who can conscientiously do so to vote to retain these provisions in the bill for the reason, if for no other, to get the question and the issue settled in such a way that ultimately all the people will be willing to accept the decision. If it is adverse, those interested in agriculture would then naturally abandon this plan and direct their attention to other methods of solving the farm problem. But until such decision we feel we have the right to insist upon this type of legislation. We believe thoroughly in the method proposed as practical, fair, and sound; and while we are not certain of its constitutionality, we feel that we can make out an excellent case therefor. Will you not therefore give us our day in court? [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

Mr. ABERNETHY. Reserving the right to object, and I do not want to object, I did not object a while ago when debate was shut off, but it seems to me that I am not going to get a chance——

The CHAIRMAN. There is no limit on the debate as yet.

Is there objection? [After a pause.] The Chair hears none.

Mr. ADKINS. I ask that the gentleman from North Carolina be allowed five minutes after the gentleman from North Dakota.

Mr. HAUGEN. Mr. Chairman, will the gentleman from North Dakota yield to me to make a request?

Mr. BURTNESS. I will yield for that purpose.

Mr. HAUGEN. I renew my request that all debate on the substitute and all amendments thereto close in half an hour, and that the gentleman from North Carolina be given five minutes.

Mr. EDWARDS. Reserving the right to object, that will not take in half of those who want to speak.

Mr. HAUGEN. We will have another substitute, and we will probably have an hour or two on that.

Mr. EDWARDS. There are a lot of us who want to speak against the equalization fee and we ought to be recognized as well as those who speak for it. I ask unanimous consent that the time be put at 1 hour and 30 minutes.

Mr. HAUGEN. I will compromise with the gentleman and make it 45 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the Aswell amendment and all amendments thereto close in 45 minutes. Is there objection?

Mr. GARRETT of Texas. Reserving the right to object, can the gentleman assure us that there will be something new to be developed in the next 45 minutes? If not I shall object. We have heard this whole thing hashed up over and over again, and I object. Mr. Chairman, I make the point of order that all debate on the amendment under the rules of the House is exhausted.

Mr. BURTNESS. I did not yield to the gentleman for that purpose.

Mr. GARRETT of Texas. The gentleman has not the floor.

The CHAIRMAN. The gentleman from North Dakota has been recognized for five minutes more.

Mr. GARRETT of Texas. Then I will make the point of order at the conclusion of the gentleman's five minutes.

Mr. McKEOWN. Before the gentleman resumes will he yield to me for a question?

Mr. BURTNESS. Yes.

Mr. McKEOWN. Mr. Chairman, I am one of those who believe in the efficiency of the equalization fee and who also believe that it is constitutional. Will not the question of the constitutionality of the equalization fee be deferred over a period of two years, because it will not be taken into the courts until you try to put it into effect?

Mr. BURTNESS. I agree, of course, that the equalization fee will be deferred by an attack in the courts, and if it is held to be unconstitutional, naturally the carrying of the provisions into actual effect will never take place at all. I have tried to emphasize the importance of getting the question of its validity settled at the earliest possible moment, so that agriculture can find out whether it must give up any idea of obtaining legislation embodying that sort of a principle. The sooner that question can be settled so much the better.

Mr. McKEOWN. But this legislation will not put it into effect until they try this other plan, and that will take it over for another year.

Mr. BURTNESS. That is true but the motion now is to strike out the equalization-fee provisions entirely. But let me proceed to the more general discussion.

At the outset I want to make it plain that many of us from the agricultural sections of the country are not interested in what may be termed temporary emergency legislation for farm relief. We are, however, greatly interested in constructive permanent legislation for the benefit of agriculture as a whole. It is from that viewpoint that I desire to discuss the present McNary-Haugen bill.

Naturally, therefore, the first question which arises is the one as to whether there is any need of permanent farm legislation. Much so-called farm legislation has been enacted in former sessions of Congress and some of it has been helpful and I believe all of it has been wholesome legislation. None of it, however, has gone to the crux of the problem which is that of obtaining for agricultural products a price that is sufficient to cover cost of production and a reasonable profit on the investment of the average farmer. True legislation to promote and encourage cooperative marketing has had that subject in mind, but unfortunately the hoped-for accomplishments have not materialized.

The question as to whether general legislation to insure better prices for agricultural products is necessary is pretty well answered by this chart [indicating] prepared by the Bureau of Agricultural Economics of the Department of Agriculture, and which indicates in the two lines shown thereon the index numbers of farm prices and wholesale prices of nonagricultural products for a period commencing with 1910 and ending with the beginning of this year. The heavy line represents farm prices. The dotted line represents the prices of nonagricultural commodities or, in other words, those commodities which agriculture as a whole must buy.

You will first note that from 1910 to 1915, inclusive, the prices of both of these classes stayed very close to the base line of 100, the line of each going back and forth across such base line, sometimes one of the lines being for a few months above the other and then the position would be reversed. As a whole the lines during those five years represented simply normal fluctuations and at no time did one general class have any marked advantage over the other.

Then, what happened in the latter part of 1915? The World War was being waged in Europe and all prices took a sudden spurt upward. Prices of nonagricultural commodities advanced a little earlier than those of farm crops, but the latter did not lag much. Note the spurt from the latter part of 1915 until about the middle of 1917. Nonfarm prices reached a peak of about 200 as compared to 100 in the pre-war period. Farm crops were up to about 187 as compared to 100 in pre-war times. From 1915 to the middle of 1917 the relationship between the two shows farm crops lagging somewhat, but not seriously. At from about the middle of 1917 to the middle of 1919 farm prices were higher than nonagricultural prices, yet the curve of the two lines fluctuated up and down with each other but not very far apart.

Apparently farm prices during that period generally had an advantage of about 5 per cent to 10 per cent above nonagricultural prices. Toward the latter part of 1919 both types took another sudden rise, but this time the nonagricultural commodities went away ahead, reaching a peak of about 260 along about March or April of 1920, when at the same time the highest peak of farm prices was also reached, but they stopped at about 235.

We all recollect what happened at that time, namely, the so-called deflation of 1920. All prices dropped so suddenly that the result was staggering. Note the almost perpendicular drop in farm prices from the middle of 1920 to April, 1921, coming down from the peak of about 235 to about 112, a cut of more than 50 per cent. Nonagricultural prices dropped almost as suddenly, but not so far, for they dropped down to only about 160 in the same time, leaving a disparity of almost 50 points between the two.

From that time on the lines straightened out, both of them indicating some advance in the price and both of them indicating fluctuations from time to time running somewhat parallel. It was the hope of all, and the honest belief of many students, that the two lines would soon come together and that they would thereafter pass and repass each other as they did during the period from 1910 to 1915. But what has been the result? Six, yes, almost seven years have gone by, and they have not gotten together. The disparity of almost 50 points which existed in 1921 continued on through 1922, but had been gradually narrowed down to about 20 or 25 points when we considered the first McNary-Haugen ratio price bill in 1924. Some of the best-known men of this House at that time contended that it would simply be a year or two before these converging lines would meet and the problem would be over, and many so believed and therefore voted against the bill. The lines were a little closer in 1925, but toward the latter part of that year instead of continuing to converge they started to diverge, with the result that by 1926 they were about 30 points apart. It is true that in 1927 there was considerable tendency for these lines to get together again. When we passed the McNary-Haugen bill a year ago my recollection is that the difference in percentage was about 13 per cent, and as indicated by this chart the difference in percentage is now about 9 per cent.

The point that I want to emphasize particularly in that respect is that this disparity does not mean from time to time a reduction of 9 per cent or 13 per cent or 20 per cent from the net income of agriculture, but that it is that much of a reduction from the gross returns of agriculture. I submit in all sincerity that this is a tremendous reduction. Our colleague from New York [Mr. JACOBSTEIN] has estimated that this sort of a reduction has amounted to about $15,000,000,000 for agriculture since 1920. In other words, it has reduced the purchasing power of that industry to that extent as compared to what such purchasing power would have been had these two lines, regardless of the exact range of prices, been on a general parity with each other, as was the case prior to 1915. In other words, it amounts to the same thing as reducing the gross income of any business by that percentage with costs of production remaining fully as much as they were before. Ordinarily if you reduce the gross income of any business by 20 per cent or 13 per cent or 9 per cent, you wipe out all of the profits and make serious inroads on invested capital. Packers, for instance, do business on a profit of less than 2 per cent on their general turnover. Naturally, with this situation the inevitable result in farming and in the many lines of business directly dependent upon farming was bankruptcy for all of those who are the least efficient, and serious inroads upon the savings and capital of those more efficient.

Our conclusion, therefore, is that if we are to accomplish results by legislation we must proceed with the purpose in mind of increasing the gross income of farmers, and this can be accomplished only by increasing the price of what they sell. Is there a fair way in which to do so? We are reminded of certain stabilizing influences for industry generally and for labor. Our attention is called to the immigration laws, which protect labor against the competition that would be caused by the influx of other laborers.

We have our special attention attracted to the tariff in so far as it is used as a device to protect our industries against competition from abroad. In the farm sections we note that there are tariff duties upon all farm products, but on investigation we find that such duty seems to do little or no good in so far as increasing prices is concerned in such crops or products of which we have an exportable surplus. To be more specific we find, for instance, that we get a higher price than the world price for flax, wool, sugar, and the like, and the reason is plain for no one can import these crops or commodities without leaving a specific sum of money at the customhouse, and inasmuch as we consume much more than we produce of these crops naturally our domestic prices are raised above the world prices substantially to the extent of the tariff. This does not seem unfair either to agriculture or to the consumers of these products, for the tariff under our present policy at least is intended to be fixed in such sum as to fairly represent the difference in the cost of production in this country and in competing countries.

When we turn to other important crops, however, what do we find? Take for example, the case of wheat. The price of wheat as shown by this second chart in pre-war times fluctuated back and forth with the cost of nonagricultural products. During the war period from 1916 to 1920 the price of wheat stood above, in its general relationship, the prices of nonagricultural products, but with the deflation of 1920 the price of wheat went way below the relative prices of nonagricultural products, and from 1921 to the latter part of 1924 the wheat producer was at a very serious disadvantage. Throughout 1925 such disadvantage was, as shown by this chart, eliminated, but again about the middle of 1926 the curve representing wheat prices fell below the curve representing nonagricultural prices, and while the disparity has not been as great during the last year or so it has been substantial.

But I started in particularly to discuss the effect of the tariff on wheat on these prices, and I want to get back to that feature. The President upon the report of the Tariff Commission, a few years ago increased the tariff on wheat from 30 cents per bushel to 42 cents per bushel, it having been found that the latter figure represented the average difference in the cost of producing wheat in Canada and in the northwestern spring-wheat States over a period of three years. Some have contended on the floor of this House that this duty is always largely reflected in the price of northwestern spring wheat. Figures and charts have been presented tending to show that such is the fact, but as I have pointed out in colloquies on the subject, the figures and charts submitted have indicated the weekly "high" price at Minneapolis for No. 1 dark northern spring wheat as compared with prices in the Winnipeg market. Of course, that means the highest price received for a single shipment each day in the Minneapolis market and does not represent the average sale price, weighted or otherwise, of No. 1 dark northern wheat. I think you will all agree that the fair comparison is the average price received for all of the wheat sold on the market on a single day and not that one specific carload of grain which by reason of a protein content of 15, 16, or 17 per cent may bring a premium of 50 cents or 60 cents above the regular card price.

The question as to whether the tariff is reflected in the price of wheat or not simmers down to rather a simple question of economics. In the spring-wheat section we do have some chance of getting such tariff reflected, and especially so in certain years. The reason for this is that we raise a wheat of high protein content which is sometimes in very great demand for mixing purposes with soft winter wheats or other grades of low protein content.

In other words, from a viewpoint of commercial economics, the flour wheats raised in the United States can be divided into two classes—wheat of high-protein content and wheat of low-protein content. If the product of the former in any one year is less than the millers of our country need, the result is that some has to be imported and naturally our producers then get the benefit of the tariff. This has generally been the situation in such years as our wheat prices have been the highest.

I have carefully checked prices at our terminals, such as Minneapolis, for a number of years with prices at Winnipeg, which means delivery at Fort William or Port Arthur on Lake Superior, and believe that the conclusions which I have reached with reference thereto are entirely sound and supported by the facts. When the 1923 crop was being harvested Canada had a wonderful crop, but the yield in the spring-wheat section of this country was relatively poor. Our import duty was then 30 cents per bushel, and during that season the American farmer did get a benefit from that duty of some 25 cents or 30 cents per bushel. In the marketing season of 1924, however, not one single penny of the tariff was reflected in the price paid the producer for we had more high protein wheat in the United States than our millers needed. In 1923, for instance, our State mill at Grand Forks imported two shipments of high-protein wheat from Canada and paid the duty thereon as a business proposition. Such could not have occurred in 1924.

When the 1925 crop was harvested the situation had again changed somewhat, and during that season there was a very substantial benefit from the tariff, a benefit averaging possibly 25 cents to 30 cents per bushel, or a greater benefit than in the average year. The outstanding reason therefor was possibly the fact that our total wheat crop that year was only 676,000,000 bushels and the American millers needed all our high-protein wheat.

When the 1926 crop came along we found a large total production amounting to 832,000,000 bushels. The protein content of the southwestern wheat was good, and the result was that the premiums paid for protein were low. My conclusion from examining the market reports is that during that season we had a benefit of about 12 cents per bushel.

The experience under the 1927 crop has again been somewhat different. When we marketed most of our wheat in the Northwest last fall the trade generally believed that there was plenty of high-protein wheat in the country, with the result that the tariff was not reflected in the price paid the American farmer, and, in fact, during much of the time the market at Winnipeg was a little higher than at Minneapolis. Some difficulty is involved in ascertaining just what sort of Canadian

wheat is comparable to No. 1 dark northern spring at Minneapolis. Some say that Canadian northern spring No. 3 has a milling value as high as American dark northern No. 1. Others contend that Canadian No. 2 is substantially the same as American No. 1. I am inclined to the views of the latter, and my general conclusions as to the benefits received are based on that assumption.

I have obtained, and will insert by way of extension of remarks, complete tables showing weekly average prices at Minneapolis and Winnipeg of dark northern spring No. 1 at the former point, and northern spring No. 1 and No. 3 at Winnipeg. No. 2 at Winnipeg naturally brings a price between No. 1 and No. 3. Those interested in the question will be able to study these tables, which are authentic, being furnished by the Bureau of Economics, and will be able to reach their own conclusions. The Minneapolis prices quoted are the weighted average prices.

With this sort of an experience I am sure you will agree that it is but natural that we would like to have the full benefit of the tariff of 42 cents per bushel every year and not only once in a great while, for that amount simply represents the difference in production costs in the two countries. The enactment of the McNary-Haugen bill is intended to give us the full benefit of whatever import duty may be in effect at the time each and every year less the so-called equalization fee. When we have conditions such as we had in 1924 or in 1927 the equalization fee would amount to about 12 cents per bushel, or a net gain of about 30 cents per bushel. In other words, the net gain would probably be less, although in such years the equalization fee would be smaller. If the wheat of lower quality is raised in price there is no doubt but that higher-quality wheat will continue to demand a premium, limited, of course, at the maximum to the world price for such wheat plus the tariff duty and the cost of transportation from the foreign markets to ours.

Let me discuss for just a few minutes more specifically the equalization fee. As has already been explained, that fee amounts in substance to a sort of an assessment upon the entire crop produced in order to take care of the loss on the exportable surplus where such surplus has to be sold in the world's markets at the world price. The fee is paid not by the consumers, but by those who produce the crop. Our farmers will know that the larger crop they raise the greater will be the exportable surplus and the greater the equalization fee. Not only that, but they will also know that the larger the American crop the more depressing will be its effect upon world prices, and that inasmuch as our domestic prices can not exceed the world prices by a figure higher than the tariff, it will continue to be in their interest not to increase production. What we are aiming to get away from, however, is the proposition that the price obtained for the surplus shall not also be the limit of price received for that part going into domestic consumption. We prefer to have the dog wag the tail rather than the tail wag the dog.

I recognize, gentlemen of the House, that most of the votes against the bill in the past have been due to the fact that individual Members have believed that the consumers in their particular districts or States or sections of the country would suffer by its enactment, due to higher prices. Yet it is astonishing that some entertaining those views immediately argue in about the same breath that the farmers of the country ought not to raise an export surplus of such crops. Do not those gentlemen see this, that if the consummation which they desire, namely, no exportable surplus of crops of which we now have such surplus, should come about that their own consumers would pay exactly the same amount for their products as the proponents of this bill believe will be paid by the consumers if it is put into effect? In other words, if the exportable surplus were eliminated the producers of each one of these crops or products would receive the world price plus the tariff, whatever that tariff happens to be, because they would then have that much protection which would be effective. Our production would be on a domestic basis, as in the case of wool, flax, and so forth.

Mr. KETCHAM. And, as a matter of fact, would they not pay a great deal more under the conditions which the gentleman described?

Mr. BURTNESS. Whenever there is a substantial shortage below the amount that is actually sufficient, the tendency, then, of course, always is to raise the price, so that might be possible; but the very most that this bill could do would be simply to charge the same amount and get most of that additional represented largely by the tariff reflected back into the hands of the man who raises the products.

It is, however, the exportable surplus of agricultural products of this country which gives our Nation a favorable trade balance, and our best interests surely do not demand that such favorable balance should be changed to an adverse one. Would it not be better to let our consumers pay the fair cost of these farm products which they need?

No other plan has been devised or proposed to take care of the loss on the exports than the equalization except possibly a direct subsidy in the nature of a debenture or directly out of the Federal Treasury. If the domestic price is to be maintained higher than the world price, funds for the purpose are unquestionably needed. A direct subsidy at best could be only temporary, and would constitute a dangerous precedent. Farmers generally do not want it. Temperamentally they are opposed to all direct subsidies, and we should commend them in that attitude. The President has always opposed subsidies, if I read his messages correctly. Let us not hamper the board by striking out the equalization-fee provisions, but permit it to make use of them whenever they find it necessary to do so. Only in this way can agriculture be placed on a parity with labor and other forms of industry.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Under leave to extend my remarks, I submit first an editorial which appeared in the Washington Post with reference to a colloquy between my colleague, Mr. HALL, and myself during the discussion of this bill. It is as follows:

WHAT'S THE CONSTITUTION

The backers of the McNary-Haugen bill think they have developed a splendid plan for circumventing the Constitution. They have inserted a provision to the effect that if any section of the law should be declared unconstitutional the rest of the measure would not be affected. The unconstitutional section they have in mind is that relating to the equalization fee. This illuminating colloquy recently occurred in the House between two constitutional statesmen, Messrs. HALL and BURTNESS, of North Dakota:

"Mr. BURTNESS. Does the gentleman see any reason for not supporting the bill upon the part of anyone who believes the equalization fee is unconstitutional if he likewise believes that the bill otherwise would work?

"Mr. HALL of North Dakota. Not so; not at all."

What's the Constitution when farm politics is involved? It has not often happened in the history of the United States, however, that legislators in either the Senate or House have been so bold as to announce beforehand that they intended to vote for measures which they knew or believed to be in violation of the Constitution.

Considering the fact that legislators now openly support unconstitutional projects, it is well that there is a man in the White House who will use the ax. If these willful violators of the Constitution can muster the strength and courage to pass the bill over a veto, they will then encounter another obstacle that can not be surmounted.

I regarded the foregoing attack upon all supporters of this legislation as unjustified. There has, of course, been no attempt to circumvent the Constitution. We have all our own ideas, possibly, as to the constitutionality of the proposal. Many excellent lawyers regard the equalization fee not as a tax but as a valid exercise of the power of Congress to regulate interstate commerce. In any event we probably revere the Constitution as highly as does the editor of the Post. Under date of May 2, 1928, I set out my views in some detail to the editor in a letter which was published and which, omitting formal parts, reads as follows:

To the EDITOR OF THE POST.

SIR: I have just read the editorial in this morning's Post under the caption "What's the Constitution?" and which relates to a colloquy between my colleague, Mr. HALL, and myself which occurred in the House a few days ago during the discussion of the McNary-Haugen bill. The charge is made in the editorial that the "backers of the McNary-Haugen bill think they have developed a plan for circumventing the Constitution," and the inference of the editorial is that my colleague and myself boldly announce that we intend to vote for measures which we know or believe to be in violation of the Constitution. I submit that such conclusions are unfair and not warranted by the record or the pertinent facts which should be well known to all who have followed the legislation.

In any event, my own view is that a legislator is not justified in voting for a bill which in its general aspects he regards as unconstitutional, and I have never done so. There is, of course, a very decided difference in opinion among legislators and among students of government as to whether legislators should vote for measures as to which there is some doubt as to their constitutionality and where one finds an honest difference in opinion on the subject among good constitutional lawyers. Some take the position that whenever any doubt is entertained as to the constitutionality a legislator should vote against the bill regardless of his belief as to the merits of the policy suggested, while others, and I think a large majority, believe that, although entertaining some doubts as to the constitutionality, they are justified in voting for a measure if they believe in the wisdom of the policy proposed and then let the question of constitutionality be determined by the courts. Naturally that is not

voting for a measure which one believes is unconstitutional. I repeat that if one entertains a conviction that it is unconstitutional, a legislator would not, in my opinion, be justified in voting therefor.

The colloquy referred to should, of course, be construed in the light of the actual situation existing with reference to the bill under discussion. The question of constitutionality has been raised only with reference to one of the general provisions of the bill, namely, the equalization fee. Several of the opponents of the equalization fee have argued very logically and very ably that the bill as a whole is complete without the equalization-fee provisions and have indicated that they would gladly support the measure if such provisions were eliminated therefrom. This is the position taken by Mr. FORT, of New Jersey, and Mr. ASWELL, of Louisiana, members of the Agricultural Committee of the House, who have led the fight against the bill.

My only desire in the colloquy to which you referred was to call attention to the fact that there is a "separability of provisions" section in the bill, so that if the men who believe the equalization fee provisions unconstitutional are right in their view the passage of the bill with such provisions included would eventually mean the adoption into permanent law of the very provisions which they are commending and which they state they are willing to support. In other words, if they are right the courts would declare the equalization-fee provisions null and void, but the balance of the bill would remain valid law, precisely as if such provisions had been struck out of the bill by amendment in Congress.

Naturally, I expect Members of Congress who believe such provisions unconstitutional to support an amendment which would eliminate them from the measure. If, however, they are unsuccessful in such attempt, it strikes me that they have not a substantial reason for voting against the bill just because one provision believed by them to be unconstitutional remains in the whole act, when they concede that if such alleged invalid provision were eliminated the bill would otherwise constitute constructive and worth-while legislation. In any event, that was the only point I tried to make in the colloquy. Neither did it refer to any who regard the general purpose of the bill as unsound and therefore oppose all of it, but they are in a very small minority.

The charge that the "separability of provisions" section in the bill is an attempt to circumvent the Constitution is simply ridiculous. Such a provision is found in almost every major piece of legislation. No argument need be presented to show that it could not possibly circumvent any provision in the fundamental law and that it is not intended to do so. The very bill under discussion is a good illustration as to the proper use thereof, and criticism of the proponents, based on the fact that they have included a provision customarily found in laws more or less involved or technical, does not seem justified.

O. B. BURTNESS.

The tables as to wheat price to which I referred in my speech and which have been furnished by the Bureau of Agricultural Economics in the Department of Agriculture are as follows:

WHEAT

*Weighted average cash sales No. 1 dark northern spring wheat in Minneapolis, and average cash closing No. 1 and No. 3 Manitoba northern wheat in Winnipeg, July, 1923–April, 1928*

| Crop year | Minneapolis dark No. 1 | Winnipeg | | Difference between No. 1 dark northern Minneapolis and No. 1 Manitoba northern Winnipeg |
|---|---|---|---|---|
| | | No. 1 | No. 3 | |
| 1923 | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* |
| Week ending— | | | | |
| July 7 | 119.0 | 111.9 | 106.4 | 7.1 |
| July 14 | 118.3 | 108.2 | 101.9 | 10.1 |
| July 21 | 115.0 | 106.8 | 99.6 | 8.2 |
| July 28 | 120.0 | 107.6 | 100.4 | 12.4 |
| Aug. 4 | 120.4 | 106.9 | 99.7 | 13.5 |
| Aug. 11 | 120.6 | 108.0 | 101.1 | 12.6 |
| Aug. 18 | 123.3 | 111.5 | 104.4 | 11.8 |
| Aug. 25 | 122.3 | 118.5 | 110.2 | 3.8 |
| Sept. 1 | 125.3 | 117.5 | 107.5 | 7.8 |
| Sept. 8 | 129.4 | 116.3 | 105.9 | 13.1 |
| Sept. 15 | 127.2 | 109.3 | 99.1 | 11.9 |
| Sept. 22 | 123.8 | 101.1 | 95.8 | 22.7 |
| Sept. 29 | 124.5 | 97.9 | 92.1 | 26.6 |
| Oct. 6 | 124.8 | 98.9 | 93.5 | 25.9 |
| Oct. 13 | 127.0 | 99.1 | 93.0 | 27.9 |
| Oct. 20 | 125.3 | 96.5 | 89.0 | 28.8 |
| Oct. 27 | 126.2 | 96.7 | 88.7 | 29.5 |
| Nov. 3 | 123.8 | 97.8 | 89.8 | 25.0 |
| Nov. 10 | 118.7 | 97.5 | 89.5 | 21.2 |
| Nov. 17 | 117.0 | 97.5 | 89.3 | 19.5 |

WHEAT—continued

*Weighted average cash sales No. 1 dark northern spring wheat in Minneapolis, and average cash closing No. 1 and No. 3 Manitoba northern wheat in Winnipeg, July, 1923–April, 1928*—Continued

| Crop year | Minneapolis dark No. 1 | Winnipeg | | Difference between No. 1 dark northern Minneapolis and No. 1 Manitoba northern Winnipeg |
|---|---|---|---|---|
| | | No. 1 | No. 3 | |
| 1923 | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* |
| Week ending— | | | | |
| Nov. 24 | 118.2 | 97.8 | 89.5 | 20.4 |
| Dec. 1 | 118.6 | 95.6 | 87.1 | 23.0 |
| Dec. 8 | 121.5 | 95.7 | 87.0 | 25.8 |
| Dec. 15 | 120.8 | 92.4 | 84.5 | 28.4 |
| Dec. 22 | 117.3 | 92.1 | 84.1 | 25.2 |
| Dec. 29 | 116.0 | 92.3 | 84.4 | 23.7 |
| 1924 | | | | |
| Week ending— | | | | |
| Jan. 5 | 121.2 | 94.2 | 86.2 | 27.0 |
| Jan. 12 | 123.5 | 96.6 | 88.7 | 26.9 |
| Jan. 19 | 124.2 | 96.9 | 89.3 | 27.3 |
| Jan. 26 | 123.8 | 96.8 | 89.2 | 27.0 |
| Feb. 2 | 126.0 | 98.3 | 91.1 | 27.7 |
| Feb. 9 | 127.3 | 99.9 | 93.0 | 27.4 |
| Feb. 16 | 126.0 | 99.4 | 92.5 | 26.4 |
| Feb. 23 | 127.4 | 100.0 | 92.7 | 27.4 |
| Mar. 1 | 126.0 | 99.9 | 92.3 | 26.1 |
| Mar. 8 | 127.7 | 100.0 | 92.5 | 27.7 |
| Mar. 15 | 127.0 | 97.9 | 90.8 | 29.1 |
| Mar. 22 | 126.7 | 98.1 | 91.2 | 28.8 |
| Mar. 29 | 123.7 | 96.1 | 88.9 | 27.6 |
| Apr. 5 | 124.7 | 96.7 | 89.5 | 28.0 |
| Apr. 12 | 124.5 | 97.7 | 90.4 | 26.8 |
| Apr. 19 | 124.6 | 98.9 | 91.7 | 25.7 |
| Apr. 26 | 128.2 | 99.0 | 91.8 | 29.2 |
| May 3 | 126.5 | 101.0 | 94.2 | 25.5 |
| May 10 | 130.0 | 102.8 | 96.2 | 27.2 |
| May 17 | 129.2 | 103.0 | 96.3 | 26.2 |
| May 24 | 130.8 | 105.7 | 99.1 | 25.1 |
| May 31 | 131.2 | 106.9 | 100.3 | 24.3 |
| June 7 | 128.5 | 106.9 | 100.2 | 21.6 |
| June 14 | 133.7 | 110.5 | 103.5 | 23.2 |
| June 21 | 143.5 | 117.5 | 110.5 | 26.0 |
| June 28 | 143.8 | 119.1 | 111.5 | 24.7 |
| July 5 | 145.0 | 122.9 | 115.2 | 22.1 |
| July 12 | 142.2 | 123.2 | 115.3 | 19.0 |
| July 19 | 148.7 | 136.0 | 128.0 | 12.7 |
| July 26 | 150.2 | 144.4 | 136.0 | 5.8 |
| Aug. 2 | 151.8 | 150.8 | 141.9 | 1.0 |
| Aug. 9 | 150.2 | 148.5 | 139.1 | 1.7 |
| Aug. 16 | 141.5 | 146.7 | 136.7 | −5.8 |
| Aug. 23 | 138.7 | 140.0 | 132.8 | −1.3 |
| Aug. 30 | 134.3 | 136.6 | 128.3 | −2.3 |
| Sept. 6 | 132.2 | 136.1 | 127.6 | −3.9 |
| Sept. 13 | 132.7 | 138.7 | 132.1 | −6.0 |
| Sept. 20 | 137.5 | 142.8 | 137.2 | −5.3 |
| Sept. 27 | 139.5 | 146.6 | 141.5 | −7.1 |
| Oct. 4 | 148.5 | 156.6 | 148.9 | −8.1 |
| Oct. 11 | 153.7 | 164.2 | 154.3 | −10.5 |
| Oct. 18 | 155.0 | 163.3 | 153.6 | −8.3 |
| Oct. 25 | 150.2 | 156.9 | 148.0 | −6.7 |
| Nov. 1 | 146.3 | 153.0 | 143.3 | −6.3 |
| Nov. 8 | 148.0 | 159.7 | 147.4 | −11.7 |
| Nov. 15 | 160.0 | 168.4 | 156.7 | −8.4 |
| Nov. 22 | 148.2 | 166.3 | 155.6 | −8.1 |
| Nov. 29 | 160.2 | 165.4 | 155.3 | −5.2 |
| Dec. 6 | 162.5 | 162.3 | 151.3 | +.2 |
| Dec. 13 | 167.7 | 167.9 | 157.0 | −.2 |
| Dec. 20 | 176.5 | 175.0 | 165.0 | 1.5 |
| Dec. 27 | 179.6 | 182.3 | 172.1 | 2.9 |
| 1925 | | | | |
| Week ending— | | | | |
| Jan. 3 | 186.6 | 184.0 | 173.1 | 2.6 |
| Jan. 10 | 188.5 | 186.7 | 174.8 | 1.8 |
| Jan. 17 | 192.0 | 193.0 | 181.3 | −1.0 |
| Jan. 24 | 196.0 | 197.4 | 185.9 | −1.4 |
| Jan. 31 | 207.0 | 211.5 | 200.1 | −4.5 |
| Feb. 7 | 196.5 | 200.6 | 189.5 | −4.1 |
| Feb. 14 | 188.4 | 191.9 | 182.1 | −3.5 |
| Feb. 21 | 189.3 | 194.1 | 185.4 | −4.8 |
| Feb. 28 | 196.8 | 199.2 | 190.9 | 2.4 |
| Mar. 7 | 198.5 | 197.6 | 188.9 | .9 |
| Mar. 14 | 184.8 | 184.4 | 175.0 | .4 |
| Mar. 21 | 165.7 | 165.7 | 155.8 | .0 |
| Mar. 28 | 167.5 | 166.7 | 157.0 | .8 |
| Apr. 4 | 152.8 | 145.6 | 136.6 | 7.2 |
| Apr. 11 | 161.2 | 156.5 | 146.5 | 4.7 |
| Apr. 18 | 166.3 | 159.0 | 148.9 | 7.3 |
| Apr. 25 | 160.8 | 158.9 | 150.2 | 1.9 |
| May 2 | 161.2 | 161.9 | 153.4 | −.7 |
| May 9 | 170.2 | 176.4 | 168.4 | −6.2 |
| May 16 | 170.0 | 178.0 | 170.0 | −8.0 |
| May 23 | 177.2 | 187.6 | 179.6 | −10.4 |
| May 30 | 177.8 | 192.7 | 183.9 | −14.9 |
| June 6 | 176.0 | 180.8 | 170.5 | −4.8 |
| June 13 | 175.2 | 177.2 | 168.7 | −2.0 |
| June 20 | 166.7 | 165.9 | 156.9 | +.8 |
| June 27 | 166.7 | 165.5 | 156.3 | +1.2 |
| July 4 | 157.6 | 158.9 | 149.4 | 1.3 |

WHEAT—continued

*Weighted average cash sales No. 1 dark northern spring wheat in Minneapolis, and average cash closing No. 1 and No. 3 Manitoba northern wheat in Winnipeg, July, 1923–April, 1928*—Continued

| Crop year | Minneapolis dark No. 1 | Winnipeg No. 1 | Winnipeg No. 3 | Difference between No. 1 dark northern Minneapolis and No. 1 Manitoba northern Winnipeg |
|---|---|---|---|---|
| | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* |
| 1925 | | | | |
| Week ending— | | | | |
| July 11 | 159.8 | 160.9 | 150.9 | 1.1 |
| July 18 | 172.0 | 166.8 | 158.7 | 5.2 |
| July 25 | 170.3 | 161.9 | 154.1 | 8.4 |
| Aug. 1 | 169.8 | 160.9 | 152.9 | 8.9 |
| Aug. 8 | 175.7 | 171.2 | 164.4 | 4.5 |
| Aug. 15 | 169.2 | 168.8 | 162.9 | .4 |
| Aug. 22 | 168.7 | 170.7 | 162.3 | −2.0 |
| Aug. 29 | 166.2 | 163.2 | 154.7 | +3.0 |
| Sept. 5 | 163.0 | 152.2 | 146.6 | 10.8 |
| Sept. 12 | 159.6 | 145.2 | 138.4 | 14.4 |
| Sept. 19 | 160.2 | 135.6 | 130.2 | 24.6 |
| Sept. 26 | 156.2 | 128.4 | 123.2 | 27.8 |
| Oct. 3 | 151.5 | 121.0 | 116.1 | 30.5 |
| Oct. 10 | 155.5 | 124.0 | 118.9 | 31.5 |
| Oct. 17 | 159.5 | 126.2 | 119.0 | 33.3 |
| Oct. 24 | 160.5 | 128.2 | 120.0 | 32.3 |
| Oct. 31 | 162.7 | 133.4 | 125.3 | 29.3 |
| Nov. 7 | 163.7 | 136.1 | 129.4 | 27.6 |
| Nov. 14 | 163.8 | 137.0 | 130.5 | 26.8 |
| Nov. 21 | 167.3 | 141.9 | 134.7 | 25.4 |
| Nov. 28 | 171.0 | 151.3 | 144.8 | 19.7 |
| Dec. 5 | 178.8 | 161.5 | 155.2 | 17.3 |
| Dec. 12 | 177.8 | 159.4 | 150.6 | 18.4 |
| Dec. 19 | 173.5 | 152.1 | 143.8 | 21.4 |
| Dec. 26 | 173.5 | 149.6 | 141.5 | 23.9 |
| 1926 | | | | |
| Week ending— | | | | |
| Jan. 2 | 184.8 | 159.9 | 151.5 | 24.9 |
| Jan. 9 | 183.3 | 158.7 | 149.0 | 24.6 |
| Jan. 16 | 177.0 | 155.2 | 144.7 | 21.8 |
| Jan. 23 | 176.0 | 155.4 | 144.9 | 20.6 |
| Jan. 30 | 177.0 | 156.6 | 145.5 | 20.4 |
| Feb. 6 | 180.2 | 159.9 | 148.9 | 20.3 |
| Feb. 13 | 170.8 | 154.7 | 144.1 | 16.1 |
| Feb. 20 | 171.0 | 153.3 | 143.3 | 17.7 |
| Feb. 27 | 173.6 | 150.9 | 141.1 | 22.7 |
| Mar. 6 | 166.7 | 144.2 | 134.6 | 22.5 |
| Mar. 13 | 170.3 | 147.5 | 137.3 | 22.8 |
| Mar. 20 | 169.5 | 150.6 | 139.5 | 18.9 |
| Mar. 27 | 161.5 | 149.6 | 138.1 | 11.9 |
| Apr. 3 | 162.8 | 151.2 | 139.2 | 11.6 |
| Apr. 10 | 163.5 | 153.2 | 141.3 | 10.3 |
| Apr. 17 | 169.7 | 157.4 | 146.2 | 12.3 |
| Apr. 24 | 169.7 | 160.9 | 150.0 | 8.8 |
| May 1 | 167.0 | 158.6 | 148.0 | 8.4 |
| May 8 | 165.0 | 154.2 | 144.5 | 10.8 |
| May 15 | 164.8 | 154.0 | 144.7 | 10.8 |
| May 22 | 163.7 | 152.9 | 143.6 | 10.8 |
| May 29 | 163.7 | 153.7 | 145.1 | 10.0 |
| June 5 | 163.4 | 151.0 | 141.9 | 12.4 |
| June 12 | 173.8 | 154.7 | 145.7 | 19.1 |
| June 19 | 171.5 | 154.8 | 145.6 | 16.7 |
| June 26 | 162.7 | 152.2 | 142.9 | 10.5 |
| June 30 | 161.0 | 151.8 | 142.2 | 9.2 |
| Month ending— | | | | |
| July, 1926 | 175 | 159 | 150 | 16 |
| August, 1926 | 156 | 151 | 138 | 5 |
| September, 1926 | 148 | 144 | 134 | 4 |
| October, 1926 | 153 | 143 | 136 | 10 |
| November, 1926 | 148 | 141 | 131 | 7 |
| December, 1926 | 148 | 134 | 123 | 14 |
| 1927 | | | | |
| Month ending January, 1927 | 147 | 136 | 123 | 13 |
| Week ending— | | | | |
| Feb. 11 | 146.0 | 139.0 | 126.0 | 7.0 |
| Feb. 18 | 146.0 | 139.0 | 127.0 | 7.0 |
| Feb. 25 | 146.0 | 140.0 | 127.0 | 6.0 |
| Mar. 4 | 146.0 | 143.0 | 130.0 | 3.0 |
| Mar. 11 | 146.0 | 145.0 | 133.0 | 1.0 |
| Mar. 18 | 142.0 | 143.0 | 130.0 | −1.0 |
| Mar. 25 | 138.0 | 141.0 | 128.0 | −3.0 |
| Apr. 1 | 139.0 | 143.0 | 130.0 | −4.0 |
| Apr. 8 | 140.0 | 145.0 | 132.0 | −5.0 |
| Apr. 15 | 139.0 | 143.0 | 131.0 | −4.0 |
| Apr. 22 | 142.0 | 146.0 | 133.0 | −4.0 |
| Apr. 29 | 144.0 | 147.0 | 135.0 | −3.0 |
| May 6 | 149.0 | 151.0 | 141.0 | −2.0 |
| May 13 | 152.0 | 153.0 | 144.0 | −1.0 |
| May 20 | 153.0 | 153.0 | 144.0 | 0.0 |
| May 27 | 159.0 | 161.0 | 151.0 | −2.0 |
| June 3 | 161.0 | 164.0 | 152.0 | −3.0 |
| June 10 | 159.0 | 161.0 | 149.0 | −2.0 |
| June 17 | 158.0 | 162.0 | 149.0 | −4.0 |
| June 24 | 157.0 | 161.0 | 150.0 | −4.0 |
| July 1 | 153.0 | 159.0 | 149.0 | −6.0 |
| July 8 | 158.0 | 163.0 | 153.0 | −5.0 |
| July 15 | 160.0 | 163.0 | 153.0 | −3.0 |
| July 22 | 156.0 | 162.0 | 154.0 | −6.0 |

WHEAT—continued

*Weighted average cash sales No. 1 dark northern spring wheat in Minneapolis, and average cash closing No. 1 and No. 3 Manitoba northern wheat in Winnipeg, July, 1923–April, 1928*—Continued

| Crop year | Minneapolis dark No. 1 | Winnipeg No. 1 | Winnipeg No. 3 | Difference between No. 1 dark northern Minneapolis and No. 1 Manitoba northern Winnipeg |
|---|---|---|---|---|
| | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* | *Cents per bushel* |
| 1927 | | | | |
| Week ending— | | | | |
| July 29 | 161.0 | 162.0 | 154.0 | −1.0 |
| Aug. 5 | 155.0 | 157.0 | 145.0 | −2.0 |
| Aug. 12 | 160.0 | 163.0 | 150.0 | −3.0 |
| Aug. 19 | 154.0 | 163.0 | 145.0 | −7.0 |
| Aug. 26 | 149.0 | 159.0 | 143.0 | −10.0 |
| Sept. 2 | 144.0 | 154.0 | 137.0 | −10.0 |
| Sept. 9 | 143.0 | 152.0 | 136.0 | −9.0 |
| Sept. 16 | 136.0 | 142.0 | 129.0 | −6.0 |
| Sept. 23 | 134.0 | 142.0 | 128.0 | −8.0 |
| Sept. 30 | 136.0 | 142.0 | 130.0 | −6.0 |
| Oct. 7 | 133.0 | 142.0 | 129.0 | −9.0 |
| Oct. 14 | 136.0 | 147.0 | 130.0 | −11.0 |
| Oct. 21 | 137.0 | 147.0 | 127.0 | −10.0 |
| Oct. 28 | 131.0 | 141.0 | 122.0 | −10.0 |
| Nov. 4 | 132.0 | 141.0 | 121.0 | −9.0 |
| Nov. 11 | 135.0 | 141.0 | 122.0 | −6.0 |
| Nov. 18 | 133.0 | 148.0 | 126.0 | −15.0 |
| Nov. 25 | 134.0 | 150.0 | 128.0 | −16.0 |
| Dec. 2 | 134.0 | 144.0 | 125.0 | −10.0 |
| Dec. 9 | 137.0 | 143.0 | 125.0 | −6.0 |
| Dec. 16 | 137.0 | 139.0 | 123.0 | −2.0 |
| Dec. 23 | 138.0 | 138.0 | 123.0 | .0 |
| Dec. 30 | 138.0 | 138.0 | 122.0 | .0 |
| 1928 | | | | |
| Week ending— | | | | |
| Jan. 6 | 142.0 | 140.0 | 123.0 | −2.0 |
| Jan. 13 | 139.0 | 141.0 | 122.0 | −2.0 |
| Jan. 20 | 142.0 | 145.0 | 123.0 | −3.0 |
| Jan. 27 | 145.0 | 144.0 | 123.0 | 1.0 |
| Feb. 3 | 143.0 | 141.0 | 122.0 | 2.0 |
| Feb. 10 | 140.0 | 140.0 | 122.0 | .0 |
| Feb. 17 | 140.0 | 141.0 | 123.0 | −1.0 |
| Feb. 24 | 145.0 | 144.0 | 126.0 | −1.0 |
| Mar. 2 | 145.0 | 145.0 | 127.0 | .0 |
| Mar. 9 | 148.0 | 147.0 | 129.0 | 1.0 |
| Mar. 16 | 145.0 | 148.0 | 130.0 | −3.0 |
| Mar. 23 | 147.0 | 149.0 | 132.0 | −2.0 |
| Mar. 30 | 147.0 | 149.0 | 132.0 | −2.0 |
| Apr. 6 | 151.0 | 151.0 | 135.0 | .0 |
| Apr. 13 | 152.0 | 153.0 | 139.0 | −1.0 |
| Apr. 20 | 167.0 | 159.0 | 146.0 | 8.0 |

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. GARRETT of Texas. Mr. Chairman, I make the point of order that all discussion upon this amendment is exhausted under the rules of the House.

The CHAIRMAN. The gentleman from North Carolina has moved to strike out the last word. If the gentleman will confine his point of order to the particular amendment, the Chair would sustain it.

Mr. GARRETT of Texas. Then the gentleman must confine his argument to the last word.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina.

Mr. ABERNETHY. Mr. Chairman and gentlemen of the House, I have been a consistent supporter of this legislation, including the equalization fee, from its very inception. I was the one man in the southeastern section of the country who voted for it the first time the matter came before the House. My district was the only one in the southeastern section of the United States that voted for the Haugen bill with the equalization fee the first time it was considered. [Applause.] I have followed you gentlemen for all these years with the promise that you were going to get some farm-relief legislation. The thing that concerns me now is that you are going to put this very same thing up to the President of the United States in the same way you have had it before, and that we are going to have a veto and have not sufficient votes to override the veto, and we will not be able to get any legislation.

That is what confronts me. I never have liked the equalization fee, because I could never see the necessity in taxing the farmer when the Government would take care of the losses. I have heretofore voted for the bill because it seemed all we could get. The thing I can see in the insistence of the equalization fee being in the bill is that it may help nominate

somebody for President on the Republican side. [Laughter and applause.] I think I will vote for the bill in the form it reaches the House, in some form or other; but if I can keep the gentleman from Louisiana [Mr. ASWELL] to his text and keep the gentleman from New Jersey [Mr. FORT] from undertaking to change the Aswell substitute, I think the proposition now before us without the equalization fee is the best bill that has been proposed in the House and will give relief and will become a law. [Applause.]

Then if we want the equalization fee in the December session, we can provide it if we find it necessary. Why not do that? Why is not that the sensible thing to do? I do not care whether Mr. Lowden or Mr. Hoover is nominated on the Republican ticket. The Democrats are going to have the next President of the United States, anyhow. [Applause.]

Mr. FULBRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I will be glad to yield.

Mr. FULBRIGHT. I have heard the opposite side of the House chided frequently because it was afraid of a veto by the President. I do not understand why we should follow the President on an agricultural bill and not follow him on anything else.

Mr. ABERNETHY. I think the $400,000,000 revolving fund provided in the bill will take care of the cotton and other situations in the South. I can see that.

Mr. ARENTZ. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from North Carolina can not be taken off his feet by a parliamentary inquiry.

Mr. ARENTZ. Will the gentleman yield?

Mr. ABERNETHY. I will ask the gentleman not to interrupt me now, as my time is so limited.

Gentlemen, I do say in all seriousness that I am going to vote for some kind of farm relief this Congress, and I appeal to you, unless you have some assurance that we can get this bill enacted into law with an equalization fee in it, why do you put us in the position of constantly voting for something and getting nothing through Congress? We ought to get together and get some relief here. If we can get the opponents of farm relief to give us a revolving fund of $400,000,000 and the machinery of the Haugen bill, and it looks as though it would become a law and give us what we need, why not do this?

Mr. FULBRIGHT. Did the gentleman take that position on the flood control bill?

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. ADKINS. You do not think it would be a proper thing, do you, for Congress to go and ask the President whether he would sign a bill that he had never seen, and when we had met 9½ of his 10 objections would we not have a pretty good gambler's chance?

Mr. ABERNETHY. Can you give me the assurance that the President will sign the bill with the equalization fee in it?

Mr. ADKINS. Do you think the President could tell me his opinion of something he had never seen?

Mr. ABERNETHY. It looks to me as though we were just going on and not doing anything. I want farm relief at this session. [Applause.]

Mr. QUIN rose.

The CHAIRMAN. The gentleman from Mississippi is recognized.

Mr. KINCHELOE. Mr. Chairman, I want to make a point of order against the proposed amendment before the gentleman closes.

Mr. QUIN. I will close this debate right now. [Laughter.] The Aswell amendment must be killed.

Mr. Chairman and gentlemen, I never have in my long experience, having joined the Farmers' Alliance in 1887, and worked for the farmers' interests up to this hour, seen anything like unity among the farmers when their safeguards and protection of their rights are concerned. They all want to do what is right. Even their friends, some educated at colleges and universities, and some educated in the schools of adversity, can not agree, after all these years and weary months, on what should be done for the farmer. For my part I am for this McNary-Haugen bill. [Applause.] I am for this bill with an equalization fee in it. [Applause.]

I will tell you what the equalization fee means. Yes; we are going to take the $400,000,000, but that will not do the work unless you have the vitalizing power of a great union. The equalization fee forces the producers of a commodity all the way from the Atlantic to the Pacific Oceans to pay the equalization and thus become members of this union. I belong to a section of country where we produce cotton. Are my cotton friends here afraid to put on an equalization fee? I want this bill to take in and comprehend every bale of cotton in the United States, and an equalization fee will do it. It will do that, and in that way it will guarantee the producers of cotton a fair and just price for their commodity. You can not do it in any other way. This bill will have the same effect on wheat and every other commodity that is embraced in it. It is unity that we need, a great big union of all the farmers of the United States.

And that is my answer to the gentleman from Massachusetts [Mr. LUCE]; and, by the way, he has more sense on this than a lot of the rest of you who say it will not raise the price. He is against the bill because it will add $40 per year to the cost of each family's living in the cities. It goes into the pockets of the farmers, the men who produce the commodity. They will get that additional money. The gentleman knows this bill with the equalization fee in it will raise the price of farm products. We are going to get it through the equalization fee, and you will not get it in any other way. This other method also will do some good. I know it will help a lot. But what good will it do if you have only 10 per cent of the producers of a commodity in the union? The equalization fee will put every single producer in this union. I do not mean he will join, but the fact that the fee is placed on what he sells has the same result and effects, and consequently all of that cotton or other commodity will bring a much higher price. Through the workings of this bill the purchasers are forced to deal and bargain with all of the producers instead of a small per cent as at present.

The equalization fee will put every single producer in this big union and it will have the effect of giving him a fair price for his products. You can drive along and with your whip hit one hornet and it will not hurt anything, but if you hit a hornets' nest with a thousand hornets it it you will be stung to death. When these farmers are organized, like that nest of hornets is organized, they will be able to receive a fair reward for their toil. As it is now, our helpless farmer, by himself, is at the mercy of the purchaser.

Who is it that is afraid to stand up, take a chance, and vote for the farmers of this country? Those of us who live among the cotton producers know that if a farmer realizes that by the payment of a fee of $10 a bale, under the equalization fee, he will recover $25, he will be happy, and that is what is going to be the result. The men who have studied this question know that is true and they are all for this bill. All of the organizers throughout this country, representing sensible and patriotic farm organizations, are for this equalization fee. So do not fall out among ourselves and take the vitals out of this bill. The real, vitalizing force, the real element in here to safeguard the producers of this country, who work in the rain, in the sun, sweat all day long, and wear old, dirty clothes in order to feed us, is the equalization fee. These producers ought to be protected through the equalization fee, and this Haugen bill with the equalization fee in it, is the vitalizing force which will make the farmers of this country receive a fair and just price for their products. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HAUGEN. Mr. Chairman, I desire to renew my request that all debate on the pending amendment and on all amendments thereto close at 3 o'clock.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the pending amendment and all amendments thereto close at 3 o'clock. Is there objection?

Mr. GARRETT of Texas. Mr. Chairman, I object, and make the point of order that all debate on the pending amendment is closed.

The CHAIRMAN. The gentleman from Texas objects, and makes the point of order that all debate on the pending amendment is closed, and the Chair sustains the point of order.

Mr. LAGUARDIA. Mr. Chairman, I have a perfecting amendment. On the first line of section 1, after the word "interstate," insert a comma and the word "domestic," so it will read "in order to stabilize the current of interstate, domestic, and foreign commerce," and on that I ask recognition.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 31, in line 1, after the word "interstate," insert a comma and the word "domestic."

Mr. FORT. Mr. Chairman, I make a point of order. We are not reading page 31.

Mr. LAGUARDIA. No; this is on the substitute offered by the gentleman from Louisiana.

Mr. FORT. Then it comes on page 1 of the substitute.

Mr. LAGUARDIA. It is an amendment to section 1 of the substitute offered by the gentleman from Louisiana.

Mr. FORT. That is page 1.

Mr. LAGUARDIA. There is no page to a substitute.

Mr. FORT. The gentleman offered it in printed form.

Mr. LAGUARDIA. The gentleman knows what I mean.

Mr. FORT. Well, I want the record straight, so we will know what we are talking about.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, line 1, of the Aswell amendment, after the word "interstate" insert a comma and the word "domestic."

Mr. LAGUARDIA. In order to comply with the wishes of the gentleman from Texas [Mr. GARRETT], I will talk only to my amendment, Mr. Chairman. I want to point out to my friends representing farming districts that they are deceived if they take the number of loaves of bread that are baked in the United States every day and seek to ascertain how much flour is consumed. I want to point out to the gentleman from New Jersey, who the other day referred to the possible increase in the price of bread if wheat were placed in operation under the bill, that he fails to take into consideration the fact that the people of the cities—New York and Washington—no longer have wheat bread, but are eating mostly pneumatic bread. Here is a typical loaf that the good women of Washington bought this morning at the market for 9 cents, supposedly for the purpose of giving their families wheat bread. It looks dainty, and it looks sanitary, and is supposed to weigh 1 pound, but, gentlemen, there is your wheat [compressing loaf with his hands]. Here is another brand [compresses loaf, then releases loaf, which blows back to its normal size]. In the old days a mother used to give her child a piece of bread to munch and a rubber ball to bounce, but now the child bounces the bread and munches the rubber ball.

Again, I appeal to the committee to give us the protection we ask when the time comes. In the seven minutes I had yesterday I urged it, and at the proper time permit us to put in an amendment that will protect the consumers of the cities against their own thieves and their own profiteers because we have them in the cities and they are bound to use the farm relief law as a pretext, to further exploit the consumers.

Imagine, gentlemen, under present conditions how the consumers are deceived, imposed upon, and cheated. These loaves of bread are underweight. They are puffed up to look the normal size so as to deceive the eye. The paraffin paper protects the loaf from losing its puffed and inflated size. So that besides getting heavy paraffin paper for the price of bread, the consumer gets air for wheat. Those loaves are typical. I have repeatedly found underweight in the run of bread sold daily in my city.

Once a commodity goes into operation, just as sure as night follows day the profiteers in the cities will get busy and artificially enhance the price of our food and blame your law for it. Just as the baker in this case puts air in the bread and weighs paraffin paper for bread and sells it for white wheat bread, they will put in more air and take out more wheat and charge us more money and blame your law for it.

Mr. BURTNESS. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. BURTNESS. Does the gentleman know how much the farmer got for the wheat in that loaf of bread?

Mr. LAGUARDIA. He got about as much as the man got for the paraffin paper.

Mr. BURTNESS. A little over 1 cent, or 1.15 cents at the outside.

Mr. LAGUARDIA. Yes; if it is honest bread; but in such bread as I have here he got much less.

Mr. BURTNESS. Yes; if it is a pound loaf.

Mr. LAGUARDIA. Yes; but the way it is pumped with air and the way it is baked, he did not get that much.

Mr. ANDRESEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. ANDRESEN. Does the gentleman feel that his amendment will take care of this situation?

Mr. LAGUARDIA. I think if we put the amendment on wholesalers, commission merchants, jobbers, and bakers who artificially enhance prices when a commodity is in operation under the law, and provide a punishment for the offense, we will at least do all we can under the circumstances.

Mr. BURTNESS. Will the gentleman again yield?

Mr. LAGUARDIA. I yield to the gentleman.

Mr. BURTNESS. And would not wheat have to increase at least 80 cents a bushel in order to justify an additional 1 cent in the price of a loaf of bread?

Mr. LAGUARDIA. More than that. An honest baker, such as Cushman's Sons (Inc.), of New York City, gets 366 loaves of bread out of one barrel of flour; that is, 366 loaves of honest bread and not pneumatic bread. There are 4 bushels and 10 pounds of wheat, as a gentleman has informed me, in a barrel of flour, and the price would have to go 83 or 84 cents above the highest price we have had since the war; not 83 cents above the price now, but above the highest price we have had since the war, before it would replace 1 cent a loaf, and I am talking of honest bread, both in weight and contents.

Gentlemen, I do not want to take any more time, but I ask the cooperation of the committee when the proper time comes. [Applause.]

I ask unanimous consent, Mr. Chairman, to withdraw my pro forma amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I move that all debate on the Aswell amendment and all amendments thereto close at 3 o'clock.

The motion was agreed to.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 7, in line 16, of the Aswell amendment insert the following: "To banks and to associations or corporations organized by farmers or others under the laws of any State."

Mr. WRIGHT. Mr. Chairman and gentlemen of the committee, under the terms of this bill this revolving fund of $400,000,000 can not be loaned except to cooperative associations or to corporations organized by cooperative associations. In other words, the only concerns in the United States that are eligible to borrow one dollar of this revolving fund would be a cooperative marketing association or a corporation organized by such association.

Gentlemen, it has been stated here that the cooperative associations of the United States on the average do not represent over 7 per cent of the commodities produced. Take the State of Georgia as an illustration. They have what is known as a cooperative cotton association and I am informed that perhaps not over 3 or 5 per cent of the cotton produced in Georgia is represented in the membership of that association, and yet this bill provides that no person or company or corporation in Georgia except that cooperative association, or a corporation organized by it, shall be eligible to borrow any of this fund.

My amendment proposes to enlarge the eligibility and include banks and associations or corporations organized by farmers or others under the laws of any State. The loans, of course, to be confined to agricultural products, just as the bill provides; in other words, the banks and other corporations or associations which might borrow from this fund would operate just as a cooperative association would operate under the requirements of the bill; that is, use it for the specific purposes set out in the bill.

You can see, gentlemen, that many farmers might prefer, if they proposed to carry or hold their products, to borrow from a bank or from some association or corporation other than a marketing association.

Mr. ARENTZ. Will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. ARENTZ. Subsection (c) of section 5 specifically provides that any corporation created and controlled by one or more cooperatives shall come under the provisions of the bill.

Mr. WRIGHT. I understand that.

Mr. ARENTZ. How does the gentleman interpret the word "corporation"?

Mr. WRIGHT. I interpret it that no corporation organized under any law can borrow one dollar of this money unless the corporation is organized by a cooperative association; in other words, it would be a subsidiary of some cooperative that would be under the direct control of the cooperatives.

Mr. ARENTZ. The gentleman said that the parent company in existence in the State of Georgia would have to control the organization that would come under these provisions.

Mr. WRIGHT. Absolutely, under the terms of this bill.

Mr. ARENTZ. Was that brought out in the hearings?

Mr. WRIGHT. I do not know. It is in the bill. That is the plain language of the bill.

Mr. ARENTZ. I wish the gentleman would point it out to me, because I would like to see that.

Mr. WRIGHT. If the gentleman will turn to the Aswell amendment, page 7, section 5, he will see that there can not be any question about it. No company, no corporation, and no association in the world is eligible to borrow one dollar of this money except a cooperative association or a corporation organized by such an association.

Mr. FORT. Will the gentleman yield?

Mr. WRIGHT. Certainly.

Mr. FORT. There is also a provision for loans for the purpose of establishing agricultural credit corporations, which meets the exact objection the gentleman is now raising.

Mr. WRIGHT. Point that out in the bill, please.

Mr. FORT. It is subdivision (c) of section 5, I think.

Mr. WRIGHT. Of the Aswell bill?

Mr. FORT. Yes; it is the same section in both bills.

Mr. WRIGHT. Under the provision which the gentleman cites no part of the revolving fund could be borrowed originally except by a cooperative association or corporation created and controlled by one or more cooperative associations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, so that a cooperative association or corporation created and controlled by one or more such associations would first have to borrow from the board and in turn loan for use as capital for an agricultural credit corporation.

Mr. FORT. Subsection 3 of paragraph 2 of 5a. In the original bill it is page 38.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. WRIGHT].

The question was taken; and on a division (demanded by Mr. WRIGHT) there were 32 ayes and 88 noes.

So the amendment was rejected.

Mr. HARRISON. Mr. Chairman, I offer the following amendment, and as I understand there is no objection to it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HARRISON to the Aswell amendment: Page 23, line 4, after the word "act," insert "agricultural commodities means an agricultural commodity which is not a fruit."

Mr. HARRISON. Mr. Chairman and gentlemen, what I want to do by this amendment is to exclude from the bill the apple industry. That was done in the Senate. I have the consent of the chairman of the committee [Mr. HAUGEN] and I have the consent of the gentleman from Louisiana [Mr. ASWELL] to offer this amendment. It has been submitted to both of them.

Mr. COCHRAN of Missouri. Does the gentleman include vegetables?

Mr. HARRISON. No; but I am perfectly willing that it shall be put into the amendment.

Mr. ANDRESEN. Does the gentleman mean that he does not want fruit in the cooperative provisions?

Mr. HARRISON. Yes; I don't want it to be in the bill at all.

Mr. KINCHELOE. Will the gentleman yield?

Mr. HARRISON. I will.

Mr. KINCHELOE. The gentleman's amendment strikes out the provisions of the equalization fee as applicable to fruit, but does he want it taken out of the loan provisions?

Mr. HARRISON. Yes; I want it to be out of the whole bill.

Mr. BANKHEAD. Will the gentleman yield?

Mr. HARRISON. I yield.

Mr. BANKHEAD. There was so much confusion that we could not hear very well. I understood the amendment of the gentleman to apply to the apple industry.

Mr. HARRISON. No; to fruit. But, of course, it includes the apple industry. I use the words of the Senate bill, and purposely do so.

Mr. BANKHEAD. It applies to fruit of all descriptions.

Mr. HARRISON. Yes.

Mr. BANKHEAD. Now, I understand that that amendment is agreeable to the chairman of the Agricultural Committee [Mr. HAUGEN] and the gentleman from Louisiana [Mr. ASWELL]?

Mr. HARRISON. Yes; I have submitted it to them both.

Mr. HAUGEN. I want to say that a number of people who are apple growers came before the committee and requested that the bill be limited as far as they were concerned. As far as I am concerned I shall make no objection to the gentleman's amendment. I think it should be limited to apples, however, because the apple growers are the ones who requested it. There are also some apple growers who would like to have it in the bill, but I am not taking any position in regard to it.

Mr. HASTINGS. May I inquire whether the Agricultural Committee considered this amendment?

Mr. HAUGEN. There was not very much consideration given to it.

Mr. BOWMAN. Will the gentleman yield?

Mr. HARRISON. Yes.

Mr. BOWMAN. I have had a number of requests from apple growers in my State asking consideration of the Neely amendment, which took the fruit growers out from under the equalization fee, but kept it in the marketing provision of the bill.

Mr. HARRISON. Yes; I had a resolution sent me from the Horticultural Society of the State of Virginia asking that apples be eliminated from all features of the bill. I think I have some telegrams from West Virginia fruit growers. I have from the adjoining territory in Virginia.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired, and the question is on the amendment offered by the gentleman from Virginia [Mr. HARRISON] to the amendment of the gentleman from Louisiana [Mr. ASWELL].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Louisiana [Mr. ASWELL].

The question was taken; and on a division (demanded by Mr. CRISP) there were 121 yeas and 101 nays.

Mr. HAUGEN and Mr. ANDRESEN demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HAUGEN and Mr. ASWELL.

The committee again divided; and the tellers reported that there were 141 yeas and 120 nays.

So the amendment of Mr. ASWELL as a substitute was agreed to.

The Clerk read as follows:

FEDERAL FARM BOARD

SEC. 2. (a) A Federal farm board is hereby created which shall consist of the Secretary of Agriculture, who shall be a member ex officio, and 12 members, one from each of the 12 Federal land-bank districts, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

(b) The terms of office of the appointed members of the board first taking office after the approval of this act, shall expire, as designated by the President at the time of nomination, 4 at the end of the second year, 4 at the end of the fourth year, and 4 at the end of the sixth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Any member of the board in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

(e) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the appointed members in office shall constitute a quorum for the transaction of the business of the board.

(f) Each of the appointed members of the board shall be a citizen of the United States, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of $10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or if assigned to any other office established by the board, then while away from such office on business required by this act.

Mr. ASWELL. Mr. Chairman, I move to strike out section 2.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana to strike out the section.

Mr. RAMSEYER. Mr. Chairman, on that I desire to be heard for a moment. I simply wish to explain to the Members of the House just what the parliamentary situation is so that we can vote intelligently upon the different sections as they will be read in the Committee of the Whole under the five-minute rule. The gentleman from Louisiana [Mr. ASWELL] offered an amendment to section 1 by way of a substitute, which has been adopted. He states, and we agree it is the fact, that it is the same as the Haugen bill except that the equalization-fee provisions are eliminated. Under the rules of the House, his amendment having been adopted, it does not do away with the necessity for reading and considering the rest of the bill. In other words, only section 1 of the bill before us is out. The substitute of the gentleman from Louisiana is in lieu of section 1. There is nothing to prevent, and it is entirely in

order as each section is read, to offer perfecting amendments to each section of the bill as it is reached for consideration. You may have the situation at the close of the consideration of the bill in the Committee of the Whole under the five-minute rule of every section in the Haugen bill being retained in the bill with perfecting amendments except, of course, section 1 which has already gone out, and also have the substitute of the gentleman from Louisiana [Mr. ASWELL] in the bill. But the rules will take care of that situation, because when we go back into the House we will have a separate vote or can have a separate vote on the amendments adopted in the Committee of the Whole. We can have a roll call on the amendment just adopted, offered by the gentleman from Louisiana as well as on every other amendment that shall be adopted hereafter. I should think the proper procedure for the proponents of this legislation would be to insist on the retention of the remaining sections of the Haugen bill in the bill, and if any of you have any amendments to offer, you can offer them. Of course the gentleman from Louisiana has served notice, and he will undoubtedly carry out his intentions, as each section is read, that he will move to strike it out. Pending such motion to strike out, perfecting amendments will be in order and may be adopted, and then the Committee of the Whole can vote down the motion of the gentleman from Louisiana to strike out the section.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. HOCH. In addition to that, unless we perfect these subsequent sections, when we get into the House and a separate vote is asked for upon these motions to strike out, we would only have the choice between striking out and leaving the section as it is in the bill, and would have no chance then to have the section perfected.

Mr. RAMSEYER. That is the fact. Suppose this is the situation that would get into the House. We have the amendment of the gentleman from Louisiana [Mr. ASWELL]. Then suppose his motion to strike out the sections as we come to them one by one prevail. You can get a separate vote, first, on the amendment offered by the gentleman from Louisiana, which has just been adopted, and you can also get a separate vote on each motion to strike out each separate section of the bill.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. KINCHELOE. And the vote will be, of course, upon the sections as modified, if they are amended in the Committee of the Whole.

Mr. RAMSEYER. That is correct. That is all I care to say.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. BURTNESS. Is there any object in making an issue of the matter in the Committee of the Whole?

Mr. RAMSEYER. Suppose we get back into the House, and we vote down the motion of the gentleman from Louisiana.

Mr. BURTNESS. Then there would be nothing left.

Mr. RAMSEYER. Then, of course, you would have left the bill just as it is without any perfecting amendments.

Mr. BURTNESS. But if you vote down in the House the motion of the gentleman from Louisiana, then naturally we would also vote down in the House the amendments striking out all of the other sections.

Mr. RAMSEYER. That would naturally follow.

Mr. BURTNESS. And that would leave the bill in the form it is in at the present time?

Mr. RAMSEYER. That is correct.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CANNON. Mr. Chairman, I would not presume to differ with my friend from Iowa [Mr. RAMSEYER] on the position that he has just taken, because the gentleman is one of the best parliamentarians in the House. But in that connection may I suggest that if this were a proper substitute, if it provided a different text from that already in the bill, then it would be necessary to follow the usual routine.

But the amendment which has just been adopted by the committee is identical, word for word, comma for comma, with the original bill. It is a well-established rule that an amendment having once been adopted is not thereafter subject to further modification. You can not modify an amendment after it has been agreed to.

A matter having been once adjudicated may not be again opened for amendment except by unanimous consent.

The committee has passed upon this amendment. It has decided that it will put this amendment in the bill, and it is not now subject to modification.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Yes.

Mr. RAMSEYER. The Committee of the Whole, it is true, has adopted the Aswell amendment. It is true that in the most part the Aswell amendment is as the bill before us. But how are you going to get rid of section 2 and section 3 when we come to them? You must concede that the only thing that has been stricken out of the bill up to this point is section 1, and the amendment offered by the gentleman from Louisiana [Mr. ASWELL] is only a substitute for section 1. It is not a substitute for the rest of the bill.

Mr. CANNON. Every clause in the substitute is identical with the section under consideration. Adoption of the original language of a section in the form of a substitute is tantamount to striking out such section.

The precedents contain decision after decision, holding that a matter having once been adjudicated can not be opened again for consideration, and the original section having been supplanted by a substitute which can not be amended has in effect been stricken from the bill.

Mr. ADKINS. Section 1 has been stricken out, and the Aswell bill adopted in its stead.

Mr. CANNON. That is right.

Mr. ADKINS. While that amendment was pending it was germane then to offer amendments to the amendment, but after it is adopted, how can you do anything more?

Mr. CANNON. The gentleman is right. Those who desire to propose amendments have had their opportunity, but have slept on their rights, and the substitute having been perfected and adopted it is now too late for further modification.

Mr. RAMSEYER. If the gentleman is correct about that, what is the parliamentary procedure from now on?

Mr. CANNON. The committee reports the section to the House.

Mr. RAMSEYER. But the bill has not been read. Not only the rules of the House, but the special rule under which we are operating directs that the bill shall be treated as an original bill; that is, the committee substitute; and that it shall be read for amendment under the five-minute rule.

You have read the first section under the five-minute rule, and no other section. I do not care how much alike they are. So far as the Committee of the Whole is now informed, we have no information that the substitute is identical with the original bill except as we have been advised by a Member of the House.

Mr. CANNON. That very question was passed upon by the gentleman from Massachusetts [Mr. LUCE] the other day when presiding over the Committee of the Whole. He held——

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. I would like to inquire what is the parliamentary situation?

The CHAIRMAN. The matter before the House is the motion of the gentleman from Louisiana [Mr. ASWELL], to strike out section 2 of the Agricultural Committee substitute.

Mr. BANKHEAD. Then I demand the regular order under that parliamentary situation.

Mr. CRAMTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan moves to strike out the last word.

Mr. LAGUARDIA. I think a point of order is pending.

Mr. CRAMTON. If there is a point of order pending, I would like to be recognized to speak on the point of order.

The CHAIRMAN. There is no point of order pending, but gentlemen have discussed the parliamentary situation.

Mr. CRAMTON. I move to strike out the last two words.

Mr. CHINDBLOM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. The gentleman may be recognized in opposition to the last motion, but the motion contains no last word.

Mr. LAGUARDIA. Mr. Chairman, I desire to reserve a point of order on the motion made by the gentleman from Louisiana [Mr. ASWELL].

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

Mr. Chairman, what I am trying to do is to get a chance to interrogate the gentleman from Missouri [Mr. CANNON] and I think, inasmuch as he has argued at length, the gentleman should not make a point of order against my speaking in opposition to what he has presented. I ask unanimous consent to proceed for five minutes out of order.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. BEEDY. I shall object until the House is in order, and I wish to suggest that there is a Sergeant at Arms who can keep order, or at least assist.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BEEDY. Mr. Chairman, I object until the House is in order.

Mr. CANNON. Mr. Chairman, I submit the point of order that no motion is now in order except the motion to strike out; no amendment or proposition to perfect the bill is in order except the motion to strike out.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Is there objection?

Mr. CRAMTON. The gentleman from Missouri has argued on the point of order. I want to speak in opposition to his argument.

I do not believe he ought to object to the unanimous-consent request I have made.

Mr. CANNON. I did not object; and I am always glad to hear the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan to proceed for five minutes out of order?

Mr. BLACK of New York. Mr. Chairman, reserving the right to object, what is the gentleman going to speak about?

Mr. CRAMTON. I am trying to discuss the business before the House.

Mr. BLACK of New York. Just on what point?

Mr. CRAMTON. On a point of order that has not been made.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I am embarrassed to have had so much excitement attendant upon my efforts to contribute just a word or two on the situation before the committee; but the position maintained by the gentleman from Missouri did not impress me as well taken. The motion which has prevailed is simply a motion to strike out the first section of the bill and substitute therefor other matter. Under the rules of the House that is the way the gentleman from Louisiana had to proceed. The argument of the gentleman from Missouri was quite correct, in so far as the ordinary situation before the committee would exist, that when the same matter has been once acted upon it can not be brought up again; but the weakness in the argument of the gentleman from Missouri lies in this, that the committee is confronted with an extraordinary situation, a situation that must always face the committee when the first section of a bill has been stricken out and an entirely new bill put in in its place.

The rules make possible that which otherwise would not be possible, because much of that amendment was not germane to the first section, but the rules make that possible and it has been done.

Mr. CANNON. Will the gentleman yield?

Mr. CRAMTON. Not now, but I will yield later. Now, the rule under which the Aswell amendment or substitute was agreed to provides only for the striking out of the first section. The second section, the third section, and the fourth section have not been stricken out. The gentleman from Missouri argues that having once acted upon the subject matter of those sections in connection with the Aswell substitute the committee can not again act upon that same subject matter, whereas we inevitably must again act upon them, although in what manner we act upon them remains to be seen. That is to say, even the gentleman from Missouri does not propose to leave in section 2 or leave in section 3. Section 2 is now before the committee for consideration and whatever position may be taken we have got to take some action with reference to section 2; that is to say, we must again give consideration to the subject matter in section 2. Now, the gentleman from Iowa says that when we are giving consideration to that, as we must give consideration to it, the committee will have the right, instead of striking it all out, to strike it out, or amend, or even retain the section; in other words, this committee has before it the determination of what it will do with section 2. If it were not for the peculiar conditions under which we are now trying to operate the gentleman's argument would ordinarily control but it does not control at all now.

My argument is, Mr. Chairman, that since under this procedure we have to act upon section 2 the committee has the liberty of action of deciding what it will do with section 2, whether it will retain it or amend it.

Mr. STEVENSON. Will the gentleman yield?

Mr. CRAMTON. I will first yield to the gentleman from Missouri.

Mr. CANNON. Under ordinary circumstances the right to strike out a section necessarily involves the right to modify that section? You can not have the right to strike out without having the subordinate right to modify.

Mr. CRAMTON. And that is my argument exactly.

Mr. CANNON. But there is here a distinguishing difference. The substitute just adopted is identical with the original text. You can not modify this proposition because you have already adopted it. Therefore, the technical right to strike it out is, in this instance, purely a formality.

Mr. CRAMTON. I thought I was yielding to the gentleman for a question; but I thank him for his contribution.

Mr. STEVENSON. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. STEVENSON. I would like to ask the gentleman if it would now be competent to amend the amendment offered by the gentleman from Louisiana and adopted?

Mr. CRAMTON. It would not be competent to act upon the substitute offered by the gentleman from Louisiana.

Mr. STEVENSON. Then would it be competent to adopt something subsequently which is an amendment to it? Would not the adoption of something inconsistent with it be an amendment to it?

The CHAIRMAN. The time of the gentleman from Michigan has expired. The Chair would like to see whether he understands the parliamentary situation. As the Chair understands, the gentleman from Missouri makes a point of order? Will the gentleman state his point of order?

Mr. CANNON. That it is not in order to proceed with the reading of the section for amendment for the reason that a substitute has been adopted striking out and substituting identical language.

Mr. CRISP, Mr. DOWELL, and Mr. HOCH rose.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman, the parliamentary situation it seems to me is clear. There is no question but what under the rules and practice of the House when a bill is up for consideration in the Committee of the Whole under the five-minute rule it is in order to move to strike out all after the enacting clause and propose a new substitute, giving notice that if the motion prevails you will then proceed to strike out the remaining sections as read. This is a parliamentary way of getting before the body the entire question as to whether you are going to adopt the substitute for the original bill that you are considering.

You can not under this parliamentary subterfuge move to strike out all of the remaining sections of the original bill that have not been read, but the practical parliamentary and legislative effect of the motion prevailing to strike out all after the enacting clause and substitute a new text is that the remaining sections of the bill are rejected by the committee.

Mr. CANNON. Will the gentleman yield?

Mr. CRISP. In just a moment.

It is also true that under the precedents of the House after the committee has adopted a bill or an amendment it is not in order then to move to amend or change that, based on the doctrine of res adjudicata, that when the House or the committee has given its judgment on a matter and adopted it, that is final. If it were not, you could go on ad infinitum proposing new amendments.

Mr. HOCH. Will the gentleman yield there?

Mr. CRISP. I would prefer to finish my statement and then I will be pleased to answer any question in the world that I can.

Much has been said about the effect of this legislation doing away with the five-minute rule. It was entirely within the discretion and judgment of the committee as to whether they would do this or not. If they had voted down the substitute, then the bill would have been read under the five-minute rule.

Under the rules of the House it is also in order when you begin the consideration of a bill to move to strike out the enacting clause. If the enacting clause is stricken out, that ends the matter. The committee reports to the House, and that settles it, because why should the committee go and consider a matter when it has a judgment contrary to the bill before it and desires to bring the matter to a conclusion?

Gentlemen, it seems to me the present parliamentary situation is that the Committee of the Whole has adopted a substitute for the original Haugen bill which the committee was considering, and then the parliamentary situation in effect is that the committee has rejected all of the other sections of the bill——

Mr. HAUGEN. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 3555, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 12875) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1929, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WARREN, Mr. SMOOT, Mr. CURTIS, Mr. BROUSSARD, and Mr. COPELAND to be the conferees on the part of the Senate.

ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title when the Speaker signed the same:

H. R. 10151. An act to amend section 9 of the Federal reserve act.

RECESS

EHRENFRIED GÜNTHER VON HUENEFELD, JAMES C. FITZMAURICE, AND HERMANN KOEHL

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the House may stand in recess subject to the call of the Chair in order to receive, during the recess, the distinguished trans-Atlantic flyers, Baron von Huenefeld, Major FitzMaurice, and Captain Koehl. [Applause.]

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the House stand in recess subject to the call of the Chair. Is there objection? [After a pause.] The Chair hears none, and the Chair appoints the gentleman from Connecticut [Mr. TILSON], the gentleman from Texas [Mr. GARNER], and the gentleman from Pennsylvania [Mr. PORTER] to escort our distinguished visitors to the House.

Accordingly (at 3.41 p. m.) the House stood in recess subject to the call of the Speaker.

DURING THE RECESS

Mr. TILSON, Mr. GARNER of Texas, and Mr. PORTER escorted Baron von Huenefeld, Major FitzMaurice, and Captain Koehl to the Speaker's rostrum.

The SPEAKER. Gentlewomen and gentlemen of the House, we are honored to have with us as our guests this afternoon the three heroic and intrepid aviators, representatives of two great and friendly nations, the first of men to conquer the Atlantic by air from east to west. [Applause.]

I am pleased indeed to present to you Baron von Huenefeld [applause], Maj. James FitzMaurice [applause], and Captain Koehl [applause].

These gentlemen will be delighted to meet the Members individually.

Baron von Huenefeld, Major FitzMaurice, and Captain Koehl stood in the well of the House and the Members and officials of the House were presented to them by Mr. TILSON.

AFTER THE RECESS

The SPEAKER called the House to order at 4 o'clock p. m.

APPOINTMENT OF FUNERAL COMMITTEE

The SPEAKER. The Chair appoints the following committee to attend the funeral of the late Representative Sweet.

The Clerk read as follows:

JAMES S. PARKER, BERTRAND H. SNELL, S. WALLACE DEMPSEY, ARCHIE D. SANDERS, CLARENCE MACGREGOR, FIORELLO H. LAGUARDIA, DANIEL A. REED, J. MAYHEW WAINWRIGHT, JOHN TABER, FREDERICK M. DAVENPORT, HARCOURT J. PRATT, JOHN D. CLARKE, CLARENCE HANCOCK, WILLIS C. HAWLEY, ALLEN T. TREADWAY, JOHN CAREW, THOMAS CULLEN, CHRISTOPHER D. SULLIVAN, ANTHONY J. GRIFFIN, JOHN J. BOYLAN, GEORGE W. LINDSAY, D. J. O'CONNELL, ROYAL H. WELLER, WILLIAM W. COHEN, and JOHN J. O'CONNOR.

AGRICULTURAL SURPLUS CONTROL BILL

Mr. ASWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ASWELL. The committee having adopted a substitute to the McNary-Haugen bill, who has the right to make the motion to go into the Committee of the Whole?

The SPEAKER. The Chair thinks that the gentleman from Iowa, the chairman of the Committee on Agriculture, would have the right.

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3555) to establish a Federal farm board, and so forth.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MAPES in the chair.

The CHAIRMAN. The gentleman from Georgia will proceed.

Mr. CRISP. Mr. Chairman and gentlemen, I will conclude in a few moments. As I stated before a technical motion to strike out the first section and offer a complete substitute with notice that if it prevails it will be moved to strike out the succeeding sections is a motion of legislative entity and when the House votes, in the original substitute for the first section, it in effect gives by implication its acquiescence to striking out all the remaining sections of the bill. The House having adopted in Committee of the Whole a complete legislative substitute for the original Haugen bill the committee is estopped from adopting any amendment that changes in any way the substitute to which the committee has just given its legislative approval.

I think that is clear, but the matter is not complicated so far as the power of the House of Representatives is concerned. The House of Representatives has the power to work its will on this bill now as completely as it had before the substitute was adopted. I think the Committee of the Whole is bound to ratify the motion to strike out the remaining sections as they are read and then report the bill to the House and see whether or not the House will approve of the action of the Committee of the Whole.

Now, suppose that the committee refuses to strike out the remaining sections. Then the chairman of the committee reports back to the House that the Committee of the Whole has adopted a substitute for it, and also reports back the original bill; and suppose the House should see fit to ratify the action of the committee and adopt the substitute, what are you going to do with the original bill that is also hanging there—you have a legislative monstrosity.

But when the bill is reported back to the House with the recommendation of the committee that the substitute be adopted and the remaining sections of the bill be stricken out, if the House refuses to ratify the previous action of the Committee of the Whole House on the state of the Union in adopting the substitute, then the whole original Haugen bill as reported from the Committee on Agriculture is before the House for action. The House has the whole bill before it for consideration. Of course, if the previous question is demanded and sustained by a majority vote then the question would come on a vote to pass the Haugen bill as reported by the Committee on Agriculture without amendment. But if the previous question is not ordered in the House, then in that event the whole original Haugen bill would be before the House, and the House might offer amendments to it and consider it in the House, offering amendments to any section. The House would also have the power if it saw fit in that contingency to refer the original Haugen bill back to the Committee of the Whole House on the state of the Union to be considered under the five-minute rule.

Therefore it seems to me that the whole matter is within the power of the House to work its will without violating any of its rules or legislative precedents in the premises.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. KINCHELOE. As the gentleman knows, I have one or two amendments which I propose to offer under the five-minute rule. Does the gentleman maintain that the perfecting amendments to the remaining sections in the original Haugen bill would not take precedence over a motion to strike out?

Mr. CRISP. I do, for the reason that the committee has adopted by a vote a substitute for the whole bill, and the effect of that was to confine the further action of the committee to striking out those sections that remain in the bill. Unquestionably under the rules of the House in ordinary matters a motion to perfect is preferential in the vote to a motion to strike out the section, but I differentiate this case from that because the committee has adopted a complete piece of legislation so far as the committee is concerned, and the effect of that action, and it was so understood or supposed to be understood if the Members knew the rules, that the remaining sections have to be stricken out. The original Aswell substitute was open for all perfecting amendments the Members of the House cared to offer before it was finally voted upon.

Mr. KINCHELOE. Is it the gentleman's contention that if the Aswell substitute be reported to the House and the action of the committee rejected, that then the House could go back into the Committee of the Whole House to consider the McNary-Haugen bill again section by section under the five-minute rule as if we had never gone back into the House?

Mr. CRISP. Unquestionably, in my opinion, if the previous question is not ordered upon the bill to final passage.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BURTNESS. Is there any way to get rid of sections 2 to 21, inclusive, without voting them out, except by unanimous consent?

Mr. CRISP. I do not think so. I think it is a technical legislative proceeding, and the condition in which we find ourselves is that the remaining sections should be read and the pro forma motion to strike them out should be made. I think the committee by adopting the substitute is committed legislatively to approving those motions to strike out those sections.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. CRAMTON. My interest in this is the development of proper procedure.

Mr. CRISP. That is all the interest that I have in it.

Mr. CRAMTON. The gentleman from Georgia has stated that in the case of a motion to strike out the enacting clause and the motion prevails, immediately when that motion is adopted the committee rises and reports its action to the House. To continue in such a case to act on sections 1 and 2, and so forth, would be only useless when the enacting clause is taken out. In the case now before us the gentleman is assuming that we have no freedom of action as to the sections remaining in the bill, because under this particular rule a motion has been approved to strike out section 1 and substitute a new bill. The gentleman contends that the committee has no discretion left as to what it will do with 20 sections except to go through the formality of acting on 20 motions and striking out 20 sections. If that is the case, why do not the rules provide that in the event that a motion be agreed to to strike out the first section, with notice, and so forth, that then the committee should rise at once, as they do when a motion to strike out the enacting clause prevails.

Mr. CRISP. Mr. Chairman, the gentleman states my position correctly. I was unfortunate, evidently, in giving the illustration of moving to strike out the enacting clause, and the committee rising immediately and reporting its action to the House. I simply injected that in order to answer some of the arguments that the Committee of the Whole House was compelled to read a bill through section by section under the five-minute rule. I used that as an illustration to show that that contention is not true.

The gentleman states my position exactly in the present case. Having stricken out section 1 and having adopted a substitute, with notice that if the motion prevailed a motion would be made to strike out the other sections, I think the committee is committed to do that. Answering the gentleman about the rule, I am not on the Rules Committee, but I have never known the Rules Committee to bring in a rule anticipating what motions would be made, anticipating the action of the Committee of the Whole House on a bill. The Rules Committee brings in a rule providing for the consideration of a bill under the general rules of the House. This is simply one of the general rules of the House that is applicable when a bill is under consideration.

Mr. CRAMTON. My reference to the rule was not to the special rule under which this bill is considered, but the rule under which a motion is made to strike out the first section, with notice, and so forth. If the gentleman's argument is correct, that we have no discretion left but to vote all the other sections out, it seems to me very peculiar that under the rules we are compelled to read all of the bill and vote on 20 motions to strike out the various sections. Why does not the rule then provide for the committee immediately rising and reporting its action to the House?

Mr. CRISP. If I were in the chair, feeling as I do and believing as I do, I would not hesitate to make a ruling in accordance with the gentleman's suggestion, because parliamentary law is supposed to be common sense. The precedents of the House, however, are the other way.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. RAMSEYER. I do not know that there is as much difference between the gentleman's attitude and my own, as I first thought. We agree that the remaining sections of the bill must be read?

Mr. CRISP. Yes.

Mr. RAMSEYER. A motion must be made to strike them out but the gentleman says that the Committee of the Whole House is bound to strike them out. I am wondering just in what sense he uses the word "bound." Does the gentleman mean that the Committee of the Whole House is morally bound, or is bound from a parliamentary standpoint to strike them out in order to make that action consistent with the action to amend the first section by striking it out and adopting a substitute?

Mr. CRISP. Of course, I meant legislatively, not morally. I would not question the morality or the ethics or the high standing of any man in this House. What I had in mind is a legislative proposition, the legislative effect of the motion adopting the Aswell substitute, and that is, when it prevails, it legislatively commits the committee to carry out the practical effect of the motion, which, of course, means striking out the inconsistent remaining sections of the bill.

Mr. RAMSEYER. Let me ask the gentleman from Georgia one other question.

Mr. CRISP. Yes.

Mr. RAMSEYER. And that is in regard to this motion to strike out and substitute an amendment. Of course, while the Aswell motion was pending it would have been in order to offer perfecting amendments to section 1?

Mr. CRISP. Yes; but to the Aswell amendment. It was in order to offer perfecting amendments ad infinitum to that substitute until it was finally voted on. But when it was finally voted on, then the question of estoppel arose, and you can not change what you have adopted.

Mr. RAMSEYER. I have not heard the rule of estoppel invoked in parliamentary procedure, although it is invoked in law.

Mr. CRISP. In a case where a House committee receives a bill erroneously referred to it, if the committee acts on it, the jurisdiction of the committee can not afterwards be questioned. In such cases the question of estoppel always arises and has been repeatedly so ruled by different Speakers.

Mr. RAMSEYER. That has no application to the situation before us. The gentleman stated the rule a little while ago, I think, correctly. When this bill is reported it will have the Aswell substitute and other amendments that may be adopted. The question comes up on the Aswell motion in the House; and suppose that amendment is lost?

Mr. CRISP. The motion would go further. The Chairman of the Committee of the Whole House on the state of the Union would report to the Speaker that the committee had adopted a substitute and recommended the striking out of the remaining sections of the original Haugen bill; and if the House voted to reject the Aswell substitute, then the House would vote to reject the other motion in the Committee of the Whole to strike out the other original sections, and then the whole original Haugen bill would be before the House.

Mr. ASWELL. One other question.

Mr. CRISP. Come one, come all. [Laughter.]

Mr. RAMSEYER. But you would have the rest of the Haugen bill before you without any perfecting amendments. Would you deny the opportunity to perfect subsequent sections—which was not denied when section 1 was under consideration?

Mr. CRISP. You would not deny the opportunity if the House desires a chance to perfect them, because if the House wanted to consider the bill itself, it having been once in Committee of the Whole for amendment, the House could take it up and consider amendments in the House just as in Committee of the Whole unless the previous question was ordered. The House, in its wisdom, could rerefer the bill back to the Committee of the Whole House on the state of the Union for the further consideration of the original Haugen bill, to be considered again under the five-minute rule.

Mr. BEEDY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman can not take the gentleman from Georgia off the floor by a parliamentary inquiry.

Mr. BEEDY. I would like to ask the Chair if he is ready to rule?

The CHAIRMAN. The Chair will not discuss that.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Kansas?

Mr. CRISP. Yes.

Mr. HOCH. The gentleman says a motion to strike out the section would be in order?

Mr. CRISP. I think so.

Mr. HOCH. If a motion is offered, presumably the House must vote on the motion?

Mr. CRISP. Yes.

Mr. HOCH. What does the gentleman mean by saying the House is rigidly bound to vote in one particular way? Is it

not free to adopt or to reject the motion to strike out? The power to strike out carries with it the power to modify or to amend. If we have the power to strike out, as the gentleman from Missouri [Mr. CANNON] said, we have the power to amend. Is not this simply an amendment to the first section?

Mr. CRISP. It is not, under the rules of the House. It is a complete substitute for the entire bill.

Mr. HOCH. Section 2 is still in the bill.

Mr. CRISP. Technically, yes; but the action of the committee in adopting the substitute was to eliminate all other sections. This is certainly true by implication.

Mr. HOCH. What was the significance of the motion to strike out?

Mr. CRISP. I do not see any use in it, except the precedents are that way. It seems to me when the Committee on the Whole adopts a substitute for a bill you might let that be construed to a repeal or be tantamount to striking out the other sections of the bill without further voting by the committee.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman from Georgia yield?

Mr. CRISP. Yes.

Mr. COOPER of Wisconsin. It seems to me that the answer to this problem is found in the answer to this question: Did the committee adopt a substitute bill?

Mr. CRISP. It did.

Mr. COOPER of Wisconsin. If that was the motion a substitute bill was offered by the gentleman from Louisiana?

Mr. CRISP. That is exactly what was done, I will say to my friend from Wisconsin.

Mr. COOPER of Wisconsin. If the committee adopted a substitute bill, then that substitute would be in lieu of some other bill, and no other bill can be carried by the committee into the House, because it is a substitute for the bill.

Mr. CRISP. Yes. My friend makes the proposition that I was trying to argue clearer than I made it, and it was on that basis and on that theory that my answer to the gentleman from Michigan and to the gentleman from Kansas was based; that I see no necessity for striking them out. As a matter of fact, I think the Chair would be authorized to entertain a motion for the committee to rise and report the bill to the House with sundry amendments without further action by the committee.

Mr. HOCH. What difference does it make if we call this a substitute bill or not? As a matter of fact, we have simply substituted another matter. To call it a bill does not make any parliamentary difference.

Mr. CRISP. Well, I think a difference in parliamentary law exists. A substitute is to displace the original bill and substitute in lieu of it a complete piece of legislation. [Applause and cries of "Rule!"]

Mr. JACOBSTEIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JACOBSTEIN. Is it in order to ask what the exact amendment was that was presented by the gentleman from Louisiana?

Mr. RAMSEYER. I have it here and would like to read it.

Mr. JACOBSTEIN. I would like that read so we may know what we voted upon when we adopted the Aswell amendment.

Mr. RAMSEYER. That is what I want to get before the House. I will read it as it is:

Amendment offered by Mr. ASWELL: Page 31, line 4, strike out all of section 1 of the committee substitute and insert in lieu thereof the Aswell bill H. R. 13269.

It is to strike out section 1 and insert something in lieu thereof. It is an amendment to section 1 and nothing more.

Mr. CHINDBLOM. But the notice is a part of the motion.

Mr. ASWELL. I gave notice that if the substitute prevailed I would move to strike out the other sections.

Mr. RAMSEYER. That is correct, and I agree with the gentleman on that.

The CHAIRMAN. The Chair had in mind asking the gentleman from Georgia the question which the gentleman from Kansas [Mr. HOCH] asked, as to whether it was a matter of parliamentary compulsion or moral compulsion on the part of the committee to vote to strike out the sections. The Chair would like to supplement that a little with this question: What does the gentleman say to this proposition if the committee is bound to strike out the sections why are motions necessary to have them stricken out? Let me call the gentleman's attention to one of the precedents in Hinds'.

On January 22, 1903, the Committee of the Whole House on the state of the Union was considering the bill (H. R. 15520) providing for the Philippine coinage.

The first section was stricken out and a substitute bill was adopted, which brought about a situation somewhat similar to the one we are in here now. Subsequently the sections were stricken out upon motions, and when the committee rose this took place:

The committee having risen, the Chairman reported that the committee had had under consideration the bill (H. R. 15520) to establish a standard of value and to provide a coinage system in the Philippine Islands, and had directed him to report it back to the House, with sundry amendments, with the recommendation that the bill, as amended, do pass.

The House being about to vote on the amendments, a question arose as to the nature of the first one, whereupon the Speaker said:

"The Chair sees no difficulty arising from any statement that has been made. There is only one question now, and that is the demand of the gentleman from Pennsylvania for a separate vote on the amendment offered by the gentleman from Virginia. That is the first amendment; it is not a substitute. It is an amendment by way of substitute to the first section. The only question is on agreeing to the first amendment."

This amendment was agreed to, and then the question was taken on the remaining amendments.

Now, why go through the motion of voting upon all those motions to strike out the different sections?

Let the Chair say further, not for the purpose of expressing an opinion but for the purpose of getting the gentleman's thought on it, that the gentleman has outlined a way, which seems to the Chair quite technical, of perfecting the Haugen bill in the House if the House decides to vote down the motion for the previous question. In this case the previous question is ordered under the rule; the previous question is considered as ordered. It would seem to the Chair that perhaps the only thing which would come before the House, if this Aswell amendment were voted down, would be to vote on the substitute of the Committee on Agriculture as reported. But assuming that the previous question should be voted down, would it not be more technical and more cumbersome to go ahead in the House to perfect the committee substitute than it would to go on here and perfect it in the Committee of the Whole? It may be we are all assuming that something may occur here that is not going to occur because, perhaps, the committee will go ahead and strike out all of these sections.

Mr. CRISP. In answer to the Chair I will say that I have not read the precedent to which the Chair has referred. As a matter of fact, I have not looked up anything; but the precedent which the Chair cites states that the committee reported not one amendment but sundry amendments and, of course, where there are more than one amendment you can have a separate vote; and the fact that sundry amendments were reported in the case cited negatives the idea that it was a substitute. A substitute is one amendment for the entire proposition.

The CHAIRMAN. The Chair did not make himself clear apparently. As the Chair understands the precedent, the sundry amendments were only amendments to strike out the sections.

Mr. CRISP. I was just coming to that. If in this case you refuse to strike out the remaining sections, then when you go into the House you do not have sundry amendments, but just have one amendment. If you strike them out, then you go to the House with sundry amendments; but if the Committee of the Whole should refuse to strike out the remaining sections, then you report the bill to the House with only one amendment, to wit, the Aswell amendment; and if the Aswell amendment is adopted, what are you going to do with the remaining sections of the Haugen bill which are antagonistic to it? You have a legislative absurdity.

Mr. DOWELL. Mr. Chairman, I want to call the attention of the Chair briefly to this question. The gentleman from Georgia [Mr. CRISP] concedes the parliamentary situation and concedes the Chair must hold that the gentleman from Louisiana [Mr. ASWELL] must move to strike out each section as it is reached in the reading of the bill for amendment. If this be true, there is nothing left except the question of what the committee desires to do with the motions when they are presented, because as stated here by the gentleman from Kansas [Mr. HOCH] why would you submit a motion to strike out a paragraph unless you expect the committee to vote upon it? It seems to me it goes without question that there would be no possible reason for submitting the motion unless it follows that it is to be voted upon.

Mr. CANNON. Will the gentleman yield just there?

Mr. DOWELL. Yes.

Mr. CANNON. Under the circumstances which we have here and which are very unusual, where the substitute adopted is identical with the original bill, what choice would the House have in voting to strike out these amendments, to do anything but strike them out?

Mr. DOWELL. I will answer that by saying that is purely a matter for the committee to determine as the motions come up.

I want to call the attention of the Chair to paragraph 5796 of Hinds' Precedents, volume 5, where this identical question was considered by the House and by the committee, and it is in the regular order which was suggested by the gentleman from Georgia that these motions to strike out these sections must be made and that the bill must be continued to be read for amendment. I want to read this authority:

On January 22, 1903——

The CHAIRMAN. The Chair will state to the gentleman from Iowa that is the section which the Chair just called attention to.

Mr. DOWELL. I understand that, but I want to emphasize what was done.

Mr. SINNOTT. Will the gentleman yield there?

Mr. DOWELL. Yes.

Mr. SINNOTT. The Chair in reading that did not read all of the section.

Mr. DOWELL. That is what I want to refer to—the part that was not dwelt upon by the Chair and I want to call attention to just what proceedings were had:

On January 22, 1903, the Committee of the Whole House on the state of the Union was considering the bill (H. R. 15520) providing for the Philippine coinage. The first section had been read under the five-minute rule, when Mr. William A. Jones, of Virginia, proposed a motion to strike out all of the bill after the enacting clause and insert a new text.

Then further on it was modified.

Later, Mr. Jones modified his proposition, and instead of offering the new text as a substitute for the whole bill, offered it as a substitute for all of the first section after the enacting clause, giving notice that if it should be adopted he would then move to strike out the remaining sections of the bill as they should be reached.

Now, listen to this:

The Chairman entertained the amendment, and after debate it was agreed to.

Thereupon the remainder of the bill was read under the five-minute rule, and each of the sections was, on motion made and carried, stricken out.

Now, I want to call attention to the statement of the gentleman from Georgia that when this gets to the House that only the one amendment would be considered. I want to call attention to just what was done in this case.

The committee having risen—

And this after each section had been stricken out as it was read upon proper motion—

The committee having risen, the Chairman reported that the committee had had under consideration the bill (H. R. 15520) to establish a standard of value and to provide a coinage system in the Philippine Islands and had directed him to report it back to the House with sundry amendments, with the recommendation that the bill as amended do pass.

The House being about to vote on the amendments a question arose as to the nature of the first one, whereupon the Speaker said:

"The Chair sees no difficulty arising from any statement that has been made. There is only one question now, and that is the demand of the gentleman from Pennsylvania for a separate vote on the amendment offered by the gentleman from Virginia."

That was the motion to strike out the first section and insert the substitute.

That is the first amendment. It is not a substitute; it is an amendment by way of substitute to the first section. The only question is on agreeing to the first amendment.

The amendment was agreed to, and then the question was taken on the remainder of the amendments.

Mr. CRISP. Will the gentleman yield?

Mr. DOWELL. Yes; certainly.

Mr. CRISP. I do not think that conflicts in the slightest with anything on earth I said, but I think it absolutely confirms all I said. The Chair ruled that that particular amendment was an amendment and not a substitute. I do not know what the text of that amendment was, but this is a complete substitute and the precedent which the gentleman cites confirms the position I have taken.

Mr. SINNOTT. Mr. Chairman, it seems to me we merely complicate matters by discussing what is going to take place when we get into the House. That is not the question for the committee to determine. The question for the committee to determine is what is the committee going to do.

Now, what did the committee do in the case cited in volume 5 of Hinds' Precedents, 5796, which is exactly identical with this case?

The CHAIRMAN. Has the gentleman from Oregon read the RECORD?

Mr. SINNOTT. No; but it is stated here what took place. The Chairman entertained the amendment and after debate it was agreed to.

What was agreed to? The motion to substitute another bill. The Member who made that motion notified the committee that if that was carried then he would move to strike out the other sections—just what was done here to-day. Then the remainder of the bill was read under the five-minute rule, and each of the sections was on motion made and carried stricken out.

If we are going to follow the precedents, that is what we should do here and not confuse the issue by discussing what is going to take place after we get into the House.

The CHAIRMAN. Does the gentleman know whether any amendment to subsequent sections was offered in that case?

Mr. SINNOTT. No.

Mr. CHINDBLOM. I have the RECORD here.

Mr. SINNOTT. Mr. Jones in the case cited in Hinds' 5796 modified his original proposition to strike out all after the enacting clause and instead of offering a new text as a substitute for the whole bill offered it as a substitute for the first section after the enacting clause giving notice that if it should be adopted he would move to strike out the remaining sections of the bill as they would be read. That is the identical motion made by the gentleman from Louisiana [Mr. ASWELL].

The CHAIRMAN. The gentleman understands that the question here is whether perfecting amendments to these sections can be made before the motion to strike out is voted on.

Mr. SINNOTT. The question is, Shall the Chair now entertain the motion to strike out in their order all subsequent sections after the first?

The CHAIRMAN. The Chair is clear on that proposition, but the question here is whether he can entertain a motion to perfect the sections as they are reached.

Mr. SINNOTT. Ordinarily when a motion is made to strike out and amend the perfecting motion is the preferential motion.

Mr. CHINDBLOM. Mr. Chairman, I think it would be interesting to learn what the proceedings were on January 22, 1903. They are to be found in the CONGRESSIONAL RECORD, Fifty-seventh Congress, second session, volume 36, part 1, page 1081. After the first section of the bill then under consideration in Committee of the Whole had been stricken out and the substitute adopted the chairman stated, "The Clerk will read the next section of the bill," and the Clerk thereupon read section 2. Then Mr. Jones of Virginia moved to strike out the section just read, and made the following request:

Mr. Chairman, I ask unanimous consent that a vote may be taken on striking out all of the succeeding sections together.

To that Mr. Grosvenor and Mr. Payne objected. Then Mr. Jones again moved to strike out the section. Mr. Payne said, "Of course that question is debatable," and the Chairman said, "It is debatable," and thereupon Mr. Payne spoke as follows:

Mr. Chairman, according to the usage of parliamentary procedure in the House, when a motion is made to substitute it is always in order, first, to perfect the original text before the substitute can be voted on. Owing to some confusion in the situation to-day, a motion was made to substitute an entire bill for the first section of the pending bill. Now, the gentleman from Virginia proposes to go ahead and strike out each of the remaining sections without perfecting the text. I think it would be in order to first perfect the sections before a vote is taken on striking them out. I do not know whether there are committee amendments to this second section; I have not the bill before me. If there are committee amendments, I submit they should first be voted upon and the text perfected before any vote is taken on the motion to strike out.

Thereupon Mr. Grosvenor, of Ohio, said:

Mr. Chairman, I objected to the proposition of the gentleman from Virginia for unanimous consent, and I did so because under the well-known principles of parliamentary procedure the control of this bill has passed to the other side, and it is for the gentleman from Virginia to make his own motions in his own way, he and his party associates having entire control of the bill itself and all amendments.

Thereupon the Chairman, Mr. Tawney, of Minnesota, replied:

The Chair questions the statement of the gentleman from Ohio [Mr. Grosvenor] as to the control of the bill having passed to the gentleman from Virginia simply because of an adverse vote on one amendment to the bill. The position of the gentleman from New York, however, is primarily correct, that the committee amendments to section 2 of this bill will have to be passed upon and the section perfected before a vote can be taken on the motion of the gentleman from Virginia.

Mr. Jones said that he did not know that there were any committee amendments to section 2. Then the Chairman said: "The Clerk will report the committee amendments," and thereafter the Chairman said: "The question is on the first committee amendment." The question was taken, and the committee amendment was agreed to. Then Mr. Jones said: "I move to strike out the whole of section 2 as amended," and thereupon that motion was agreed to.

Thereupon Mr. Williams of Mississippi asked unanimous consent that the remaining sections of the bill be considered as read and the amendments thereto adopted, and that the question be then taken upon the motion whether they should or should not be stricken from the bill. Mr. Crumpacker objected because he desired to propose an amendment to section 6, which had not been reported as a committee amendment. Mr. Williams thereupon changed his request so that the course he had proposed would be followed with reference to all sections except section 6, and to this request there was no objection. Mr. Crumpacker thereupon offered an amendment of his own to section 6, which after considerable debate was agreed to, and subsequently a committee amendment to section 6 was also adopted. Mr. Payne thereupon called attention to the fact that the committee amendments to section 1 had not been agreed to, and by unanimous consent these amendments were adopted, and thereafter all of the remaining sections, including section 6 as amended, were stricken from the bill.

The committee thereupon rose and reported the bill "with sundry amendments to the House with the recommendation that the bill as amended do pass." A separate vote was taken on the amendment offered by Mr. Jones of Virginia as a substitute for the first section of the bill. In that connection Mr. Cannon, of Illinois, remarked that it seemed to him that if the proposition of the gentleman from Virginia prevailed, then the other amendments, striking out the other sections, "would fall as a matter of course." Mr. Richardson, of Tennessee, argued that the amendments to which Mr. Cannon referred "were amendments added to the original bill," and said:

> The proposition now before the House is the substitute offered by the minority and which was carried in it for the entire perfected bill of the majority, and the question now before the House is the passage of the bill which is a substitute and without amendment. There were no amendments reported with the bill, and the question is on the passage of the substitute bill as reported to the House. There are no amendments to that.

The Speaker held that the only question at that moment was the demand for a separate vote on the first amendment which he said was not "a substitute," but "an amendment by way of substitute for the first section." The amendment was agreed to and thereupon the Speaker put the "other amendments" in gross and without objection all of them were agreed to.

In this connection, there was an interesting discussion before the amendment in the nature of a substitute was offered which discussion closed with the following statement by the chairman of the Committee of the Whole, Mr. Mann, of Illinois:

> The gentleman from Virginia moves to substitute the amendment which he has sent to the Clerk's desk in place of section 1 of the pending bill, giving notice that if this motion be adopted he will move to strike out the other sections of the pending bill. Of course, the gentleman understands that if this motion should be submitted at this time it will require the reading of the rest of the bill for amendment.

During the discussion the chairman, Mr. Mann, held that a motion to strike out all after the enacting clause and to substitute other matter in lieu thereof was not in order until the entire bill had been read, but that a motion to substitute such matter for the first section of the bill, with notice of intention to move to strike out the remaining sections of the bill, if the substitute were adopted, would be in order after the reading of the first section.

Mr. SINNOTT. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. SINNOTT. How do committee amendments change the status? They have no more sanctity or privilege than an amendment offered on the floor of the House.

Mr. CHINDBLOM. It happens in this case that both committee amendments and amendments offered on the floor of the House were considered by the committee before the vote was taken on the motion to strike out. However, there does not appear to have been any point of order made against this procedure.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. CRISP. Does not the gentleman recognize this as to the case he cites, that the committee amendments were pending in the section of the bill as reported by the committee, and were awaiting action before the original substitute was adopted, and under the general rule, where there is an amendment pending to the text, it has to be perfected before you vote to strike out the entire text. Therefore, in that case, they simply voted to perfect the text as to the committee amendment that was offered before they voted to strike out the entire section.

Mr. CHINDBLOM. On the precedents and upon principle, my disposition is to agree with the gentleman from Georgia [Mr. CRISP] in the position that he takes, but this particular precedent does not bear us out for this reason: In this case the Committee of the Whole first struck out section 1 and adopted a substitute for the entire bill with notice that motions would subsequenly be made to strike out the following sections, and during the consideration of those sections not only committee amendments were considered, but amendments offered from the floor were considered before there was a vote on the motion to strike out.

Mr. LAGUARDIA. But they were all stricken out.

Mr. CHINDBLOM. Yes; they were.

Mr. CRISP. The committee can do anything it wants to do.

Mr. TILSON. Mr. Chairman, I think this may be cleared up by first considering what would be the situation if we reached a vote in the House without having had an opportunity to amend any of the provisions of the original bill, and by the "original bill" I mean the Haugen bill, reported out by the Committee on Agriculture. Unless those sections are amended before they are stricken out, they can not be amended at all, and in case the Aswell substitute should be voted down, then we should be left without an opportunity to amend any of the provisions of the Haugen bill except the first section. If it is intended to amend any of these sections, it seems to me that they should be amended before they are stricken out. They should be stricken out of course. Then in case of the refusal to accept the Aswell substitute in the end, we might also refuse to accept any of the motions to strike out the amended sections. If we do not strike them out, we shall have in the bill two complete sets of sections running parallel to each other and with two or three exceptions substantially identical.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. COOPER of Wisconsin. This thought occurs to me. Section 2 of the Haugen bill is identical with section 2 of the Aswell substitute, and so are sections 3, 4, 5, 6, 7, and 8. Those have all been adopted. Is it possible that the committee under the rule can vote, after having adopted those seven sections in their entirety, to amend them?

Mr. TILSON. The fact referred to by the gentleman from Wisconsin makes this a very unusual case. I do not believe that there has ever been a case where so large a number of sections were exactly the same.

Mr. ASWELL. Is it not a fact that several amendments were offered and some of them were adopted during the two hours before my substitute was adopted?

Mr. TILSON. To the gentleman's substitute?

Mr. ASWELL. Before the final adoption.

Mr. TILSON. Yes.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield;

Mr. TILSON. Yes.

Mr. CRAMTON. I am in sympathy with the gentleman's position, but this question arises in my mind. Suppose we adopt several amendments to sections 2, 3, 4, and then strike them out, and suppose that the rest of the sections are amended and then striken out, and that then we report the bill to the House. Suppose then that the House votes down the Aswell substitute. Is it the gentleman's theory that we would then have the perfected Haugen bill before us?

Mr. TILSON. Yes.

Mr. CRAMTON. How would the House have any evidence as to the perfecting amendments? They would not have been reported to the House by the Chairman of the Committee of the Whole House.

Mr. TILSON. Under the special rule there is the privilege of voting on each amendment as if this were an original bill, and a separate vote could be asked on each one of these?

Mr. CRAMTON. The gentleman does not get the point. The report of the Chairman of the Committee of the Whole House will have been that that committee has had under consideration this bill and that the committee has voted to substitute the so-called Aswell bill and to strike out all of the so-called Haugen bill. The House would not have before it these perfecting amendments to sections 2, 3, 4, and so forth, and hence could not concur in them.

Mr. TILSON. The gentleman from Michigan is right. If the House should decline to accept the Aswell substitute, this

would leave the bill just as it was before the substitute was adopted, unless perfecting amendments were reported.

Mr. HASTINGS. Not if we go back into the Committee of the Whole.

The CHAIRMAN. The Chair would like to make a suggestion. The Chair thinks this is an important point of order, and suggests that inasmuch as it is about time for the committee to rise and for the House to adjourn, the decision of the point of order be postponed until to-morrow. In the meantime there will be an opportunity to examine the precedents and to give the matter some mature deliberation.

Mr. CANNON. Mr. Chairman, in order to expedite the consideration of the bill I withdraw the point of order and ask for the regular order.

The CHAIRMAN. The gentleman from Missouri withdraws his point of order.

Mr. LAGUARDIA. Then, Mr. Chairman, I make it. We ought to have this thing decided for once. It might as well be now as at any other time.

The CHAIRMAN. The gentleman from New York renews the point of order.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Iowa moves that the committee do now rise.

Mr. ASWELL. Mr. Chairman, what is the parliamentary situation?

Mr. SABATH. A point of order is pending.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Iowa [Mr. HAUGEN] that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, having had under consideration the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, reported that that committee had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. CELLER, by unanimous consent, was granted leave of absence, indefinitely, on account of illness.

UNEMPLOYMET

Mr. JACOBSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some correspondence between myself and Secretary Davis and Secretary Hoover.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JACOBSTEIN. Mr. Speaker, under the unanimous consent granted me, I wish to insert in the RECORD some correspondence between myself and Secretary Davis of the Department of Labor and Secretary Hoover of the Department of Commerce, as follows:

APRIL 27, 1928.

Hon. JAMES J. DAVIS,
*Secretary of Labor, Washington, D. C.*

MY DEAR SECRETARY DAVIS: I hope that you will approve of the specific recommendations which I am making with respect to the gathering and publication of data on unemployment in connection with the taking of the 1930 census, as stated in my letter to Secretary Hoover, a copy of which I am inclosing.

The committee is in session this morning, and if you wish to telephone me your approval of this proposition I shall be very happy to transmit it to the committee.

Yours sincerely,

MEYER JACOBSTEIN.

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APRIL 27, 1928.

Hon. MEYER JACOBSTEIN,
*House of Representatives, Washington, D. C.*

MY DEAR MR. JACOBSTEIN: Replying to your letter of to-day, I am inclosing you herewith a copy of a letter which I wrote to Secretary Hoover on January 12, together with a copy of his reply, and also a copy of a letter which I am mailing to Secretary Hoover to-day, which not only reiterates the question of making a census of the unemployed in 1930 but also urges him to make a census of aged persons as to their dependency.

Sincerely yours,

JAMES J. DAVIS.

JANUARY 12, 1928.

Hon. HERBERT HOOVER,
*Secretary of Commerce, Washington, D. C.*

MY DEAR MR. SECRETARY: Trusting that you will pardon me for making another suggestion as to the forthcoming census, I would like to call your attention to the importance of including the question of unemployment in the population schedule.

As I understand it, the census of 1910 included a question as to whether or not there were any persons in the family who were usually employed who were out of work on a specific day. I believe in that case it was April 1, or the basic date of the census. This would have given a definite mooring for reckonings or estimates on the volume of unemployment in subsequent times. It would be an invaluable aid if we knew the number of people out of work and seeking employment on any one day in any one year, for there are ways of determining within a reasonable degree of accuracy the comparative industrial conditions in one year with another. The Bureau of the Census never published the figures which it secured in 1910, and I would like to call your attention to the advisability, at least from our point of view, of including that information in the coming census and making provision for its publication and use when secured.

I am, sir, with great respect,

Very sincerely yours,

JAMES J. DAVIS.

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JANUARY 21, 1928.

Hon. JAMES J. DAVIS,
*Secretary of Labor, Washington, D. C.*

MY DEAR MR. SECRETARY: I have received your letter of January 12 calling attention to the importance of including a question as to unemployment on the population schedule and tabulating the results.

I have called this matter to the attention of the Bureau of the Census and am assured that it will receive consideration in connection with the plan for the census of 1930.

Yours faithfully,

HERBERT HOOVER,
*Secretary of Commerce.*

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APRIL 27, 1928.

Hon. HERBERT HOOVER,
*Secretary of Commerce, Washington,*

MY DEAR SECRETARY HOOVER: As you are doubtless aware, the Census Committee of the House, of which I am a member, has under consideration a bill providing for the taking of the 1930 census.

I am proposing to the committee that provision be made for the collecting of information regarding employment and unemployment. It is very unfortunate that our Government agencies have not given sufficient attention to the gathering and tabulation of data regarding unemployment. You will recall that the census act of 1900 made provision in its schedules for securing information regarding unemployment. The information was gathered but never published. The census act of 1910 did not make specific provision for the collection of this data, but it was collected, although no specific report was issued on it.

Two things ought to be done in connection with the 1930 census. First, specific direction should be given in the act for the gathering of such unemployment data; and, second, authorization and direction should be given for publication of such information. I hope that when the matter is presented to you both of these items may have your approval.

An early reply would be appreciated as action on the bill may be taken any day. The Census Committee is in session this morning, and if you wish to telephone me your approval I shall be happy to transmit it to the committee.

Very sincerely yours,

MEYER JACOBSTEIN.

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APRIL 28, 1928.

Hon. MEYER JACOBSTEIN,
*House of Representatives, Washington, D. C.*

DEAR MR. JACOBSTEIN: I inclose the memorandum concerning the census inquiries on unemployment referred to in our conversation. This memorandum was prepared by the gentleman in charge of the population work and is based upon memorandum made at the time of the respective censuses. It is evident there were two reasons for the failure to publish the statistics on unemployment that were collected and for the omission of the inquiry on this subject from the census schedule for 1920, namely, there was not sufficient appropriation to enable the bureau to compile these statistics, and there was grave doubt about the reliability of the data.

Secretary Hoover's office telephoned me yesterday that they had received your letter of inquiry, and I told them that I was conferring with you, and that it was my desire to do everything that could be done by this bureau to develop the statistics on this important subject.

You, of course, are familiar with the work of the Bureau of Labor Statistics of the Department of Labor.

If I can be of further service to you in regard to this matter please advise me.

Very truly yours,

W. M. STEUART, *Director.*

CENSUS INQUIRIES ON UNEMPLOYMENT

Unemployment statistics have been collected by the Bureau of the Census at each of four decennial censuses—1880, 1890, 1900, and 1910.

The question regarding months unemployed was asked first at the census of 1880, but the information thus secured was not tabulated. This was due partly to the large amount of labor required to tabulate the results of that census without mechanical assistance; but another reason for not tabulating the returns of months unemployed was the existence of grave doubt as to the reliability of the information which had been secured.

In 1890 the question was again placed upon the schedule and the returns were tabulated and published for that census. In presenting the results, however, attention was called to the fact that they were the first published statistics upon this subject and should be regarded as approximate. Even with this conservative position many eminent authorities disagreed, declining to accept, even with qualifications, the Eleventh Census returns concerning persons out of employment. Richmond Mayo-Smith, a prominent statistician of that time, made the following statement:

"The census made an effort by direct inquiry to find out whether persons were unemployed in their principal occupations during the year, and for how long they were thus unemployed. The investigation does not seem to have been very successful, and the data are so uncertain that the detailed analysis by occupations seems to me entirely useless. * * * The question in regard to unemployment by months might better be abandoned."

Again in 1900 the importance of this subject led Congress to specify the question regarding unemployment as one of the inquiries to be made at the Twelfth Census. Each of the two census years, 1890 and 1900, was a period of prosperity; therefore the economic conditions, to some extent, were similar, and but little variation in the proportion of unemployed at the two censuses might be expected. But a comparison shows a decided difference in the proportion unemployed in the different occupations.

The census of 1900 reported that 22 per cent of all males engaged in gainful occupations were unemployed during some portion of the census year, and that about one-half of all males unemployed during some part of the year were unemployed from one to three months. In the report attention was called to the fact that the figures concerning nonemployment could not be regarded as definite or final and that caution must be observed in reaching conclusions based solely upon them.

At the Thirteenth Census, 1910, the inquiries relating to unemployment referred to employees only. The schedule contained two inquiries as follows: (a) Whether out of work on April 15, 1910; and (b) number of weeks out of work during the year 1909.

Because of a lack of funds the work on occupation statistics at the Thirteenth Census was practically stopped for an entire year during the regular census period. When the work was again resumed and a part of the occupation cards had been tabulated, it was decided that because of the pressure of the war work the Census Bureau was doing at that time it was best to abandon further work on Thirteenth Census occupation statistics. Hence, the contemplated unemployment statistics for 1910 were never compiled and published.

In view of the unsatisfactory statistics resulting from the unemployment inquiries at the censuses of 1880, 1890, and 1900, and because of the fact that there appeared to be no extensive unemployment in 1920, no inquiry as to unemployment was made at the census of 1920.

At present there is some unemployment, and unemployment may be a real problem at the date of the next census, 1930; but census experience does not indicate that an accurate or satisfactory measure of involuntary or enforced unemployment can be secured through an inquiry on the census population schedule.

As stated in the 1900 census report on occupations (for a full statement with regard to the status of the question on unemployment in 1900, see ccxxv of the special report on Occupations at the Twelfth Census, published in 1904):

"It is of course true that the full working strength of a community or of the nation is never exerted. If steady employment were obtainable in every calling merely upon application, a considerable proportion of those claiming gainful occupations would nevertheless be idle for some part of the year. Old age, illness, travel, bereavement, recreation, competence, a change of employers with interval between, tendency to idleness, and climatic conditions are a few of the causes which together result in a considerable proportion of persons who are without employment during some portion of a year for reasons wholly unconnected with ability or inability to secure employment.

"A second reason for idleness, also in no way associated with industrial conditions, is the fact that certain occupations are what may be termed intermittent, such as glassworking, inland lake and river service, school-teaching, and certain out-of-door callings—notably farm service, stone masonry, etc. In some occupations of the intermittent class compensation is graded to partially cover the period of enforced idleness, but in an enumeration of persons unemployed during some portion of a year, the proportion in such occupations as those mentioned, some of which are extensive, is necessarily high and appreciably affects the final proportions secured for all occupations, although the reasons for nonemployment in other callings may be entirely different."

Experience has shown the great difficulty, if not the impossibility, of so stating an unemployment inquiry on the census schedule and of so instructing census enumerators that the enumerators' returns as to unemployment will be either accurate or comparable. Even greater, however, is the difficulty of census enumerators, in their house-to-house canvass, securing from the housewife, or others who may be at home, even approximately exact information as to the extent of the unemployment of the individual breadwinners of the family—especially if the breadwinners are members of a boarding-house family. In fact, many of the breadwinners themselves probably would not know the number of weeks or months they were unemployed during the census year. And, unfortunately, the workers most commonly unemployed are the ones about whom it is most difficult to get reliable information—unattached men, floating laborers, construction workers, etc.

In view of the difficulties enumerated, and in view of the unsatisfactory returns as to unemployment at preceding censuses, it is recommended that no inquiry as to unemployment be put on the schedule for the census of 1930.

MUSCLE SHOALS

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a letter I have received on the subject of Muscle Shoals.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter received by me on the subject of Muscle Shoals:

THE NATIONAL FERTILIZER ASSOCIATION (INC.),
*Washington, D. C., May 2, 1928.*

Hon. JOSEPH W. MARTIN, Jr.,
*House of Representatives, Washington, D. C.*

DEAR MR. MARTIN: In a certain country, an important world power, there is pending before the highest legislative body a bill establishing a government corporation and containing a provision that—

"Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the corporation or to defeat its purposes, shall, on conviction thereof, be fined not more than $25,000 or imprisoned not more than 15 years, or both."

No; the country isn't Soviet Russia; it's our own United States, the land of the free. And the legislative body before which this proposed act is pending isn't the Communist central committee; it's our own House of Representatives. Perhaps, if Congress discovers the true nature of this proposed act, it will have it recommitted to the committee from which it was reported without public hearings, in order that it may be considered by the House after fair hearings.

The quotation is paragraph c of section 20 of the pending House substitute for the Norris Muscle Shoals resolution, previously passed by the Senate. It is known as Union Calendar 324, S. J. Res. 46, for which a special rule is now being sought.

Not only would this bill put the Government into the fertilizer business as a full-fledged competitor with private manufacturers but it would prevent any honest effort at fair competition. If, for instance, such a manufacturer, seeking to protect his legitimate rights, attempted to explain by advertising to farmers why they should buy privately made fertilizers in preference to those made by the Government—an action which would obviously be an attempt to defeat the corporation's purpose—then the Government could impose upon that manufacturer a fine of $25,000 and sentence him to 15 years' imprisonment, or both.

If a salesman for a fertilizer company, in earning his living, honestly tells his customers that his goods are better in certain respects than the Government's, then he, too, would be attempting to defeat the purposes of this proposed act and would be liable to this severe penalty.

The above is only one of many revolutionary proposals in this measure. Do you think that American business should be subjected to such un-American treatment?

Very truly yours,

CHARLES J. BRAND.

EXTENSION OF REMARKS

Mr. ALMON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some remarks of my own on Muscle Shoals and some newspaper extracts on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. TILSON. I think, Mr. Speaker, in the general confusion the gentleman should not present a request of that kind at this time. Can not the gentleman present his request to-morrow?

Mr. ALMON. It is two short editorials and my own remarks.

Mr. TILSON. A few gentlemen object to that, if the gentleman from Alabama please.

Mr. ALMON. Mr. Speaker, I withdraw my request.

MUSCLE SHOALS

Mr. ALMON. Mr. Speaker, I renew my request for unanimous consent to extend my own remarks on the pending legislation respecting Muscle Shoals.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALMON. Mr. Speaker, all will agree that agriculture has three great problems—production, preservation of soil fertility, and sale and distribution. While each is important, we have been giving most of our attention to the latter. I want to direct your attention at this time to the first and second.

There is a bill on the calendar which will come before the House at a very early date which provides for real farm relief, viz: The Muscle Shoals bill. Muscle Shoals has been before the Congress continuously for the past eight years and no settlement made as yet. Many bills, some providing for private and others for Government operation, have been considered. All offers and bills providing for private operation have been rejected by Congress. So it is to be Government operation or nothing. At this session the Norris bill providing for Government operation through the Department of Agriculture passed the Senate by a large majority. The Military Affairs Committee of the House more than 30 days ago reported almost unanimously the Morin bill as a substitute for the Senate bill. Eighteen members out of twenty-one of the Military Affairs Committee of the House are supporting the Morin bill and have been urging the Rules Committee of the House for the past 30 days to grant a rule for the consideration of this substitute by the House, but so far without success.

Considering the length of time that this subject has been before Congress, being one of national interest with practically a unanimous report, no one suspected that there would be any hesitancy on the part of the Rules Committee to provide a rule. The Military Affairs Committee and the friends of this legislation continue to insist upon a rule. The refusal to provide such a rule to say the least would seem to be unprecedented, unusual, and undemocratic. I again call upon and urge the committee to grant such a rule in order that the House may be given an opportunity to vote on this measure, which is of very great national interest.

While this measure provides for Government operation, it does not mean that the Government is going into business at Muscle Shoals, because it is already in business there. It owns the development and is operating a part of it—that is, the power plant—not for the benefit of agriculture but for the benefit of the Alabama Power Co., for the reason that this company takes such power as it wants at its own price and the balance is running to waste. The chief competitor will be the Chilean nitrate monopoly, which is a foreign monopoly. The fertilizer industry in this country is engaged in mixing fertilizer after it has purchased the ingredients. They can well afford to continue to buy nitrogen from this foreign monopoly and pass the cost on to the farmer. Private industry is taking no steps to produce air nitrogen and cheaper fertilizer. The passage of this legislation is the only way that the farmer can look for or hope for relief. They have been losing millions of dollars each year while this plant remains idle. If you will bear with me, I will convince you of this fact.

FERTILIZER

Two thousand pounds Chile nitrate contains 310 pounds pure nitrogen.

Two thousand pounds cyanamid contains 470 pounds pure nitrogen. In 1927 Chile exported to world 2,370,662 metric tons Chile nitrate—metric ton equals 2,204.6 pounds.

Of this total Germany imported 26,533 tons, or 1.5 per cent of total; Great Britain imported 87,965 tons, or 3.71 per cent of total; United States imported 838,591 tons, or 35 per cent of total.

| | |
|---|---|
| Total cost of 838,591 tons was | $39,514,777.00 |
| Total cost at cyanamid price would have been | 19,757,112.00 |
| Excess paid | 19,656,665.00 |
| Tax paid to Chile, at $12.53 per ton | 9,381,737.26 |

Nitrate plant No. 2 will produce 212,766 tons of cyanamid containing 50,000 tons pure nitrogen, which equals 38 per cent of total Chile nitrate shipments to America in 1927.

Fifty thousand tons pure nitrogen equal nitrogen content of 325,800 tons Chilean nitrate.

| | Tons |
|---|---|
| World production of cyanamid in 1926 was | 1,204,500 |
| The pure nitrogen content was | 283,057 |

One million two hundred and four thousand five hundred tons cyanamid contains as much nitrogen as 1,826,177 tons Chilean nitrate.

The 1926 world production of cyanamid equaled 77 per cent of exports of Chilean nitrate in 1927.

The capacity of nitrate plant No. 2 added to the 1926 world production of cyanamid equaled 90.6 per cent of the Chilean exports for 1927.

In 1926 Government reports show a sale of 7,496,294 net tons of fertilizer to American farmers. Of this amount the cotton States used for all purposes 5,006,536 tons, or about 70 per cent of the total was used in the cotton States. The cost to these States of the fertilizer used in cotton alone was $76,716,000. The average price of this fertilizer was $32.50 per ton. The total cost of all fertilizer used is not available, but assuming the remainder of fertilizer sold for the same amount of $32.50 per ton, the bill of the entire United States for fertilizer for 1926 was $243,629,555. It is impossible to compute the amount of freight on this tonnage. Nitrogen is the most expensive plant food in fertilizer and 1 ton of usual fertilizer contains 60 pounds. The chief American supply comes from Chile, and for it the farmer is now paying 15.15 cents per pound, port price, or $47 per ton. In the Cotton Belt he is paying from $55 to $64 per ton.

Ammo-phos sells f. o. b. Warners, N. J., now, without limitation of profit except as limited by competition, at $64.40 per ton. Each ton contains 215.8 pounds pure nitrogen and 960 pounds phosphoric acid. The nitrogen content of this product sells at 7.6 cents per pound and the phosphoric-acid content at 5 cents per pound. The capacity of nitrate plant No. 2 with modern methods is 50,000 tons of fixed nitrogen per annum. This equals in nitrogen content about 1,667,000 tons of ordinary 3–8–3 fertilizer. This plant would therefore produce about 23 per cent of all the nitrogen used in fertilizer in the United States, assuming that all contained nitrogen.

Mississippi used in 1925, according to Government reports, 258,078 tons of fertilizer containing 3 per cent nitrogen, or 7,741 tons of pure nitrogen. Mississippi therefore bought at high prices only about one-seventh of the nitrogen capacity of nitrate plant No. 2. Based, however, on present price of fixed nitrogen by the cyanamid process at Warners, N. J., of 7.6 cents per pound, and the port price of Chile nitrate of 15.15 cents per pound, the farmers of Mississippi paid $1,168,891 more for their nitrate than if they had bought it from a cyanamid manufacturer. During this time the Alabama Power Co. bought the power which should have been used to manufacture fertilizer at 2 mills per kilowatt-hour. Computing according to the power now required by the cyanamid process at Niagara Falls, 9,598 kilowatt-years would have produced the amount of nitrogen used by the Mississippi farmers in 1925. The price paid by the Alabama Power Co. for this amount of power at 2 mills per kilowatt-hour was $168,171. If this power had been used at nitrate plant No. 2 in the manufacture of nitrogen on the basis of the selling price of nitrate by the cyanamid company at Warners, N. J., it would have given the farmers of Mississippi the same nitrate for $1,176,632. The Chile nitrate price actually paid by the farmers of Mississippi in 1925 was $2,345,523, figured at $47 per ton, port price. The farmers of Mississippi would have saved in 1925, by using Muscle Shoals power-fertilizer, $1,168,891.

If the Mississippi farmer could have bought nitrogen made at Muscle Shoals at 7.6 cents per pound, he would have saved $40.44 every time he paid the inland retail price of $64 for a ton of Chile nitrate.

The State of Georgia uses three times as much fertilizer as Mississippi. Their saving would therefore have been more than $3,554,993.

Fertilizer used in Alabama in 1925, according to Government reports, was 590,515 tons on a 3–8–3 basis containing 17,715 tons pure nitrogen. The difference in the selling price of nitrogen per pound manufactured by the cyanamide process and the cooperative price paid for Chile nitrate is 7.55 cents per pound. The excess therefore paid by Alabama farmers for nitrogen content in 1925 alone was $2,874,965.

North Carolina used 1,217,628 tons of fertilizer in 1925. This contained on a 3–8–3 basis, as shown by the agricultural figures, 36,529 tons pure nitrogen. Taking the same difference in cooperative price paid for Chile nitrate in Alabama and the price at which the Cyanamid Co. now sells its nitrogen, North Carolina paid for the privilege of purchasing nitrates not fixed by the cyanamide process the stupendous sum of $5,515,979 in one year.

Ohio used 304,480 tons of fertilizer in 1926. Assuming that all of this contained 3 per cent, or 60 pounds, of nitrogen to the ton, Ohio farmers would have saved $1,379,394 if they could have purchased their nitrogen at 7.6 cents per pound instead of 15.15 cents per pound.

New York farmers used 338,250 tons of mixed fertilizer in 1926 and would have saved $1,532,272.

Illinois farmers used 25,227 tons mixed fertilizers in 1926 and could have saved $114,278.

Indiana farmers used 245,000 tons, and could have saved $1,109,850.

Michigan used 109,327 tons, and could have saved $495,251.

Pennsylvania farmers used 330,000 tons, and could have saved $1,494,900.

Massachusetts used 58,920 tons, and could have saved $266,907.

Tennessee farmers used 156,336 tons, and could have saved $708,202.

Saving in freight is not included in above figures. Phosphoric acid is obtained from Tennessee and Florida and nitrate of soda from the ports of the United States, therefore it is not out of line to use freight rates on fertilizer from Muscle Shoals to points in the United States in making the comparison of cost of freight on commercial fertilizer now used, and the concentrated fertilizer which could be made at Muscle Shoals.

To illustrate, 460 pounds ammo-phos contains as much plant food as 2,000 pounds of mixed fertilizer. The freight on 2,000 pounds from Muscle Shoals to Lowell, Mass., is $12.64; on 460 pounds ammo-phos the freight is $2.90; saving, $9.74, equal to 77 per cent.

The freight from Muscle Shoals to Raleigh, N. C., on 2,000 pounds of commercial fertilizer is $6.05; on 460 pounds of ammo-phos is $1.39; on each ton, saving $4.66, equal to 77 per cent.

This saving is effected on each ton of ordinary fertilizer used in the State. Multiply the number of tons used in the State, 1,217,628, by the amount saved per ton, $4.66, and the result is the almost unbelievable sum, $5,674,146.48. Add to this the saving on nitrogen, $5,515,979; total, $11,190,125.48.

| | |
|---|---|
| The freight rate to Columbus, Ohio, per ton is | $8.85 |
| On 460 pounds ammo-phos the freight is | 2.03 |
| Saving (equal 77 per cent) | 6.82 |
| Freight per ton to Springfield, Ill | 7.55 |
| On 460 pounds ammo-phos | 1.73 |
| Saving (equal 77 per cent) | 5.82 |
| Freight per ton to Indianapolis, Ind | 6.65 |
| Saving by shipping ammo-phos | 5.12 |
| Freight per ton to Lansing, Mich | 8.85 |
| Saving by shipping ammo-phos | 6.81 |
| Freight per ton to Nashville, Tenn | 2.55 |
| Saving by shipping ammo-phos | 1.96 |
| Freight per ton to Harrisburg, Pa | 11.60 |
| Saving by shipping ammo-phos | 8.93 |
| Freight per ton to Albany, N. Y | 12.10 |
| Saving by shipping ammo-phos | 9.31 |

The total saving in freight by the farmers of each of the States above mentioned can be obtained by multiplying the number of tons used by the saving in freight per ton. To that total add the amount saved on nitrogen purchased and the result will be the total amount that could be saved by using the cheaper and more concentrated form of fertilizer.

The saving in fertilizer cost and in freight can be accomplished in the United States in the same way that it has been done in Germany, by the fixation of nitrogen from the air. The operation of nitrate plant No. 2 at Muscle Shoals as provided in the Morin bill is the initial step necessary to accomplish this result.

On March 26, 1925, a committee was appointed to investigate the entire Muscle Shoals situation and assemble information with reference to it. This board considered the operating costs of nitrate plant No. 2, basing the operating expenses upon figures reported by Maj. Gen. C. C. Williams and Colonel Burns after a test run of the plant in 1918. Taking into consideration all costs of operation and the freight, this committee reported what would be the saving to the farmers in various States from continued operation of the plant. The average saving to the various States figured at 43.4 per cent.

This committee further said:

The study shows that the farmer can buy the average grade of mixed fertilizer at $36.78 per ton, conveniently bagged for use. He can buy the same amounts of the plant foods in the form of unmixed ingredients for $26.82, while the estimated cost delivered of the same plant foods in a concentrated mixture from Muscle Shoals would average $20.74 per ton, with a resulting average saving of $16.08 per ton, or about 43 per cent of the present cost.

General Williams in his report made February 19, 1927, after the test figured that nitrogen could be made at Muscle Shoals for 8.57 cents per pound. While this is 1 cent more than it actually sells for at Warners, N. J., manufactured by the cyanamide process, it is 6.58 cents cheaper than the farmer actually pays to-day for Chile nitrate. It is also interesting to note that the Muscle Shoals Commission in reaching its conclusions of 43 per cent saving to the farmers in the use of ammonia phosphates figured its cost at $70.40. (P. 59, Report Muscle Shoals Inquiry, H. Doc. 116, 69th Cong., 1st sess.)

In the estimate by General Williams of cost at Muscle Shoals, he includes royalties and operating fees. If these are excluded, his figures for the cost of pure nitrogen is 7.9 cents. The nitrogen actually sells now at 7.6 cents and Chile nitrate at 15.15 cents per pound. A ton of Chile nitrate contains 310 pounds pure nitrogen. On the basis of 7.6 cents per pound, a ton of 2,000 pounds of Chile nitrate would cost only $23.56.

Each penny's reduction in price of nitrogen, on the maximum production of 50,000 tons at nitrate plant No. 2, means $1,000,000 saved to American farmers. If, therefore, General Williams is correct in his report, the American farmer would save $7,000,000 every time the plant produced 50,000 tons. If Colonel Burns is correct in his report of 1920 as to the cost of producing ammonia gas, the production price of pure nitrogen would be 8.3 cents, or 6.85 cents less than the price of Chile nitrate. On the output of plant No. 2 this would save the American farmer $6,850,000 on each 50,000 tons produced at Muscle Shoals. [Applause.]

### ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until to-morrow, Thursday, May 3, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, May 3, 1928, as reported to the floor leader by clerks of the several committees:

### COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize an increase in the limit of cost of alterations and repairs to certain naval vessels (H. R. 13249).

To authorize the increase in the limit of cost of one fleet submarine (H. R. 13248).

### COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

(10.30 a. m.—caucus room)

To provide security for the payment of compensation for personal injuries and death caused by the operation of motor vehicles in the District of Columbia (H. R. 9688).

### COMMITTEE ON MINES AND MINING

(10.30 a. m.)

Authorizing an appropriation for development of potash jointly by the United States Geological Survey of the Department of the Interior and the Bureau of Mines of the Department of Commerce by improved methods of recovering potash from deposits in the United States (H. R. 496).

### COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

## EXECUTIVE COMMUNICATIONS, ETC.

476. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting supplemental

estimate of appropriation for the Federal Trade Commission for the fiscal year ending June 30, 1929, amounting to $85,000, was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GARRETT of Texas: Committee on Military Affairs. H. R. 10478. A bill providing retirement for persons who hold licenses as navigators or engineers who have reached the age of 64 years and who have served 25 or more years on seagoing vessels of the Army Transport Service; without amendment (Rept. No. 1466). Referred to the Committee of the Whole House on the state of the Union.

Mr. GARRETT of Texas: Committee on Military Affairs. H. J. Res. 224. A joint resolution to ascertain which was the first heavier-than-air flying machine; without amendment (Rept. No. 1467). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 12894. A bill granting the consent of Congress to the board of county commissioners of Trumbull County, Ohio, to construct a free overhead viaduct across the Mahoning River at Niles, Trumbull County, Ohio; with amendment (Rept. No. 1468). Referred to the House Calendar.

Mr. MAPES: Committee on Interstate and Foreign Commerce. H. R. 13065. A bill authorizing the Detroit River Canadian Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Detroit River at or near the township limits of Grosse Isle, Wayne County, State of Michigan; with amendment (Rept. No. 1469). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13141. A bill authorizing T. S. Hassell, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Tennessee River at or near Clifton, Wayne County, Tenn.; with amendment (Rept. No. 1470). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13203. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the North Fork of the Cumberland River at Burnside, Pulaski County, Ky.; with amendment (Rept. No. 1471). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13203. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near the mouth of Indian Creek in Russell County, Ky.; with amendment (Rept. No. 1472). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13205. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Creelsboro, in Russell County, Ky; with amendment (Rept. No. 1473). Referred to the House Calendar.

Mr. ROBINSON of Iowa: Committee on Interstate and Foreign Commerce. S. 3693. An act authorizing the city of Council Bluffs, Iowa, and the city of Omaha, Nebr., or either of them, to construct, maintain, and operate a free highway bridge across the Missouri River between Council Bluffs, Iowa, and Omaha, Nebr.; without amendment (Rept. No. 1474). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 3808. An act to authorize the construction of a temporary railroad bridge across Bogue Chitto River at or near a point in township 5 south, range 13 east, St. Helena meridian, St. Tammany Parish, La.; with amendment (Rept. No. 1475). Referred to the House Calendar.

Mr. FENN: Committee on the Census. H. R. 393. A bill to provide for the fifteenth and subsequent decennial censuses; with amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. H. J. Res. 292. A joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Annual International Petroleum Exposition at Tulsa, Okla., to begin October 20, 1928; with amendment (Rept. No. 1477). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 13380. A bill authorizing D. T. Hargraves and John W. Dulaney, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Helena, Ark.; without amendment (Rept. No. 1478). Referred to the House Calendar.

Mr. PORTER: Committee on Foreign Affairs. H. R. 12955. A bill to amend an act entitled "An act creating the United States Court for China and prescribing the jurisdiction thereof" (Public, No. 403, 59th Cong.), and an act entitled "An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1921" (Public, No. 238, 66th Cong.); without amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. H. J. Res. 266. A joint resolution authorizing an appropriation of $100,000 for the expenses of participation by the United States in the international conference for the revision of the Convention of 1914 for the Safety of Life at Sea, to be held in London, England, in 1929; without amendment (Rept. 1480). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. S. J. Res. 97. A joint resolution authorizing the President to appoint three delegates to the Twenty-third International Congress of Americanists, and making an appropriation for the expenses of such congress; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SPEAKS: Committee on Military Affairs. S. 2673. An act for the relief of James E. Trussell; without amendment (Rept. No. 1460). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. S. 2966. An act for the relief of Oliver C. Sell; without amendment (Rept. No. 1461). Referred to the Committee of the Whole House.

Mr. CHRISTOPHERSON: Committee on the Judiciary. H. R. 10908. A bill for the relief of L. Pickert Fish Co. (Inc.); with amendment (Rept. No. 1462). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 12714. A bill for the relief of the Rocky Ford National Bank, Rocky Ford, Colo.; without amendment (Rept. No. 1463). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 3278. A bill for the relief of Richard A. Chavis; without amendment (Rept. No. 1464). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 4811. A bill to reinstate Frank W. Simpson, formerly lieutenant, Coast Artillery, United States Army, as a first lieutenant in the United States Army; without amendment (Rept. No. 1465). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 5222) for the relief of Robinson Newbold, and the same was referred to the Committee on Military Affairs.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUSBY: A bill (H. R. 13479) to amend the act of December 11, 1926 (44 Stat. 918), entitled "A bill to require the filing of an affidavit by certain officers of the United States"; to the Committee on the Judiciary.

By Mr. HOWARD of Oklahoma: A bill (H. R. 13480) to provide that four hours shall constitute a day's work on Saturdays throughout the year for all employees in the Government Printing Office; to the Committee on the Civil Service.

By Mr. OLIVER of Alabama: A bill (H. R. 13481) granting the consent of Congress to the Alabama State Bridge Corporation to construct bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama; to the Committee on Interstate and Foreign Commerce.

By Mr. GUYER: A bill (H. R. 13482) authorizing the Interstate Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Kansas City, Kans.; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLY: A bill (H. R. 13483) providing for the purchase of addition to the site of public buildings at Tarentum in the State of Pennsylvania; to the Committee on Public Buildings and Grounds.

By Mr. REID of Illinois: A bill (H. R. 13484) authorizing preliminary examinations of sundry streams with a view to the control of their floods, and for other purposes; to the Committee on Flood Control.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 13485) granting an increase of pension to Lizaetta Stuckey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13486) granting an increase of pension to Samantha Coburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13487) granting an increase of pension to Elizabeth Ginn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13488) granting an increase of pension to Bliss Evans Paul; to the Committee on Invalid Pensions.

By Mr. COHEN: A bill (H. R. 13489) to reimburse Dampskib Aktieselshap Roskva, owners of the steamship *Roskva*, for damage to said vessel; to the Committee on Claims.

By Mr. DAVEY: A bill (H. R. 13490) for the relief of Ralph Rhees; to the Committee on Claims.

By Mr. DOMINICK: A bill (H. R. 13491) for the relief of Charles S. Gawler; to the Committee on Claims.

By Mr. GASQUE: A bill (H. R. 13492) granting an increase of pension to Grace Graves Herring; to the Committee on Pensions.

By Mr. GOODWIN: A bill (H. R. 13493) granting a pension to Lottie C. McConnell; to the Committee on Invalid Pensions.

By Mr. MAGRADY: A bill (H. R. 13494) granting an increase of pension to Ellen O'Neill; to the Committee on Invalid Pensions.

By Mr. MAJOR of Missouri: A bill (H. R. 13495) granting a pension to Mary E. Dutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13496) granting a pension to Finis R. Wilhite; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 13497) granting an increase of pension to Elizabeth Miller; to the Committee on Invalid Pensions.

By Mr. SMITH: A bill (H. R. 13498) for the relief of Clarence P. Smith; to the Committee on Claims.

By Mr. WELLER: A bill (H. R. 13499) granting an extension of patent to Walter D. Johnston; to the Committee on Patents.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk are referred as follows:

7364. By Mr. BLOOM: Petition of the American Legion and all other veterans' organizations, indorsing Senate bill 777; to the Committee on World War Veterans' Legislation.

7365. By Mr. COCHRAN of Pennsylvania: Petition of Florence M. Smith and numerous other residents of Franklin, Pa., urging the passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7366. By Mr. CRAIL: Petition of the faculty of Jefferson Street School, of Los Angeles, Calif., for the passage of the Curtis-Reed education bill; to the Committee on Education.

7367. Also, petition of Tri-Counties Reforestation Committee, for the passage of the McSweeney bill (H. R. 6091); to the Committee on Agriculture.

7368. By Mr. DARROW: Petition of 16 residents of Philadelphia, Pa., urging passage of House bill 13143, increasing salaries of customs employees; to the Committee on Ways and Means.

7369. By Mr. DOUGLAS of Arizona: Petition signed by 45 residents of Glendale, Ariz., urging the passage of House bill 9685, increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7370. By Mr. EATON: Petition of John McGuire, 913 Southard Street, Trenton, N. J., and 31 other residents of Mercer County, urging increase in Civil War pensions; to the Committee on Invalid Pensions.

7371. By Mr. ESTEP: Petition of the Pittsburgh Coal Exchange, Pittsburgh, Pa., by their secretary, J. Frank Tilley, setting forth imperative need of new and larger locks and a new dam to replace Dam No. 4, Monogahela River; to the Committee on Rivers and Harbors.

7372. By Mr. GARBER: Petition of Mid-Continent Oil and Gas Association, 308 Tulsa Building, Tulsa, Okla., in opposition to Senate bill 3151; to the Committee on the Judiciary.

7373. Also, petition of William Green, president American Federation of Labor, Washington, D. C., in regard to Senate bill 744 with certain amendments recommended; to the Committee on Interstate and Foreign Commerce.

7374. By Mr. JOHNSON of Texas: Petition of Ernest C. Cox, assistant adjutant American Legion, Department of Texas, Austin, Tex., and Joseph G. Emerson, of El Paso, Tex., indorsing the Tyson-Fitzgerald bill (S. 777, H. R. 500) for the retirement of disabled emergency officers; to the Committee on Rules.

7375. Also, petition of Dr. E. D. Strong and Dr. J. T. McLean, of El Paso, Tex., indorsing the Tyson-Fitzgerald bill (S. 777, H. R. 500) for the retirement of disabled emergency officers; to the Committee on Rules.

7376. Also, petition of Joseph H. Byers, of Mexia, Tex., favoring House bill 9496, to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army; to the Committee on Rules.

7377. By Mr. LOZIER: Petition of 55 citizens of Linn County, Mo., urging the enactment of more liberal pension legislation; to the Committee on Invalid Pensions.

7378. By Mr. McSWEENEY: Petition of American citizens of Limaville, Ohio, and vicinity, favoring the passage of the Jones bill (S. 2901) and the Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7379. By Mr. MILLER: Petition of citizens of Seattle, Wash., indorsing legislation for increase in pension for veterans and widows of the Civil War; to the Committee on Invalid Pensions.

7380. By Mr. O'CONNELL: Petition of the United Veterans of the Republic, Los Angeles, Calif., favoring the passage of the Tyson bill (S. 777); to the Committee on World War Veterans' Legislation.

7381. Also, petition of the national headquarters, Military Order of the World War, New York City, favoring the passage of the Tyson-Fitzgerald bill (S. 777), without amendments; to the Committee on World War Veterans' Legislation.

7382. Also, petition of Post No. 169, American Legion, United States Veterans' Hospital, Outwood, Ky., favoring the passage of Cutting and Blanton bills (S. 4041 and H. R. 5477), extending the time for presumption of service connection for tubercular to September, 1928; to the Committee on World War Veterans' Legislation.

7383. By Mr. SINNOTT: Petition of numerous citizens of Milton, Oreg., advocating increase of pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7384. By Mr. STRONG of Pennsylvania: Petition of citizens of Reynoldsville, Pa., in favor of legislation to provide for national flood control by the impounding of unrestricted waters; to the Committee on Flood Control.

# SENATE

THURSDAY, *May 3, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Blessed Lord, who hast given us a new commandment, that we should love one another as Thou hast loved us, teach us to love our world: The splendor of the night, the silver of the dawn, the evening's clouds of molten gold, and earth, now beauty-crowned by the artistry of spring. Give us such understanding of our fellow men that, turning from all harsh and cruel thoughts, we may embrace that ampler creed of life that finds no room for selfishness or hate, that threatens no revenge, that pities those who fall, and even dares to look on sin as stumblings of the blind. And though we seem to fail in countless ways, draw us ever closer to Thyself by the mystic power of thy cross, the one sublime fulfillment of God's love. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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|---|---|---|---|
| Ashurst | Cutting | Greene | McMaster |
| Barkley | Dale | Hale | McNary |
| Bayard | Deneen | Harris | Mayfield |
| Bingham | Dill | Harrison | Metcalf |
| Black | Edge | Hawes | Moses |
| Blaine | Edwards | Hayden | Neely |
| Blease | Fess | Heflin | Norbeck |
| Borah | Fletcher | Howell | Norris |
| Brookhart | Frazier | Johnson | Nye |
| Broussard | George | Jones | Oddie |
| Bruce | Gerry | Kendrick | Overman |
| Capper | Gillett | Keyes | Phipps |
| Caraway | Glass | King | Pine |
| Copeland | Goff | La Follette | Pittman |
| Couzens | Gooding | Locher | Ransdell |
| Curtis | Gould | McKellar | Reed, Pa. |

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|---|---|---|---|
| Robinson, Ark. | Simmons | Swanson | Walsh, Mass. |
| Sackett | Smith | Thomas | Walsh, Mont. |
| Schall | Smoot | Tydings | Warren |
| Sheppard | Steck | Tyson | Waterman |
| Shipstead | Steiwer | Vandenberg | Wheeler |
| Shortridge | Stephens | Wagner | |

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

ENROLLED BILL SIGNED

The VICE PRESIDENT announced his signature to the enrolled bill (H. R. 10151) to amend section 9 of the Federal reserve act, which had previously been signed by the Speaker of the House of Representatives.

PETITIONS AND MEMORIALS

Mr. SHEPPARD presented resolutions of the Texas conference, Woman's Missionary Society, Methodist Episcopal Church South, pledging support in elections only of law observers, which were referred to the Committee on the Judiciary.

He also presented resolutions of the Texas Press Association, protesting against the Government printing envelopes for private business purposes, which were referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented a resolution adopted by the Old Fort Club of the Church of the Saviour, of Brooklyn, N. Y., favoring the passage of legislation providing for the reorganization of the bituminous coal mining industry on a sound and constructive basis, which was referred to the Committee on Interstate Commerce.

Mr. WALSH of Massachusetts presented petitions numerously signed by citizens of the State of Massachusetts, praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

TAX ON NARCOTIC DRUGS

Mr. BLACK. Mr. President, the Finance Committee report on the revenue bill shows that the Harrison narcotic tax has been increased from $1 to $3. I desire to have read by the clerk telegrams from Dr. S. W. Welch, State health officer, and Dr. E. V. Caldwell, president of the State Medical Association, both of Montgomery, Ala.

There being no objection, the telegrams were read and ordered to lie on the table, as follows:

MONTGOMERY, ALA.

Senator HUGO BLACK,
*Senate Building, Washington, D. C.:*

Note Senate committee recommends increase in Harrison narcotic tax of $3 on physicians. This is great injustice to profession. Please defeat it. One dollar is enough. License should not be made source of revenue.

S. W. WELCH.

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MONTGOMERY, ALA.

Senator HUGO BLACK,
*Senate Building, Washington, D. C.:*

In name of Alabama's 2,000 physicians I protest against increase in Harrison narcotic tax as recommended by Senate committee. Will appreciate your effort to defeat it.

E. V. CALDWELL,
*President State Medical Association.*

Mr. COPELAND. Mr. President, I simply want to say that I hope the committee will give consideration to the protest offered by the junior Senator from Alabama [Mr. BLACK]. Doctors are complaining about that increase in the narcotic fee. I can see no reason in the world why it should be placed upon them, and I hope the committee in due time will give consideration to it.

I see a smile upon the face of the senior Senator from Utah [Mr. SMOOT], who always feels that the doctors somehow or other are going to get something. But that is no reason why the Senate, representing the great medical profession of the United States, as well as the rest of the citizens, should not give consideration to the protest presented by the Senator from Alabama, and I hope that he will offer such an amendment to the revenue bill and insist upon its adoption.

REPORTS OF COMMITTEES

Mr. JONES, from the Committee on Indian Affairs, to which was referred the bill (S. 4273) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims, reported it without amendment and submitted a report (No. 983) thereon.

Mr. BINGHAM, from the Committee on Territories and Insular Possessions, to which was referred the joint resolution (S. J. Res. 110) to provide for annexing certain islands of the Samoan group to the United States, reported it with amendments and submitted a report (No. 984) thereon.

Mr. WAGNER, from the Committee on Interstate Commerce, to which was referred the bill (S. 1251) to regulate the marking of platinum imported into the United States or transported in interstate commerce, and for other purposes, reported it without amendment and submitted a report (No. 985) thereon.

Mr. SMITH, from the Committee on Privileges and Elections, to which was referred the bill (H. R. 7373) providing for the meeting of electors of President and Vice President and for the issuance and transmission of the certificates of their selection and of the result of their determination, and for other purposes, reported it with amendments and submitted a report (No. 986) thereon.

Mr. EDGE, from the Committee on Interoceanic Canals, to which were referred the following bills, reported them each without amendment:

A bill (H. R. 11245) to cancel certain notes of the Panama Railroad Co. held by the Treasurer of the United States; and

A bill (H. R. 11475) to revise and codify the laws of the Canal Zone.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 3931) for the relief of Augusta Cornog, reported it without amendment and submitted a report (No. 987) thereon.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment:

A bill (H. R. 4357) for the relief of William Childers; and

A bill (H. R. 4619) for the relief of E. A. Clatterbuck.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 11526) to authorize the construction of certain naval vessels, and for other purposes, reported it with an amendment and submitted a report (No. 988) thereon.

Mr. MOSES, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment:

A bill (S. 3800) to carry out provisions of the Pan American Postal Convention concerning franking privileges for diplomatic officers in Pan American countries and the United States;

A bill (S. 3912) for the relief of Gustave Hoffman;

A bill (H. R. 5681) to provide a differential in pay for night work in the Postal Service;

A bill (H. R. 7900) granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes;

A bill (H. R. 8337) to amend the air mail act of February 2, 1925, as amended by the act of June 3, 1926; and

A bill (H. R. 12383) to amend section 11 of an act approved February 28, 1925 (43 Stat. 1064, U. S. C., title 39), granting sick leave to employees in the Postal Service; and for other purposes.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 860) allowing credit to postal and substitute postal employees for time served in the Army, Navy, or Marine Corps of the United States, reported it without amendment and submitted a report (No. 989) thereon.

FLOOD CONTROL (S. DOC. NO. 91)

Mr. JONES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 13, 17, 18, 19, and 20.

That the Senate recede from its disagreements to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, and 33, and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "but nothing herein shall prevent, postpone, delay, or in any wise interfere with the execution of that part of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"; (C) provide without cost to the United States, all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place: *Provided, however*, That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct levees, either because such construction is not economically justified or because such construction would unreasonably restrict the flood channel, and the lands in such stretch of the river are subjected to greater overflow and damage by reason of the construction of levees on the opposite banks of the river it shall be the duty of the Secretary of War and the Chief of Engineers to institute proceedings on behalf of the United States Government to acquire either the absolute ownership of the lands so subjected to overflow and damage or floodage rights over such lands."

And the House agree to the same.

Amendment numbered 15: That the Senate recede from its disagreement to the amendment of the House numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. 4. The United States shall provide flowage rights for destructive flood waters that will pass by reason of diversions from the main channel of the Mississippi River: *Provided*, That in all cases where the execution of the flood-control plan herein adopted results in benefits to property such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid."

And the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "which, in the opinion of the Secretary of War and the Chief of Engineers, are"; and the House agree to the same.

Amendment numbered 23: That the Senate recede from its disagreement to the amendment of the House numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on such tributaries the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the costs of the works, and maintain them after completion: *And provided further*, That not more than $10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section.

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "The sum of $5,000,000 is hereby authorized to be used out of the appropriation herein authorized in section 1 of this act, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized to be submitted to Congress under this section: *Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act: *And provided further*, That the President shall proceed to ascertain through the Secretary of Agriculture and such other agencies as he may deem proper, the extent to and manner in which the floods in the Mississippi Valley may be controlled by proper forestry practice"; and the House agree to the same.

W. L. JONES,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
JOS. E. RANSDELL,
HIRAM W. JOHNSON,
*Managers on the part of the Senate.*

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,
*Managers on the part of the House.*

Mr. JONES. I ask that the report be printed and that it lie on the table.

Mr. NORRIS. Mr. President, may I ask the Senator from Washington just what is his intention with reference to taking action on the report?

Mr. JONES. It will have to be acted on in the House first. I am simply filing the report.

Mr. NORRIS. There is probably no intention to take it up soon?

Mr. JONES. Not before next week, about the middle of the week. I do not know when the House will act on the report.

Mr. NORRIS. I am mentioning it only because a great many Senators want to have time enough to read the report.

Mr. JONES. They will have plenty of time.

The VICE PRESIDENT. The conference report will be printed and lie on the table.

## LANDS OF FIVE CIVILIZED TRIBES

Mr. PINE. I report back favorably with an amendment from the Committee on Indian Affairs the bill (S. 3594) to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes, and I submit a report (No. 982) thereon.

Mr. THOMAS. Mr. President, my colleague the senior Senator from Oklahoma [Mr. PINE] has just reported a bill which very much concerns our State. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3594) to extend the period of restrictions in lands of certain members of the Five Civilized Tribes, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment, on page 5, line 10, after the word "taxation," to strike out "during the extended period of restrictions and while the land remains restricted as to alienation, lease, or encumbrance" and insert "while the title remains in the Indian designated in such approved and recorded certificate, or in any full-blood Indian heir of devisee of the land: *Provided*, That the tax exemption shall not extend beyond the period of restrictions provided for in this act: *And provided further*, That the tax-exempt land of any such Indian allottee, heir, or devisee shall not at any time exceed 160 acres," so as to make the bill read:

*Be it enacted, etc.*, That the restrictions against the alienation, lease, mortgage, or other encumbrance of the lands allotted to members of the Five Civilized Tribes in Oklahoma, enrolled as of one-half or more Indian blood, be, and they are hereby, extended for an additional period of 25 years commencing on April 26, 1931: *Provided*, That the Secretary of the Interior shall have the authority to remove the restrictions, upon the applications of the Indian owners of the land, and may remove such restrictions, wholly or in part, under such rules and regulations concerning terms of sale and disposal of the proceeds for the benefit of the respective Indians as he may prescribe.

SEC. 2. That the provisions of section 9 of the act of May 27, 1908 (35 Stat. L. 312), entitled "An act for the removal of restrictions from part of the lands of allottees of the Five Civilized Tribes, and for other purposes," as amended by section 1 of the act of April 12, 1926 (44 Stat. L. 239), entitled "An act to amend section 9 of the act of May 27, 1908 (35 Stat. L. 312), and for putting in force, in reference to suits involving Indian titles, the statutes of limitations of the State of Oklahoma, and providing for the United States to join in certain actions, and for making judgments binding on all parties, and for other purposes," be, and are hereby, extended and continued in force for a period of 25 years from and including April 26, 1931, except, however, the provisions thereof which read as follows:

"*Provided further*, That if any member of the Five Civilized Tribes of one-half or more Indian blood shall die leaving issue surviving, born since March 4, 1906, the homestead of such deceased allottee shall

remain inalienable, unless restrictions against alienation are removed therefrom by the Secretary of the Interior for the use and support of such issue, during their life or lives, until April 26, 1931; but if no such issue survive, then such allottee, if an adult, may dispose of his homestead by will free from restrictions; if this be not done, or in the event the issue hereinabove provided for die before April 26, 1931, the land shall then descend to the heirs, according to the laws of descent and distribution of the State of Oklahoma, free from all restrictions: *Provided*, That the word "issue," as used in this section, shall be construed to mean child or children: *Provided further*, That the provisions of section 23 of the act of April 26, 1906, as amended by this act, are hereby made applicable to all wills executed under this section:"

which quoted provisions be, and the same are, repealed, effective April 26, 1931: *Provided further*, That the provisions of section 23 of the act of Congress approved April 26, 1906 (34 Stat. L. 137), as amended by the provisions of section 8 of the act of Congress approved May 27, 1908 (35 Stat. L. 312), be, and the same are hereby, continued in force and effect until April 26, 1956.

SEC. 3. That all minerals, including oil and gas, produced on or after April 26, 1931, from restricted allotted lands of members of the Five Civilized Tribes in Oklahoma, or from inherited restricted lands of full-blood Indian heirs or devisees of such lands, shall be subject to all State and Federal taxes of every kind and character the same as those produced from lands owned by other citizens of the State of Oklahoma; and the Secretary of the Interior is hereby authorized and directed to cause to be paid, from the individual Indian funds held under his supervision and control and belonging to the Indian owners of the lands, the tax or taxes so assessed against the royalty interest of the respective Indian owners in such oil, gas, and other mineral production.

SEC. 4. That on and after April 26, 1931, the allotted, inherited, and devised restricted lands of each Indian of the Five Civilized Tribes in excess of 160 acres shall be subject to taxation by the State of Oklahoma under and in accordance with the laws of that State, and in all respects as unrestricted and other lands: *Provided*, That the Indian owner of restricted land, if an adult and not legally incompetent, shall select from his restricted land a tract or tracts, not exceeding in the aggregate 160 acres, to remain exempt from taxation and shall file with the Superintendent for the Five Civilized Tribes a certificate designating and describing the tract or tracts so selected: *And provided further*, That in cases where such Indian fails, within two years from date hereof, to file such certificate, and in cases where the Indian owner is a minor or otherwise legally incompetent, the selection shall be made and certificate prepared by the Superintendent for the Five Civilized Tribes; and such certificate, whether by the Indian or by the Superintendent for the Five Civilized Tribes, shall be subject to approval by the Secretary of the Interior and, when approved by the Secretary of the Interior, shall be recorded in the office of the Superintendent for the Five Civilized Tribes and in the county records of the county in which the land is situated; and said lands, designated and described in the approved certificates so recorded, shall remain exempt from taxation while the title remains in the Indian designated in such approved and recorded certificate, or in any full-blood Indian heir of devisee of the land: *Provided*, That the tax exemption shall not extend beyond the period of restrictions provided for in this act: *And provided further*, That the tax-exempt land of any such Indian allottee, heir, or devisee shall not at any time exceed 160 acres.

SEC. 5. That this act shall not be construed to reimpose restrictions heretofore or hereafter removed by the Secretary of the Interior or by operation of law, nor to exempt from taxation any lands which are subject to taxation under existing law.

Mr. CURTIS. Mr. President, may I ask the Senator from Oklahoma if the period of restriction is 25 years?

Mr. THOMAS. It is.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 4328) granting an increase of pension to Josephine Mulligan; to the Committee on Pensions.

A bill (S. 4329) for the relief of Homer Harrington;

A bill (S. 4330) for the relief of Walter Haeper;

A bill (S. 4331) for the relief of J. C. Glover; and

A bill (S. 4332) for the relief of La Roy Young; to the Committee on Claims.

By Mr. WALSH of Montana:

A bill (S. 4333) to further the administration of justice in the Federal courts (with an accompanying paper); to the Committee on the Judiciary.

By Mr. SMITH:

A bill (S. 4334) for the relief of Willis Davis (with an accompanying paper); to the Committee on Civil Service.

A bill (S. 4335) for the relief of St. Stephen's Church (with an accompanying paper); and

A bill (S. 4336) for the relief of D. B. Traxler, president the Realty Corporation of Greenville, S. C.; to the Committee on Claims.

By Mr. TYSON:

A bill (S. 4337) for the relief of Booth & Co. (Inc.), a Delaware corporation; to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 4339) to protect trade-marks used in commerce, to authorize the registration of such trade-marks, and for other purposes; to the Committee on Patents.

By Mr. SIMMONS:

A bill (S. 4340) for the relief of J. R. and Eleanor Y. Collie; to the Committee on Claims.

By Mr. GOFF:

A bill (S. 4341) granting an increase of pension to Mary J. Shinn (with accompanying papers); to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 4342) for the relief of American-La France & Foamite Corporation; to the Committee on Finance.

By Mr. FLETCHER:

A bill (S. 4343) for the relief of Capt. Louis C. Brinton; to the Committee on Claims.

By Mr. GILLETT:

A joint resolution (S. J. Res. 141) authorizing the president and fellows of Harvard College to erect on public grounds in the District of Columbia a monument to Maj. Gen. Artemus Ward; to the Committee on the Library.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 142) authorizing the erection of a Federal reserve bank building in the city of Los Angeles, Calif.; to the Committee on Banking and Currency.

GOLD MEDALS FOR CREW OF THE "NC–4"

Mr. BINGHAM. Mr. President, the other day it was brought out in debate that Congress had never done anything for the crew of the first airplane to go across the ocean, the *NC–4*. I have prepared a bill, mentioning the crew by name and authorizing the President to award gold medals to them. I ask that it be printed and referred to the Naval Affairs Committee, in order that it may receive early consideration, as within a few days we shall reach the ninth anniversary of the starting of that historic first trans-Atlantic flight.

The bill (S. 4338) to authorize the President to award in the name of Congress gold medals of appropriate design to Albert C. Read, Elmer F. Stone, Walter Hinton, H. C. Rodd, J. L. Breese, and Eugene Rhodes was read twice by its title and referred to the Committee on Naval Affairs.

AMENDMENTS TO TAX REDUCTION BILL

Mr. BINGHAM submitted three amendments intended to be proposed by him to House bill 1, the tax reduction bill, which were ordered to lie on the table and to be printed.

Mr. BLAINE. I desire to propose an amendment to the revenue bill and will ask that it be printed and lie on the table, and that there be printed with the amendment the schedule relating to the articles entering principally into the cost of farm operations and agricultural articles, raw or manufactured, and processes wholly within the United States, which schedule in a horizontal column gives the paragraphs of the revenue act of 1922, and opposite the paragraphs an abbreviated statement of the contents of those paragraphs, as a mere matter of convenience for reference

There being no objection, the amendment and accompanying schedule were ordered to be printed and to lie on the table.

DIVERSION OF COMMERCE FROM UNITED STATES PORTS

Mr. WALSH of Massachusetts submitted the following resolution (S. Res. 220), which was read:

Whereas during the past 10 years there has been diversion of commerce from United States ports to Canadian ports, particularly in grain and other farm products, so great as to threaten the foundation of the future commerce and prosperity of the ports of the United States and to affect seriously the agricultural and transportation interests of this country, including the development of its merchant marine; and

Whereas this diversion of commerce is the result of (1) more favorable railroad rates between points in the United States and Canadian ports than between the same points and United States ports; (2) more stringent regulations as to grading and inspection of grain at ports of the United States than at Canadian ports, especially the higher grain standards and the dockage rules of the United States; (3) the preferential customs regulations of Canada, giving lower tariffs

on products imported into Canada directly through Canadian ports than on those routed through ports of the United States; and (4) the preferential schedules of other parts of the British Empire, imposing lower duties or more favorable regulations on products of the United States routed through Canadian ports than on those shipped from United States ports; and

Whereas the adoption by Congress of constructive legislation to meet these conditions is imperative and depends on the solution of problems within the respective provinces of the Department of State, the Department of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission: Therefore be it

*Resolved*, That the Secretary of State, the Secretary of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission are requested (1) to investigate, in cooperation with each other, the factors which are contributing to the diversion of commerce from ports of the United States to Canadian ports and practicable remedies for preventing such diversion, and (2) to report thereon to the Senate at the beginning of the next regular session of the Seventieth Congress.

Mr. WALSH of Massachusetts. I ask that the resolution be printed and lie on the table. To-morrow I shall address myself to it briefly.

The VICE PRESIDENT. The resolution will go over under the rule and be printed.

INTERMEDIATE CREDIT BANK, COLUMBIA, S. C.

Mr. BLEASE. Mr. President, I have a letter which I received this morning to which I desire to call the attention of the Senate, but I first want to read an article from the New York Journal of Commerce, which is as follows:

FARM-LOAN SCANDAL REPORTS DISCOUNTED

(Bureau of the Journal of Commerce)

WASHINGTON, April 30.—There is no such serious situation in the Federal farm-loan system as has been charged by Senator BLEASE (Democrat), of South Carolina, it was asserted at the Treasury Department to-day.

Claims that Farm Loan Board reports on the situation have been suppressed likewise were denied. Officials said that there are no conditions in the farm-loan system which have not been given publicity and upon which official reports have not been made.

A complete report on the activities of the system during the last year is in the course of preparation, and will be submitted to Congress prior to the close of the present session, officials said.

It has been charged that conditions in several banks of the system amount to a national scandal. Difficulties have arisen in a number of the banks, but steps have been taken by the Farm Loan Board looking to improvement. In the case of one bank a 100 per cent assessment against stockholders was made; another is in receivership, but an effort is being made to adjust its affairs without large assessment, officials said.

Mr. President, the letter to which I referred is from a prominent lawyer in the money center of this Nation. I read from it excerpts as follows:

MAY 2, 1928.

Hon. COLEMAN L. BLEASE,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR BLEASE: It is with great interest that I saw a news item that you introduced a resolution for a Senate investigation of the joint-stock land bank situation and the Federal Farm Loan Board.

I am very familiar with the situation and was to have been called before the McFadden committee last year to testify at the request of Congressman ———. I was in readiness for several months, but was never called. On a recent trip to Washington about a month ago I was informed by Congressman ——— that Chairman MCFADDEN whitewashed the matter, as he did not want the information to get out to the public as to the conditions of the banks, and that it was a reflection on the present administration.

When I first saw Congressman ——— I came to Washington at the suggestion of Hon. John W. Davis, who was to have acted as counsel for a protective committee of one of the banks. I conferred with Hon. O. C. Luhring, Assistant Attorney General, who was in charge of the criminal prosecutions of some of the directors of some of the banks; also Mr. Pagan, of his office. At the request of Mr. Luhring I stayed over another day in Washington to go over more fully the evidence I had. Some of this evidence was used by the Government, and in some cases obtained convictions, such as Mr. Guy Huston, of New York.

I first took this matter with Senator DAVID I. WALSH over a year ago about a Senate investigation, that the matter was very serious and scandalous. Over a half billion dollars have been lost by investors in the joint-stock land bank securities in the past three years due to the inefficiency of the old Federal Farm Loan Board and the crookedness of some of the directors of some of the banks.

I also wrote a letter to Senator WAGNER, of New York, whom I met while in Washington; among other things advised him of the joint-stock land bank situation so that it could be used by some of the leading Democrat Senators in the coming campaign, showing some of the other scandals of the Republican administration besides the oil, etc.

Should you desire to have me come to Washington, I will be glad to do so, and go over the whole matter with you.

All my evidence is in a safe deposit box in Washington at present. Inasmuch as I must come to Washington in the very near future on other matters, I will not be inconvenienced by the trip in case you desire to see me.

Very truly yours,

(Signed) ——— ———.

That is signed by a very prominent lawyer in the money center of the Nation. That letter I shall be glad to show at any time to any gentleman whose name is mentioned. I did not read the entire letter, as there are some personal references in it which it is of no use for me to make public.

I also received this morning a letter from a prominent attorney who resides not so very far from Columbia, S. C.:

MAY 1, 1928.

Hon. COLE L. BLEASE,
*Washington, D. C.*

DEAR SIR: I notice that you have made assertions recently that the Federal land bank at Columbia are crooks, or something to that effect.

If you have not sufficient proof for your contentions, I have some evidence and will be glad to furnish same to you. Go after them.

Yours truly,

(Signed) ——— ———.

It seems, Mr. President, that at last somebody has gotten under the hide of Mr. Mellon and some of his associates, because, if we can not get anything else, we will at least get some newspaper reports dealing with this subject.

ANITA W. DYER

Mr. STEPHENS. Mr. President, I ask unanimous consent to take up and consider, out of order, House bill 10536, Order of Business 999.

The VICE PRESIDENT. The Secretary will state the title of the bill.

The CHIEF CLERK. A bill (H. R. 10536) granting six months' pay to Anita W. Dyer.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. Mr. President, what is the bill?

Mr. CURTIS. It is the usual bill granting six months' pay to the dependent mother of a late ensign in the Navy.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Navy, 1928," to Anita W. Dyer, dependent mother of the late Ensign William Lansdale Dyer, United States Navy, who died on board the U. S. S. *Relief* February 20, 1927, an amount equal to six months' pay at the rate said Ensign William Lansdale Dyer was entitled to receive at the date of his death: *Provided*, That the said Anita W. Dyer establishes to the satisfaction of the Secretary of the Navy the fact that she was dependent upon her son, the late William Lansdale Dyer, at the time of his death.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADDRESS BY DR. NICHOLAS MURRAY BUTLER ON "PROBLEMS OF THE EIGHTEENTH AMENDMENT"

Mr. BROUSSARD. Mr. President, I ask unanimous consent to have printed in the RECORD an address made by Dr. Nicholas Murray Butler, entitled "The problems of the eighteenth amendment."

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is here printed, as follows:

THE PROBLEMS OF THE EIGHTEENTH AMENDMENT—POLITICAL, SOCIAL, MORAL

Mr. Chairman and my fellow Americans, this great and representative audience, typical of many that I have had the honor and privilege to meet in all parts of this land, is surely indicative that the mind of the people is turning toward a demand for the quick solution of the most pressing domestic question of your time and mine. It is the most fundamental and far-reaching question with which we had to deal since the discussion over slavery and the right of secession. The subject is so vast, it has so many points of contact with our public life, our social order, and our private morals, that it is difficult to know either where to begin or when to leave off. My purpose will have been achieved if I am able in a brief time to impress you with my own sense of the grave seriousness of this question, and of its fundamental importance to the life of the Nation.

Let me say first how difficult it is to secure its discussion upon the high plane of principle. Since I began my own presentation of this question to our people, first before the Ohio State Bar Association at Columbus, in January, 1923, and next, after a becoming interval, before the Missouri Society of the State of New York, in April, 1924, I have been favored with an amount and variety of abuse which it is difficult either to define or describe. This abuse has come from most unexpected sources. Some of it has come from women, many of whom have forgotten to sign their names or to give their addresses. Some of the worst of it has come—God save the mark!—from men who call themselves ministers of Christian churches, and who write on the stationery of the church over which they preside and to which they minister. What these correspondents expect to accomplish I do not know, for I am one of those fortunate persons who, desiring nothing, can be deprived of nothing. [Applause.] And one whom it is quite impossible to disturb by abuse, by blackguardism, or by blackmail. [Applause.] They have all been tried. [Applause.]

As illustrative of the temper in which this subject is approached, I have in my hand a cutting from a newspaper published at a point not remote from St. Louis, in reference to this very meeting. The announcement that it was to be held attracted the attention of the editor of the Times, published at Leavenworth, Kans. [Laughter.] Leavenworth is a community which boasts all the resources of civilization, from a great cathedral on the one hand to a penitentiary on the other. This is the reflection of the editor of the Times on the company assembled before me:

"It is announced that Nicholas Murray Butler, president of Columbia University, is to come to St. Louis soon to start 'a dignified campaign' for the restoration of the saloon in this country. This campaign is to be 'carried on through the mails and by public meetings.' And who is to foot the bills? Such a campaign will cost money, and a very large amount of money. Who furnishes it? Manifestly, the liquor interests. Great business for a university president to be in." [Laughter.]

And then this charming touch with reference to this company:

"Every bum and thug and guttersnipe in St. Louis will be ready to applaud the 'dignified' address." [Laughter.]

That, Mr. Chairman, is the outgiving of one presumably a defender of Christian morals, and of a habit of kind and sympathetic dealing with his fellows and insistent on an open-minded consideration of great public questions. I was interested in it because it showed that there in the Missouri Valley yonder they manifest the same gentle, kindly, Christian touch that is revealed to me in correspondence from points nearer home. [Applause.] I have selected from several hundred of these epistles two or three. This one came a few weeks ago from the City of Churches—the Borough of Brooklyn, in the city of New York. The form of greeting is somewhat familiar, more so than my lack of acquaintance with the writer would justify, since he starts, "Nick Butler." [Laughter.]

"Sooner than see you destroy my sons with rum, I have decided to kill you at my first opportunity." Signed, "A father of southern blood who upholds the laws of his country."

Evidently the writer lacks a sense of humor!

Then a very gentle one from the City of Brotherly Love—Philadelphia:

"You have three months in which to change your ideas to decent ones. You belong to the filthy hog type, but no doubt this is because you are afflicted just now. Three men are dead who did not take the warning of the writer, and unless you work for a clean, decent America from now on you will not last one year."

Looking at the date of this letter, I see that I have about four months to go. [Applause.]

And this one, couched again in terms of Christian gentleness and brotherly love from Charlotte, N. C.:

"My dear Bolshevik"—

The grammar is weak but the sentiment is clear.

"From your stand on prohibition proves you unfit to be a college president to teach the youth to disobey the law, sending their souls to hell. Why, if you do not wish to obey our laws, why in hell don't you go to Russia, where you belong? You are working for the devil, but he has damn poor material. You are a nice one, on a par with Big Bill Brennan, Thompson, Flynn, VARE and EDWARDS—a nice bunch of old hogs you are. Your picture in the papers classes you with apes and monkeys."

This could not have come from Dalton, Tenn., anyhow:

"One thing, you have no following but bums, bootleggers, and soviets. Don't let the Russians know you are coming or they will close the door against you. Sincerely yours, Ed."

Now, Mr. Chairman, those are very funny, but they are very, very sad. The writers of those letters—and they are typical of many hundreds—the writers of those letters are American citizens, with the right to vote, sharing responsibility for the Government and good order of the United States. How is it possible for us to approach any such great question as this from that point of view or on that plane?

I have read those letters because I want to say that that is the general type of answer that I receive to my argument. The only man to favor the eighteenth amendment, and to stand up like a man and say so, in reasonable, polite, and courteous terms, is Senator BORAH, of Idaho. [Applause.] He is a public man with whom you can debate a question of principle. But the writers of these letters, and hundreds of thousands of persons who are in that state of mind, are utterly hopeless, either as antagonists or as friends.

Mr. Chairman, you will not hear from me save in these two or three sentences the words "wet" and "dry." I do not use them, first, because they are vulgar, and, second, because they are meaningless. I could not, with my sense of humor, apply the word "dry" to a defender of a policy that has flooded this country with illegal liquor, a policy that has poured into States like Vermont, Kansas, and Georgia a liquor that had almost passed out of use in large sections of those communities; nor can I use the word "wet" to describe the hundreds of thousands, the millions, of total abstainers who never have touched intoxicating liquor and never will, but who are profoundly and earnestly opposed to this revolution in the Government of the United States.

Mr. Chairman, the least important element in this problem is liquor. The important question is government [applause], social order, public morals, and a constructive and permanent method for dealing with the evils of the saloon and the liquor traffic.

My relation—if you will pardon a personal word—my relation to this question is a long one. When just able to vote I was chosen delegate from my county to the Republican State convention of New Jersey in the year 1886. I was placed upon the committee on resolutions, which consisted of 21 members. In that committee I cast the eleventh and deciding vote to put into the party platform a declaration against the saloon and against the domination of the liquor traffic in our State politics, and I have been working to that end ever since. [Applause.]

We are now faced, however, after years of progress, years of education, years of steady growth in temperance all over this land, with a new and terrible situation. The saloon was rapidly disappearing in many parts of the country and under greatly increased control in other parts. Drunkenness was decreasing with great rapidity, and a general sense of responsibility, personal responsibility, for temperance was increasing by leaps and bounds. Then came this literally stupendous blow, which, in my judgment, in addition to all its other ills, has put back the cause of temperance in this country for at least one long, long generation of men. [Applause.]

On a dull, dark day in March, 1920, it was my good fortune, through the courtesy of the Chief Justice, to sit in the Supreme Court of the United States and listen to the closing argument of a great lawyer and statesman—Elihu Root, of New York—against the validity of the eighteenth amendment. He had concluded his argument on the brief, and looked up at the clock that hung over the head of the Chief Justice. He saw that it was six minutes to 4.30, when the court would rise. It was important for the psychological situation that he occupy those six minutes, and not permit them to be given over to some extraneous case. Mr. Root put his glasses in his pocket, and, drawing himself up to his full height, pointing his finger at the Chief Justice, with the whole nine Justices fixing their eyes upon him, he concluded his argument with these memorable words, which have burned themselves forever into my memory: "If your honors," said Mr. Root, "shall find a way to uphold the validity of this amendment, the Government of the United States, as we have known it, will have ceased to exist." [Applause.] "Your honors will have found a legislative authority hitherto unknown to the Constitution and untrammeled by any of its limitations. Your honors will have decided that two-thirds of a quorum in each House of the Congress, with the support of a majority of a quorum in each house of the legislatures of three-fourths of the States, may enact any law relating to the life, the liberty, or the property of the citizen, to the form and fabric of this Government, or to the bill of rights itself, without recourse and without repeal. In that case, your honors, John Marshall need never have sat upon your bench." [Applause.] The clock was at half past 4. The court rose, and, Mr. Chairman, I passed out of that room, the room in which Hayne made his two great speeches and Webster his still greater replies; the room whose walls had echoed to the voices of Clay and Calhoun and Benton and Seward and the rest, determined that, so far as God gave me strength, every ounce of it should be devoted to getting that amendment out of the Constitution should the court decide to uphold it. [Applause.]

The Supreme Court has decided that the eighteenth amendment is law. They overruled Mr. Root without answering him, and his friends have always said that that was one of the greatest forensic triumphs of his career, since they did not attempt to answer him, because they could not. [Applause.]

But the eighteenth amendment is the law; it is a part of the Constitution of the United States, and as such claims our obedience. But because it has been declared to be in the Constitution it is none the less anticonstitutional. Sometimes, when we propose to amend the Constitution by taking something out, we are told that we are unpatriotic, nullificationists; but what about those who want to amend the Constitution by putting something in? If you can put in, why can you not take out? as Weber and Fields used to say about a bank. As a matter of fact, Mr. Chairman, we have already taken three things out of the Constitution. It is not true to say that nothing has ever

been taken out. In the eleventh amendment we took out the language which admitted of an interpretation permitting an individual to bring suit against a State. In the twelfth amendment we took out the original provision for the election of President and Vice President. In the thirteenth amendment we took out slavery, which had been in the Constitution from the beginning. So that it is possible, even by precedent, to amend the Constitution by taking things out. And all that is needed now is the shortest amendment ever proposed—"*Resolved*, That the eighteenth amendment be, and hereby is, repealed." [Applause.]

That there may be no misunderstanding as to the fundamental point at issue here, let me rest my case, as I am very fond of doing, upon the authority of Abraham Lincoln. This is his answer, in his first inaugural, to the legalists, who then, as now, tell us that we must let the law alone. "I do not forget," said Lincoln, "the position assumed by some that constitutional questions are to be decided by the Supreme Court; nor do I deny that such decisions must be binding, in any case, upon the parties to a suit, as to the object of that suit, while they are also entitled to very high respect and consideration in all parallel cases by all other departments of the Government. * * * At the same time, the candid citizen must confess that if the policy of the Government, upon vital questions affecting the whole people, is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made, in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal."

So Abraham Lincoln interpreted into precise terms the exact problem which faces us. That means that we must give respect to the law as law, but use every effort that we legally and honorably can to change the law; because, after all, courts and executives and legislatures belong to the people and serve the people. The time has come for the sovereign power in this Republic, the people of these United States, to assert their authority.

It is not necessary, before an audience such as this, to restate at length the objections from a political point of view to the eighteenth amendment. Surely by this time they must be well known. It stands all by itself as an offense against the Constitution. That Constitution sets up a Government, defines its powers, sets limits to its authority, indicates what are the reserved rights of the States and the people, and offers protection to those rights. Every other amendment—whether one agrees with it or not—every other amendment save the eighteenth has been a proper amendment. It has dealt with the organization and functions of government. The eighteenth amendment has nothing to do with the organization and functions of government. It is an ordinary statute or ordinance which might be passed by any legislature or any board of aldermen. It has no more place in the Constitution than an amendment fixing the rate of tariff duty on imported cotton goods. [Applause.]

But, you say, it was submitted and ratified in proper form. Can not the people put into the Constitution anything they like? Kindly observe the form in which I state that question—it was ratified—it was submitted and ratified in proper form. Can not the people put into the Constitution anything they like? The people can, but the Congress and the legislatures can not! [Applause.]

To show you how far that fallacy goes, let me tell you an experience I had with a very high officer of the Government of the United States, who found fault with me for the position which I am now holding. I said, "Let me ask you this question, that we may clearly understand each other: If two-thirds of a quorum of each House of the Congress should propose, and a majority of a quorum of each of the two houses of the legislatures of three-fourths of the States should ratify, an amendment to provide that the term of the President should not expire on Maroh 4, 1929, but should continue for the term of his natural life, and that then the office of President should descend in the person of his heirs male forever, would that be a valid amendment?" This gentleman, true to his logical position, said, "Yes; of course." What can you do with a mind like that? To be told that our Government can be turned into a hereditary monarchy by the simple process of constitutional amendment, participated in by but some 3,000 persons sitting in Congress and in the State legislatures, and without any appeal to the people whatever, is startling, to say the least. This shows what happens when legalism gets the better of common sense.

Mr. Chairman, it is fundamental and elementary parliamentary law that an amendment must be germane to the proposal which is pending and that is to be amended. If you will read the history of the Constitutional Convention, you will discover that that great body of men understood this question perfectly. In providing for amendments they had in mind the betterment of the machinery that they were constructing. They could not foresee every contingency; they could not foresee how this Government would work in every detail. Therefore they provided for the proposal and ratification of amendments; but it never entered their heads that under the guise of amendment the Government could be transformed into a monarchy or a bureaucracy, or into anything but an indestructible union of indestructible States. That very question came up in the argument of the prohibition cases to which I have already alluded. At one point Chief Justice White interrupted Mr. Root and said, "Would you hold, Mr. Root, that if the people of the United States want to have prohibition they can not have it?" Quick as a flash Mr. Root said, "No; your honor, there are two ways in which they can have it; they can make a new Constitution on new principles and put prohibition in it, or they can amend Article I, section 8, and give the Congress power to deal with the liquor question in this way, but they can not amend this Constitution fundamentally and in a revolutionary spirit, as is now proposed." And that is true. [Applause.]

Mr. Chairman, there is just one other aspect of this matter that I must allude to before passing on, and that is the precedent that is established. One of the great weaknesses of the legal profession is that it regards a precedent as a principle. If we permit the eighteenth amendment to remain in the Constitution, it will not only do the damage which it is doing but 100 years from now, believe me, it will have paved the way to a dozen other like statutes which, it will be said, are built upon it as a foundation and a principle. Then your Federal Government will have disappeared and the State of Missouri will be like one of the provinces of France or one of the counties of England. Therefore, from the political point of view, without any regard to liquor at all, from the political point of view, the eighteenth amendment is an offense. It affronts our form of government, and it opens the way to as complete a destruction of that form of government as did secession. Secession would have destroyed our Government by breaking it to pieces. This method will destroy our form of government by consolidating it into a single imperial bureaucracy at Washington.

In the second place, from what may be called the larger social point of view, the eighteenth amendment and the policy which it imposes wholly misconceive the purpose and limitations of the law. We have become a statute-passing people. When Senator Thomas, of Colorado, was about to leave the Senate some years ago he made a most admirable speech on that subject, and said that while he had been in the Senate 70,000 statutes had been enacted in the United States—by legislatures, Congress, and the like. The fact of the matter is that law is something which operates under very distinct and very obvious limitations. Law is that ordering of the social relations which commands the support of the general will. Legislatures only lay the foundation of law. Every time a law of any importance is passed there is a silent referendum in the hearts and minds of men, and they either accept it or they do not accept it, and that is the end of it. If they believe it to be reasonable, to be in the common interest, to accord with public policy, even if not representing their own primary judgment, they accept it and obey it; but when the supposed law takes hold of a subject which comes close home to matters of personal belief, of personal conduct, personal habit, that have no public reference, then beware! Mr. Chairman, no one known to me has stated the case in respect to that more concisely, more correctly, or more completely than the President of the United States. This is what President Coolidge said, speaking before the American Bar Association at San Francisco, Calif., when he was yet Vice President, on August 10, 1922: "There is danger of disappointment and disaster unless there be a wider comprehension of the limitations of the law. The attempt to regulate, control, and prescribe all manner of conduct and social relations is very old. It was always the practice of primitive peoples. Such governments assumed jurisdiction over the action, property, life, and even religious convictions of their citizens down to the minutest detail. A large part of the history of free institutions is the history of the people struggling to emancipate themselves from all of this bondage. * * * Real reform does not begin with a law; it ends with a law. [Applause.] The attempt to dragoon the body when the need is to convince the soul will end only in revolt." And it has! [Applause.]

The fact of the matter is, Mr. Chairman, that the purpose of the eighteenth amendment is not at all what it declares itself to be. The purpose of the eighteenth amendment is to enforce compulsory total abstinence, which is wholly impossible and ought to be so. Senator Hardwick, of Georgia, when the eighteenth amendment was pending in the Senate, moved to amend it to that effect. But the proponents of the amendment said it would not be necessary, and they defeated Senator Hardwick's amendment. They omitted to make the purchase or the use of intoxicating liquor for beverage purposes a prohibited act, and dealt only with its manufacture, transportation, and sale. Had they uncovered their real purpose in the beginning, none would be so blind as not to see that it was a most shocking and tyrannical invasion of the private life of every family in the United States. Therefore, when we come to this larger social question, we find that we are confronted by an attempt to control by law the most private and personal habits and happenings that have no public relationship whatsoever.

What is the true function of the law in this respect? From time immemorial the food and drink of the civilized man has been substantially uniform. Flesh of animals, the product of the fruit and vegetable growths of the earth, the fish of the sea, and those liquors, alcoholic or otherwise, which have been prepared for thousands of years from the fruits of the earth and used for every sort of purpose,

sacred and profane. That is a personal matter. When those personal activities, liberties, habits, are abused by excess the individual so abusing becomes a public nuisance and falls under the category of those who are arrested and treated as public nuisances. Then it is entirely a proper function of the community, the State, the organized political body, to say that it will not permit, it will not license these public drinking places where men, and women, too, waste their time, spend their money, learn bad habits, become intoxicated, and often go home to unhappiness and brutality. We will not have that. That is entirely within the jurisdiction of the organized body politic, and as the experience of Canada and Scandinavia shows, there is not the least difficulty in dealing with that problem in terms that are wholly consistent with civil and political liberty.

Then, third, there is the moral question. It requires a good control of one's temper to be told that the nonuse of liquor in the domestic circle, in the most modest quantity and for the ordinary purpose of food and drink, is immoral. It is just about as immoral as the eating of a potato or a beefsteak. If those who hold that extraordinary view are interested enough to turn to the Bible, they will discover that there are two very serious sins and evils condemned in that sacred book, and that they are on a par with each other; one of them is gluttony and the other is drunkenness. If you are going to prohibit private and domestic consumption of that which leads to drunkenness, surely you must prohibit, logically, the private and domestic consumption of that which leads to gluttony. Starvation would be the simple, quick, and easy end. No, Mr. Chairman, no; moral questions are not stated quite so superficially and so nonchalantly as that. The essence of morality is the building of character, and no man can have his character built for him. [Applause.] Every human being born into this world has to build his own character, and when you put a pistol to his head and march him off to punishment you are not building his character; you are only satisfying by force your own differences of opinion. [Applause.]

What is the solution? The liquor problem and the saloon have become important all over the world during the last 50 or 75 years, and, curiously enough, they have become increasingly important as drinking has declined, by which I mean, excessive drinking. This was not only common but fashionable in the eighteenth and well down into the nineteenth century. Public opinion began to be set against it after our Civil War. There were many, many public men, whom I forbear to mention, but whose names will perhaps occur to some of you, who overindulged in intoxicating liquor in a manner that would not now be permitted by public opinion for a moment. Therefore, fundamentally, the problem is one for personal example and the education of the people. Teach them to build their characters on so firm a foundation of religious faith, moral principle, and sound ethics that they will control, each for himself, the use and prevent the abuse of any article of food or drink. Remember that in so doing you are building at the foundation; but the moment you begin with your prohibitions or your compulsions—they are on the same plane—the moment you begin with your prohibitions or compulsions and your punishments, you not only deprive the individual of a chance to build his character, but you teach him to revolt not only against your compulsion and prohibition but against all compulsion and prohibition. You have set your foot on the road to lawlessness, and you have set it there firmly and surely.

I respect the question, What is the solution? There are only three possible ways of settling this grave and far-reaching question—I say possible, because I do not believe one of them is practicable, but, theoretically, it is possible. You may have absolute, strict, and successful enforcement—theoretically you may have it—or you may have nullification, or you may have repeal. No other path is open. I am very much pleased to find that my friend Senator BORAH, in his speech at Cleveland, Ohio, a few weeks ago, came to the point where I was on April 8 last when we met in debate at Boston, Mass. I then stated that we must have either enforcement or repeal, and that enforcement was impracticable. Senator BORAH has now gotten to the point where he says we must have enforcement or repeal. I give his strong mind 90 days to add the qualification that enforcement is impracticable. [Applause.]

So far as I am concerned, Mr. Chairman, no candidate for public office in 1928 is going to be permitted to hide himself behind the papier-mâché bulwark of law enforcement. [Applause.] The phrase "law enforcement" sounds as if it meant something, but it does not. I myself question very much whether any law can be enforced, because it really does not enforce a law to punish those who violate it. Laws must be respected and obeyed, and when they are not respected and obeyed they cease to be laws, no matter what name you put on them. [Applause.] Just a word about this "law enforcement" as a political slogan. If law enforcement means the enforcement of the eighteenth amendment regardless of any other provision of the Constitution, then law enforcement means lawlessness. It means the kind of murder that has been going on over this land for four years. [Applause.] It means the invasion of the right of privacy; it means search without warrant; it means the abolition or limitation of trial by jury. It means overturning all sorts of things which we have supposed to be fundamental, if by law enforcement you mean—get my condition—enforcement of the eighteenth amendment regardless of the bill of rights or anything else. Abraham Lincoln had something to say about that also. On July 4, 1861, in his message to the Congress, he asked this question: "Are all the laws but one to go unexecuted, and the Government itself go to pieces, lest that one be violated?" Why, Mr. Chairman, Lincoln could not have framed a question more pertinent to the issues of this moment. But suppose law enforcement does not mean that; suppose law enforcement means the enforcement equally of all the laws that are in the Constitution. Then the cry of "law enforcement" is sheer hypocrisy and cowardice, because under those conditions the eighteenth amendment can not be enforced, and every intelligent man must know it. [Applause.]

We have left nullification and repeal. Nullification is proceeding with so great rapidity that it may reach the goal before repeal is possible. But the reason I prefer repeal is that I like to be straightforward and honest and square with the American people. [Applause.] I do not want to be a hypocrite and smile and shrug my shoulders and keep this provision in the Constitution to please one set of people, while joining in its absolute nullification to please the great majority. Nullification is the easy way; there is no doubt about that; it is the easy way, and if it proceeds at its present rate, the eighteenth amendment will be safely laid to sleep by the side of the fifteenth within a very short term of years. We have recently had some very interesting discussions on this subject. I was greatly pleased with the advent into the debate of Senator GLASS, of Virginia. Senator GLASS said some charming things. He is very much in favor of enforcing the eighteenth amendment, but the fifteenth amendment affects him—I speak moderately—differently! He says that "the white people of Virginia, within the limitations of the Federal Constitution, have complete control of their State affairs, without the least fear of disturbance by the blacks." Senator GLASS boasts—boasts, if you please—that they have found a way to nullify the fifteenth amendment without getting into trouble with the Supreme Court of the United States. And he points out that, anyhow, the Congress has passed no law to enforce the fifteenth amendment. Why, Mr. Chairman, if the Congress should endeavor to pass a law to enforce the fifteenth amendment, Senator GLASS would have apoplexy. When after the Civil War the Congress did try that—the legislation was called a force bill—Senator GLASS's constituents were up in arms about it. The last force bill was introduced into the House of Representatives by Henry Cabot Lodge when he came there for his first term in 1890, 37 years ago. The Committee of One Thousand on Law Enforcement has waited all this time before repeating an effort to enforce an amendment which deals with fundamental political rights. They are very much concerned about an ordinary police statute that deals with something which does not even rise to the height of murder or arson or perjury. I am rather gratified at Senator GLASS's advent into the discussion, because he has laid down the very interesting proposition that if, without taking the trouble to repeal the eighteenth amendment, we wipe the Volstead Act off the statute book and pass nothing else, the eighteenth amendment will, like the fifteenth, become a museum piece. That is a suggestion that had not occurred to the rest of us. We had thought we must have nullification or repeal; Senator GLASS adds the bright thought, Why nullify; why repeal; just forget it! [Applause.]

Mr. Chairman, this great question might detain us here forever; it has no end of complications, points of interest, and applications. But for myself, I want to stand on the firm ground of the principles that underlie the Federal Constitution. I want to stand on the historic doctrines of the fathers. I want to preserve for my children and my grandchildren, and their children and grandchildren, the precious rights of local self-government and civil liberty. [Applause.] I do not want any representative of mine to use this language, uttered on the floor of the Senate on November 15, 1921, by Senator JONES of the State of Washington. He said this: "Another objection that is made to the prohibition law is that it infringes the personal liberties and rights of the individual. This is a very common plea that is made. I have been surprised to hear it made upon the floor of the United States Senate. Mr. President, there is no such thing as personal liberty in a Republic." Shades of Samuel Adams and Patrick Henry and Washington and Jefferson, and John Adams and John Marshall—no such thing as personal liberty in a Republic! And spoken, Mr. Chairman, in debate on the floor of the Senate of the United States of America, when our Government was nearly 150 years old!

Mr. Chairman, we are face to face, you and I, with a very grave responsibility. We are expected by those astute in political management to assent to the keeping quiet of all of us on this great subject, because it splits the parties; because there are Republicans who are for prohibition or who say they are, and because there are Democrats who are against prohibition or who say they are. If my experience and observation count for anything, the people of the United States—north, east, south, and west—are deeply stirred on this question. We had a referendum vote in the State of New York in November, 1926. Of our 62 counties, 42 were carried against the present policy by a majority of 1,200,000; 20 counties, having only a population of 700,000 among them, were carried in favor of the present policy by a total majority of about 20,000. The total majority in the State, rural counties, urban counties, suburban counties, was therefore over 1,150,000; and yet there are some politicians who are so hard of hearing that

that fact has not yet completely penetrated their intelligence. The other day they had a congressional election in Denver on this issue, and on this issue alone. A Republican majority of 7,000 was turned into a Democratic majority of 5,000 on this issue. Having just come from Denver, I can say to you that every man and woman whom I met, in any relation of life, regardless of party, had voted for the opponent of the eighteenth amendment.

We have had some experience in this country with what happens to cowards; they have a short life, but a busy one. When the Whig Party met in national convention at Baltimore in June, 1852, its task was like that of some conventions which will meet next June—to find a formula that would avoid taking any ground as to the fugitive slave law, which was the Volstead Act of that day. So they declared with great solemnity and satisfaction that they had received and acquiesced in the series of acts of the Thirty-second Congress, the act known as the fugitive slave law included, "as a settlement in principle and substance of the dangerous and exciting questions which they embrace; and, so far as they are concerned, we will maintain them, and insist upon their strict enforcement, until time and experience shall demonstrate the necessity of further legislation to guard against the evasion of the laws on the one hand and the abuse of their powers on the other; not impairing their present efficiency; and we deprecate all further agitation of the question thus settled, as dangerous to our peace, and will discountenance all efforts to continue or renew such agitation, whenever, wherever, or however the attempt may be made." Could pussyfooting go further than that?

They did not dare nominate a candidate who was either for the fugitive slave law or against it. So they hunted about until they came upon a respectable, colorless gentleman, of good military record, who had no known convictions on this subject, and they nominated him—Gen. Winfield Scott, of New Jersey. They went to the election. There were 276 electoral votes cast; Winfield Scott received precisely 42 and the Whig Party was never heard of again. Being a Republican, I am commending that example to the attention of some of my associates in the Republican Party. If they desire to write the word "exit" over the hall in which their convention is to be held at Kansas City in June next, they will imitate the Whig Party of 1852.

One question more and I am done. Senator BORAH asked me this question in Boston; it is a perfectly fair question: "Suppose you have your repeal, what are you going to do?" What we are going to do is this: The question is then back where it belongs, in the hands of each of the 48 States. Each State will have that system of legal control which it prefers, and the United States Government has complete control over the interstate-commerce feature of the problem. Statutes are upon the books that have all been upheld by the United States Supreme Court; they would all work perfectly well if the eighteenth amendment were repealed. When that amendment was adopted there were 12 States with 11 per cent of the population that had very strict State-wide prohibitory laws; they have them still; they may wish to keep them. There were 18 States, with 33 per cent of the population, that had restrictive laws which were not of similar character to these prohibitory laws, because they permitted importation and use of intoxicating liquors as beverages. Those States would continue to have such laws, unless they cared to change them. But there were 18 States, with 56 per cent of the population, that did not have these laws. I live in one of those States; so do you. For my part, I should urge by every power I possess the adaptation to our needs and habits of the principles of the Quebec liquor law. I have been in that Province to study it, and I am convinced that for people like our own it represents the most successful, the most progressive, the most advanced method of dealing with this problem, of getting rid of the saloon and abolishing the private traffic in intoxicating liquor, that has yet been reached anywhere. Other people may have other views, but that would be mine.

On the question of civil and political liberty we should then be free to stop complaining and criticizing, and to call upon the young, middle-aged, and old, having had this great measure of their civil and political liberty returned to them, to show themselves worthy of it and to go on to build a great, fine, temperate, liberty-loving, self-controlled people. Take off the hand of the prohibitor and the compulsionist; take off the hand of the bureaucrat, and let us resume our march toward liberty, each man and each woman under self-control and self-guidance.

Mr. Chairman, I have no illusions about the obstacles we meet; we do not meet any very serious obstacles in the way of rational argument. I hear nothing save the abuse of which I gave you some examples; but what we meet chiefly is indifference, stolidity, unwillingness to take hold and help. Among a free, self-governing people that will not do; nobody can save us but ourselves, and this great advance has got to be made by the votes of men and women who never touch intoxicating liquor. [Applause.]

There are not enough people in the United States who habitually use liquor to bring about this reform; it has got to be brought about by total abstainers, who realize that a terrible mistake has been made; that instead of aiding temperance, we have obstructed it; that instead of building character, we have torn it down; that instead of promoting public honesty, we have multiplied political hypocrisy; and that with it all, we have struck a heavy blow at our Government which it is not too late to withdraw and to remedy. We must bring to the minds of these people, men and women, God-fearing, upright, total-abstaining citizens of this country, the meaning of the fight, in legislative halls, in the Congress, and wherever our political representatives congregate. When a man in public life cries out extra loud for prohibition and law enforcement, tap him on the hip. [Applause.] The appeal must be made to the righteous, God-fearing people of this land to remedy this dreadful mistake before it is too late.

My appeal, Mr. Chairman, is to the public sentiment of America. Over yonder, at Ottawa, in Illinois, Abraham Lincoln in his first great debate with Douglas, used these words: "Public sentiment is everything; with it, nothing can fail; without it, nothing can succeed." In the spirit of Lincoln, I appeal to the public sentiment of America, to preserve the foundations, to be true to the faith of the fathers, and once more to return to the path that leads to temperance, to liberty, and to righteousness of public life. [Continued applause and demonstration.]

## NATIONAL UTILITY ASSOCIATIONS

Mr. WHEELER. Mr. President, I present for publishing in the RECORD a proposal by Mr. David Lawrence of a community development advertising campaign, and a memorandum for Philip H. Gadsen, chairman executive committee, Joint Committee of National Utility Associations.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[Docket No. (commission) Respondent's Exhibit No. 944 in the matter of SR 83. Date, April 26, 1928. Witness, C. J. D., reporter]

JOINT COMMITTEE OF NATIONAL UTILITY ASSOCIATIONS,
*New York City, September 17, 1927.*

Senator JOSIAH T. NEWCOMB,
*New York Avenue and Fifteenth Street NW.,*
*Washington, D. C.*

DEAR MR. NEWCOMB: Inclosed is a copy of the proposal of Mr. David Lawrence relating to a proposed community development advertising campaign.

Very truly yours,

JOINT COMMITTEE OF
NATIONAL UTILITY ASSOCIATIONS.
By J. S. S. RICHARDSON, *Director.*

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[Memorandum for Philip H. Gadsen, chairman executive committee, joint committee of National Utility Associations]

SUGGESTED PROGRAM OF EDUCATIONAL ADVERTISING ON THE PUBLIC-UTILITY INDUSTRY

### I. LOCAL RESPONSIBILITY

The theme of this campaign is the local company, how it has developed, and what it is doing to serve its community. The argument would be so constructed as to show by contrast that no other system of regulation or ownership would achieve as good a result. Since Federal regulation is in the offing, the purpose of this campaign would be to prove how interwoven is the development of the utility with the life of the community and how the present efficiency is due to the localization of the industry.

### II. COMMUNITY DEVELOPMENT

Every utility is interested in the development of the community and in aiding in any program which tells the rest of the country what are the advantages of a particular city, community, section, or State. Community advertising has been growing rapidly in recent years. In fact, last year more than 135 different cities conducted advertising campaigns in various national publications to attract new industries and stimulate local development. What, therefore, is more apropos than the signing of a local company of an advertisement which discusses objectively the merits of the particular city, section, or State in which that utility is located. It is a natural thing for a local company to do, and hence the justification for an advertisement of this kind in a national publication.

### III. THREE PAGES A YEAR

Each local company would sign a full-page advertisement, which would appear three times during the year. No other signature would appear on the advertisement, and the local company would be in a position to state to the whole country the merits of a particular community, section, or State. The effect of this would be twofold, namely, to cultivate good will in the local community for the utility and at the same time to do a practical job of attracting the attention of business executives and others who are interested in the advantages of a particular community.

### IV. COPY FOR THE ADVERTISEMENTS

While the forepart or the theme of the advertisement would be the community, the argument backing it up would be doctrine vital to the problem of possible Federal regulation. In other words, it would be shown how, as each community developed, men of vision were compelled to look ahead and judge the needs of the community, how the

growth of a city or community depended upon efficient utility service, and how all the elements which make for the prosperity of a community have grown out of efficient planning in community development. Thus it would be possible to tell the story of the public utility and its service to the community. This will open up opportunities to explain central stations, dependence on near-by communities, assistance to small communities by reason of interconnection, and the merits of holding company organization, through which alone local community development was really made possible.

State regulation as against Federal would be continuously emphasized, and there would be ample opportunity to show how private initiative and incentive was the governing influence in the development of the communities, thus erasing in the background any thoughts that might be lurking there on municipal operation. Also, since the securities of local companies are held throughout the country, much of the copy could be devoted to show how the money actually could not have been raised from other parts of the country except by reason of the soundness of local operation. This gives another general theme for the advertisements themselves, namely, a report to stockholders all over the country who are interested in the soundness of the utility operation in the local communities.

There are other points, of course, which would be worked into the story so that the series of advertisements would present the effect of a serial in doctrine but not necessarily connected the one with the other.

Copy would be coordinated at one point in New York, and the draft approved in the public-relations office of the joint committee. The copy would be sent, of course, to the local company and a representative would consult with the local company so as to get the essential points in its story as they relate to the national doctrine.

V. CONTINUITY OF COPY

For 52 weeks throughout the year there would appear every week three full pages of copy telling a connected story, giving by constant example from the local companies practical illustrations of what is meant by local responsibility as contrasted with any other system. The name of no one company would appear more than three times during the whole year, so that there would be no possible criticism on the ground that any one organization or institution was conducting a general campaign. The art work in the advertisements would be different, different styles of type would be used, different methods of approach to the same argument would be employed; the community idea would be subject to many variations and the whole plan worked out so that the cumulative effect on the mind of the reader would be that the public-utility problems of to-day are absolutely and entirely local, and that any other method of handling them would mean chaos and confusion as well as serious interference with community development of our prosperous cities and towns. The plan, therefore, involves participation by 52 different local companies, each of whom signing three pages. This would mean a total of 156 full pages for the year, or an average of 3 pages a week.

VI. BENEFITS TO THE LOCAL COMPANY

Each local company, by having a full page three times a year—that is, at least three or four months apart—would have an opportunity to mail marked copies of the publication in which the advertisement appears to at least 20,000 of its best customers, thus showing the people in that particular community what a fine thing the utility has done to make that city or town or section better known to the rest of the country. The extra copies, cost of mailing lists, addressing, etc., is included in the cost given below.

VII. COST OF PLAN

Each of the 52 local companies would agree to pay $75 a week for a year. This amount would cover every cost, including the preparation of the copy, art work, cost of publication, cost of mailing extra copies, etc. Contracts would be signed by the local companies who would be billed directly and would pay this sum out of their local budgets. This would obviate the necessity of any pooling of funds or the existence of any large advertising fund, which is often objectionable from many standpoints.

VIII. PRACTICAL OPERATION

A representative of the publication would devote his time entirely to carrying on this plan, signing up of necessary contracts with each local company, gathering the essential ideas for the copy, and seeing to it that the proofs are sent to the local company before the advertisements bearing the name of the local company appear.

All costs for traveling expenses, salary, etc., of the representative of the publication engaged in carrying out the plan are to be borne by the publication out of the $75 a week received from each local company.

IX. SELECTION OF COMPANIES

The joint committee, through its affiliations, holding companies, etc., will provide a list of 52 key companies to which an indorsement and recommendation of the plan would be sent and to whom the representative of the publication would go for the consummation of the details.

X. WHY THIS COPY SHOULD APPEAR IN THE UNITED STATES DAILY

First of all, the United States Daily must not be looked upon as a Washington newspaper. The United States Daily is national in scope and reaches important people in more than 6,000 different communities from coast to coast. It has a circulation in excess of 35,000. It has more circulation in California than in the District of Columbia, and more in New York City than in Washington.

The United States Daily is read by every member of the Senate and House and there are abundant letters showing that they read it just as closely when they are away from Washington between sessions of Congress as when they are in Washington. This is because the United States Daily is the only link between the executive and the legislative branches of the Government—it affords the only way by which the Members of the House and Senate can keep track of the many important things affecting him which are going on in the vast machinery of the executive establishment.

The United States Daily also reaches the important officials in the executive branch of the Government in its commissions and bureaus as well as the Federal judiciary generally.

Apart from this, the United States Daily reaches more than 70 per cent of the members of the State legislatures of the 48 States, members of the regulatory commissions of the several States, the editorial writers of practically every important newspaper in the United States, business men and bankers, educational institutions, etc.; in fact, all classes of intelligent people to whom the story of public utility industry should be constantly told.

The United States Daily is held in high esteem because it is a fact newspaper, containing no editorials or interpretation of its own, and, being absolutely nonpartisan, it carries an extraordinary amount of prestige and influence. The advertising in its columns is of a dignified character and it so happens that because of its national scope and the fact that it reaches so many different business executives a great deal of community advertising is already scheduled for appearance in the United States Daily. City campaigns will appear in the United States Daily throughout the year, thus blending with the plan outlined above as the basis for the public-utility story. It is important that the business executives outside of Washington, including many who are not in the utility industry at all, should know the soundness of the industry and should be able to throw off implications which may come to them from time to time concerning the future of utility securities.

The cumulative effect of this advertising campaign should be not only to convince Congress that the utility problem is a local one—thus discouraging interference—but to emphasize to the States that the utilities should be kept in their own hands, and to explain to the editorial writers of the country just why the utility problem is essentially a local one and that it is to their interest to keep it local. All these objectives can be successfully combined by having the copy coordinated at one place, although the funds are provided separately, and the actual localization of the copy is achieved by sending an individual representative to consult with the local companies in question.

Mr. HARRISON subsequently said: Mr. President, earlier to-day the junior Senator from Montana placed in the RECORD a memorandum purporting to be a proposal for advertising in the United States Daily, and he attributed the authorship thereof to Mr. David Lawrence. I ask that there be printed in the RECORD along with that memorandum a letter sent yesterday to the Federal Trade Commission by Victor Whitlock, director of advertising of the United States Daily, which specifically states that neither Mr. Lawrence nor any officer of the United States Daily is responsible for the views expressed in the memorandum, and that according to its rules the United States Daily submitted its advertising columns to both sides in the utility controversy and that the United States Daily assumes no responsibility for the views expressed in its advertising columns.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[Letter of Victor Whitlock, director of advertising of the United States Daily, to the Federal Trade Commission, placed in the record of the public-utilities inquiry by the commission on May 2]

APRIL 30, 1928.

FEDERAL TRADE COMMISSION,
*Washington, D. C.*

GENTLEMEN: I notice that some incorrect press reports have been published concerning a memorandum which was inserted as an exhibit in your proceedings of Thursday, April 26.

In the first place, the memorandum which was inserted was prepared by our advertising department and contains a solicitation for advertising to be placed in the United States Daily. Press reports have erroneously attributed the views in the memorandum to David Lawrence, president of the United States Daily. That memorandum does not represent the views of David Lawrence, nor does it represent the views of our newspaper, which has no editorial page and expresses no opinion of its own.

I am the responsible head of the advertising department of the United States Daily, and the memorandum which is in your files, containing an advertising solicitation, was prepared in our advertising copy department as a summary of various ideas taken from pamphlets, advertisements, documents, etc., issued by various utility companies. It was specifically stated in the memorandum that the advertisements were to be signed by the various utility companies, so that no responsibility for the various views expressed would attach to anyone but the companies who signed the advertisements.

A good advertising solicitation is not complete unless it includes the arguments which the advertiser himself should say over his own signature in the medium to be used. But the furnishing of such suggestions is the regular work of an advertising department. It does not in any way commit the publication to the views to be stated. For instance, in a political campaign, a Republican newspaper may accept advertising from a Democratic candidate without in any way subscribing to the views of that candidate.

In line with its rules, the United States Daily, through its advertising department, solicited advertising from the National Popular Government League, Boulder Dam Association, constituting those opposed to the utilities, and also made suggestions with respect to copy. In fact, in soliciting the National Popular Government League, our representatives pointed out that display advertisements of their pamphlets could be made by the National Popular Government League, which claimed that a power lobby existed in Washington and which argued the merits of municipal ownership.

Our advertising columns are open to all advertisers at regular rates, and we endeavor to give both sides in a controversy equal opportunity to use white space. This is all the more important in a newspaper like ours, because we do not accept for publication any news releases or, in fact, any other announcements, except from Government sources.

I notice one press report to the effect that this memorandum was a proposal to conduct an advertising campaign for the Joint Committee of National Utility Associations. This is erroneous, for we did not ask the association to appropriate money for an advertising campaign in our paper. We sent the memorandum to the joint committee in order that the national headquarters of the utility industry might be familiar with the solicitation which was to be carried on in other cities by our representatives. It is a well-known fact that when soliciting advertising from members of a trade association or organization, such solicitation is frequently objected to by the national headquarters, especially if they are not familiar with the project. If they favor it, they usually furnish data as to their members or letters of indorsement. In this case the solicitation was to be made to 52 of the largest local companies with the hope, but no assurance, that all would participate. But the joint committee did not indorse the idea.

We, however, believe firmly in the use of white space for the telling of a story to the public by institutions and industries engaged in public controversies. This form of advertising has increased in recent years in all American newspapers, because it is recognized as a legitimate and open and aboveboard method of presenting to the people the merits of public questions. We have solicited advertising from various organizations engaged in controversies and expect to continue to do so in the future, but we wish to make it clear that we solicit advertising from all sides of a controversy and the views as expressed in our advertising solicitations and advertising copy which is to be signed by the prospective advertisers are not in any way the expression of an opinion on the part of our own newspaper or any individual or officer connected therewith.

Sincerely yours,

VICTOR WHITLOCK,
*Director of Advertising.*

## IMPORTS OF PLYWOOD

Mr. WALSH of Massachusetts. Mr. President, I have recently had some correspondence with the United States Tariff Commission with reference to recent increases in imports of plywood. The information transmitted to me is in the form of a brief table showing imports for the year 1927, and the increase in imports for January and February of this year, together with other information with respect to this subject, which is now being investigated for the purposes of section 315 of the tariff act of 1922.

I ask that this letter from the manufacturing company who called the matter to my attention and the letter and table of the United States Tariff Commission be inserted in the CONGRESSIONAL RECORD and referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

ATLAS PLYWOOD CORPORATION,
*Boston, Mass., April 23, 1928.*

Senator DAVID I. WALSH,
*United States Senate, Washington, D. C.*

DEAR SIR: We are manufacturers of plywood used in making packing cases. We need your assistance in helping us to meet a problem which has become quite serious, and which is now threatening the successful existence of the plywood industry in this country. Poland, Finland, and Russia are exporting to this country constantly increasing quantities of plywood and veneers.

Through the Plywood Manufacturers' Association a petition has been filed with the United States Tariff Commission asking that the present duty be increased. From the information at hand the labor wage in the above foreign countries is on an average of about 10 per cent of what is paid in American plants.

The present ad valorem duty based on foreign-port price is delivering this product in New York City at prices that are less than it costs us to produce. The present duty is 33⅓ per cent on the f. o. b. foreign-port price. We should have a tariff of 100 per cent on the f. o. b. foreign-port price or 50 per cent on the American selling price. This because we can not and do not compete in foreign markets, and must, therefore, depend entirely on our domestic market.

For your information and to give you an idea of the important place plywood in the United States plays we would state that the reports from 70 plants show:

| | |
|---|---|
| Total production of plywood, 1926 | $47,981,196 |
| Total pay roll, 1926 | 14,156,703 |
| Total employees | 11,140 |

As all of this corporation's manufacturing plants are located here in New England, we naturally have to bear the brunt of this foreign competition due to proximity to ports of entry.

Any assistance which you can render us in supporting our petition before the Tariff Commission will be appreciated.

Very truly yours,

E. W. SONCY, *Treasurer.*

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UNITED STATES TARIFF COMMISSION,
*Washington, April 28, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR WALSH: Reference is made to your letter of April 23, inclosing a letter from the Atlas Plywood Corporation, Boston, Mass., with respect to an investigation of plywood for the purposes of section 315 of the tariff act of 1922.

Import statistics of plywood were combined with veneer up to June 30, 1927. For the six months July 1 to December 31, 1927, the total value of plywood imports was $34,399. The value of the imports in January, 1928, was $11,960, and in February, $10,711. Detailed figures by countries are shown in the inclosed table.

Exports of plywood during the last three calendar years have averaged $741,000 annually.

The Plywood Manufacturers' Association estimated the total sales of 70 domestic plants in 1926 to have been approximately $48,000,000.

A preliminary study of the situation and the examination of invoices of imports at New York indicate that the imported plywood is of a relatively low grade, not directly comparable with grades produced in the United States, and that it has been sold at a price several cents per square foot less than the nearest comparable grade of domestic plywood. The commission is continuing its study with a view of obtaining all the pertinent information available before it takes definite action on the application.

The problem offered the commission, should a cost investigation in the United States and foreign countries be instituted, would be a complex one. Plywood is made of many species of wood in a multiplicity of thicknesses, plys, grades, sizes, faces, rough and sanded, which do not readily lend themselves to a common basis of comparison.

The letter addressed to you by the Atlas Plywood Corporation is reinclosed for your files.

Very truly yours,

THOMAS O. MARVIN, *Chairman.*

*Imports of plywood, by countries, July–December, 1927, and January and February, 1928*

| | July–December, 1927 | | January, 1928 | | February, 1928 | |
|---|---|---|---|---|---|---|
| | Quantity | Value | Quantity | Value | Quantity | Value |
| | *Sq. feet* | | *Sq. feet* | | *Sq. feet* | |
| Germany | 270,951 | $7,105 | 19,790 | $445 | 67,291 | $1,461 |
| Finland | 523,719 | 15,643 | 27,585 | 1,488 | 193,007 | 4,340 |
| Netherlands | 27,746 | 4,000 | 10,470 | 540 | | |
| Canada | 91,974 | 1,208 | | | 63,417 | 1,649 |
| Denmark and Faroe Islands | 254,127 | 5,639 | | | | |
| Norway | 2,185 | 128 | | | | |
| Japan | 3,717 | 202 | | | | |
| Soviet Russia in Europe | 2,300 | 474 | 337,285 | 9,016 | 147,967 | 3,261 |
| France | | | 6,200 | 185 | | |
| Latvia | | | 6,500 | 286 | | |
| Total | 1,176,719 | 34,399 | 407,830 | 11,960 | 471,682 | 10,711 |

## PORTRAIT OF CHIEF JUSTICE MARSHALL

Mr. BRUCE. Mr. President, never since I have been a Member of this body have I asked that any committee be discharged

from the consideration of a bill; but it becomes my duty, as I see it, reluctantly to do this now.

As long ago as December 13, 1927, a joint resolution was introduced into this body by me authorizing the Joint Committee on the Library to purchase a portrait of Chief Justice John Marshall. After that joint resolution was introduced I addressed a letter to every member of the committee and courteously requested him to do me the favor to give the joint resolution his attention as soon as he could conveniently do so. Then I had the portrait brought over from Baltimore—it is owned by a citizen of Maryland, Mr. Thomas Marshall Smith, a descendant of Chief Justice Marshall—and had it conveyed to the committee room of the Committee on the Library, so that it could be inspected by each and every member of the committee. Then I arranged for a hearing at which the authenticity of the portrait, if required, could be duly established.

A very considerable degree of interest in it was manifested by the members of the Supreme Court of the United States; and, if I am correctly informed, it has been inspected by at least some of them. I happen to know that one of them has evidenced an extraordinary degree of interest in it.

Mr. DALE. Mr. President, will the Senator yield?

Mr. BRUCE. Yes; I will say to the Senator that as retaliation is entirely foreign to my nature, I will do so with pleasure.

Mr. DALE. I do not understand the Senator's reference.

Mr. BRUCE. The Senator will recollect that when I asked permission to interrupt him yesterday he felt that it was his right to decline; but I gladly yield to the Senator.

Mr. DALE. I was simply going to suggest to the Senator, in view of his many protestations that he is interested in the retirement bill, that we are very anxious to get it up this morning.

Mr. BRUCE. I have not the slightest objection to its being brought up. I had almost completed the remarks I was making in reference to this matter of the portrait; and I should not have made them at all if I had known that the Senator had any intention of bringing up the retirement bill this morning.

Mr. DALE. That is my assumption, and that is why I asked permission to make this statement to the Senator from Maryland.

Mr. BRUCE. I yield at this point, at the request of the Senator from Vermont; but I notify the Senate that as soon as I have the opportunity again I shall bring up this matter of the portrait of Chief Justice Marshall.

Mr. DALE. Mr. President, allow me to say to the Senator from Maryland that I am not in order now. The Senator from Maryland is not in order. I did not have any disposition to retaliate, as he uses the phrase, by calling for the regular order. I simply wanted to suggest to him that the joint resolution to which he refers is not pending, and leave the matter to his own judgment; that is all.

Mr. BRUCE. The Senator, I suppose, expects now to bring up his retirement bill, if he can, does he not?

Mr. DALE. Yes, sir; just as soon as I am in order.

Mr. BRUCE. The Senator expects to do so now? Then I yield the floor to the Senator from Vermont.

### RIKER MISSISSIPPI SPILLWAY PLAN

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, which will be read.

The Chief Clerk read Senate Resolution 217, submitted by Mr. FRAZIER on the 1st instant, as follows:

*Resolved*, That Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, having replied to a recent request of the Senate for "an immediate report upon the merits of the Riker Mississippi spillway plan for flood control" by a statement solely presenting his opinions upon its demerits without one word respecting its merits, be hereby again requested to report more specifically upon the merits of the proposed plan for flood control.

Mr. CURTIS. Mr. President, I understand that the Senator from North Dakota desires that the resolution shall go over without prejudice.

The VICE PRESIDENT. The resolution will go over without prejudice.

The morning business is closed.

### RETIREMENT OF CIVIL-SERVICE EMPLOYEES

Mr. DALE. I move that the Senate proceed to the consideration of Senate bill 1727, to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926.

The VICE PRESIDENT. The question is on the motion of the Senator from Vermont.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill.

### BOULDER DAM

Mr. SMOOT. Mr. President, it is very seldom that I call the attention of the Senate to any charge that may be made against me. I am going to take a few moments of the Senate's time this morning just to refer to two questions growing out of the remarks I made on Boulder Dam.

The Washington Herald this morning, in suggesting why I was violently opposed to the bill in regard to Boulder Dam, says:

> Let's take a look at REED SMOOT. Who is he? Who's Who for 1928 says that Senator SMOOT is president of the Electric Co. of Provo, Utah, a coal and iron town.

I simply want to say that there is not a word of truth in that statement. In 1900, I think, Mr. L. L. Nunn, Mr. C. E. Loose, and myself hired power from the Telluride Power Co. and put a pole line into a few of the streets of the little town of Provo. We paid the power company for the power, and after a while the town grew, and we had educated the people at that time to use electric light. We never drew a single, solitary penny from it as dividends but lost money for years. I think this occurred in 1902, before I came to the Senate; we sold it out.

I care nothing about that, Mr. President; but what I really rose to speak about was this.

I find in the same paper the following statement:

> ODDIE, of Nevada, asked PHIPPS if he had heard the rumor that "an earthquake" had damaged the mountains which would form the natural basin for the great dam.
>
> "I have never heard of such a report, and I believe there is absolutely no foundation for it," PHIPPS replied.
>
> "There is such a rumor," said ODDIE, "and I agree with you that it is entirely in error."

Mr. President, I want to say to the Senate of the United States that there is not a single quotation that I have made but that I have, and can get in a few minutes if Senators want it, the exact place where it was stated, and the exact words that I quoted.

I quoted from Mr. W. G. Clark, consulting engineer, New York City, N. Y., an associate of General Goethals during his lifetime. This is what he says in the House hearings on House bill 11499 and Senate bill 727:

> The dam proposed by the Reclamation Service would give an average head of 500 feet and would generate between 600,000 and 700,000 horsepower. It is possible at this location to construct a dam of unprecedented height—a dam with a crest 1,064 feet above the present water surface and 1,200 feet above bedrock.
>
> The dam which I am proposing is a rock-fill dam, constructed with a steel diaphragm. This dam has been designed after many years of study. I was in Boulder Canyon when an earthquake occurred. At that time there was a decided movement of the north wall of the canyon, but there was no movement of the south wall. Thousands of tons of rock fell along the north wall of the canyon, but there was no fall along the south wall. I was camped on the south side of the canyon; and if it were not for the fact that I could see and hear the rock falling on the other side of the canyon, I would not have known that an earthquake was in progress.
>
> Mr. RAKER. The north wall is on the right-hand side going downstream?
>
> Mr. CLARK. Yes, sir. Some years later, in 1913, I believe, an earthquake occurred which affected the Imperial Valley. I was in southern California at the time, so went immediately to Boulder Canyon. The same condition had been repeated. I found that thousands of tons of rock had been shaken from the north wall of the canyon, but the south wall remained undisturbed.

I could go on and read his whole testimony; but I again say to the Senator from Nevada that I am not in the habit of standing upon the floor of the Senate and claiming to make a quotation from any one without getting the exact words; so there is some truth in it, notwithstanding the statement of the Senator from Nevada.

Mr. ODDIE. Mr. President, I refer to the quotation the Senator from Utah has just referred to. Mr. Clark, to whom he refers, stated that he was in Boulder Canyon when an earthquake, as he says, occurred. He said:

> At that time there was a decided movement of the north wall of the canyon, but there was no movement of the south wall. Thousands of tons of rock fell along the north wall of the canyon, but there was no fall along the south wall. I was camped on the south side of the canyon; and if it were not for the fact that I could see and hear the rock falling on the other side of the canyon, I would not have known that an earthquake was in progress.

Mr. President, could any child make a more foolish statement than that—that an earthquake occurred on the other side of the canyon, and he was within a few hundred feet of it and could not feel it?

Mr. President, those canyon walls rise for many hundreds of feet almost precipitously; and in the regular order of nature some of the rock in those walls is liable to fall, not necessarily as the result of earthquake but by gravity; and possibly some of the loose portions of the canyon wall might have been in suspense, so that even the weight of a bird might have brought down those rocks. Mr. Clark does not prove that there was an earthquake there.

Furthermore, Mr. President, when the Senator from Utah commented on this matter on the floor of the Senate a few days ago he stated:

> God knows there is danger enough without trimming it down; for I say now that if that dam is built, with all the water back of it, and an earthquake comes, and it goes out, it will be the greatest disaster that has ever happened in all the world; and the poor people in Imperial Valley will be the very first ones that will be murdered.

Mr. SMOOT. I say so yet.

Mr. ODDIE (reading):

> On page 210 of the hearings on H. R. 11449, February 21, 1923, Committee on Irrigation of Arid Lands, House of Representatives, I find that the committee of the House was warned by Mr. W. G. Clark, consulting engineer of New York City, that this dam was to be built in an earthquake area and that a masonry dam such as proposed would therefore be inadvisable and subject to the danger of destruction by earthquake.

Mr. President, I repeat what I said yesterday, that I do not believe there is any truth in the statement made by Mr. Clark. I believe that he was drawing on his imagination. He had a method in opposing this legislation. I favor this legislation, the Swing-Johnson bill, very strongly; but that is beside the point. I am arguing now on the state of facts that exists. It never has been proved that an earthquake occurred in that canyon; and I believe that a statement of that kind is doing material harm to a piece of legislation that is of the greatest importance and life-saving in character.

Mr. SMOOT. If the Senator from Nevada is satisfied with that statement, I am perfectly willing that the Senators themselves shall judge as to whether one of the greatest engineers in this country is correct in his statement, or whether the supposition of the Senator from Nevada is correct.

Mr. JOHNSON. Mr. President, I do not desire to enter into the discussion which has just ensued, because, in common with those who are interested in the bill that the Senator from Vermont has in charge, we were to let him have this morning in the endeavor, during the morning hour, to have that bill passed. However, I want to make it plain that what has been stated by the Senator from Utah I have here the means of answering, and the answer will be complete, both from the engineering standpoint and from every other standpoint, too. When opportunity presents itself hereafter that answer will be made in detail. I do not respond now solely because I desire the Senator from Vermont to have the opportunity to bring his bill before the Senate.

### GOV. ALFRED E. SMITH

Mr. HEFLIN. Mr. President, I have been absent from the Senate a couple of days, and during my absence a presidential primary election was held in California. I observe that less than half of the Democratic voters of California turned out and availed themselves of the opportunity of expressing their choice for President. That is a bad sign, I want to say to my Democratic colleagues. When half of the party refuses to go to the polls it looks as if they are afraid that somebody would be nominated whom they will not support.

I trust that the committee created by the Senate to investigate corruption in elections will get busy. I want them to summon Governor Smith's managers from California, and the managers of the various other candidates, Democrats and Republicans. I read in the Senate the other day a letter from a citizen of California who said they must be spending millions. I have observed the tactics employed by the Smith supporters in the various States, and they are very reprehensible.

I have just returned from the State of North Carolina, where I had two of the greatest public meetings I have ever addressed—9,000 people at Winston-Salem and 3,000 at Durham. I want to say to the two able and faithful Senators of the Old North State that the Democrats of that State are with them against Governor Smith, with them and their governor, and with their congressional delegation. I believe all of the delegation but one is opposing him.

I recall that a little while back the Smith people misrepresented the Senators from North Carolina and published all over that State that those Senators had ceased their opposition to Governor Smith and were going to acquiesce in his nomination. They both repudiated that statement, saying they had not ceased to oppose Governor Smith, and would not cease to oppose him, giving out strong statements as to why he should not be nominated.

Mr. President, I have never seen just such a situation. The best Democrats in the United States now declaring openly that they would not support the Tammany candidate if he were nominated. In the face of that they are using tremendous sums of money, a slush fund, I think perhaps the largest ever used in any one man's campaign, organizing the precincts and the counties and the districts and the States at tremendous cost. They are doing that in North Carolina, moving heaven and earth to get that nomination, when Democrats who never scratched a ticket are openly declaring that if Governor Smith is nominated they will not vote for him; when Democrats are pointing out in advance that it would be hard to carry certain Southern States for him. Even in the Gibraltar of Democracy stalwart Democrats are giving notice in advance that they will not have this man from Tammany crammed down their throats.

Tammany is perhaps the most corrupt political organization under the sun. Grover Cleveland, great Democratic President, denounced it and repudiated it. Bryan, the great commoner, denounced it all over the country. Woodrow Wilson, one of the greatest Presidents who ever sat in the White House, drew a terrific indictment against Tammany. He denounced and repudiated Tammany.

Graft and corruption are intimately associated with Tammany history, and out of that Tammany is coming a man now who demands that he be placed at the head of the hosts of Democracy in the Nation. Senators, we Democrats have fallen upon strange times.

I recall in 1924 when Governor Smith and his Roman Catholic political machine in New York were in action, his followers were openly saying that if McAdoo were nominated they would not vote for him. What else did they do? They lugged issues into the convention that helped to defeat the Democratic Party. They bolted John W. Davis after he was nominated, and Tammany gave Coolidge in the city of New York nearly as large a majority as it gave to Smith. There was a deal between the so-called Democracy of Tammany and the Republican national machine. They bartered away national Democracy in order to elect Governor Smith and to dispose of young Teddy Roosevelt. They knew that if they elected him governor he would be elected again in 1926 and would be a candidate for President in 1928, so the Republicans who did not want Roosevelt traded with the Tammany bunch and they got rid of Roosevelt as a presidential candidate and they succeeded in carrying the State of New York by nearly a million majority for Coolidge and in putting Governor Smith over by about 100,000.

Senators, can we conscientiously give our support to the nomination of a man who has thus betrayed the Democratic Party? They bolted the party in 1916 because Woodrow Wilson would not go to war with Mexico to restore the Pope to power there. They bolted Cox in 1920; they bolted Davis in 1924. Three times out of the three last presidential elections they have betrayed the Democratic Party of the Nation. Yet now there are some Senators who are quietly conniving, perhaps, with that crowd to foist Governor Smith upon the Democracy of the Nation, and in the face of truths that will not down. Democrats of the South and the West and the North, men and women, are saying that if he is nominated they will not vote for him. Then why are they seeking to tie the Democracy of the Nation to this Tammany body of death in advance when we know that certain and overwhelming defeat awaits us?

I am frank to tell you that I do not believe Governor Smith, if nominated, can carry 12 States of the Union. I do not think he could carry New York for President, or begin to, because he has not anything to trade on in that race. As a candidate for governor he could swap off Democratic votes to the Republican national machine and get Republican votes to help him be elected governor, but when he runs for President he has not anything to trade on; he is running, then, for the thing that the Republicans were trading for when they were getting Democrats to help them elect a Republican President.

What is the truth about this California victory of Smith's? His fight was led by two of his close brethren in his church, Senators Phelan and Dockweiler, and they are the ones who are leading and will go to the convention at Houston. What is he doing in these little States that have not a handful of Democrats in them, no chance to elect the party ticket in those

States, and in some instances it has been charged that they are an aid society to the big Republican interests, and that they frequently help to select our nominees?

We have not many Democrats in Wisconsin, and what happened up there? Senator REED, I am informed, polled 35,000 votes, but Governor Smith's church brethren took the delegation for him, and Smith polled less than 8,000 votes.

Senators, how are you going to get around all this skullduggery business in our Democratic politics? Put on top of that the fact that Governor Smith is a Tammanyite and he can not shake that off. Take into consideration the fact that he is a wringing wet, he is a nullifier of the Constitution of the United States, and he has withdrawn New York from the Union so far as the eighteenth amendment is concerned. He stands on the side of the whisky interests, and the New York World is demanding that he come out and declare himself where he belongs. Then they insist on flaunting him in the face of the great moral Democratic forces of the Nation and tell us we have to take him.

I want to tell you to-day that he is not going to be nominated. He may get 500 votes, or 550, or 600; he will never get 734. As they said at the gates of Verdun, "They shall not pass." I do not hesitate to say I think any Republican can beat him 10,000,000 votes if he is nominated.

Why does the virile Democracy of the Nation, the Democracy whose record is white as the driven snow, now surrender its convictions and go crawling over to Tammany to pick up a candidate to be leader of the great party of Jefferson?

Suppose Governor Smith were nominated; what would happen with Mexico and Nicaragua? He never has told what he would do with regard to Mexico. He has been challenged on this floor by me, and newspapers have asked him, "What is your position?" He is as silent as the tomb. Suppose the Pope should come up to him and tell him that the Holy Father wanted him to take the Army and go over there and relieve the "faithful." What do you reckon Alfred would do? What do you think?

I saw that some of his followers said, when California acted yesterday, "That settles it; that settles it." It has not settled it by a good deal; not by a good deal!

They went down into North Carolina and tried to inaugurate a fight against the two Senators of that great State. They brought great pressure to bear on them to lie down, but the people are with the little giant, the leader of the Democracy of North Carolina, who led them victoriously in 1898 when they cleaned up the last remnant of the scalawag and carpetbagger and gave back to North Carolina home rule and self-government. They believe in their Senators and their delegation and their governor, and they are not for Governor Smith.

Yet these little States that have a very few Democrats, where 55 and 60 per cent of them are Roman Catholics, and where the Democratic machinery of those States is in their hands, are pulling off these stunts, rolling up these Smith delegates, and then telling the great, unterrified Democracy that they have got to fall in line for Smith.

A New York State officer, Tremaine, a member of Governor Smith's cabinet, went down into Virginia and deliberately made the threat to the Democrats of that State that if they did not fall in line and support Smith's nomination they would punish them in Congress by voting against measures that they wanted passed that would help their section.

Senators, think of that. Think of the Tammany tactics that are being brought out upon the stage where the world can see them, threatening the very stronghold of the party, threatening that section that goes Democratic year in and year out. The party there has held the line when it has been lost in every other section, and now they come with the threat, and what did the Irish World and the Roman Catholic political papers and others say?

They say, "If you do not nominate him, 3,000,000 Catholics will bolt." Has our party lost its courage? Has it ceased to resent and resist such miserable tactics? Think of that bunch parading themselves up and down the line of Democrats in the country, like old Goliath defying the armies of Israel, and saying, "If you do not take Governor Smith we are going to bolt the ticket."

I have said before, and I repeat, "That is nothing new for you. You have done it in every presidential election since 1916, and including 1916." Now they come with these tactics and with corrupt money. I want to suggest to the Senator from North Carolina that they are using a lot of money down there, and I hope he will have their managers summoned before this committee. I want them to tell who are paying the precinct leaders, the district leaders, the county leaders, and the State leaders. It costs a lot of money, and they spent a lot of it in California. And yet out of a party vote in California of over 400,000 Governor Smith only got 132,000. Does that look like he is a strong and popular candidate? Two hundred thousand Democrats stayed away from the polls. They declined to vote. Hoover, with nobody running against him to stir up interest and bring out his full following, polled 500,000 votes and Governor Smith polled less than one-fourth of the number that Hoover polled, Hoover being without opposition to bring out his real strength. What are we coming to in the Democratic Party?

I am satisfied that Governor Smith's vote in California represents the vote of the Roman Catholic political machine.

Mr. SIMMONS. Mr. President, may I suggest to the Senator that Governor Smith's vote in California was just 18 per cent of the vote polled by the two parties?

Mr. HEFLIN. Eighteen per cent! And they stand up and say he is the only man who can be elected. Senators, I owe it to myself, and I owe it to my country, and I owe it to my party to try to warn against the dangers and pitfalls that confront us at this time. They have been interrogating Democrats like myself, who never have scratched a ticket. I have bared my breast to the battle fire of the enemy in every presidential campaign since 1904, and yet they had me interrogated. They wanted to know if I would vote for him if he was nominated. I told them that I would cross that bridge when I got to it. What right have these party deserters and betrayers, these leaders of the Roman Catholic party, to question a Democrat in the present situation?

That is the Tammany plan now, going around and asking Democrats, "What will you do?" And I ask, What did Tammany do? They bolted the party in 1924 and did everything in their power to destroy it. They rolled up a tremendous majority against it in New York, where Governor Smith was fortunate enough to climb up, by trick and trade, to the governorship, to keep him in waiting to be their Roman candidate again for the Presidency in 1928.

But they say he is the only man who can be elected. He can not be elected. His candidacy will hurt the Democratic Party, hurt it worse than any campaign that has come in my day, and I am warning against it. I want Senators to take note of what is happening and what may happen. I want to bring to their attention something very interesting that they have never heard of before.

Mr. President, a few days ago in the Senate I criticized Mr. Hoover for changing the segregation plan put into effect in the Department of Commerce by a Democratic administration, under which white girls and boys worked in offices separate and apart from the negro employees. Mr. Hoover issued an order abandoning the system which separated the whites and negroes. He ordered them to be placed side by side in the various rooms.

Senator Hoar, of Massachusetts, one of the ablest of all of New England's Senators, said, in substance, in the last public speech that he ever made, that the statesmen of the South knew more about this negro problem and better how to handle it than the statesmen of the North, who were far removed from the great bulk of the negro population.

Mr. President, we of the South have this problem with us always and we are trying to solve it to the good of both races—to the highest and best interest of all concerned. The white man who suggests social equality and race amalgamation is seeking to use the negro for some sordid and sinister purpose. He is a wolf in sheep's clothing and the deadly enemy of both races. He is advocating the worst solution possible, and in doing it he is holding out false hope to the negro and putting dangerous thoughts in the heads of the very worst negroes of the race. And these thoughts express themselves in negro assaults upon white women and they result in the execution of the brutes who commit the assaults. And they produce race hate and bitterness. Then come race riots and bloodshed. So the politician, Democrat or Republican, who will condone and encourage the teaching and practice of things that are harmful, degrading, and dangerous touching the sound, sensible, and proper relation of these two separate and distinct races is an undesirable citizen and a dangerous enemy to both races, for his contemptible conduct will bring nothing but trouble to both.

The South believes that the white race is superior to every other race under the sun; that as one star differs from another star in glory, so one race differs from another in right to rule.

The South believes that in the firmament of human affairs in America the white man is the sun and all other bodies are held in place by his majesty and power. The South is established in this faith, and upon the Ararat of this principle she has rested the ark of her social and civic covenant.

The South points with pride to her great treasure—her priceless jewel of beautiful, splendid, and spotless womanhood—and the curse of God Almighty will rest upon the southern white man who will not protect and defend it from African in-

sults and assaults. Those mean and selfish white men who pretend to think and who boldly assert that they are in favor of race amalgamation and social equality care nothing for the well-being, safety, and happiness of the white women of the South. They are aggravating and creating trouble in the race problem in the South and encouraging attacks by brutal negroes upon white women in the South and elsewhere. They do not understand or they have no sympathy with us regarding this serious problem. They are walking with firebrands amongst powerful combustibles, and they are sowing dragons' teeth in the path of the white women of the South and in other sections of the country. No man who is willing to barter the honor and integrity of the great white race and subject its women to insults and assaults and drag the banner of white supremacy in the dust in order to obtain negro votes to elect him to office is entitled to receive the votes of the white people of the South or of any other section of our great country.

I have in mind a case in the South where a white man and his neighbors were being tried for lynching a negro who had assaulted and murdered the white man's wife. And during the trial he admitted that he had shot the negro who had assaulted and murdered his wife, and with tears in his eyes he turned to the judge and said, "Judge, I could not help it. What would you have done under the same circumstances?" The judge turned his head, bit his lip, looked out at the window, and said nothing.

They who play politics with this negro question care nothing for the southern men and women who are troubled and menaced by it. Governor Smith, how do you and your Tammany backers stand on this all-important question to the South?

The Bible tells us that "By their fruits ye shall know them."

Governor Smith, a few months ago the negro political clubs of New York, Boston, and Chicago demanded that Congress pass an antilynching bill. It was intended and boldly provided for the protection of negroes who brutally attacked and criminally assaulted and murdered white women in the South and elsewhere. Under the provisions of that bill, if a negro assaulted a white woman and murdered her and had been apprehended or arrested by an officer and was in jail, or on the way to jail, or was being tried in a court, and if the outraged, enraged, and the distracted members of the family of the woman assaulted and murdered should take him and kill him, the taxpayers of the county—the white people—were compelled to pay to the family of the negro committing the crime $10,000. That bill encouraged the crime and put a premium on the crime of rape and murder of a white woman by a negro and required the race insulted and offended—the white race in the county—to pay the premium for the commission of that crime by the negro. They passed that bill through the House. Governor Smith, you were not with us in that hour when we needed you and your Tammany Democrats to help us defeat that bill. Southern Democrats in the House appealed to your Tammany Democrats, but they appealed in vain. You, all of you, thought more of the negro vote that you were controlling in New York City and State than you thought of us and the protection of white women in the South. Your Tammany Democrats in the House refused to give us a helping hand. Not a one of them voted with the southern Democrats on that question. Not a one of them cast his vote against the negro Republican politicians' antilynching bill.

Governor Smith, what is your position and the position of your so-called Tammany Democrats—Mayor Walker and others—on the question of social equality between negroes and white people? "By their fruits ye shall know them."

The Manufacturers Record, published at Baltimore, Md., a clean and honorable publication, has drawn a severe indictment against you as Governor of New York and against your Tammany government in New York City. The Manufacturers Record article says that its representative visited three public dance halls recently in New York City and that he saw negro men dancing with white women and white men dancing with negro women, and that they were conversing and carrying on in the most intimate and hilarious fashion. Governor Smith, that is social equality in an ugly and shocking form in the State of which you are governor and in the city where your Tammany organization is in full and complete control.

Governor Smith, your utter indifference to the negro problem as it affects us in the South, your lack of sympathy with the white women of the South, who must suffer by your sanction and permission, and the sanction and permission of Tammany of social equality in the city and State of New York, brand you and them as enemies of the things we cherish and hold most dear in the South.

I ask to have printed in the RECORD, following my speech, the article from the Manufacturers Record of December 7, 1927, to which I referred and another article following that from America of February 11, 1928.

The PRESIDING OFFICER (Mr. MCNARY in the chair). Without objection, leave is granted.

The matter referred to is as follows:

[From the Manufacturers Record of December 1, 1927, p. 64]

WHITE WOMEN IN NEW YORK ASSOCIATE AND DANCE WITH NEGROES

In New York one sees apparently respectable and well-to-do white men and women dancing with negro partners in negro cabarets. In three negro cabarets I found each one filled with a crowd of patrons, about 50 per cent each, black and white. White women with every appearance of refinement danced and chatted almost intimately with negro men; white men with every appearance of prosperity and social standing danced and chatted—often really intimately—with negro girls and women. Negro girl dancers circled the rooms, making suggestive movements of their bodies and suggestive gestures to the white men. The sight was too repulsive for detailed description in a decent publication.

Speaking as a veteran newspaper man who knew New York inside and out in the old "wide-open" days, I can say with emphatic confidence that old New York would not have tolerated such dives and such racial intercourse, and if there had been any lynching the white offenders would have been the victims.

Mr. HEFLIN. The Manufacturers Record is published in Baltimore, Md., and is one of the oldest and most conservative publications in America. Its owner and editor, Richard H. Edmonds, is one of Baltimore's most prominent and outstanding citizens. He was for years trustee of the Southern Baptist Theological Seminary in Louisville, Ky.; is the author of a number of books that are authorities on the subjects discussed; he would not permit the publication in his magazine of anything not absolutely true.

New York State has a Tammany governor; New York City has a Tammany mayor and city council.

Query: If Tammany permits such scenes in a city and State which it controls, will similar scenes become national if the Presidency turned over to Tammany and one of its protégés and products?

Mr. President, the next article is written by a Roman Catholic, and is printed in a Catholic magazine called America. It proves what I have said in the Senate—that Catholics intimidate newspapers and suppress the truth.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

[From America of February 11, 1928]

DOES IT PAY EDITORS TO ATTACK CATHOLICS?

By Charles J. Mullaly, S. J.

The editors of some secular magazines and newspapers seem to believe that it pays to attack the Catholic Church. The belief is not new. Magazines and newspapers in various parts of the United States have often opened their pages to attacks on the church with the intent to increase circulation. At times they were not disappointed. Bigoted non-Catholics gloated over the attacks, and many foolish Catholics, out of curiosity, bought the periodicals to see what was written, while some injudicious ones unwittingly fell in with the editor's plans and, by answering the attacks in print, fostered controversies which were very profitable to the business departments of the publication.

History often repeats itself, and in this matter of attack on the church it is now repeating itself. But another bit of history may also be made to repeat itself. The story of how the Catholics in Washington, D. C., back in 1913 showed the owners of a prominent newspaper that it was bad business policy to insult them may interest the readers of America, and the tale will point the moral.

In the summer of 1913 a young girl, an inmate of the House of the Good Shepherd in Washington, D. C., attempted to escape by tying some clothing together and lowering herself from a window of an upper story. She fell and was killed. Immediately the bigoted element in the city demanded, in the pages of a prominent newspaper, an investigation of the conditions in the institution which would cause "a good girl" to lose her life in an attempt to escape. One of the editors, already noted for his hostility to Catholics, opened his columns to letters from bigots of every type and class. Evidently he thought it paid to attack the Catholic Church. Why should he not take advantage of this sensation and increase the circulation of his daily? What happened was the unexpected.

There was, fortunately, in the city an organization known as the Washington Truth Society. It had been started to meet just such situations, and it met the attack with a counter onslaught that quickly caused consternation to the business management of the offending paper. Instead of writing an indignant defense of the Sisters of the Good Shepherd and thus stimulating a controversy which would have

been financially profitable to the offending paper, this Catholic society followed a more practical method of action. Its strategy was aimed at the business office and not at the editorial department. Pastors of prominent Catholic churches were visited by officers of the Washington Truth Society. As a result many spoke to their people at the masses on Sunday somewhat as follows:

"There is a newspaper in this city that is attacking the Sisters of the Good Shepherd. I will not mention its name. This paper is opening its columns to bigots who are insulting the purity of our Catholic sisterhoods. I do not know what kind of Catholic each of you may be, but, as for me, I will fight insults to holy mother church. I do not know what you will do, but I will fling any offending newspaper from my house, and I will never buy it again."

The effect was magical. A news stand opposite one church had 400 copies for sale. At nightfall the 400 copies were still untouched. In every part of the city it was the same story. Catholics refused to buy the paper. As the days passed even the newsboys refused to handle it. In a large parish, on the Sunday after the pastor had spoken to his people, one of the parishioners who had been away from the city for several weeks and had returned only that morning, called a newsboy and requested the paper. The little fellow looked at the would-be purchaser first in surprise and then with withering scorn.

"Mister, don't you know we won't sell that sheet around here?"

At the same time the officers of the Washington Truth Society privately interviewed priests in charge of young ladies' sodalities in the various parishes of the city. They knew that women are more active workers than men in matters of this kind, provided they have leadership. As a result, letters began to pour in to the business manager, pledging the writers never to buy his paper again. These young ladies persuaded friends to do the same, and these, in turn, spoke to their friends. The business office of this newspaper admitted the loss of 40 per cent of its circulation in two weeks. The counterattack did not stop here. An even more tender spot was hit.

Members of the society interviewed merchants who advertised in the paper and suggested that they demand an immediate change of editorial policy if they hoped to keep Catholic trade. No intimation of boycott was given, but these business men understood perfectly well that the paper was supported by their advertising and they hastened to show sympathy for their insulted Catholic patrons. In one instance an advertiser, who daily used a page and a half, immediately cut his space, with the warning to the business office that if any more insults were published against his Catholic customers, he would withdraw all advertising. The Jewish merchants, who were prominent advertisers, were quick to see that the blow would fall upon them, and they insisted that the insults and controversy cease. The 40 per cent loss in circulation now meant also a 40 per cent fall in the rates for advertising. The only dissenting note came from a weak-kneed Catholic advertiser who declared that he did not believe in mixing business and religion.

In the meantime, as the name of the offending newspaper had not been mentioned in the churches, the rival dailies in the city, fearing that this counterattack might injure them, secured statements from one of the prominent pastors, declaring that Catholics had no complaint to make against them, for the slogan was sounding through Washington: "Do not buy any paper that insults the Catholic religion, and do not buy from any store that advertises in such a paper."

The lesson was a lasting one. This was shown several years later. One of the other Washington papers had changed its editor. This new editor requested the vice president of the Washington Truth Society kindly to give him the history of the whole affair.

"I do not mind telling you," he said, "that the owners of the paper have warned me not to publish anything which might be considered objectionable by you. They believe it does not pay to insult Catholics."

History often repeats itself. Since some secular magazines and newspapers now believe, as this Washington editor believed in 1913, that it pays to insult the Catholic Church and to foster religious controversy, why can not Catholics in every city let the history of this counterattack repeat itself for them? They can follow the example of the Catholics in Washington in 1913.

Some one may object that it is difficult to conduct a Truth Society; they fancy that such an organization is not easily established and that meetings are held only with difficulty. The Washington Truth Society may be taken as a model, for it is exceedingly simple. In the beginning the mistake was made of trying to have a large membership group, with regular meetings. In 1912 and 1913 meetings were dispensed with. The Washington Truth Society consisted of one active priest in charge, two zealous laymen, and a Catholic lawyer or two, ready to give legal advice free of charge. The letterhead was formidable with names of prominent men, but this heavy artillery was brought to bear only when urgently needed. In any city of the United States one zealous pastor with two or three active laymen, together with a legal adviser, could form a truth society that would batter to pieces bigotry when found in the pages of any local newspaper.

The lessons learned in Washington in 1913 may briefly be summed up as follows:

1. Do not attack a magazine or newspaper through its editorial department, but act through its business office.

2. When a magazine or newspaper is attacking your religion, write to the business manager and inform him that you will not buy the offending periodical again and mean it.

3. Call the attention of your friends to the insult and request them to call the attention of their friends. They, too, should write and pledge themselves not to buy any offending paper and mean it.

4. Call the attention of the merchants with whom you deal to the insults and tell them that as long as they advertise in any offending paper you will not buy their goods and mean it.

5. Call the attention of your pastor to the insults and suggest that he have his people pledge themselves never to buy any magazine or newspaper that insults the faith and never to deal with merchants who advertise in such periodicals and mean it.

6. Tell your news dealer that as long as you see the magazine or newspaper on his stand, an open insult to you, you will not buy from him and mean it.

7. Call the attention of your local Catholic paper to the insult, but suggest to the editors not to give free publicity by naming the offender, rather to sound the slogan, "We will never buy a paper or magazine that insults our faith. We mean it."

This plan is based on the simple fact that nobody, Catholics included, has to buy a magazine or newspaper if he does not want to.

If Catholics follow the example of the Catholics in Washington in 1913, we shall soon decisively answer the question which the editors of some secular periodicals are now asking themselves: "Does it pay to insult Catholics?"

## RETIREMENT OF CIVIL-SERVICE EMPLOYEES

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1727) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926.

Mr. NORBECK. Mr. President, I have no desire to filibuster against this bill. It is only fair that the Senate should express itself on such important legislation. I do want to offer an amendment and speak briefly. The amendment has just been sent to the desk.

Mr. DALE. Mr. President, may the amendment be reported?

The PRESIDING OFFICER (Mr. MCNARY in the chair). The amendment will be reported by the clerk.

The LEGISLATIVE CLERK. The Senator from South Dakota proposes to amend the committee amendment, on page 6, line 4, after the word "twelve" and before the period, insert the following proviso:

*Provided*, That after July 1, 1930, the annuity shall not exceed the average net income of the farmers as determined by the Department of Commerce.

Mr. NORBECK. Mr. President, this amendment will not become operative for two years. The Department of Commerce will have two years in which to determine the average net income of the American farmer. If the department should at that time find that the net income of the American farmer, including the earnings of his investment and the work of his family, is less than received as retirement pay for Government employees, then such pay or annuity would be reduced accordingly.

There is really a declaration of principle involved, and it is this, that the net earnings of the farmer must be equal to the retirement pay of a Government clerk. If at the end of two years it is found that the farmer is still getting less, it will be necessary to either improve the farmer's situation or reduce the annuity. Will anybody contend there is anything unfair about this?

The fight for economic justice for the producers of the great agricultural staples has been slow. Big business can get a hearing in Washington, so can small business. Government employees, even though they may have no vote, will be given a hearing and their just demands will be recognized by Congress.

The farmer seems to be the exception, and if he lives in the interior of the country, he seems to have the ill-will of both parties. He is told by the leaders of both parties that he is not wanted.

The McNary-Haugen bill is the only measure pending that has the indorsement of farm organizations generally. Yesterday a combination of Republicans and Democrats in the House, under the leadership of the ranking Democratic member on the Agricultural Committee, voted to strike out the equalization fee from the McNary-Haugen bill. In other words, they amended the bill so it is of no importance. Rather than amend it in this way, they should simply have killed it.

If this bill is returned to the Senate without the equalization fee I, for one, will deem it a duty to vote against same. These political leaders should understand they can not fool the farmers with anything as coarse as that. It is a fake, a camouflage, and crudely done at that.

Mr. BLEASE. Mr. President, on page 7513 of the CONGRESSIONAL RECORD of May 1 it appears that I started to read a paper which contains a reply to the points raised in the circular letter of March 23 of the Standard Mailing Machines Co. soliciting letters to Mr. Frank Mondell in favor of Senate bill 3890. I now ask that the paper may be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

REPLY TO POINTS RAISED IN CIRCULAR LETTER, MARCH 23, OF THE STANDARD MAILING MACHINES CO. SOLICITING LETTERS TO MR. FRANK MONDELL IN FAVOR OF S. 3890

(1) The postal regulations have always required 300 pieces of nonmetered first-class permit matter. The machines of the Standard users were purchased under these conditions, and there is therefore no just cause for complaint.

(2) It is uneconomical for the Post Office Department to accept less than 300 pieces of nonmetered permit matter because of the counting and bookkeeping required with each mailing. The Post Office Department has testified to this point.

(3) The mailer who goes to an expense to so prepare his mail that it can be handled more economically by the Post Office Department is entitled to superior service, as, for example, the mailer who spends 10 cents for a special-delivery stamp or who sorts and faces his mail before delivery to the post office. The users of postage meters have gone to some expense in using an authorized device of this kind in lieu of an ordinary printing device, which saves the department the necessity of counting their mail, and much of the bookkeeping involved in the nonmetered system. They are, therefore, entitled to more liberal arrangements.

(4) If other concerns choose to purchase an inferior type of device which requires the Post Office Department to count their mail, they can hardly expect additional privileges now, merely for the asking. These individual concerns who have written in are not interested in the cost of mail handling or jeopardy to the postal revenues, but are only interested in securing the greatest convenience at the lowest cost to themselves, irregardless of the entire mailing public, who constitute the taxpayers of the country. Any concern writing in reply to this circular appeal has everything to gain and nothing to lose by so doing. Nevertheless, in spite of the fact that this circular was undoubtedly followed up by the personal calls of the Standard Co.'s representatives throughout the country, only about 150 out of 700 users replied.

(5) As for the rental of meters, the Post Office Department do not permit the outright sale of any devices of this kind authorized to print and record postage. The public might as well expect to purchase stamp-printing presses from the Bureau of Printing and Engraving. The manufacturers of meter devices are held directly responsible to the Government at all times for their location, operation, maintenance, and replacement when necessary. In return for the service charge of $10 per month, a monthly inspection and supervision service is rendered which keeps the entire machine in proper efficient working order and which also protects the Government.

(6) Contrary to the insinuation of abnormal profits, the Pitney-Bowes Postage Meter Co., representing an investment of $2,000,000 and 20 years of effort, has as yet been unable to give one cent of return to its stockholders.

(7) The Post Office Department has testified that, contrary to saving $48 per annum, each user of a Standard machine or any other printing device actually causes the department to lose 10 cents per thousand letters as compared to mail bearing adhesive stamps. Each user of an authorized meter device saves the department 10 cents per thousand over mail bearing adhesive stamps.

(8) The hearings on this bill plainly show that Congress never intended ordinary printing devices with no protective features whatever to be used by the public on mixed business mail, in lieu of adhesive stamps. If such had been the case, what would be the purpose of adhesive stamps under any conditions except perhaps for personal and private use; and even then why not have each small mailing handled as an individual transaction and counted at the post office? The entire system of handling first-class mail without stamps affixed was brought about, as the records plainly show, because of the successful development of a device which could be brought to the post office, set by them for a given amount of postage, locked and sealed, and becoming inoperative to the user when the amount of postage paid for had been exhausted.

(9) This metered system of prepaying postage has been taken up by almost every country of any size throughout the world. In no other country is the use of ordinary printing devices, not meeting the Government specifications, permitted under any conditions. In no other country is any minimum mailing for metered mail prescribed, and the use of this system has been encouraged for the small mailers as well as for the large.

Mr. BLEASE. I also ask that a statement of objections to S. 3890, giving seven reasons why the bill should not be passed, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the same order will be entered.

The matter referred to is as follows:

STATEMENT OF OBJECTIONS TO S. 3890

1. No legislation is necessary as the matter is entirely within the regulatory authority of the Postmaster General, who is strongly opposed to the bill.

2. It would cause the Post Office Department unnecessarily to lose money in handling first-class mail matter. The department has testified that it costs 13.3 cents to handle 1,000 pieces of metered mail, 23.3 cents to handle 1,000 pieces of mail bearing adhesive stamps, and 32.8 cents to handle 1,000 pieces of nonmetered permit matter.

3. It would jeopardize the postal revenues.

4. It would unnecessarily limit the mailings of 2,500 nationally known concerns.

5. It would absolutely prevent the extension of the metered permit system—on the figures of the Post Office Department, the most economical way of handling first-class mail—to smaller mailers by means of devices already authorized by the Post Office Department and about to be placed on the market.

6. It would break down the system that already exists and cause the substitution of ordinary printing devices of all sorts in replacement of the meters now in use. This would place a tremendous burden and expense on the Post Office in counting the mail, delay the mail of the general public, and cause loss of revenue.

7. It would discourage originality in the invention and perfection of new labor-saving devices in any way connected with the United States Government.

Mr. BLEASE. Mr. President, I shall not talk very long, because I have no desire, to use the common expression, to filibuster against the pending bill. I am opposed to the bill. I expect to vote against it, but if a majority of the Senate wishes to pass it, I have not any inclination to prevent it, although I could very easily talk until 2 o'clock and then hardly feel that I had said anything.

But before I go any further I want to congratulate the senior Senator from Alabama [Mr. HEFLIN] on his remarks, especially those which he read from his manuscript in reference to dealing with the question of the negro in the South.

I presume the Senator has observed that the scene is shifting. Just a few days ago the Republican keynoter, the very distinguished Senator from Ohio [Mr. FESS], was defeated for delegate to the Republican National Convention by a negro. Wonderful! And it was done by an order of Herbert Hoover to put white people and negroes working side by side in the Department of Commerce. They took that to the State of Ohio; they heralded it in all of their newspapers; they published it all over the State; they took the pictures of the negro delegates, put Mr. Hoover's picture at the top and these two negroes right at the bottom; and the negro speakers and negro papers appealed especially to the colored vote to support this man who had issued this order attempting to force social equality between the two races.

The Senator from Alabama has spoken, and spoken well. The day is coming in this country when the white people are either going to take one side of the line or the other. They are either going to associate on the one side with the colored people, or they are going to join the great majority of the white people and stand on the other side of the line with the white majority. There can be no middle ground in this question. In all Bible history and in all profane history you will find that the superior race has ruled and controlled; and the white people of this country are going to rule it and control it if it be necessary to wipe the black race off the face of the earth. Mark that prediction.

I warn you people that when you turn the negro man loose in a riot with whatever arms he may be able to accumulate, and turn the negro woman, the virago, loose with a torch, God save you people who are acting as you are toward them to-day! While he is out fighting you with whatever weapons he may get, she is with a torch under the house where your wife and children are sleeping, for when aroused these women are more dangerous than their men. You may smile at it to-day and think it is a small matter; but we people who have faced it warn you that you are playing with fire, that you are playing with serpents; and when that day comes, do not forget that the solid South will stand on the rock of white supremacy upon which she has ever stood, and that if you call as white man to white man we will respond to your assistance, notwithstanding the fact that we have warned you against this situation.

I hope Illinois will send a nigger to Congress. I want to walk over and see one of Hoover's black chocolates sitting around with some of the white people over there who seem to love him so well. I want to see one. I hope New York will send one down here. The more you rub them into those people that love them the better I like it. You can not make them associate with us. There are not enough marines in or outside of the United States Army and Navy, in Nicaragua, and all combined, to make us associate with them. We never expect to. We never have; but we treat them fairly. If you promise one of them $5 for a day's work, if he does the day's work, I believe you should pay him.

I believe in giving him equal accommodation on the railroad trains. I believe in giving him nice, clean places in which to eat. I believe in giving him equality along that line. If they pay for service, give them the service; but I do not believe, nor will I ever believe, nor does any other white man who has 100 per cent true-blooded American stock in him believe, in placing them socially on an equality with the white people; and you do not believe in it.

There are men, I know, to-day who talk about them, and use them when they can, who would not any more let one of them sit down at the table and eat by the side of his wife and daughter than he would put a moccasin in a soup dish and set it before one of them. No; you would not do it. It is for political purposes. I have been told—I do not know that it is true; I do not assert it as the truth, and I do not believe that any candidate for President himself would be guilty of it—but I have been told in the last few days that certain friends of two of the candidates making this race for the Presidency have held out to the colored race the promise that if they are elected President of the United States a negro will be put in the Cabinet. I do not think the candidate himself is responsible for that, but it is being talked; and it is being talked about one Alfred Smith and one Herbert Hoover. I do not think they know it, but some of their friends are saying it; but I will tell you this much: If they are elected, I would not be very much surprised if they carried out the promise—either one of them. If a man will make a white woman sit down at a desk and work right side by side or in between two big, black buck niggers, I would not be at all surprised to see him put one in his Cabinet.

The Senator from Texas [Mr. MAYFIELD] has called my attention to a matter in the CONGRESSIONAL RECORD of March 7, 1928, by Mr. TARVER, of Georgia:

> Mr. Speaker and gentlemen of the House, I hold in my hand a newspaper which is called the Afro-American, published in the city of Baltimore. This particular issue was published on March 3. I desire to read to you from an article appearing on the front page which declares for African equality. It is as follows:
>
> "HOWARD PREXY DECLARES FOR FULL EQUALITY—SCIENTISTS AGREE, HE SAYS, THAT NO HARM CAN COME FROM INTERMARRIAGE
>
> "WASHINGTON, D. C.—Dr. Mordecai W. Johnson, president of Howard University, stands for full race equality, including amalgamation and social equality.
>
> "Doctor Johnson expressed his views before the Community Church in New York recently.
>
> "Speaking in New York, Doctor Johnson said he did not believe in intermarriage just for the sake of a negro marrying a white woman, but he thought that when two sane persons wanted to marry, there should be no law to prevent them; and that while he could not stop amalgamation of the races, he did not believe that negroes should wait for amalgamation to give him full manhood rights.
>
> "It is too long a process, he said. He wanted his rights black, just as he is, which included social equality without equivocation or retreating a single inch, which, in turn, included intermarriage.
>
> "Doctor Johnson emphasized the fact that anthropologists and other scientists are agreed that no harm can come from intermarriage."
>
> This damnable doctrine which I have read is that promulgated by the man at the head of Howard University, to which a few days ago you appropriated the sum of $390,000. He is going around about the country spreading among the members of the Negro race, and, of course, among the students of Howard University, this rotten, indecent doctrine on marriage between the white and African races.
>
> On the 28th of February, in this Hall, 253 Members of this House voted for an appropriation of $390,000 to the institution, of which this negro is the head, and it goes without saying that every dollar of that appropriation which directly or indirectly goes by the furtherance of the propaganda that I have referred to is an injury to the Negro race instead of a benefit.
>
> On the front page of this paper, almost side by side with the article that I have read, appears the news that southern Members of Congress voted for that appropriation. May God have mercy on them! [Applause.] In a short while the House will be called upon to vote upon H. R. 279, which provides for the legalizing of appropriations of this character in the future, they having been heretofore made in violation of the law. I call attention to this fact in order that every fair-minded man may study the situation and determine for himself whether or not he wants to vote in favor of a law legalizing appropriations to a university whose head is engaged in teaching among the members of the Negro race the damnable doctrine of social equality and of intermarriage with the white people.

This man is the president of Howard University, up here, that you unconstitutionally every year give so much money to help create more negroes of his opinion.

Let me give you just a little case which I know to be absolutely true; and I will say to the Senator from Vermont [Mr. DALE] that I am not going to pass over the time. I want you gentlemen to listen to this, and I can prove every word of it:

There was a boy in South Carolina whom I knew from his boyhood quite well. He rolled the mail in a town there from the depot to the post office in a cart, away back, years before they had automobiles. He was as white, so far as color of skin was concerned, as any man in this building. He came up here to Washington, got an appointment through the man who was then Postmaster General, a Republican from the North, went to work in one of the departments, and met a girl in the department whose father was a very splendid white man, a man of standing and influence here in the community. He came from one of the far Western States. This boy and this girl married. About 14 or 15 months aftey they had been married this girl gave birth to a child. The father was walking up and down with the husband on the outside, anxiously waiting, as I suppose parents generally are. The boy walked around into his room. About that time the doctor opened the door. The girl's father said, "Doctor, how is everything—all right?" The doctor looked down, and he said, "No." The father said, "My God! Is it dead?" The doctor said, "No; worse than that." The father said, "What in the h—— could be worse?" He said, "The baby is a nigger."

That happened in Washington City. The father rushed back into the room and saw the little black baby lying by the side of its white mother. He dashed out and got this boy and dragged him into the room and demanded to know what that meant, and demanded from the girl. The reply was, which was the truth, that the boy was the son of a negro woman by a white doctor. When this child was brought into the world it reverted to type, as any physician will tell you it will do.

That man took that boy and that daughter and sent them away out to his home, out yonder. So far as I know, they are there yet. That boy was born and reared in the county of Newberry, where I was born and reared. I knew his father, I knew his mother, and I know that the census is correct; and I once more warn you white people who are pleading for intermarriage to be careful that you do not have in your cradles at home a little black baby.

Now, Mr. President, on this bill for a minute: As I say, I shall not attempt to defeat it by talking it to death.

I introduced a bill in the first part of this session to do away with foreigners in our public works. You talk about unemployment. I made some remarks on that bill the other day and on a bill which I had introduced. I learned this morning that there is a family in the city drawing $17,000 a year from the Government. The father and the mother and three children are working in the departments, and the total salaries of that family aggregate $17,000. The father was cursing yesterday because I had introduced that bill. A gentleman said to him, "Why, you ought to be satisfied. You are getting over $7,000 yourself. Why do you not let some other poor person have some of these jobs, and feed their children, and educate them, and clothe them?" His reply was with a curse against me for having brought the matter before the Senate.

Why should we have these foreigners, people who are not American citizens, people who never came here to be American citizens, people who never expect to be American citizens, working in the departments of our Government and drawing salaries? As soon as they get what money they want to accumulate or feel that they have got all they want or all they can get, they take the boats and go back across the water. While that is going on, our American people are going around here hungry and begging for clothes.

What happened? Just to show you that my bill was along the right line I read from the Greenville News, of Greenville, S. C., Saturday morning, August 20, 1927:

> PHILADELPHIA, August 19.—After confessing that he had stolen and hidden plans of a United States cruiser, and leading Department of Justice officials to the place he had secreted them, Svn Dan Berg, 24-year-old Danish draftsman, was held under $50,000 bail to-day by United States Commissioner Long.
>
> His confession followed a severe grilling by Claude O. Lancianno, assistant United States district attorney, who had lured Berg to the

Federal building under the pretext that he was to look over his naturalization papers.

Berg's confession came after the arrest and questioning of Hans Christian Frederik Rethamer, 44, of Copenhagen, Denmark, in connection with the Government's search of the missing plans. Rethamer is a draftsman employed by a shipbuilding concern in this city.

There you are—a man working in the department, not an American, a foreigner, trusted with these very important plans by this department of the Government which at any moment may become of the most important character; and yet this boy goes in there where he has a right to go, where the United States Government says, "Dane, you go," and says to some poor American who needs the money to make a living, to pay for his own support and for his wife and possibly for his children, "You can not get in, Mr. American. This Dane is going in." Then the Dane steals these plans, and carries them away and gives them to this fellow from Copenhagen, Denmark, who says that he is working as a draftsman for a shipbuilding concern in the city of Philadelphia.

Mr. President, that is what I wish to bring to the attention of the Senate—that we are not dealing fairly with our own people. We complain about unemployment; we indict them for vagrancy; and yet we are bringing in these foreign hordes from other countries, and not even waiting until they get to be American citizens or even file naturalization papers, but we are putting them in jobs all over this country and keeping the American boy and girl out.

It reminds me of what happens in a State sometimes. They will whoop and holler and write newspaper articles and make speeches and preach sermons and beg and plead with the boys and girls to stay at home. "Stay at home, boys and girls. Stay in your own State." Yet if they want a preacher or a teacher they will go right straight and send across the line and bring somebody else down there. They will say, "This is just a little home boy. We do not want him to preach. We want to send up North and get a big Yankee preacher, who will have a big name and draw a congregation on Sunday." That has happened in my State; I suppose it has happened in all of the States; and I guess the northern people have to send down South, because there are some mighty good southern preachers up in the North. A southern preacher, one of the best in the country, is up in Philadelphia, and there are several others up there.

I want to call the Senate's attention to this fact: I introduced this bill away back in the early part of this session. The very bill the Senator from Vermont is pushing now is a bill to pension thousands of people who are not American citizens, people employed in these departments who never expect, possibly, to become American citizens. If you would shut that gate over in Europe and stop these foreigners from coming here, this element that is of no account, it would be better for this country. I welcome a good foreigner. I love him. I love to see people rise up and do something. I would like to have in my State now several hundred families of real good, honest people who are willing to produce and not be entirely consumers. We have too many people in this country who consume all the time and produce nothing. We want working people, we want good people, God-loving and God-fearing people in this country. But the Senate ought to wake up to the fact that we are not dealing fairly and squarely with our American boys and girls when we are bringing these people here by the thousands, putting them in these positions, and allowing them to drive out from those positions boys and girls, Americans, who ought to be working in them and ought to be receiving their support from them.

As I said, I repeat, I am opposed to this bill. Of course, I know the Senate is going to pass it. That is all right. I can only do my duty and do my part. I shall not resort to a filibuster for the purpose of keeping it from passing, but it is a dangerous bill, and I would like to ask my friend the Senator from Vermont just one question. How much will this bill cost the Government within 30 years?

Mr. DALE. The Senator knows very well that if he gets me into a discussion, with only about 17 minutes left, he will have accomplished his purpose. I do not know how much the bill will cost; but I will say to the Senator that it does not make any difference what it costs, if this Government can not give these men who have worked 30 years, performed hard labor for the Government, annual retirement pay of $800 on the average, when they pay 3½ per cent and the Government pays only 1 per cent, the Government had better go out of business.

Mr. BLEASE. Why does not the Government raise the pay of these people and not work them at these starvation wages instead of pensioning them after 30 years?

Mr. DALE. I am not going to enter into a discussion.

Mr. BLEASE. I did not ask the Senator to enter into a discussion. I have already told him that his bill could pass. I was told yesterday that this bill would cost the Government about $600,000,000 in 30 years. I say we should raise the wages of these people and give them enough to live on and enough so that they can lay up something and save it if they are of the saving kind, but not continue to pension people and to pension people whom we have already fed for 30 years.

Mr. DALE. The man who told the Senator that, as it relates to this bill, and the Senator himself know that it can not be so.

Mr. BLEASE. I could not tell you about that. A man told me so, but I know what is so. You are paying millions of dollars to people for pensions who were never in any war, and here is another pension burden on our people, to which I am opposed.

Mr. KING. Mr. President, I presume that if I should talk for 10 minutes the Senator from Vermont would say that I prevented the passage of the bill, which, of course would be very unfair, and I hope he will not make that charge.

Mr. NORBECK. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. KING. I yield.

Mr. NORBECK. I have no desire to prevent a vote on this bill, but I think it is too important a bill to be voted on with just a dozen Senators here. I really think we should get an expression of the Senate on it, and I would like to get such an expression as to whether the Senate is going to give any consideration to the farmers or not. I think if the labor group came to see that there was a relation between their wages and those of the farmer we would get some support.

The amendment I have offered would not interfere for the next two years; for the next two years the bill would take effect as it is written, but the amendment provides that within two years the Department of Commerce must determine what the farmer's average income is, and after that, if it is found that the average income of the farmer is lower than the retirement pay it will have the effect of reducing the retirement pay. I think people are agreed in this country that a man working on a farm should have as much pay as one who has retired and quit work. That is all I am contending for.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota to the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, has the Senator from Vermont made any comments upon the amendment offered by the Senator from South Dakota?

Mr. DALE. Not a single comment. If the Senate wants to adopt the amendment of the Senator from South Dakota, all right; I have no objection.

Mr. NORBECK. Then I shall not ask for a quorum, if there is no objection to the amendment.

Mr. DALE. I did not say that at all.

Mr. NORBECK. Then, if that is not the understanding, I shall ask that a quorum be called.

Mr. DALE. The Senator knows that if he calls for a quorum for a vote on the amendment, the time it will take will defeat the bill.

Mr. NORBECK. And the Senator knows that if he will accept this amendment, the Senate will accept it, and there will not be any need to have a quorum called.

Mr. DALE. The Senator knows I can not accept the amendment. I would be glad to accept it if I possibly could. The Senator knows I could not accept the amendment.

Mr. NORBECK. Why not?

Mr. DALE. The Senator does not want to draw me into that kind of a discussion.

Mr. NORBECK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Couzens | Glass | Kendrick |
| Barkley | Curtis | Goff | Keyes |
| Bayard | Cutting | Gooding | King |
| Bingham | Dale | Gould | La Follette |
| Black | Deneen | Greene | Locher |
| Blaine | Dill | Hale | McKellar |
| Blease | Edge | Harris | McMaster |
| Borah | Edwards | Harrison | McNary |
| Brookhart | Fess | Hawes | Mayfield |
| Broussard | Fletcher | Hayden | Metcalf |
| Bruce | Frazier | Heflin | Moses |
| Capper | George | Howell | Neely |
| Caraway | Gerry | Johnson | Norbeck |
| Copeland | Gillett | Jones | Norris |

| | | | |
|---|---|---|---|
| Nye | Robinson, Ark. | Steck | Wagner |
| Oddie | Sackett | Steiwer | Walsh, Mass. |
| Overman | Sheppard | Stephens | Walsh, Mont. |
| Phipps | Shipstead | Swanson | Warren |
| Pine | Shortridge | Thomas | Waterman |
| Pittman | Simmons | Tydings | |
| Ransdell | Smith | Tyson | |
| Reed, Pa. | Smoot | Vandenberg | |

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, there is a quorum present. The question is on agreeing to the amendment offered by the Senator from South Dakota to the committee amendment.

Mr. NORBECK. Mr. President, I desire to explain my amendment briefly. I want to say to the Senator from Vermont that I have no desire to prevent a vote on his bill. All I want is a fair expression of the Senate.

This amendment does not change the bill for the next two years. It does provide that within two years the Department of Commerce must determine the farmer's average income. If it is found at that time that the farmer's average income is lower than the retirement pay, it will have the effect of reducing the retirement pay. It may be that in the meantime Congress will give the farmers justice, and then it will have no effect at all. It will tie organized labor in with the farmer. That is what I am trying to do. Anyhow, if a Senator thinks that a man retired from office on a Government pay roll should have a larger income than a farmer who is working and has not retirement pay, I want him to say so. I am willing to have a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota to the committee amendment.

Mr. NORBECK. I ask for a division.

Mr. SIMMONS. Let the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The CHIEF CLERK. After the word "twelve," in line 4, page 6, add the following to the committee amendment:

*Provided*, That after July 1, 1930, the annuity shall not exceed the average net income of the farmers as determined by the Department of Commerce.

On a division, the amendment to the amendment was rejected.

Mr. NORBECK. Mr. President, I merely want to observe that on this vote the farmers had very little support from the northwestern part of the country, where the grain is raised.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Vermont to the committee amendment.

The CHIEF CLERK. On page 5, line 18, after the word "act," insert "or former acts."

Mr. DALE. I withdraw the amendment to the amendment.

Mr. SIMMONS. Mr. President, I want to say that I did not vote on the amendment offered by the Senator from South Dakota. I think the amendment is too important to be voted on so suddenly. I think it requires a great deal of discussion, and I would not be willing to vote upon it until I understood it more thoroughly than I did at the time the vote was taken.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

Mr. HARRISON. Mr. President, did the Senator from Vermont offer his amendment to the amendment?

Mr. DALE. That will be taken care of on the other side. I have arranged that.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act entitled 'An act to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof,' approved July 3, 1926, as amended."

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 710) entitled "An act conferring jurisdiction upon the Court of Claims to hear, adjudicate, and render judgment in claims which the Northwestern Bands of Shoshone Indians may have against the United States," disagreed to by the Senate, agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEAVITT, Mr. SPROUL of Kansas, and Mr. EVANS of Montana were appointed managers on the part of the House at the conference.

## TAX REDUCTION

The PRESIDING OFFICER. The calendar, under Rule VIII, is in order.

Mr. SMOOT. Mr. President, I ask unanimous consent that House bill No. 1, known as the revenue bill, be laid before the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON. Mr. President, my understanding is that the design of the Senator from Utah is that the bill shall be before the Senate until 2 o'clock, when the unfinished business will be laid before the Senate, and then temporarily laid aside.

Mr. SMOOT. That is the understanding.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. SMOOT. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the committee amendments be considered first and as they are reached in the reading of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BORAH. Mr. President, I want to ask the Senator in charge of the bill a question. I understand that the bill does not carry a clause repealing the inheritance tax. Is that correct?

Mr. SMOOT. The bill as we report it does not propose to repeal the inheritance tax.

Mr. BORAH. The answer of the Senator suggests another question. He said "as we report it." I understand that it is proposed by certain Senators to offer an amendment to that effect.

Mr. SMOOT. I understand that to be the case.

Mr. BORAH. Is the committee committed to opposition to that amendment or will the committee support it?

Mr. SMOOT. Some will support it and others will vote against it.

Mr. KING. Mr. President, if my colleague will yield, my opinion is that the overwhelming majority of the committee—and I say it with a good deal of regret—were in favor of repealing the estate tax, but certain considerations led them to take a different course. I am inclined to think that some of them will support the amendment when offered.

Mr. SIMMONS. To what amendment is the Senator referring?

Mr. KING. To repeal the inheritance tax. Speaking for myself, I am very much opposed to the repeal of that tax, and I am very much opposed to the existing provision of the law which permits a return to the State of a considerable portion of the tax which is collected.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, Senate bill 728, the Boulder Dam bill.

Mr. JOHNSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may proceed with the consideration of H. R. 1

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. HAYDEN. Mr. President, it is not my desire to object, but I should like to inquire of the Senator from California as to when he expects again to take up the Boulder Dam bill?

Mr. JOHNSON. My expectation is to take it up at the conclusion of the consideration of the tax bill.

Mr. HAYDEN. If there should be any apportunity in the meantime to take it up, will the Senator from California be kind enough to give the Senators from Arizona notice?

Mr. JOHNSON. Absolutely. No attempt will be made to take up the measure without due notice. The expectation that we have now is that the tax bill will remain before the Senate until its conclusion. If anything should arise so that there would not be a conclusion on the tax bill, we would proceed with the unfinished business which has been temporarily laid aside. When there is a vote upon the tax bill, as we expect there will be, of course, then we will proceed with the unfinished business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the unfinished business is temporarily laid aside. The Chair lays before the Senate House bill 1.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, perhaps I ought to say to the Senate at this time that the Senator from North Carolina [Mr. SIMMONS], the ranking member of the minority on the Finance Committee, stated to me a short time ago that he was not prepared to proceed with discussion of the bill this afternoon, and doubted whether there was anyone else on the Democratic side of the Chamber who wanted to speak.

I felt that I ought to call that fact to the attention of the Senator from California [Mr. JOHNSON] and of the Senate, and I do not expect to speak more than an hour on the bill, because the report which I made covers nearly every point in the bill in relation to which there is any kind of dispute.

Mr. JOHNSON. If the Senator will permit me, the Senator from Mississippi [Mr. HARRISON] stated to me a few moments ago that he expected to proceed this afternoon after the Senator from Utah had finished his remarks.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I did have the conversation with the Senator from Utah which he has just stated. I was under the impression at that time that there was no one representing the minority on the committee who was ready to proceed this afternoon. However, I now understand the Senator from Mississippi is ready to proceed.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I yield.

Mr. HARRISON. I much prefer that the Senator from North Carolina should proceed first as representing the minority, but if he does not desire to proceed this afternoon I shall be glad to do so. Whether or not I shall talk at all depends on what the Senator from Utah may say. If he confines himself to the subject matter and does not wander away too far, I shall not talk; otherwise I shall.

Mr. SMOOT. I assure the Senator from Mississippi that the Senator from Utah is not going to say one word that is not a fact in the case.

Mr. SIMMONS. I desire to say to the Senator from Mississippi that it is not my purpose to make any set speech at all. I shall be very glad if he himself, if he sees fit to do so at any time to-day or to-morrow, will open the debate on behalf of the minority. Before the general debate is ended I may make some general observations. It is my purpose to confine my discussion chiefly to the matters of difference between the two sections of the Finance Committee at the time the amendments are taken up for consideration.

Mr. SMOOT. Mr. President, I am happy, indeed, to call up for the consideration of the Senate the fourth downward revision of our internal revenue taxes during the present administration. The insistent adherence to the rigid rule of strict but true economy, the effect of the guiding hand of a genius over the finances of our Government since 1921, the era of unprecedented prosperity enjoyed by our people, and the former reductions in our tax rates to a point where they do not materially throttle business transactions and where, as in accordance with prediction, they produce more revenue, are the underlying factors occasioning our present fortunate position.

THE BASIS OF A REVENUE REDUCTION

A surplus exists only when our receipts exceed our expenditures. A reduction in receipts or an increase in expenditures may well wipe out all possibility of a surplus. Time does not permit me to give a detailed and analytical review of our receipts and expenditures and the innumerable items and factors affecting them. A summary, however, seems rather essential to an understanding and appreciation of the pending bill. Inasmuch as but three months remain of the fiscal year 1928, we must be governed by the estimated receipts and expenditures for 1929. In so far as the pending bill affects the fiscal year 1930, it is assumed that the conditions as to receipts and expenditures for 1929 will exist.

ESTIMATED RECEIPTS

Our receipts come from four sources—income taxes, miscellaneous internal-revenue taxes, customs duties, and miscellaneous. The total receipts for 1929 are estimated at $3,854,721,000. This amount is made up as follows:

| | |
|---|---|
| Current income tax | $1,890,000,000 |
| Back income tax | 220,000,000 |
| Miscellaneous internal revenue | 630,000,000 |
| Customs (including tonnage tax) | 587,000,000 |
| Miscellaneous receipts | 527,721,000 |

ACCURACY OF THE ESTIMATES

The committee report discusses in detail the basis and reliability of the above estimates. The majority of the committee, at least, believes in their accuracy and has relied upon them. No one has questioned the accuracy of the estimates of the receipts from customs, miscellaneous internal-revenue taxes, or miscellaneous sources. The sole issue which has been involved in the recent discussions is directed toward the income-tax estimates.

All the criticism of past estimates submitted by the Treasury—and it may be assumed that my friends across the aisle will attempt to confuse the situation by discussing past estimates—misses the point of the present situation completely. We now have the actual collections made on March 15. We no longer have to "guess" in making our determination of the receipts for the first half of 1929. We no longer have to determine the soundness of the "guess" made by those criticizing the Treasury estimates. We now have the actual figures. Thus the issue between the Treasury and its critics is reduced to purely a mathematical proposition. Of a total collection of current income taxes up to April 1 of this year, amounting to more than $1,425,000,000, the Treasury estimates missed the amount by $3,000,000. This is indeed a remarkable confirmation. If the distinguished Senator from North Carolina [Mr. SIMMONS], or any other minority member of the committee, can produce estimates proved by actual experience and by dollars on hand to be more accurate, I will be glad to accept them. He has not done so as yet, and I predict that he will not do so.

EXPENDITURES

The total expenditures for 1929 are estimated by the Director of the Budget to be $3,642,021,000. Again I wish to emphasize the fact that this estimate does not include whatever additional expenditures may be necessary by reason of new legislation.

It may be of interest to point out briefly how this vast sum of money is expended. For 1927, 51.1 per cent of the entire expenditures were on account of the public debt; 31.8 per cent were attributable to military functions; and but 17.1 per cent were devoted to the ordinary civil functions of the Government. In other words, one-half of each tax dollar is used for the service of the public debt, the equivalent of 20 cents being used for interest and premium payments and 30 cents for debt retirement. Every penny devoted to the retirement of the public debt results in a saving to the taxpayer. Our debt-retirement program should be adhered to. At the same time there is a very proper ground midway between a denial of all tax reduction in order to accelerate debt retirement beyond our present program, and a use of funds for tax reduction which should be devoted to debt retirement.

Our public-debt transactions may be divided into two classes: First, the retirement of the debt; and second, its refunding. The debt retirement obviously reduces the interest burden. A brief description of a recent refunding operation will indicate the tremendous annual savings which have been accomplished. Early last year the Treasury undertook the tremendous task of refunding all the outstanding second Liberty loan bonds, aggregating $3,104,000,000, all but $20,000,000 of which bore interest at the rate of 4¼ per cent. As a result of this stupendous undertaking, $575,000,000 have been permanently retired; $245,000,000 have been refunded into long-term bonds bearing 3⅜ per cent interest; $1,729,000,000 have been refunded into five-year 3½ per cent notes; and the balance has been retired from the proceeds of short-term borrowings at approximately a 3⅛ per cent rate.

The annual interest saving on the above securities as a result of this one operation amounts to over $21,000,000. If the interest saving on the bonds retired, both for the account of the sinking fund and from surplus funds—amounting to $24,000,000—is added, it will be seen that the total annual interest saving resulting is $45,000,000. It is quite unnecessary to state that this operation could not have been effected but for the enviable credit of our Government as the result of the public confidence in the policies and ability of the President and the Secretary of the Treasury. To illustrate further, the average interest rate on our public debt in 1921 was 4.29 per cent per annum. The average rate at the present time is 3.88 per cent. Applying this difference in interest rate to our debt on April 30 of this year—$17;547,000,000—we see an immediate saving of $71,945,000 a year.

THE ESTIMATED SURPLUS

Deducting the estimated expenditures for 1929 from the estimated receipts we find that we have an estimated surplus of $212,700,000. I see nothing which would justify the Congress in relying upon an increase in our receipts. We know

that there will be some increases in expenditure. The majority of the committee accordingly have reported a bill to the Senate carrying a maximum reduction but slightly in excess of $200,000,000.

The surplus for 1928 will be about $401,000,000. The surplus for 1927 was $635,000,000. Those desirous of increasing our proposed reduction have argued that we should carry over the surplus accumulated in 1927 or 1928 and have it available to apply upon any deficit which may arise in 1929 or 1930. This suggestion is based upon a total lack of knowledge of the actual operations of the Treasury. The above figures represent but a "paper" surplus. These huge sums of money are not piled up in gold in the Treasury. As a matter of fact, the actual operations of the Treasury in this respect are not hard to understand. The due dates of our various obligations are arranged to fall upon the dates on which our income-tax payments are received. In preparing to meet a maturing obligation the Treasury estimates the amount of cash which will be received on the date on which the obligation matures and the amount it will need for the ensuing quarter. It then arranges to apply the excess cash receipts against the maturing obligations and to issue new obligations in an amount sufficient to make up the difference. Consequently the suggestion that the surplus should be carried over is nothing more than a veiled suggestion that a deficit in 1929 be cared for by increasing the public debt.

It may be that unexpected receipts will prove the estimate wrong. It may be that expenditures will decrease. Upon the facts now available, however, any tax reduction in excess of that proposed by the majority of the Finance Committee will produce a corresponding deficit. We have witnessed the tragedies accompanying unbalanced budgets. Let us not let political expediency tempt us to risk the present condition of our Treasury and to abandon principles of public finance proved to be sound, the foundation of which is a balanced budget.

BRIEF OUTLINE OF THE BILL

All the provisions of the bill are discussed in detail in the committee report, which has been very carefully prepared. Accordingly, it is not necessary for me to do more than outline the more important provisions.

Briefly, the bill accomplishes the following:

First. The corporation rate is reduced to 12½ per cent, effective January 1, 1928, amounting to a loss of $82,000,000. The House bill proposes to reduce the rate to 11½ per cent, amounting to a loss of $164,600,000.

Second. The exemption to corporations is increased from $2,000 to $3,000, at a cost of $12,000,000, as in the House bill.

Third. The graduated tax on corporations contained in the House bill is eliminated, resulting in a saving over the House bill of $24,000,000.

Fourth. The intermediate surtax brackets are readjusted so as to relieve the disproportionate burden now imposed upon certain classes of taxpayers. The readjustment is so arranged that it will not cost more than $25,000,000. The House bill contained no relief for the individual taxpayers in the classes involved.

Fifth. The automobile sales tax is repealed, with a consequent loss of $66,000,000, as in the House bill.

Sixth. The admissions-tax exemption is increased from 75 cents to $3, at a cost of $17,000,000. The House bill increased the exemption to $1, reducing revenues by $8,000,000. The tax of 25 per cent on admissions to prize fights in the case of tickets costing $5 or more, contained in the House bill, is retained, however, by the Senate.

Seventh. The tax upon dues paid to social, athletic, or sporting clubs was reduced by the House bill from 10 per cent to 5 per cent. The committee recommends that the rate imposed by the present law be restored. The reduction proposed by the House bill would cost $5,000,000.

Eighth. The stamp tax on capital stock transfers which the House bill reduced from 2 per cent to 1 per cent, causing a loss of $8,800,000, is restored to 2 per cent.

Ninth. The stamp tax on "future" sales of produce on exchange, which was repealed by the House bill, is restored, saving $3,000,000.

Tenth. The House bill changed existing law relating to withholding at the source in the case of nonresident aliens and foreign corporations, so that in the case of 2 per cent tax-free covenant bonds the full amount of tax will be withheld. The bill as reported to the Senate retains this provision, and it is estimated that about $2,000,000 additional revenue will be received as a result.

Eleventh. The additional tax on prize fights will yield approximately $750,000.

Twelfth. The license fee of practitioners prescribing narcotics is increased from $1 to $3 a year, producing additional revenue in the sum of $290,000.

Thirteenth. The privilege granted to affiliated corporations of filing consolidated returns, which the House bill denied after 1928, is restored in the case of so-called "class A" affiliations—that is, affiliations through corporate ownership—and is denied to "class B" affiliations (affiliations resulting from ownership of two or more corporations by the same individuals). In addition, in order to eliminate the administrative problems of the present law, it is proposed to grant to the Commissioner of Internal Revenue power to prescribe regulations covering the entire subject. This matter is discussed in detail in the committee report.

Fourteenth. The provisions of the present law relative to dividends out of surplus accumulated prior to March 1, 1913, which were eliminated by the House bill are restored.

Fifteenth. The section of the House bill (section 104) attempting to strengthen the provisions of existing law relative to the attempted evasion of surtaxes by incorporation, through an arbitrary definition of a "personal holding company," is stricken out, and the provisions of existing law—section 220—are restored.

Sixteenth. Most of the retroactive administrative provisions of the House bill are eliminated or made effective only as to the future. For example, section 611 of the House bill, reopening cases in which the statute of limitations has run, is stricken out.

REDUCTION OF THE CORPORATION RATE

Corporations last received relief from taxation in the revenue act of 1921, which repealed the excess-profits and war-profits taxes, but also increased the income-tax rate. In 1926 the rate was again increased, so that under the present law the Federal Government exacts 13½ per cent of their profits. In 1924, for every dollar paid in dividends, 54 cents were paid in taxes to the Federal Government by corporations reporting a net income. When State taxation is also considered it will be seen that corporations are contributing a tremendous sum. For example, including both the Federal and State taxes, the percentages of taxes to net income ranges from 26.25 per cent in Michigan to 41.04 per cent in Connecticut, 47.72 per cent in Minnesota, and 49.78 per cent in Massachusetts. Again, it must be borne in mind that the stockholder of the corporation is subject to a surtax which he must pay to the Federal Government upon the dividends which he receives from the corporation.

It requires no argument to convince a thinking person that the corporation rate is out of line with the individual rates, is imposing an undue hardship, particularly in the case of small corporations, and should be reduced. The only issue is as to the extent of the reduction. Each one of us, admittedly, would like to see the rate reduced to 10 per cent. Unfortunately, however, we are limited rigidly by the revenue demands of the Government. Each 1 per cent reduction in the corporation rate involves a loss of revenue of $82,000,000. The increase in the exemption adds $12,000,000. Accordingly, $94,000,000 of the $200,000,000 reduction carried by the bill, or almost one-half, are devoted to corporations.

REPEAL OF THE AUTOMOBILE TAX

The tax upon the sale of automobiles produces $66,000,000 a year. It is easy of administration and the cost of collection is slight. The tremendous number of automobiles sold produces a large revenue with a very small rate and affords a revenue protected from violent fluctuations. The tax, in so far at least as the amount involved is material, is imposed upon those able to pay. The Secretary of the Treasury has recommended that the tax be retained. Although I personally would be glad to see it retained, it is rather difficult to answer the arguments of those advocating its repeal. It is the only tax imposed during the war producing any substantial revenue which remains. The automobile manufacturers have pledged themselves to reduce the delivered price of their cars so that the benefits of the repeal will be passed on to the purchaser. Under all the circumstances, the majority of the committee believed it expedient to approve the repeal of the tax.

READJUSTMENT OF INTERMEDIATE SURTAX BRACKETS

Certain classes of individuals are still paying more taxes than they were during 1917, and many are paying disproportionately greater taxes than other taxpayers. An unprejudiced examination of our present surtax brackets compels the conclusion that in all fairness the intermediate surtax brackets—that is, those particularly ranging from $28,000 to $80,000—should be readjusted, and the rates reduced.

There will be found in the committee report several tables showing the reductions recommended by the bill as reported by the committee. I have also had prepared for use in the Senate a chart showing the rates under the various laws and a table giving a comparison of the proposed surtaxes with the 1926 act surtaxes. It will be observed that the principal reduction applies to net incomes of $28,000 to $80,000, averaging about 10

per cent, and being distributed fairly uniformly. It will also be observed that the tax reduction in the case of incomes in excess of $150,000 is insignificant, amounting only to $470. The increases in incomes above this amount are not based primarily upon a desire to decrease the tax burden but rather upon a desire to retain a reasonably sound and scientific surtax schedule. A reduction of $470 to a man paying a tax of $100,000, for example, certainly can not be criticized as being excessive.

GRADUATED TAX ON CORPORATIONS

The House bill contains a provision for a graduated tax of 5 per cent, 7 per cent, and 9 per cent upon the taxable net incomes of corporations of $7,000, $12,000, and $15,000, respectively.

It is admitted by everyone that the only justification for a graduated tax is that it is based upon the theory that the greater the income the greater the ability to pay. In general, this proposition is, of course, true in the case of individuals. Notwithstanding the fact that a man with an income of $500,000 has proportionately greater expenses than a man with an income of $50,000, for example, the former does have a much greater balance out of which to make his contribution to the costs of the Government. But this is not the situation at all in the case of corporations. A corporation with a $500,000 income may have millions invested in the business, and its income may represent but a small percentage of actual profit, while a $50,000 corporation may actually be earning a much greater return upon its investment. It is the amount of the return upon the money invested, and not the number of dollars, which determines ability to pay. We must not overlook the fact that in essence the corporation tax is merely an expedient device for collecting at the source the tax upon the profits of the stockholders.

During the war we imposed a graduated tax upon corporations, but we did not select net income as the measure of the tax. Because of the fact that the ability to pay in the case of corporations depends to a large extent upon the capital invested in the business, we have provided that invested capital should be taken into consideration in computing the amount against which the rate was to be applied. I think we are all quite willing to admit that this tax is impossible of administration. We should not refuse to profit by our war experiences, close our eyes to the facts, and again attempt to restore the graduated tax on corporations as a part of our permanent tax policy.

CONSOLIDATED RETURNS

The subject of consolidated returns is discussed in detail in the committee report and the action of the committee fully explained. I do not believe it is necessary at this time for me to enlarge upon the remarks in the early part of my speech. I hope that the Senators interested in the provisions will find time to read the committee report. There is no gain in revenue to result from striking out the provisions of the present law. No real advantages are obtained, no taxes are saved by filing a consolidated return. The committee was unanimous, except possibly for one vote, in its decision that the present law should be retained, with the amendments heretofore discussed.

INSTALLMENT SALES

We have heard a great deal about the unfairness of the law and the regulations applicable to the taxation of gains from installment sales. The criticism is directed toward what is called the "double-tax" theory. I believe that practically everyone now admits that this theory is sound in so far as it is applied to the future. The criticism—and I am sure that most of you here have heard the rumblings—is directed toward the application of the theory to the past. The entire subject is discussed in detail in the committee report. If there were any sound principle upon which we could base relief for those taxpayers who relied upon the regulations of the Treasury, I should be glad indeed to assist in obtaining its enactment into law. Up to the present time, however, no satisfactory policy has been evolved.

The "double-tax" rule presents one of the strangest situations I have ever witnessed. Everyone upon hearing the matter discussed for the first time becomes almost enraged at the thought of taxing the same income twice. After a further study, however, the first reaction suffers a complete reversal. In an effort to present the picture in as brief a time as possible, I have had prepared a table showing the actual results of the application of the rule and of the refusal to apply the rule. I do not believe it is necessary to do more than point out to the Senate the actual facts.

INCOME-TAX SIMPLIFICATION

There has been considerable discussion about the possibility of simplifying our income tax laws. Simplification may be considered from three points of view: (1) Simplification of form; (2) simplification of language; and (3) simplification of policies.

The bill as passed by the House and as reported to the Senate to-day represents a decided step forward in simplification of form. This is accomplished in two ways. First, the bill differs materially from the revenue acts of 1918, 1921, 1924, and 1926. Each of those acts reenacted all the provisions of the preceding acts, with such amendments and omissions as changes in the policy required, and then repealed the preceding act, except as to rates and with certain other exceptions. A continuation of this policy will merely heap complexities upon complexities. There must be a fresh start. Accordingly, the pending bill is drafted so as to apply to 1928 and succeeding years. The taxpayer in 1928 or 1929 will not have to wade through the many complicated provisions which are of interest only to a taxpayer settling his case for 1927 or prior years. The next step toward simplification in form is presented by a rearrangement of the law. Eighty per cent of the taxpayers are not interested in the complicated provisions necessary for the proper determination of the tax liability of a large corporation, for example. Accordingly, general provisions, adequate for the vast number of ordinary taxpayers, are placed in the first part of the bill, and the provisions relating to extraordinary classes of taxpayers or which apply only to extraordinary transactions are placed in supplements.

The opportunity for simplification in language, it seems to me, is not so real as might be supposed. The real opportunity will be found only in changes of policies. Our present tendencies are toward further complications in policies rather than the elimination of the present complexities. Personally, I would hesitate to predict any substantial simplification in policies, at least until our tax rates are materially reduced.

SIMPLIFICATION OF ADMINISTRATION

It is my opinion, however, that a very real opportunity exists for a simplification in the administration of our internal revenue laws. Heretofore we have been proceeding upon the theory that an income tax can be determined by the application of ordinary mathematics. We have supposed that each class could be settled with absolute mathematical accuracy. We have insisted that every doubtful point be decided against the taxpayer, in order that the answer could be found through litigation.

As a matter of fact, it should be apparent that the only items which are really susceptible of exact determination are gross income and gross expenditures, in so far as each is reflected by actual cash. All valuations, allowances for depreciation or depletion, the charging off of bad debts, the reasonableness of expenses, and in fact practically every deduction from gross income, must be based upon more or less accurate estimates and the application of sound judgment.

As a direct result of this policy we are facing congestion in the courts, congestion before the Board of Tax Appeals, and congestion in the office of the general counsel. On March 1, 1928, there were pending before the Board of Tax Appeals 21,381 cases, involving asserted deficiencies aggregating more than $635,000,000. Working with the utmost expedition, the board can not be expected to dispose of more than 3,000 cases a year, otherwise than by stipulation. From July 1, 1927, to February 29 of this year the board had decided cases involving $81,000,000 in deficiencies asserted and had rendered decisions sustaining only 41 per cent of this aggregate amount.

From the point of view of the taxpayer, I do not believe that he can be expected to consent much longer to delays and postponements in the settlement of his tax liability for prior years. He should not be called upon to pay additional taxes several years after the transaction giving rise to the liability. He can justly complain of the tremendous cost imposed upon him in a settlement of his case through litigation. From the point of view of the Government it can well afford to settle cases administratively. In no other form of taxation have we insisted upon judicial determination. It is my opinion that the continued existence of the income tax depends upon our ability to produce a reasonably simplified and effective administration. The settlement of cases must be withdrawn from litigation. They must be settled administratively. In appreciation of the situation the Treasury last summer created a committee known as the special advisory committee. The primary function of this committee is to settle cases involving questions of fact. The Treasury is about to create a similar committee for the settlement of cases involving mixed questions of law and fact. A fundamental requirement, however, is that an adequate personnel be developed and retained, for the responsibility of settling cases can not be imposed upon inexperienced men and the policy can not extend further than the personnel permits.

I earnestly hope that the policy as outlined will prove successful in its application.

In furtherance of the desire to simplify the administration of cases and to close tax cases once and for all the pending bill contains a section permitting a closing agreement to be entered into by the taxpayer and the duly authorized representative of the bureau. If this agreement is approved by the Secretary of the Treasury, the Undersecretary, or an Assistant Secretary, the case can not be reopened, either administratively or judicially, in the absence of fraud or malfeasance or misrepresentation of a material fact. A second provision which has been inserted by the committee and which should prove effective in the final closing of cases permits a change in a regulation or Treasury decision to be given only on future application.

CONCLUSION

In conclusion, I may say that I hope to keep the bill before the Senate until it is finally disposed of, and that it will be acted upon in adequate time to permit agreement between the House and the Senate and final approval by the President. I sincerely trust that the amount of the reduction will be kept within the $200,000,000 mark determined upon by the committee.

Mr. BROOKHART. Mr. President, I would like to ask the Senator a question or two before he takes his seat. The estimated surplus would be about $400,000,000?

Mr. SMOOT. That was last year.

Mr. BROOKHART. What will it be?

Mr. SMOOT. It will be $212,000,000 in the coming year.

Mr. BROOKHART. The surplus will be $212,000,000?

Mr. SMOOT. Based upon existing law.

Mr. BROOKHART. And the total expenditures about four billion?

Mr. SMOOT. I gave the exact figures.

Mr. BROOKHART. A little less than four billion.

Mr. SMOOT. The exact figures are $3,642,021,000.

Mr. KING. Mr. President, that does not include, of course, the postal expenditures; there is a deficit there.

Mr. SMOOT. I will say to the Senator that in all the estimates the postal expenditures are taken care of by the postal receipts, and are not counted on either side. Whatever the deficit is we will make an appropriation for it, and that is in the estimate of the amount of expenditures.

Mr. BROOKHART. That is in the estimate?

Mr. SMOOT. Yes; whatever deficit there may be.

Mr. BROOKHART. It seems to me with as large an expenditure as that, and with as narrow a margin as that, there is not much chance for tax reduction at all.

Mr. SMOOT. No; not in that.

Mr. BROOKHART. If the farm bill with its four hundred million shall pass, there will be a considerable deficit.

Mr. SMOOT. If all the bills that are spoken of, and have been partially agreed to, and some of them completely agreed to, should become law, of course, there would be a deficit.

Mr. REED of Pennsylvania. There would not be a surplus.

Mr. SMOOT. No; there would not be a surplus.

Mr. BROOKHART. Not only would there not be a surplus but there would be a deficit. I am speaking of some of the bills that ought to pass.

The Senator spoke of refunding by the Treasury for a long time at 3⅜ per cent.

Mr. SMOOT. That was as to the bonds that fell due in 1928.

Mr. BROOKHART. What is the length of time those run under the new arrangement, if the Senator remembers? It was not in his statement; that is why I am asking the question.

Mr. SMOOT. They are divided up. If the Senator from Pennsylvania has the statement there, it will give the Senator from Iowa the exact amount.

Mr. REED of Pennsylvania. The 3⅜ per cent Treasury bonds issued in 1927 amounted to $494,000,000, and they fall due in 1947, but are callable in 1943.

Mr. BROOKHART. That was cited by the Senator as a saving.

Mr. SMOOT. It certainly was.

Mr. BROOKHART. But they can not be called until 1943.

Mr. SMOOT. Not until 1943.

Mr. BROOKHART. And if the interest rate drops down to 2⅜ per cent we will have a big loss on them.

Mr. SMOOT. If such a thing ever happens.

Mr. BROOKHART. That is what is was before the World War, and that is what it ought to be right now.

Mr. SMOOT. That was only as to short-time securities. There was no bond ever issued at that rate at any time.

Mr. BROOKHART. They were not issued, but they were sold.

Mr. SMOOT. They were not sold. They were short-time certificates, they were not bonds. They were purchased by the large investors, with a view of holding them until the time they had to raise the money invested, rather than keep the money on hand to meet the bonds.

Mr. BROOKHART. We send a vast amount of our money abroad at a high rate of interest.

Mr. SMOOT. That is not Government money; it is American money, but of business interests.

Mr. BROOKHART. That tends to keep the interest rate up in the United States, both on Government bonds and every other kind of bonds.

Mr. SMOOT. I assure the Senator he need not worry about that, because next year $2,000,000,000 of bonds will fall due.

Mr. BROOKHART. Two billion?

Mr. SMOOT. They are third Liberty loan bonds.

Mr. BROOKHART. Will they be refunded at a long time at 3⅜ per cent?

Mr. SMOOT. They will be refunded at a much lower rate of interest than they bear.

Mr. BROOKHART. It seems to me 3⅜, under the present circumstances, is too high a rate of interest.

Mr. SMOOT. It is a lower rate of interest than is paid by any other country in the world.

Mr. BROOKHART. That is no argument.

Mr. SMOOT. I say it is an argument.

Mr. BROOKHART. We are about the only solvent country in the world.

Mr. REED of Pennsylvania. Mr. President, within the next five years we shall have $14,000,000,000 worth of obligations falling due.

Mr. SMOOT. And next year two billion.

Mr. REED of Pennsylvania. If the rate of interest goes down, as suggested by the Senator from Iowa, we shall have ample opportunity to take advantage of it.

Mr. BROOKHART. We can do a great deal toward bringing that interest rate down if we handle this matter with that in view. We have not done that.

Mr. SMOOT. Even next year we will have $2,000,000,000 to work on.

Mr. BROOKHART. The general policy of the Federal reserve system and all the other economic combinations is to maintain the higher interest rate, to keep it high, and they have succeeded in doing that, I think. I am not sure whether this 3⅜ per cent is a good thing or a bad thing.

Mr. KING. Mr. President, I might suggest to the Senator from Iowa that English consols have been sold with an interest rate of 2 per cent, and with our superior credit——

Mr. SMOOT. Two per cent?

Mr. KING. Some English consols bear 2 per cent.

Mr. SMOOT. I have never seen one of them in my life, before the war, during the war, or after the war.

Mr. KING. I agree with the Senator from Iowa that there should be a reduction of the present interest rate paid by the Government of the United States when the next bonds are refunded. I think there should be a material reduction.

Mr. SMOOT. In one year there will be $2,000,000,000 due.

Mr. KING. I understand. I feel assured that when the refunding takes place there should be a material reduction.

Mr. BROOKHART. If English consols sell at 2 per cent, our bonds ought to sell better than that.

Mr. KING. With the superior credit of the United States over most countries, we should, of course, have a lower rate of interest for Government securities than any other country in the world.

Mr. BROOKHART. One of the complaints I have to make about the present economic situation is the high rate of interest being charged not only to agriculture—that industry is paying the highest, and it ought to pay the lowest—but to business generally. The interest rates are too high. The stock gamblers are the only ones who get a low rate of interest in the present situation.

Mr. SMOOT. That is on call money, and, of course, anybody who has credit can get the cheap rate of interest.

Mr. BROOKHART. That is call money, but it is called under circumstances that ought to be prohibited by law, not allowed at all.

Mr. SMOOT. That is another question entirely.

Mr. BROOKHART. We have outlawed that character of loans for rediscount purposes in the Federal reserve system. They have no right to rediscount them. Yet those same outlawed loans in the highest banking institutions of the country are getting generally the lowest rate of interest in stock operations.

Mr. REED of Pennsylvania. The Senator knows that over $100,000,000 is being loaned in Wall Street at the present time by banks in Iowa, does he not?

Mr. BROOKHART. There is probably three or four times that much, and that is one of the complaints I have to make. A banker in this city called on me to-day and said, "If I have surplus money to put in call loans up in New York and the bank examiner comes along and sees it is in call loans, that is all right; he says no more." I said, "What would he say if it was a loan to a farmer?" He said, "He would mark it up on the slow list, or something of the kind."

Mr. SMOOT. What would the Senator suggest to the Iowa bankers? Would he want them to hold the money in their banks and get no interest whatever on it? No bank in the United States, I do not care where located, is sending money to New York or to Chicago or to San Francisco unless it is doing it to secure some interest, even though small, on money that otherwise would have to be held as a reserve under the law.

Mr. BROOKHART. I will explain that a little later to the Senator, since he has asked the question.

Mr. SMOOT. I know about it; I do not need any explanation of it.

Mr. BROOKHART. One of the biggest bankers of my State, and as strong a standpatter as the Senator himself; one who would not talk to me about these matters until recently—several of them are getting so they will talk even to a "bolshevik" like me now—came to me and said he had $3,000,000 of deposits in his bank. He had $1,600,000 of that invested in New York. Part of it was on bank balances, or call, at 1¾ per cent, and the balance was in long-time bonds down there, the so-called liquid bonds they sell on the stock exchange, and he was getting a yield of about 4¼ per cent on that. He said:

> I am charging for the best business loans in my city 6 per cent, and I am charging the farmers 7 per cent. I am compelled to do that to keep my bank open. I am not doing it of my own choice. The bank examiner comes along, and if I lend this money to farmers or to business men who can not pay—and the farmer can not pay, under the bank rules, but has to renew all the time, and it is a short-time loan—it is marked as slow and no longer subject to rediscount under the Federal reserve system, and I am under suspicion. In order to keep my bank clean and up to the bank examiner's rules and the Federal reserve rules I am compelled to send that money into this big gambling mill in New York.

Mr. SMOOT. There is no place to send it in any other part of the country.

Mr. BROOKHART. That is what I am objecting to.

Mr. SMOOT. If the Senator was a banker and had piled up in his bank a million dollars in gold, and he knew there was no place to invest it or he could not invest it because of the fact that the million dollars was perhaps public money and could be called at any time, and he did not know whether it would be transferred in one week or two months or three months, and he was paying 1½ per cent upon it because it was public money, he would send it some place where he could get at least the amount of the interest he was paying on the money. Where would it go? It would go to the banks that would pay the highest rate for it, and they are in Chicago, San Francisco, and New York.

Mr. BROOKHART. If the economic situation in the whole country has destroyed the land values in my neighborhood, which it has done in my State, and destroyed the other values and the other earnings so that our securities are no longer reliable, I would like to see some change in the economic power at the top which is working that wreck and ruin of those banks.

Mr. SMOOT. Was there ever a time in the world when a banker could make a demand loan to a farmer or when a farmer would try to make a demand loan? He can not do it, and the Senator knows he can not do it. The bank gets just as much as it can get, and it has to keep a certain percentage of actual deposits on hand.

Mr. BROOKHART. Let me call the Senator's attention to the fact that the redepositing by one bank into another bank is reserve-bank business. That is not ordinary banking at all. That is the biggest function of the reserve bank. It is the biggest item of reserve-bank business. But under our reserve bank laws we have not allowed the Federal reserve bank to pay anything to a member bank for redeposit, not any rate whatever. We have compelled them to put the reserves in the Federal reserve bank without any compensation, and then they may deposit over and above the reserve, but get nothing for it. That gives the stock gamblers of the New York banks a virtual monopoly on all redeposit business in the country except the reserves that are compelled to go in the reserve bank by law. They put on their rate of 1¾ per cent and there is no place, as the Senator said, for that money to go except to go down to New York and take that 1¾ per cent in a gambling business that ought to be prohibited by law.

Mr. SMOOT. The banks do not conduct gambling, because the banks send their money to the banks of New York, which are perfectly sound. The Senator never heard of a bank failure of that kind.

Mr. BROOKHART. No; a gambling house, so far as I know, never loses money, only what it loses in the game.

Mr. SMOOT. They never lose any in the game.

Mr. BROOKHART. A good gambling house is never known to lose any money. But this is unlawful gambling that we have written into the Federal reserve law.

Mr. SMOOT. I am not saying anything about gambling houses in New York——

Mr. BROOKHART. We have denied them the rediscount privilege.

Mr. SMOOT. The Senator time and again has said on the floor of the Senate that he does not want the banks in his State to send their money to New York and deposit it there. I do not know what he would want done with it.

Mr. BROOKHART. I have just explained why, under this economic system, they are forced to do that thing.

Mr. SMOOT. Where would the Senator, if he were the president of one of the banks in Iowa, use that surplus money?

Mr. BROOKHART. I would be compelled, the same as these bankers are under the rules of the Federal reserve system and the rules of the bank examiners, to do just as they are doing.

Mr. SMOOT. There is no such rule. A bank does not have to send a dollar to New York unless it wants to do so. It can keep every dollar in its own safe if it sees fit to keep it there.

Mr. BROOKHART. If a situation is created where there is no place else to go and get any return, I would do as they have to do to get a little return.

Mr. SMOOT. If the Senator is going to get a return on his money, he would have to put it to work.

Mr. BROOKHART. The Senator from Utah has said there is absolutely no other place in the country where they can get any return on their surplus credit or surplus money. That economic situation is created by these laws and by the administration of the law to which I have referred.

Mr. SMOOT. No; that is just a natural result of natural laws. If the Senator is going to run a bank and the law requires him to keep 25 per cent of his deposits on hand, and he would allow that 25 per cent to contain the amount of money he put on call where he could call it and be absolutely sure that he could get it when he wanted it, he would adopt that exact plan. He would not have his 25 or 40 per cent of the deposits lying idle in his vault, would he?

Mr. BROOKHART. If the Senator wants me to suggest a remedy, I can say that the Federal reserve system could loan its long-time investment bonds to farmers as well as to the gamblers in New York, and this could be done through the reserve system itself.

Mr. REED of Pennsylvania. If the Senator had his way and required the Federal reserve banks to pay interest on the deposits of member banks, what would he suggest that the Federal reserve banks could do with those extra deposits which they would receive?

Mr. BROOKHART. I would suggest that they invest them in legitimate business and lower the interest rate generally in the country. That is the biggest function of the reserve banks to the public—to lower the interest rate generally. But in their book of questions and answers, at page 135, they have explained that if they paid interest on those redeposits they would then have to go out and invest them in order to get any money. That would increase the credit supply and do this thing that they ought to do, lower the interest rate, and that they do not propose to do.

Mr. REED of Pennsylvania. It seems to me it would increase the credit supply in one place and fail to diminish it in another, and the ordinary laws of business dealings are such that it would not change the general effect at all.

Mr. BROOKHART. So far as gambling in New York is concerned, that has created the biggest bubble of all history, and it can not do otherwise than burst. It would have burst long ago except for the fact that the situation is drawing in the surplus credit from the whole country to support that gigantic gambling bubble that is going on down there.

Mr. SMOOT. The world has been gambling ever since man was created, I think. I think when the second man came along they went right to gambling.

Mr. BROOKHART. Can the Senator state any bubble that did not burst as the result of such gambling operations?

Mr. SMOOT. They all do when they get to a certain limit and when they step over the bounds. When they get to a cer-

tain point they blow up, but that would not be settled by any proposition the Senator has made. The only proposition the Senator has submitted here to-day, and which he has submitted time after time upon the floor of the Senate, is that where a bank has a million dollars on deposit and the law requires that bank to keep 20 per cent of that deposit on hand, or $200,000, then out of the $800,000 remaining he may lend 60 per cent. He dare not go even that high, because he does not know when he may have a call made upon him. He may have it to-morrow or it may not be for a month. That changes the situation, and if he has any money lying there he says to himself, "I can not keep this money here. I have to get something out of it."

I call the Senator's attention to the fact that there is hardly a county or a city that makes a deposit in a bank that does not receive some remuneration for it in the way of interest upon the deposit. The bank can not lend every dollar of that deposit. The banker does not know how soon it may be called. So what does he do? He must have some way in which he can earn enough money at least to pay what he pays for the deposit. That is the reason why the money is in New York.

Mr. BROOKHART. Let us go back to the illustration I gave the Senator of the reserve which he is required to keep, which is 7 per cent.

Mr. SMOOT. No banker is going to run his deposits down and hold only 7 per cent.

Mr. BROOKHART. He had $3,000,000 of deposits, but $1,600,000 of it down in this gambling mill because it was unsafe under the rules of banking operations to lend that money on what used to be the best credit in the country, the Iowa farm.

Mr. SMOOT. There is not a State in the Union that would require more than 25 per cent of the amount of the deposits held as reserve.

Mr. BROOKHART. I am talking about a national bank.

Mr. SMOOT. Yes; a national bank or a State bank, either one. The law requires the same of each of them.

Mr. BROOKHART. The lowest per cent is 7 per cent, I believe, that is required to be held as a reserve.

Mr. SMOOT. There is no such thing as holding only 7 per cent.

Mr. BROOKHART. Of reserve?

Mr. SMOOT. Oh, yes. That is the reserve. That is not the amount that must be kept on hand, however.

Mr. BROOKHART. That is what I am talking about.

Mr. SMOOT. That is another thing entirely. No bank is going to have a million dollars of deposits and immediately lend it all out but 7 per cent. No bank would loan out the $930,000 and only have $70,000 on hand to meet demands. Any banker who would do that would go broke, of course.

Mr. BROOKHART. I think it does run somewhat higher than 7 per cent. The highest percentage under the Federal reserve law is only 15, I believe.

Mr. FLETCHER. Mr. President——

Mr. BROOKHART. I yield to the Senator from Florida.

Mr. FLETCHER. The Senator from Utah spoke about sending money into New York from other parts of the country in order to put it on call. The very purpose of the Federal reserve act was to keep the money in different localities and not have it go to New York.

Mr. SMOOT. But they can not loan it in the different localities.

Mr. FLETCHER. If they want to loan it there, why can they not do so?

Mr. SMOOT. So far as my State is concerned, I can tell the Senator why. We are allowed in the State to loan to any individual or any corporation only a certain percentage of the stock and surplus of the bank. If a bank has a capital of $100,000 and it has a surplus of $100,000, that bank can not loan in the State of Utah more than $30,000 to any corporation or any individual at any time, no matter whether they had $1,000,000 or $2,000,000 on deposit.

Mr. REED of Pennsylvania. The same is true of the national banks.

Mr. FLETCHER. That is, to any one borrower?

Mr. SMOOT. Yes.

Mr. BROOKHART. The time was when we could loan the surplus of the banks in Iowa.

Mr. SMOOT. They loan it out until nearly all of them went broke.

Mr. BROOKHART. Yes; after we got the help of the Federal reserve system and the War Finance Corporation and a few other schemes which were created down here in Washington. But before that we could lend it there in Iowa. We had the best credit in the world. Our values were the most stable, both our land values and the prices of our products. Then came along the high interest rates and high railroad rates and high returns to public utilities and high tariff rates and all, and now our values have broken down until our bankers do not dare lend their money to their own neighbors, but send it down to New York at a low rate of interest that break the banks finally because they send their money into the gambling game in New York.

Mr. SMOOT. If the banks lend to the farmers within the amount limited under the law that they are permitted to lend, they are perfectly safe in carrying it and they will never force a loan on the farmers. The only time they have ever been forced is when a situation existed such as has existed in the last year or two in Idaho and Iowa and other sections, where they loaned more money than the land was worth, and when the call came they could not get the money back and they could not sell the lands.

Mr. BROOKHART. The banks loaned very little money on land in Iowa.

Mr. SMOOT. Oh, Senator!

Mr. BROOKHART. The land loans are not made by the banks. The banks make short-time loans.

Mr. SMOOT. I know that so far as Idaho was concerned it broke over 100 banks in that little State, and their loans were all real estate. There was not any doubt about it.

Mr. BROOKHART. They made their loans on those lands, and then they had to take the real estate, which was the only security, and that closed the banks. That happened in Iowa, too; but that was not the original loan. It was not the original real-estate loan at all.

Mr. SHORTRIDGE. Mr. President, may I inquire of the Senator whether there are savings banks in Iowa?

Mr. BROOKHART. Yes.

Mr. SHORTRIDGE. Under the law and under their charters they may loan on real property—farm lands?

Mr. BROOKHART. But that is not the general loan business.

Mr. SHORTRIDGE. From whom does the farmer borrow?

Mr. BROOKHART. From the insurance companies and the trust companies and the land-mortgage companies.

Mr. SHORTRIDGE. Is the Senator complaining of the rates there?

Mr. BROOKHART. Yes; I am complaining all along the line. Those rates are too high.

Mr. SHORTRIDGE. How is the Senator going to correct or reduce the rates which he says are too high?

Mr BROOKHART. If the Government would fix a lower rate that would help.

Mr. SHORTRIDGE. But what is the Senator's remedy? Can he state it in a few words?

Mr. BROOKHART. I introduced a bill to remedy that and got five votes for it.

Mr. SHORTRIDGE. I do not recall what that proposed remedy was.

Mr. SMOOT. The Government will never loan money on real estate.

Mr. BROOKHART. No; but the rates could be reduced. That would have a tendency to reduce rates generally. That is where the proposition is material.

Mr. SMOOT. Perhaps the Senator can get money at less than 3⅜ per cent, but I do not know where it could be done.

Mr. SHORTRIDGE. I do not accept the statement, with great deference to the Senator, that Iowa is broke or that everybody is poor, ragged, and looking in vain for work. I think Iowa is one of the best States in the Union, and that if the true picture were drawn it would appear to be about as prosperous as any of the Mississippi Valley States. I think, indeed, it has the most fertile soil of all of the Mississippi Valley States, the best climate, ample water, and a growing population made up of the finest men and women in the land. I do not wish to appear to indulge in levity. Very seriously I object to the Senator's picture of conditions in Iowa, and I think, with due deference, that the Senator renders no service to his State by picturing it as bankrupt or upon the brink of bankruptcy.

Mr. BROOKHART. I remember the grand State of Iowa, which is the best agricultural spot in this big, round world, producing more out of the soil than any other spot in the world, when nearly all its farmers owned their homes. The 1925 census showed that 45.7 per cent of the farmers of Iowa were then tenants, and that percentage has largely increased since 1925. The Senator from Connecticut [Mr. McLEAN], to show the prosperity of Iowa, put figures in the RECORD showing that the farmers got $60,000,000 more for their crops in 1927 than they did in 1926, and he gave $712,000,000 as the total value. The farmers of Iowa were entitled to more than $900,000,000 in order to get a fair return and pay the cost of their production. They are still behind, and every sheriff's sale board in the State is plastered over with notices of foreclosures

of mortgages at this time. I practiced law for 30 years in Iowa and did not know what a foreclosure was. We did not have them.

No; the Senator does not need to tell me about Iowa. I know when our farmers were able to save enough money so that in their old age they could go to California and stay through the winter, and some of them stayed there and even came back to the United States Senate. I know enough about the farmers of Iowa to know that they are not going to California now and have not gone to California since 1920. I think California had better get behind Iowa and help Iowa back on the level where she once was, because Iowa was the best contributor of all to the prosperity of California.

Mr. SHORTRIDGE. And a solid Republican State.

Mr. BROOKHART. Yes; though I remember when California voted for Woodrow Wilson.

Mr. SHORTRIDGE. She faltered once or twice. If Iowa is in such a deplorable condition, perhaps the Senator has put his finger on the reason, namely, that her more progressive and intelligent and capable people have gone to live in California.

Mr. BROOKHART. That may be the reason, but there are some other reasons why the intelligent farmers of Iowa went to California. Those reasons are the discriminations against agriculture in railroad rates. The Esch-Cummins law, for which the Senator voted here in the Senate——

Mr. SHORTRIDGE. No!

Mr. BROOKHART. The Senator did not? I am glad he did not. It is one good thing we can say about his record here.

Mr. SHORTRIDGE. I was not here then. [Laughter.]

Mr. BROOKHART. That is the only reason, then. I take it all back. [Laughter.]

Here are the bank rates. The national banks of the United States are earning 8.34 per cent while Iowa national banks were earning nothing, and going broke besides. The railroads are earning 5¾ per cent by law on a valuation that amounts to more than 9 per cent if we should value them as we did the farms. Public utilities are getting court decisions for 7 per cent return on their capital investment, and that often inflated. The protected industries are earning all kinds of percentages, clear up to the sky, under the protection of the law. The patented industries, again, have a protection of the law that gives them a profit. On the other hand, the whole people of the entire country are only producing 5½ per cent; and Iowa, with a $3,000,000,000 reduction in her capital values since 1920, has not receipts enough to pay her expenses and taxes.

Mr. SHORTRIDGE. If Iowa, then, is in such a depressed and regrettable condition, I am curious to understand why, just across the Mississippi River, to the east, Illinois is not in like condition, or Missouri, to the south, or Nebraska, to the west, or Minnesota, to the north. Is it possible that all this evil has fallen right upon the sacred soil of Iowa?

Mr. BROOKHART. It is not. The condition in Illinois is almost as bad as in Iowa. The Senator has not looked around. He has not studied the agricultural question. He knows nothing about this situation.

Mr. SHORTRIDGE. I was born on a farm and reared on a farm.

Mr. BROOKHART. Yes; and the Senator has kept away from it ever since.

Mr. SHORTRIDGE. No, indeed; I have not. I was about to tell a story on that point, but I will leave that to the Senator from Alabama [Mr. HEFLIN].

Mr. BROOKHART. The Illinois farmers are but little better off than those of Iowa. Some of them, being tributary to Chicago and having a special market, are a little better off; and yet I rode out 20 miles from the center of the city of Chicago and found abandoned farms within the last six months.

In Minnesota the agricultural situation is no better. I have been through that State. It is no better in Nebraska. It is the same everywhere. There is a general discrimination against agriculture, and even the Senator from Connecticut, who put in the RECORD the figures about the prosperity of Iowa, told me himself that 90 per cent of the farmers of his State were on the verge of bankruptcy.

Mr. SHORTRIDGE. I can not believe that Iowa is in such a sad condition.

Mr. BROOKHART. It is not Iowa; it is agriculture, and it is agriculture everywhere.

Mr. SHORTRIDGE. Your poultry industry certainly is most profitable.

Mr. BROOKHART. And yet you want in this bill to reduce the taxes on the millionaires of the country who have gained their profits from the farmers of Iowa.

INVESTIGATION OF PUBLIC UTILITY CORPORATIONS

Mr. SHIPSTEAD. Mr. President, I report from the Committee on Printing a resolution, and ask for its present consideration.

Mr. SMOOT. What is the resolution?

Mr. SHIPSTEAD. It provides for the printing of the report of the Federal Trade Commission on the water-power investigation that is now being conducted in compliance with the resolution of the Senate.

Mr. SMOOT. I have no objection.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Is there objection to the consideration of the resolution?

Mr. CURTIS. Let it be read.

The legislative clerk read the resolution (S. Res. 221), and there being no objection, it was considered by the Senate and agreed to, as follows:

*Resolved*, That the reports submitted to the Senate, or which may hereafter be filed with the Secretary of the Senate, pursuant to Senate Resolution 83, current session, relative to the investigation by the Federal Trade Commission of certain electric power and gas utility companies, be printed, with accompanying illustrations, as a document.

REFUND OF TAXES ON DISTILLED SPIRITS

Mr. BARKLEY. From the Committee on Finance I report back favorably, without amendment, House bill 12733, and ask unanimous consent for its present consideration.

Mr. SMOOT. Mr. President, is that the House bill dealing with the rate on distilled spirits?

Mr. BARKLEY. Yes, sir.

Mr. SMOOT. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That in addition to the authority contained in the act entitled "An act to refund taxes paid on distilled spirits in certain cases," approved February 11, 1925, the Commissioner of Internal Revenue may allow the claim of the owner (whether the distiller or his successor or other person) for the refund of taxes paid (whether by such owner or any other person) in excess of $2.20 per proof gallon on any domestic distilled spirits which are now in a tax-paid warehouse operated in connection with and contiguous to an internal-revenue bonded warehouse, if proof satisfactory to the Commissioner of Internal Revenue is furnished of the ownership and identity of the distilled spirits as to which the refund is claimed, and of the amount of tax paid thereon. The Commissioner of Prohibition may direct that any spirits on which a refund of tax is paid under this act shall be removed to and stored in a warehouse designated by him.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Barkley | Frazier | King | Sheppard |
| Bayard | George | La Follette | Shipstead |
| Bingham | Gerry | Locher | Shortridge |
| Black | Gillett | McKellar | Simmons |
| Blaine | Glass | McNary | Smoot |
| Blease | Goff | Mayfield | Steiwer |
| Brookhart | Gooding | Moses | Stephens |
| Broussard | Gould | Neely | Swanson |
| Bruce | Hale | Norbeck | Thomas |
| Capper | Harris | Norris | Tydings |
| Caraway | Harrison | Nye | Tyson |
| Couzens | Hawes | Overman | Vandenberg |
| Curtis | Hayden | Phipps | Walsh, Mass. |
| Cutting | Heflin | Pine | Warren |
| Deneen | Howell | Reed, Pa. | Waterman |
| Edge | Johnson | Robinson, Ark. | |
| Edwards | Kendrick | Sackett | |
| Fletcher | Keyes | Schall | |

The PRESIDING OFFICER (Mr. SACKETT in the chair). Sixty-nine Senators having answered to their names, a quorum is present.

COMMENTS ON SPEECH OF SENATOR HEFLIN IN WINSTON-SALEM, N. C.

Mr. SIMMONS. Mr. President, I ask unanimous consent to insert in the RECORD, without reading, an editorial from the Winston-Salem Journal, edited by Mr. Santford Martin, one of the ablest editorial writers in my State, entitled "The same Senator HEFLIN." It has reference to the speech made by the senior Senator from Alabama in that town a few nights ago.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair) Without objection, it will be so ordered

The matter referred to is here printed, as follows:

THE SAME SENATOR HEFLIN

Senator HEFLIN is the same Senator HEFLIN he was in 1922 and in 1914 when he spoke in Winston-Salem upon the invitation and under the auspices of the Forsyth County Democratic executive committee. He is the same Democratic leader now that he was then. He is a bit older, but he still speaks with the same fire and enthusiasm and logic that characterized his unanswerable address here during the Wilson administration—a speech that the Democratic county executive committee thought so much of that they had a stenographer present to take down every word of it and later had it published in full for wide distribution. HEFLIN hasn't changed. He is fighting the same insidious foes of democracy now that he was fighting then.

In 1914 and 1922 HEFLIN was fighting the enemies of Woodrow Wilson and all that Wilson stood for, of which Tammany Hall was chief. HEFLIN is still fighting Tammany Hall and correctly brands it as the most deadly enemy the Democratic Party has now or ever has had in this Nation.

HEFLIN is the same HEFLIN and Tammany is the same Tammany. HEFLIN is the man who stood by Cleveland, and Bryan, and Wilson, and Cox, and Davis. Tammany is the corrupt organization that betrayed and deserted and knifed Cleveland, and Bryan, and Wilson, and Cox, and Davis. HEFLIN has always been true to the Democratic Party. Tammany has never been true to the Democratic Party.

The Journal submits this in justice to Senator HEFLIN, who has been denounced and abused and vilified from one end of this country to the other by the agents and emissaries of Tammany Hall for no other reason than that he will not cringe and crawl to do the bidding of Tammany, which has made up its mind to nominate a candidate for President at any price.

But the agents and supporters of Tammany will not get anywhere in North Carolina with denunciation of Senator HEFLIN. The only way they can ever make headway against HEFLIN among the rank and file of North Carolina Democrats is to answer him. HEFLIN'S Winston-Salem speech was filled with facts from the official records. In the light of these facts, The Journal submits that the people want argument, not abuse.

Tammany agents had told us HEFLIN was an intolerant bigot. For 2 hours and 10 minutes he held 8,000 people hanging on his words, and not one intolerant or bigoted sentence did he utter in this city. They told us he was coming to Winston-Salem to attack the religious faith of good people. Not one word did HEFLIN say against anybody's religious faith. On the contrary, he went out of his way to assure his audience that he stood four-square on the Constitution of the United States, which guarantees to every person free and equal opportunity to worship God according to the dictates of his own conscience.

The main theme of HEFLIN'S address here was the first amendment to the Constitution of the United States—that amendment so dear to all good Americans which guarantees separation of church and state, free speech, free press, and the right of peaceful assembly.

HEFLIN did attack with all the logic and eloquence at his command the political activity of the Knights of Columbus when that organization, which claims to represent 800,000 Roman Catholics in the United States, recently passed a resolution denouncing our Government's peaceful policy of dealing with Mexico and demanding that our Government send an army to Mexico to restore the Roman Catholic Church to power in that country.

HEFLIN planted both feet on the first amendment to the Constitution when he said that he would never vote to send the Army of the United States anywhere to fight for the supremacy of any church or secret order, not even for the great Methodist Church, of which he is a member, or for the Masonic Order, of which he is also a member.

Now, is HEFLIN right or wrong in taking this position? The issue is fundamental. It involves the one most vital section of the Constitution. It involves the very life and liberty of the American people.

Do Al Smith and Tammany Hall agree with HEFLIN and a majority of the Senate of the United States on this issue? Or do Al Smith and Tammany Hall agree with the Knights of Columbus? Smith has not said. Smith has not said anything about any issue except prohibition. Tammany has not spoken. By their silence, in the face of such a resolution, by their refusal to condemn the un-American spirit of such a resolution, both Smith and Tammany must be judged.

If Tammany and Smith do not hesitate openly and brazenly to nullify and spurn the eighteenth amendment to the Constitution of the United States, why should they not also favor nullification of the first amendment? One section of the Constitution is no more sacred than another.

Should the Army of the United States ever be used to aid any particular religious sect in a foreign country? HEFLIN is a Member of the United States Senate. He is one of the men who must decide that question. The Senate can declare war or it can declare peace.

Not until the Knights of Columbus came forward with its denunciation no American organization had ever openly demanded nullification of the first amendment and abrogation of the principle of separation of church and state. For a century Methodists were persecuted in Mexico, but no Methodist organization ever demanded that the United States Army be used against the then Roman Catholic government of Mexico. Baptists were persecuted in Rumania, but no Baptist organization asked for the American Army. They appealed to Queen Marie. The Moravians have had trouble in Nicaragua, but the Moravians have demanded no army. Masons are being persecuted in Italy, but no Masonic organization has demanded that our Army be sent to Italy. Under the constitution of the Argentine Republic no Protestant is permitted to govern that country, but no American Protestant organization ever demanded war with that Republic.

This is a vital question. It strikes deep into the very foundation of all that we know as Americanism. If Al Smith is going to speak out on anything, he should let the American people know where he stands on this issue. Tammany Hall should take a stand. It is not enough to merely abuse Senator HEFLIN.

FARMERS' PRODUCE MARKET

Mr. GLASS. Mr. President, I ask unanimous consent to take up Order of Business No. 689, being House bill 8298, relating to the location of the farmers' produce market.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

Mr. HEFLIN. I have no objection to the Senator getting the bill up. I hope his request will be granted. Then I want to ask the Senator to let me call up a bill, if there is no objection to it.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 8298), authorizing acquisition of a site for the farmers' produce market, and for other purposes.

The PRESIDING OFFICER. The Senator from Virginia [Mr. GLASS] is entitled to the floor.

Mr. HEFLIN. Mr. President, now will the Senator from Virginia permit me to call up a calendar bill, Order of Business No. 866, Senate bill 3845?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Alabama for that purpose?

Mr. HEFLIN. It will take only a moment.

Mr. GLASS. I yield if I do not thereby lose the floor, and if the farmers' produce market bill is not displaced.

The PRESIDING OFFICER. The Chair can not guarantee that, if any Senator raises the point of order.

Mr. HEFLIN. I was asking unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. HEFLIN. It is a bill providing a penalty against predictions on the price of cotton. If we do not get it over to the House promptly, it will not go through.

Mr. BRUCE. Mr. President, I object. That really is a question, it seems to me, which calls for some discussion.

Mr. GLASS. If the bill is going to lead to discussion, I can not consent to its consideration at this time.

Mr. BRUCE. I am sorry, I will say to the Senator from Alabama, but I really do not feel that I can unite in that unanimous-consent agreement. I should like to have an opportunity to consider the bill to which the Senator refers. I have been disposed to favor it.

Mr. HEFLIN. The Senator from Maryland now objects to allowing a penalty to be provided against those who predict the price of cotton against the cotton farmers of the South.

Mr. BRUCE. I want to read the bill and weigh it a little bit.

The PRESIDING OFFICER. Objection is made.

Mr. GLASS. Mr. President, I am ready to vote on this bill, if nobody else desires to speak on it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Maryland [Mr. TYDINGS].

Mr. GLASS. I am willing to vote on the amendment. I am not inclined to speak further on the bill at this time.

Mr. BRUCE. Mr. President, the Senator from Virginia reminds me of a man who sits down to a table, is in a state of complete repletion, and then does not see any reason why anybody else should be hungry. He spoke for about two hours.

Mr. GLASS. Mr. President, I spoke exactly 40 minutes, and I have not half finished my meal.

Mr. BRUCE. It seemed two hours.

Mr. GLASS. I wanted to give the Senator from Maryland an opportunity to regale himself somewhat.

The PRESIDING OFFICER. The Senator from Maryland [Mr. BRUCE] is recognized.

Mr. BRUCE. I hope the Senator from Virginia will continue his very able and most interesting argument. I understand that he had not entirely completed it.

Mr. GLASS. Mr. President, it is my purpose to conclude the debate on the question. If the Senator from Maryland does not care to proceed, I have presented reasons enough to justify the rejection of the amendment and the passage of the bill; and therefore I call for a vote on the amendment.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Maryland [Mr. TYDINGS].

Mr. LA FOLLETTE. Let it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Maryland [Mr. TYDINGS] proposes to strike out all after the enacting clause and to insert in lieu thereof the following:

The Commissioners of the District of Columbia are hereby authorized and directed to acquire by purchase or by condemnation, or partially by purchase and partly by condemnation as they may deem best in the public interest, suitable land, north of Pennsylvania Avenue, within the District of Columbia, for use by the District of Columbia in conducting and operating a market devoted to the wholesale and retail purchase and sale of products of the farm and such other market purposes as the said commissioners may deem proper. There shall be constructed on said land, after same has been acquired, buildings, structures, rest rooms for women, dormitories, and such other improvements and facilities as the said commissioners may deem necessary for the operation of a market and for the public convenience and comfort.

SEC. 2. For the acquisition of said land for said market, there is authorized to be appropriated the sum of $300,000, or so much thereof as may be necessary, payable out of any funds in the Treasury of the United States not otherwise appropriated, and charged against the revenues of the District of Columbia as are other appropriations to cover the expenses of the government of the District of Columbia. There is also authorized to be appropriated in the same manner such sum as may be necessary for clearing, grading, removing buildings from the said lands, and all incidental expenses in connection with preparing said land for use as a market, for construction of necessary buildings and other improvements thereon, and for expenses of conducting and operating said market, including personal services.

SEC. 3. The said commissioners are authorized and directed to fix and establish such reasonable rents, fees, and charges for use and occupancy of space on said market for the sale of commodities as they may determine and to change same from time to time. The said commissioners are also authorized to make and promulgate, and to amend when they deem desirable, all necessary rules and regulations regarding the operation of said market and the use or occupancy thereof, and to provide for the enforcement of such rules and regulations by prescribing reasonable penalties for violations thereof, not to exceed $25 for each offense; and said commissioners may enforce in any court of the District of Columbia having jurisdiction of minor offenses, and in the same manner as such minor offenses are now by law prosecuted and punished. The regulations herein provided for shall when adopted be published in one or more daily newspapers published in the District of Columbia and no penalty for violation of same shall be enforced until 30 days after such publication.

SEC. 4. Selection of the land acquired under the provisions of this act shall be made jointly by the Commissioners of the District of Columbia, the Director of the Office of Public Buildings and Public Parks of the National Capital, and the Secretary of Agriculture or some official of the Department of Agriculture designated by the said Secretary for that purpose.

SEC. 5. All moneys collected under the provisions of this act shall be paid into the Treasury of the United States to the credit of the District of Columbia.

Mr. GLASS. Mr. President, I think I presented sufficient reasons to the Senate against the adoption of this amendment, which would preclude every consideration of sites except what is known as the Patterson tract, which is an impossible site, and I am ready to vote on the amendment.

Mr. BRUCE. Mr. President, I understood that the Senator from Kansas [Mr. CAPPER] and the Senator from Wisconsin [Mr. BLAINE] wished to say something in relation to this amendment, but neither of them seems to be present, so I will submit a few observations with regard to it myself.

It seems to me that nothing could be more clearly demonstrated by testimony than the unfitness of the southwest site, on which the Senator from Virginia [Mr. GLASS] has laid so much stress, for the purposes of a farmers' produce market. Nothing, it further seems to me, could be more completely established by testimony than the fact that this market should be established somewhere north of Pennsylvania Avenue.

It has been my wish not only that it should be established north of Pennsylvania Avenue, but that it should be established upon some site selected by the District Commissioners, and quite a number of such sites have been offered, of which any one, in my judgment, whatever may be its limitations or imperfections, would be a better site, for the purposes of a farmers' produce market, than the southwest site.

The Senator from Virginia has denied that the influence of the Pennsylvania Railroad or any other railroad has had anything to do with the formation of his views with respect to the expediency of selecting the southwest site as the site of the farmers' produce market. Of course, I accept that denial without the slightest degree of reservation, because nobody knows better than I do the finality, so far as accuracy and truthfulness are concerned, of any such statement when made by my friend the Senator from Virginia [Mr. GLASS]. But it is my belief, nevertheless, that the controversy involved in this bill as to whether this site shall be the southwest site or some site north of Pennsylvania Avenue resolves itself into a controversy between the Pennsylvania Railroad and the southern roads affiliated with it, on the one hand, and the farmers of Maryland, Virginia, and the District of Columbia, the commission merchants of Washington, and the great body of the citizens of Washington represented in the Federation of Citizens' Associations of the District of Columbia, which includes some 55 civic organizations of one sort or another on the other hand. In other words, on one side of the controversy, as I look at it, we find the Pennsylvania Railroad, the Southern Railway Co., the Seaboard Air Line, the Atlantic Coast Line, all railroads which use the Potomac Yards; and on the other, the mercantile interests of the city of Washington, the great body of its citizens, and the farmers for whose benefit, to a great extent, at any rate, a farmers' produce market is supposed to exist.

There has been much talk here, in one connection and another, about the claim that the farmer has to the consideration of Congress, and, as we all know, there is no subject that lends itself more readily to demagoguery and claptrap than that, despite the fact that there is none which more justly calls for both sober and generous treatment. But I take it for granted that there is no public representative who would not be prompt, whenever the proper occasion arose, to do something, to use the phrase that is so often employed, for the farmer, for the man who is the very heart, the very backbone, in the final analysis, of the American body politic.

Of the number of farmers who bring in farm produce to the farmers' produce market of Washington, 465 are Maryland farmers, 81 are Virginia farmers, and 55 are District of Columbia farmers. I am warranted by the testimony in saying that every single one of those farmers has appeared in person or by proxy before the Senate District Committee asking that the site of the new farmers' produce market be somewhere north of Pennsylvania Avenue. It is they, mind you, who bring the fresh celery, the fresh asparagus, the fresh peas, and the other fresh vegetable products in their trucks to the present farmers' produce market in this city. It is their business that is supposed, and justly supposed, to keep down the retail cost of such vegetable products for the citizens of Washington.

I wish Senators could have seen that group of farmers. A sturdier, a more splendid body of men I have never seen in my life, for they are true sons of the soil, bronzed by the wind and the sun, deriving their strength, as Antæus of old did, from the soil, and fully answering in every respect the description of Thomas Jefferson when he said that the most virtuous and the most useful of all citizens is the husbandman.

There they were before the Senate committee in an absolutely solid, unbroken phalanx, and I especially call the attention of the Senator from Idaho [Mr. GOODING] to this fact, because he is a friend of the farmer, if there is one upon the floor of the Senate, asking that this market be placed nowhere except upon some location north of Pennsylvania Avenue.

Is the voice of all those farmers to go for nothing? Is the little finger of the Pennsylvania Railroad to be stronger than their loins, those sturdy loins which are girded up each day for toil, from sunrise to sunset, and at the present time under harsh, distressing conditions. Whatever may be the proper remedy for those conditions surely must make an affecting appeal to every feeling heart in Congress.

Many of those farmers come in with their trucks from the north and the northeast areas that border upon Washington, and if the southwest site is selected as the site for the proposed produce market, they will have to pass through the most congested portion of the city to get to it. Indeed, they would not reach the location where their produce was to be disposed of until they should have traversed the city to the extent of one mile and a half south of the present site of the southwest market.

An attempt was made in committee by some of the advocates of the southwest site to turn to controversial advantage the fact that a part of those Maryland farmers come from the southern part of Maryland, and not from the territory in Montgomery County, Md., north or northeast of Washington. But I ask Members of the Senate to remember in this discus-

sion that, no matter from what point of the compass these Virginia, these Maryland, these District of Columbia farmers come to the produce market, each and all of them wish the site of the market not to be the southwest site, but some site north of Pennsylvania Avenue.

I repeat, is that great unanimity of desire upon the part of the farmers who are to stock this new produce market with fresh vegetables to be disregarded, to be ignored? No; not under any circumstances; but certainly not when the wishes of the farmers are reinforced by the wishes of 85 per cent of all the commission merchants of the city of Washington with whom these farmers deal to no small extent. They, too, wish to have the market located north of Pennsylvania Avenue.

It is said that the present farmers' produce market was intended originally to be a wholesale as well as a retail market, and that to-day it is largely a wholesale market. That wholesale marketing now exists south of Pennsylvania Avenue is, it seems to me, a point that should have no decisive weight in this case. All the marketing activities of the city of every kind should be assembled in the same place. Only in that way can a proper relation of coordination be established between them. If it is wise that the other market activities of the city should be seated north of Pennsylvania Avenue, to the north of that avenue should also gravitate the wholesale marketing activities of Washington.

There and only there can the wishes of the farmers be gratified. There and only there can the wishes of the commission merchants be fulfilled. There and only there can the wishes of the members of some 55 civic organizations of the city of Washington be carried out. There alone can the convenience of the hotels and boarding houses, of the restaurants and lunch rooms, and of the retail grocery stores and other patrons of the Washington market be fully met, and there and there alone should this new farmers' produce market be established.

We do not have to resort to railroad experts or to sources of one sort or another, deeply tinged with self-interest, to determine where this new produce market, if it is to be disinterestedly placed, should be placed. The whole matter has been made the subject of special study by two thoroughly scientific agencies whose views about it would seem to be highly entitled to respect. One of those agencies is the National Capital Park and Planning Association, a body to whose judgment certainly a high degree of deference might well be accorded. It believes that the new farmers' produce market should be established north of Pennsylvania Avenue.

The other agency is the United States Bureau of Efficiency, whose business it is to be influenced alone by considerations of efficiency in arriving at its conclusions, and what, pray, are the conclusions of this bureau in the matter of the new farmers' produce market? They have been summed up in a report made by them and which was brought out in the course of the consideration of the pending bill. They have reached certain specific conclusions, and I do not see how I could possibly bring stronger or more convincing persuasion to bear upon the Senate than merely to read those conclusions. Here is what they say:

The farmers' produce market should not be located south of Pennsylvania Avenue for the following reasons——

Mr. TYDINGS. Whose report is that?

Mr. BRUCE. The report of the United States Bureau of Efficiency.

1. Because nearly every customer of this market would be compelled to go through the downtown congested zone of the city to reach the market.

Mr. GLASS. Mr. President, will the Senator be good enough to give me the reference?

Mr. BRUCE. I am reading from a part of the minority report of Mr. GIBSON, of the House Committee on the District of Columbia.

Mr. GLASS. Is the Senator reading from the report of Mr. GIBSON or reading from the report of the Bureau of Efficiency, because I have a statement from Mr. Brown, of the Bureau of Efficiency, that the Bureau of Efficiency had taken no position with respect to it?

Mr. TYDINGS. I would like to say that I had a talk with Mr. Brown only two or three days ago, in which he said that we are right on this question, that the market ought not to be built now, but its location ought to be left to experts, as the Senator from Maryland has stated.

Mr. GLASS. Mr. Brown twice within 10 days, and I make no mistake because there could be no mistake about it, stated differently to me. I sent for him to come to my office and catechised him on this question, and he has twice within 10 days explicitly stated to me that the Bureau of Efficiency had taken no position whatsoever upon this market.

Mr. BRUCE. Mr. Brown has placed himself upon record, and what he believes and what he does not believe depends upon his testimony in this case.

Mr. GLASS. I repeat, is the Senator reading from the report of Mr. GIBSON or is he reading from an official report of the Bureau of Efficiency?

Mr. BRUCE. I am reading from the report entitled "Report on relocation of farmers' produce market by the United States Bureau of Efficiency," which was attached as an appendix or exhibit to the minority report prepared by Mr. GIBSON of the Committee on the District of Columbia of the House of Representatives, and filed on February 15, 1928.

Mr. TYDINGS. Mr. President, will my colleague yield?

Mr. BRUCE. Certainly.

Mr. TYDINGS. Inasmuch as he has been shown that the Bureau of Efficiency are opposed to the bill as outlined by the Senator from Virginia, I trust now that the Senator from Virginia will withdraw his support from the bill and let the Bureau of Efficiency recommend where they think the market should go.

Mr. GLASS. Oh, no; because the proof on the other side of the question is so conclusive as that the Bureau of Efficiency would be humiliated if they have made any such recommendation. Mr. Brown told me explicitly they have not made any recommendation.

Mr. TYDINGS. We have his written recommendation.

Mr. GLASS. Let us see whether we have or not.

Mr. BRUCE. I have read the first reason given in the report of the United States Bureau of Efficiency why the new farmers' produce market should not be located south of Pennsylvania Avenue, and I will proceed:

2. Because every farmer coming into the city from the north and west would have to go through the down-town congested zone of the city.

3. Because the Federal development of the Mall triangle will further add to the congestion of the so-called down-town congested zone.

4. Because there are only four north-and-south highways running through the Mall that would be convenient to southwest sites Nos. 1 and 2, viz, Sixth, Seventh, Twelfth, and Fourteenth Streets.

5. Because it is impossible to extend either Eighth, Ninth, Tenth, Eleventh, or Thirteenth Streets through the Mall on account of existing public buildings or projected ones.

6. Because the Federal building program for the Mall triangle will undoubtedly necessitate the changing of existing car tracks and the rerouting of all street-car lines traversing this area.

7. Because four-fifths of the entire population of the District of Columbia live north of Pennsylvania Avenue.

8. Because more than nine-tenths of the hotels and boarding houses, more than four-fifths of the restaurants and lunch rooms, and more than three-fourths of the retail grocery stores are located north of Pennsylvania Avenue.

9. Because the future expansion of the city—in population and in the number of hotels and boarding houses, restaurants and lunch rooms, and retail grocery stores—will in a large measure be north of Pennsylvania Avenue.

10. Because at least 20 per cent of the business of the farmers' produce market is a retail business, which in a large measure would be lost to the farmers if the market is located in southwest Washington. This retail business amounts to more than $600,000 per year.

11. Because it would send through the Mall triangle and the Mall a lot of the objectionable traffic.

12. Because the southwest area lacks in street-car facilities as compared with other sections of the city.

Indeed, as I understand, there is only one street-car line that contributes to the accessibility of the southwestern site.

There they are, no less than 12 sound, specific reasons given by the United States Bureau of Efficiency why in no event should the site of the new farmers' produce market be south of Pennsylvania Avenue.

It is true that the District Commissioners did, though in a rather halting manner, it seems to me, at one time express a preference in favor of the Southwest site; but, as I understand it at the present time, they are declining to commit themselves upon the subject.

It has been said that this market should be located in the southwest part of Washington, in that remote location there, because the southwest site is on the shore of the Potomac River, and because there is already a fish market there. When these reasons are examined they will be found, I apprehend, to be without any substantial force. No produce worth speaking of is brought to Washington by way of the Potomac River, except such as is brought up from Norfolk and points on the Potomac

River in the Norfolk boats, most of which is taken away from those boats, when they are moored at their wharf in the city of Washington, directly to the business houses of one description and another which are in the habit of getting their produce from those boats. Apart from that produce, none but a negligible amount of produce finds its way to Washington by water.

There was a time when the Potomac might have furnished an extremely convenient agency of transportation for marketing purposes, but that day is past. Now produce from regions as remote as the lower regions of the Potomac and beyond can far more satisfactorily be brought to Washington by trucks over the improved highways of our time than by water. So, without a moment's hesitation, the Senate may dismiss from its mind any supposed advantage to the city of Washington derivable from the fact that it abuts the waters of the Potomac River.

Nor need the Senate pay any attention to the fact that there is a fish market at the present time at the southwest site. It is not, I imagine, an uncommon thing in cities to find a fish market totally detached in point of proximity from the other marketing facilities of the city. That is true in the city of Baltimore. Before the great fire which laid flat a considerable part of that city in 1904 there was a general market, called the Marsh Market, which was located near the water front of Baltimore. That market was destroyed by fire. When the city came to rebuild a fish market, under the very best architectural and engineering advice, it built it all to itself.

But, aside from such considerations as a fact like that suggests, it so happens that the expectation that this fish market at the southwest site would be a retail fish market has been all but entirely falsified by experience. It is a wholesale fish market.

The far greater part of the fish purchased at it are conveyed to the stores in Washington that sell fish, and get it to their premises with the aid of the ordinary vehicles of transportation that ply the streets of Washington. So the fact that there is already a fish market at the southwest site furnishes no reason of any true importance why the farmers' produce market or any other market should be located at that site.

Besides, some of the Members of the Senate are doubtlessly aware of the fact that, after all, only a small percentage of the fish that are consumed in the city of Washington are brought up the Potomac River. Fish are mainly brought to Washington in refrigerator cars, some from the Chesapeake Bay and its tributary streams, some from points still farther south, some from the West, some from the Great Lakes, and some from waters as far north as Maine. So, as far as I can see, there are no countervailing considerations to offset the considerations that so definitely, so persuasively, so conclusively point to some location north of Pennsylvania Avenue as the proper location for the new farmers' produce market. There it should be—there, where the geographical center of Washington is; there, where the center of population of Washington is; there, where the great mass of the population of Washington is; there, where a still greater mass of population will be as the future of the city unfolds; there, where the commission merchants are ready to go; there, where the farmers are ready to go; there, where the hotels and the boarding houses, the restaurants and lunch rooms, the retail grocery stores, and the individual patrons of markets already are in great numbers; and there where in process of time they will be in still greater numbers.

In conclusion, I will say that in my humble judgment no case ever was made out more unanswerably than that of the farmers and of those who are affiliated with them in point of interest is made out by the testimony in this case.

It is no part of my purpose to point to any particular site north of Pennsylvania Avenue as the proper one for this new market. A number of sites have been offered for the purpose. The United States Bureau of Efficiency has declared that one of the proposed sites at Eckington is a site admirably adapted to the purposes of the new market. The best kind of street-railroad facilities lead up to it. In close proximity to it are two of the great trunk lines of the country, the Pennsylvania Railroad and the Baltimore & Ohio Railroad, and virtually all the southern railroads through their close connection with the Pennsylvania Railroad.

But be the proper site for this market what it may, it is north of Pennsylvania Avenue that the market should go. Just where it should be established there is a matter that my colleague and I, and, so far as I know, all those interested in having the market established north of Pennsylvania Avenue, are willing should be determined by the District Commissioners after the most sedulous and exhaustive consideration of the subject. The one thing that we ask is that the market shall not be established south of Pennsylvania Avenue at a remote spot, a mile and a half from where the present farmers' produce market is, and not accessible to anybody except the Pennsylvania Railroad and its allied railroad interests, a comparatively few residents of Washington living in the neighborhood of the site, and possibly a cold-storage warehouse or so.

It is proposed to go there in face of the opposition—think of it!—of the members of some 55 of the civic organizations of this city, and of practically the whole mass of market patrons of this city, and in defiance of the wishes of the farmers, of the wishes of the commission merchants, of the wishes of practically everybody who has any sort of truly civic or commerciai reasons for expressing an opinion or making a choice as between the different market sites that are mentioned in the testimony in this case.

Mr. LOCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. I do.

Mr. LOCHER. What has the Senator to say about the contention that the amendment of his colleague would exclude all the sites except one?

Mr. BRUCE. I have not heard that suggested. Is that suggested?

Mr. LOCHER. The Senator from Virginia [Mr. GLASS] suggested that several times.

Mr. BRUCE. I can not imagine on what grounds he makes the suggestion. That amendment, as I understand it, was drafted by my colleague. I know that he has no particular preference of any sort to promote.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to his colleague?

Mr. BRUCE. I do.

Mr. TYDINGS. Three or four days ago—I have forgotten the exact date—in order to clear up any contention from the Senator from Virginia, who is supporting the bill now before the Senate, I prepared an entirely new bill asking the Secretary of Agriculture, the Director of Public Buildings and Public Parks of the National Capital, and the chairman of the Board of Commissioners of the District of Columbia, the three of them, to look over the entire city and to select the site for this market, naming no site whatsoever.

Mr. BRUCE. I am very glad to hear that. I was not familiar with the new bill.

Mr. TYDINGS. If the Senator from Virginia will let the commissioners and the Secretary of Agriculture and the Director of Public Buildings and Public Parks of the National Capital select this site, I shall have nothing further to say.

Mr. GLASS. The Secretary of Agriculture has nothing whatsoever to do with locating this market. As far as the commissioners of the District are concerned, they are unqualifiedly on record in favor of the southwest site. Now, I shall expect the junior Senator from Maryland to prepare still another bill, and then perhaps another bill, and to give another interview and still another interview to the public press, because drowning men usually catch at straws.

Mr. TYDINGS. I have not given any interviews to the public press.

Mr. BRUCE. No; that was simply because in the State of Maryland we have a craving for perfection.

Mr. TYDINGS. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to his colleague?

Mr. BRUCE. Certainly.

Mr. TYDINGS. I have given no interviews to the public press. That is just another one of the erroneous statements which the Senator from Virginia has made in connection with this bill. I further dispute the point that the commissioners are unqualifiedly in support of it. I read into the RECORD from the Senator's own report that they are against locating the market at this time. The Senator from Maryland who has just been speaking has shown that the Bureau of Efficiency is opposed to this site——

Mr. GLASS. Oh, no; he has not.

Mr. TYDINGS. And, as far as I can find out, the only person who is really in favor of it is the Senator from Virginia.

Mr. GLASS. If the Senator will just let us have a roll call on this proposition now he will find who is in favor of it.

Mr. TYDINGS. I know that the Senator has talked in private to a lot of Senators and lined them up; but I propose to show what the real facts are, regardless of the roll call.

Mr. GLASS. There is not a Senator here who can say that I have approached him in private on this matter. It is not necessary to do it, because four-fifths of the Senate are for the bill that I am speaking for. Maryland has developed one thing here to-day. It developed a fairy-story teller in the junior

Senator, who exceeded the accomplishments of Hans Andersen and Grimm, and now it has suddenly developed a Cincinnatus at the plow.

Mr. BRUCE. All I have to say is that if the Senator has ever been a friend of the farmer I think he has justly forfeited his reputation as such in this case; because there are some 81 Virginia farmers who bring produce into this market, and no less than 48 of them have actually signed a paper asking that this farmers' produce market be established north of Pennsylvania Avenue. We have no reason to believe that any of the remainder desire the selection of a different site.

Mr. GLASS. The Senator is a progressive arithmetician. The last time he had the number 38, and that was far from the fact——

Mr. BRUCE. No; 48.

Mr. GLASS. Now he has it 48. Give him a little while longer and he will have it 58.

Mr. GOODING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. BRUCE. I do.

Mr. GOODING. This is purely a domestic question so far as the location of the market is concerned, is it not?

Mr. BRUCE. I should think so—purely domestic.

Mr. GOODING. Why do we not let the people of the District of Columbia settle their own problems? They will likely settle them in their own interest, will they not?

Mr. BRUCE. Yes; I should say so.

Mr. GOODING. I do not know why we undertake to do for the people of the District of Columbia things that they can do for themselves and do them better than we can do them. Surely they know their own interests and their own wants. Why do we take up time here with trying to force down the throats of the people of this District something that apparently they do not want at all?

Mr. BRUCE. That is just what my colleague and I have been asking.

Mr. GLASS. Mr. President, addressing myself to the Senator from Maryland, I regret very much that he is willing to say that this is purely a domestic question when 90 per cent of the produce that comes to this market comes from outside of the District of Columbia and outside of the State of Maryland and the adjacent State of Virginia. It is not a purely local question—far from it.

Mr. BRUCE. I think the Senator is mistaken when he places the percentage as high as 90 per cent. That is not my recollection of the testimony.

Mr. GOODING. Mr. President, do I understand, then, from the Senator from Virginia that it is a railroad question?

Mr. GLASS. No; I do not understand that it is a railroad question. I understand that it is a farmers' question. There are some farmers in the United States located outside of the District of Columbia and the States of Maryland and Virginia, and those farmers outside send vastly more produce to this market than the farmers of either Virginia or Maryland, or both of them together.

Mr. GOODING. I want to say to the Senator from Virginia that on two different occasions I went down and viewed the site in the southwest part of the city that he is proposing, and there is not room enough down there to park the trucks of the farmers who will come there. There will be no room left for the buildings. It will be a serious mistake to locate the market there, and I am satisfied that if it is located there the Senator himself in time will regret it.

Mr. GLASS. The Senator from Idaho simply demonstrates the fact that he does not know a thing in the world about this problem.

Mr. GOODING. I know as much about it as the Senator from Virginia, because I have made it my business to know something about it and assume responsibility when I vote for it, and I have made two visits down there. And what do we find? It is the end of everything, as far as the city is concerned. It is bordered by the Potomac on the south and on the west by the Tidal Basin or the southern railroads. There is not room enough for anything down there. It is down in a pocket at the end of the street-car lines. It can not be served properly by street-car lines. There are only three avenues for trucks to travel to go into the southwest part of the city, where this market is to be located, namely, Seventh Street, Twelfth Street, and Fourteenth Street. Light cars, of course, may pass through the Government property down there, but as far as trucks are concerned they have all got to traverse those three streets. There is not even respectable car service down there.

Mr. GLASS. I may say to the Senator from Maryland that I have no desire to modify my statement that the Senator from Idaho shows that he does not know anything about the problem.

Mr. BRUCE. It seems to me the Senator from Idaho is speaking from very full familiarity with the bearings of the point that he is discussing, because my recollection is that the present farmers' produce market affords sufficient accommodations for upward of 500 farmers, and the site to which the Senator from Idaho is referring affords accommodations for only 304.

Mr. TYDINGS. Mr. President, will my colleague yield?

Mr. BRUCE. Yes; I will.

Mr. TYDINGS. In line with what the Senator from Idaho has said, I wish to say that if the Members of the Senate would go down there and look at that site, and talk to the marketmaster, Mr. Roberts, and talk to the officials of the Bureau of Efficiency, and talk to the Secretary of Agriculture, and talk to the chairman of the Committee on the District of Columbia of the House and the chairman of the Committee on the District of Columbia of the Senate, both of whom are opposed to it, and talk to the citizens' organizations of Washington who are going to put up the money, there would not be a Senator in this body who would vote for it—not even the Senator from Virginia himself.

Mr. GOODING. Mr. President, I became interested in this matter because four different commission merchants called on me at my office. I do not know why they called on me, but they seemed to be so earnest and so insistent in the position that if the market were located in the southwestern part of the city it would be a failure, that I went down of my own accord, looked over the ground. I know a little something about marketing. I have been down to the present market in the morning and have seen the hundreds, and you might say thousands, of vehicles that are jammed together down there. I do not know, if a lady should go down to the proposed site in a machine, if the market were located in the southwest part of the city, where she would park her car. She could not get to the market at all; it would all be cluttered up and jammed up. To my mind it would be an outrage to locate the market down there.

Mr. BRUCE. Mr. President, if I am not mistaken, the Senator himself is a shipper to that market. He has a special reason for being familiar with its operations.

Mr. GLASS. Does he ship in his automobile that he can not park down there, or does he ship by train?

Mr. GOODING. I am not personally interested in any market, but I do believe that the people of Washington ought to be permitted to locate their own market. There is a district here about 10 miles square, and it is proposed that we go down to land's end, to the elbow, to the end of all things, and locate the market along the Potomac. Why should we do that? Have not the people of this District some rights, and should they not be given some consideration, and when every civic organization in the city is opposing this, why should Senators continue to want to jam it down their throats?

Mr. GLASS. Mr. President, this matter is not to be determined by sound and fury, and by statements that have no place in the RECORD at all and nothing to substantiate them. For the full length of this proposed market, and for blocks on either side, their is a street down there as wide to-day as Pennsylvania Avenue is, and it is in contemplation to make it 10 feet wider. Talking about parking space, there is four times the parking space there that there would be at any one of the other proposed sites north of Pennsylvania Avenue. The Senator from Maryland says that the accommodations afforded would be one-half of those of the existing market when the District Commissioners themselves said they would be double those of the existing market. We ought to confine ourselves to statements of fact.

Mr. TYDINGS. Mr. President, I would like to state this fact: That I had a survey made by one of the District engineers of the four corners of this square upon which the market will be located, and I have the levels for each one of those corners, which I read into the RECORD the other day, as well as the actual space. It is shown by the engineer's report that it will take 46 steps to go from one side of the market to the other. Further than that, it was shown that there would not be stalls enough there to take care of the people. Further than that, this is a farmers' market, and not a railroad market, as the Senator from Idaho has properly said; and if it is a farmers' market, and the people are to be permitted to buy from the farmers, then it ought to be located where they can get to it.

Further than that, this bill came into the House of Representatives without any report of the Commissioners of the District of Columbia whatsoever. The Commissioners of the District of Columbia reported three weeks after the bill was introduced, and then they said they were opposed to locating the market at this time, but that if it must be located at this time, then they favored the southwest site; but that the whole food

distribution problem should be considered at one time, and they recommended that no action be taken. I have the printed report on my desk at this time.

Here is a bill with no one knowing who the author is, without the approval of the Commissioners of the District of Columbia as they would like to have it approved, with the Secretary of Agriculture against it, with Colonel Grant, the head of the Public Buildings and Parking Commission, against it, with Chairman GIBSON, of the House of Representatives, against it, with Senator CAPPER, of the Senate committee, against it, with most all the citizens' organizations in town against it, the names of 35 of which I put in the RECORD the other day. Yet, without a sponsor, with no one of these in favor of it, it is proposed to put it down on the edge of the town, away from the people. We are going to tax the people $400,000 for what? To build a market that they can not get to unless they cross G Street, F Street, Pennsylvania Avenue, and go all the way down to the rim of Washington, buy the produce, and carry it all the way back again. It is so ridiculous; it is hardly worthy of argument.

I said the other day, and I repeat, that if Washington had a mayor and city council, who would be responsive to the peoples' will, there would be no question that the market would not go down on the southwest site. Rather than that, the people would get the market where they could avail themselves of its opportunities. I deny now that the Commissioners of the District of Columbia are in favor of locating the market where it is proposed to locate it, and to prove that statement I would like, if the senior Senator from Maryland will indulge me a moment, to read the report of the commissioners.

Mr. BRUCE. Certainly.

Mr. TYDINGS. Here is the report of the commissioners:

> Attention has been directed, therefore, to determining a temporary site to accommodate the farmers' market for the next few years, not only because of the urgent necessity for removing from the present farmers' market at such an early date but because it is felt that the course of the development of a large new produce distribution center would proceed in a more orderly and satisfactory manner if the change of location of the farmers' market, commission and other merchants, and perhaps the Center Market, were effected at substantially the same time.

I do not want to speak in my colleague's time. I just wanted to bring out those points.

Mr. BRUCE. The Senator from Virginia took me very severely to task for being, as he supposed, reckless in my statements. I desire to read just a few paragraphs from the report of the Bureau of Efficiency, which dwell upon the contracted nature of this southwest site area. They say:

> Squares 354 and 355 would afford space for only 378 stands under 40-foot sheds with 30-foot roadways between sheds without encroaching upon the parking or without the closing of F Street. It is not thought advisable to close F Street. In fact, to close F Street would be a fatal mistake.

In other words, as I have said, upward of 500 farmers at the present time are accommodated by the present farmers' produce market, and these two squares in the southwest site would afford space for only 378 stands. So it was not I but the Senator from Virginia who was inaccurate. Then, in another place, referring to this southwest site, the bureau says:

> The area is too small upon which to locate the farmers' produce market without closing F Street, the closing of which is opposed by the National Capital Park and Planning Commission.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. BRUCE. I yield.

Mr. GOODING. I think we will all agree that the great problem of every city is its traffic. Every city is eliminating congestion in traffic as much as possible, and must do so with the increase in the number of automobiles. It is proposed to locate this market in the southwest corner of the city, forcing everything practically across the heavy traffic lines in Washington. If there were no other question to be considered in settling this problem, we ought to take the market away from the southwest corner of the city on account of the traffic congestion, to say nothing about the inconvenience of that site down there to the people who are going to patronize it, and to those who are going to come there to bring produce to the market.

Mr. GLASS. All of which shows that the Senator from Idaho has not even read the report of the District Commissioners and the hearings, where it is shown that two successive directors of traffic of this District have declared in favor of the southwest site as being the better site, taking into consideration the traffic of the District.

Mr. GOODING. That does not change my judgment at all.

Mr. GLASS. Of course, it does not change the Senator's judgment.

Mr. GOODING. Not a bit.

Mr. GLASS. The Senator has not any judgment.

Mr. GOODING. My judgment is based on common sense, and I know enough about the city of Washington to know where the heavy traffic is.

Mr. GLASS. I rather think that the directors of traffic of the District of Columbia are better entitled to form a judgment about traffic matters than is the Senator from Idaho.

Now, if the Senator will permit me, I will respond to a question asked. I do not think we get anywhere by these constant interruptions of one another. I said a while ago that the Senator from Maryland was not reading from the report of the Bureau of Efficiency, and upon examining the document I find that I was precisely right; he was not. He was reading from a report of one single member of the Bureau of Efficiency, and, as I have stated to the Senate, the chairman of the Bureau of Efficiency, Mr. Brown, has told me that that body has not taken any position in the matter at all.

Mr. BRUCE. That is just in keeping with the statement of the Senator that we should pay no attention at all to the voice of these 55 civic organizations, because that voice happened to issue from the lips of a comparatively few members of those organizations. The Senator knows perfectly well that after all it is always only a comparatively small percentage of the membership of any organization that speaks for it, but it is always fair to presume that if a more or less limited number of members of an organization do not truthfully express its sentiments a protest will very soon be made by its other members. What care I whether it was one or all of the members of this Bureau of Efficiency who rendered that report? If one member of it rendered it, it is reasonable to infer that he did not do so except with the consent of his colleagues or associates. Just what their number is I am not prepared to say.

Mr. GLASS. It is an inference not based upon fact.

Mr. TYDINGS. Mr. President, will my colleague yield?

Mr. BRUCE. I yield.

Mr. TYDINGS. The Senator several times has asked for documentary evidence. I say that the statement that the Bureau of Efficiency is not opposed to this site should stand until there is some documentary evidence contrary to that report. The Senator can not make inferences when we have a written report before us.

Mr. GLASS. Mr. President, if the Senator will permit me just a moment right there, the junior Senator from Maryland said a while ago that the District of Columbia Commissioners had not indorsed this site, and undertook to read from their report to establish that statement. I am going to read from the report——

Mr. BRUCE I object.

Mr. GLASS. If course, when it comes to getting the facts——

Mr. BRUCE. I object, because I myself stated that the District Commissioners made a recommendation in favor of this southwest site. What more would the Senator from Virginia ask?

Mr. GLASS. The Senator's colleague stated just positively the reverse of that, that is all. I want to show that he was mistaken.

Mr. BRUCE. I do not recall what my colleague said upon the subject, but I know what I said, and I know what the Senator from Virginia must have heard.

Mr. GLASS I am not trying to convict the senior Senator from Maryland of an inaccurate statement. I was just prepared, from the documentary evidence, to convict his colleague of an inaccurate statement.

Mr. BRUCE. I know the Senator stated what he did in the utmost good faith, and I do not know anybody whose reputation for verity is more thoroughly established than his, but I think I have been so fortunate as to point out one inaccuracy in his statement, such as might well mark the statement of any of us, and now I am going to point out another.

The Senator has dwelt most confidently upon the views of Major Brown about this controversy. I want to read just a few words from some of the testimony of Major Brown in relation to the question:

> Major BROWN. Well, Mr. Chairman——

Mr. GLASS. Mr. President, if I may interrupt——

Mr. BRUCE. I yield. The Senator sees what is coming.

Mr. GLASS. No; I want to warn the Senator from Maryland that he is about to fall into his own trap. I have not quoted Major Brown.

Mr. BRUCE. That is very considerate and kind of the Senator.

Mr. GLASS. I want to say to the Senator that he is now proposing to read from the testimony of a Mr. Brown who is a totally different Mr. Brown from the Mr. Brown whom I quoted.

Mr. BRUCE. There are so many Browns I might very naturally fall into that state of confusion.

Mr. GLASS. The Senator should not make the statement that I have quoted the man he is now quoting, when I have not at all.

Mr. BRUCE. Then the Senator had in mind one Brown, and I had in mind another.

Mr. GLASS. Yes. Do not put your Mr. Brown off on me. I do not care anything about your Mr. Brown.

Mr. BRUCE. Brown is a very dubious family. That reminds me of a conversation that some of my friends once had with a friend of ours named Jones. They were talking about the extinction of families; and, by the way, Jones was from Virginia.

Mr. GLASS. Then he should favor the southwest site.

Mr. BRUCE. No; nearly all the Virginia farmers favor a location north of Pennsylvania Avenue. The Senator from Virginia [Mr. GLASS] is the only Virginia farmer, so far as I know, who favors the southwest site.

Mr. GLASS. That shows how limited the Senator's knowledge is of the situation.

Mr. BRUCE. But to get back to the Jones family. These friends of mine were talking with Jones, and the topic was the extinction of families, and Jones spoke up very mournfully and said, "You know, I am the last of my name," meaning that he was the last survivor of his branch of the Jones family. There was, of course, a tremendous guffaw of laughter from his friends. Now, the Brown family is about as numerous as the Jones family, and I am sure my friend from Virginia will pardon me for having confused one Brown momentarily with another.

Mr. GLASS. I will say to the Senator that the Brown about whom I was talking is of the Efficiency Bureau, and the Brown from whom he is now proposing to quote is an entirely different man.

Mr. BRUCE. He is a Major Brown, anyhow, and he seems to be regarded as an authority on this subject. This is Maj. Cary H. Brown. Perhaps the Senator can tell me just who he is.

Mr. GLASS. He was connected with the Park and Planning Commission.

Mr. BRUCE. He was connected with a very scientific and intelligent commission, and therefore, of course, his views would seem to be entitled to an unusual measure of respect.

Mr. GLASS. Nevertheless, I did not rely upon them, as the Senator from Maryland was assuming.

Mr. BRUCE. That is very true. His views are so very sound that they would hardly be in keeping with the general tenor of the Senator's conclusion, if I may be allowed to say so.

Mr. GLASS. His later views might be.

Mr. BRUCE. Mr. Brown said:

Major BROWN. Well, Mr. Chairman, personally I was a little bit surprised at what Mr. Eldridge said a while ago, because, as to the question of a market in southwest Washington, the question of traffic back and forth across the Mall where the streets are fairly few in number, where north of the Mall they will be very much congested, due both to the public buildings area and to the business area, that it would be decidedly objectionable to introduce any further traffic going through those streets. Vehicles going to market will not stand in that area, but they must pass back and forth through that area. The situation with regard to this market in south Washington is, in my opinion, this, as Mr. HUDSON says. What railroad terminals are there now where produce is brought from the South and over the Pennsylvania Railroad will continue to be used to a certain extent, no matter where the produce market is located, and it is logical to assume that farmers will go to that place if there is any business there for them. A point which we attempted to make in our report is that up around Eckington there is a very busy place. There is bound to be business there, and that is one reason why it is a good location for a wholesale market, besides its accessibility to the railroads and the highway facilities that are there afforded. I do not disagree, certainly, with the idea that a farmers' market in south Washington would be a good thing, but I think it would be decidedly secondary, compared to a market in Eckington. I believe, whether or not we intend it should be, it will be the natural trend of business. That has been borne out by the experience of the fish market.

Mr. MOORE. What has been their experience?

Major BROWN. The experience of the fish market is this, as I am informed: It was contemplated by the municipal government at the time the fish market was located that there would be a very large retail business in fish and sea food that would come down to that market. That has not been borne out by experience. People do not go down there to buy fish and sea food, because it is too far, too inconvenient.

I ask to have printed in this connection the views of the minority of the House Committee on the District of Columbia.

There being no objection the matter was ordered to be printed in the RECORD, as follows:

[H. Rept. No. 451, Part 2, 70th Cong., 1st sess.]

ACQUISITION OF A SITE FOR THE WHOLESALE FARMERS' PRODUCE MARKET

Mr. LAMPERT, from the Committee on the District of Columbia, submitted the following minority report (to accompany H. R. 8298):

Mr. Chairman and Members of the House of Representatives, being unable to subscribe to the majority report of the subcommittee which has held extended hearings upon the relocation of the farmers' market and recommended the southwest site, we hereby submit a minority report recommending the selection of square 669 in the Eckington area. We consider the southwest site highly undesirable for the following reasons:

1. The area presented to the committee for consideration is entirely too small. According to the evidence submitted, it will not provide for the number of farmers now patronizing the market on any plan that permits adequate facilities. Testimony, supported by plans adapted to the southwest site, showed that only 304 of the more than 500 farmers could be accommodated with any reasonable allowance of space for market stalls, unloading, display, and reloading of produce and the general automobile and truck traffic incident to the conduct of the market. Moreover, the plans adapted to this site represent the minimum requirements as indicated by those in charge of the present market and as are borne out by experience in similar markets in other cities. It is clear, therefore, that the southwest site does not provide for any further growth, and the congestion that would follow its use will seriously add to the cost of handling produce in the market, which, in turn, will be borne by the ultimate consumer, not to mention the great inconvenience to both buyer and seller.

2. The southwest site is undesirable by virtue of its relation to the geographical and population centers of Washington City. It is essential, as we see it, for the farmers' market to be located in close proximity to the geographical center and in a convenient section of the city. A farmers' market is a service institution. It is for use every day in the year and must be located not only where it can be used, but used conveniently. We are opposed to the location of the farmers' market in the southwest on account of its inaccessibility, being located on the extreme edge of the city and District of Columbia a mile and one-half by air line from the center of population, approachable from three sides only. It is acknowledged that the southwest is not a residential section, that its present population is small, and its limitations prohibit development along these lines.

3. The southwest site is inaccessible to the great majority of producers who supply fresh produce to the people of Washington. This was clearly indicated by the farmers who testified before the committee and by the evidence submitted. It should be emphasized in this connection that the farmers as a whole are unalterably opposed to the southwest site because of its inaccessibility. It is very questionable, in our opinion, whether the farmers will patronize a market located in this section of the city. It is equally inaccessible to those who buy on the farmers' market. Testimony has shown that a great majority of the grocery stores and hotels which patronize the market, to say nothing of boarding houses, restaurants, etc., are located in the northeast and northwest sections of the city.

4. We are opposed to the southwest site because of traffic conditions surrounding the area. It is deemed impracticable and undesirable to compel automobile and truck traffic, totaling 60,000 loads of farm products per year, to pass through the densest traffic area of the city, only to be unloaded at an inaccessible point and then redistributed in smaller volume by many more vehicles through the same congested area in order to reach the consuming sections of the city.

We believe the suggestion of by-passing this traffic away from the congested area to be visionary and impracticable. This not only applies to the farmers coming to the market, but to a still greater degree to the traffic involved in the delivery of food to consuming centers.

5. The location of the farmers' market on the southwest site is not in accord with the plans and recommendations of the National Capital Park and Planning Commission as submitted in testimony before the committee. Further, the location of the market upon this site will place it in close proximity to a large number of Government buildings now in use and to additional buildings being erected. Obviously, placing the farmers' market in this area will not promote the program of Congress for the beautification of the Mall. It must be remembered that the development of the Mall will in itself develop peculiar traffic conditions. It is possible, and very probable, as is now the case in other parked areas of the city, that heavy traffic will be debarred from this region or greatly restricted. Further, the erection of additional Government buildings in the Mall will greatly complicate the traffic and parking conditions by virtue of the additional number of Government employees concentrated in this area.

6. We believe that the only possible advantage of the southwest site, namely, water transportation, is a negligible factor in the movement of food products to the city. There has been abundant testimony before the committee to prove this assertion. Furthermore, the farmers' market is in no way influenced by water facilities or the lack of them. Water transportation of fresh produce is steadily losing ground in all sections of the Chesapeake Bay and the rivers flowing into it.

7. The southwest site offers no advantages in railroad facilities that are not to be found in the Eckington area.

8. Some years ago the fish market was established on the water front in the southwest section, and it was expected that there would be a very large retail business in fish and sea foods in this market. This has not been borne out by experience and the fish market has become almost exclusively wholesale, as the retail buyer will not make the long journey necessary to patronize this market.

We therefore feel that, in view of the above reasons, the southwest site for a farmers' market is unsuitable and undesirable as being too small in area, too distant from the geographical center of the city, too far removed from the center of population, too inaccessible to the producers and consumers, too difficult of access except through the densest traffic areas of the city, and not in accord with the plans and recommendations of the National Capital Park and Planning Commission.

The careful analysis of all the testimony submitted in behalf of the sites proposed for the relocation of the farmers' market leads us to the belief that square 669, in the Eckington area, offers the best site not only for the immediate relocation of the farmers' market but for the development of an ultimate market area suited to the growing needs of Washington and providing facilities for the wholesale and retail dealers, commission men, and the allied business interests. Square 669 is bounded by North Capitol Street, First Street, Florida Avenue, O and P Streets NE.

The following reasons for this opinion were established by the testimony submitted to the committee:

First. Square 669 contains an area of approximately 6½ acres. This fact is borne out by an official plat of square 669 prepared in the office of the surveyor of the District of Columbia which shows that this square is approximately 852.23 feet long and 358 feet wide with a total area included within curb lines of 301,023 square feet, or about 6.9 acres. The plat further shows that of this total area there is an area of 201,514.30 square feet in lots not including alleys, which is private property and which must be secured by purchase or condemnation. This is nearly twice the size of the southwest site. The committee has in its possession, as a part of the record, a plan showing how a farmers' market can be adapted to this area to accommodate at least 521 farmers, with ample provision for stall space, display room and facilities for transfer of produce, and space for vehicular traffic and parking. The area involved in this square, and in those immediately adjacent thereto, is sufficiently large to permit of the erection of buildings and the installation of equipment which will adequately provide facilities for the truckers and farmers in the immediate vicinity of Washington for many years to come.

Second. The Eckington site, square 669, is located close to the center of population and close to the geographical center of the city of Washington. The site is so situated as to be easily reached by a large and growing population, and the natural development of Washington is toward the northeast and northwest. Testimony submitted by expert engineers emphasized the fact that a farmers' market should be placed in a section where there is a large consuming population. Evidence before the committee has shown that 80 per cent of the retail grocery stores, 97 per cent of the hotels and a large percentage of the boarding houses, restaurants, and other large buyers on the farmers' market are located in the northeast and northwest sections of the city. Further evidence presented showed that one of the largest chain-store systems purchased 50 per cent of its fresh farm produce on the farmers' market, and that a vast majority of its stores are located in the northeast and northwest. This company has its warehouse located in the Eckington area, relatively close to square 669.

Third. The Eckington site, square 669, is accessible to the great majority of farmers and truckers regardless of the territory from which they come. Evidence presented showed that the total acreage devoted to fruits and vegetables by farmers who sell on the farmers' market is 14,227. The acreage under production by Maryland farmers totals 11,572, by Virginia farmers 1,835, and by the District of Columbia farmers 820 acres. The Maryland farmers who bring produce to the farmers' market are principally from Prince Georges and Montgomery Counties. A knowledge of the topography of the District and the two counties, Prince Georges and Montgomery, which grow 85 per cent or more of the produce brought to the farmers' market, shows that the routes used by these farmers enter the city from the northeast and northwest.

The same routes which make this location easily accessible to the farmers and truckers will provide easy access to the market for wholesale buyers and for such consumers as may travel by automobile. Those who make use of the street cars will be able to reach this market site easily from any part of the city over the three lines now operating on New York Avenue, Florida Avenue, and North Capitol Street. From the buyer's standpoint, square 669 is the best location that can be found.

Fourth. This location is away from the down-town office and business section, close enough to well traveled and broad thoroughfares to promote business, and yet sufficiently far from the heavily congested traffic area to prevent traffic complications. Ample parking space is available in this vicinity and the many different streets radiating to all sections of the city make it an ideal distribution point. It is at the junction of two of the city's broad thoroughfares—New York and Florida Avenues, and is served by another important highway, North Capitol Street. An easy flow of traffic in all directions is thus assured.

Fifth. We believe that a farmers' market site should be adjacent to railroad facilities principally on account of its relation to the wholesale produce and commission houses. We are of the opinion that the railroad facilities in the Eckington area are equal to or superior to those in the southwest area. Figures from the United States Department of Agriculture for 1926 show that the entire movement of fruits and vegetables into Washington amounted to 7,100 cars. Of these, 6,993 cars were from known points of origin. The receipts by boats amounted to the equivalent of 577 cars or about 8 per cent of the total. Of the 6,992 cars, about 33 per cent originated in States from which the shipment would necessarily pass through the Potomac yards. About 12 per cent originated in the States where the shipment need not necessarily be through the Potomac yards. The grand total is 45 per cent of all possible movements through the Potomac yards. About 34 per cent of the total movement into Washington was from Western States and 21 per cent from Eastern States, or a grand total of 55 per cent, the greater portion of which would come over the Baltimore & Ohio Railroad, as its main lines run into Washington and tap the great industrial centers of St. Louis and Chicago, which are the great converging points for freight consigned to Washington.

In 1926 the Baltimore & Ohio handled at its Eckington yard, or for sidetrack delivery in that section, 34 per cent of this total rail movement. It is not without its significance that an increasing number of large industrial and supply companies, which are absolutely dependent upon quick and ample railroad facilities for their shipments, have located in northeast Washington, in the vicinity of square 669, and have established warehouses, some with track-side facilities. It should be pointed out, in this connection, that freight rates to Washington are the same regardless of whether shipments are consigned to the Eckington yards or the Potomac yards, and that it is just as easy and logical to transfer consignments from the Potomac to the Eckington yards as it is to transfer them from the Eckington to the Potomac yards.

Sixth. It is recognized by all parties that the success of a farmers' market is largely dependent upon its relation and proximity to the wholesale commission business. In fact, in the District Commissioners' report to Congress it is asserted that the farmers' market should not be removed until it is learned where the great wholesale produce and commission business houses are going to locate. Evidence before this committee showed that 85 per cent of the wholesale commission merchants desire and intend to locate in the Eckington area. If this is a determining factor in the relocation of the farmers' market, then the great majority of the commission men prefer the Eckington area for their business.

Seventh. We believe that the recommendation of the National Capital Park and Planning Commission deserves primary consideration. After making a careful study of the principal sites involved, the National Capital Park and Planning Commission, assisted by representatives from the United States Department of Agriculture and the Bureau of Markets in the District, and the foremost landscape architects and consulting engineers in this country, recommended the site next to the Eckington yards as their preference.

At the hearing before the Committee on the District of Columbia, United States Senate, on January 25, 1927 (H. R. 15668, 2d sess., 69th Cong., p. 14), Brig. Gen. Edgar Jadwin, chairman of the National Capital Park and Planning Commission, stated, in part, the following:

"After discussion the following motion was offered by Mr. Olmstead:

"(a) That this commission recommends that the farmers' market and the commission houses be moved simultaneously to one of the following sites, given in order of preference:

"(a1) To the site next to the Eckington yards.

"(a2) To the southwest near the river front.

"(a3) To the mid-city site.

"(b) That this move be made not later than May 1, 1927, in the meantime final determination of site to be based on the working out of details in consultation with the commission houses and farmers. Carried."

At the same hearing and on the same day the following testimony was presented by Maj. Carey H. Brown (H. R. 15668, 2d sess., 69th Cong.):

"Page 16: At the meeting of the National Capital Park and Planning Commission, July 16, 1926, motion was made and unanimously carried that the question of locating the produce market be referred to the coordinating committee for investigation and report, this committee for this purpose to include Mr. G. M. Roberts, superintendent of weights and measures of the District of Columbia, and a representative of the United States Department of Agriculture.

"Accordingly this question has been studied by a subcommittee consisting of Mr. Roberts, Mr. Kitchen—who, as superintendent of Center Market, was designated by the Department of Agriculture as its representative—and Major Brown, the chairman of the coordinating committee. Mr. Tenny, the head of the Bureau of Agricultural Economics of the Department of Agriculture, met with the subcommittee at its early meetings. Mr. H. A. Spillman, of the Department of Agriculture, has assisted the subcommittee in the collection of data.

"Page 18: Highway facilities are, of course, absolutely essential, both to farmers and commission men, as all produce is trucked from, if not both to and from, the market. Space must be available about the market for several hundreds of vehicles, and highways permitting distribution of traffic in all directions are needed.

"Page 19: The shipments by water at the present time are very small, and there does not seem to be much prospect of their increase. The slowness of river transportation prevents its use for perishable goods. Trucks are used instead.

"Page 20: All things considered, it is the opinion of the committee that under present conditions the Eckington site is the best.

"Pages 20–21: Now, I would like to call your attention to the fact that in drawing up this report we secured the help of Mr. Kitchen, of the Department of Agriculture, who was not picked by us, but was designated by the Secretary of Agriculture; and that in this study we also had the help of one of the statistical men of the department. Furthermore, that Mr. Tenny, who is the head of the Bureau of Economics of the Department of Agriculture, sat in with us on a considerable number of these meetings.

"Page 21: The local produce farmer brings to market the following: In vegetables: Turnips, sweet potatoes, carrots, peas, peppers, lettuce, string beans, greens, squash, spinach, beans, onions, corn, potatoes, tomatoes, cabbage, cucumbers, asparagus, kale, parsnips, and beets.

"In fruits: Grapes, apples, pears, peaches, cantaloupes, strawberries, rhubarb, melons, cherries, and small fruits.

"Miscellaneous: Poultry, eggs, sausage, and butter.

"Page 21: While some produce is brought from as far as 40 or 50 miles, the average hauling distance probably does not exceed 18 or 20 miles. Therefore the farmer is able to display his products in their pristine freshness without going to the expense of careful selection and icing in transit.

"Pages 26–27:

"Major BROWN. Well, Mr. Chairman, personally I was a little bit surprised at what Mr. Eldridge said a while ago, because, as to the question of a market in southwest Washington, the question of traffic back and forth across the Mall, where the streets are fairly few in number, where north of the Mall they will be very much congested, due both to the public buildings area and to the business area, that it would be decidedly objectionable to introduce any further traffic going through those streets. Vehicles going to market will not stand in that area, but they must pass back and forth through that area. The situation with regard to this market in south Washington is, in my opinion, this, as Mr. Hudson says: What railroad terminals are there now where produce is brought from the South and over the Pennsylvania Railroad will continue to be used to a certain extent, no matter where the produce market is located, and it is logical to assume that farmers will go to that place if there is any business there for them. A point which we attempted to make in our report is that up around Eckington there is a very busy place. There is bound to be business there, and that is one reason why it is a good location for a wholesale market, besides its accessibility to the railroads and the highway facilities that are there afforded. I do not disagree, certainly, with the idea that a farmers' market in south Washington would be a good thing, but I think it would be decidedly secondary compared to a market in Eckington. I believe, whether or not we intend it should be, it will be the natural trend of business. That has been borne out by the experience of the fish market.

"Mr. MOORE. What has been their experience?

"Major BROWN. The experience of the fish market is this, as I am informed: It was contemplated by the municipal government at the time the fish market was located that there would be a very large retail business in fish and sea food that would come down to that market. That has not been borne out by experience. People do not go down there to buy fish and sea food, because it is too far, too inconvenient.

"Page 28: In the design of farmers' markets, more conveniences should be provided for both men and women. They should be able to rest in comfort while waiting for the market to open. More parking space for customers' cars is desirable, and better protection for produce is necessary.

"Page 29:

"Major BROWN. I think it would be a decided disadvantage to the District of Columbia if public markets were abolished at the present time, and particularly the farmers' market, places for the farmers to go and dispose of their produce. I do not think that there is very much in the District of Columbia owning market buildings in which stalls are rented out to grocers and meat dealers, etc., but I do think that the amount of material that the farmers bring in, and its freshness, etc., and the ability of the farmers to keep down prices is of decided advantage to the District of Columbia."

Eighth. Further, we believe that the recommendations of the United States Bureau of Efficiency, as submitted to the committee, should also be given every consideration. The report of this bureau covers the history of the market problem and studies of the area, population, hotels, boarding houses, retail grocery stores, and the location of existing markets as a background for the specific study of proposed sites. Twelve reasons are given in a summary of this report why the farmers' produce market should not be located south of Pennsylvania Avenue. These are as follows:

"1. Because nearly every customer of this market would be compelled to go through the downtown congested zone of the city to reach the market.

"2. Because every farmer coming into the city from the north and west will have to go through the downtown congested zone of the city.

"3. Because the Federal development of the Mall triangle will further add to the congestion of the so-called downtown congested zone.

"4. Because there are only four north-and-south highways running through the Mall that would be convenient to Southwest sites Nos. 1 and 2, viz, Sixth, Seventh, Twelfth, and Fourteenth Streets.

"5. Because it is impossible to extend either Eighth, Ninth, Tenth, Eleventh, or Thirteenth Streets through the Mall on account of existing public buildings or projected ones.

"6. Because the Federal building program for the Mall triangle will undoubtedly necessitate the changing of existing car tracks and the rerouting of all street-car lines traversing this area.

"7. Because four-fifths of the entire population of the District of Columbia live north of Pennsylvania Avenue.

"8. Because more than nine-tenths of the hotels and boarding houses, more than four-fifths of the restaurants and lunch rooms, and more than three-fourths of the retail grocery stores are located north of Pennsylvania Avenue.

"9. Because the future expansion of the city—in population and in the number of hotels and boarding houses, restaurants and lunch rooms, and retail grocery stores—will in a large measure be north of Pennsylvania Avenue.

"10. Because at least 20 per cent of the business of the farmers' produce market is a retail business, which, in a large measure, would be lost to the farmers if the market is located in southwest Washington. This retail business amounts to more than $600,000 per year.

"11. Because it would send through the Mall triangle and the Mall a lot of objectionable traffic.

"12. Because the southwest area lacks in street-car facilities as compared with other sections of the city."

In its conclusion the Bureau of Efficiency says:

"If the farmers' produce market is to serve the people it should be so placed as to be convenient to them. Four-fifths of the entire population of the District of Columbia lives north of Pennsylvania Avenue."

Ninth. The Committee on the District of Columbia recommends the passage of bill H. R. 8298. Such action by this body would indeed discriminate against the more than 500 farmers bringing fresh food products to the city of Washington and impose a hardship upon the citizens of the National Capital. This bill authorizes and directs the Commissioners of the District of Columbia to acquire a certain specific area of the District of Columbia to be used and occupied by the District of Columbia as and for the purpose of a wholesale farmers' produce market. The passage of this bill would establish a wholesale farmers' produce market and not a farmers' produce market on which farmers would be permitted to sell at both wholesale and retail. As shown in the report of the United States Bureau of Efficiency, at least 20 per cent of the business of the farmers' produce market is a retail business, which amounts to more than $600,000 per year. Restricting the farmers' market to wholesale would not only prevent the farmers from making this amount of retail sales but it would likewise prevent that part of the consuming public of Washington who purchase to this amount from making direct purchases from the producer.

Tenth. No one considering the problem of relocating the farmers' market can ignore the united plea of the responsible producers who are the regular space holders on the farmers' market and who are producing the great bulk of fresh produce sold on this market. Their plea before this committee was in behalf of square 669 in the Eckington area. Moreover, the preponderance of evidence submitted to this committee by the consumers of Washington was for a location of this market north of Pennsylvania Avenue.

Eleventh. Finally, how can Congress in considering this matter ignore the united plea of the responsible producers who are the regular

space holders on the farmers' market and who are producing the great bulk of fresh produce sold in this market? How can Congress ignore the plea of the consumers represented by the citizens' associations for a site north of Pennsylvania Avenue, and finally how can Congress ignore the disinterested recommendations of the expert agencies that it has set up for the proper planning and beautification of Washington City such as the National Capital Park and Planning Commission and the Bureau of Efficiency, which have studied the situation from the standpoint of service, convenience, and practical use to the citizens of Washington?

Finally, we, the minority of the subcommittee, regretting our nonconcurrence in the majority report, respectfully recommend that the farmers' market be located on block 669, in the Eckington area, and that this recommendation be adopted by the House of Representatives in Congress now assembled.

Respectfully submitted.

FLORIAN LAMPERT.
CLARENCE J. MCLEOD.
FRANK L. BOWMAN.

Mr. GLASS. Now let me read what Mr. Brown said.

Mr. BRUCE. I will relinquish the floor at this time. I promised the Senator from Kansas [Mr. CURTIS] that I would bring my remarks to a conclusion.

Mr. GLASS. Very well. I will read it at a later time.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock p. m.) took a recess until to-morrow, Friday, May 4, 1928, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, *May 3, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O sweet is the truth, dear Father, that Thou givest us. Through shortsighted vision, the way is often uncertain; let us trust Thee. When we least expect it, Thou art near. There always comes a rift in the cloud, and faith grasps a new courage and we repossess our souls. Again we would strike eternal covenant with Thee. Reconcile our wills with Thy will and our hearts with Thy heart; then what beautiful harmony there shall be. How determined and vitalized our decisions shall be as this union regulates our thoughts. However numerous our contests, however aggressive their devices, and however vigorous they may be, O Lord, bless us with a multiplied sense of courageous faith and charity, understanding, and wisdom. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate Monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925; and

H. R. 11723. An act to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House of Representatives was requested, a bill of the House of the following title:

H. R. 12030. An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes.

The message further announced that the Senate had passed bills of the following titles, in which the concurrence of the House was requested:

S. 1781. An act to establish load lines for American vessels, and for other purposes;

S. 3752. An act to amend section 3 of an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes," approved March 12, 1926; and

S. 4216. An act to authorize the adjustment and settlement of claims for armory drill pay.

REFERENCE OF SENATE JOINT RESOLUTION 135

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent to rerefer Senate Joint Resolution 135, making an emergency appropriation for flood protection on White River, Ark., to the Committee on Appropriations.

The SPEAKER. The gentleman from Illinois asks unanimous consent to rerefer Senate Joint Resolution 135 from the Committee on Flood Control to the Committee on Appropriations. The Chair understands this resolution carries an appropriation.

Mr. REID of Illinois. It does.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONQUEST OF THE NORTHWEST TERRITORY BY GEN. GEORGE ROGERS CLARK AND HIS ARMY

Mr. LUCE. Mr. Speaker, since yesterday there has been a conference in the matter of Senate Joint Resolution 23, providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779, and I renew the unanimous-consent request for its immediate consideration.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to call up Senate Joint Resolution 23 and pass the same. The Clerk will report the resolution.

The Clerk read the title of the resolution.

Mr. SNELL. Mr. Speaker, what is the proposition before the House? We do not know.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to discharge the Committee of the Whole House on the state of the Union from the further consideration of the resolution just reported and consider the same in the House as in Committee of the Whole.

Mr. SNELL. What is the resolution? We could not hear the reading of it.

The SPEAKER. Without objection, the Clerk will again report the resolution.

There was no objection.

The Clerk again read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BLACK of Texas. Mr. Speaker, I reserve the right to object. On yesterday I objected to the unanimous-consent request that the resolution be considered. The Senate resolution authorizes an appropriation of $1,750,000; the House committee has amended that and made the amount $1,000,000. If it can be agreed that the five members of the Committee on the Library be appointed conferees and will stand by the House figure of $1,000,000, I shall not object to the consideration of the resolution.

Mr. LUCE. Mr. Speaker, of course the appointment of conferees is wholly in your hands; but I am quite willing to recommend that the full membership of the Committee on the Library, five in number, be appointed as conferees.

Mr. CRAMTON. And, Mr. Speaker, if the gentleman from Texas will yield, in the event the Senate should not accept the House amendment to which the gentleman refers, and the question of going to conference should come up, the gentleman from Texas would be able to prevent the resolution from going to conference.

Mr. BLACK of Texas. Yes; that is very true.

Mr. GARNER of Texas. But the gentleman from Texas wants it distinctly understood—and we should not mislead anyone—that if he gives his consent at this time that this resolution shall be passed, $1,000,000 will be the total carried in the resolution when it becomes a law?

Mr. CRAMTON. Of course, I can not speak for the conferees——

Mr. BEEDY. Mr. Speaker, I make the point of order that the gentlemen are out of order; that they did not address the

Chair, and that they are holding a conversation between themselves, which the other Members are not able to follow.

Mr. CRAMTON. Mr. Speaker, I have not noticed that the Chair is greatly concerned about the failure to address him.

Mr. BEEDY. Well, one Member of the House is, and I make the point of order that the gentlemen are out of order.

Mr. CRAMTON. Mr. Speaker, I will ask the gentleman from Texas to yield.

Mr. BLACK of Texas. I yield to the gentleman.

Mr. CRAMTON. I only desire to suggest to the gentleman from Texas, as a matter of additional assurance, that the gentleman would have no difficulty in preventing this resolution from going to conference unless he then gets the kind of assurance he wants.

Mr. BLACK of Texas. That is true, and I will say that the assurance of the chairman [Mr. LUCE] is satisfactory to me. I feel that the House committee has been liberal in recommending $1,000,000, and that figure should not be exceeded. If it is agreed that the five members of the Committee on the Library will be the conferees and that they will insist upon the House figure of $1,000,000, then I shall not object to the immediate consideration of the resolution.

Mr. GILBERT. Mr. Speaker, reserving the right to object, as a member of the Committee on the Library, and being the ranking minority member, I would like to say to my Democratic colleague that the Committee on the Library has given this legislation perhaps greater consideration than any measure that has been before it in the seven years I have been a member of the committee. Other acquisitions of territory to the United States have been memorialized by much larger appropriations, for instance, the Louisiana Purchase and the Oregon Purchase, with great outlays of money. The last embarkation of this kind was the Philadelphia exposition where the money, $2,500,000 if I remember correctly, was thrown away in an unattended exposition.

This proposal commemorates one of the outstanding achievements in all history. It may be a broad, but not an inaccurate, statement to say that in daring initiative, stoic heroism, and magnificent accomplishment Clark's campaign is without a parallel in the world's history.

We have decided on $1,000,000, but I personally favored more than $1,000,000 in the committee, and in answer to the gentleman from Texas, as an assurance, I, as one of the members who if the Chair accepts the suggestion of the gentleman from Massachusetts [Mr. LUCE] will be one of the conferees, would not like to bind myself that I would not agree to the bill as it passed the Senate.

Mr. BLACK of Texas. If the gentleman will not agree to stand by the committee, then he will not get the bill up by unanimous consent.

Mr. GILBERT. That may be; that is a responsibility that is the gentleman's. But I will say to the gentleman that I will agree this far, not to make any further agreement other than that which the House committee agreed upon without coming back to the House and giving the gentleman further opportunity; but I have my responsibilities and the gentleman has his. I do not like to bind myself to support a position as conferee and to insist irrevocably upon that position when it is different from that which I have always taken; but I will come back without any agreement and give the gentleman an opportunity to exercise the rights he has now.

Mr. BLACK of Texas. The gentleman is asking that the bill be brought up by unanimous consent, and his own committee has agreed upon a figure of $1,000,000. I think it is a perfectly reasonable request to have the assurance of the gentleman that he will stand by the House figures. If we can not have that assurance, I shall object to the consideration of the bill.

Mr. GILBERT. I give the gentleman assurance that I shall not agree without further coming back to the House.

Mr. BLACK of Texas. I would not be willing to take that sort of responsibility. There might be some reason why I could not be on the floor of the House.

Mr. GARNER of Texas. In addition, I may say to the gentleman from Kentucky, the gentleman now is in a position where he can control the matter by one vote, whereas if the matter comes back from the Senate with an agreement on $1,250,000 the House could vote it up or down in the face of the objection of the gentleman from Texas [Mr. BLACK]. The position which the gentleman takes is that if it is necessary to get his consent he wants assurance now that the amount will not be larger than $1,000,000.

Mr. BLACK of Texas. I do not wish to be arbitrary, I will say to the gentleman from Kentucky, but I have my responsibility and now is the time to exercise it.

Mr. WOODRUFF. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LUCE]?

Mr. BLACK of Texas. Mr. Speaker, I would like to have a more explicit declaration on the part of the gentleman from Kentucky [Mr. GILBERT].

Mr. WOODRUFF. Mr. Speaker, I ask for the regular order.

Mr. BLACK of Texas. Mr. Speaker, I object.

### AGRICULTURAL SURPLUS CONTROL BILL

Mr. CLARKE. Mr. Speaker, in my speech against the McNary-Haugen bill I stated I would later have information regarding the expenditures of the Federal Government and of State governments for agriculture. I now ask leave to extend my remarks by inserting in the RECORD a summary of expenditures for agriculture by the Federal Government and by the State governments, as far as we have such a record.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks heretofore made by inserting statements with regard to expenditures of the Federal and State Governments. It there objection?

There was no objection.

Mr. CLARKE. Mr. Speaker, in my address against the McNary-Haugen bill I cited the great contributions now being made through the Federal Government and through the States, as well as individual contributions of many, in support of our farm organizations.

At the time I was working on obtaining a general statement regarding Federal and State funds appropriated for agriculture. I submit herewith as a part of the record of Federal Government the amount for last complete fiscal year in assisting agriculture and regret I can not also insert, State by State, the amount the States raised to assist.

### FEDERAL FUNDS FOR AGRICULTURE

Taking the last completed fiscal year, that which ended June 30, 1927, the total of Federal funds expended for work under the supervision of the United States Department of Agriculture was approximately $153,000,000, as indicated by the financial statement beginning on page 87 of the report of the Secretary of Agriculture for 1927. Of this total, however, about $92,000,000 consisted of payments to State highway departments for Federal-aid road construction, as well as expenditures for the building of forest roads and trails, and nearly $3,300,000, in the form of national-forest receipts, was used principally for road-construction purposes, making a total of over $95,000,000 for roads. Deducting this $95,000,000 from the total expenditure of $153,000,000 for all purposes, there remains $58,000,000, distributed as follows:

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| For the regular or ordinary work of the department (that is, its research and extension activities, eradication or control of animal and plant pests, law-enforcement work, and service activities, as set forth in the table at the top of page 89 of the annual report of the Secretary for 1927) | $47,000,000 |
| Special forestry and wild-life conservation work (includes expenditures for acquisition of forest lands; cooperation with States in protection of privately owned timberlands under Clarke-McNary Act; acquisition of lands for upper Mississippi fish and wild-life refuge, etc.) | 2,000,000 |
| Payments to State agricultural experiment stations for research work in agriculture and home economics under the Hatch, Adams, and Purnell Acts | 3,000,000 |
| Payments to State colleges of agriculture for extension work in agriculture and home economics under the Smith-Lever Act | 6,000,000 |
| Total Federal expenditures, 1927, exclusive of road funds | $58,000,000 |

The $47,000,000 shown above as expended for the regular or ordinary activities of the department was distributed approximately as follows (see p. 89 of the annual report):

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|---|---|
| Research (the scientific study or investigation of the fundamental problems of agriculture, horticulture, forestry, etc.) | $10,600,000 |
| Extension work (educational work or the dissemination of information developed by the department's experiments and discoveries through county agents, exhibits, motion pictures, etc.) | [1] 2,400,000 |
| Eradication or control of plant and animal diseases, insects, and other pests through organized campaigns | 9,000,000 |
| Service activities, or work of a constructive character for the benefit of the public, not primarily involving research, including such activities as national-forest administration, weather service, crop estimating, market news service, market inspection service, etc | 15,000,000 |
| Regulatory or law-enforcement work | 10,000,000 |
| Total expenditure, 1927, for ordinary work of department | $47,000,000 |

It is impossible to state definitely just how much of the expenditures of the Department of Agriculture are specifically or exclusively in the interest of the farmer. As a matter of

[1] Special department funds, the bulk of which is applied to cooperation with State agricultural colleges in connection with extension activities under the Smith-Lever Act.

fact, many of the benefits of the department's work go to the entire public and not merely to the farmer, such, for example, as its weather service, much of its law-enforcement work relating to the inspection of meat, food products, the administration of the national forests, and so forth. (This matter of public benefits from the department's work is discussed at some length on pages 37 to 39 of the 1927 Annual Report of the Secretary of Agriculture.)

The foregoing figures include only Federal funds provided for or administered by the Department of Agriculture. Other branches of the Government have supervision over certain appropriations which may be regarded as related to the promotion of agriculture in the United States, such as the Bureau of Reclamation, Bureau of Education, and Office of Indian Affairs, in the Department of the Interior; the Federal Farm Loan Bureau and Public Health Service, in the Treasury Department; the Bureau of the Census, in the Department of Commerce; the War Finance Corporation; and the Federal Board for Vocational Education. In most of these cases no statistics relative to expenditures are available in the Department of Agriculture. However, it is understood that during the fiscal year 1927 the Board for Vocational Education expended $2,800,000 in Federal money for agricultural education and $500,000 for home-economics education under the Smith-Hughes Vocational Act, or a total of $3,300,000. Federal expenditures by way of endowment of the land-grant agricultural and mechanical colleges in the various States aggregated approximately $4,000,000 during the same period, under the Morrill-Nelson and other acts.

STATE FUNDS

Although persistent efforts have been made in the past to obtain from State departments, boards, and commissions of agriculture statements of moneys expended by these institutions, we have met with indifferent success in securing dependable information, and complete data on the subject are not available. A total of $5,000,000 annually would perhaps be a fairly approximate estimate of the amount expended by the various State departments of agriculture for carrying on their functions, which concern chiefly regulatory and pest-control work.

For the support of the State agricultural experiment stations, from funds derived from State and local sources, there was expended during the fiscal year 1927 approximately $10,000,000; and during the same period the State colleges of agriculture expended from money appropriated by the States and counties and contributed by various independent local agencies, for demonstration and other extension work in agriculture and home economics under the terms of the Smith-Lever Act, a total of about $13,000,000.

Figures furnished by the Federal Board for Vocational Education indicate that during the fiscal year 1927 expenditures by State boards of education from State and local sources under the Smith-Hughes Act aggregated $4,700,000 for agricultural education and $2,800,000 for education in home economics subjects, or a total of $7,500,000 for both items.

According to the latest available statistics, State funds for the support of the land-grant colleges of agriculture amount to some $10,000,000 annually. It should be mentioned, however, that the scope of these colleges is not limited to the teaching of agriculture, but comprehends as well the mechanic arts, engineering branches, medicine, dentistry, pharmacy, and other subjects. Certain indeterminate funds are also made available by the States for their secondary and intermediate agricultural schools.

The most recent figures available show that in excess of $500,000,000 was expended from State funds during the fiscal year 1926 for the construction of State highways throughout the country, including the Federal-aid highway system.

In some States sanitary or livestock boards are maintained for the control of infectious or contagious animal diseases; others have bureaus of markets, forestry departments, and so forth. The Department of Agriculture has no comprehensive data regarding expenditures by these agencies.

SUMMARY

The foregoing information may be summarized as follows:

| | Federal funds | State funds |
|---|---|---|
| Federal funds under Department of Agriculture: | | |
| Work under supervision of Department of Agriculture, exclusive of road construction and Federal aid to State colleges and experiment stations | $49,000,000 | |
| Research work of State agricultural experiment stations (Hatch, Adams, and Purnell Act funds) | 3,000,000 | $10,000,000 |
| Extension work of State colleges of agriculture (Smith-Lever Act funds) | 6,000,000 | 13,000,000 |
| Road construction | 95,000,000 | 500,000,000 |
| Total as above | 153,000,000 | 523,000,000 |
| Federal funds under Department of the Interior: Support of State colleges of agriculture | $1,000,000 | $10,000,000 |
| Federal funds under Federal Board for Vocational Education: Agricultural and home economics education (Smith-Hughes Act) | 3,300,000 | 7,500,000 |
| State departments, boards, and commissions of agriculture | | 5,000,000 |
| Grand total | 160,300,000 | 545,500,000 |
| Deducting amount for road construction | 95,000,000 | 500,000,000 |
| Total, exclusive of roads | 65,300,000 | 45,500,000 |

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I call up the conference report on the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 12, 13, and 14.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ", of which $1,000,000, or so much thereof as may be necessary, may be used for reconditioning and operating ships for carrying coal to foreign ports"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 1, 4, 7, 8, 9, 10, and 11.

WM. R. WOOD,
EDWARD H. WASON,
THOMAS H. CULLEN,
*Managers on the part of the House.*

F. E. WARREN,
REED SMOOT,
W. L. JONES,
LEE S. OVERMAN,
CARTER GLASS,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and embodied in the accompanying conference report, as to each of such amendments, namely:

On No. 2: Inserts the language proposed by the Senate, including in the appropriation for the National Advisory Committee for Aeronautics the sum of $5,000 for procurement and development of a design for a wind tunnel suitable for research on full-sized airplanes.

On No. 3: Strikes out the appropriation of $14,347, inserted by the Senate, for a utility building and the lighting of the grounds of the Perry Victory Memorial.

On No. 5: Restores the language, stricken out by the Senate, providing for the location of a bathing pool on the site of the McKinley High School.

On No. 6: Inserts the language proposed by the Senate, relative to the use of the appropriation for the Merchant Fleet Corporation for reconditioning and operating ships for carrying

coal to foreign ports, modified so as to reduce the amount to be so available from $1,400,000 to $1,000,000, to strike out reference to the number of ships to be so used, and to make the authority permissive instead of mandatory.

On No. 12: Strikes out the appropriation of $65,000, inserted by the Senate, for an additional amount for the Water Boundary Commission, United States and Mexico.

On No. 13: Corrects a section number in the bill to conform to the action of the conferees.

On No. 14: Inserts the total of the bill in the amount as passed by the House instead of the amount as passed by the Senate.

The committee on conference have not agreed to the following amendments:

On No. 1: Extending the duties of the Bureau of Efficiency to include investigations in connection with the municipal government of the District of Columbia.

On No. 4: Providing pay at per diem rates for certain classes of employees under the Office of Public Buildings and Public Parks of the National Capital.

On Nos. 7 and 8: Relating to compensation of attorneys for the Shipping Board.

On No. 9: Relating to the discontinuance of the sea-service bureau of the Merchant Fleet Corporation.

On No. 10: Relative to the use of not to exceed $10,000,000 from the construction and loan fund of the Shipping Board in reconditioning the steamships *Mount Vernon* and *Monticello.*

On No. 11: Relating to the amount to be expended for attorneys' fees by the Shipping Board.

WILL R. WOOD,
EDWARD H. WASON,
THOMAS H. CULLEN,
*Managers on the part of the House.*

Mr. WOOD. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: On page 9 of the printed bill, after line 18, insert: "That the duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government are hereby extended to include the municipal government of the District of Columbia."

Mr. WOOD. Mr. Speaker, I offer an amendment, which I send to the desk.

The SPEAKER. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WOOD to amendment No. 1: Mr. WOOD moves that the House recede from its disagreement to the amendment of the Senate No. 1 and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, after the word "duties," insert the words "and powers."

Mr. BYRNS. Will the gentleman yield for a question?

Mr. WOOD. I yield.

Mr. BYRNS. I want to ask the gentleman whether or not it is contemplated that this amendment, if adopted, will result in an increase in appropriations?

Mr. WOOD. I will state that this will give the Bureau of Efficiency the same power and duties that they have now to apply to the Federal Government.

Mr. BYRNS. I understand that, but my inquiry is on a different line. Is it contemplated that the adoption of the amendment will result in any increase of appropriation for the Bureau of Efficiency for the next fiscal year?

Mr. WOOD. It will not; the appropriation has already been made.

Mr. BYRNS. May I say to the gentleman, if he will permit in his time, that I am not particularly opposed to the motion proposed by the gentleman from Indiana. I am well aware under all the circumstances that the Bureau of Efficiency has rendered a distinct service in the District of Columbia. I have been wondering by what authority that was done during the past year.

Mr. WOOD. I will state that our good friend who has gone on was of the opinion that they had the right to do this thing under the law. We had the same provision in the House bill, but took it out. There are some who have expressed some doubt about it, and the Senate, for the sake of clarifying the thing and in order that there might not be any doubt about it, put this in.

Mr. BYRNS. Does the gentleman know what the position of the Comptroller General is as to the right and authority of the Bureau of Efficiency to make the past investigation?

Mr. WOOD. From the fact that no objection has been made from time to time, I think the Comptroller General is confident that what they have done is all right. No question has been raised by him or anyone else.

Mr. BYRNS. I will say frankly that I think the Bureau of Efficiency has rendered a greater service for the District of Columbia than it has for many of the Departments of the Government. I have always felt that the duties now being performed by the Bureau of Efficiency in some departments of the Government are in a sense a duplication—that they were duties that could and should be performed under the Budget law by either the Director of the Budget or the Comptroller General. For this reason I have felt that there was a duplication. I do think that the Bureau of Efficiency has rendered a distinct service in the District of Columbia. I was told by a Member of the House, who is a member of the Committee on the District of Columbia, that it cost the Bureau of Efficiency something like $105,000 out of its present appropriation to perform the service for the District of Columbia. I have an idea that after this amendment is adopted you are going to find that the bureau will come here next year and ask for three or four hundred thousand dollars instead of $210,000, the present appropriation.

Mr. WOOD. We will take care of that when it comes up. We have the assurance that it will not cost any more. They have been doing it under the present appropiration.

Mr. BYRNS. Having the idea that I do with reference to the Bureau of Efficiency's duplication of work in many departments, I should hate to see any great increase in the present appropriation by reason of this amendment.

Mr. WOOD. They will not do it as long as I have anything to do about it, and I think, with the assistance of the gentleman's watchful eye, we can prevent it.

Mr. CULLEN. Mr. Speaker, in reference to the Bureau of Efficiency, in so far as it relates to the appropriation for the next fiscal year, we will take care of that when it comes before the committee. They are not going to get away so easy with an increased appropriation.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Indiana.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 4: Page 27, line 24, beginning at page 28, insert "at rates of pay approved by the director, not exceeding current rates for similar employment in the District of Columbia;"

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 7: Page 36, line 22, strike out the word "three" and insert in lieu thereof the word "two."

Mr. WOOD. Mr. Speaker, I ask unanimous consent that amendments numbered 7 and 8 be considered together.

The SPEAKER. The gentleman from Indiana asks unanimous consent that amendments numbered 7 and 8 be considered together. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report amendment No. 8.

The Clerk read as follows:

Amendment No. 8: Line 23, after the figures "$12,000," insert "*Provided,* That no attorney shall be paid more than $10,000 per year."

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to these two amendments.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 37, after line 5, insert "No part of the funds of the United States Shipping Board or the United States Shipping Board Merchant Fleet Corporation shall be available for the maintenance of a sea service bureau."

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to amendment numbered 9.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Is not a motion to recede and concur in the Senate amendment preferential?

The SPEAKER. It would be.

Mr. LAGUARDIA. I so moved.

The SPEAKER. The question is on the motion of the gentleman from New York to recede and concur in the Senate amendment numbered 9.

The motion was rejected.

The SPEAKER. The question now is on the motion of the gentleman from Indiana to further insist upon the disagreement to the Senate amendment numbered 9.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: Page 37, strike out lines 10 and 11 and insert: "For the reconditioning of the steamships *Mount Vernon* and *Monticello* at a total cost not in excess of $12,000,000, not to exceed $10,000,000 is made available from the construction loan fund and shall be reimbursed to such fund with interest at such rate and within such period as the board may determine, but not exceeding 10 years after the date of commission of such reconditioned vessels: *Provided*, That neither of said steamships shall be sold for less than the cost of reconditioning, less a deduction of 5 per cent per annum for depreciation from the date of completion of such reconditioning to the date of sale."

Mr. WOOD. Mr. Speaker, I offer the following motion, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. WOOD moves that the House recede from its disagreement to the amendment of the Senate No. 10, and agree to the same with an amendment as follows: In line 8 of the matter inserted by such amendment, after the word "That," insert the following: "after such reconditioning."

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Is that amendment now open to amendment?

The SPEAKER. The Chair thinks it would be necessary first that the gentleman from Indiana yield for that purpose.

Mr. LAGUARDIA. Will the gentleman from Indiana yield for the purpose of my offering an amendment to this amendment?

Mr. WOOD. I do not think so. I do not know what the amendment is.

Mr. LAGUARDIA. If the gentleman would yield for that purpose, I would offer an amendment, at the end of the Senate amendment, to strike out the period and to add the following:

*Provided*, That such reconditioning of said ships shall be done in a Government navy yard.

Mr. WOOD. Mr. Speaker, I would not agree to that. In all probability, that is where the work will be carried on, but I can not agree to an amendment of that kind.

Mr. LAGUARDIA. The gentleman is within his rights.

The SPEAKER. The question is on the motion of the gentleman from Indiana to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: Page 37, after the words "Shipping Board," line 23, strike out the figures "$13,688,750" and insert "$13,538,750: *Provided*, That no more than $113,200 be paid out of this appropriation for lawyer fees for the 12 months next following the passage of this act."

Mr. OLIVER of Alabama rose.

The SPEAKER. Does the gentleman from Indiana yield to the gentleman from Alabama?

Mr. WOOD. I yield to the gentleman from Alabama.

Mr. OLIVER of Alabama. Mr. Speaker, I have sent to the desk a preferential motion which I ask the Clerk to read.

The Clerk read as follows:

Amendment by Mr. OLIVER of Alabama to amendment No. 11: In lieu of the matter inserted by said amendment, insert the following: "$13,688,750: *Provided*, That of the sums herein made available under the United States Shipping Board, not to exceed an aggregate of $350,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis and for fees and expenses of attorneys employed in special cases."

The SPEAKER. The question is on the motion of the gentleman from Alabama to recede and concur with an amendment.

Mr. OLIVER of Alabama. Mr. Speaker, I understand the gentleman from Indiana consents to that amendment.

Mr. WHITE of Maine. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. WHITE of Maine. I am not sure what is meant by the language either in the original draft or in the amendment which the gentleman has offered. When the gentleman speaks of "attorneys' fees," does he have reference to those employed regularly in the legal staff of the Shipping Board and the Fleet Corporation, or does this refer to outside legal talent which may be employed for particular cases from time to time?

Mr. OLIVER of Alabama. This amendment is so drawn as to apply to all, both on the legal staff here as well as those on the outside. It is a matter on which the chairman and I have reached an agreement.

The SPEAKER. The question is on the motion of the gentleman from Alabama to recede and concur with an amendment.

The motion was agreed to.

SHOSHONE INDIANS

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 710) conferring jurisdiction upon the Court of Claims to hear, adjudicate, and render judgment in claims which the Northwestern Bands of Shoshone Indians may have against the United States, with House amendments thereto, insist on the House amendments, and agree to the conference.

The SPEAKER. The gentleman from Montana asks unanimous consent to take from the Speaker's table the bill S. 710, with House amendments thereto, insist on the House amendments, and agree to the conference.

Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. LEAVITT, Mr. SPROUL of Kansas, Mr. EVANS of Montana.

AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

The CHAIRMAN. When the committee rose yesterday it was considering a point of order which had been raised by the gentleman from Missouri [Mr. CANNON]. The gentleman from Missouri withdrew his point of order, but the gentleman from New York [Mr. LAGUARDIA] renewed it.

The point of order, as stated by the gentleman from Missouri, was that it is not in order to proceed with the reading of the sections for amendment for the reason that a substitute had been adopted, striking out and substituting the identical language. The committee will recall the situation. The gentleman from Louisiana [Mr. ASWELL], after the reading of the first section of the Agricultural Committee substitute, which is being considered under the rule as a separate bill, moved to strike out the section and to insert in lieu thereof the language of the bill which he introduced, and he served notice that if that amendment was adopted, upon the reading of the subsequent sections of the Haugen bill he would move as each was read to strike it out. The amendment of the gentleman from Louisiana was subsequently adopted, and the Clerk proceeded to read the other sections of the committee bill, the so-called Haugen bill, when the gentleman from Missouri made his point of order.

The discussion of the point of order took a somewhat broader field than the exact point raised by the gentleman from Missouri, and the Chair will endeavor to touch upon the different points raised in the discussion of the point of order.

There are two well-defined methods of moving a substitute to a bill. We speak of the motion made by the gentleman from Louisiana [Mr. ASWELL] as a substitute to the bill. While that perhaps is not technically correct, it answers the purpose and conveys the general idea of what is sought to be accomplished. As a matter of fact, the motion of the gentleman from Louisiana was, as the usual motion is, after the reading of the first section, to strike out the section and insert an amendment in the nature of a substitute. That, I think, is the correct technical statement of the situation.

The two methods of offering a substitute are to make such a motion as the gentleman from Louisiana made after the completion of the reading of the first section, and the practice is to serve notice upon its introduction that if such amendment is adopted, the mover will move to strike out the subsequent sections of the original bill as they are read. The gentleman from Louisiana [Mr. ASWELL] made that announcement in the case here.

The other method is that on the completion of the reading of the bill, after it is perfected by amendment, to move to strike out all after the enacting clause and substitute the amending bill. As the Chair understands it, these are the two methods that may be adopted or used to offer a substitute. The practice, as it seems to the Chair, is well established; and it is in the discretion of the Members to follow whichever method they think desirable under the circumstances. There is no particular rule of governing the matter in the Manual, but the Chair thinks the practice is well established.

Now, it seems to the Chair that the only purpose to be gained by the method adopted here is in the announcement which the mover of the motion made: That if his amendment is adopted he will move to strike out the subsequent sections as they are read, for the purpose, if the committee sees fit to adopt his substitute or amendment, of avoiding the work and delay and controversy which naturally arise in perfecting the subsequent sections of the bill, if the committee sees fit to strike them out without perfecting amendments. That, in the judgment of the Chair, is a matter for the committee. In fact, the Chair is inclined to think that the main reason for the emphasis laid upon this point of order at this time is the interest which is taken in the question before the committee and the rather close division which exist on the controversial point in this farm-relief legislation.

The Chair is inclined to believe that if there was any great preponderance of sentiment in the House on one side or the other of this question that this point of order probably would not be raised, or at least would not be emphasized as much as it is now. But it does not seem to the Chair that that is any reason for changing the parliamentary situation or that it should affect the parliamentary question. The Chair does not think that he should take that into consideration in passing upon this point of order. That is a matter for the House and the committee itself to work out as it thinks best. The Chair has no right to assume that the committee will do a vain or idle or foolish thing, but must assume that it will work in a reasonable and sensible sort of way.

The argument of the gentleman from Georgia [Mr. CRISP] appealed, I think, to all of us. The gentleman from Georgia said that the Committee of the Whole must act upon the motion to strike out the subsequent sections and was bound to strike them out. While the Chair is inclined to agree with him that it is the logical and sensible and proper thing to do to strike them out, the mere fact that the committee has to vote on the motion to strike them out is an indication that it may not, as a matter of fact, vote to strike them out. The Chair can not tell whether the partisans on the one side or the other on this controversial question will predominate here at any particular time. If the committee votes on the motion it may not vote to strike them out, or it may; and the Chair can not be put in the attitude of saying that the sections are stricken from the bill unless the committee decides so to do.

The gentleman from Missouri [Mr. CANNON] makes the point of order, as I understand it, that the Aswell amendment having been adopted and containing, as it does, several sections identical in language with some of the sections of the Haugen bill, that to read the subsequent sections of the Haugen bill, which are identical in language with the Aswell bill, under the five-minute rule and permit the adoption of perfecting amendments, would, in effect, be amending the Aswell amendment after that amendment has been adopted; that the Aswell amendment can not be amended and it is upon that basis that, therefore, the gentleman from Missouri [Mr. CANNON] makes his point of order. The Chair does not think that is quite the situation. The Aswell amendment is adopted, to be sure, and can not be amended now. It was subject to amendment before the final vote and adoption of it, but it can not be amended now. The Aswell amendment having been adopted by the committee, of course, the logical thing would be to reject all subsequent sections of the Haugen bill, but a situation might arise in the House after the committee rises and makes its report, where the Aswell amendment would be voted down by the House, and then, with the previous question ordered, the Chair thinks the vote would come upon the Haugen bill. It would then be desirable to have the Haugen bill perfected by desirable amendments, and amendments to the subsequent sections of the Haugen bill have no reference at all to the amendments to the Aswell bill and do not affect it in any way, as the Chair thinks. The Chair believes the sections in the Haugen bill can be perfected and amended even though they are the same, some of them, as in the Aswell substitute.

The Chair has had an opportunity to examine some of the precedents since the committee rose, and he thinks the precedent referred to yesterday, and cited in Hinds' is on all fours with the situation before us now. However much we may disagree with the logic of the thing, the Chair believes it is his duty to follow the practice and the precedents which, the Chair thinks, are well established.

Back in the Fifty-seventh Congress, in considering the Philippine bill, which was referred to yesterday, the gentleman from Virginia, Mr. Jones, offered, in the first instance to strike out everything after the enacting clause—

And to substitute the bill I have offered as an amendment, with the modification offered by the gentleman from Connecticut.

The Chairman of the committee at the time was the gentleman from Illinois, Mr. Mann, and he stated:

The gentleman from Virginia will understand that his motion is not in order at the present time. He can offer it and have it pending.

That is, the motion to strike out all after the enacting clause and to substitute his bill. Subsequently the gentleman from Virginia, Mr. Jones, stated:

If it be permissible to move to strike out all after the enacting clause, or to strike out the first section and substitute therefor the minority bill—

That is the situation we have here—

with the understanding that if this motion prevails I shall subsequently move to strike out the other sections of the majority bill, then I make that motion, if the Chair recognizes me to make it.

The Chairman, Mr. Mann, said:

The gentleman from Virginia moves to substitute the amendment which he has sent to the Clerk's desk in place of section 1 of the pending bill, giving notice that if this motion be adopted he will move to strike out the other sections of the pending bill.

The same as the gentleman from Louisiana did here.

The Chairman continues:

Of course, the gentleman understands that if this motion should be submitted at this time, it will still require the reading of the rest of the bill for amendment.

Subsequently in the proceedings the gentleman from Indiana, Mr. Crumpacker, raised a parliamentary inquiry:

I rise to inquire whether the amendment proposed by the gentleman from Virginia is to be voted upon before the balance of the bill has been read. I desire to submit a few suggestions upon that proposition if the Chair has not clearly satisfied himself in regard to the matter.

The Chairman said:

The Chair will state to the gentleman that on the point of order the Chair has already held that the substitute offered by the gentleman from Virginia may be offered as a substitute to section 1 of the pending bill. That is the question now before the House.

Then the motion was made, and the amendment offered by the gentleman from Virginia was adopted. Then this colloquy took place.

The CHAIRMAN. Debate being closed, the question is now on agreeing to the motion of the gentleman from Virginia to strike out all after the enacting clause, in section 1, and substitute in place thereof the amendment offered by him.

Then Mr. Tawney raised this question—Mr. Tawney appears to have presided during a part of the time, but during these proceedings the gentleman from Illinois, Mr. Mann, was in the chair.

Mr. TAWNEY. I rise to a parliamentary inquiry. Was the motion of the gentleman from Virginia to strike out all after the enacting clause of the bill and substitute that which he has offered?

The CHAIRMAN. The motion of the gentleman from Virginia is to strike out, in section 1, all after the enacting clause and insert in place of it the substitute which he has offered, he having given notice that he will move to strike out the other sections of the bill.

Then the motion was put and adopted and the second section of the bill was read, when the following colloquy took place:

Mr. JONES of Virginia. I move to strike out the section just read.

Mr. RICHARDSON of Tennessee. I ask for order, so that we may hear what is going on.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Jones).

Mr. JONES of Virginia. Mr. Chairman, I ask unanimous consent that a vote may be taken upon striking out all of the succeeding sections together.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the Committee of the Whole vote upon striking out all of the sections of the pending bill after section 1.

Mr. Grosvenor and Mr. Payne objected.

Mr. JONES of Virginia. I move, then, to strike out this section.

Mr. PAYNE. Mr. Chairman, that question is debatable, of course.

The CHAIRMAN. It is debatable.

Then, subsequently, there was an attempt to secure an agreement for voting upon all the subsequent sections en bloc. An objection was made to that. As was indicated here yesterday, there were several committee amendments pending, but the gentleman from Indiana, Mr. Crumpacker, objected to the unanimous-consent request to vote upon all the remaining sections en bloc because he had a personal amendment to one of the sections, section 6, I believe, which he desired to offer, so that unanimous consent was not granted. Subsequently, Mr. Crumpacker offered his amendment from the floor, it was adopted, and upon motion of the gentleman from Virginia, Mr. Jones, the section, after it was perfected, was stricken from the bill, as all the others were.

That, in short, was the procedure followed at that time and, as the Chair understands, that has been the constant practice from that day to this.

When the committee rose and went into the House the situation was gone over again under proper parliamentary procedure, and the Speaker differentiated between the Jones amendment and a substitute and said it was before the House the same as any other amendment; that it was an amendment to section 1 and should be voted upon separately as an amendment.

The Chair thinks this is the exact situation here. It is for the committee to decide whether it wants to go ahead and perfect the subsequent sections of the Haugen bill or to strike them out, either before or after they are perfected.

The Chair therefore overrules the point of order, and the question is——

Mr. KETCHAM, Mr. BURTNESS, and Mr. JONES rose.

Mr. KETCHAM. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The gentleman from Michigan offers a motion which the clerk will report.

Mr. KETCHAM. I move, Mr. Chairman, to strike out section 2 of the McNary-Haugen bill and insert section 2 of the Aswell bill, and I propose if this amendment shall prevail to move that succeeding sections likewise be stricken out and the corresponding sections of the Aswell bill be inserted until section 13 shall have been reached, when I propose to offer the export debenture plan as an additional amendment.

Mr. DOWELL. Against which I make a point of order, Mr. Chairman.

Mr. JONES. Why does not the gentleman simply offer the debenture plan? The Aswell bill is already in.

Mr. KETCHAM. As I understand the Chair, we are now about to engage in the perfecting of the McNary-Haugen bill.

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that section 2 of the Aswell bill has already been adopted.

Mr. DOWELL. I make the further point of order, Mr. Chairman, it is not germane.

Mr. KETCHAM. Mr. Chairman, I ask that the amendment be reported.

Mr. ASWELL. Mr. Chairman, I would like to submit a parliamentary inquiry.

The CHAIRMAN. The clerk will report the amendment of the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: Strike out section 2 of the bill and insert section 2 of the Aswell bill.

Mr. DOWELL. Mr. Chairman, I make the point of order that that is not germane.

Mr. BLACK of Texas. Mr. Chairman, I make the further point of order that section 2 of the Aswell bill having already been adopted, the motion is not in order.

Mr. BURTNESS. Mr. Chairman, I wish to make the additional point of order that the amendment proposed is not an amendment at all, because there is not the change of one single word, a comma, or any other punctuation mark of any sort, and the amendment therefore is simply to strike out one thing and reinsert identical language, with similar punctuation marks and everything of that sort, and therefore plainly can not be considered as an amendment.

Mr. RAMSEYER. Mr. Chairman, I wish to submit a further point of order.

The CHAIRMAN. The Chair would like to hear the gentleman from Michigan on what would be the difference in effect between the gentleman's motion and to vote down the motion of the gentleman from Louisiana to strike out the section.

Mr. KETCHAM. So far as the material effect there would be none, except under the decision of the Chair I understood this is the only way in which the debenture proposition may be brought to the consideration of the committee, and that is what I desire to do.

The CHAIRMAN. The Chair does not understand how that would affect the debenture plan at all.

Mr. KETCHAM. By the giving of notice that if this motion is agreed to the subsequent sections will be offered.

I ask unanimous consent, Mr. Chairman, to withdraw my motion and to submit another preferential motion.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his motion. Is there objection?

There was no objection.

Mr. KETCHAM. Now, Mr. Chairman, I submit a preferential motion. I move to strike out section 2 of the McNary-Haugen bill and substitute therefor the bill (H. R. 12892) known as the export debenture plan.

Mr. RAMSEYER. Mr. Chairman, I make the point of order that this is not the place in the bill where a substitute can be offered. The Chair made that very clear in his ruling and I do not care to argue the matter. The Chair stated that one place is after the reading of the first section and the other place is after the bill is completed.

Mr. JONES. Mr. Chairman, I desire to be heard on the point of order.

Mr. BURTNESS. Mr. Chairman, I desire to make the additional point of order that the amendment proposed is not germane to the section that is now under consideration.

Mr. JONES. Mr. Chairman, the motion, as I understand it, which the gentleman intends to offer is to strike out section 2 of the McNary-Haugen bill and insert the debenture plan beginning with section 5 on page 10. In other words, the Aswell bill up to that point carries the features of both bills. This has already been inserted. The motion of the gentleman is to strike out section 2 and thus follow the Aswell bill with the debenture feature of the other plan; is not that what the gentleman wants to do?

Mr. KETCHAM. That is correct.

Mr. ASWELL. Mr. Chairman, it will be recalled by the RECORD that yesterday before the parliamentary discussion opened, I had already moved to strike out the second section of the Haugen bill.

Mr. JONES. And this is a preferential motion to strike out and insert. It takes the place of the Aswell motion and would be voted upon first. It would simply mean that the Aswell bill would be followed with the debenture feature of this bill. That is what the gentleman is offering, as I understand, and I would like to be heard on the point of order.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. KETCHAM moves to strike out section 2 and insert H. R. 12892 and gives notice that if this motion prevails he will move to strike out the succeeding sections and insert the corresponding sections of the Aswell bill until section 13 is reached and then he will propose the export debenture plan as an additional amendment.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that the Aswell substitute has been adopted, and is a substitute for the entire bill; that any amendment of the Aswell substitute should have been proposed at the time that substitute was before the House, and it is now too late at any time, at any point, to offer an amendment to the Aswell substitute.

Mr. JONES. This is not an amendment to the Aswell substitute. It is to section 2 of the McNary-Haugen bill and follows the Aswell substitute.

Mr. CHINDBLOM. But the substitute has been adopted to the entire bill.

Mr. KETCHAM. Mr. Chairman, in the motion I offered I was endeavoring to act in the brief time I had to think of the application of the Chair's ruling to the situation, but I have been advised that this is not the best procedure and I therefore ask unanimous consent to withdraw again my amendment and will offer another in its place.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. KETCHAM. Now, Mr. Chairman, I move to strike out section 2 of the McNary-Haugen bill and insert in lieu thereof the export debenture plan.

Mr. BURTNESS. And to that, Mr. Chairman, I make the same point of order that I made to the last amendment proposed, that the provisions thereof are not germane to the section and therefore not germane at this point in the bill.

Section 2 relates only generally to the establishment of a farm board.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Mr. KETCHAM moves to strike out section 2 and insert in lieu thereof the export-debenture plan, as follows:

Mr. DOWELL and Mr. LAGUARDIA reserved points of order.

Mr. JONES. Mr. Chairman, I think the membership is familiar with the provisions of the export-debenture plan, and I ask that it be considered as read.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the motion of the gentleman from Michigan be considered as read.

Mr. BURTNESS. Reserving the right to object.

Mr. RAMSEYER. A point of order. Does the Chair consider that all points of order that have been made against the amendment are now pending against the amendment read?

The CHAIRMAN. No; because the other amendments were withdrawn. After this amendment is reported opportunity will be given for anybody to make a point of order.

Mr. BURTNESS. Reserving the right to object to the request of the gentleman from Texas, I want to call attention to the fact that the Aswell amendment was not included in the RECORD yesterday, and those who wanted to find out what it was could not do so. I want this debenture-plan amendment printed in the RECORD, in which event I shall not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the motion of the gentleman from Michigan be considered as read and printed in the RECORD at this point?

Mr. CANNON. Reserving the right to object, this is one of the most indefinite motions. It is to strike out a section and insert the debenture plan. We do not know whether it includes sections 5, 7, or all the rest of the bill.

Mr. JONES. I will say that it carries the rest of the Ketcham bill without the corporation feature.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the motion be considered as read and printed in the RECORD at this point?

There was no objection.

The motion of Mr. KETCHAM is as follows:

Strike out section 2 and insert in lieu thereof the following:

"EXPORT DEBENTURES

"SEC. —. (a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to affirmative findings under subdivisions 1 and 2 of paragraph (j) of section 3, issue an export debenture to any farmer, cooperative association, and other person, in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by such farmer, cooperative association, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation.

"(b) In order to procure the issuance of an export debenture such farmer, cooperative association, or other person shall, within a reasonable time prior to the exportation, to be prescribed under regulations of the board, make application for such debenture and submit proofs satisfactory to the board either (1) that the quantity of the debenturable agricultural commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the agricultural commodity used in making the quantity of the debenturable product to be exported was produced in the United States and the agricultural commodity and the debenturable product have not previously been exported therefrom.

"(c) Any export debenture, when presented by the bearer thereof within one year from the date of issuance of the debenture, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by such bearer.

"(d) Title to any export debenture shall be transferable by delivery.

"DEBENTURABLE COMMODITIES AND PRODUCTS

"SEC. —. For the purposes of this act, wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodity which is designated by the board under section — (b), shall be known and are herein referred to as debenturable agricultural commodities. Any food product of wheat, corn, rice, swine, or cattle, or any manufactured product of cotton or tobacco, or of any other agricultural commodity designated by the board under section — (b), shall be known and is herein referred to as a debenturable product if a debenture rate is prescribed for such product either specifically in section — (a) or by the board under section — (c).

"EXPORT DEBENTURE RATES

"SEC. —. (a) The following export debenture rates are hereby prescribed:

"(1) Swine, one-quarter of 1 cent per pound; fresh pork, three-eighths of 1 cent per pound; bacon, hams, shoulders, and other pork, prepared or preserved, 1 cent per pound; lard, one-half of 1 cent per pound.

"(2) Cattle weighing less than 1,050 pounds, three-fourths of 1 cent per pound; cattle weighing 1,050 pounds or more, 1 cent per pound; fresh beef and veal, 1½ cents per pound.

"(3) Corn or maize, including cracked corn, 7½ cents per bushel of 56 pounds; corn grits, meal, and flour, and similar products, 15 cents per 100 pounds.

"(4) Paddy or rough rice, one-half of 1 cent per pound; brown rice (hulls removed), five-eighths of 1 cent per pound; milled rice (bran removed), 1 cent per pound; broken rice and rice meal, flour, polish, and bran, one-quarter of 1 cent per pound.

"(5) Wheat, 21 cents per bushel of 60 pounds; wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 52 cents per 100 pounds.

"(6) Cotton, 2 cents per pound.

"(7) Tobacco, 2 cents per pound.

"(b) If the board finds (1) that the cost of producing in the United States any agricultural commodity (other than wheat, corn, rice, swine, cattle, cotton, and tobacco) of which a surplus above domestic requirements is produced in this country is greater than the cost of producing such commodity in competing foreign countries, and (2) that the domestic prices for such commodity are unduly depressed by world prices for such commodity, then the board, after publicly declaring its findings, may designate such commodity as a debenturable agricultural commodity and may prescribe such export debenture rate for the commodity as it finds sufficient to equalize the difference between the cost of producing such commodity in the United States and the cost of producing such commodity in competing foreign countries. Such export debenture rate shall not exceed any rate of tariff duty that may be in effect in respect of such commodity.

"(c) In order to promote the effectiveness of export debentures in respect of any debenturable agricultural commodity, the board may prescribe an export debenture rate upon products of the commodity as follows:

"(1) If the debenturable agricultural commodity is wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any food product made wholly or in part thereof.

"(2) If the debenturable agricultural commodity is a commodity other than wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any manufactured product made wholly or in part thereof. Any export debenture rate under this subdivision shall be sufficient to produce an export debenture in an amount equal to the debenture that would be issuable upon exportation of the quantity of the debenturable commodity consumed in the manufacture of the unit of the product upon which the export debenture is issued.

"FLEXIBLE RATE PROVISIONS

"SEC. —. (a) Whenever the board finds—

"(1) That because of a change in the rate of tariff duty upon any debenturable agricultural commodity or debenturable product an increase or reduction in the existing export debenture rate for such commodity or product is necessary in order effectively to carry out the policy declared in section 1; or

"(2) That an increase or reduction in the existing export debenture rate for any debenturable agricultural commodity or debenturable product is necessary in order to equalize the difference between the cost of producing the commodity or product in the United States and the cost of producing the commodity or product in competing foreign countries—then the board, after publicly declaring its finding, shall, subject to the limitations hereinafter provided, prescribe such increase or reduction in the existing export debenture rate for the commodity or the product as the board finds necessary, respectively, to carry out the policy declared in section 1 or to equalize the difference between the cost of producing the commodity or product in the United States and the cost of producing the commodity or product in competing foreign countries, respectively. Such increase or reduction shall become effective upon a date fixed in the proclamation, which shall not be less than 60 days from the date of the issuance of the proclamation. The aggregate increase or reduction, under this subdivision, in the export debenture for any commodity or product shall not exceed 50 per cent of the amount of the export debenture rate prescribed for the commodity or product either specifically in section — (a) or by the board under section — (b) or section — (c), and the export debenture rate for any commodity or product shall not be increased under this subdivision so as to exceed at any time the rate of tariff duty that may be in effect in respect of the commodity or the product at such time.

"(b) In order to prevent undue stimulation of the production of any debenturable agricultural commodity, whenever the board finds that the average annual production of any debenturable livestock commodity or the average annual acreage of any other debenturable agricultural commodity for the last two preceding years has exceeded the average annual production or acreage, respectively, of such commodity for the period from the seventh to the third preceding year—then the board, after publicly declaring its finding, shall prescribe that the export debenture rates for the commodity and the debenturable products thereof shall be reduced or that the issuance of debentures therefor shall be suspended, as hereinafter prescribed for the amount of increase in production or acreage which the board finds has occurred. Any such reduction or suspension shall become effective at the commencement of the next calendar year and shall continue throughout such calendar year. No such reduction or suspension shall be made unless notice thereof is published at least 30 days before the commencement of such calendar year. At the end of such calendar year the export debenture rates which were in effect immediately prior to the commencement thereof shall again become effective unless the board under the provisions of this act prescribes a change in such rates. Reductions of debenture rates or suspensions of the issuance of debentures, under this subdivision, shall be in accordance with the following limitations:

"(1) For a computed increase in production or acreage of less than 5 per cent, there shall be no reduction.

"(2) For a computed increase in production or acreage of 5 per cent but less than 10 per cent, there shall be a reduction of 25 per cent.

"(3) For a computed increase in production or acreage of 10 per cent but less than 15 per cent, there shall be a reduction of 50 per cent.

"(4) For a computed increase in production or acreage of 15 per cent or more, the issuance of debentures shall be suspended for a period of one year.

"(c) In computing reductions in export debenture rates fractions of a cent less than one-eighth shall not be used.

"(d) The power of the board under this section in respect of any agricultural commodity shall be exercised in such manner as will in its judgment carry out the policy declared in section 1.

"EXPORT CORPORATIONS

"SEC. —. (a) Whenever the board finds that, in order to afford the maximum benefits under this act to the producers of debenturable agricultural commodities, it is necessary to have an agency under the control of the board to purchase, store, sell, export, and deal in or market in an orderly way any one or more debenturable agricultural commodities or debenturable products, the board may organize under the law of any State or the District of Columbia one or more export corporations for such purposes.

"(b) The incorporators and directors of any such corporation shall be selected by the board.

"(c) Any such corporation shall have such capital stock as the board may determine. All of such capital stock is hereby subscribed by the United States. Upon payment of any part of the amount subscribed, shares fully paid up shall be issued to the United States and delivered to the board in the amount so paid. Shares shall be nonassessable and nontransferable. The United States shall not be liable, directly or indirectly, in respect of any share or bond, note, or other evidence of indebtedness issued by any corporation organized by the board under this section, and all such bonds, notes, and other evidences of indebtedness shall so state on their face.

"(d) Any such corporation is authorized, subject to such restrictions as the board may by regulation prescribe—

"(1) To purchase, store, export, and sell or market in an orderly way any or all of the debenturable agricultural commodities and debenturable products.

"(2) To lease and operate storage warehouses for such commodities and products purchased by the corporation, and facilities for transportation (otherwise than as a common carrier) in connection with the storage of such commodities and products.

"(3) To receive, use, and dispose of export debentures and to use any proceeds therefrom for the purpose of conducting the business of the corporation authorized by this act.

"(e) The board may make expenditures, not in excess of $50,000,000 in the aggregate, from the revolving fund, for the purpose of paying subscriptions for the capital stock of all such corporations as the board may organize under this section.

"(f) Any profits derived by any export corporation organized under this section from operations in respect of any debenturable agricultural commodity or debenturable product shall be used only for further operations in respect of such commodity or product, or for such other purposes as the Congress may hereafter prescribe.

"INSURANCE

"SEC. —. (a) Upon request of any cooperative association or associations, the board is authorized to loan, from time to time out of the revolving fund, to such association or associations, funds requisite for subscription to and payment of the capital stock of a corporation to be organized under the laws of any State, for the purpose of entering into contracts of price insurance. If there is more than one such subscribing association, such loans shall be in such proportions as the associations may agree, or on failure of such agreement, then in such proportions as the board may determine. Such loans shall be made upon such terms and conditions as the board may prescribe except that no such loan may be made unless the cooperative association or associations receiving the loan have entered into an agreement with the board that the corporation to be formed will, in its charter or by-laws, be subject to the following requirements:

"(1) That the corporation will insure the price only of those agricultural commodities which, in the judgment of the board, are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodities, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

"(2) That subsequent to the organization of the corporation any cooperative association handling a commodity insured by the corporation may become a stockholder in such corporation upon such terms and conditions as the board may prescribe, and that all stock in the corporation will be subject to such restrictions upon its alienation as will insure the retention of both such stock and all beneficial interests therein by cooperative associations.

"(3) That the corporation will insure any cooperative association, a stockholder in the corporation, for any 12 months' period commencing with the delivery season for the commodity, against loss to such association or its members due to decline in the average market price of the agricultural commodity handled by the association during the period of sales by the association, from the average market price for the commodity during the period of delivery to the association. The duration of such periods shall be specified in the policy of insurance. In computing such average market prices the policy shall provide for the use of daily average cash prices paid for a basic grade of the commodity in an exchange designated in the policy.

"(4) That the corporation will insure only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the policy.

"(5) That the corporation will issue policies of insurance only at rates of premium fixed by the corporation and approved by the board as being adequate to cover the risk assumed under the policies issued.

"(6) That the corporation will keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

"(7) That the corporation will permit the board, on its own initiative or upon written request of any cooperative association, a stockholder in the corporation, to investigate the financial condition and business methods of the corporation.

"(8) That whenever the board finds that private insurance agencies are able to provide the insurance offered by the corporation upon terms which the board deems satisfactory, then the corporation will thereupon repay to the board the amount of all outstanding loans under this section and interest thereon.

"(b) No more than one corporation shall be maintained at any one time under this section.

"(c) The cooperative association or associations to which loans are made under this section shall pledge with the board their stock in the corporation as security for the loans. Loans under this section shall bear interest at the rate of 4 per cent per annum on the unpaid principal. Dividends upon the stock pledged with the board shall be applied, first, to interest due upon the loans, and then to the principal of the loans. No distribution shall be made by the corporation otherwise than by cash dividends upon its stock until such time as such loans and the interest thereon have been paid in full. No cooperative association or its members shall be liable for any such loans or interest thereon.

"(d) Whenever under the terms and conditions of any loan under this section a default occurs in the repayment of the amount of the principal or interest thereof, the board, upon 10 days' notice to the corporation, shall be held to have title to the stock held by it as security for the loan. The board may sell or otherwise dispose of the stock to any cooperative association or may exercise all voting rights of such stock for the purpose of liquidating the affairs of the corporation. Upon any such sale or other disposition or upon any such liquidation the board shall, after deducting from the proceeds thereof the amount of principal and interest in default upon the loan secured by the stock, pay the remainder of such proceeds to the cooperative association from which the stock was acquired.

"EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

"SEC. —. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Any action of the board in issuing export debentures and vouchers so made for expenditures from the revolving fund shall be final and conclusive upon all officers of the Government; except

that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office, at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund shall be for the sole purpose of making a report to the Congress and to the board of action in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

"ADMINISTRATIVE AND PENALTY PROVISIONS

"SEC. —. (a) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation may be prescribed by the board. Every person who violates any such regulation of the board shall be liable to a civil penalty of $100 for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

"(b) The board shall prepare and issue, or cause to be prepared and issued, all export debentures, and shall prescribe the terms and conditions in respect of export debentures. The Secretary of the Treasury, upon request of the board, is authorized to have such debentures prepared at the Bureau of Engraving and Printing.

"(c) Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended.

"(d) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than $2,000 or imprisoned not more than one year, or both.

"COOPERATION WITH EXECUTIVE DEPARTMENTS

"SEC. —. (a) It shall be the duty of any establishment in the executive branch of the Government, upon request by the board or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such establishment, avail itself of the services and facilities of such establishment in order to avoid preventable expense or duplication of effort.

"(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any establishment in the executive branch of the Government, irrespective of his length of service in such establishment, to the service of the board, and (2) may direct any establishment in the executive branch of the Government to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to such establishment, in pursuance of any provision of law or any agreement with such establishment.

"DEFINITIONS

"SEC. —. As used in this act—

"(a) The term 'person' means individual, partnership, corporation, or association.

"(b) The term 'United States,' when used in the geographical sense, means continental United States and the Territory of Hawaii.

"(c) The term 'tobacco' means leaf tobacco, stemmed or unstemmed.

"(d) The term 'cotton' means cotton of any tenderable grade under the United States cotton futures act.

"(e) The term 'wheat' means wheat not below grade No. 3 as prescribed by the Secretary of Agriculture under the United States grain standards act.

"SEPARABILITY

"SEC. —. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability thereof to other persons or circumstances shall not be affected thereby.

"REVOLVING FUND

"SEC —. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

"ADMINISTRATIVE APPROPRIATIONS

"SEC. —. For expenses in the administration of the functions vested in the board by this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000, to be available to the board for necessary expenses incurred prior to July 1, 1929."

Mr. DOWELL. I make the point of order that the amendment is not germane; it is indefinite and can not be considered at this time. It contains extraneous matter.

Mr. RAMSEYER. A point of order, Mr. Chairman. There was so much confusion I could not tell whether the gentleman from Iowa made a point of order or not. I make the point that this is not the place to offer a substitute; that a substitute can only be offered as the Chair indicated this morning in his able ruling—at the conclusion of the reading of the first paragraph or at the close of the reading of the bill.

Mr. LAGUARDIA. A point of order, Mr. Chairman. The amendment is in the nature of a substitute, and it offers several sections in lieu of section 2. Section 2 has been adopted by the House as a substitute.

Mr. JONES. Mr. Chairman, I want to address myself to the point of order. If section 1 as originally in the Haugen bill were all that was in the bill as amended this might not be germane to such section; but as it has now been acted on by the committee, all the features of both the McNary-Haugen and the Aswell bills in identical form are in it up to the method of raising the money.

In the declaration of policy in section 1 there is set out the purpose of the bill, and that is to give equality by putting agriculture into a price parity with industry and to eliminate waste. Other purposes are also named in that provision. That is the declaration. That is followed with three distinct features—one, a provision for a board; two, a provision for a loan feature; and, three, a provision for insurance. If just one substantive proposition were contained in the bill, it might not be all right to offer a distinct substantive proposal, but there are three distinct substantive propositions, all following in line with the declaration of policy set out in section 1. Since that declaration of policy is set out and you have three distinct substantive methods of operation, according to all of the precedents it is permissible to offer another substantive program.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. CRAMTON. Is the gentleman arguing that because there were three substantive propositions in the Aswell amendment, it is now permissible to add a fourth one as a substitute for section 2 of the Haugen bill? Is that the position of the gentleman?

Mr. JONES. If it is germane to the bill and to the paragraph before it or just following.

Mr. CRAMTON. In other words, if it is germane to the Aswell amendment, it can be offered as a substitute for section 2 of the Haugen bill?

Mr. JONES. I have not yet come to that proposition. I was covering one matter at a time. That itself would not make it germane, but if it is germane to the Aswell bill on its merits, which it will follow, I think that would answer the contention of the gentleman. I was just showing in the first part of my statement to the Chair that there is already more than one distinctive proposition inserted in the bill prior to the place at which this is offered. Under the declaration of policy several things are named. In order to carry out that declaration of policy, they have a board, they have loan features, they have insurance features. The tariff is written into not only section 1, if not in name, then in fact, but the tariff is written all through the Aswell bill and all through the McNary-Haugen bill. The main purpose of the whole bill, not only of the McNary-Haugen bill, but of the Ketcham bill, is to remove the surplus and thus cause the domestic price of a commodity to be automatically lifted up. It is to do that behind the tariff wall. The debenture plan undertakes to assist, to effect the exact main purpose, namely, to help by removing the surplus, by assisting in removing the surplus and effect the same purpose that the insurance feature is to effect, the same purpose that the loan feature is to effect, which is to remove the surplus, though it is done by just a little different method of assisting in doing that. The loan feature is not primarily a loan feature for the purpose of making a loan, but it says it is to make a loan so that the surplus may be removed and thus the price brought up.

The same is true of the insurance feature. It is not to put this board into the insurance business, but it is to adopt insurance as an incident to the main purpose, which is to remove the surplus. The removal of the surplus is the main feature and the main purpose of the bill. These others are incidental. In removing that surplus we have two or three different plans. This will aid in doing that very thing in other ways, all of which are incidental to the main purpose. The tariff is effective on all of the commodities specifically named in this bill with one exception.

The CHAIRMAN. Will the gentleman permit the Chair to suggest a point which the Chair thinks is material?

Mr. JONES. Certainly.

The CHAIRMAN. Of course, the amendment which the gentleman offers must be germane to the section under consideration.

Mr. JONES. Yes.

The CHAIRMAN. And if the amendment contains any matter which is not germane to that section the whole amendment must go out. This section 2 relates to the creation of the Federal Farm Board and nothing else.

Mr. JONES. But the point I make is that the other feature of the Aswell bill being in, it being complete up to that point, this follows the provisions that are already set out, and already inserted, and, therefore, it is in the same status as if it came at the end of the section named in the Aswell bill; and if it follows as the only place where it can be offered, it does not have to be germane as a whole to section 2, because there is a complete bill before it. When you come to the last paragraph of the bill an amendment is in order the effect of which is germane to any part of the bill going on before.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I will.

Mr. BURTNESS. Does the gentleman claim that this is offered as a new section when it is actually offered by way of amendment to section 2 which has just been read?

Mr. JONES. It is offered as any amendment may be offered at the end of the bill. The amendment of the gentleman from Louisiana [Mr. ASWELL] having been adopted by the committee, it is in order, it seems to me, to offer an amendment to immediately follow which is germane to the previous section as a whole.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. DOWELL. The gentleman now is suggesting, or rather stating, that he desires to amend the Aswell bill. That is what he is trying to do. That is your amendment.

Mr. JONES. I can offer any amendment which logically follows the amendment, and this is as germane to the Aswell amendment as the Aswell amendment was to the other amendment.

Mr. DOWELL. It is not germane to this section.

Mr. JONES. It does not make any difference whether this stays in or goes out. Section 2 is standing there in a shape where it would not mean anything except in connection with other parts of the bill. This amendment that we are offering is in the same position as any amendment that might be offered at the end of the bill, and it being germane to the previous feature or section, we think it can be offered as a new section immediately following the previous section. It is always in order to offer a new section following the previous section, offering it as a new section.

It is true that the gentleman from Louisiana, by virtue of a preferential recognition, offered a motion, but a preferential motion has been offered which stands in the same status as a new section, following the amendment just adopted. A new section is offered immediately following. An amendment has been adopted. A new section is always germane if it is germane to what has gone on before, and it is offered as a new section, and if the new section is germane to the section which precedes it, it is in order.

This is the first chance I have had, the first opportunity, to offer it. The gentleman from Louisiana secured the floor, and that is the way his proposal was offered. I think it is on an entirely different status from what it would be if it were merely to strike out and insert. That is the plan that would have been followed if the bill had been considered in an orderly way.

The CHAIRMAN. The Chair is ready to rule.

Mr. CANNON. Just one word, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, the pending motion is a motion to strike out the section.

Now, how was the gentleman able to secure recognition? By offering a preferential motion to amend. His amendment is to perfect the text proposed to be stricken out. Otherwise he could not have secured the floor. It follows then that his amendment must be germane to the pending section.

But the gentleman's entire argument has been devoted to proving that his amendment is germane to the bill as a whole. That is not sufficient. Under the rules the amendment must be germane not only to the bill but it must also be germane to the pending section.

That fact he has failed to establish for the simple reason that these numerous provisions which he has enumerated can have no possible relation to the section under consideration. The amendment is not germane to the section and is therefore not in order.

Mr. RAINEY. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Illinois.

Mr. RAINEY. Mr. Chairman, there is nothing new in this question. It was passed on in the Sixty-eighth Congress, as I remember it, by the present Chairman. At the first session of the Sixty-eighth Congress this identical question came up, and I myself presented the question to this present Chairman. He will find the matter discussed and settled on May 24, 1924, on page 9444 of the CONGRESSIONAL RECORD of the Sixty-eighth Congress, first session. I prepared the very first debenture bill, and I sought to substitute it for the McNary-Haugen bill of that year. It was a complete plan. It was not different in the method by which it sought to apply relief.

This is what the Chairman said with reference to my effort to get that debenture plan substituted for the McNary-Haugen bill, when a point of order was made against it by the gentleman from Missouri [Mr. CANNON]. This is what the Chairman said:

> The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Illinois [Mr. RAINEY] as a substitute for the entire bill is more nearly germane than the former amendment, but the Chair is of opinion that it does not come within the rule of germaneness. The object sought, of course, is farm relief, but that does not necessarily make the bill germane. The method is so entirely different in the bill offered by the gentleman from Illinois from the method of the bill under consideration that it seems to the Chair that it is not germane. Both bills recognize that the question of price is determined somewhat upon the exportable surplus, but the bill which the Chair has rather hastily read, offered by the gentleman from Illinois by way of substitute, proposes to deal with this question of exportable surplus by giving a bounty to the exporter, evidently with the view that if the export brings a fair price, a fair price would result in the domestic market; but that is such a departure from the plan of the bill which creates a Government corporation, giving it power and authority to export, that it would not come within the rules of the House to hold it germane. The Chair therefore sustains the point of order.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Illinois does the present occupant of the chair too much honor. The decision which he has just read is the decision of 1924 by Chairman Sanders, of Indiana, not the present occupant of the chair.

The Chair does not think that it is necessary to go into the question as to whether the present motion is a perfect or full substitute motion or not. It is made as an amendment to section 2.

The Chair thinks that the gentleman from Texas [Mr. JONES] was not quite accurate when he said this is the first opportunity he has had to offer this amendment. We have passed section 1, and section 2 has been read, and the gentleman from Louisiana [Mr. ASWELL] has made a motion to strike out section 2.

I think it is a well-settled rule that amendments must be germane to the subject under consideration and to the section under consideration; and the section which is under consideration at present is section 2, which relates to the creation of a Federal farm board.

Without going into the general question of germaneness, there certainly are items in the amendment offered by the gentleman from Michigan which are not germane to section 2 of the Haugen bill and, therefore, the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, I offer another amendment. I move to strike out section 2 and to insert the bill which I send to the Clerk's desk, beginning with section 2, which, I will state, takes up the board feature of the Ketcham bill and follows it with the remaining part of the bill.

Mr. LAGUARDIA. Do you offer the whole bill?

Mr. JONES. And I give notice that if this is adopted I will move to strike out the remaining sections of the bill.

Mr. BURTNESS. Mr. Chairman, I desire to interpose the same point of order I made before, that this is not germane to section 2.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. JONES: Strike out all of section 2 and insert in lieu thereof H. R. 12893, beginning with section 2 on page 2, line 7.

Mr. DOWELL. Mr. Chairman, I make the same point of order, that it is not germane.

Mr. JONES. Mr. Chairman, I ask unanimous consent that my amendment may be considered read and printed in the RECORD as if read.

Mr. LAGUARDIA. Mr. Chairman, under the ruling just made by the Chair it is not in order.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that his amendment may be considered read. Is there objection?

Mr. CRAMTON. Mr. Chairman, reserving the right to object, that means printing again just what was printed a few minutes ago, with the exception of the first section of the bill; is not that correct?

Mr. JONES. Yes.

Mr. CRAMTON. I will not object, but I think it is a waste of good paper.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendment referred to is as follows:

FEDERAL FARM BOARD

SEC. 2. (a) A Federal farm board is hereby created which shall consist of the Secretary of Agriculture, who shall be a member ex officio, and four members, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

(b) The terms of office of the appointed members of the board first taking office after the approval of this act shall expire, as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, one at the end of the third year, and one at the end of the fourth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring four years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Any member of the board in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

(e) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the appointed members in office shall constitute a quorum for the transaction of the business of the board.

(f) Each of the appointed members of the board shall be a citizen of the United States, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of $10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or if assigned to any other office established by the board, then while away from such office on business required by this act.

GENERAL POWERS

SEC. 3. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

(g) Shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(h) Shall keep advised, from any available sources, of crop prices, prospects, supply and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products, and it may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity, in order that they may secure the maximum benefits under this act.

(i) Shall advise producers, through their organizations or otherwise, in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized, in order that they may secure such benefits.

(j) May, upon request by any cooperative association handling the agricultural commodity or upon its own motion, investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

(1) Whether a surplus of such commodity exists or threatens to exist;

(2) Whether the existence or threatened existence of such surplus depresses or threatens to depress the price for such commodity below the average cost of the actual production of such commodity in the United States during the preceding five years; and

(3) Whether the conditions of durability, preparation, processing, preserving, and marketing of such commodity, or the products therefrom, are such that the commodity or products are adapted to storage and future disposal.

LOANS

SEC. 4. (a) The board is authorized to make loans, out of the revolving fund hereinafter created, to any cooperative association or corporation created and controlled by one or more cooperative associations, upon such terms and conditions as, in the judgment of the board, will afford adequate assurance of repayment and carry out the policy declared in section 1, and upon such other terms and conditions as the board deems necessary. Any such loan shall be for one of the following purposes:

(1) For the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or year's total surplus produced in the United States, and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity.

(2) For the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing services, if the proceeds of the loan are to be used either (A) for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or (B) for assisting the cooperative association or corporation created and controlled by one or more cooperative associations in the acquisition, by purchase, construction, or otherwise, of facilities and equipment, including terminal marketing facilities and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or (C) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative asscIations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended, or (D) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for necessary expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations.

(b) In case of a loan to a cooperative association under paragraph (2) of subdivision (a), the notes or other obligations representing the loan (1) may be secured by marketing contracts of members of the cooperative association, and be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered under the members' marketing contracts, or (2) may be secured in such other manner as the board deems adequate.

(c) Any corporation created and controlled by one or more cooperative associations shall be eligible to receive loans under this section if the corporation is organized under the laws of any State, has the minimum capital required by the laws of the State of its organization, and agrees with the board:

(1) To adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(2) To keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

(3) To permit the board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(4) To set aside a reasonable per cent of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(5) Distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

(d) If the board finds that its advice as to a program of planting or breeding of any agricultural commodity, as provided in section 3 (i), has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity

for the preceding five years, the board may refuse to make loans under paragraph (1) of subdivision (a).

(e) Any loan under this section shall bear interest at the rate of 4 per cent per annum. The aggregate amount of loans under this section outstanding and unpaid at any one time shall not exceed $150,000,000 but—

(1) The aggregate amount of loans for all purposes under paragraph (2) of subdivision (a), outstanding and unpaid at any one time, shall not exceed $25,000,000; and

(2) The aggregate amount of loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, outstanding and unpaid at any one time, shall not exceed $2,000,000.

EXPORT DEBENTURES

SEC. 5. (a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to the limitations of this act, issue an export debenture to any farmer, cooperative association, and other person (including any export corporation organized by the board under section 9), in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by such farmer, cooperative association, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation.

(b) In order to procure the issuance of an export debenture, such farmer, cooperative association, or other person shall, within a reasonable time prior to the exportation, to be prescribed under regulations of the board, make application for such debenture and submit proofs satisfactory to the board either (1) that the quantity of the debenturable agricultural commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the agricultural commodity used in making the quantity of the debenturable product to be exported was produced in the United States and the agricultural commodity and the debenturable product have not previously been exported therefrom.

(c) Any export debenture, when presented by the bearer thereof within one year from the date of issuance of the debenture, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by such bearer.

(d) Title to any expert debenture shall be transferable by delivery.

DEBENTURABLE COMMODITIES AND PRODUCTS

SEC. 6. For the purposes of this act, wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodity which is designated by the board under section 7 (b), shall be known and are herein referred to as debenturable agricultural commodities. Any food product of wheat, corn, rice, swine, or cattle, or any manufactured product of cotton or tobacco, or of any other agricultural commodity designated by the board under section 7 (b), shall be known and is herein referred to as a debenturable product if a debenture rate is prescribed for such product either specifically in section 7 (a) or by the board under section 7 (c).

EXPORT DEBENTURE RATES

SEC. 7. (a) The following export debenture rates are hereby prescribed:

(1) Swine, one-quarter of 1 cent per pound; fresh pork, three-eighths of 1 cent per pound; bacon, hams, shoulders, and other pork, prepared or preserved, 1 cent per pound; lard, one-half of 1 cent per pound.

(2) Cattle weighing less than 1,050 pounds, three-fourths of 1 cent per pound; cattle weighing 1,050 pounds or more, 1 cent per pound; fresh beef and veal, 1½ cents per pound.

(3) Corn or maize, including cracked corn, 7½ cents per bushel of 56 pounds; corn grits, meal, and flour, and similar products, 15 cents per 100 pounds.

(4) Paddy or rough rice, one-half of 1 cent per pound; brown rice (hulls removed), five-eighths of 1 cent per pound; milled rice (bran removed), 1 cent per pound; broken rice, and rice meal, flour, polish, and bran, one-quarter of 1 cent per pound.

(5) Wheat, 21 cents per bushel of 60 pounds; wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 52 cents per 100 pounds.

(6) Cotton, 2 cents per pound.

(7) Tobacco, 2 cents per pound.

(b) If the board finds (1) that the cost of producing in the United States any agricultural commodity (other than wheat, corn, rice, swine, cattle, cotton, and tobacco) of which a surplus above domestic requirements is produced in this country is greater than the cost of producing such commodity in competing foreign countries, and (2) that the domestic prices for such commodity are unduly depressed by world prices for such commodity—then the board, after publicly declaring its findings, may designate such commodity as a debenturable agricultural commodity and may prescribe such export debenture rate for the commodity as it finds sufficient to equalize the difference between the cost of producing such commodity in the United States and the cost of producing such commodity in competing foreign countries. Such export debenture rate shall not exceed any rate of tariff duty that may be in effect in respect of such commodity.

(c) In order to promote the effectiveness of export debentures in respect of any debenturable agricultural commodity, the board may prescribe an export debenture rate upon products of the commodity as follows:

(1) If the debenturable agricultural commodity is wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any food product made wholly or in part thereof.

(2) If the debenturable agricultural commodity is a commodity other than wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any manufactured product made wholly or in part thereof. Any export debenture rate under this subdivision shall be sufficient to produce an export debenture in an amount equal to the debenture that would be issuable upon exportation of the quantity of the debenturable commodity consumed in the manufacture of the unit of the product upon which the export debenture is issued.

FLEXIBLE RATE PROVISIONS

SEC. 8. (a) In order to prevent undue stimulation of the production of any debenturable agricultural commodity, whenever the board finds that the average annual production of any debenturable livestock commodity or the average annual acreage of any other debenturable agricultural commodity for the last two preceding years has exceeded the average annual production or acreage, respectively, of such commodity for the period from the seventh to the third preceding year, then the board, after publicly declaring its finding, shall prescribe that the export debenture rates for the commodity and the debenturable products thereof shall be reduced or that the issuance of debentures therefor shall be suspended, as hereinafter prescribed in subdivision (b) for the amount of increase in production or acreage which the board finds has occurred. Any such reduction or suspension shall become effective at the commencement of the next calendar year and shall continue throughout such calendar year. No such reduction or suspension shall be made unless notice thereof is published at least 30 days before the commencement of such calendar year. At the end of such calendar year the export debenture rates which were in effect immediately prior to the commencement thereof shall again become effective unless the board under the provisions of this act prescribes a change in such rates.

(b) Reductions of debenture rates or suspensions of the issuance of debentures, subdivision (a), shall be in accordance with the following limitations:

(1) For a computed increase in production or acreage of less than 5 per cent there shall be no reduction.

(2) For a computed increase in production or acreage of 5 per cent but less than 10 per cent there shall be a reduction of 25 per cent.

(3) For a computed increase in production or acreage of 10 per cent but less than 15 per cent there shall be a reduction of 50 per cent.

(4) For a computed increase in production or acreage of 15 per cent or more the issuance of debentures shall be suspended for a period of one year.

(c) In computing reductions in export debenture rates fractions of a cent less than one-eighth shall not be used.

(d) The power of the board under this section in respect of any agricultural commodity shall be exercised in such manner as will in its judgment carry out the policy declared in section 1.

INSURANCE

SEC. 10. (a) Upon request of any cooperative association or associations, the board is authorized to loan, from time to time out of the revolving fund, to such association or associations, funds requisite for subscription to and payment of the capital stock of a corporation to be organized under the laws of any State, for the purpose of entering into contracts of price insurance. If there is more than one such subscribing association, such loans shall be in such proportions as the associations may agree, or on failure of such agreement, then in such proportions as the board may determine. Such loans shall be made upon such terms and conditions as the board may prescribe, except that no such loan may be made unless the cooperative association or associations receiving the loan have entered into an agreement with the board that the corporation to be formed, will in its charter or by-laws, be subject to the following requirements:

(1) That the corporation will insure the price only of those agricultural commodities which, in the judgment of the board, are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

(2) That subsequent to the organization of the corporation any cooperative association handling a commodity insured by the corporation may become a stockholder in such corporation upon such terms and conditions as the board may prescribe, and that all stock in the corporation will be subject to such restrictions upon its alienation as will insure the retention of both such stock and all beneficial interests therein by cooperative associations.

(3) That the corporation will insure any cooperative association, a stockholder in the corporation, for any 12 months' period commencing with the delivery season for the commodity, against loss to such association or its members due to decline in the average market price of the agricultural commodity handled by the association during the period of sales by the association, from the average market price for the commodity during the period of delivery to the association. The duration of such periods shall be specified in the policy of insurance. In computing such average market prices, the policy shall provide for the use of daily average cash prices paid for a basic grade of the commodity in an exchange designated in the policy.

(4) That the corporation will insure only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the policy.

(5) That the corporation will issue policies of insurance only at rates of premium fixed by the corporation and approved by the board as being adequate to cover the risk assumed under the policies issued.

(6) That the corporation will keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition, as the board may from time to time prescribe.

(7) That the corporation will permit the board, on its own initiative or upon written request of any cooperative association, a stockholder in the corporation, to investigate the financial condition and business methods of the corporation.

(8) That whenever the board finds that private insurance agencies are able to provide the insurance offered by the corporation upon terms which the board deems satisfactory, then the corporation will thereupon repay to the board the amount of all outstanding loans under this section and interest thereon.

(b) No more than one corporation shall be maintained at any one time under this section.

(c) The cooperative association or associations to which loans are made under this section shall pledge with the board their stock in the corporation as security for the loans. Loans under this section shall bear interest at the rate of 4 per cent per annum on the unpaid principal. Dividends upon the stock pledged with the board shall be applied, first, to interest due upon the loans, and then to the principal of the loans. No distribution shall be made by the corporation otherwise than by cash dividends upon its stock until such time as such loans and the interest thereon have been paid in full. No cooperative association or its members shall be liable for any such loans or interest thereon.

(d) Whenever under the terms and conditions of any loan under this section a default occurs in the repayment of the amount of the principal or interest thereof, the board, upon 10 days' notice to the corporation, shall be held to have title to the stock held by it as security for the loan. The board may sell or otherwise dispose of the stock to any cooperative association or may exercise all voting rights of such stock for the purpose of liquidating the affairs of the corporation. Upon any such sale or other disposition or upon any such liquidation the board shall, after deducting from the proceeds thereof the amount of principal and interest in default upon the loan secured by the stock, pay the remainder of such proceeds to the cooperative association from which the stock was acquired.

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

SEC. 11. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board. Any action of the board in issuing export debentures and vouchers so made for expenditures from the revolving fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund shall be for the sole purpose of making a report to the Congress and to the board of action in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

ADMINISTRATIVE AND PENALTY PROVISIONS

SEC. 12. (a) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation, may be prescribed by the board. Every person who violates any such regulation of the board shall be liable to a civil penalty of $100 for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

(b) The board shall prepare and issue, or cause to be prepared and issued, all export debentures, and shall prescribe the terms and conditions in respect of export debentures. The Secretary of the Treasury, upon request of the board, is authorized to have such debentures prepared at the Bureau of Engraving and Printing.

(c) Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended.

(d) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance, or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than $2,000 or imprisoned not more than one year, or both.

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 13. (a) It shall be the duty of any establishment in the executive branch of the Government, upon request by the board or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such establishment, avail itself of the services and facilities of such establishment in order to avoid preventable expense or duplication of effort.

(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any establishments in the executive branch of the Government, irrespective of his length of service in such establishment, to the service of the board, and (2) may direct any establishment in the executive branch of the Government to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to such establishment, in pursuance of any provision of law or any agreement with such establishment.

DEFINITIONS

SEC. 14. As used in this act—

(a) The term "person" means individual, partnership, corporation, or association.

(b) The term "United States," when used in the geographical sense, means continental United States and the Territory of Hawaii.

(c) The term "fiscal year of the United States" means the 12-month period ending June 30.

(d) The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(e) The term "cotton" means cotton of any tenderable grade under the United States cotton futures act.

(f) The term "wheat" means wheat not below grade number 3 as prescribed by the Secretary of Agriculture under the United States grain standards act.

SEPARABILITY

SEC. 15. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability thereof to other persons or circumstances shall not be affected thereby.

REVOLVING FUND

SEC. 16. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

ADMINISTRATIVE APPROPRIATION

SEC. 17. For expenses in the administration of the functions vested in the board by this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000, to be available to the board for necessary expenses incurred prior to July 1, 1929.

Mr. LAGUARDIA. Mr. Chairman, I make the point of order that it is offering an entire bill, that it is in conflict with the ruling just made by the Chair, and is not germane.

Mr. BANKHEAD. Mr. Chairman, I would like to know just what was the point of order made by the gentleman from New York.

Mr. RAMSEYER. Mr. Chairman, I could not hear, and I do not think anybody else heard, what points of order were interposed. I would like to know what point of order has been interposed, if any.

Mr. BANKHEAD. We could not hear on this side and we would like to know.

Mr. DOWELL. Mr. Chairman, I will state my point of order. The point of order I make is that the amendment or substitute can not be offered at section 2 and that the amendment or substitute offered is not germane to section 2, nor to any part of the bill.

Mr. BANKHEAD. Mr. Chairman, I would like to be heard very briefly on that point of order.

Mr. CANNON. Mr. Chairman, we are not aware yet what has been offered. Nobody seems to know exactly what is before the committee or what sections of the Ketcham bill are included.

Mr. BANKHEAD. Mr. Chairman, as I understood the ruling of the Chair just now, or, rather, the effect of the ruling, regardless of the merits of the proposal now submitted, it was that, although the Aswell bill had been agreed to in the committee as a whole and stands now upon the RECORD as a legislative entity, that nevertheless under the precedents which the Chair cited it would be in order to continue to read the original Haugen bill for perfecting amendments. Assuming that conclusion is true, what is the parliamentary attitude of the motion just made by the gentleman from Texas? He is assuming, as I understand it, the identical attitude assumed by the gentleman from Louisiana when he offered his substitute to section 1 of the original bill.

The gentleman from Texas [Mr. JONES] offers to strike out section 2 of the McNary-Haugen bill and offers as an amendment to it or as a substitute for it section 2 of the Ketcham-Jones bill, and gives notice that if it is adopted then he will subsequently move to strike out the other sections of the pending McNary-Haugen bill.

If the Chair should decide that the substitute is germane—I am not going to argue the question of germaneness because it has already been submitted by the gentleman from Texas when he pointed out the identical structure of the two bills, when he pointed out that they were seeking to effectuate the same purpose by the same character of machinery, and that the only essential difference is the method of accomplishing this purpose, one by a fee and the other by the issuance of debentures. In my opinion it is germane as a substitute for the McNary-Haugen bill, but the parliamentary situation with which the Chair is now confronted, as I see it, is that having ruled that the McNary-Haugen bill is open to the committee for perfection or for amendment, if the reasoning of the Chair upon yesterday that the Aswell amendment is germane is correct, then by parity of reasoning I say, except on the question of germaneness which the Chair would have to decide, the motion made by the gentleman from Texas is germane regardless of the real merits of the proposition which I am not discussing. I have simply undertaken to submit the parliamentary phase of the question as it occurs to me.

Mr. ASWELL. Will the gentleman yield?

Mr. BANKHEAD. Certainly.

Mr. ASWELL. In view of the fact that the Aswell substitute has been adopted and I have already moved to strike out section 2, what would be the status if the Jones substitute was adopted? Where would the Aswell substitute be then?

Mr. BANKHEAD. I think if the Jones substitute were adopted that would eliminate the McNary-Haugen bill, and if the committee followed up the adoption of the Jones-Ketcham substitute when we went back into the House, the McNary-Haugen bill would be absolutely eliminated from the picture.

Mr. ASWELL. Where would the Aswell substitute be?

Mr. BANKHEAD. The Aswell substitute would be in the same attitude that the Chair has held it is in now. It is a perfected measure that will be reported to the House for the determination of that body.

Mr. ASWELL. Then there would be two substitutes.

Mr. BANKHEAD. No; I do not think so. I think the effect of the adoption of the Ketcham substitute would be absolutely to take the place of the McNary-Haugen bill, and then the issue would be between the Aswell substitute and the Jones-Ketcham proposition.

Mr. ASWELL. How could there be such an issue when mine is already adopted?

Mr. BANKHEAD. The Chair has already ruled upon that.

Mr. LAGUARDIA. It has not been adopted by the House.

Mr. BANKHEAD. No; it has not been adopted by the House; only in the committee.

Mr. CANNON. Mr. Chairman, the amendment is proposed just 24 hours too late. This motion might properly have been offered as a substitute for the Aswell bill when that proposition was offered yesterday and before its adoption by the Committee of the Whole. But it is now too late. They have sinned away their day of salvation.

We have presented here exactly the parliamentary proposition presented when the last amendment was offered and ruled out of order. This amendment, like that offered by the gentleman from Michigan, is out of order for the reason cited by the Chair in his opinion just rendered on the point of order against that amendment. The amendment is not germane to the subject under consideration.

The CHAIRMAN. The Chair is ready to rule.

It seems to the Chair that the gentleman from Alabama [Mr. BANKHEAD] overlooks in his argument the fact that there are two natural places for offering substitute bills; one is at the end of the reading of the first section, and the other is at the end of the reading of the bill.

The matter under consideration now is section 2 of the Haugen bill, and amendments of section 2 of the Haugen bill must be germane to that section. The Chair thinks there are a great many items, without reference to the question of its germaneness to the bill as a whole, in the Jones motion which are not germane to section 2 of the Haugen bill, and therefore sustains the point of order.

Mr. JONES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES. If the measure is otherwise germane, would it be in order to offer it after we have finished reading the McNary-Haugen bill?

The CHAIRMAN. The Chair prefers to cross that bridge when he comes to it.

Mr. BURTNESS. Mr. Chairman——

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry. What is the question before the House?

The CHAIRMAN. The question before the committee is the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out section 2 of the Haugen bill.

Mr. BURTNESS. And I rise in opposition to that motion.

Mr. CHINDBLOM. Let me ask one further question, if the gentleman will permit. There is nothing left of all the Ketcham motions?

The CHAIRMAN. There is nothing else pending.

Mr. BURTNESS. I oppose the amendment to strike out the section. Gentlemen, I feel we have come to a very important point in our considerations, and I hope you will bear with me for a few moments while I try to present the situation as I see it, in view of the adoption by the committee yesterday of the so-called Aswell substitute, and in view of the various motions that will be made to-day to strike out each and every section as they are read. I believe, if you will follow me, practically all of you will agree with my conclusion that the sections as they are read should not be stricken out, but should remain in the bill.

Mr. HASTINGS. And perfected.

Mr. BURTNESS. And, of course, as the gentleman from Oklahoma [Mr. HASTINGS] suggests, perfected in the discretion of the committee.

Now, I doubt whether the membership of the committee generally realized exactly the result of the action that was taken yesterday when the Aswell substitute was adopted, and at the same time the Fort amendment, which would have stricken out section 9, was rejected. I submit in all seriousness and frankness to you, gentlemen, and particularly to those of you who come from the cotton States, that the elimination of sections 10 and 11, without at the same time eliminating section 9, is unfair and is not consistent with any logic or reason whatever that can be presented to any body of men upon the questions that are before us.

I call to your attention the arguments made by the gentleman from New Jersey [Mr. FORT] in that respect when he moved to strike out section 9 in connection with sections 10 and 11. If the other sections are to go out, the arguments of the gentleman are unanswerable; but what is the situation? Let me ask the men who come from the grain States, the Corn Belt, the hog-producing section of the country, or from any other section which produces any agricultural product whatever, if they realize what the real situation is?

The marketing provisions of section 9 can in all probability not be used in the case of your products at all without the equalization fee, but that is not the case with cotton. You can not raise the price of wheat or hogs, for instance, above world prices without some loss on the surplus. The equalization fee was intended for that purpose. No one contemplated that Treasury funds would be used. With cotton the situation is different. The world has to have our cotton. With plenty of funds and with domestic control the world price can probably be raised. They can still use the marketing provisions of section 9, but you growers of corn or wheat or hogs with a relatively small export surplus, you can not take care of the loss on that product and make use of the marketing arrangements set up in that section and as included in the Aswell amendment. I wish you would turn to section 9 and see what

the gentleman from Louisiana did. Section 9 is the one which gives such tremendous powers to the board—it gives them power when they find certain facts to exist to arrange to market any particular commodity and make arrangements with cooperative associations and corporations that may be established therefor, pay losses, take care of expenses, make deals, and if there are no cooperatives to make arrangements for processing of various kinds with other agencies.

Now, in the McNary-Haugen bill as originally introduced there was set up a stabilization fund to take care of the expenses. Such stabilization fund was to be made up of the equalization fee by money contributed by the producers themselves. In the Aswell bill, substituted yesterday, there were changes in this section, but they were not called to the attention of the House and you can not find it in the RECORD; but in the Aswell substitute the words "stabilization fund" were stricken out and the words "revolving fund" were inserted in lieu thereof.

What does it mean? It means, of course, that the Members of the committee, by such action, if finally approved, make it possible to spend all of the $400,000,000 provided for in the revolving fund on one sole commodity or crop, the crop which can be practically used in connection with the marketing arrangements that are contemplated by section 9.

Let us correct this situation by voting down each amendment to strike out the remaining sections and then in the House vote to reject the Aswell substitute.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for five minutes. Is there objection?

Mr. EDWARDS. I object.

Mr. RAMSEYER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 32, line 15, strike out the words "any person" and insert in lieu thereof the words "all persons."

Mr. NEWTON. Mr. Chairman, I will reserve a point of order on that. We have not read section 2.

Mr. RAMSEYER. We have read section 2, and the motion is to amend section 2. Now I want a few minutes' time to get before the House the parliamentary situation. I would like the attention of the gentleman from Louisiana and those who oppose the Haugen bill.

Mr. ASWELL. I am in favor of the Haugen bill if the equalization fee is left out.

Mr. RAMSEYER. I want the attention of both those in favor of the Aswell bill and those who favor the Haugen bill with the equalization fee. The chairman ruled this morning in an able opinion just what the situation is. We have the Aswell bill here as an amendment to section 1. I think it behooves the friends of the Haugen bill, which, of course, differs from the Aswell plan in that it carries the equalization fee, to vote against every motion to strike out the remaining sections as they are reached for consideration. You are going to have an opportunity to perfect the sections, you are going to have an opportunity to vote on each one of them as perfected, and if you can hold your forces here and succeed in voting down the motions to strike out when the committee rises you will have an opportunity to vote once more on the Aswell proposition, and——

Mr. ASWELL. Mr. Chairman, I make the point of order that the gentleman has not permission to speak out of order. He is not discussing any amendment. He is giving a lecture to his side of the House. [Laughter.]

Mr. RAMSEYER. My amendment has to do with "all persons" and I am addressing myself to all persons interested in this legislation, and if all persons will heed what I say and vote accordingly when the bill gets before the House, the House will then have a chance to vote on the Aswell bill and on the Haugen bill as perfected.

Mr. BURTNESS. In other words, the gentleman is showing why the motion to strike out should not prevail.

Mr. RAMSEYER. Exactly.

Mr. ASWELL. Will the gentleman yield?

Mr. RAMSEYER. I will yield.

Mr. ASWELL. Does the gentleman feel so discouraged that he has to lecture his side of the House?

Mr. RAMSEYER. I want to be sure that they understand the situation. I feel that on yesterday the gentleman from Louisiana succeeded in confusing them, and I want to unconfuse them. [Laughter.]

Mr. ASWELL. I am sorry that the gentleman is so discouraged.

Mr. RAMSEYER. I am not discouraged; I never felt better or more hopeful in my life.

Mr. ASWELL. The gentleman looks all right, but he seems to have no heart in it.

Mr. RAMSEYER. I have put in as much heart as I have and if I have not as much heart as the gentleman from Louisiana it is not my fault.

Having gotten what I intended to say before the Committee of the Whole, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana to strike out the section.

The question was taken.

Mr. ASWELL. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed Mr. ASWELL and Mr. HAUGEN to act as tellers.

The committee again divided; and the tellers reported—ayes 119, noes 159.

So the motion was rejected.

The Clerk read as follows:

GENERAL POWERS

SEC. 3. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil-service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

(g) Shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(h) Shall keep advised, from any available sources, of crop prices, prospects, supply, and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products, and it may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity, in order that they may secure the maximum benefits under this act.

(i) Shall advise producers through their organizations or otherwise in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized, in order that they may secure such benefits.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 33, line 14, strike out all of section 3.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. JONES offers the following amendment: Page 34, line 25, after the word "benefits," insert a new subsection, to be known as subsection (k), as follows:

"The board shall have power to prohibit speculation and manipulation in respect to any agricultural commodity on what is commonly known as the cotton or grain exchanges and boards of trade, and forbid any person, corporation, or association of persons to sell any contract for future delivery of any cotton, grain, or other products within the United States which may enter into interstate commerce, unless such seller is actually the legitimate owner of the cotton, wheat, or other agricultural commodity so contracted for future delivery at the time such sale or contract is made; and upon the entering of such order by the board it shall be unlawful for any person, corporation, or association of persons to sell such commodity in violation of such order forbidding the same; and upon the issuance of such order it shall also be unlawful for any person to send or cause to be sent any message offering to make or enter into

a contract for the sale for future delivery of any such commodity in violation of the provisions of such order. Anyone violating the provisions of any such order or the regulation issued thereunder shall be punished as provided in subdivision (b) of section 20 of this act."

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane to the section and is not germane to the bill.

Mr. JONES. Mr. Chairman, I do not think that the gentleman will contend that it is not in order if he will read the declaration of policy as set out in section 1. In the declaration of policy one of the purposes of the act is to minimize speculation and waste. All of the witnesses, the proponents of the bill and the different ones who have advocated it, have said that one of the effects of the provisions of this bill would be to eliminate speculation and manipulation. This is to be a farm board. That farm board is given certain powers. The bill enumerates the number of different powers which the board is given. I simply give it additional powers which are named in the declaration of purposes of the main bill, and thinking that as this is to be a farm board and as one of the things that a great many people think is wrong about the present situation is the fact that there is undue speculation in farm commodities, especially on the exchanges, I thought the board might well be given the power, if there was undue speculation or manipulation, to forbid such speculation. You will find that there is no question but that it is within the main purposes of the bill. In the general enumeration of powers there are something like seven or eight different powers given to the board. These additional powers are no more different from the other provisions than they are different among themselves. These different powers are to be found in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), and (i). Those separate powers being named, any other power that comes within the purview of the bill is also in order. There is no question that it comes within the purview of the bill. It is named in the declaration of policy, and it has been discussed by practically everyone who has spoken here at any length in behalf of the bill. It was mentioned by the witnesses who assisted in the preparation of certain provisions of the bill, and shining all the way through the bill the evident purpose to take charge of the machinery of distribution, and this is a part of the machinery of distribution of farm products—the exchanges. Every avenue of commerce in the country is affected by this bill. Representatives from different concerns came and said the bill would affect their businesses, some favorably, some unfavorably, but all agreed that every channel of commerce in the country is affected by this bill. That being true, and several different powers being enumerated, it certainly is in order to enumerate another power.

Mr. DICKINSON of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. DICKINSON of Iowa. The gentleman ought to realize that because a statement of policy is made in one paragraph or in the preamble of the bill, he can not, therefore, bring in every remedy for every possible evil that may exist in the agricultural situation, and that is what the gentleman is trying to do.

Mr. JONES. Yes; but——

Mr. DOWELL. That is what the gentleman says.

Mr. JONES. This is named in the declaration of policy. All those who have argued for the bill have said that to be the effect. There is not any question, Mr. Chairman, but that every element of business machinery that is now being operated in commerce will be affected by the operation of this bill. For instance, the cotton and grain exchanges are operating on farm commodities, not only on general farm commodities but upon the surplus of those commodities; and that being true, it is directly involved in a measure that turns over to other organizations the privilege of handling the various commodities.

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. ADKINS. The gentleman from Texas is a member of the committee, is he not?

Mr. JONES. Yes.

Mr. ADKINS. No member of the committee ever thought of such a thing.

Mr. JONES. The gentleman is one who has argued all through the hearings before the committee that the immediate effect of the adoption of the McNary-Haugen bill would be to minimize and perhaps to eliminate speculation and waste.

Mr. ADKINS. Yes.

Mr. JONES. And the other day, on the floor of this House, the gentleman argued that the speculators and manipulators and those who are engaged in transactions on the exchanges were opposing the bill because it would have the effect of putting them out of business.

Mr. ADKINS. Nobody knows if it will stop them until it has been tested.

Mr. JONES. This bill gives the farm board the power, if it finds that it is necessary to exercise it. Why should anybody object to that? I do not put it into force. I simply give them the power to enforce it. I want to make it clear that this farm board is given the power to stop gambling and speculation in farm products. That is the purpose of my amendment.

I simply want to give the board the power, not necessarily to exercise the power. I can not see why this great farm board, which it is proposed shall be created, shall have power to abolish speculation, gambling, and manipulation when the board thinks it advisable. What right has any speculator to interfere with the orderly working out of the program of the farm board? What does the speculator contribute to farm prices anyway.

Mr. CANNON. Mr. Chairman, in the consideration of this point of order it is only necessary to call attention to the rule which provides that if any portion of an amendment is not in order, no part of it is in order.

There are many provisions in the proposed amendment which subject it to the point of order. Choosing, for example, at random one of the provisions obviously repugnant to the rule, there is a paragraph proposing to inflict a penalty involving both fines and imprisonment. Nobody would seriously contend that such a provision is germane to this section; and that portion being out of order, of course the entire amendment is out of order.

The CHAIRMAN. The Chair is ready to rule. The purpose of this particular section now under consideration is to define the general powers of the farm board and to provide for its organization. It seems to the Chair that this amendment introduces an entirely new subject into the section, and therefore the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, is it ruled out on the ground suggested by the gentleman from Missouri [Mr. CANNON] or on the general ground that it is not germane? If it is on the general purpose, I can modify my amendment.

Mr. CANNON. That is one of the reasons.

The CHAIRMAN. The Chair thinks it is not germane to the section.

Mr. JACOBSTEIN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JACOBSTEIN: Page 34, line 25, after the word "benefits," insert a new paragraph as follows: "The term 'agricultural commodity' used in this and all other sections of this act shall mean an agricultural commodity which is not a fruit or vegetable."

Mr. RAMSEYER. Mr. Chairman, I make a point of order that it is not germane to this section. Definitions of terms have a later place in the bill.

Mr. JACOBSTEIN. Mr. Chairman, I would like to be heard on that.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JACOBSTEIN. Mr. Chairman, I believe my amendment is strictly in order at this point, because it is a limitation on the general power of the Federal Farm Board provided for in this section. This section sets forth the organization as well as the specific powers of the board. In paragraph (h) of this section the board has power to deal with the "surplus of any agricultural commodity." I am seeking to limit the power of the board by stating that its powers shall be confined to an agricultural commodity which is not a fruit or vegetable. It is strictly and clearly a limitation on the power of the board. If declared out of order, I serve notice that I shall introduce the amendment at another place in the bill. Fruits and vegetables should be excluded from the operation of this act. Perishable farm products can not be cared for or benefit by the operation of this farm bill. I hope the House will agree to my amendment or other similar amendment when it is in order.

The CHAIRMAN. It seems to the Chair that the argument of the gentleman from New York is quite ingenious, but his amendment goes to one of the vital sections of the bill. In the judgment of the Chair it is not germane to this section of the bill. The Chair, therefore, sustains the point of order.

The question is on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. ASWELL. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Louisiana calls for a division.

The committee divided; and there were—ayes 47, noes 108.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read the next section.

The Clerk read as follows:

COMMODITY ADVISORY COUNCILS

SEC. 4. (a) For each agricultural commodity, which the board from time to time determines may thereafter require stabilization by the board through marketing agreements authorized by this act, the board is hereby authorized and directed to create an advisory council of seven members fairly representative of the producers of such commodity. Members of each commodity advisory council shall be selected annually by the board from lists submitted by cooperative associations or other organizations representative of the producers of the commodity. Members of each commodity advisory council shall serve without salary but may be paid by the board a per diem compensation not exceeding $20 for attending meetings of the council and for time devoted to other business of the council and authorized by the board. Each council member shall be paid by the board his necessary traveling expenses to and from meetings of the council and his expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while engaged upon the business of the council. Each commodity advisory council shall be designated by the name of the commodity it represents, as, for example, "The cotton advisory council."

(b) Each commodity advisory council shall meet as soon as practicable after its selection at a time and place designated by the board and select a chairman. The board may designate a secretary of the council, subject to the approval of the council.

(c) Each commodity advisory council shall meet thereafter at least twice in each year at a time and place designated by the board, or upon call of a majority of its members at a time and place designated in the call, notice of such call being sent by registered mail at least 10 days before the date of the meeting.

(d) Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, to call for information from it, or to make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, including the amount and method of collection of the equalization fee, and (2) to cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under this act.

Mr. ASWELL rose.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. ASWELL. Mr. Chairman, I move to strike out section 4.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: On page 35, beginning in line 1, strike out all of section 4.

Mr. KINCHELOE. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The gentleman from Kentucky offers a perfecting amendment, which the Clerk will report.

Mr. KINCHELOE. Mr. Chairman, there are two amendments to the same section, and for the information of the committee I ask unanimous consent that the Clerk may be permitted to read both amendments.

The CHAIRMAN. Without objection, the Clerk will report both amendments.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KINCHELOE: Page 35, line 2, after "(a)," strike out down through "create," in line 6, and insert in lieu thereof the following:

"Prior to the commencement of a marketing period in respect of any agricultural commodity the board is directed to create for such commodity."

And on page 36, after line 21, insert the following:

"(e) Prior to the commencement or termination of a marketing period with respect to any agricultural commodity and prior to the publication of the amount of any equalization fee with respect to any agricultural commodity, the board shall submit to the advisory council for the commodity a statement of the respective findings or estimate which the board is required to make and of the evidence and facts considered by the board in making such findings or estimate. Within 15 days after receiving such statement the advisory council shall consider such findings or estimate and shall notify the board of its determination with respect thereto. No marketing period with respect to any agricultural commodity shall be commenced or terminated and no equalization fee with respect to the commodity shall be collected unless the advisory council for such commodity has determined (1) that the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimate."

Mr. BANKHEAD. Mr. Chairman, I have an amendment to the amendment, which I would like to have read and considered as pending.

The CHAIRMAN. Will the gentleman from Kentucky yield?

Mr. KINCHELOE. If it is not taken out of my time I will yield.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to have read a proposed amendment for information. Is there objection?

There was no objection.

The Clerk read as follows:

Proposed amendment offered by Mr. BANKHEAD: At the end of the Kincheloe amendment strike out the period, insert a comma, and add the following: "(3) That in the opinion of the council the operating period in such commodity shall commence."

Mr. KINCHELOE. Mr. Chairman and gentlemen, as we all know, in the bill that passed both the House and the Senate last year there was a provision which forbade and prohibited the farm board from declaring an operating period and levying an equalization fee on any commodity without the consent of the advisory commodity council. In the Haugen bill as reported from the Committee on Agriculture of the House, and which we are now considering section by section, there is not a line which prevents the board from declaring an operating period on any commodity, notwithstanding the fact that every grower of that commodity and the advisory council for that commodity may protest, and under the present Haugen bill this board has the power to levy an equalization fee and declare an operating period whether they want it or not.

Now, the purpose in offering the first amendment to section 4 is because of the fact that there was some question as to whether this board did not levy the equalization fee before it created the advisory council, and in order to obviate that I have offered the first amendment. Under the terms of that amendment they must have a commodity council before they declare an operating period at all.

The second amendment, if it is adopted, provides in substance that they can not declare an operating period on any commodity without first procuring the consent of the advisory council for the particular commodity.

Mr. NEWTON. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. NEWTON. Does the gentleman provide for the initiation, in the first instance, by the council and for the ending of the period by the council?

Mr. KINCHELOE. No; it is simply a veto power. Under my amendment, if it is adopted, the board can not declare an operating period without the consent of the commodity advisory council, and it can not terminate one without its consent. The board itself determines whether in its judgment, setting out certain facts, an operating period shall be declared and an equalization fee levied, but before they can carry them into execution they have got to have the consent of this commodity advisory council.

Mr. NEWTON. That is equally true of the termination of the control?

Mr. KINCHELOE. Yes; this advisory council is appointed by the board, under the Haugen bill, upon the recommendation of cooperative associations and other organizations interested in the particular commodity. The members of this advisory council are appointed on the recommendations made by these organizations to the board. I can not see why anybody should object to this amendment, and I am glad that the chairman yesterday agreed to the amendment.

I do not believe that any friend of the farmer—and I am speaking as a friend of this bill—would be in favor of creating a board here in Washington and giving it plenary power to declare an operating period and to levy an equalization fee on a commodity when every grower of that commodity and the members of the advisory council who are the intermediaries between the farmers and the board would object to it. If this should happen there would absolutely be a revolution in this country and you would have more bootlegging in order to get rid of the equalization fee than anything that ever happened in the world and therefore I want to see these two amendments adopted so that the farmer can have his say and can be heard

by this board through the commodity council which he has recommended and which has been appointed by the board.

When this is done I think the bill will be a workable one.

I have not anything to say against the amendment proposed by the gentleman from Alabama [Mr. BANKHEAD] except this. The legislative drafting service is composed of as efficient men as there are in the world in their line, and they have been kind enough to help me, and this is the third draft of this amendment, because when the President vetoed the bill before, through the advice of his Attorney General, he held that the provision as it was then drawn was unconstitutional. I am told by the drafting service that this board could not declare an operating period unless the advisory council agrees to it. They inform me that that is exactly the import of this amendment and they also inform me that in their opinion it is constitutional, and as I have stated, the chairman of the committee has agreed to it.

I want to also say right here that as we proceed to-day under the ruling of the Chair this morning, it seems to me every man who wants farm legislation passed, whether he is for the McNary-Haugen bill or for the Aswell bill, the only sensible parliamentary thing to do is to keep in all the sections of the McNary-Haugen bill. We are now reading the bill, and if the various sections of the bill can be perfected or made better by amendment, then that is all right and we should agree to such amendments. This is the reason I want to amend the bill at this point, because at last, when the committee rises and we go into the House, then the Aswell bill will be voted on; and if it is defeated, I would think everybody, even those who are for the Aswell substitute, would want the Haugen bill in as good shape and as perfect as the committee can make it. So why should you murder this bill by striking out any of its sections? If in the judgment of the committee any amendments are necessary, let us then amend the bill. The gentleman from South Carolina [Mr. FULMER], for instance, has an amendment which he will offer which is one that I think ought to be adopted.

Mr. HAUGEN. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. HAUGEN. I understand the gentleman has offered the amendment which he suggested yesterday.

Mr. KINCHELOE. The same one; yes.

Mr. HAUGEN. The amendment has been drafted with great care.

Mr. KINCHELOE. Yes.

Mr. HAUGEN. My understanding is that the amendment would be held constitutional, and I understand the amendment offered by the gentleman gives the board the veto power which was believed to be unconstitutional in respect of the last bill.

Mr. BANKHEAD. Oh, no.

Mr. HAUGEN. As I stated yesterday, I have no objection to the amendment offered by the gentleman from Kentucky, but I trust the other amendment will not be agreed to.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. KINCHELOE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. KINCHELOE. As I have said, we ought to keep this bill intact so we go into the House with the Aswell substitute intact and with the McNary-Haugen bill amended and perfected as best it can be in the judgment of a majority of the committee. Then you have a straight vote on the two propositions.

As to the amendment offered by the gentleman from Alabama [Mr. BANKHEAD] I am not saying anything about it because it is the gentleman's amendment, but I do say and repeat that in the judgment of the drafting service, after making three drafts of this proposition, these amendments are constitutional and will prevent this board from declaring an operating period or levying an equalization fee upon any commodity without the consent of the producers.

Mr. BRAND of Georgia. And it meets with their approval?

Mr. KINCHELOE. The legislative drafting service does not express any opinion as to the merit of proposed legislation.

Mr. WRIGHT. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WRIGHT. Under the provisions of the gentleman's amendment, could the board levy an equalization fee unless the advisory council consented?

Mr. KINCHELOE. No. That is what I am trying to get at exactly.

Mr. BANKHEAD. If that is the effect of the gentleman's amendment and that is constitutional, how would it be unconstitutional to assert it in affirmative terms?

Mr. KINCHELOE. The drafting service has used phrases to evade, in their judgment, the unconstitutional feature of it and for that reason I am for the amendment.

Mr. FORT. Mr. Chairman and gentlemen of the committee, we are now reading the bill for the perfecting of its clauses. In my view this is truly a perfecting amendment in that it finally and completely perfects the unconstitutionality of the whole measure.

With this section inserted in the bill there can be no shadow of doubt in the mind of anyone who has examined the law in regard to the delegation of legislative powers but that the bill is completely and absolutely unconstitutional either with or without the amendment of the gentleman from Alabama [Mr. BANKHEAD].

The opinion of the Attorney General attached to the veto message of the President in the last session of Congress specifically rested one of his reasons for holding the bill unconstitutional upon the ground that it constituted an illegal delegation of legislative power to the board. And it recites the further fact that a delegation of power to the board could not support a further delegation to a mere debating society, unofficial in its nature, such as the advisory council.

I call to the attention of the House that the advisory council created under the act is not even composed of officers of the Government of the United States. They are a nonofficial body, and by this amendment it is proposed to leave to them the review and determination as to whether the officers of the Government of the United States have acted correctly.

If we could not leave all this to the board, we certainly can not go an additional step and leave to an unofficial group the veto power over a group of officials sworn under the law to perform their functions.

Mr. KINCHELOE. Will the gentleman yield?

Mr. FORT. I will.

Mr. KINCHELOE. If perchance my amendment was constitutional, does not the gentleman think the effect would be to give the commodity council a veto on the board's declaring an equalization fee?

Mr. FORT. Yes, if constitutional; but I want to point out another thing. Is not it a legislative absurdity for the Congress of the United States to create a great board of 12 members drawing $10,000 a year, and then say that all of their important actions are subject to review by a group of seven men not officers of the United States—it is a perfectly absurd legislative proposal in this case, and I renew the statement I made that it would not be proposed in this part of the legislation by anyone who wanted to see the bill become operative as to any commodity produced in his district.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. FORT. Yes.

Mr. BRAND of Georgia. Will the gentleman point out in the amendment the language which he claims gives the council the veto power?

Mr. FORT (reading):

No marketing period with respect to any agricultural commodity shall be commenced or terminated—

By the way, the termination is fixed in the bill in another section and depends immediately on the decision of the board that it is no longer necessary or advisable—

and no equalization fee with respect to the commodity shall be collected unless the advisory council for such commodity has determined (1) that the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board.

In other words, that the board is actually right in the facts considered.

(2) That the board has considered substantially all the material facts and evidence available for making the findings or estimates.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BRAND of Georgia. Mr. Chairman——

The CHAIRMAN. Is the gentleman in favor of the amendment?

Mr. BRAND of Georgia. I am. I say, Mr. Chairman, that the gentleman from New Jersey, though one of the ablest logicians in this Congress, is putting the wrong construction on this amendment. There is no veto power in it. It is more or less a milk and cider proposition and not at all satisfactory to me, but it is not unconstitutional. I want to read the amendment without interruption.

I want all to understand what it is, because it does not take a lawyer to construe correctly its language:

No marketing period with respect to any agricultural commodity shall be commenced or terminated, and no equalization fee with respect to the commodity shall be collected unless the advisory council has de-

termined (1) that the findings or estimates which the board is required to make are supported by the evidence and facts considered by the board, and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimates.

It does not say that the advisory council has to concur in this. It does not give the advisory council any power to veto it. It is just a friendly act upon the part of the board and without any mandatory authority. The board, under this amendment, simply confers with the advisory council by submitting to the latter the two propositions set forth in the amendment, and reserves to itself the power to act as it chooses. That is all there is in the amendment. If the question at issue in an action at law was presented to any judge of any court in this Union having jurisdiction as to the validity of the amendment he would not even give a hearing upon the question of its constitutionality. He would not issue a rule nisi upon the petition calling upon the defendant to show cause whether it is constitutional or not. There is not enough on its face, there is not sufficient power conferred by the board upon the advisory council to make a legal issue out of it. The gentleman from New Jersey [Mr. FORT] knows more about this bill than I do, but I think I know as much about the construction of this language as the gentleman does. You Members who are in favor of this bill and who expect us over here in the minority to help you pass the bill, ought to be in favor of this amendment. It does not hurt your constituents, and therefore I think, in all good conscience and equity, you should support the amendment, so that our people, the cotton growers, may stand on an equal footing with your corn and wheat growers.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. GARBER. I am in sympathy with the position of the gentleman, but is the gentleman sure that the amendment does not in effect cause the exercise of a power that is only permissible for the board to act upon?

Mr. BRAND of Georgia. I honestly do not. It simply submits this question to the advisory council and asks them if they think they, the board, have arrived at a proper conclusion.

Mr. GARBER. The law looks through the words to the substance, and it will look through this subterfuge to the effect and the substance. I only ask for information. The gentleman has carefully considered the language?

Mr. BRAND of Georgia. I have been considering it for three or four days.

Mr. GARBER. I am willing to defer to the gentleman's judgment.

Mr. BRAND of Georgia. That is very kind. There is no power conferred by the board upon this advisory council requiring them to concur in whatever action the board may finally take. It certainly gives the advisory council no authority to veto what the board does.

Mr. RAMSEYER. Mr. Chairman, this is the third time that a bill bearing the name "McNary-Haugen" has been before this House, and each time I have been called upon to answer some of the constitutional objections urged against the bill. Each time the constitutional objections were presented in minority reports and on the floor of this House in debate. One of the principal objections heretofore stressed against the bill was that the equalization fee is a tax and as a tax was unconstitutional. This objection has been so completely answered that the more thoughtful opponents of the bill no longer seriously press it.

The McNary-Haugen bill passed both Houses of Congress during the second session of the last Congress and was vetoed by the President on February 25, 1927. Accompanying the veto message of the President was the opinion of the Attorney General setting forth his constitutional objections to that bill as submitted to the President. The Attorney General in a carefully considered opinion urged as one of his objections—

that Congress delegates its constitutional power of legislation to private cooperative associations and corporations, and individuals acting collectively, and a board created by the statute.

In a speech before this body on December 7 last, reviewing the Attorney General's opinion, I said on this point:

This objection against the constitutionality of the McNary-Haugen bill as it was framed in the Senate and passed by the House without amendment during the closing days of the last Congress presents, in my opinion, the most dangerous issue that has been raised against the constitutionality of the bill in the form it was submitted to the President. * * * In drafting a new bill due weight and careful consideration should be given to this constitutional objection of the Attorney General.

For discussion of what is and what is not a delegation of legislative power, I cite you to two leading cases, to wit: Field *v.* Clark (143 U. S. 649, at 693, 694), and J. W. Hampton, jr., & Co. *v.* U. S., decided by the Supreme Court on April 9, 1928. This case is available in pamphlet form. For the guidance of Members of this House, I insert in the RECORD here quotations from older decisions cited in the two cases to which I just referred:

The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made. (Cincinnati, Wilmington, etc., Railroad *v.* Commissioners, 1 Ohio St. 88.)

Half of the statutes on our books are in the alternative, depending on the discretion of some person or persons to whom is confided the duty to determine whether the proper occasion exists for executing them. But it can not be said that the exercise of such discretion is the making of the law. (Moers *v.* City of Reading, 21 Penn. St. 188, 202.)

The legislature can not delegate its power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend. To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the law-making power and must, therefore, be a subject of inquiry and determination outside of the halls of legislation. (Locke's appeal, 72 Penn. St. 491, 498.)

The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by the Congress. (Interstate Commerce Commission *v.* Goodrich Transit Co., 224 U. S. 194, 214.)

The bill before us is a Senate bill. The House Committee on Agriculture took this Senate bill, struck out everything after the enacting clause, and substituted its own bill. The House committee in drafting its bill addressed itself seriously and intelligently to the task of making this bill free from the Attorney General's objection against delegating legislative power. There is nothing more clearly established in constitutional law than that Congress can not delegate its power to legislate. But Congress, having laid down the general rules of action under which an official board shall proceed, it may require of such official board the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by Congress. That is exactly what the House Committee on Agriculture undertook to do in the bill before us. That is what Congress did in the flexible provision of the tariff act, which the Supreme Court recently held constitutional. In the latter act the power to determine the facts and to make the order was delegated to the President.

Now, we have before us the amendment of the gentleman from Kentucky [Mr. KINCHELOE] and also the amendment of the gentleman from Alabama [Mr. BANKHEAD]. The Kincheloe amendment undertakes to make the commencement or termination of a marketing period and the collection of the equalization fee contingent upon the advisory council for such commodity determining—

(1) That the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board; and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimate.

The proponent of this amendment frankly states that the purpose of the amendment is to require the consent of the advisory council for the commencement and termination of a marketing period and the levying of the equalization fee, or, in other words, as he puts it, "it is simply a veto power." The Bankhead amendment in substance provides that no action of the board shall be taken in this respect unless "in the opinion of the council the operating period in such commodities shall commence."

We have here two bodies recognized in this bill—the farm board, appointed by the President with the consent of the Senate, and removable by the President; and advisory councils, with the appointment and removal of whose members the President has nothing to do. The rules laid down to determine the action of the farm board are analogous to the rules laid down in the flexible-tariff provision for the guidance of the President and the rules laid down in the interstate commerce laws for the guidance of the Interstate Commerce Commission. The rules laid down for the guidance of the farm board, an official body, follow the precedents in a number of acts of Congress heretofore held constitutional.

The duty imposed upon the farm board under specific rules laid down in the House bill to determine particular situations and the investigation of facts, the Kincheloe amendment seeks

to impose a like duty upon the advisory council. In other words, the amendment seeks to make the operation of the law depend upon two bodies concurring in the findings of particular situations and state of facts. Of course, if you can create two bodies to find the same situations and facts, and to require the two bodies to concur in their findings thereon, you can create three or four or even five such bodies, and make the operation of the law contingent upon all such bodies concurring in the same findings and conclusions.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. My time is about gone. The council here is an unofficial body. The second provision of the Kincheloe amendment is that there shall be no marketing period, and so forth, unless the advisory council finds that the board has considered substantially all of the facts, and so forth. The advisory council can find that under the facts considered by the board an operating period should be declared, and then they can, for reason or no reason, find that the board has not considered all the facts, and thereby veto any action by the board.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAMSEYER. Heretofore, when this Congress has passed a law, the going into effect of which was dependent upon the findings of facts or of particular situations, the duty to make such findings was delegated to some official, the President, a Cabinet officer, or some official board or commission, the Interstate Commerce Commission, for example. Officers who were appointed by the President with the consent of the Senate, under the Myers case, are removable by the President. You remember the Myers case where the court held unconstitutional a law requiring the consent of the Senate before the President could remove a postmaster. The Supreme Court held that law unconstitutional for the reason that it interfered with the President's duty to see that the laws are faithfully executed. He had to appoint the postmasters with the consent of the Senate, but he had the power to remove without the consent of the Senate.

Officers upon whom the laws heretofore enacted delegated a power to determine some facts or state of things upon which the law intends to make its own action depend were officers appointed by the President, with the consent of the Senate, and under the holding in the Myers case are removable by the President. That is, the President can remove them if he thinks they are not giving him proper assistance in executing and administering the laws.

Now, here you have in this bill the farm board, an official body the members of which are appointed by the President, with the consent of the Senate, and are removable by the President. In this bill you provide for advisory councils, unofficial bodies, the members of which are not appointed by the President and not removable by him. Article II, section 3, of the Constitution provides:

He—

The President—

shall take care that the laws be faithfully executed.

The amendment before us, in determining the commencement and termination of marketing periods and the imposition of the equalization fee, undertakes to give the advisory council at least coordinate powers with the board. The question arises, can you delegate this power to an unofficial body with the appointment and removal of whose members the President has absolutely nothing to say? Would not the Attorney General find that to clothe an unofficial body with such powers as the amendment contemplates would interfere with that provision of the Constitution making it the duty of the President to see that the laws are faithfully executed?

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield there?

Mr. RAMSEYER. Yes; I yield first to the gentleman from Texas. He has been on his feet, I notice, for some time waiting an opportunity to ask a question.

Mr. JOHNSON of Texas. I was wondering whether in the case of an office created by Congress it would be considered technically an official office.

Mr. RAMSEYER. No. The term "officer of the United States" has a very definite meaning in law. The courts have held that unless a person in the service of the Government holds his place by virtue of an appointment by the President, or one of the courts of justice, or heads of departments authorized to make such an appointment, he is not, strictly speaking, an officer of the United States. The Constitution provides that superior officers shall be appointed by the President with the consent of the Senate.

Mr. JOHNSON of Texas. But Congress could eliminate that necessity or that difficulty by having the officers appointed by the President.

Mr. RAMSEYER. If members of the advisory council were appointed by the President with the consent of the Senate that would constitute them officers of the United States and such council would become an official body.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. KINCHELOE. I understand the gentleman voted in favor of the Haugen bill with an equalization fee in it.

Mr. RAMSEYER. Certainly I did.

Mr. KINCHELOE. The gentleman says the Attorney General will jump at that. But the gentleman from Iowa voted for the bill containing the equalization fee, which the Attorney General has stated is unconstitutional.

Mr. RAMSEYER. No. The Attorney General said that the bill in the shape it was in was unconstitutional. But the bill reported by the House committee is in an entirely different shape from that submitted to the President and vetoed by him.

Mr. KINCHELOE. So is this amendment.

Mr. RAMSEYER. If the gentleman's amendment is to confer upon the advisory council a veto power, as he has stated, then I fear it will inject into this bill the weakness that was found by the Attorney General in the bill submitted to the President last February. The gentleman from New Jersey [Mr. FORT] stated that the Kincheloe amendment, which he considers unconstitutional, would invalidate the entire bill. I do not agree with him on that point. I think the marketing agreement and equalization fee provisions which the Kincheloe amendment will affect and taint with unconstitutionality are clearly separable from the rest of the bill. If those provisions should be found unconstitutional by the Supreme Court the rest of the bill will stand with all its machinery intact, without the marketing agreements and the equalization fee. I am against the Kincheloe amendment, because I have grave doubts as to its constitutionality. If I thought that this amendment, if adopted, were not separable from the rest of the bill, I would not hesitate to vote against the entire bill. I hope that gentlemen will not vote to put this amendment in here, which will accomplish nothing except to make a veto of the entire bill more probable. The amendment offered by the gentleman from Alabama [Mr. BANKHEAD] I think is clearly unconstitutional. If you send this bill to the President as the House committee reported it out, free from the Kincheloe and Bankhead amendments, and the bill is referred to the Attorney General for his opinion as to its constitutionality, he will have confronting him quite a different situation from what he had last February. I urge that both amendments be voted down.

Mr. BANKHEAD. Mr. Chairman, I offer an amendment to the amendment.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the section and all amendments thereto close in 15 minutes. Is there objection?

Mr. KINCHELOE. I have two amendments here. Would I be entitled to recognition again? Am I precluded from speaking on the second amendment?

Mr. HAUGEN. Mr. Chairman, I modify my request and make it 20 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the section and amendments thereto be closed in 20 minutes. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I formally offer the amendment, which was read.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD to the amendment offered by Mr. KINCHELOE: At the end of the Kincheloe amendment strike out the period, insert a colon and the following: "3. That in the opinion of the council the operative period in such commodity shall commence."

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I am not offering this amendment in any obstructive or critical way at all. I voted for the McNary-Haugen bill in the last session of Congress, but I voted for it only after the bill as presented to the House gave to the commodity producers a reasonable opportunity to determine whether they thought an equalization fee should be applied to their commodity. The bill

presented by the committee leaves that question entirely to the Federal board without any restriction. I understand that on account of the objections on the part of a number of Members this compromise proposition contained in the amendment of the gentleman from Kentucky [Mr. KINCHELOE] has been proposed and accepted by the chairman of the committee in effect.

Now, what is the purpose of the Kincheloe amendment? What is the heart of it? If it means anything, gentlemen, it means that before an equalization fee shall be applied by the Federal board, the producers, through the advisory council, shall have the opportunity to say whether or not in their opinion it should be applied.

Mr. GARBER. Mr. Chairman, will the gentleman read it?

Mr. BANKHEAD. Yes; I will read it. The Kincheloe amendment says:

No classification fee with respect to a commodity shall be collected unless the advisory council for such commodity has determined that the findings or estimate which it is required to make are supported by the evidence and facts considered by the board, and that the board has considered substantially all the material facts and evidence.

Now, if the purpose and real intent and meaning of the Kincheloe amendment are to give the advisory council and the producers, through the advisory council, a voice in this matter, why should it not be affirmatively expressed in this amendment? I am not going into the constitutionality of this question, but if the Kincheloe amendment proposes anything, as its author says, it means that the advisory council shall have the veto power over the decision of the farm board.

If that is what it means, then my amendment simply further proposes that in addition to the finding of facts, as represented to the board, no fee shall be applied unless the advisory council, representing the cotton, wheat, and corn growers, shall render an opinion that an operating period in that commodity shall apply. That is all there is in this amendment. I do not know whether you want to adopt it or not, but if you are going to do what the Kincheloe amendment in spirit and in purpose, if not in essence, means to do, then it seems to me that in all fairness you ought to make it speak what you mean it should speak.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. WILLIAM E. HULL. If the gentleman's amendment be adopted, would it not take all of the power away from the board?

Mr. BANKHEAD. I do not think so. My whole argument is predicated upon the fact that if this means anything it gives the advisory council some power and some power to do what? It gives the advisory council the power to veto the declaration of an operating period unless they recommend that an operating period be declared.

Mr. WILLIAM E. HULL. In other words, if your amendment carries, nobody has got to go into this unless they want to?

Mr. BANKHEAD. Oh, no.

Mr. WILLIAM E. HULL. I can not see it any other way.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. BANKHEAD. Yes.

Mr. COOPER of Wisconsin. Is it not a misnomer to call a body having a veto power an advisory body?

Mr. BANKHEAD. Well, I do not know as to that; it may be.

Mr. COOPER of Wisconsin. It strikes me that way, because you can not give a body much greater power than the veto power. It seems to me a misnomer to call this an advisory body.

Mr. BANKHEAD. What is the purpose of this amendment which I understand the Agricultural Committee has agreed to? What is the purpose of it? Now, gentlemen, answer that question yourselves. If the purpose is to give them power then what objection can there be in saying what the power is on the face of the bill? I have no pride of opinion at all in this proposition, but it seems to me that if you are going to say what you mean you ought to say it in the language as expressed in my amendment.

Mr. ADKINS. Mr. Chairman and gentlemen of the committee, the gentleman from Kentucky had this proposition before the committee and discussed it at great length. The reason the committee did not adopt the amendment was the fact of the constitutional objection, and with me, and I think with the majority of the committee, it was left to be presented to the House, with the understanding that if the drafting service could work this out so it would meet the constitutional objection of the Attorney General we would give it consideration.

Now, lawyers are going to disagree on these things. I think the gentleman from Kentucky has very earnestly tried to avoid the constitutional objection and is giving this advisory council all the powers that could be given it under the Constitution. I think our drafting service is about as good an authority on constitutional law as any of you lawyers, and that is not saying anything disrespectful about you either. I am well satisfied that through Mr. KINCHELOE—and he is somewhat of a lawyer himself—and the drafting service they have worked out the proposition and given this advisory council as much power as can be given under the Constitution.

I think it would be unfortunate to adopt the amendment offered by the gentleman from Alabama [Mr. BANKHEAD], because I am satisfied, with all the discussions we have had by the legal lights on our committee, that that would make it absolutely unconstitutional.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. ADKINS. Yes.

Mr. DICKINSON of Iowa. This is the outgrowth of a principle which was started several years ago, wherein we created advisory councils for commodity organizations in the cooperative marketing bill. As I understand it, this has the approval of the drafting service, and with their approval it has been presented by the gentleman from Kentucky.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. BANKHEAD. What does the gentleman understand to be the real essence of the Kincheloe amendment?

Mr. DICKINSON of Iowa. That the friends and representatives of the farmers have a right to pass upon the facts as presented to the board.

Mr. ADKINS. We are not pretending to do something that the Constitution does not allow us to do.

Mr. DICKINSON of Iowa. I hope the gentleman from Alabama will withdraw his amendment.

Mr. ADKINS. All of those matters have been thoroughly discussed, and we were all in sympathy with Mr. KINCHELOE's idea; but we did not want to go out with something that would be considered unconstitutional. We have a hard hurdle to get over in connection with the equalization fee, and I think the majority of this committee worked earnestly and hard to avoid all of the President's constitutional objections. I think the Kincheloe amendment goes as far as it is possible to go under the Constitution and have the bill stand. I hope the Bankhead amendment will be defeated and that the Kincheloe amendment will be adopted.

Mr. FULMER, Mr. KINCHELOE, and Mr. LOZIER rose.

Mr. FULMER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Chair thinks the pending amendments ought to first be disposed of.

Mr. KINCHELOE. Then, Mr. Chairman, I ask recognition.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Chairman and gentlemen, I am only going to detain the committee a moment. I simply want to refer to the inconsistency of the position of the gentleman from Iowa [Mr. RAMSEYER]. The gentleman says he is against this amendment because he thinks it is unconstitutional. The drafting service and myself, as well as a few other lawyers around here, differ from the gentleman.

The gentleman wants the amendment defeated because he thinks it is not constitutional, and yet the President vetoed the last bill because his Attorney General said that the equalization fee is unconstitutional, although the gentleman from Iowa is going to vote for the Haugen bill and wants an equalization fee provision in the bill.

Mr. RAMSEYER. Will the gentleman yield?

Mr. KINCHELOE. Just for a question.

Mr. RAMSEYER. I think I am reasonably familiar with the Attorney General's opinion. I have reviewed it several times. The Attorney General gives his reasons why the bill is unconstitutional and does not state among his reasons that it is because of the equalization fee but because of the equilization-fee machinery.

Mr. KINCHELOE. Everybody knows that that is one of the reasons the President of the United States vetoed the bill, and the Attorney General said so.

Mr. RAMSEYER. Everybody does not know what the gentleman has just stated.

Mr. KINCHELOE. Let us see just what this amendment is. It is a limitation. You now have a limitation on this board under this very provision because this board can not appoint the members of this advisory council unless it appoints men who have been previously recommended by farm organizations and other organizations interested in the growing of that particular commodity. This limitation is upon them now. The gentleman from Iowa is for that provision. You can delegate the power of the board to farm organizations and limit the

right of the board to appoint these men, except from names submitted by these farm cooperatives and other organizations, and we say in one breath that the Congress has the power to create this board and has the power to fix its limitations, and we do fix them, and yet in accordance with the statement of the gentleman from Iowa, it can not go one step further and put a limitation on one of the powers of the board. That is all this amendment does.

You will find every enemy of agriculture on the floor of this House voting like the gentleman from Iowa against this amendment. Why? Because it is perfecting this bill, and this amendment, if it is adopted, will get more votes for the bill with the equalization fee in it than any other amendment, which is what you want so much.

If this amendment is defeated, you have a bill here; and under the terms of the bill the farmers of this Nation have not even the right of petition to this board or the right to say to them not to levy an equalization fee, because they do not think it is necessary. They have not the right to say to this board, "Our advisory council, which we recommended and you appointed, does not think this is necessary." The board can do it anyhow.

I am talking as a friend of this bill, and I am appealing to every friend of the bill to adopt this amendment which means so much in the final result on the passage of the bill.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. COOPER of Wisconsin. Does the gentleman's amendment confer the power of veto?

Mr. KINCHELOE. It is a limitation. The effect of this amendment, I am frank to say to the gentleman, is that this board will not have the power to levy an equalization fee unless the advisory council agrees with the facts and findings, and that is what I want.

Mr. LOZIER. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. LOZIER. Is it not true that, if this amendment is adopted and if it should be declared unconstitutional, that would leave in full force and effect the other sections of the bill?

Mr. KINCHELOE. Yes; just the same.

Mr. LOZIER. They are separable provisions, and the court might declare this amendment unconstitutional and yet sustain the other provisions.

Mr. KINCHELOE. Certainly; which is the same point that the gentleman from Iowa made with respect to the equalization-fee provision. There is a section in this bill which provides that if any section of the bill is declared unconstitutional it shall not impair the force and effect of the other provisions of the bill; and I appeal to every Member here who is truly in favor of the bill and who is sympathetic toward its purpose to vote this amendment in the bill. [Applause.]

The CHAIRMAN. The Chair would like to ask the gentleman from Kentucky whether the gentleman wants his two amendments voted on as one amendment or voted upon separately, and if voted upon separately, which amendment does the gentleman desire to be voted upon first?

Mr. KINCHELOE. I have no particular preference about it, but I shall ask unanimous consent that the two amendments may be voted upon as one amendment.

Mr. RAMSEYER. Mr. Chairman, I object.

Mr. BANKHEAD. I offered an amendment not to both of the gentleman's amendments, but only to one of them.

Mr. KINCHELOE. I will not prefer the request, Mr. Chairman.

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Kentucky [Mr. KINCHELOE].

The first amendment offered by the gentleman from Kentucky [Mr. KINCHELOE] was again reported.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the second amendment offered by the gentleman from Kentucky [Mr. KINCHELOE].

The question was taken, and the amendment was agreed to.

Mr. FULMER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from South Carolina.

The Clerk read as follows:

On page 35, line 8, strike out through the period in line 11 and insert in lieu thereof the following:

"Members of each commodity advisory council shall be selected annually by the board only from a list submitted by the cooperative associations and other organizations representative of the producers of the commodity in question and by the governors and the heads of the agricultural departments of the several States where the commodity is produced."

Mr. FULMER. Mr. Chairman and gentlemen of the committee, the amendment that we adopted a minute ago is a very important amendment and one we agreed upon that would give some check on the board by the advisory council. I want to call the attention of my friends on this side of the aisle representing the cotton farmers that under my amendment the producers or other organizations of producers not in the cooperative association, governors, and the heads of the agricultural departments representing a commodity, district, or section will be able to say, along with the cooperatives, who will be appointed an advisory council. The cooperative associations will have full power to cooperate with these in submitting a list to the board from which to make their selection of the advisory council.

Under the present bill the cooperative associations of South Carolina, Texas, and other States represent from 3 to 5 per cent of the producers and will have full power to nominate out of the 3 per cent men of their type, representing their own ideas, to pass on this question in the action of the board in going in or out of an operating period. Under my amendment we will have a further check on the board. Instead of appointing the men out of the 3 or 5 per cent, the other 95 per cent will have some say so as to the selection of the advisory council through their governors and agricultural departments.

I want to say to my friends on this side that this amendment has been accepted by friends of the bill on the other side, and there is nothing in the amendment that can interfere with the working of the bill. It simply puts in the governors and heads of these institutions who represent the class of people that would not be represented under the cooperative associations. I hope the amendment will pass, because of the reasons I stated the other day. The amendment of the gentleman from Kentucky [Mr. KINCHELOE] has given us some protection, but without this amendment I will have to vote against the equalization fee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were 106 ayes and 32 noes.

So the amendment of Mr. FULMER was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana to strike out section 4.

The question was taken, and the motion was lost.

The Clerk proceeded with the reading of the bill, as follows:

LOANS

SEC. 5. (a) The board is authorized to make loans, out of the revolving fund hereinafter created, to any cooperative association or corporation created and controlled by one or more cooperative associations, upon such terms and conditions as, in the judgment of the board, will afford adequate assurance of repayment and carry out the policy declared in section 1, and upon such other terms and conditions as the board deems necessary. Such loans shall be for one of the following purposes:

(1) For the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity.

(2) For the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing services, if the proceeds of the loan are to be used either (A) for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or (B) for assisting the cooperative association or corporation created and controlled by one or more cooperative associations in the acquisition, by purchase, construction, or otherwise, of facilities and equipment, including terminal marketing facilities and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or (C) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended, or (D) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for necessary expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations.

(b) In case of a loan to a cooperative association under paragraph (2) of subdivision (a), the notes or other obligations representing the loan (1) may be secured by marketing contracts of mem-

bers of the cooperative association, and be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered under the members' marketing contracts, or (2) may be secured in such other manner as the board deems adequate.

(c) Any corporation created and controlled by one or more cooperative associations shall be eligible to receive loans under this section if the corporation is organized under the laws of any State, has the minimum capital required by the laws of the State of its organization, and agrees with the board:

(1) To adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(2) To keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

(3) To permit the board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(4) To set aside a reasonable per cent of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(5) To distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

(d) Any loan under this section shall bear interest at the rate of 4 per cent per annum. The aggregate amount of loans under this section, outstanding and unpaid at any one time, shall not exceed $400,000,000, but—

(1) The aggregate amount of loans for all purposes under paragraph (2) of subdivision (a), outstanding and unpaid at any one time, shall not exceed $25,000,000; and

(2) The aggregate amount of loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, outstanding and unpaid at any one time, shall not exceed $2,000,000.

Mr. ASWELL. I move to strike out section 5.

The CHAIRMAN. The gentleman from Louisiana moves to strike out the section.

The question was taken, and the motion was lost.

Mr. KINCHELOE. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the Agricultural Committee in view of the fact that some gentlemen want to go to a funeral and others to the primaries, what is the reason we can not finish this bill to-night?

Mr. HAUGEN. I am doing the best I can to do that very thing.

Mr. KINCHELOE. Then the gentleman intends to go ahead and finish it?

Mr. HAUGEN. Yes.

Mr. KINCHELOE. Mr. Chairman, I withdraw the pro forma amendment.

Mr. BRAND of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BRAND of Georgia: Page 37, line 1, after the word "associations" insert "or corporations created by the law of any State, members thereof to be composed of bona fide farmers who are not members of any cooperative association or any corporation created by a cooperative association, provided such corporations created by the laws of the State are given no more or other authority than the cooperative associations possess."

Mr. LAGUARDIA. Mr. Chairman, I reserve the point of order.

Mr. HAUGEN. Mr. Chairman, I reserve the point of order.

Mr. BRAND of Georgia. Mr. Chairman, on account of the confusion in the Chamber at the time the amendment was read, I will reread it, with your permission. The amendment is to that part of the bill which provides for cooperative associations creating corporations to be controlled by them. I add to it this [reading]:

or corporations created by the laws of any State, members thereof to be composed of bona fide farmers who are not members of any cooperative association or any corporation created by a cooperative association, provided such corporations created by the laws of the State are given no more or other authority than the cooperative associations possess.

In Georgia, for instance, and it is true of almost every cotton-growing State, we have not 30 farmers out of a thousand who belong to a cooperative association. Nine hundred and seventy farmers out of a thousand will not get the benefits of this bill in so far as the loan privileges are concerned unless you adopt an amendment like this or something similar to it, so that they can, under the laws of Georgia, form a corporation and become eligible to receive the full benefits of this bill. I provide that the State, the general assembly, or the superior courts shall give these corporations the same but no more authority or power than is possessed by the corporations created by the cooperative associations. I put them on the same level. It will bring into close touch with members of the present cooperative association 970 out of every thousand farmers in the State of Georgia who are not members of the cooperative association. Under the bill these cooperative associations and the corporations created and controlled by the cooperative associations are the only ones, so far as borrowing money by farmers is concerned, who are taken care of. All I ask of you is to let our farmers who are not members of cooperative associations or any corporation created by them cooperate and participate with them in working out this legislation, so that all could get the benefit of the provision of the bill in a corporation of their own.

Mr. DICKINSON of Iowa. Does the gentleman not think, if the benefits of this law are what we think they will be, that his farmers would organize under cooperative organizations?

Mr. BRAND of Georgia. I answer the gentleman frankly by saying that the nonmembers will never join the cooperative association in Georgia, unless they can see some favorable and definite results and actual benefits coming to them from the operation of this bill, if it becomes a law.

Mr DICKINSON of Iowa. They would have the experience of other organizations to guide them, and, if it was necessary for them to organize a cooperative association, it would be easy for them to organize one of their own, if they did not want to join the one that now exists.

Mr. BRAND of Georgia. All I want done is to give them an opportunity to form one of their own.

Mr. WHITTINGTON. The gentleman does not ask for the formation of a cooperative association.

Mr. BRAND of Georgia. No; I want a corporation or association of farmers who are not members of the cooperative association, and who will not become members, but who are willing to organize in one of their own.

Mr. WHITTINGTON. The gentleman asks for the formation of corporations that would have to pay taxes.

Mr. BRAND of Georgia. No; I do not. I ask for an organization of farmers not members of cooperative associations, but independent of them, who may form an organization of their own, and who will become eligible to receive the benefits of this bill. So far as loans and marketing agreements are concerned, you are legislating for about 3 or 4 per cent of the farmers of Georgia, and 4 or 5 per cent of the farmers in South Carolina, North Carolina, Alabama, and Tennessee. The great body of farmers who till the soil, composed of 90 per cent or 95 per cent of the people of my State and other States, as to borrowing money and selling their cotton to the cooperative association, are excluded from the operation of this bill. They are denied all these privileges. They are outcasts, so far as this legislation is concerned. How would such an amendment as I propose hurt the cooperative associations? How would it hurt the corporations created by the cooperative association to let us form corporations of members who do not belong to it? I do not want to deprive the members of the cooperative association of any of their rights. I do not care to do or say anything to prevent them from successful operation. The object of my amendment is to give the same privileges and rights to those farmers of Georgia and other States who refuse to become members of the cooperative association, so that all farmers may get the full benefits which those of us who favor this legislation hope and believe will result in the enactment of this bill, and I think it is wholly inexcusable and indefensible on the part of any Republican or Democrat to vote to deprive them of such benefit.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LAGUARDIA. Mr. Chairman, I withdraw the point of order.

Mr. HAUGEN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. BRAND of Georgia) there were—ayes 22, noes 72.

So the amendment was rejected.

Mr. NEWTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. NEWTON: Page 37, beginning in line 20, strike out all of subdivision (b) ending in line 2 on page 38.

Mr. NEWTON. Mr. Chairman, this is one of the loan provisions in section 5 whereby the board is authorized to loan out of the revolving fund for certain purposes. Among those purposes set forth in paragraph (2) of the section is subdivision (B). This provision authorizes the board to make loans for the acquiring, by purchase or otherwise, terminal marketing facilities. It ought not to be in this bill unless it is safeguarded so as not to be used to put over the financing of the Grain Marketing Corporation of Chicago or anything like it.

When the 1927 Haugen bill was under consideration I called the attention of the House in Committee of the Whole to a similar provision. It was not in the House bill. It had originated over in the Senate. At that time I said:

Mr. Chairman, the amendment I have offered strikes out a provision that has never been considered in a committee of the House or in the Senate. Some two or three years ago there was formed an organization of a so-called grain marketing company in Chicago that took over the elevators and other facilities of Armour Grain Co., J. Rosenbaum & Co., and Rosenbaum Bros.

Some of the facilities were out of date, poorly located, and nonfireproof in construction. The total elevator capacity was upward of 20,000,000 bushels. The literature gotten out by this grain-marketing company described the property as being worth at a fair appraisal $17,000,000. One of the properties was sold to Armour years ago at a knockdown price of $325,000. My understanding is that this particular property was valued in this appraisal at between one and one-half and two million dollars. Just how far the other units were overvalued I do not know.

I do know that they did not make a success in their efforts to induce the farmers of the country to subscribe to the stock of this company. After one year of operation the properties went back to those who were trying to unload them. The then head of this Grain Marketing Corporation is still its president. He has been active at the other end of the Capitol in endeavoring to get this provision into the bill, and the only conclusion is that this fund of $25,000,000 will be put at the disposal of this organization for the purpose of acquiring this property at an excessive price. I would like to know why the Committee on Agriculture of the House is supporting a provision of that kind.

It will be found in the debates on February 17, 1927.

The plan of financing that concern was so bad that the blue-sky commissions of at least two, and possibly three, States refused to permit the Grain Marketing Corporation to sell its stock within the jurisdiction of their respective commissions. And yet those people who were instrumental in forming that corporation were instrumental in trying to sell this stock to the unsuspecting public, including the farmers, and were the foremost in promoting the passage of this measure through the Senate one year ago.

Now, anybody who knows anything about the Armour and Rosenbaum properties knows that they were put into the Grain Marketing Corporation at figures far beyond what they were worth. However, with this provision in the bill they could go before the board and get Government money to finance them. I want to renew the protest I made a year ago against the inclusion of a provision of this kind. [Applause.]

Mr. Chairman, my time is up. I do not want to ask for additional time. Under leave to extend, I want to make these further observations on the loan features. The unwise extension of credit can not help the farmer. That was one of the causes of the inflation and deflation in farm values.

Section 5 of the bill provides that the board may make loans to cooperative associations (or corporations organized or controlled by them) for the following purposes:

First. To assist cooperatives in marketing operations to control seasonal, yearly, national, or local surpluses of any farm commodity.

Second. To provide working capital for cooperatives.

Third. To provide funds for the purchase, construction, or otherwise of facilities and equipment for marketing operations.

Fourth. To furnish cooperatives with funds for use as capital for agricultural-credit corporations.

Fifth. To provide funds for the promotion, merger, or consolidation of cooperative associations.

These loan provisions go far beyond those incorporated in the so-called Jardine plan in 1926, which was in the Fess bill. It provided for loans for the purposes specified under "First" above. To appreciate the effect of these additional provisions it is necessary to briefly outline the legal status of cooperatives and their members.

All but two States now have laws authorizing the organization of cooperative marketing associations and fixing the relationship and responsibilities of the association and its members. In approximately 35 States these laws authorize the cooperatives to own and hold stock in corporations created for the purpose of carrying out their general objects. The association may be either a stock association or a nonstock association. By far the large majority including some of the largest are nonstock membership organizations. The capital stock of such as are stock organizations is in most cases nominal in amount. With two or three exceptions, notably in my own State of Minnesota and in Illinois, the members are not liable for the debts or obligations of the association except to the extent of the membership fees or stock subscriptions contributed by them.

The board may make loans to cooperatives for any or all of the purposes above specified. It will thus be obvious that the board may provide credit for cooperatives covering not only 100 per cent of the value of the commodities handled by them, but also working capital for the payment of services, rents, warehousing, and other expenses, and for the purchase of facilities, without security and without contribution or liability on the part of the membership or management of the cooperative except to the extent of the membership fees or nominal capital. Thus the Government might furnish all of the capital for the marketing operations, facilities, and promotional work of a cooperative association, the members participating in the profits of the operations but not contributing except nominally to the capital or participating in the losses which would fall upon the Government. In addition, the Government can and will be asked to supply to a cooperative capital fund for the organization of an agricultural credit corporation to be managed and directed without participation or control by the Government, which would use this capital as the basis of loans discountable with intermediate credit banks. Here again neither the management nor the stockholders of the credit corporation would furnish directly any capital or assume any responsibility for losses incurred.

It is obvious to anyone having to do with credits that responsibility for risk of loss is an inseparable corollary to the opportunity of making profits in every sound business or economic enterprise. The lack of financial responsibility for the funds used in any business on the part of the stockholders and management is an incentive to speculation, mismanagement and even of fraud.

It may be urged that the board will not make such loans without adequate assurance of repayment, but it is apparent that all of the loans contemplated, with the exception of those under paragraph 1, are of a character which no sound banking or business institution would make, and in view of the direct authorization of Congress for the making of these loans it would certainly be difficult for the board to refuse to make them and practically impossible for the board to adequately insure their repayment. Repayment would rest wholly upon the success of the enterprise as the cooperative would have only nominal capital assets to cover losses or expenses incurred.

The general authorizations are, in effect, directions to the board to make unsound loans. They are vague and indefinite in terms and uncertain in scope and purpose. They omit all of the restrictions, limitations, and safeguards usually imposed upon the loaning and use of public or semipublic funds.

Subdivision (b) of section 5 provides that loans under paragraph (2) of subdivision (a) of section 5 (2, 3, 4, and 5 above) may be secured by "marketing contracts" of members of the cooperative association and be repaid with interest within a period of 20 years by means of a charge to be deducted from the proceeds of the sale of the members' product by the cooperative. The validity of "marketing contracts" of the sort contemplated by this provision have been sustained by the courts. These agreements, however, have not run for longer periods than five years, and the present tendency is to make them for three years with the privilege of withdrawal. Such agreements ordinarily provide for the deduction from returns made to the member of expenses, reserves, and so forth. This provision is the only basis for assessment of the repayment of the loans and interest upon the member. However, as these contracts run only for short periods and are subject to withdrawal of the member, it is difficult to see how they can safely be taken as security for the repayment on an amortization basis over a period of 20 years of the loans secured by them.

Under subsection (c) of section 5 a corporation created and controlled by cooperatives to which a loan is made under this

section may be required by the board (1) to keep accounts, memoranda, records, and make reports as required by the board; (2) to permit audit and investigation by the board; (3) to establish reserves as required by the board; and (4) to distribute dividends ratably to the associations controlling it and their members. No such requirement is made with respect to cooperatives to whom loans may be made. In view of the fact that the corporation will probably have capital stock of more than nominal character while the cooperatives will not, this distinction scarcely seems justified. It might be contended that similar requirements could be made by the board of cooperatives as a condition upon the loan, but the inclusion of such requirements as to corporations and their exclusion as to cooperatives would seem to indicate the intent of the committee to exempt the cooperatives from these requirements. I do not see the occasion for the distinction.

In considering the scope and character of the powers given by the board and the safety of the loans which may be made by them by these provisions it must be remembered that while conditions can be made precedent to making the loans, once the loan has been made the money is beyond the control of the board and subject to the use and management of the cooperative as though it had been contributed by its members subject only to repayment in terms of the contract. The loan features of this bill are far more extensive than any the administration has ever indicated it could approve. Some are exceedingly unwise. Their inclusion only presents additional grounds for Executive disapproval.

Mr. STRONG of Kansas. Mr. Chairman, I offer a perfecting amendment.

Mr. NEWTON. Mr. Chairman, let us first have a vote on my amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

Mr. HAUGEN. Mr. Chairman, let us have the amendment again reported. This is a very important amendment. I suppose the gentleman had reference to the $2,000,000 and suggested that we reduce that $1,000,000?

Mr. NEWTON. No. This relates to subdivision (B), and this involves not $2,000,000 but something like $18,000,000 or $20,000,000.

Mr. HAUGEN. Does the gentleman propose to strike out the appropriation?

Mr. NEWTON. No. I propose to strike out the language on page 37, commencing with (B), on line 20, down to the end of the page and from the top of page 38 down to the middle of line 2.

Mr. HAUGEN. I ask that this amendment be not adopted. It should have more consideration.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. NEWTON. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota asks for a division.

The committee divided; and there were—ayes 14, noes 62.

So the amendment was rejected.

Mr. STRONG of Kansas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read, as follows:

Amendment offered by Mr. STRONG of Kansas: Page 38, line 14, strike out down through line 23, and insert in lieu thereof the following:

"(b) Any loan to a cooperative association under paragraph (2) of subdivision (a) may be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity handled by the association."

Mr. STRONG of Kansas. Mr. Chairman and gentlemen of the committee, this does not change the section except to leave out the words "the notes or other obligations representing the loan may be secured by marketing contracts of members of the cooperative association."

The first part of the section provides that the board may make these loans "upon such terms and conditions as in the judgment of the board will afford adequate assurance of repayment and carry out the policy declared in section 1 and upon such other terms and conditions as the board deems necessary.

The words my amendment strikes out would limit loans to be secured on marketing contracts of members. Many of the farm organizations do not have marketing contracts, and none of them have them for a period exceeding five years. Yet this section provides that such loans shall be liquidated in a period of 20 years. So I offer the amendment. The farmers' organizations of my State have asked me to offer this amendment in their behalf, with one other that I will present.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was rejected.

Mr. STRONG of Kansas. Mr. Chairman, I have another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. STRONG of Kansas: Page 40, line 18, strike out "$2,000,000" and insert in lieu thereof "$1,000,000."

Mr. STRONG of Kansas. That amendment, I think, has the support of the committee.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. STRONG of Kansas. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 22, noes 49.

So the amendment was rejected.

Mr. FORT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT: On page 38, beginning in line 2, strike out subsection (c), ending in line 7.

Mr. FORT. Mr. Chairman, on page 38 I have moved to strike out subsection (c) for the purpose of explaining to the committee the meaning and effect of subsection (c).

Subsection (c) authorizes the making of loans to cooperative associations or corporations created or controlled by them for use as capital by any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended. Now, the agricultural credit corporation, under section 202, is a corporation on whose indorsement Government funds, provided in the Federal farm loan act, may be loaned. It is a corporation created for the purpose of making loans to farmers, which loans are thereafter made eligible for rediscount on the strength of the indorsement of the credit corporation. The effect of this provision is that the Government loans to the indorser so as to make its indorsement good, when it loans to the borrower. The whole purpose of the agricultural credit corporation provision is to furnish an indorsement, on the faith of which indorsement, Government money may be loaned. This is a provision to loan money with which to make the indorsement good. It seems to me it is an exceeding stretch of Government liberality when it agrees to loan to an individual, if he gets a good indorser, and then loans to the indorser so as to make the indorser good and so the borrower's loan is made good. It seems this is a little strong, gentlemen.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. FORT) there were—ayes 10, noes 65.

So the amendment was rejected.

The CHAIRMAN. The question is on the Aswell motion to strike out the section.

The motion was rejected.

The Clerk read as follows:

INCREASED PRODUCTION

SEC. 6. If the board finds that its advice as to a program of planting and breeding of any agricultural commodity as hereinbefore provided has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity for the preceding five years, the board may refuse to make advances for the purchase of such commodity.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 40, line 19, strike out all of section 6.

Mr. HAUGEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAUGEN: Page 41, line 3, after the word "make," strike out the word "advances" and insert in lieu thereof the word "loans."

Mr. FORT. Mr. Chairman, again I want simply to explain to the committee the meaning of this amendment. This is the one section in the bill that puts upon the board any authority or power whatever, in the event of a continuing and increasing overproduction. This section does not require the board, in the event of a continuing overproduction, to cease advances, but it gives them the power to cease advances if the planting or breeding of the commodity increases over the five-year average.

Now, the purpose of the amendment striking out the word "advances" and inserting the word "loans," if the committee pleases, is to fix the bill so that the provisions of section 9, the marketing agreement section, and the equalization fee provisions of the bill, designed for the deliberate enhancement of prices, must be continued by the board no matter how far production is advanced. If the amendment proposed by the chairman is adopted, the board loses all power to stop operations, no matter how high the production goes. As we have already understood in the discussions, the board is required to begin operations when there is a surplus and, if this amendment is adopted, they are required to keep on operating permanently if the surplus keeps on growing.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. FORT. Yes.

Mr. JACOBSTEIN. Why does the board surrender its power? I am just asking that for information.

Mr. FORT. Because the section as it is now in the bill gives them the power to stop advances, which would apply both to section 9, the marketing agreement section, and to section 5, the loan section. The chairman proposes to take out the word "advances" and insert the word "loans" so that the power of the board to suspend its use of Government money would be operative only under section 5 and not under section 9.

Mr. HAUGEN. Mr. Chairman, the purpose of this amendment is that they may not make loans under this provision. We have section 5, which reads:

The board is authorized to make loans.

And back here it says "advances," which is a different thing altogether. Then, if we want to give the board authority to make loans, let us state it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The question is now on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The motion was rejected.

The Clerk read as follows:

INVESTIGATIONS BY BOARD

SEC. 7. The board, upon the request of any cooperative association or upon its own motion, may investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

(1) Does a surplus of any such commodity exist or threaten to exist;

(2) Does the existence or threat of such surplus depress or threaten to depress the price of such commodity below the average cost of the actual production of such commodity in continental United States during the preceding five years; and

(3) Are the conditions of durability, preparation, processing, preserving, and marketing of such commodity, or the products therefrom, adaptable to the storage or future disposal of such commodity.

Before declaring or entering its finding upon the foregoing matters the board shall consult with the advisory council for the commodity.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 41, line 4, strike out all of section 7.

The amendment was rejected.

The Clerk read as follows:

CLEARING HOUSE AND TERMINAL MARKET ASSOCIATIONS

SEC. 8. The board may assist in the establishment of, and provide for the registration of, in accordance with such regulations as it may prescribe, (1) clearing house associations adapted, in the opinion of the board, to effect the more orderly production, distribution, and marketing of any agricultural commodity, to prevent gluts or famines in any market for such commodity, and to reduce waste incident to the marketing of such commodity, and (2) terminal market associations adapted, in the opinion of the board, to maintain public markets in distribution centers for the more orderly distribution and marketing of any agricultural commodity. Only cooperative associations or corporations created or controlled by one or more cooperative associations shall be eligible for membership in any clearing house association or terminal market association registered under this section. Rules for the governance of any such association shall be adopted by the members thereof with the approval of the board.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 41, line 23, strike out all of section 8.

The amendment was rejected.

The Clerk read as follows:

MARKETING AGREEMENTS

SEC. 9. (a) From time to time, upon request of the advisory council for an agricultural commodity, or upon request of leading cooperative associations or other organizations of producers of any agricultural commodity, or upon its own motion, the board shall investigate the supply and marketing situation in respect of such agricultural commodity.

(b) Whenever upon such investigation the board finds—

First. That there is or may be during the ensuing year a seasonal or year's total surplus, produced in the United States and national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity;

Second. That the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans; and

Third. That the durability, the conditions of preparation, processing, and preserving, and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—

then the board, after publicly declaring its findings, shall arrange for marketing any part of the commodity by means of marketing agreements with cooperative associations engaged in handling the commodity or corporations created and controlled by one or more such cooperative associations. Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

(c) A marketing agreement shall provide either—

(1) For the withholding by a cooperative association, or corporation created and controlled by one or more cooperative associations, during such period as shall be provided in the agreement, of any part of the commodity delivered to such cooperative association or associations by its members. Any such agreement shall provide for the payment from the stabilization fund for the commodity of the costs arising out of such withholding; or

(2) For the purchase by a cooperative association, or corporation created and controlled by one or more cooperative associations, of any part of the commodity not delivered to such cooperative association or associations by its members, and for the withholding and disposal of the commodity so purchased. Any such marketing agreement shall provide for the payment from the stabilization fund for the commodity of the amount of the losses, costs, and charges arising out of the purchase, withholding, and disposal, or out of contracts therefor, and for the payment into the stabilization fund for the commodity of profits (after repaying all advances from the stabilization fund and deducting all costs and charges, provided for in the agreement) arising out of the purchase, withholding, and disposal, or out of contracts therefor.

(d) The board may, in its discretion, provide in any such marketing agreement for financing any withholding, purchase, or disposal under such agreement, through advances from the stabilization fund for the commodity. Such financing shall be upon such terms and conditions as the board may prescribe, but no such advance shall bear interest.

(e) If the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. If the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable

of carrying out any marketing agreement for purchase, withholding, and disposal, then the board may enter into the agreement with other agencies but shall not unreasonably discriminate between such other agencies.

(f) During a marketing period fixed by the board for any commodity, the board may enter into marketing agreements for the purchase, withholding, and disposal of the food products of such commodity, and all provisions of this section applicable to marketing agreements for the purchase, withholding, and disposal of the commodity, shall apply to the agreements in respect of its food products.

(g) Any decision of the board relating to the commencement, extension, or termination of a marketing period shall require the affirmative vote of a majority of the appointed members in office.

(h) The powers of the board under this section in respect of any agricultural commodity shall be exercised in such manner, and the marketing agreements entered into by the board during any marketing period shall be upon such terms, as will, in the judgment of the board, carry out the policy declared by section 1.

(i) The United States shall not be liable, directly or indirectly, upon agreements under this act in respect of agricultural commodities, in excess of the amounts available in the stabilization, premium insurance, and revolving funds.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 42, beginning at line 17, strike out all of section 9.

Mr. STEVENSON. Mr. Chairman, I offer a preferential amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STEVENSON: Page 46, line 1, strike out the word "food" and insert the words "manufactured or processed."

Mr. STEVENSON. Mr. Chairman, I think the gentlemen of the committee will agree that while we may disagree about an equalization fee and about the handling of the food products from exported articles, they do not care to begin to discriminate as between the products of different agricultural commodities.

Frankly, I am opposed to the equalization fee, as you all know. I am for the bill, but for that provision I can not vote.

This is a proposition that they enter into marketing agreements and further on they provide for an equalization fee on the imported articles and on the manufactured food products arising from them. Now the proposition is that the manufactured products arising from any of the articles that come under agricultural commodities should have the same treatment, and my motion is merely to strike out "food" and insert "manufactured or processed" products.

There is no use in mincing words about it. The cotton manufacturer is here along with the farmer and they are all bound up together.

You have a provision that cotton, when it comes in, shall have an equalization fee. You have a provision that when wheat comes in it shall have an equalization fee. You have a provision that when the food products of wheat and other things come in they shall have an equalization fee and they shall be subject to these marketing contracts, but you have left out the products of other things.

Now, we wear clothing as well as eat flour, so far as that is concerned, and the cotton-mill people of this country have the right to have the same protection on that which is brought in here that the flour manufacturer has—nothing more and nothing less—and this is a proposition to put that in the bill.

Oh, you may say that the manufacturer of cotton goods is protected. I take it for granted that the amount of his tariff would be taken into account when you come to fix the equalization fee and when you come to fix your marketing agreement, but the fact there is a tariff on cotton goods does not put that article in a class to be outlawed.

Mr. WRIGHT. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. WRIGHT. Is there not also a tariff on wheat?

Mr. STEVENSON. Yes; and on flour, too. Why should there be this discrimination between the cotton goods and the flour and the meat? There is absolutely no justice in a refusal to include the processed and manufactured goods of cotton as well as the processed and manufactured products of wheat and of cattle and of hogs and all that kind of thing. For this reason I moved to strike out the word "food" and insert "manufactured or processed" products from any agricultural commodity dealt with in this bill.

Mr. BURTNESS. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BURTNESS. Would not that include dealings in calico, gingham, cloth, overcoats, and shoes?

Mr. STEVENSON. Let me ask the gentleman a question. Does not this other provision include dealing with hog products, lard, chitlings, and everything of that kind? Why, of course it does, and we should include the products of every agricultural commodity that comes in here if we are going to include any of them.

As I have said, I am in favor of some of this legislation. I am not in favor of this feature of it, but if you are going to put it in here I am going to put it squarely up to you as to whether you are going to treat everybody alike or not.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. DICKINSON of Iowa. Have you not a tariff on cotton textiles now, and is not the whole policy of this bill one of putting the other commodities on an equality?

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. STEVENSON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from South Carolina asks for five minutes more. Is there objection?

Mr. HAUGEN. Mr. Chairman, I shall have to object, although I dislike to do so very much.

Mr. STEVENSON. Can the Chair give me one minute more to answer the question?

The CHAIRMAN. The gentleman asks for one minute more. Is there objection?

There was no objection.

Mr. STEVENSON. There is a tariff on flour and all other things you are putting in but you say you want to put the farmer on an equality with everybody else when the tariff protects the manufacturer and yet you are providing in this bill to make the farmer pay the expense of his protection while in the tariff the whole people pay it, and the railroads unload the whole advance of rates allowed them on the people. You are going to put the farmer on an equality when you put him in a hole and make him pay for every protection you are professing to give him. My colleague from South Carolina [Mr. FULMER] has stated that it is not the idea of this bill to raise the price of cotton in this country above the world price. Then what is the bill for and why is it contemplated to put a tax of $10 or more a bale on cotton? It is idle to say we can raise the world price. In the last five years we exported 37,000,000 bales while the balance of the world sold in the world markets 47,000,000 bales. But the question is, Why do you discriminate in favor of the products of wheat and hogs against the products of cotton? With that discrimination in the bill and an equalization fee on cotton which you refuse to limit to $10 a bale, I can not vote for the bill. I would vote for it without the fee. I regret my inability to go along with my friends who favor it, but can not defend it in that shape, and we have been unable to amend it substantially.

Mr. HAUGEN. Mr. Chairman, the bill relates to agricultural commodities and we do not contemplate covering shoestrings or pins.

Mr. CRISP. Mr. Chairman, I know the House is impatient, and I shall take but a moment. I am opposed, as you know, to the equalization fee. I will vote against the bill with the equalization fee in it, and I will vote for it with it out. If you are going to give the benefit of the equalization fee to the processors of wheat, corn, and meats I feel that the textile industry is entitled to the same consideration at the hands of Congress. Therefore, I shall vote for the Stevenson amendment. I ask unanimous consent to extend my remarks by publishing a telegram from the Georgia Cotton Manufacturers Association, signed by leading cotton manufacturers in Georgia.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

The telegram is as follows:

ATLANTA, GA., *May 1, 1928.*

Hon. CHARLES R. CRISP,

*House of Representatives, Washington, D. C.:*

Undersigned directors Georgia Cotton Manufacturers Association met to-day and considered McNary-Haugen bill. We believe present bill permits serious injury to southern cotton mills, which was never in-

tended. Under this bill cotton may be sold at lower prices in foreign countries, giving foreign mills lower raw material and lower costs. At same time equalization fee may be added to price of our cotton, increasing inequality in cost of cotton between foreign and southern mills. Foreign mills can then sell in both American and foreign countries below our cost, seriously affecting American market and destroying large export trade of southern mills. We ask same protection as provided for packers. We know nothing which can be put in bill to prevent injury to southern export trade. This sale of cotton in foreign countries not only is permitted but will almost inevitably take place in operating under present bill. These features are very serious and we urge your assistance to prevent this injury and injustice. If this bill must pass, we implore you in the name of justice and fairness to have rider attached to McNary-Haugen bill providing for duty on importation of foreign jute, which would help condition of southern cotton farmers immeasurably.

J. J. SCOTT, *President.*
GEO. S. HARRIS.
D. A. JEWELL, Jr., *Treasurer.*
CLIFFORD J. SWIFT, *Vice President.*
CASON J. CALLAWAY.
FULLER E. CALLAWAY, Jr.
NORMAN E. ELSAS.
W. N. BANKS.
W. H. HIGHTOWER.
P. E. GLENN.
P. K. MCKENNEY.
D. W. ANDERSON.
HATTON LOVEJOY, *General Counsel.*
S. A. FORTSON.
T. M. FORBES, *Secretary.*

Mr. HAUGEN. Mr. Chairman, I move that all debate on this section and all amendments thereto close in seven minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I merely rise to say that my colleague from South Carolina [Mr. STEVENSON] is unnecessarily alarmed and also is the lady from Massachusetts [Mrs. ROGERS]. I have a telegram here from a cotton mill in Boston saying that we propose to make two prices on cotton, one price in the United States and a lower price in foreign countries, and thereby when we dump cheap cotton into the foreign countries that they would be enabled to manufacture it into goods and ship them back and undersell the manufacturers in this country. As a matter of fact there is nothing of that kind contemplated. We only propose to take care of the surplus and stabilize the price. The price in the foreign countries will be identically the same price as in this country with the freight, insurance charges added for carrying it to the foreign country. In the case of grain, if you dump a certain amount in the foreign countries cheaper than in America, then they would be able to ship it back in competition, but not so with cotton.

Last year we had a telegram from the cotton mills in North Carolina stating that they objected to the passage of the bill for that reason—putting a higher price on cotton in the United States and a cheaper price on what we export to foreign countries they said would ruin our mills. When asked what they would offer as a substitute they said if you want to do anything create a fund whereby you might take the surplus of cotton off the market and feed it back into the market in an orderly way, and that is what we are trying to do.

Mr. LOZIER. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. LOZIER. Is it not true that the effect of the bill would be to take the surplus and feed it back into the world market in an orderly manner and thereby increase the world price?

Mr. FULMER. Absolutely; and if you had an equalization fee on manufactured goods coming into the country it would be an additional tariff in the interest of the manufacturer and against the consumer of the manufactured products.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. STEVENSON].

The question was taken, and the amendment was rejected.

Mr. BLACK of New York. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. BLACK of New York: Page 43, after line 14, insert "If, in the opinion of the board, the prices of agricultural products are, or would be, favorably affected thereby, the board shall provide the marketing of commodities for the manufacture of beverages containing not more than 2¾ per cent of alcohol by volume. Shall make and promulgate rules and regulations by, and with the consent of, the Secretary of the Treasury for the manufacturing, storing, disposing of, and selling of such products. All acts or parts of acts inconsistent herewith are hereby repealed."

Mr. DOWELL. Mr. Chairman, I reserve the point of order.

Mr. BLACK of New York. Mr. Chairman, gentlemen will remember that I proved the other day that prohibition is the cause of the farmer's trouble. If you adopt this amendment you will make the bill popular. Moreover, if you adopt the amendment, I guarantee you enough votes to pass the bill over the President's veto. This is just as constitutional as the equalization fee or anything else in the bill.

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The point of order is sustained. The question is on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The motion was rejected.

The Clerk read as follows:

EQUALIZATION FEE

SEC. 10. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements. Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided.

(b) Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity and under nonpremium insurance agreements in respect of such commodity as hereinafter provided. Upon the basis of such estimates, the board shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the board, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity. Such amount is referred to in this act as the "equalization fee." At the time of determining and publishing any equalization fee the board shall specify the time during which the particular fee shall remain in effect and the place and manner of its payment and collection.

(c) Under such regulations as the board may prescribe, any equalization fee determined upon by the board shall be paid, in respect of each marketed unit of such commodity, upon one of the following: The transportation, processing, or sale of such unit. The equalization fee shall not be collected more than once in respect of any unit. The board shall determine, in the case of each class of transactions in the commodity, whether the equalization fee shall be paid upon transportation, processing, or sale. The board shall make such determination upon the basis of the most effective and economical means of collecting the fee with respect to each unit of the commodity marketed during the marketing period.

(d) Under such regulations as the board may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein.

(e) The board may by regulation require any person engaged in the transportation, processing, or acquisition by purchase of any agricultural commodity produced in the United States, or in the importation of any agricultural commodity or food product thereof—

(1) To file returns under oath and to report, in respect of his transportation, processing, or acquisition of such commodity produced in the United States or in respect of his importation of the commodity or food product thereof, the amount of equalization fees payable thereon and such other facts as may be necessary for their payment or collection.

(2) To collect the equalization fee as directed by the board and to account therefor.

(f) The board, under regulations prescribed by it, is authorized to pay to any such person required to collect such fees a reasonable charge for his services.

(g) Every person who, in violation of the regulations prescribed by the board, fails to collect or account for any equalization fee shall be

liable for its amount and to a penalty equal to one-half its amount. Such amount and penalty may be recovered together in a civil suit brought by the board in the name of the United States.

(h) As used in this section—

(1) In the case of grain the term "processing" means milling of grain for market or the first processing in any manner for market (other than cleaning or drying) of grain not so milled, and the term "sale" means a sale or other disposition in the United States of grain for milling or other processing for market, for resale, or for delivery by a common carrier—occurring during a marketing period in respect of grain.

(2) In the case of cotton the term "processing" means spinning, milling, or any manufacturing of cotton other than ginning, the term "sale" means a sale or other disposition in the United States of cotton for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States, and the term "transportation" means the acceptance of cotton by a common carrier for delivery to any person for spinning, milling, or any manufacturing of cotton other than ginning, or for delivery outside the United States—occurring during a marketing period in respect of cotton.

(3) In the case of livestock, the term "processing" means slaughter for market by a purchaser of livestock, and the term "sale" means a sale or other disposition in the United States of livestock destined for slaughter for market without intervening holding for feeding (other than feeding in transit) or fattening—occurring during a marketing period in respect of livestock.

(4) In the case of tobacco, the term "sale" means a sale or other disposition to any dealer in leaf tobacco or to any registered manufacturer of the products of tobacco. The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(5) In the case of grain, livestock, and tobacco, the term "transportation" means the acceptance of a commodity by a common carrier for delivery.

(6) In the case of any agricultural commodity other than grain, cotton, livestock, or tobacco, the board shall, in connection with its specification of the place and manner of payment and collection of the equalization fee, further specify the particular type of processing, sale, or transportation in respect of which the equalization fee is to be paid and collected.

(7) The term "sale" does not include a transfer to a cooperative association for the purpose of sale or other disposition by such association on account of the transferor; nor a transfer of title in pursuance of a contract entered into before, and at a specified price determined before, the commencement of a marketing period in respect of the agricultural commodity. In case of the transfer of title in pursuance of a contract entered into after the commencement of a marketing period in respect of the agricultural commodity, but entered into at a time when, and at a specified price determined at a time during which, a particular equalization fee is in effect, then the equalization fee applicable in respect of such transfer of title shall be the equalization fee in effect at the time when such specified price was determined.

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. Mr. Chairman, the committee yesterday, according to the ruling of the Chairman to-day, adopted the Aswell substitute. I believe every Member will readily agree that in voting yesterday on the Aswell substitute he voted not with reference to section 1, but with reference to the equalization fee. My inquiry is this: Having been stricken out by the vote of yesterday, is it not the proper procedure now not to consider or amend this section? It has once been stricken out in the voting, and everyone knows that this is what was voted on, and not the first section of the bill.

Mr. CHINDBLOM. The gentleman means to make the point of order?

Mr. ASWELL. Yes; I do make the point of order.

Mr. CANNON. Mr. Chairman, not only were those sections not stricken out, but they were the only sections that were not stricken out by the Aswell amendment. The Aswell amendment as finally agreed to strikes out every other portion of the bill and provides a substitute. But those portions relating to the equalization fee have not yet been considered and no action has been taken affecting them in any way. The Aswell substitute does not mention them, and the first proposal touching them is the motion to strike out which the gentleman from Louisiana [Mr. ASWELL] gave notice of his intention to make at the time he offered his first amendment.

Mr. ASWELL. That is not a fair statement. The committee has expressed its judgment against the equalization fee.

Mr. CANNON. The equalization proposition has not yet been before the committee. That is the one proposition in the entire bill upon which the committee has not yet expressed itself. The committee has expressed itself upon every other proposition in this bill by agreeing to the motion proposed by the gentleman to strike out and substitute. But up to this time no action whatever has been taken affecting sections 10 and 11.

Mr. ASWELL. That is not a fair statement.

Mr. CANNON. It is a fair statement, because it is the only statement which could be made in accordance with the facts.

The CHAIRMAN. The Chair does not understand that there is anything before the committee.

Mr. ASWELL. I make the point of order that it is not in order to vote upon section 10.

The CHAIRMAN. No motion is before the committee.

Mr. LAGUARDIA. Mr. Chairman, I have a perfecting amendment which I desire to submit.

Mr. ASWELL. Is it not proper to make the point of order at this place that it is not in order to vote on this section of the bill?

Mr. DOWELL. Not until a motion is made.

The CHAIRMAN. The Chair thinks that this section is in the bill. The Aswell amendment struck out the first section of the bill. The Chair thinks this section is in the bill.

Mr. ASWELL. I move to strike it out.

The CHAIRMAN. The gentleman from Louisiana moves to strike out section 10.

Mrs. ROGERS. Mr. Chairman, I offer the following amendments, which I send to the desk.

The Clerk read as follows:

Amendments offered by Mrs. ROGERS: Page 46, line 4, strike out the word "food" and in lieu thereof insert the words "manufactured or processed"; page 48, line 21, strike out the word "food" and insert in lieu thereof the words "manufactured or processed"; page 49, line 7, strike out the word "food" and insert in lieu thereof the words "manufactured or processed."

Mr. DOWELL. Mr. Chairman, on that I reserve the point of order.

Mrs. ROGERS. Mr. Chairman, I know that the Members are all tired and restless. I know the western Members want to help their farmers. Frankly, I can not see how this bill will help them except for a brief period.

I want to help my manufacturers and the people who work in the mills, as well as the stockholders. [Applause.] I am pleading for the farmers, the bankers, the manufacturers, the operators, the shopkeepers, and for everyone in the North, the South, the East, and the West. I wonder if you realize just what you will do if you take away the purchasing power from the wage earners employed in our cotton mills. There are over 450,000 wage earners in the cotton mills to-day. There are over 1,600 cotton establishments, and the cotton-mill operatives' pay roll at the present time is over $375,000,000. In the textile mills there are over 1,110,000 wage earners to-day. There are over 7,000 textile establishments, and the textile-mill operatives' pay roll at the present time is over $1,066,000,000. You can imagine just what would happen to the farmers as well as to the salespeople in the towns and cities if you take away—if you cripple or completely demolish—the purchasing power of the wage earners, and take away also the money that the stockholders receive from the dividends on stocks in these mills; and the consumer, if this bill should be enacted, would have to pay a higher price for the staples of life than ever before in the history of this country.

No doubt a good many of you own mill stock and perhaps you do not remember that fact to-day.

We do not all agree about the equalization fee. I am afraid I can not go along with you in voting for that. But if you impose the equalization fee on raw-cotton imports and thereby increase the cost of cotton for our manufacturers who import raw cotton from Egypt, China, or Peru, it seems to me that in all fairness you ought to impose the fee on the imported manufactured or processed products. You ought not to place our mills at such a terrible disadvantage. Under the present bill you can sell raw cotton, I am told by experts, to foreign countries at a lower price than would be paid for it in this country. Those foreign mills would purchase that raw cotton at a cheaper price than we pay for it, and compete with the mills in this country in manufactured cotton goods, thereby placing our mills at a great disadvantage. We could not possibly compete successfully, either in our country or in foreign countries, with those foreign countries if that were the case. At the present time we import about 150,000,000 yards of cotton cloth a year. Think how this would be increased with no equalization fee on imported finished goods.

Mr. FULMER. Mr. Chairman, will the lady permit an interruption?

Mrs. ROGERS. I am sorry I can not; I have such a short time.

You all know that this Congress has spent money for trade commissioners to try to develop our export trade in cotton and other finished commodities, and we have succeeded in increasing that trade steadily. We export nearly 600,000,000 square yards a year. I do not see how in your conscience and in your hearts you could entirely kill any continental export trade we might have.

I am pleading for everybody in the entire country; not only for the cotton manufacturers but for everybody, because if they fail many others will fail.

The gentleman spoke of the tariff on cotton goods. It is true that there is a tariff, but does that tariff allow for the fluctuation of prices which the equalization fee would bring about? It would not, and you would have to change your tariff very frequently, because the present tariff would not take care of the conditions that would arise as a result of the equalization fee on raw-cotton imports and no equalization fee on the manufactured cotton goods. We would be subsidizing foreign trade. I was talking only last night with some foreigners, and they seemed to be very much amused by this injustice that we are planning to inflict upon our cotton manufacturers. They are only too glad to secure our trade. [Applause.]

Will you tell the people of your State that they will be thrown out of work if the mills close—that you gave their chance for work to foreign labor in foreign countries?

Will you not give the cotton manufacturers a fair chance to keep alive this industry? Once more I bring to the attention of the Members of the House the table showing the number of States that have cotton mills in them. How can the Members of those States answer their constituents if the vote on my amendment is not "aye"? They are here to pass laws to assist these industries, not to cripple and annihilate them.

*States' trade in March, 1928, cotton spindles in place in the United States*

| | |
|---|---|
| Alabama | 1,595,620 |
| California | 54,128 |
| Connecticut | 1,125,412 |
| Georgia | 3,070,688 |
| Maine | 1,123,268 |
| Massachusetts | 9,773,322 |
| Mississippi | 175,402 |
| New Hampshire | 1,415,694 |
| New Jersey | 378,936 |
| New York | 860,280 |
| North Carolina | 6,201,576 |
| Rhode Island | 2,345,960 |
| South Carolina | 5,475,498 |
| Tennessee | 604,116 |
| Texas | 276,736 |
| Virginia | 710,952 |
| Illinois | 59,072 |
| Indiana | 85,704 |
| Kentucky | 83,202 |
| Louisiana | 100,764 |
| Maryland | 81,784 |
| Pennsylvania | 114,164 |
| Vermont | 144,808 |
| Arkansas | 45,044 |
| Missouri | 31,724 |
| Oklahoma | 30,912 |
| Michigan | 35,136 |
| Ohio | 12,360 |
| Total | 36,012,262 |

| State | Spinning spindles | | Active spindle-hours for March | |
|---|---|---|---|---|
| | In place Mar. 31, 1928 | Active during March | Total | Average per spindle in place |
| United States | 36,012,262 | 31,412,820 | 8,312,305,109 | 231 |
| Cotton-growing States | 18,456,362 | 17,830,552 | 5,508,055,878 | 298 |
| New England States | 15,928,464 | 12,216,306 | 2,511,842,649 | 158 |
| All other States | 1,627,436 | 1,365,962 | 292,406,582 | 180 |
| Alabama | 1,595,620 | 1,539,006 | 452,240,872 | 283 |
| Connecticut | 1,125,412 | 1,051,488 | 228,945,309 | 203 |
| Georgia | 3,070,688 | 2,953,626 | 940,362,764 | 306 |
| Maine | 1,123,268 | 885,102 | 169,694,890 | 151 |
| Massachusetts | 9,773,322 | 7,349,966 | 1,506,313,241 | 154 |
| Mississippi | 175,402 | 159,334 | 51,978,982 | 296 |
| New Hampshire | 1,415,694 | 1,033,944 | 233,351,148 | 165 |
| New Jersey | 378,936 | 371,328 | 73,652,709 | 194 |
| New York | 860,280 | 653,262 | 148,107,338 | 172 |
| North Carolina | 6,201,576 | 5,954,196 | 1,866,229,650 | 301 |
| Rhode Island | 2,345,960 | 1,778,918 | 346,692,252 | 148 |
| South Carolina | 5,475,498 | 5,392,376 | 1,725,938,586 | 315 |
| Tennessee | 604,116 | 585,284 | 188,288,849 | 312 |
| Texas | 276,736 | 248,890 | 69,508,908 | 251 |
| Virginia | 710,952 | 685,518 | 130,169,666 | 183 |
| All other States | 878,802 | 770,582 | 180,829,945 | 206 |

*Spindles in place in New England States and cotton-growing States*

| | Cotton-growing States | | New England States | |
|---|---|---|---|---|
| | Spindles in place | Annual change | Spindles in place | Annual change (increase (+) or decrease (−)) |
| 1911 | 11,596,000 | | 17,045,000 | |
| 1912 | 11,896,000 | +300,000 | 17,571,000 | +526,000 |
| 1913 | 12,430,000 | +534,000 | 17,620,000 | +49,000 |
| 1914 | 12,939,000 | +509,000 | 17,682,000 | +62,000 |
| 1915 | 13,200,000 | +261,000 | 17,526,000 | −156,000 |
| 1916 | 13,498,000 | +298,000 | 17,788,000 | +262,000 |
| 1917 | 14,145,000 | +647,000 | 18,002,000 | +214,000 |
| 1918 | 14,526,000 | +381,000 | 18,267,000 | +265,000 |
| 1919 | 14,902,000 | +376,000 | 18,393,000 | +126,000 |
| 1920 | 15,179,000 | +277,000 | 18,543,000 | +150,000 |
| 1921 | 15,720,000 | +541,000 | 18,734,000 | +191,000 |
| 1922 | 16,075,000 | +355,000 | 18,856,000 | +122,000 |
| 1923 | 16,458,000 | +383,000 | 18,930,000 | +74,000 |
| 1924 | 17,226,000 | +768,000 | 18,576,000 | −354,000 |
| 1925 | 17,635,000 | +409,000 | 18,333,000 | −243,000 |
| 1926 | 17,875,000 | +240,000 | 17,946,000 | −387,000 |
| 1927 | 18,169,000 | +294,000 | 16,871,000 | −1,075,000 |

I have received messages from manufacturers and people all over this country asking that this amendment be introduced and passed. Boots and shoes and tobacco also would be included in the amendment. The makers of these commodities would be vitally hurt without this amendment.

The following is the National Association of Cotton Manufacturers' resolution, unanimously adopted, which has been sent to me:

The board of government of the National Association of Cotton Manufacturers to-day considered certain features of the McNary-Haugen bill which affects the cotton-textile industry.

The board of government appreciates the unfortunate economic conditions which have adversely affected the position of the farmer, but believes that the present bill is uneconomic, unsound, and will not afford the relief to the farmer for which it is designed. Furthermore, certain features of the bill, if put into operation, would so seriously affect the cotton-manufacturing industry as well as other branches of the textile industry as to cause further serious depression, if not actual disaster.

If, however, this type of legislation has prospects of favorable consideration by Congress and the administration, the board believes that an amendment should be offered by which the textile industry, whose interests are very closely related to the farmer, would not be so seriously damaged. The damage thus caused to the American textile industry, the cotton farmer's best customer, would in turn react on and seriously damage the cotton farmers themselves. The amendment suggested is that of including cotton goods within the operations of the act and to apply the equalization-fee plan to cotton goods in respect to both imports and exports.

Following are outlined some effects upon the textile industry which would result from the enactment of the legislation passed by the Senate and now before the House, unless an amendment to include cotton goods is added.

The present bill provides that raw cotton be exported at world market prices, which means at prices below those current in the domestic market and that the losses on such exports of cotton would be made up out of equalization fees collected on sales of cotton to domestic mills. In effect, this means that foreign mills could secure American cotton at prices less than that paid for it by domestic mills.

Foreign mills, therefore, could convert the American cotton into yarns and cloth, and because such were made out of cotton obtained at prices oftentimes considerably below that paid for it by domestic mills, could export these yarns and cloths to the United States at prices low enough to undersell with the yarns and cloths from American mills in spite of any tariff. Furthermore, foreign mills would make yarns and cloths out of their cheaper American cotton and export them to the world's markets in competition with American exports of such commodities, thus almost entirely killing our own export trade in cotton textiles which now amount to nearly 600,000,000 square yards a year.

The disastrous effects of the operation of such a law on the chief consumer of farm products has been recognized in the provisions for the protection of the packers and flour mills, their most important customers.

The flour mills and the packers process and distribute grain and animal products. The cotton mills process and distribute raw cotton, the product of the cotton farmer. The cotton mills should, therefore, be included in the McNary-Haugen bill in order to protect the cotton farmer's chief market.

In view of the serious consequences to the textile industry which would follow from the operation of the McNary-Haugen bill as now

before Congress your board of government recommends that this association urge the adoption of such an amendment, and that a committee of four be appointed to bring this situation to the attention of Members of the House and Senate.

The CHAIRMAN. The time of the lady from Massachusetts has expired. The question is on agreeing to the amendment offered by the lady from Massachusetts.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mrs. ROGERS. I ask for a division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 54, noes 81.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 47, line 25, after the word "collection," insert the following: "*Provided*, That when any equalization fee is levied in respect to cattle or swine or the processing or sale thereof, a similar fee of not less than the same amount per pound shall also be levied on the first sale of any stock of food products made from cattle or swine on hand and owned by any individual or corporation at the time of the beginning of such period of operation: *Provided, however*, That the board shall exempt all of such commodities owned in good faith by retail dealers at the time of the declaring of such operative period from the operation of this clause."

Mr. JONES. Mr. Chairman, I would like to have the attention of the Members of the House on this amendment. This amendment was adopted two years ago when I offered it to the McNary-Haugen bill of that date. According to the testimony of the packers who appeared before us in connection with the packing houses and stock yards, they keep somewhere from $150,000,000 to $200,000,000 value in food and meat products on hand. If you put an equalization fee on live cattle and live pork, and the bill has the effect you think it will have, it will raise the price of those cattle and swine, let us say, for example, 2 or 3 cents per pound. I do not know that it will have that effect, but that is the hope of the bill. If it does, $200,000,000 worth of packers' products on hand in storage warehouses will be increased in value many millions of dollars. My amendment provides that when you levy an equalization fee on the cattle and on the swine there shall be levied a similar fee of not less than the same amount per pound upon the stock held in storage by the packeries and those who engage in wholesale transactions. I exempt the retail dealers because the amount in their hands would be so small that it would not be worth price of collecting.

Mr. Chairman, I think the chairman of the Committee on Agriculture ought to agree to this amendment. After full discussion, this same amendment became attached to and became a part of the bill which passed this House two years ago. The undisputed testimony of the packers themselves when they appeared before the Committee on Agriculture but two years ago was to the effect that they kept on hand constantly and continuously from $150,000,000 to $200,000,000 in value in meat products. Anyone who will stop to think for a moment will see that if they have $150,000,000 in value in meat products, when a fee is levied on the cattle owner and on the hog owner and it is not levied on the processed product then on hand and in the storage warehouses, which my amendment covers, you will present to the packers from $20,000,000 to $30,000,000 as a present at the expense of the farmer-stockman. Do you think that is right?

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. CRISP. I am in sympathy with the gentleman's amendment. Can the gentleman tell the committee whether or not the Committee on Agriculture considered it; and if so, why it was not included in the bill?

Mr. JONES. I do not know why it was not included in this measure.

Mr. ADKINS. There was not anything that was not talked over in the committee.

Mr. JONES. I do not know whether it was or not; it was not considered while I was there; and I do not think this was considered in the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

Mr. LaGUARDIA. Mr. Chairman, I have two amendments which I want to offer.

Mr. LANKFORD. And I have an amendment which I want to offer.

Mr. EDWARDS. I suggest that the gentleman make it one hour.

Mr. HAUGEN. Mr. Chairman, I will make it 10 minutes.

Mr. CHINDBLOM. Mr. Chairman, reserving the right to object, I want to know whether there are more things coming in here that were not considered by the committee at the request of the members of the committee.

Mr. HAUGEN. There are none that I know of.

Mr. JONES. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. ASWELL. I object, Mr. Chairman.

Mr. HAUGEN. Then, Mr. Chairman, I move that all debate close in 15 minutes.

The CHAIRMAN. Will the gentleman from Iowa withhold his motion until a vote is taken on the Jones amendment?

Mr. HAUGEN. I will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 121, noes 54.

So the amendment was agreed to.

Mr. HAUGEN. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

Mr. ASWELL. I hope that motion will not be adopted.

The CHAIRMAN. The question is on agreeing to the motion made by the gentleman from Iowa.

The motion was agreed to.

Mr. NEWTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON: Page 47, line 3, after the word "agreements" strike out the rest of the line, and all of lines 4, 5, 6, and 7.

Mr. NEWTON. Mr. Chairman, this is the fourth time that Congress has had under consideration the so-called McNary-Haugen bill. The first one was in 1924, immediately preceding a presidential election. The second one was in 1926, immediately preceding a congressional election. The third was in 1927, when plans were being made for the presidential election the coming year. This, the fourth bill, is presented to us in 1928, during a preconvention presidential campaign and immediately preceding another presidential election. I voted against each and every one of the preceding McNary-Haugen bills, because they involved governmental price fixing of certain commodities and otherwise projected the Government into business, violated other economic laws, and, in addition, were unquestionably unconstitutional.

Following the presidential veto of the 1927 Haugen bill, I was in hopes that the Committee on Agriculture would report out a bill this year which was economically sound and in keeping with our Constitution. While I come from a city district, I realize that the people whom I represent appreciate the fact that in a large measure they can not prosper unless there is prosperity in the large farming community which they serve. There can be no question but what there has been a slump in agriculture, which commenced either late in 1920 or in the summer of 1921. There can be no question but what there has been a marked improvement in the condition of agriculture since this slump. This improvement can be traced, in part, to the operation of economic laws, while some of the improvement can be justly credited to at least some of the 23 laws, including the emergency tariff act of 1921 and the Fordney-McCumber Protective Tariff Act of 1922, which Congress has passed in an endeavor to improve the situation. Every effort, therefore, should be put forth, which can legitimately be put forth, to still further improve the situation.

However, if we are going to be frank with ourselves and with the country, we must recognize a limitation surrounding any attempt to cure economic ills by statutory enactments.

INFLATION OF FARM VALUES

For example—and I shall only enumerate several factors—Congress can not restore land values which in fact never existed. The farmer has experienced in the past 15 years, first, an inflation of farm-land values, and then later a substantial deflation. According to figures given in the Government census of 1910, the average sales value of farms in Minnesota was $36 per acre; in 1920 that had been increased to $90 per acre. In the State of Iowa the advance was from an average of $82 per acre in 1910 to $200 per acre in 1920. Under the natural stimulus of

increasing values there was much buying and selling of land. Generally this involved a cash payment for a portion of the purchase price, with a mortgage, and a very substantial one, for the balance. As a result total farm indebtedness jumped from $1,750,000,000 in 1910 to $4,000,000,000 in 1920. This, of course, resulted in not only substantially increasing the farmers' indebtedness but his investment, rate of interest, and general overhead as well. I submit that there is nothing that we can do in a legislative way which will put back those values which in fact never existed. Some one has to take a loss.

POOR FARMING

There has been some poor farming in this country of ours; land has been put too often to one crop. Scientific principles of crop rotation have not been followed. As a result the average yield per acre in certain portions of the country is substantially less than what it would have been if better farming methods had prevailed. Congress can not put back fertility into an impoverished soil nor make a good farmer out of a poor one, nor an ambitious or industrious farmer out of a lazy one.

INCREASED TAXES

During the inflation period taxes on farms were greatly increased. The farmer's overhead expenses were thereby multiplied. He must pay his taxes in cash. It must be apparent that an increase in taxes has a more far-reaching effect upon the farmer than that of the man engaged in other lines of business. Notwithstanding the deflation there has been no appreciable decrease in taxes. In 1913 farmers of the United States were paying in direct taxes for State and local purposes $315,000,000. In 1922 they were paying $861,000,000. This constitutes an increase of 175 per cent. It is apparent that a much greater percentage of his income is now payable in taxes than was the case during the pre-war period. These taxes are not paid to the Federal Government. Generally speaking, the farmer pays practically no direct taxes to the Federal Government. These taxes are levied by States, counties, and so forth. It is, of course, perfectly obvious that Congress can not do anything to meet that kind of a situation.

Some of the people who have been advocating this type of farm-relief legislation to the exclusion of all others might well devote some of their time and energy to the study of State and local taxation and the farmer, with the idea of finding out whether there should not be a readjustment of State and local tax burdens.

WHAT WE CAN DO

However, Mr. Chairman, we can enact legislation which will tend to relieve, at least in part, some of the difficulties confronting agriculture and the country during this period of readjustment. I have the time to refer to them but briefly. For example:

First. Transportation costs have substantially increased during the last 10 years. This has been due to substantial increases in the cost of materials and to substantial wage increases to employees. Ours is a country of magnificent distances. Any increase in transportation costs has its inevitable effect upon products of factory and farm. This is particularly true of the farm, because, generally speaking, the farmer is farther away from the points of consumption. Every legitimate effort should be put forth to lessen transportation rates. In view of the substantial increase in the cost of doing business, it is doubtful whether railroad freight rates on farm products can be substantially lessened. I hope, however, that some reduction can be made under the proceedings now pending before the Interstate Commerce Commission. There is a way out for us, however, if we will hasten the development of our inland waterways, including the Great Lakes-St. Lawrence Waterway project and the extension of the present barge line service upon the Mississippi River and its tributaries so that it can handle much greater tonnage of farm products. For example, wheat for export can be sent to Liverpool via the Mississippi River and the port of New Orleans for 10 cents less—that is, from the Northwest—than the present rail-lake and rail route via New York to Liverpool.

Second. The farmer is receiving very substantial benefits under existing protective-tariff legislation. Ninety-five per cent of the food products produced in this country are consumed in this country. When the Fordney-McCumber tariff bill was under consideration, Congress practically let the farmers write their own schedules. As a result the farmer enjoys the benefit of the substantial protection of this great domestic market. You will find that the imports of farm products are negligible, excepting as to a few commodities. The value even as to those commodities in dollars and cents is infinitesimal compared to the value of all of the farm products produced in this country. It must be apparent, therefore, that he is receiving very substantial benefits from the protective tariff. No greater misstatement of the facts could be made than that the farmer buys in a protective market and sells in a free market.

Third. For the time being we should stop spending Government moneys for reclaiming lands in order to produce a greater surplus. This should be apparent to all, yet some of the proponents of the McNary-Haugen bill, both in and out of Congress, are advocating the expenditure by the Government of millions upon millions of dollars to develop further reclamation projects in the West. The effect of the development of these projects would be to increase acreage substantially and to greatly increase the surplus. It is estimated that one of these projects will cost $350,000,000; the others will involve an expenditure ranging all the way from $175,000,000 to $250,000,000.

Fourth. There are those who have studied this question who are of the opinion that some sort of a governmental agency should be formed for the purpose of stabilizing the market in a given commodity whenever there is an abnormal surplus. The President has recommended this. If such an effort is made, a great deal of care would have to be exercised by that agency in order not to stimulate overproduction and thereby aggravate existing difficulties. In my judgment the efforts of such an agency should be confined to the disposition of an abnormal or seasonal surplus.

Mr. Chairman, it must be apparent to any who have examined this measure that this bill, like all of its predecessors, does not meet the situation at all. It only attempts to deal with a surplus; it does not attempt to remove any of the causes, but confines itself to removing the consequence or effect produced by certain causes which it does not attempt, in any way, to remove. Furthermore, in dealing with effects and consequences, it does so in such a manner as to aggravate the problem by increasing the surplus. I submit that any measure to relieve the farmer should conform to the Constitution, be economically sound, practical in operation, and be reasonably certain to improve, rather than aggravate, existing conditions.

The measure before us does not meet any one of these tests. To enact it into law would be to injure rather than to help the farmer. The improvement which has been going on for the past several years would be stopped. There is grave danger that the scheme proposed would revolutionize our entire marketing and distributing systems. There is no way of fully predicting its probable consequences.

GENERAL PROVISIONS

Mr. Chairman, briefly stated, the present McNary-Haugen bill in its fundamental principles is substantially the same as the 1926 and 1927 bills. It seeks to raise the price of any agricultural commodity whenever there is an exportable surplus or a surplus in excess of the requirements for orderly marketing, so that the domestic price received by the farmer will be substantially higher than the world's price. Under the bill, as it has been amended by the Kincheloe amendment, this domestic price can be fixed at any figure which the Federal farm board may set, subject only to approval by a commodity advisory council. The Federal farm board is composed of 12 members appointed by the President. They receive a salary of $10,000 per year. There is a commodity advisory council for each commodity that is proposed to be controlled; there are seven members on each commodity council—these members are selected by the board, but only from lists submitted by farm organizations. Members of these councils are paid $20 per day when attending meetings of the councils and when otherwise engaged upon their duties. In addition, they receive their expenses. Once the control of a given commodity has been instituted by the Federal farm board and approved by the commodity council of that commodity, the control can not be terminated in any way whatsoever, excepting by the consent of the commodity council. This, notwithstanding how high the price may be or what conditions may result. I shall refer to this latter aspect later.

With the idea of raising the domestic price to at least a point where it will equal the world's price, plus the tariff, the Federal farm board is authorized and directed to contract with farm organizations, or otherwise, for the purchase and withholding for sale, or purchase and sale, or purchase and manufacture of the probable surplus over domestic needs at whatever increased price the Federal farm board may fix. They are then to dispose of the surplus or the manufactured produce thereof abroad at whatever price can be obtained for it. This price would, of course, generally speaking, be substantially less than what was paid for it. That is admitted. This would involve a substantial loss. The bill contemplates this and provides that losses incurred in purchasing and sale abroad, or in purchasing and manufacturing and sale abroad, would be paid for in the first instance by money in the Treasury; $400,000,000 is authorized to be set aside for that purpose. Eventually these losses are to be paid from a replenishment of this

stabilization fund. This will be obtained from the collecting of a so-called "equalization fee" or tax from every unit of the commodity sold. For example, upon every bushel of wheat sold an equalization fee or tax would be collected. To illustrate: The average crop of wheat in this country is 800,000,000 bushels per year. The domestic consumption is 600,000,000 bushels. The average surplus is about 200,000,000 bushels. It would be the duty of the Federal farm board under this act to make arrangements with farm organizations, or otherwise, for the purchase of this surplus and its sale abroad either as wheat or as flour. For the purposes of illustration we will assume that the domestic price of wheat is $1.50 and that the world's price is $1.50. The tariff duty is 42 cents per bushel. The freight by lake and rail from Port Arthur to Minneapolis is about 8 cents per bushel.

The total is $2. The purpose is to purchase the surplus wheat in the domestic market and sell it abroad for whatever price can be obtained, even if it depresses the world market. In that event there would be only enough wheat left in the country for our own needs. The domestic price would then rise to the level of the world's price, plus the tariff duty, plus the freight, which, according to the illustration, would be $2. That is the theory of the bill. In this way it is claimed that the farmer can only receive the full benefit of the tariff on a commodity where he produces an exportable surplus. So far as I know, there is no producer of any commodity, farmer or manufacturer, who produces a surplus beyond domestic requirements who receives the full benefit of protection if his production is not gauged by the world's demand. However, this is the theory of the bill, and it is on that theory that we are discussing it.

In my judgment the theory of the bill is economically unsound, the plan of operation is impractical, and the general scheme is unconstitutional. I shall briefly summarize my several objections, as follows:

STIMULATES OVERPRODUCTION

First. Like its predecessors, this bill would stimulate overproduction. Take wheat, for example, it will be apparent from a reading of the scheme that the farmer is given to understand that through this plan he will be able to realize a substantial additional price for his wheat. He is now producing a surplus. The consumption of wheat to-day is about 25 per cent less per capita in this country than it was 25 years ago. This scheme leads him to believe that notwithstanding the fact that he is now producing a surplus, that somehow, in some way, he is going to be able to avoid the consequences of overproduction of a commodity. With this thought in mind there can be no question that he will undoubtedly put more acres into wheat. High prices of wheat one year have almost invariably produced increased acreage the following year.

It is inevitable that this scheme will add to the number of bushels raised, thereby increasing the surplus. It is true, the board is given the power to "advise" the farmers about their planting. You will note, however, that it is merely advice. What will the farmer generally follow—the advice of the board or the invitation in the bill to increase acreage in order to realize upon the advanced price? To ask the question is to answer it. It is obvious, or at least it should be obvious, that you can not meet a situation calling for disposition of a surplus by adding to that surplus.

PUTS GOVERNMENT INTO BUSINESS

Second. This bill projects the Government into business on a tremendous scale. It embraces "any agricultural commodity." The previous bills to which I have referred limited the control to particular commodities. These commodities were set forth. This bill confers this power over any commodity. Unless the bill should be amended in conference to exclude fruits, vegetables, and beef, it will take in any commodity. The Federal farm board is created with authority to appoint without limit, employees and experts and fix their salaries. The board is to have authority whenever it finds a seasonal or normal surplus in any commodity to put this control of the marketing of this commodity into operation. This is to be done and, as I have indicated, the losses, costs, and charges involved in the sale of the commodity or in the manufacture thereof, or in the sale of the manufactures thereof abroad, are to be paid for out of this so-called stabilization fund. Like its predecessors, the bill does not say whether the agency of the Federal farm board is to commence buying wheat, for example, at the then market price, thereby gradually causing the price to rise until it finally reaches the figure that the board thinks the American consumer should pay, or whether this agency is to go into the market immediately, and buy up the surplus at a price to be fixed by the Federal farm board.

In either case it is governmental price fixing. If the latter plan is used every seller of wheat will be treated fairly; the man who has to sell early would obtain the same price as if he had been able to hold it until the price had reached the maximum. If the former plan is used, the man who has to sell early will not get the benefit of any material advance in price. However, he will have to pay the same kind of an equalization fee that his more fortunate competitor will have to pay. In other words, the farmer with limited capital and with debts to pay will have to market early with but an immaterial increase in price, and he will have to pay the same equalization fee as his more fortunate neighbor who does not have to market early. I have never yet been able to get one of the proponents of this scheme to agree with another proponent as to just what plan will be carried out.

DISCRIMINATION AGAINST SPRING WHEAT

Third. This bill discriminates particularly against the hard spring wheat farmer. The hard spring wheat farmer is already getting very substantial benefits from the present tariff duty on wheat which is 42 cents per bushel. There is very little Canadian wheat coming into this country. This is due to the tariff wall. You will recall that one year ago in a debate on the then Haugen bill I produced certain charts showing the difference on comparable grains—hard spring wheat—between the Winnipeg market and the Minneapolis market. These charts covered a three-year period of 157 weeks and showed the average weekly high price on No. 1 dark northern at Minneapolis and the average weekly high price of No. 3 Manitoba northern at Winnipeg. These are comparable grades and so recognized by leading authorities, including the Minnesota Railroad and Warehouse Commission. The average over the Winnipeg price the first year was 34.2 cents. In the second year—Canada had a crop failure that year—it was 26.15 cents; the last year it was 36.42 cents.

In 72 weeks out of 157 the differential in favor of Minneapolis was over 35 cents. During the year 1925 to 1926, the Minneapolis price was in excess of the Winnipeg price by 40 cents in 20 weeks, by 35 cents in 29 weeks, and by 30 cents in 34 weeks. During 121 weeks out of the 157 weeks the Minneapolis market was over the Winnipeg market by over 25 cents. Its average throughout the period was about 30 cents in favor of the Minneapolis market. There can be no question, therefore, but what the hard spring wheat farmer received very substantial protection during that period by reason of the protective-tariff duty upon wheat; neither can there be any question but what the equalization fee would not have worked during that period, simply because—that is, as to hard spring wheat—the Minneapolis cash market averaged so well above the Winnipeg market.

Mr. BURTNESS. Will the gentleman yield for a short question?

Mr. NEWTON. Yes.

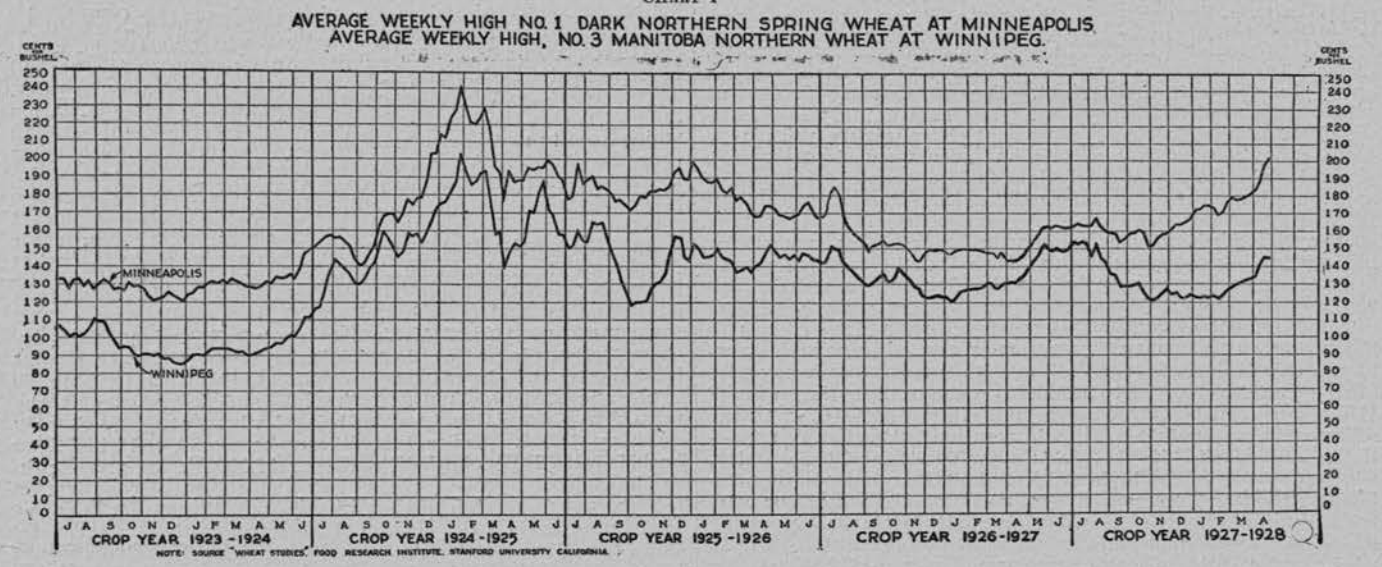
Mr. BURTNESS. What has been the situation during the past year with reference to the Winnipeg market and the Minneapolis market?

Mr. NEWTON. That is what I want to show by the exhibit which I have here.

This exhibit is a continuance of the exhibit used by me one year ago and covering crop years 1923 to 1926, inclusive. Note on this exhibit, or Chart I, the crop year 1926–27. The difference in favor of the Minneapolis market during the fore part of the year was 30 cents; there were fluctuations throughout the year and at one time it was about 12 cents. Now, note the crop year 1927–28; the table shows the weekly average closing prices of both markets; the difference in favor of Minneapolis since January 1 this year is practically 50 cents per bushel. In other words, it is the tariff of 42 cents plus the freight from Port Arthur to Minneapolis.

The average difference in favor of the Minneapolis market during this current crop year throughout the entire period from July 4 to April 28, inclusive, is about 40 cents per bushel. This is not the futures market, gentlemen; this is the cash market. There is not anything speculative about this—this is actual wheat sold for actual cash, for which actual money is paid. Minneapolis is a cash market. It is a great milling center. We handle there on the average throughout a given year about 175,000,000 bushels of wheat. The actual cash transactions involve that many bushels of wheat. It is the good wheat that commands the high price; it is the good or the high price that brings the good high protein American wheat to that market and which sends Canadian wheat over the border. It is the tariff of 42 cents which protects the northwestern spring-wheat farmer against this invasion of his Canadian competitor. It must be apparent, therefore, that the hard spring-wheat farmer is already deriving substantial benefits from this tariff on wheat. It should also be apparent from these figures that if the McNary-Haugen bill had been in operation away back in 1924, or say in 1927, that the hard spring-wheat farmer could not

CHART I




have benefited therefrom even if the scheme had worked generally throughout the country.

I have used cash wheat for comparison, because that is a fairer basis for comparison than the futures market of Winnipeg and Minneapolis. Winnipeg future prices are based upon Manitoba No. 1 Northern wheat as a contract grade. Minneapolis future prices are based upon Minnesota No. 1 Northern grade. While both these contract grades are called No. 1 Northern, they are similar in no respect except the name. Manitoba No. 1 Northern wheat is very much superior in its protein content and milling value than Minnesota No. 1 Northern.

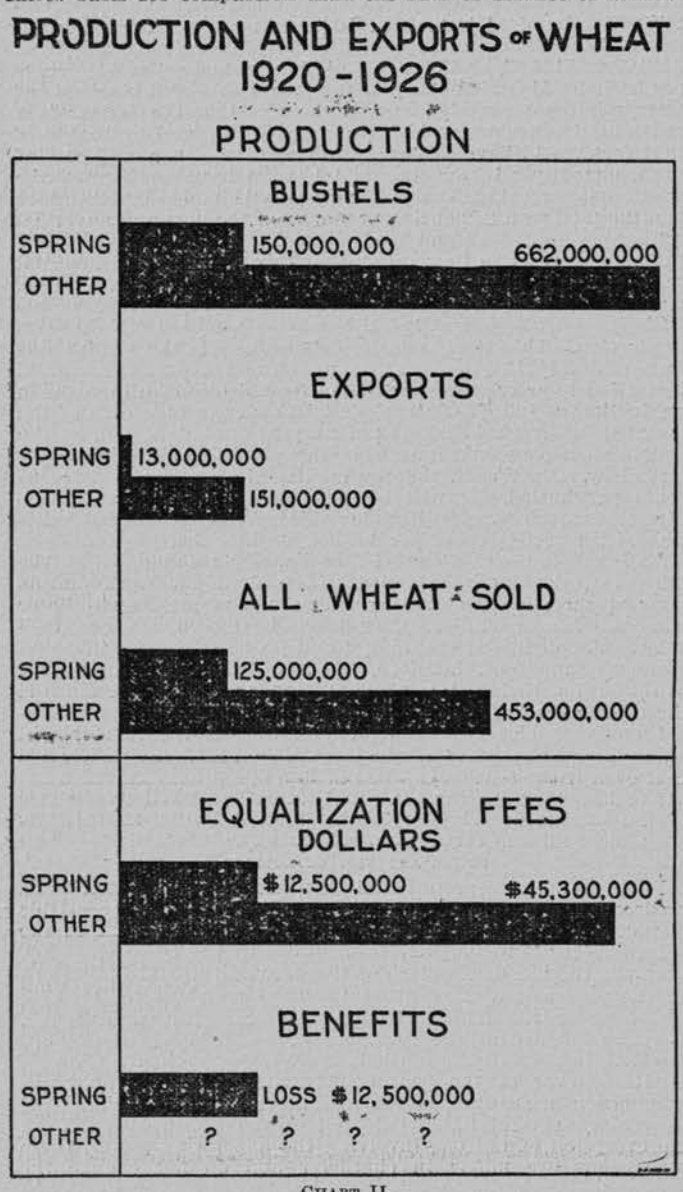



CHART II

The inspection of Manitoba No. 1 Northern wheat requires higher test wheat and represents in fact only a small percentage of the wheat which passes into Winnipeg. The comparable grades are Canadian No. 3 Northern wheat with our choice No. 1 Dark Northern wheat. Winnipeg future price is based upon the average quality of No. 1 Manitoba Northern, while the Minneapolis future price is based upon the poorest quality of Minnesota No. 1 Northern wheat. It is apparent, therefore, that the No. 1 grades are not comparable. This also should be taken into consideration in comparing prices between Minneapolis and Winnipeg. The Winnipeg prices are not based upon delivery at Winnipeg, but delivery at Fort William or Port Arthur. These are points on Lake Superior approximately 400 miles east of Winnipeg. The all-rail export rate from these ports to Quebec is 10 cents per bushel less than the all-rail export rate from Minneapolis to New York. In other words, the Winnipeg futures price is based upon delivery at a point 400 miles east of Winnipeg at 10 cents per bushel closer to the world's markets than Minneapolis.

I shall now show this other exhibit, or Chart II, before us, covering production and exports of wheat of all kinds for the period 1920–1926, inclusive, why the hard spring-wheat farmer can not benefit from this scheme. The average annual production of wheat in the United States during that period was 812,000,000 bushels. The average annual spring wheat production during this period was 150,000,000 bushels. So much for that part of the chart pertaining to production. The average annual exports of wheat of all kinds during that period was 164,000,000 bushels. Of this total only 13,000,000 bushels was spring wheat, while 151,000,000 bushels was other wheat. In other words, less than 10 per cent of the spring wheat crop found its way across the sea—that is, less than 10 per cent of the spring wheat produced is exported, while about 25 per cent of our other wheat was exported.

It is apparent, therefore, that there is very little of spring wheat sold abroad. Most of it is consumed in this country. I have just shown that the spring wheat farmer is deriving already substantial benefits from the protective tariff on wheat. He is selling such a small percentage of his hard wheat abroad that he is only incidentally interested in exporting his product.

Proceeding further with Chart II: Not all the wheat that is produced in this country goes to market. Some of it is consumed on the farm. I am assuming that out of about 150,000,000 bushels of spring wheat that is produced here on the average, about 125,000,000 bushels is marketed and the remainder is consumed for one purpose or another on the farms. Some of it, of course, is seed wheat. I am also assuming that of the other wheat about 453,000,000 out of the 662,000,000 bushels finds its way to the domestic or export market. Let us assume that the equalization fee is 10 cents per bushel. The spring wheat farmer would, therefore, pay to the stabilization fund $12,500,000. He would pay the same equalization fee as would the

farmer who produced largely for export. If this scheme works, the farmer who produced for export would stand to have the price for his particular wheat, which is consumed in this country, increased to a figure where it would at least equal the world's price, plus the tariff and freight. The spring wheat farmer, as I have shown, already receives a price substantially above the world's price and at least approaching the world's price, plus the tariff. In some instances it has even reached the world's price plus the tariff and the freight to Minneapolis. It must be apparent, therefore, that when the spring-wheat farmer pays in by way of an equalization fee $12,500,000 he is making a contribution to the farmer raising the other kind of wheat, for he is paying an equalization fee for which he receives practically no benefit whatever; the benefit, if there is a benefit, goes to the other fellow.

This payment of $12,500,000 is, therefore, a distinct loss to the spring-wheat farmer. Therefore, I ask, what possible benefit can this McNary-Haugen bill give to the farmers in my part of the country who are producing this hard spring wheat? What benefit will they receive from this scheme even if the scheme can be put into practical operation? Practically none—the benefit goes to the farmer in other portions of the country, who by reason of the higher prices during or immediately following the war, commenced again to produce wheat, or who opened up new land in the West or Southwest, thereby putting thousands upon thousands of increased acreage into winter wheat. The spring-wheat farmer would pay in $12,500,000 for which he receives practically no benefit, while the other wheat farmer would pay in $45,000,000 and receive practically all of whatever benefit there was.

Mr. BURTNESS. Will the gentleman yield for a question with reference to the tariff?

Mr. NEWTON. I regret that my time is limited.

PRACTICAL EFFECTS

Fourth. The farmer is not only a producer but a consumer. He and his family constitute about 30 per cent of the consuming population of the country. As a consumer it must be perfectly apparent to us all that if the scheme did work and the price was advanced then he as a part of the consuming public would have to stand his share of the advance in living costs. Let us assume that the world's price of wheat is $1.50 per bushel and the domestic price is $1.50 per bushel. This plus the tariff and freight is $2 per bushel; that the total production of wheat is 800,000,000 bushels during the year and that the domestic consumption is 600,000,000 that year. This would leave a surplus of 200,000,000 bushels. It will be agreed by all, I think, that this is a fair average.

We will now assume that the control is put into effect and the surplus is purchased—200,000,000 bushels at $2 per bushel would amount to $400,000,000. This would, of course, have to be sold abroad at whatever price could be obtained for it. Let us assume that the price obtained is the then world's price of $1.50 per bushel. This is allowing nothing whatever for a depression in the price which might be caused abroad by knowledge that the surplus would be marketed abroad for whatever could be obtained for it. Two hundred million bushels, sold at $1.50 per bushel, would bring in $300,000,000. This would show a loss in the transaction amounting to $100,000,000. This money would in the first instance come out of the Treasury, unless the Treasury moneys were replenished by the collection of the equalization fee. An equalization fee of 16⅔ cents per bushel would have to be levied on all wheat sold. About 25 per cent of the wheat produced in this country is not marketed, but is consumed upon the farms. I think the figure would go slightly above that. I would figure about as follows:

| | Bushels |
|---|---|
| For seed | 80,000,000 |
| For chicken feed | 30,000,000 |
| For mill feed | 120,000,000 |
| Total | 230,000,000 |

The above quantity, if consumed upon the farm and not thereby going into channels of trade, would not have to pay the equalization fee. This would leave approximately 570,000,000 bushels to pay the equalization fee. That would bring in nearly $100,000,000; that would just be enough to take care of the loss. It would allow nothing for expenses or anything of that character. However, he gets on the wheat sold in this country, which is 370,000,000 bushels, 50 cents a bushel more for his wheat. This would appear to be a difference in his favor of 34⅓ cents per bushel. Therefore, would it not pay? Let us see.

After deducting the approximately 230,000,000 bushels consumed on the farm, and the 200,000,000 bushels which is sold abroad, we have remaining about 370,000,000 bushels of wheat which are marketed and consumed in this country. Of this, the farmer as a consumer would undoubtedly consume 30 per cent, or 110,000,000 bushels. This would leave 290,000,000 bushels to be consumed for domestic purposes by the rest of the country. Therefore, it must be apparent that the farmer will pay out of his own pocket the increased price on all but 290,000,000 bushels which goes to and is consumed by the domestic consumer, other than the farmer. As a matter of fact, it will be observed that he consumes a greater percentage than that consumed by the other domestic consumers for the obvious reason that he has a consumption not common to the others; that is, for seed, and so forth. Let me illustrate: Here is a farmer raising 1,000 bushels of wheat. We will assume that the world price is $1.50 and the domestic price is $1.50. The McNary-Haugen bill becomes a law. The Federal farm board and the commodity council put the control into effect. Marketing agreements are made to purchase the surplus. The domestic price is thereby raised to at least the sum of $2 per bushel, which is the world price plus the tariff and freight. Without the bill and its provisions the farmer would sell his 1,000 bushels of wheat at $1.50, thereby realizing $1,500. Under this scheme he would sell this 1,000 bushels at $2 per bushel, realizing $2,000. The gross gain would amount to $500. We will assume the same equalization fee which has heretofore been used in my illustration; that is, 16⅔ cents per bushel. He would have to pay this on each and every bushel marketed—this would cost him $83.33. This would leave a theoretical net gain on the transaction of $416.67.

However, in practice we have seen that this farmer would consume in seed, mill feed, chicken feed, and flour a little over one-half of his 1,000 bushels. For this he would pay on the basis of the new domestic price of $2 along with other consumers. Five hundred bushels at 50 cents more per bushel would mean $250. This would reduce the above theoretical profit from $416.67 to $166.67, or 16⅔ cents per bushel instead of 34⅓ cents per bushel. Most, if not all, of the proponents of this scheme of farm relief have wholly ignored the fact that the farmer is a substantial consumer of his own commodities, and by reason of that fact would have to bear his share of the increased cost of the commodity. In figuring as I have, I have not figured the additional percentage that will naturally be added by the miller and the feed man in figuring profits upon the new and advanced selling price on flour and feed. I am, of course, assuming for the purposes of this illustration that this intricate and involved scheme can be worked out in a practical manner. Furthermore, my illustration is based upon the normal surplus of 200,000,000 bushels. I have shown that this scheme would stimulate overproduction. This would add to the surplus. If the surplus was increased only 12½ per cent by reason of this stimulation and invitation to grow more wheat, that would mean an increase in production of 100,000,000 bushels. In order to take care of the losses in selling this additional surplus abroad at a loss, the equalization fee would have to be increased from 16⅔ cents per bushel by 50 per cent, thereby making the equalization fee 25 cents per bushel. It will be seen that this would cut this farmer's margin of profit, under this scheme, from 16⅔ cents per bushel to 8⅓ cents per bushel, or less than 10 cents per bushel net increase. That is, of course, assuming that the scheme works out as planned. If it does not work out as planned, there is no estimating what the consequences will be or what this farmer will lose. My figures have been conservative—I have not deducted anything for depressing the world price. It must be apparent, therefore, that under the scheme the farmer can profit but little if it works, and stands ready to lose much if these theorists are wrong.

I am very clearly of the opinion that if the farmer will study this question carefully he will come to the conclusion that even if the scheme can be put into operation that the benefits to him after paying the equalization fee, paying his share of the increased cost of operation and of living, the benefits are almost nil and certainly problematical.

OTHER AND NEW OBJECTIONS

Fifth. In some respects I said that this bill was better than its predecessors and in some respects worse. It is better in this respect that it has been drawn so as to meet several of the objections made to the 1927 Haugen bill by the President. For example, the bill does not place the unconstitutional limitations on the present power of appointment of members to the Federal farm board. This provision was clearly unconstitutional. That was denied at the time, but seems to be apparent now. The new bill omits the rather cumbersome method of invoking the power of the board. It prohibits unreasonable discrimination in granting marketing agreements and it limits the Government's total liability to not exceed $400,000,000. With the exception of the one involving the appointing power, these concessions are minor in character and do not change the

measure materially. It is to be regretted that the committee did not endeavor to meet the President's criticisms on other points. For example, they have left in the equalization fee, which is economically unsound and which can not be levied or collected constitutionally. The present bill is far more objectionable than any of its predecessors in reference to the widening of the authority of the board. I have already pointed out that the board has jurisdiction to put this governmental control into effect upon any agricultural commodity. This means the setting up of a potential bureaucracy far more powerful and far more unbridled than that which any of the other bills would have created. Furthermore, the way the other bills were drawn there was an automatic limitation upon the Federal farm board in the fixing of prices on any of these commodities. If they got the price up above that of the world's price plus the tariff, then commodities could be imported into the country.

This acted as a natural restraint upon the discretionary power of the Federal farm board so as not to fix the price too high. Under this bill the equalization fee is levied not only upon commodities produced and marketed in this country, but on the commodities produced elsewhere and imported into this country. For example, assume the price of wheat in Winnipeg to be $1.50; it is likewise $1.50 in this country. Before the Canadian wheat can enter this country it would have to pay the duty of 42 cents per bushel. This would make the price to the American importer $1.92. If the Federal farm board got the price up over $1.92, Canadian wheat would come in here and thereby keep the price down to that figure. Under the present bill wheat imports would have to pay an equalization fee. The importer of Canadian wheat would have to pay not $1.92, but that price plus an equalization fee of, say, 15 cents, or $2.07 per bushel. The board could then run the price of wheat up to $2.07, and if they wanted to run it up further all they would have to do would be to raise the equalization fee, say, to 25 cents, and then the importer would have to pay $2.17 to bring wheat in here. What I have said as to wheat would, of course, be true as to all other commodities. Therefore we have Congress creating a Federal farm board with absolute power to fix and control the prices of any agricultural commodity without restraint or restriction whatever. Therefore I again say that in some respects this bill is worse than any of its predecessors. Such power over prices of the necessities of life should never be left unrestrained or unrestricted in any man or group of men in the Government or outside the Government.

UNCONSTITUTIONALITY

Sixth. I have been discussing economic principles and have analyzed certain features of the bills. As I have already said, this bill is, in my judgment, unconstitutional. First, there is the levying of an equalization fee or tax. This is to be levied by the Federal farm board providing the commodity council approves, and for as long a period as the commodity council desires it to remain. Under the Constitution only Congress has the power to tax. This is a tax, notwithstanding that it is called an equalization fee. We have always claimed it to be a tax. That originally was admitted by the proponents of the bill; it was later denied when the constitutional question was raised.

It will be observed that the present bill levies this fee on every import of the commodity controlled; it is to be levied in addition to the regular import duty. For example, wheat imports would have to pay not only the tariff duty of 42 cents but whatever equalization fee was levied by the board. When the board and the council determined upon increasing the fee the imported commodity would have to pay the additional tax. Congress can not delegate the tax-making power unless it prescribes a well-defined rule and standard for doing so. This it has not done, and in the nature of things it could not do. Of the several unconstitutional features referred to by the President in his veto message last year but one of them has been removed. That I have already referred to. In my judgment the nonpremium insurance provisions—a new feature—is not only grossly unfair but unconstitutional in that it deprives certain people of their property without due process of law. Neither does this bill any more than its predecessors bring the levy of an equalization fee under the commerce clause.

EXORBITANT PRICES TO CONSUMER

Seventh. In common with others who have spoken, I have been discussing this question from the viewpoint of the farmer. I have endeavored to show the impracticability of the scheme. It must be apparent that if the scheme is put into operation there would be built up necessarily a vast bureaucratic machine tremendously expensive in itself. There would be the equalization fee to pay; its size or amount would be gauged or measured by the losses sustained in marketing the surplus abroad at considerably less than what the commodity would sell for in this country. I have endeavored to show how little likelihood there would be, even if the scheme were practical of operation, of ultimately benefiting the farmer.

However, we must recognize the fact that there are others to be considered beside the farmer. At some time in the course of this discussion something should be said for the consumer as well. What about that vast army of wage earners? What about the thousands and thousands of workmen in our towns and cities and villages who with their dependents consume such a substantial portion of the products of the farm? How are they going to fare if this scheme is practical and can be put into operation? What is it going to cost this workman and his wife and children? This is admittedly a scheme to raise the domestic price upon any farm commodity in this country. In order to successfully do this the Federal farm board is given authority in its discretion and through its agents to buy up this surplus or any portion of the commodity produced and sell it abroad for whatever can be obtained for it. How much will the price of wheat be raised? If the price of wheat is raised, that will be immediately reflected in an increase in the price of flour. The American housewife uses 65,000,000 barrels of flour annually. There are about 4¾ bushels of wheat in a barrel. This means approximately 300,000,000 bushels of wheat that are used directly by the American housewife made into bread, and so forth. What about the price of corn? How much is that to be raised? Corn is fed to hogs. If the price of corn is raised substantially, that, of course, will be immediately reflected in the price of pork. What about the price of mutton and lamb, poultry, butter, and eggs? How much are the prices of these commodities to be raised if this McNary-Haugen plan goes into operation?

Mr. Chairman, fortunately, we are not in the dark about this. The so-called Corn Belt Committee, which has been most active in directing the fight to put over the McNary-Haugen bill, at Des Moines, Iowa, July 21, 1926, unanimously adopted a resolution claiming that the actual cost of producing certain farm commodities in Iowa was as follows:

| | | |
|---|---|---|
| Corn | per bushel | $1.42 |
| Oats | do | .79 |
| Wheat | do | 2.49 |
| Hay | per ton | 21.44 |
| Hogs (on the hoof) | per hundred | 16.32 |
| Veal (on the hoof) | do | 17.82 |
| Wool | per pound | .65 |
| Lambs (on the hoof) | per hundred | 20.45 |
| Chickens | per pound | .28 |
| Butterfat | do | .98 |
| Eggs | per dozen | .61 |

The so-called cost of producing a bushel of corn in Illinois was $1.43; in Nebraska, $1.40; in Minnesota, $1.41; in North Dakota and Wisconsin, $1.42. If it costs $2.49 to produce a bushel of wheat, those people who have been advocating this Haugen bill, once it is put into effect, will at least insist upon operating this scheme until the price at least reaches what they claim is the actual cost of production, or $2.49 per bushel. That figure is considerably in excess of the average price of wheat during the past several years. One dollar and forty-two cents, the claimed cost of producing a bushel of corn, is far in excess of what most farmers know is the cost of production. I want you to compare the above figures with the average farm prices during the years 1920 to 1926, inclusive. This table is made up of figures obtained from the Department of Agriculture Yearbook for 1926 and will be found at the top of the following page.

By comparing the average of these years from 1922 to 1926, inclusive, which are the normal years, you will observe that corn would have to be increased 75 per cent; oats, 100 per cent; wheat, 100 per cent; hogs, 75 per cent; veal, 100 per cent; wool, nearly 100 per cent; lambs, 200 per cent; chickens, 50 per cent; eggs, over 100 per cent; and butter, over 100 per cent.

Bear in mind that these increases will have to be put into effect in order to get what the members of this Corn Belt Committee unanimously found to be the cost of production. They will not be content while prices are below this figure. The consumer in this country, of course, will have to pay this increased price. How is he going to pay it? How can the average wage earner, whether in factory, shop, or office pay any such advance in the cost of living? Of course, he can not do it. In many, many instances any such increase in the prices of these commodities means lessened consumption and undernourishment. Lessened consumption in this country means increasing the surplus that will have to be sold abroad to the European workmen who is competing with the American workman. This increased surplus to sell abroad means still lower prices abroad for the American workman's foreign competitor. This means cheaper

cost of living abroad which means lower manufacturing costs—that means keener competition from the European manufacturers and the product of the European laborers. Under this scheme it is proposed to substantially raise the cost of living in this country, while at the same time we make possible a still lower cost of living abroad. Furthermore, when we increase the surplus to sell abroad at a loss, we thereby automatically necessitate the raising of the equalization fee upon say every bushel

*Average farm prices*
[Source: Department of Agriculture Yearbook, 1926]

| | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | Average 1922–1926 | Corn Belt comparative price |
|---|---|---|---|---|---|---|---|---|---|
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| Corn,[1] per bushel | 62.1 | 54.3 | 76.7 | 84.0 | 105.8 | 69.9 | 65.4 | 80.4 | 142.0 |
| Oats,[2] per bushel | 51.1 | 33.4 | 39.0 | 42.6 | 48.3 | 38.8 | 39.8 | 41.7 | 79.0 |
| Wheat,[3] per bushel | 182.9 | 104.4 | 98.8 | 92.4 | 127.8 | 145.9 | 126.1 | 118.2 | 249.0 |
| Hay,[3] per ton | $16.51 | $11.83 | $11.68 | $12.93 | $12.76 | $12.77 | $13.47 | $12.72 | $21.44 |
| Hogs [1] per 100 pounds | 8.52 | 8.10 | 7.34 | 7.06 | 10.46 | 11.63 | 11.45 | 9.59 | 16.32 |
| Calves veal [4] per 100 pounds | 11.80 | 7.81 | 7.68 | 7.99 | 8.12 | 8.85 | 9.61 | 8.45 | 17.82 |
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| Wool [4] per pound | 39.1 | 16.4 | 29.8 | 38.9 | 36.9 | 38.5 | 32.5 | 35.3 | 65.0 |
| Lambs [4] per 100 pounds | $8.51 | $4.65 | $5.96 | $6.65 | $6.81 | $7.70 | $7.43 | $6.91 | $20.45 |
| | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* | *Cents* |
| Chickens [5] per pound | 22.8 | 19.3 | 18.2 | 18.3 | 19.2 | 20.7 | 20.8 | 19.4 | 28.0 |
| Butter [4] per pound | 54.3 | 37.0 | 35.3 | 40.4 | 39.4 | 40.7 | 41.1 | 39.4 | 98.0 |
| Eggs [5] per dozen | 39.3 | 25.3 | 24.7 | 25.2 | 26.1 | 28.3 | 32.1 | 27.3 | 61.0 |

[1] Year beginning Nov. 1.
[2] Year beginning Aug. 1.
[3] Year beginning July 1.
[4] Year beginning Jan. 1.
[5] Year beginning Apr. 1.

NOTE.—The Corn Belt Committee price of 98 cents is for butter fat. A comparison of monthly prices of butter and butter fat over several years will show that they run closely together. They do not vary more than a cent or two.

of wheat sold and marketed in this country. That means still further increasing the cost of production here and ultimately increasing the cost to the American consumer. It necessarily creates an endless circle which will constantly expand.

NO LIMIT TO RAISING OF PRICES

Under the preceding Haugen bills there was a limit to which the Federal farm board might raise the price. The moment that the price got above the world price, plus the tariff and freight, the American consumer could import wheat, for example, from Canada. This would automatically prevent the price from ever getting above the Canadian price, plus the tariff duty and plus the freight. Under the present Haugen bill, every unit of a commodity coming in from abroad must pay the same equalization fee as the commodity produced and sold in this country. For example, if the world price was $1.50 on wheat, the importer would have to pay $1.50 plus the tariff of 42 cents, the freight of 8 cents, and the equalization fee, which we fix for the purpose of illustration at 15 cents; that would would make a total of $2.15. Whenever the price of wheat got above that figure, then the American consumer could import wheat from Canada and keep the price at $2.15. However, under the terms of this bill, the Federal farm board could thereupon raise the equalization fee from 15 cents to 25 cents, thereby shutting out any imports from Canada. If the price got up to $2.25, they could again increase the equalization fee and thereby prevent imports coming in from Canada. This could be repeated. In other words, the present bill gives the Federal farm board an absolute and unqualified right to prevent any imports whatever from coming into this country. In other words, it gives them the power to embargo. This power should never be given to any group of 12 men.

Suppose that the scheme is put into effect and the Federal farm board, with the aid and assistance of the commodity council, composed of seven members from farm organizations, should boost the price of any one of these commodities to any unreasonable figure, could not the Federal farm board then terminate the control? No. This particular measure is so drawn that once this control is put into effect by the Federal farm board it can not be terminated without the consent of the commodity council representing that particular commodity. In other words, seven members representing farm organizations interested in growing a particular commodity which is under this control have the absolute veto power to prevent any termination of the control. Gentlemen of the House, such power should never be lodged in any commodity council or in any other group interest of similar character. It is destructive of our institutions. What would anyone think if such a scheme were proposed in reference to coal, for example? Suppose we let a Federal coal board fix the price of coal at what the coal men thought was the price of production, and then not permit that control to be terminated until a commodity coal council, composed of seven coal owners, voted to terminate the control? To ask the question is to answer it.

Mr. Chairman, to sum it all up, the McNary-Haugen bill of 1928 presents a plan of so-called farm relief the unconstitutionality of which is perfectly apparent. This intricate, involved, and unprecedented plan projects the Government into business, provides for governmental price fixing, stimulates overproduction, thereby increasing and aggravating the existing surplus problem, very substantially raises prices to the consumers in this country, and lowers them to the consumers abroad without substantial benefit to the farmer and with the almost certainty of doing him immeasurable harm.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ADKINS and Mr. LAGUARDIA rose.

Mr. ADKINS. Mr. Chairman and gentlemen, I will be very brief. I did not have any idea that this display would be made here as it was two years ago and the argument made about wheat being higher in Minneapolis than in Winnipeg, because I get the market reports every day from the Daily Trade Bulletin which comes to my desk, and I have taken particular pains to note the price of wheat in Winnipeg, in Duluth, in St. Louis, in Chicago, in Liverpool, and every other trade center in the world. Now, here is the situation with respect to prices on the 25th of last month. I got one of these reports this morning, and when the gentleman made his statement I put my hand in my pocket and found this trade bulletin of April 25, which shows the following prices:

Minneapolis, hard winter wheat, 1.52⅛; Kansas City, 1.51⅞; Winnipeg, 1.54⅛; Liverpool, 1.58⅛.

I have been noticing the prices in the Trade Bulletin every day for the last two months and I have not seen a single instance in which wheat in Minneapolis has been higher than in Winnipeg.

Mr. BURTNESS. Will the gentleman in his time permit me to point out the joker in the figures submitted by the gentleman from Minnesota? The Members will find it in the top line of the statement on the chart:

Average weekly high, No. 1 dark, northern spring wheat, at Minneapolis.

That is not an indication of the weighted average cash price, but the figures that are picked out and put into the red curve there pretending to show a higher price at Minneapolis are a composite of the highest sales upon the market each day, the sale which brings the very highest price on that particular day, of which a weekly average is taken, and on some of those days the premium on that sort of sale amounts to as much as 50 cents per bushel, and does not represent average sales. The only fair comparison is weighted average cash sales.

Mr. ADKINS. And I am sure we can all rely on the prices that are sent out to us in the Daily Trade Bulletin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. WRIGHT: After the last word in line 7, on page 47, add the following: "*Provided, however,* No equalization fee shall ever be estimated, levied, or collected on cotton."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. WRIGHT) there were 26 ayes and 74 noes.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 47, line 9, after the word "provided," insert "*Provided, however,* The equalization fee on cotton shall never be more than $10 per bale."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. WRIGHT) there were 22 ayes and 65 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 48, line 5, after the word "unit," strike out the period and insert the following: "And upon all sales or contracts for future deliveries of any such commodities made on any exchange, curb, board of trade, or by whatever name said exchange may be known."

Mr. LAGUARDIA. Mr. Chairman, I want to state to my friends, the farmers of the House, that for the last 11 or 12 years you have taken the floor and complained about gambling in agricultural commodities on the exchanges. Every time you discussed this bill, in talking about the condition of the farmer you have complained about the gambling going on in the various exchanges in New York and other cities. Here, gentlemen, is a chance to make the gamblers pay the equalization fee the same as the farmers will be required to pay. Do you want to do it? More cotton is sold on the cotton exchange of my city than is produced in all of the Southern States. More wheat is sold on the exchange in New York and the Board of Trade of Chicago than goes to a mill. If these sales are bona fide sales of agricultural commodities, whether wheat, corn, cotton, or whatever it may be, and not gambling, then I submit it is a good place to collect the equalization fee. If they are not bona fide sales, but mere gambling, all the more reason to compel the payment of the fee. It is up to you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. EDWARDS) there were 33 ayes and 84 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I have a further amendment.

The Clerk read as follows:

Page 49, line 12, strike out all of subdivision (f).

Mr. LAGUARDIA. Mr. Chairman, I want to point out that there is great danger in this section. I feel it is unwise to authorize any private citizen to collect the fee and pay such private individual for making the collection. Taxes or other Government assessments are not collected in that way. This is a sort of collection system on a contingent basis. I warn the sponsors and friends of the bill that there is real danger in this paragraph. I surely would strike it out. If the bill becomes a law this provision is not workable and I have grave doubts as to its validity. I advise the friends of the bill to strike it out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Beginning on page 50, line 24, strike out all of subdivision (4) of subsection 8 of section 10 and insert in lieu thereof the following:

"(4) in the case of tobacco, the term 'sale' means a sale or other disposition in wholesale quantities of manufactured or prepared tobacco by any manufacturer of cigarettes, cigars, or smoking tobacco, the term 'tobacco' means manufactured or prepared tobacco in the form of cigarettes, cigars, and smoking tobacco, and the term 'transportation' means the acceptance of cigarettes, cigars, or smoking tobacco by a common carrier for delivery. All other taxes or license fees on cigars, cigarettes, chewing tobacco, and other tobaccos in any form are hereby repealed."

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, to those of us living in the tobacco sections this is a very important amendment. The equalization fee is a dangerous proposition when the farmer pays the fee. We know, of course, that wherever the fee is assessed at all it is eventually charged back to the farmer. In fact, most of the taxes are eventually charged back to the farmer, but the equalization fee in the case of other commodities in this bill is not charged to the farmer direct, but is charged when the commodity is placed in interstate commerce, or when the commodity is sold to a manufacturer, or when placed in transportation to the manufacturer, or when placed in transportation for export purposes. In the case of tobacco the fee is charged on the sale of the leaf tobacco. It is charged on the tobacco that is placed in the barns by the grower. Down in my section of the country the people are growing a considerable amount of tobacco. About half of the money crop is tobacco. They bring the tobacco in and place it on the floor of the warehouse, and after it is placed there in hundreds and thousands of piles the auctioneer sells the tobacco to the highest bidder. The export people have a bidder there. R. J. Reynolds & Co. have a bidder on the floor. These buyers bid on that leaf tobacco and buy it from the farmers.

Mr. EDWARDS. Is the equalization fee on tobacco limited or unlimited in the bill?

Mr. LANKFORD. It is unlimited.

Mr. EDWARDS. The same as in the case of cotton?

Mr. LANKFORD. Yes. Some people say that it will not be very high. If it is not going to be high, why not put a limit on it? Tobacco, of all farm products, has borne a greater burden of taxes in the past than any other one farm commodity. Ever since the Civil War there has been a tax on tobacco. It has always been borne by this commodity, and under this bill you seek to put a heavier and more direct tax on tobacco than upon any other one commodity. It is not fair, it is not just. I will not vote for the bill if it stays in. [Applause.]

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. Yes.

Mr. GREEN. Does the gentleman not think it would be well to let the equalization fee on all products be collected from the manufacturer?

Mr. LANKFORD. Yes. But even when a tax is assessed against the manufacturer it is either passed back to the producer or is passed on to the ultimate consumer. The common people bear the burden after all.

Millions of dollars in taxes have been collected out of those who use tobacco each year since the Civil War, and yet when we propose to pass some legislation for the benefit of the tobacco growers there is placed in the measure an additional tobacco tax of the most vicious form. This presents a splendid illustration of the unfair legislation which is pushed through Congress almost every day. Much is said and done for tax reduction for the immensely rich, but any effort to relieve the taxes of the poor—the man who chews tobacco, if you please—is promptly refused and an additional tax is proposed to be assessed against the user and the producer of tobacco.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. EDWARDS) there were—ayes 18, noes 75.

So the amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 51, beginning at line 3, strike out all of subsection (5) of subsection (h) of section 10 and insert in lieu thereof the following:

"(5) In the case of grain and livestock the term 'transportation' means the acceptance of a commodity in wholesale or carload lots by a common carrier for delivery in interstate commerce."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 46, strike out all of section 10 and insert in lieu thereof the following:

"SEC. 10. In order to carry out marketing and nonpremium insurance agreements in respect to any agricultural commodity without loss to the revolving fund it is provided—

"(a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to the limitations of this act, issue an

export debenture to the board in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by any firm, corporation, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation."

Mr. RAMSEYER (interrupting the reading). Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. EDWARDS. I make the point of order against the point of order. The gentleman from Iowa can not interrupt the Clerk's reading to make a point of order.

Mr. LANKFORD. I have a right to have the amendment read in order to determine whether it is subject to the point of order.

Mr. RAMSEYER. Mr. Chairman, I am well within my rights. A point of order is in order just as soon as it becomes apparent that a proposed amendment is not germane. I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair thinks that sufficient of the amendment has been read upon which to base a point of order.

Mr. LANKFORD. Mr. Chairman, I would like to be heard upon the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, it is my contention that this is not subject to the point of order. I am seeking only to strike out the section of the McNary-Haugen bill which deals with the equalization fee. I am seeking to insert in lieu of the equalization fee the debenture plan as set up in the Ketcham bill, except that at the beginning of my amendment I provide the same reasons and purposes for the debenture plan that are set up for the equalization fee. I set up in the beginning of my amendment that in order to create a fund to take care of marketing conditions and to stabilize the price of farm products the debenture plan shall be set up.

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. Yes.

Mr. ADKINS. Did the gentleman think that all out by himself as a new idea that comes in under this debenture plan or did he take it from some other bill?

Mr. LANKFORD. It makes no difference what I thought out. I never thought out the alphabet, but a part of the alphabet is used in my amendment. If I can think out something that is worth while when the gentleman fails to do it, I have not committed any great crime.

Of course, I do not contend that I originated the debenture plan. The idea is not at all new and there have been introduced several farm relief bills containing the idea in one form or another. I have several times stated on this floor that I was favorably impressed with the plan. I believe it would help the farmer, but it is objectionable, to some extent, because the help is too indirect. The debentures are issued to the exporter of cotton or other products, and he sells them and eventually some of the money arising from the sale may find its way to the farmer's pocket.

I reintroduced in the House some time ago the McNary-Haugen bill, with the equalization-fee provisions stricken out and the debenture plan inserted in lieu of the equalization provision, except that in my debenture plan I provided that the money arising from the sale of debentures should be paid to the board provided in the McNary-Haugen plan, so as to make unnecessary any equalization fee. This idea, so far as I know, is original with me, and is not incorporated in any other debenture plan.

The amendment now offered by me, if adopted, would put into effect the McNary-Haugen bill with the debenture plan inserted into it, so as to make unnecessary the vicious equalization-fee provisions. I am seeking to take all that is worth saving of the McNary-Haugen bill, trimming out the evil portion of the bill and inserting in lieu thereof all that is good of the debenture plan, after a humble effort on my part to further purify the borrowed portion of the debenture plan.

Mr. Chairman, if you will observe, the first part of my amendment which is offered is identical with the first part of the equalization-fee provision which is stricken out, and provides that "in order to carry out marketing agreements and nonpremium-insurance agreements in respect to any agricultural commodity, it is provided that"; then there follows the debenture plan as incorporated in the Ketcham bill and as heretofore incorporated by me in my bill, combining the McNary-Haugen bill with the debenture plan.

It seems to me that my amendment is clearly in order, thus providing for a plan to raise money by the sale of debentures to build up and maintain the stabilization fund, rather than attempt to raise this money by any sort of taxes, either direct or indirect, on the farmers of the Nation.

More briefly stated, I provide for the debenture plan of the gentleman from Michigan [Mr. KETCHAM] to raise this money to be used to build up the stabilization fund rather than levy an equalization fee.

The debenture plan of the gentleman from Michigan provides that the debentures shall be issued to the exporter. This plan here provides that the debentures shall be issued to the board set up under the McNary-Haugen bill, and that the money arising from the debentures shall go to this board instead of to the exporter and thus be used by the board instead of an equalization fee. [Applause and cries of "Vote!"]

The CHAIRMAN. The Chair is ready to rule. The Chair will not undertake to give any extensive reasons for his ruling under the circumstances. He is not taken by surprise, because this matter has been discussed in the corridors and on the floor for a great many weeks.

It seems to the Chair, briefly, that the decision of Chairman SANDERS in 1924 on the substitute proposed at that time by the gentleman from Illinois [Mr. RAINEY] is on exact fours with the situation that we have here. In the Rainey substitute, instead of a "debenture," the exporter was paid in "customs scrip." The equalization fee was the same in substance in the Haugen bill of 1924 as it is in the Haugen bill that is before us now. Chairman SANDERS held the Rainey amendment out of order as not being germane; and the present occupant of the chair, sustained by that precedent and also by the logic of the rule which says that a matter foreign to the subject under consideration can not be introduced by way of amendment, sustains the point of order and declares the amendment out of order.

Mr. ASWELL. I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Strike out all of section 10.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

STABILIZATION FUNDS

SEC. 11. (a) For each agricultural commodity as to which marketing agreements are made by the board there shall be established, in accordance with regulations prescribed by the board, a stabilization fund. Such fund shall be administered by and exclusively under the control of the board, and the board shall have the exclusive power of expending the moneys in such fund.

(b) There shall be deposited to the credit of the stabilization fund for any agricultural commodity (1) advances from the revolving fund as hereinafter authorized, (2) profits arising out of marketing agreements in respect of the commodity, (3) repayments of advances for financing the purchase, withholding, or disposal of the commodity, and (4) equalization fees collected in respect of the commodity and its imported food products.

(c) In order to make the payments required by a marketing or nonpremium insurance agreement in respect of any agricultural commodity, and in order to pay the salaries and expenses of experts, the board may, in its discretion, advance to the stabilization fund for such commodity out of the revolving fund such amounts as may be necessary.

(d) The deposits to the credit of a stabilization fund shall be made in a public depositary of the United States. All general laws relating to the embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys of the United States shall apply to the profits and equalization fees payable to the credit of the stabilization fund and to moneys deposited to the credit of the fund or withdrawn therefrom but in the custody of any officer or employee of the United States.

(e) There shall be withdrawn from the stabilization fund for any agricultural commodity (1) the payments required by marketing or nonpremium insurance agreements in respect of the commodity, (2) the salaries and expenses of such experts as the board determines shall be payable from such fund, (3) repayments into the revolving fund of advances made from the revolving fund to the stabilization fund, together with interest on such amounts at the rate of 4 per cent per annum, and (4) service charges payable for the collection of equalization fees.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana moves to strike out the section. The question is on agreeing to that motion.

The question was taken, and the motion was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INSURANCE

SEC. 12. (a) In order that a cooperative association handling any staple agricultural commodity may with reasonable security make payments to its members at the time of delivery of such commodity by the members, fairly reflecting the current market value of such agricultural commodity, the board is authorized to enter into an agreement, upon such terms and conditions as it may prescribe, for the insurance of such cooperative association against price decline as hereinafter provided. Such insurance agreement may be entered into by the board only with respect to any such agricultural commodity which, in the judgment of the board, is regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

(b) Any such agreement for insurance against price decline shall provide for the insurance of the cooperative association for any 12 months' period commencing with the delivery season for the commodity against loss to such association or its members due to decline in the average market price for the commodity during the time of sale by the association from the average market price for the commodity during the time of delivery to the association. The measure of such decline, where a decline occurs, shall be the difference between the average market price weighted for the days and volume of delivery to the association by its members and the average market price weighted for the days and volume of sales by the association. In computing such average market prices the board shall use the daily average cash prices paid for the basic grade of such commodity in the exchange designated in the agreement. Any such agreement shall cover only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the agreement.

(c) Whenever in the judgment of the board the use of such insurance agreements in respect of any commodity will stabilize the market substantially in the interest of the producers of the commodity whether or not members of a cooperative association dealing in the commodity, then the board, during the continuance of any marketing period for the commodity as provided in section 9, may enter into nonpremium, or if the board deems it advisable, premium insurance agreements with cooperative associations dealing in the commodity. Whenever in the judgment of the board the use of such insurance agreements will not so stabilize the market, then the board may enter into premium insurance agreements only with the cooperative associations.

(d) Payments required under nonpremium insurance agreements in respect of any commodity shall be made out of the stabilization fund for the commodity. Payments under premium insurance agreements in respect of any commodity shall be made out of the premium insurance fund for the commodity to be established by the board under such regulations as it may prescribe.

(e) For insurance under a premium insurance agreement the cooperative association shall pay a premium, to be determined by the board prior to the making of the insurance agreement, upon each unit of the commodity reported by the association for coverage under the insurance agreement. Such premium shall be calculated with due regard to the past price records in established markets for the commodity. The premiums applicable to the commodity in the successive 12 months' period shall be adjusted with due regard to the experience of the board under preceding insurance agreements. There shall be deposited in the premium insurance fund for any commodity the premiums paid by cooperative associations under premium insurance agreements in respect of the commodity, and advances from the revolving fund in such amounts as the board deems necessary for the operation of the fund. There shall be disbursed from the premium insurance fund for any commodity (1) the payments required by any premium insurance agreement in respect of the commodity, and (2) repayments into the revolving fund of advances made from the revolving fund to such premium insurance fund, together with interest on such advances at the rate of 4 per cent per annum.

Mr. FORT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT: Page 54, line 22, strike out the line and all of lines 23, 24, 25, and line 1, on page 55, through the word "association."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

The question was taken, and the amendment was rejected.

Mr. ASWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Strike out all of section 12.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REVOLVING FUND

SEC. 13. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $400,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 57, line 4, after the figures "$400,000,000," strike out the period, add a colon, and insert the following: "*Provided*, That at least $200,000,000 of said revolving fund is hereby made available and shall be used as a stabilization fund for financing the purchase, withholding, or the disposal of agricultural products in the event that a marketing period shall be declared for one or more of such products as hereinbefore authorized, and that said fund shall be allocated ratably to the stabilization funds of the several products according to the values of their respective exportable surpluses."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was rejected.

Mr. ASWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 57, line 1, strike out all of section 13.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXAMINATIONS OF BOOKS AND ACCOUNTS OF BOARD

SEC. 14. Expenditures by the board from the stabilization or premium insurance funds shall be made by the authorized officers or agents of the board upon receipt of itemized vouchers therefor, approved by such officers as the board may designate. All other expenditures by the board, including expenditures for loans and advances from the revolving fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Vouchers so made for expenditures from the revolving fund or from any stabilization or premium insurance fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board (including the payments required by any marketing or insurance agreement) shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund or from any stabilization or premium insurance fund shall be for the sole purpose of making a report to the Congress and to the board of expenditures and agreements in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

Mr. ASWELL. Mr. Chairman, I move to strike out all of section 14.

The CHAIRMAN. The Clerk will report the motion of the gentleman from Louisiana.

The Clerk read as follows:

Motion offered by Mr. ASWELL: Page 57, line 10, strike out all of section 14.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Louisiana.

The question was taken, and the motion was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 15. (a) It shall be the duty of any governmental establishment in the executive branch of the Government upon request by the board, or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such governmental establishment, avail itself of the services and facilities of such governmental establishment in order to avoid preventable expense or duplication of effort.

(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any department or independent establishment in the executive branch of the Government, irrespective of his length of service in such department or independent establishment, to the service of the board, and (2) may direct any governmental establishment to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the governmental establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to any governmental establishment, in pursuance of any provision of law or of any agreement with the governmental establishment.

(c) The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 59, after line 11, add the following as a new section:

"It is hereby made unlawful for any person, other than a cooperative association engaged as in this act described, willfully to destroy any agricultural commodity for the purpose of enhancing the price or restricting the supply thereof, knowingly to commit waste, or willfully to permit preventable deterioration of any agricultural commodity in or in connection with their production, manufacture, or distribution; to hoard any agricultural commodity; to monopolize or attempt to monopolize, either locally or generally, any agricultural commodity; to engage in any discriminatory and unfair or any deceptive or wasteful practice or device, or to make any unjust or unreasonable rate or charge in handling or dealing in or with any other persons (a) to restrict distribution of any agricultural commodity; (b) to prevent, limit, or lessen the manufacture or sale of any agricultural commodity in order to enhance the price thereof; or (c) to exact excessive price for any agricultural commodity; or to aid or abet the doing of any act made unlawful by this section.

"Any person convicted of any of said unlawful acts shall be punished as in section 20, paragraph (b) provided."

Mr. DICKINSON of Iowa. Mr. Chairman, I make a point of order against the amendment.

Mr. LAGUARDIA. May the proponent of the amendment be advised on what the gentleman from Iowa bases his point of order so I may argue intelligently?

The CHAIRMAN. The Chair thinks the amendment is not germane to this section and sustains the point of order.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: On page 58, line 10, strike out all of section 15.

The amendment was rejected.

The Clerk read as follows:

GENERAL DEFINITIONS

SEC. 16 (a) As used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "United States," when used in a geographical sense, means continental United States and the Territory of Hawaii.

(3) The term "cooperative association" means an association of persons engaged in the production of agricultural products, as farmers, planters, ranchers, dairymen, or nut or fruit growers, organized to carry out any purpose specified in section 1 of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922, if such association is qualified under such act.

(b) Whenever any agricultural commodity has regional or market classifications or types which in the judgment of the board are so different from each other in use or marketing methods as to require their treatment as separate commodities under this act, the board may determine upon and designate one or more such classifications or types for such treatment.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: On page 60, after line 2, insert:

"(4) The words 'agricultural commodity' shall not include apples, peaches, pears, plums, cherries, nor grapes."

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in 10 minutes. Is there objection?

Mr. TAYLOR of Colorado. Mr. Chairman, a parliamentary inquiry. Does that prevent the offering of amendments?

The CHAIRMAN. No. Is there objection?

There was no objection.

Mr. SUMMERS of Washington. Gentlemen, if I may have your attention for a moment, amid this tumult, I want to say this amendment is not opposed by the committee. It is desired by the fruit men of the United States and the representatives from the different districts which are heavy producers of fruits. I will not consume your time, but I want you to support the amendment.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment to the amendment.

Mr. JACOBSTEIN. Mr. Chairman, and I have an amendment to the amendment.

Mr. BEEDY. Mr. Chairman, I make the point of order that the committee is not in order. Members are standing in the pit; they are conversing in the rear of the Hall, and I again suggest that we have a Sergeant at Arms who ought to assist in maintaining order.

The CHAIRMAN. The Chair thinks the point of order of the gentleman is well taken. The committee will be in order. The gentleman from New York [Mr. JACOBSTEIN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JACOBSTEIN as a substitute to the amendment offered by Mr. SUMMERS of Washington: On page 60, in line 3, insert a new paragraph to read:

"The words 'agricultural commodity' mean an agricultural commodity which is not a fruit or vegetable."

Mr. JACOBSTEIN. Mr. Chairman and members of the committee, I believe many Congressmen are well agreed that fruits ought to be excluded from the operation of this bill, as provided for in the amendment offered by Mr. SUMMERS of Washington. I am providing in my amendment that vegetables likewise shall be excluded and for a very good and similar reason. The reason why you exclude fruits is because they are perishable; vegetables are also perishable. The very purpose of the McNary-Haugen bill is to exercise control over the surplus.

You can not do that with fruits and vegetables. You can not carry them over until the next crop season, and therefore we should logically exclude all fruits and all vegetables from the operation of this bill. I may say that if you adopt my substitute the bill will be in exactly the same form that it came from the Senate, so far as fruits and vegetables are concerned. The Senate amendment, known as the Copeland amendment, excluded fruits and vegetables from the operation of this bill, and therefore I hope you will accept the substitute I have offered.

Mr. BURTNESS. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BURTNESS. Does the gentleman know that the word "fruit" in Webster's International Dictionary is defined as being:

Whatever is produced for the nourishment of man or animals by the processes of vegetable growth, as corn, grass, cotton, flax, etc.

Now, the gentleman surely does not want to exclude cotton and these other products?

Mr. JACOBSTEIN. I want to exclude all fruits specified in the Summers amendment, including apples, peaches, pears, plums, grapes, and so forth, as well as vegetables, including potatoes, cabbages, carrots, celery, onions, lettuce, and so forth. It is unthinkable that the authors or proponents of this measure should want this bill to embrace these farm commodities.

Mr. LAGUARDIA. I can answer the gentleman from North Dakota. If the gentleman will put after the word "vegetables" the words "known as garden truck," that will answer the gentleman from North Dakota.

Mr. JACOBSTEIN. That may be so for the purpose of clarifying the definition, but I believe we all know what is intended. Of course, we do not include cotton in our definition of vegetables.

Mr. O'CONNOR of Louisiana. That is not necessary. The gentleman ought to look up the word "vegetable" in the dictionary.

Mr. KINCHELOE. Will the gentleman yield?

Mr. JACOBSTEIN. Yes; with pleasure.

Mr. GREEN. That does not go in unless the vegetable growers want it to go in, anyway. They have to petition in order to get it in.

Mr. JACOBSTEIN. Mr. Chairman, I first yielded to the gentleman from Kentucky.

Mr. KINCHELOE. I can understand why gentlemen do not want an equalization fee levied on fruits and vegetables, but does the gentleman want to get them out of the operation of the provisions with respect to the $25,000,000 loan?

Mr. JACOBSTEIN. Yes; and I will tell the gentleman why. People who raise fruits and vegetables in my country are now overequipped with facilities for handling them, and under the operation of the bill you are going to overstimulate the erection of these warehouses and storage plants which will actually do more harm to the farmers than good. You merely make possible the extension of credit to fly-by-night speculators who may desire to come in and fleece the farmer.

Mr. KINCHELOE. Then you have plenty of credit.

Mr. JACOBSTEIN. We do not want any more credit. We have enough credit now and sufficient credit facilities are available for our fruit and vegetable producers.

Mr. ADKINS. You do not need to use it.

Mr. JACOBSTEIN. We do not want the bill to so operate that outsiders may use this new credit to further stimulate the production of fruits and vegetables. If you will read my speech of last week, you will find in that RECORD the names of many representative organizations in my State and other States who have definitely stated that they prefer to be exempted from the bill.

Mr. CHINDBLOM. I would like to ask the gentleman if he thinks this bill will do more harm to fruit and vegetable farmers than to other farmers.

Mr. JACOBSTEIN. I do not know with any degree of certainty how this bill is going to affect other commodities, but I do say it will harm fruits and vegetables because they are perishable products and not susceptible to the favorable operations of the bill, and are exposed to its dangers.

Mr. GREEN. Does not the gentleman realize that fruits and vegetables can not be included in the bill unless the growers of fruits and vegetables petition that they be brought within the provisions of the bill.

Mr. JACOBSTEIN. There is nothing in the bill to prevent cooperatives from being organized by outsiders for the expressed purpose of coming within the bill and using the Government's financial credit.

Mr. COCHRAN of Missouri. May I ask the gentleman if this is similar to the Copeland amendment? If it is, then I am heartily in favor of the amendment and I hope it prevails. If you do not exempt fruits and vegetables, you are adding a further burden to that already placed on the consumer by the terms of this bill. Perishable products have no place in this measure and the House should follow the lead of the Senate, where the Copeland amendment was unanimously adopted, and let fruit and vegetables alone.

Mr. JACOBSTEIN. Yes. The gentleman asks whether this is similar to the Senate amendment. It is absolutely the language of the Senate amendment so far as it relates to fruits and vegetables. My amendment simply retains the language of the Senate amendment, and I hope the House will adopt the amendment.

Mr. CANNON. Mr. Chairman, I desire to be heard in opposition to the amendment.

Mr. EDWARDS. Mr. Chairman, a parliamentary inquiry. Was not the word "fruits" stricken from this bill yesterday under an amendment offered by the gentleman from Virginia [Mr. HARRISON]?

Mr. JACOBSTEIN. That was in the Aswell bill.

Mr. HARRISON. Yes. We want to get the amendment in this bill now.

Mr. CANNON. Mr. Chairman, this is the most remarkable proposition that has been presented in the consideration of this entire bill. Here is a measure applying to every agricultural commodity produced in the United States. It provides for the cotton and corn of the South, for the wheat and flax of the North, for the cattle and hogs of the West, and for the peanuts and tobacco of the East. It applies to absolutely everything produced on field and fallow, and here they come in and want to make one exception. They want to leave out one single commodity. They want to exempt fruits and vegetables.

Gentlemen, the cotton exchanges are opposed to this bill, and are fighting it, and you are putting them out of business. The grain and cattle exchanges are opposed to this bill and are fighting it, and you are putting them out of business. But the fruit exchanges, which are fighting farm relief here to-day more vigorously than any of them, is the most rapacious robber of them all. [Applause.]

The federated fruit commission men are to-day exacting a toll from the producers compared with which the exactions of Shylock were pure benevolence. You can raise a load of hogs in one year. You can feed a load of cattle in one season, and when you ship hogs or cattle to our central markets your commission men there charge you for handling them less than 1 per cent. But it takes 12 years to bring an orchard into bearing.

It costs us an average of from $225 to $550 an acre overhead to reach the period of first production, and yet when we ship a carload of apples to the market they take 10 per cent—$10 out of every $100—and that is only a part of the toll they take. And we have no recourse. The fruit commission men were organized by Sapiro, and they are the most compactly and efficiently organized agencies dominating the marketing of farm products in America to-day. And they are represented here against this bill by one of the most active and resourceful lobbies ever brought to the Capitol. If there is any one agricultural commodity which above all others is in dire need of the orderly marketing provisions of this bill, it is fruits.

We need this legislation not only for the benefit of the producer but for the benefit of the consumer as well, for the consumer as well as the producer will profit by the provisions carried in this bill. Last year I shipped a car of apples to St. Louis, and when the expenses of packing and shipping were paid, with no return for overhead, I received 74 cents a bushel for them. I was down in St. Louis a week or two after that and I saw on the fruit stands there the same apples selling two for 15 cents.

If you will give us this bill, we can sell you the two for 10 cents. We can save the consumer 2½ cents on each apple and still give the producer a living cost for his product.

Now let us consider the political side of this proposition. One of the principal objections of the President to the last bill, and one of the chief reasons he assigned for vetoing it, was that it applied to only a few agricultural products, four or five commodities, instead of including all farm products. It was his contention, and one well supported, that it should be universal in its application; that there was no reason for omitting any of them. In drafting the present bill we have obviated that objection. Everything is included. So far as that phase of the bill is concerned it complies with every requirement of the President and merits his approval. Why turn back? Having remolded the bill to meet the President's suggestions, why again antagonize him and invite a veto and the defeat of the bill by excluding something else? It is the height of inconsistency.

During the war you put a price on our wheat. Cotton and steel and coal and chemicals and numerous other commodities were just as essential to the winning of the war as was wheat. But you singled out our wheat and put a price on it, while you let the price of everything else go to unheard-of figures. Wages and corporate profits broke all records. The sky was the limit.

But you held down the price of our wheat to $2.40 a bushel when we could have got from $7 to $10 for it, and you sold it to foreign governments at a profit. Do not make the same mistake again. Do not perpetuate that rankling injustice against another deserving commodity. Give this commodity its place in the bill along with other honest products of the soil. Vote down this amendment. [Applause.]

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from New York to the amendment offered by the gentleman from Washington.

The question was taken, and the substitute was rejected.

Mr. HARRISON. Is it in order now to debate an amendment?

The CHAIRMAN. Debate on the section and all amendments thereto has expired. The question is on the amendment offered by the gentleman from Washington [Mr. SUMMERS].

Mr. MOORE of Virginia. Mr. Chairman, I ask that the amendment be again reported.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

Mr. HARRISON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 60, after line 2, insert the words "agricultural commodity means an agricultural commodity which is not a fruit."

Mr. O'CONNOR of Louisiana. Mr. Chairman, I move to amend by inserting the word vegetables, and I ask unanimous consent, in view of the fact that I have been promised two minutes, to proceed for two minutes.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR of Louisiana to the amendment offered by Mr. HARRISON: After the word "fruit" insert the words "or vegetables."

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to proceed for two minutes notwithstanding the limitation on debate. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, if the McNary-Haugen bill is enacted into law—that is, if it pass the Congress and be signed by the President or his veto overridden, in the event that he does veto the measure—it will inaugurate and put into motion an experiment in the way of stabilizing farm products that has had no parallel in human history. Even the immortal effort made by Joseph to offset what would otherwise be the disaster of the seven lean years by providing for the storage of the surplus in the seven fat years and thereby making for a stabilization throughout the fat and lean years, on account of the relatively small number of inhabitants to whom it was applied, sinks into insignificance compared to this giant effort on the part of leaders of agriculture, through governmental aid and assistance, to stabilize farm products that must inevitably reach into every household and make for the growth and sustenance of a hundred and twenty million people. Joseph's notable achievement will live as long as the Bible is read, for it affords not only a wonderful insight into the ability with which men in that distant period of the world's history met agricultural problems, but also evidences the profound thought and intellectuality that made for a thorough conception and understanding of the continuous and uninterrupted operation of the great law of compensation. "Life gives me gloom to-day; to-morrow comes her laughter." "Life frowns on me to-day, yet will she smile to-morrow." Three, four, five years of bad crops will be followed by three, four, five of good crops. Good times and bad times alternate in accordance with some unbeatable law. I say unbeatable, meaning that the law has been unbeatable up to this time. This bill is a challenge to the supremacy of that law of supply and demand and of those economics that have ruled the commercial and agricultural and industrial world up to this time. It is, therefore, a vast experiment, and will be conducted upon a scale unprecedented even in the imagination of the visionaries of a few years ago. Many of the foremost thinkers of the country believe that it is an experiment worth making.

William Green, president of the American Federation of Labor, thinks so, and no man in this country has a more thorough knowledge of the underlying causes for America's greatness than Mr. Green. No one knows better than he how to maintain this Republic in the vanguard of civilization. The great railroad paper, Labor, read eagerly every week by a million men and women, with such thinkers, writers, and philosophers on its staff as Edward Keating, Donald Ramsey, Raymond Longeran, Gil Hyatt, and other great spirits, who in the night of despotism, as it were, foresaw the glories of the coming day, is urging the enactment of this bill. When labor was reeling and staggering and truth, justice, and freedom were being bludgeoned out of our national existence these men preached the word that an injury to one was the concern of all, and that the degradation and misery of one group of our people ultimately meant the degradation of all of the other groups, and that the prosperity of the superstructure in our national life depended upon the well-being and the comfort and happiness of those that made for the mudsills and foundation of the Republic.

I wish I could quote from this great paper that has thundered in behalf of a square deal for the agriculturists of the land. Eloquently its writers have pleaded for the farmer. Looking into the past and glimpsing the future they see the farmer as the first man on earth and they see him as the last man on earth. They are for him for the ethical reason that they are for all human beings. They believe that all men and women are entitled to a living on this earth. That is reason No. 1. They believe in the proposed legislation because they hold the prosperity of the agriculturists would make for a greater purchasing power upon their part, which would tend tremendously to decrease unemployment in the cities by keeping the factories in operation; and they believe that if the farm boys were contented and happy as a result of making a living on their farms they would not in sheer hopelessness come to the city and thereby accentuate labor problems by adding to the number of men seeking employment in our industries. I have always sided with labor in their highest aspirations, believing that it was for the good of all communities to prevent discord and to make for friendly relations between capital and labor. Arm in arm these two great forces can accomplish wonders yet undreamed of.

But I want to submit, gentlemen of this House, that all great experiments ought to be tried out with some little care. There is no reason on earth why the Copeland amendment should not be restored to this bill. Fruits and vegetables should be excluded from its provisions. Its operations ought to be confined to those products of the earth susceptible to storage for a long period. I understand that the opposition to the adoption of such an amendment is due to the fact that vegetables and fruits in their broader significance might be deemed to embrace some of the very products which it is designed to make fall under the terms of this measure. There is no well-drawn distinction between fruits and vegetables, but the courts have held, as may be seen by a reference to the celebrated legal work, Words and Phrases, that vegetables mean cabbage, lettuce, potatoes, and such grains as are used on tables. I submit, my friends, that many vegetables are much more perishable than many fruits. The gentleman from Missouri is not consistent and logical in his statement to the effect that he wanted everything in the shape of an agricultural product forced and jammed and crammed into the bill, whether the product fitted into the purpose of the bill or not. I admire his earnestness, his sincerity of purpose, and his rhetoric more than I do his logic and his reason. He assigned no reason on earth why vegetables of a perishable nature should be included with those commodities that are not of perishable nature. Apparently he would make no distinction between that which could be stored and that which could not be stored. We ought to proceed, my friends, in a logical and sensible way; and the amendment proposed by Mr. HARRISON and that proposed by myself would make this bill far better than it would be without it. Notwithstanding the belief that exists in the minds of many Members that it would be better to reject these amendments in view of the fact that it is difficult to find phraseology to cover the purpose sought to be accomplished and to let the matter be adjusted in conference I feel that the dictionary means that fruits and vegetables are sufficiently clear to justify our adopting those amendments. Do not make this bill unreasonable. Do not make it a Procrustean bed and endeavor to fit all products to its terms even if you have to destroy them to do so. I am surprised that the committee finds itself at a loss to find suitable words to meet the situation, as I was told by prominent Republican members of the committee that a proper amendment would be prepared and offered by the committee itself.

Mr. TUCKER. Mr. Chairman, I ask unanimous consent to speak for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. COOPER of Wisconsin. I object.

The CHAIRMAN. The question is on the amendment of the gentleman from Louisiana to the amendment of the gentleman from Virginia.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia [Mr. HARRISON].

The question was taken, and the amendment was rejected.

Mr. TAYLOR of Colorado. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Mr. TAYLOR of Colorado offered the following amendment: On page 60, after line 8, add as subdivision (c) the following:

"None of the provisions of an act of Congress of the United States entitled 'An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes,' approved June 30, 1906, or any amendments thereto, shall hereafter be held or construed by any person or any official of any department of the Government of the United States, or in any court, to embrace or to be in any way applicable to any fresh or natural fruit in the condition when served from the tree, vine, or bush upon which it was grown."

Mr. LEA. Mr. Chairman, I make the point of order that it is not germane.

Mr. TAYLOR of Colorado. Mr. Chairman, I want to be recognized on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TAYLOR of Colorado. Mr. Chairman, this amendment I have offered is in the exact language of subdivision (b) of section 17 of the Senate bill as it passed the Senate and came over to the House. This provision was introduced by the junior Senator from Colorado [Mr. WATERMAN] as an amendment to this bill when it was under consideration on the floor of the Senate and was unanimously approved by that body.

The Senator introduced this provision at the unanimous request of practically all the fruit growers in the western half of our State, and they have all urged me to do my utmost to retain that provision in this bill.

The point of order made by the gentleman from California and others would probably be good if it had been raised in the Senate, because fruits and vegetables and beef were expressly excluded from the Senate bill.

Mr. MONTAGUE. Fruits and vegetables are in the Senate bill?

Mr. TAYLOR of Colorado. No. That provision of the Senate bill reads as follows:

> The words "agricultural commodity" means an agricultural commodity which is not a fruit or vegetable or beef or beef products.

But when the House Committee on Agriculture struck out all of the Senate McNary bill after the enacting clause and inserted the complete Haugen bill, which did not contain this Waterman provision relating to fruits but did include all fruits as an "agricultural commodity," it seems to me that clearly makes this fruit amendment I have offered germane to the fruit commodity provisions of this bill. This House Haugen bill deals with fruit just as much as it does with any other agricultural commodity. It puts all of the fruit industry under the same Federal regulations and fees and penalties, and so forth, of this surplus control act. This amendment of mine pertains to the Federal control and applicability of the law to a certain class of fruit—that is, to fresh fruit just as it is picked from the tree, vine, or bush upon which it was grown.

When we are legislating upon and for the regulation, marketing, and development and betterment of the entire fruit industry throughout the country in this bill, it seems to me that any provision which a large number of fruit growers want inserted in this law pertaining to one certain kind of fruit ought to be a proper and germane matter for careful consideration by this House, and I hope the Chairman will not prevent my presenting this subject to the House by rejecting this amendment on a point of order.

The CHAIRMAN. The Chair thinks this brings in the merits of the pure food and drug act which is not at all involved in the Haugen bill, and sustains the point of order.

Mr. TAYLOR of Colorado. Mr. Chairman, I regret exceedingly the ruling of the Chair, to which I must gracefully submit, but to show the importance of this matter I will, by permission of the House, insert in the RECORD two out of a great many telegrams just received by me from numerous fruit growers and associations of my district in western Colorado, as follows:

DELTA, COLO., *April 28, 1928.*

Hon. EDWARD T. TAYLOR,

*House of Representatives, Washington, D. C.:*

The signers unanimously urge your support for Senator WATERMAN'S amendment to McNary-Haugen bill. Already this acid wash has cost fruit growers in Delta County a quarter of a million dollars. But, even more than that, it is the gravest menace to fruit growing in Colorado ever known. Please help WATERMAN.

Millard Fairlamb, Delta County Chamber of Commerce; Palmer & Joslyn Co.; Cedaredge Fruit Co.; the American Fruit Growers (Inc.); the Associated Fruit Co.; M. E. McCallister, Palisade Fruit Exchange; North Fork Produce Co.; Growers Trading & Supply Co.; North Fork Commercial Club; Paonia Chamber of Commerce; Union Fruit Co.; Curtis Fruit Co.; Paonia Fruit & Supply Co.; W. H. Garvin.

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HOTCHKISS, COLO., *April 30, 1928.*

Hon. EDWARD T. TAYLOR,

*Congressman from Colorado, Washington, D. C.:*

Relating to rider in McNary-Haugen bill relative to eliminating apples from pure food law. This organization represents practically every fruit grower in Montrose and Delta Counties, and they urge you to use every effort to have this bill passed. Experience past two years shows heavy loss from cleaning residue off of apples, and no concrete evidence ever has been presented showing apples not cleaned injurious to health. As this law only enforced two years and apple shipments gone from here past 30 in same condition, buyers discriminating against Colorado apples, as other parts not forced to clean, and apple industry is hit hardest blow of its history, unless some action taken to eliminate this order; satisfied if conditions were known every man be for this rider.

DELTA-NORTH FORK FRUIT MEN'S ASSOCIATION.

Mr. Chairman, I also inclose a letter from Mr. Millard Fairlamb, of Delta, Colo., who is the legal representative and official spokesman of a majority of all the fruit growers and associations of western Colorado, and a very reliable and exceptionally well-informed and conservative lawyer, as follows:

DELTA, COLO., *April 28, 1928.*

Hon EDWARD T. TAYLOR,

*House of Representatives, Washington, D. C.*

DEAR MR. TAYLOR: Your telegram of April 27 to the American Fruit Growers of Delta, Colo., was handed to me for answer. I have been acting in cooperation with our fruit growers and fruit growers' associations in Delta and Montrose Counties for some six or eight months on this subject of apple washing. Our people here are unanimously opposed to it. We believe it has cost us a loss of $250,000 in Delta and Montrose Counties. We wrote you and telegraphed you at great length, and if you will refer to these letters and telegrams you will realize the feeling of our people in western Colorado that it is ruinous to the apple industry for this acid-washing order to be enforced.

Mr. W. P. Dale, president of the Uncompahgre Valley Water Users Association, was in Washington and there found out that a man by the name of Harvey is responsible for this experimentation. He works under a man by the name of Campbell, and both, of course, are impractical men who, although meaning all right, nevertheless are causing our American apple growers to expend millions of dollars in experiments. Two years ago the farmers were compelled by order to install brushing machines to brush off the spray residues. Last year they were compelled to build machines to immerse and wash the apples, and this year a third kind of a machine will have to be introduced so as to keep the apples out of the acid wash, but to spray them and wash the spray residues off by gently gushing the acid over them. As a matter of fact, these methods of preparing apples for market are all wrong. I wish you would see the voluminous testimony we have placed from our Delta County shippers and fruit associations in the hands of Senator WATERMAN. There was no intention of passing you by because last fall we appealed to you from time to time in regard to this same trouble, but in view of the fact that Senator WATERMAN had a chance to get in an amendment to the McNary-Haugen bill the evidence of scores of fruit jobbers and wholesalers has been placed in WATERMAN'S hands. Please go to Senator WATERMAN and read over this evidence. From it you will see that our people here are almost frantic over this subject of washing apples. I do not know a single one in Delta County that favors the movement, although, of course, anything that would improve the quality of the apples and make a better pack is desired. We think the experimentation should be worked out on a small scale by the Department of Agriculture instead of making the apple growers carry on this experimentation. After sufficient experiments have been carried on so a method may be advised without doing harm to apples, to make them cleaner and to remove any spray residues, we would be glad to welcome any positive advance that is sensible. At the present time we are afraid of this acid dip, because it has worked such destruction to the keeping qualities of apples. They look all right when they leave Delta County, but by the time they have been in the refrigeration car for a week the conditions have changed and deterioration progressed to such an extent that the loss is tremendous. We have had instance after instance where losses have been almost total.

We realize that so far as our commerce with foreign nations is concerned we must prepare our apples to comply with the regulations of the Customs Union. We feel that so far as the 96 per cent of the traffic in apples is concerned, which is of an interstate nature, that it should be left optional with each shipper to prepare apples so they will please the market. If there is anything eventually worked out by the Department of Agriculture that is a positive advance and worth while, you may rest assured that we in Delta County will avail ourselves of it, because we must have the highest-class pack that can be secured in order to stand the high freight rates out from this mountainous country.

So far as the McNary-Haugen bill is concerned, I can not help but view it as economically unsound, but that, of course, is my private opinion, and it really does not concern us much here in western Colorado, because we do not think it is necessary for the Government to subsidize the growing of fruits. I realize that the farmers of the Middle West are largely in favor of this McNary-Haugen bill. The one thing that looks good to us in connection with this McNary-Haugen bill is Senator WATERMAN'S amendment, and on that I can assure you that everybody in Delta County is in favor of that amendment.

Sincerely yours,

MILLARD FAIRLAMB.

Mr. Chairman, I feel that in fairness to the Agricultural Department, as well as to the fruit industry generally, I should say that I have for the past two years been in correspondence and consultation with the Agricultural Department and its representatives in this matter, and also in personal contact

with the situation in the fruit districts of Colorado, and that I know the great loss that has been caused to the fruit industry of Colorado and other States by the regulations and requirements of the Agricultural Department. I, just the other day, had an extensive conference with the Assistant Secretary of Agriculture and the chiefs of the subdivisions in charge of this matter, endeavoring to obtain some practical and fair solution of this problem, and I regret to say that I have been unable to obtain any material concessions that I feel will be satisfactory to the fruit industry of my district, although I should say that the officials of the department are sympathetic with our condition, and I am in hopes—and in fact, I believe—that some practical solution will be arrived at whereby our fruit industry will not be destroyed.

I asked the Agricultural Department officials to write me frankly as to their opinion and position on this particular amendment, and the Secretary of Agriculture, Mr. Jardine, has just to-day written me a letter on the subject. I feel that Congress and the country generally, and my constituents in particular, will be interested in this definite official statement from the Secretary of Agriculture, because sooner or later we have all got to come to some practical adjustment of this condition, and I believe in frankly and fairly presenting both sides. I therefore insert the Secretary's letter in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, D. C., May 4, 1928.*

Hon. EDWARD T. TAYLOR,
*House of Representatives.*

DEAR MR. TAYLOR: I have your letter of April 29 requesting a statement from the department in regard to the provision inserted by Senator WATERMAN, of Colorado, in the so-called McNary-Haugen bill, S. 3555, which exempts from the provisions of the Federal food and drugs act fresh fruit in the condition in which it is severed from the tree, vine, or bush on which it is grown.

In order to present clearly the significance of this amendment and its probable effect, I wish to review some of the phases of the department's experience in the question of spray residue on fruits.

The department has long recognized the necessity for the use of arsenical sprays in the commercial production of fruit. Without them it would be impossible for the industry to exist in its present magnitude. The department not only, but the State experiment stations throughout the country, have urged the adoption of proper spraying schedules to protect fruit from the ravages of insect pests. In the efforts made by all agencies to secure a nation-wide control of these pests the question of possible harmful effect upon consumers of the residues left by spraying was not given serious consideration until action was initiated by the health officials of the city of Boston in 1919 against shipments of western fruit on the ground that the spray residues found were sufficient to cause possible injury to the health of consumers. The department's own investigation of these shipments showed that startlingly high amounts of spray residue actually were present. The department then began a campaign of education among fruit growers and packers to apprise them of the menace involved in the distribution of fruit bearing excessive spray residues. This campaign has been continued consistently since that time, and in it the cooperation of every element connected in any way with the fruit-producing industry has been sought. In fact, the cooperative features of this campaign have been marked by the highest development of coordination not only between Federal and State agencies but between these agencies and the fruit-producing industry itself. Throughout this period of educational work the department, in the enforcement of the Federal food and drugs act, made comparatively few detentions of excessively sprayed fruit. Every effort was made to handle the matter in a thoroughly constructive fashion.

The second event which added great impetus to the campaign for clean fruit was the report from England in the fall of 1925 of arsenical poisonings due to the consumption of sprayed American fruit. These reports were followed by widespread publicity in England not only, but on the European Continent, which practically paralyzed for a time the export market for American fruit. The economic effects of this were very seriously felt by our American producers, being reflected by a distinct reduction in price. The Government of Great Britain threatened an embargo against American fruit if American producers did not bring about a change in their methods which would guarantee a reduction of the spray residue content. It is our conviction that it was only upon the assurances made by this department that every effort would be made through official agencies not only, but by the fruit-producing industry itself, to guarantee the shipment of clean fruit that the embargo was prevented.

In the growing season of 1926 the department placed every available representative in the field to apprise fruit growers and shippers of the seriousness of the situation. The department called upon all interested State agencies and upon the industry itself to assist in disseminating a complete knowledge of the matter. In the enforcement of its plans for the protection of the public health the department steadfastly refrained from general publicity, and, in fact, took every possible step to prevent publicity in the knowledge that should general publicity occur, casting suspicion upon the wholesomeness of fruit, there would be a diminution of consumption approaching a public boycott, particularly of fruit produced in those western regions where it was likely to bear excessive amounts of spray residue. We had witnessed the practical destruction of two or three industries concerning which publicity occurred casting doubt upon the wholesomeness of the products. We wished, if possible, to avoid a similar difficulty for the fruit-producing industry.

It was found after the 1927 season shipments began that wiping methods of cleaning the fruit, which had up to that time been thought efficacious, were not bringing the fruit in many eastern sections, including Colorado, down to the internationally recognized tolerance of one one-hundredth grain arsenic trioxide per pound. In recognition of the difficulties with which the fruit producers were faced, the department refrained from taking action against fruit on this tolerance and made detentions of shipments only upon the basis of an arsenic content several times this figure. At the same time, investigational work was inaugurated to develop more efficacious methods of cleaning, as a result of which the acid-wash method now generally in use was worked out. While there have been widely disseminated reports that the acid-wash method destroys the keeping quality of the fruit, the experience gained in almost two years of its use has shown that when properly applied it does not adversely affect the keeping quality of the fruit. By the observation of simple precautions no fear need be felt by the growers and packers that the process will cause excessive losses. The surveys we have made have definitely shown that the proportion of spoilage in acid-washed fruit is not greater than what can be expected in any normal year in untreated fruit. Recognizing the impossibility of an immediate adoption of acid washing throughout the entire fruit-producing areas of the West, the department did not attempt to impose a tolerance of one one-hundredth grain but has been gradually reducing the tolerance in the expectation that so soon as proper cleaning equipment can be installed throughout the country this tolerance will be put into effect in order that American fruit may enter freely into every foreign market and may be distributed in the domestic markets without adverse action by State and city officials. The department has recently announced to the industry that it would not take action during the coming season on the basis of arsenic content not exceeding two one-hundredths grain per pound of fruit. The industry has ample time to make all provisions necessary for the coming season to meet this tolerance.

The amendment to the so-called McNary-Haugen bill introduced by Senator WATERMAN would exempt all fresh fruit from the provisions of the Federal food and drugs act. If the amendment prevails, there will no longer be a Federal control of the spray-residue question. This will not remove in any degree whatever the control of States, cities, and foreign governments. These agencies can be expected to follow the internationally recognized tolerance of one one-hundredth grain per pound as a guide in their operations. They are not in a position, nor can they be expected, to attempt sympathetic educational work among the growers and to provide technical assistance in the application of efficient cleaning methods. Instead of the situation being under control at the source, it will be controlled at consuming markets, and there is every reason to expect chaotic results. Nothing else could logically follow the independent operations of the many agencies which will be concerned. Furthermore, the abrogation by this legislative action of the promise given to the British Government by the department in 1925 to exert every possible effort to cure the trouble would undoubtedly be construed as sufficient ground by Great Britain not only but by countries in continental Europe to place an embargo upon American fruit, thus turning back a large part of the exportable surplus upon domestic markets. All these developments are sure to be attended by widespread publicity. We happen to know that press representatives throughout the country have a fairly complete knowledge of the situation and have refrained from publishing this information only because the department has been able to convince them that it would be adverse to the best interests of the country. There is also to be taken into account the position which will probably be assumed by growers in the Middle West and in the East, where, due to climatic conditions, there is not a heavy infestation of the codling moth, and such frequent and late sprayings as are prevalent in the West are unnecessary, thus causing little difficulty in meeting the tolerance of one one-hundredth grain per pound. Unquestionably, these growers will carry out the plans which they have heretofore advanced and from which they have been dissuaded by the department to advertise their fruit in consuming centers as free from excessive arsenical residues.

All of these various factors as the department sees them and is able to judge them from its long experience with this problem will unquestionably react against western fruit to a point where the magnificent industry which has been built up in that section of our country will be utterly destroyed. The department throughout its entire dealing with this question has been sympathetic with the growers and has sought by constructive means to aid them in meeting this serious problem. I feel quite sure that the elimination of the department's

regulatory control of fresh fruit through the passage of this amendment will be a fatal blow to this important agricultural enterprise of the West. The department's plans for the coming season contemplate a continuation of its efforts both in Colorado and elsewhere to demonstrate to the industry the most effective methods of cleaning fruit and to render any other helpful service that it can.

Sincerely yours,

W. M. JARDINE, *Secretary.*

The question is on the amendment of the gentleman from Louisiana to strike out the section.

The amendment was rejected.

The Clerk read as follows:

ADMINISTRATIVE APPROPRIATION

SEC. 17. For expenses in the administration of the functions vested in the board by this act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, to be available to the board for such expenses—including salaries and expenses of the members, officers, and employees of the board and the per diem compensation and expenses of members of the commodity advisory councils—incurred prior to July 1, 1929.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 60, line 9, strike out all of section 17.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was rejected.

The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 18. If any provision of this act is declared unconstitutional or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity, is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 60, line 19, strike out all of section 18.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

COOPERATIVE ASSOCIATIONS ACT

SEC. 19. Nothing in this act is intended or shall be construed to repeal or modify any provision of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 61, line 3, strike out all of section 19.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

PENALTIES

SEC. 20. (a) The provisions of sections 123 and 124 of the Penal Code, approved March 4, 1909, as amended, shall apply to any member, officer, or employee of the board; and, in addition, it shall be held a violation of section 123 of such code if any member, officer, or employee of the board at any time speculates, directly or indirectly, in any agricultural commodity.

(b) It shall be unlawful (1) for any cooperative association, or corporation created and controlled by one or more cooperative associations, or other agency if such agency is acting for or on behalf of the board under any marketing agreement, or (2) for any director, officer, or employee of any such association, corporation, or agency, to which information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or agency, or director, officer, or employee thereof, violating any provision of this subdivision, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 61, line 8, strike out all of section 20.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

SHORT TITLE

SEC. 21. This act may be cited as the "Surplus control act."

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 62, line 3, strike out all of section 21.

Mr. KETCHAM. Mr. Chairman, I offer as a substitute for the bill just perfected the bill H. R. 12892.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill just perfected H. R. 12892.

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

Mr. CHINDBLOM. Mr. Chairman, I make the further point of order that there is no bill pending before the committee. The bill is being read by sections and the committee has never considered the bill in toto. There can not be any substitute for the bill in the Committee of the Whole.

Mr. KETCHAM. Mr. Chairman, I desire to be heard briefly on the point of order.

Mr. JONES. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair suggests that the Clerk has not yet read the amendment. Will the gentleman send up his amendment in writing?

Mr. KETCHAM. I have the amendment here. Mr. Chairman, I ask unanimous consent that the amendment may be considered as read, in view of the fact that it has already been printed in the RECORD under unanimous consent this afternoon.

The CHAIRMAN. Will the gentleman state his amendment again? He has merely sent up a blank bill.

Mr. KETCHAM. Mr. Chairman, I offer as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. DOWELL. I make the point of order that it is not germane.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. DOWELL. Mr. Chairman, I renew my point of order.

Mr. KETCHAM. Mr. Chairman, I desire to be heard briefly on the point of order.

Mr. RAMSEYER. Mr. Chairman, just to refer to a bill by number certainly ought not to be considered here as an amendment. The gentleman can ask unanimous consent to do away with the reading of this amendment, but to refer to an amendment merely by a certain number is a practice for which there ought not to be any precedent set here this afternoon.

Mr. KETCHAM. Of course, this request is made in the interest of the progress of the bill. I think everyone understands, and certainly no one better than the gentleman from Iowa [Mr. RAMSEYER] what is comprehended in the bill H. R. 12892. He has given the bill very thoughtful and careful consideration.

Mr. RAMSEYER. I suggest that the gentleman ask unanimous consent that the amendment be not read.

Mr. KETCHAM. I may say to the gentleman that the request has already been preferred.

Mr. RAMSEYER. The gentleman offered his amendment and there has been no such request since he offered the amendment.

Mr. KETCHAM. Mr. Chairman, what is the present situation? Is the gentleman from Iowa correct in his statement?

The CHAIRMAN. The Chair will ask the Clerk to again read the amendment as proposed.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the reading of the amendment be dispensed with. Is there objection?

There was no objection.

Mr. DOWELL. Mr. Chairman, I make the point of order on the amendment if the Chair holds that this is equivalent to a reading of the amendment.

Mr. KETCHAM. Mr. Chairman, I call particular attention to section 21 of the bill which we have just completed. Under the heading of "Short title," the section reads:

> This act may be cited as the "Surplus control act."

I submit, Mr. Chairman, that the bill which has now been sent to the desk as a substitute is absolutely on all fours with the title which has always been adopted as the short title of the act which we have perfected.

The proposed substitute plan has in it the export-debenture plan which is incorporated in the amendment just read by title from the desk. It has in it the identical features of the bill which we have been perfecting this afternoon, except in so far as the equalization fee is concerned. It has in it the board; it has in it the loan feature; it has in it the insurance feature; and in my opinion it is a better instrumentality of surplus control than that afforded by the equalization-fee plan.

Therefore, it seems to me, Mr. Chairman, from the standpoint of being germane, the purpose of the amendment sent to the desk is certainly germane to the main purpose of the bill which we have been perfecting this afternoon. Therefore I respectfully suggest to the Chair that the bill is in order at this particular point so far as the question of germaneness is concerned.

Mr. DOWELL. Mr. Chairman, just one moment. I desire to call the attention of the Chair to the decision referred to by the Chair in a ruling a little while ago on another amendment substantially along the line of the amendment offered by the gentleman from Michigan [Mr. KETCHAM]. It is the decision of Mr. Sanders, who was chairman. It is found in the CONGRESSIONAL RECORD of May 24, 1924, in volume 65, part 9, on page 9438. From that decision I want to read a line or two:

> However, the mere fact that it tackles the same problem does not necessarily make it a germane amendment.

He held in that opinion the same character of amendment as this one out of order. I do not desire to take further time, because the Chair himself cited this opinion a few moments ago. I think the Chair is very familiar with the question. [Cries of "Rule!"]

Mr. JONES. Mr. Chairman, I have before me the decision to which the gentleman from Iowa refers. The bill offered by the gentleman from Illinois [Mr. RAINEY] at that time did tackle the problem along the same line that these measures approach it. The reason why the plan offered by the gentleman from Illinois was not considered in order was that the old McNary-Haugen bill was an entirely different bill, both in theory and in wording, from the one that is now before the House to-day. The old McNary-Haugen bill formed an export corporation and fixed a ratio price based on the 1905 and 1913 average as agricultural and industry and applied that to the modern price and provided that this export corporation should buy at not less than the ratio price all the commodities and export them. The form of corporation which handled the commodities had the fixed minimum price, that being the ratio price.

The amendment offered by the gentleman from Illinois was to the effect that when the price level was below the cost of production scrip should be issued on the difference between the world price and the cost of production and this given to the producer. The scrip was to be tenderable in payment of customs duties. This amounted to a bounty out of the custom receipts, but did not approach the problem from the point of view of handling the surplus. The present McNary-Haugen bill has left the old McNary-Haugen bill and has come around to the present program; both of the pending bills have the same general purpose. The old McNary-Haugen bill did not have the cooperative feature. It did not make loans to permit the corporation to buy enough of the surplus to let the price come up to the proper level, but simply formed an export corporation which had authority at the price fixed in the bill to buy all the surplus and handle all the surplus. It was not the theory of that bill at all, as shown by this statement in the latter part, to let certain parties buy up part of the surplus and let the domestic price come up to it; but it was to buy all the surplus. It had no loan features. It had no board. It had no insurance feature. It simply undertook to authorize a Government corporation to buy all the farm commodities at the price fixed in the bill, this fixed price being a minimum price; and that was the line of attack all during the argument, that it was a price fixing bill. It was not a bill that treated the surplus as simply a matter to be lifted up and let the domestic price automatically rise, but it fixed the price. [Cries of "Rule!"]

I will take only a little longer to present my view. There is $400,000,000 involved in this bill. The discussion has been going on for four years, and I think the House should be willing to listen to a proposal that would really grant relief. I just want to make this point, Mr. Chairman, and then I shall be through: That in both of these bills the surplus problem is the main problem to be handled; the bills in the first three features are almost identical, differing only in the method of raising the money.

The old McNary-Haugen bill was not like the Rainey bill or the debenture plan, but the present McNary-Haugen bill has come around to the same theory of lifting up enough of the surplus to let the main price come up to its level.

The main purposes of both bills are exactly the same, and the methods of handling are simply incidental.

Mr. CANNON. Mr. Chairman, regardless of the terms of the old McNary-Haugen bill, it presented, in substance, a proposition to secure farm relief by a certain definite plan, and the Rainey amendment in effect proposed to attain the same object by another plan, just as the present bill offers relief by a definite plan and the amendment offered by the gentleman from Texas [Mr. JONES] proposes relief by another plan.

Now, it has been repeatedly held that to a proposition to effect a purpose by a specific method an amendment to achieve the same object by another unrelated method is not germane. It will only be necessary to cite one such decision. In 1918, in the second session of the Sixty-fifth Congress, the House was considering a bill providing for the conservation of foodstuffs. The method proposed for conservation of food was by educational and demonstrational methods. An amendment was offered proposing to achieve the same purpose by another method—that is, by prohibiting the use of grain in the manufacture of intoxicating liquor—but the Chair held, in a notable decision, that it was not competent to amend a bill proposing to attain an object by means of a definite plan through an amendment providing for achieving the same purpose in another way.

The amendment here proposed seeks to amend a bill providing for farm relief by attaining the same object in a way different from that under consideration and therefore is not in order.

The CHAIRMAN. As the Chair suggested when this question was brought up in a different form, he has had plenty of time to investigate this particular point of order. He has gone back to the Haugen bill of 1924 and reread that bill. The heart of the present Haugen bill, as has been stated here in the debates, is the equalization fee, and the Chair thinks that the heart of the Haugen bill in 1924 was the equalization fee.

In order to show that the principle of the bill has not changed very much, I will read just a part of two sections in the 1924 Haugen bill. Page 17, section 201, of that bill provides:

> In order that the producers of each basic agricultural commodity may pay ratably their equitable share of the expenses of the corporation.

That is the theory of the present Haugen bill. Reading further from the 1924 Haugen bill:

> Having due regard to such estimates—

That is the estimates of the board as to losses, expenses, and so forth—

> the corporation shall determine, as nearly as may be, the total amount of such expenses and losses which will be incurred or sustained as a result of the operations of the corporation in respect of each agricultural commodity during each operation period.

I think those two sections alone are enough to indicate to the committee that, while the ratio price was mentioned in the 1924 bill, it was the plan of the bill to bring up the price of agricultural commodities to the general ratio price, the equalization fee was the same in that bill as it is in this bill.

The debenture plan introduced by the gentleman from Michigan [Mr. KETCHAM], my colleague, and the gentleman from Texas [Mr. JONES], proposes what seems to the Chair a very different proposition. The Chair thinks that the reason and logic of the rule would tend to support the point of order, but he is not required to base his decision entirely upon the reason of the rule, as there is a precedent directly on all fours. The gentleman from Illinois [Mr. RAINEY] in 1924 offered a substitute which to the Chair seems identical in principle with the substitute offered now by the gentleman from Michigan [Mr. KETCHAM], which contains the debenture plan. In the Rainey substitute the requirement was that all exporters of certain agricultural commodities should be paid in customs scrip. It was called customs scrip at that time instead of a debenture.

The exporters were to be paid the export deficiency price, which the Rainey substitute defined to be the difference not in the cost of production, as in the Ketcham-Jones substitute, but in the probable average selling price in world markets outside of the United States of the agricultural commodities embraced within the substitute and the probable average cost of producing them on farms in the United States, plus 10 per cent. Now, the Ketcham-Jones debenture plan proposes to pay the exporters of seven different agricultural commodities a fixed price, and on the remaining agricultural commodities it proposes to pay them an amount based upon the difference between the cost of production in the United States and in competing foreign countries. Under the Ketcham-Jones substitute it is proposed to pay the exporters out of the Federal Treasury, while in the Haugen bill it is proposed to raise the expense of administering the law out of the equalization fee.

During the consideration of the Haugen bill in 1924 the Chairman had occasion to rule several times on several different substitutes. The Rainey substitute seems to be so much in point in this case that the Chair thinks it is a precedent, but Chairman Sanders said in another decision:

> It is not possible to offer a substitute for a bill which undertakes to give the same relief and yet departs entirely from the method of the bill under consideration.

In another decision:

> This proposition, while it undertakes to relieve agriculture, undertakes to do it in an entirely different way and in such manner as would not be proper by way of substitute.

Then, in addition to these two decisions from which I have quoted briefly, he made the decision which has already been quoted this afternoon and read in full by the gentleman from Illinois [Mr. RAINEY], expressly declaring his substitute out of order. The Chair, following the reason of the rule and the precedents, sustains the point of order and holds the amendment offered by the gentleman from Michigan [Mr. KETCHAM] not germane to the bill.

Mr. HARE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. HARE: Page 1, line 3, strike out all after the enacting clause and substitute in lieu thereof H. R. 10562.

Mr. DOWELL. I make the point of order, Mr. Chairman, that the amendment is not in order, the time having passed when the amendment could be offered, and also that the amendment is not germane.

The CHAIRMAN. Does the gentleman from South Carolina desire to discuss the point of order?

Mr. HARE. I do; yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. HARE. Mr. Chairman——

Mr. DOWELL. Mr. Chairman, this amendment is so clearly out of order it seems there should be no discussion about it and the Chair should pass upon the question.

Mr. HARE. Mr. Chairman, I hope to show the gentleman it is not clearly out of order, but, on the contrary, I hope to show it is absolutely germane and in order.

Mr. DOWELL. Will you please address your remarks to the Chair.

Mr. HARE. I was not addressing the Chair. I am endeavoring to enlighten the gentleman himself, but I want to call the attention of the Chair——

Mr. CHINDBLOM. Mr. Chairman, I reserve a point of order for the purpose of discussing another phase of this matter. If the practice of offering substitutes in this manner is continued, I want to interpose other grounds for a point of order. I will reserve them for the present.

Mr. HARE. Mr. Chairman, I invite attention to the first part of the bill, which states the real purpose of the bill. The one we have under consideration provides that it is an act to establish a Federal farm board, to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce. The bill I am proposing provides for the establishment of a farm surplus board, to aid in the orderly marketing, control of production, disposition of surplus agricultural commodities, and other purposes. To my mind the purposes as set forth in the two bills are almost identical, and I want to say further that the provisions of the bill are quite identical.

If you will examine the provisions of the two bills, you will find they provide for a board to be appointed in the same way, one member from each of the 12 Federal land-bank districts. The men appointed are supposed to have similar qualifications. The duties devolving upon them are practically the same. The purposes of the bills are practically the same, the only difference being that the equalization fee is not found in the proposed bill and the insurance provision is not found in it.

Mr. CHINDBLOM. Mr. Chairman, the Chair may well take the gentleman at his word. The gentleman who has offered the amendment says that the equalization fee is not in his bill and the insurance feature is not in his bill. The Chair has already ruled that the equalization fee goes to the heart of the measure before the committee, and on that statement alone I think the Chair may well sustain the point of order without any further argument.

Mr. HARE. Mr. Chairman, I would like to submit that the question of germaneness goes to the purpose and the subject matter and not to the details of operation. The purpose of these two bills is to control the surplus of farm products and to establish a system of scientific marketing. They are the two essential things involved in both bills, and I contend that my bill is germane and properly submitted.

Mr. CHINDBLOM. Mr. Chairman, I make the further point of order that this is a substitute for the entire bill. The Aswell amendment, in the nature of a substitute, which has already been adopted, is a substitute for the entire bill. The time to offer a measure of this kind would have been by way of amendment to the Aswell substitute, and this proposal comes too late now.

I did not argue that point on the other substitute, because it was so clearly not germane, but I think this objection is clearly in point with respect to this amendment and should dispose of the point of order.

Mr. HARE. Mr. Chairman, my purpose in proposing this bill now is to give the real sympathizers of agriculture an opportunity to support a bill that can become a law and give real relief to the farmer. The bill we have just been considering is now in good shape to be passed and vetoed by the President, and if you refuse to consider this bill at this time it is equivalent to saying that you are not specially interested in getting farm-relief legislation at this session. Mark my prediction, if you refuse to consider this bill now, agriculture will go another year before it can expect any relief whatever from Congress.

The CHAIRMAN. The Chair is ready to rule.

The Chair, from a hasty examination of the substitute, does not find anything in it which leads him to think that it is not germane to the Haugen bill. It sets up a board and contains the loan features somewhat after the manner of the Haugen bill outside of the equalization-fee provision. The Chair feels, however, that the time for offering this as a substitute has passed. If it was the purpose to offer it as a substitute, it might well have been offered at the time the Aswell amendment was under consideration. For this reason the Chair sustains the point of order.

Mr. JOHNSON of Oklahoma. Mr. Chairman, for the past several days that we have been considering this all-important farm-relief legislation on the floor of the House we have heard no small amount of criticism of those responsible for the pending measure.

The gentleman from New York [Mr. CLARKE] in his brilliant and sarcastic way declared the bringing out of the McNary-Haugen bill due to political expediency and charged it, among other things, with being economically unsound. If the distinguished gentleman would get away from New England and see the dire distress our farmers of the South and West are suffering, he and other opponents of this measure would surely know there is real, urgent, and desperate need for farm legislation by the present session of Congress.

As to the oft-repeated declaration on the part of enemies of the pending farm-relief measure that it is "unsound," I do not pose as an expert on the subject, but the Agriculture Committee of this House has held numerous hearings on this bill since last January, at which time many of the best-informed men in America were heard and almost without exception those great leaders pronounced the pending bill as not only economically sound, but a great forward step in solving the problem of relieving agriculture of the unjust burdens which have impoverished the farmers of America.

But, since there has been so much said here in criticism of those responsible for this farm measure, it might not be amiss to reflect, in passing, on the long roster of those who are so bitterly opposing this bill. We see here lined up against this measure the element which calls itself "big business," fighting desperately not only this but every other bill we have had here in the interest of the farmers, who feed and clothe the world. I am a friend of every legitimate business, but the special-interest bunch which is bending every effort to defeat this bill has nothing in common with the tillers of the soil nor real business interests of the great South and West.

Now, let us see who is fighting this farm measure anyway. The speculators are loud in their opposition to it. In one breath they declare it is positively unworkable and in the next they admit that they are afraid it might work. If it is "economically unsound," why are these high-powered speculators so exercised over the prospects of the bill's passage? If, indeed, the McNary-Haugen bill should pass and happen to escape the President's veto and is as unsound and unworkable as this great array of speculators in farm commodities profess to believe, then why are they spending so much time here in opposition to its passage? We have heard considerable about the so-called farm lobby supporting this measure, but why, may I ask, have we heard so little of Wall Street gamblers and their great lawyers and high-powered lobbyists who have come here in droves from the manufacturing centers to oppose this bill which has for its purpose aid for the American farmer?

Again we are told by enemies of this measure that the Hon. Andrew Mellon, distinguished Secretary of the Treasury, has written a letter setting forth his reasons for opposing the McNary-Haugen bill. And some of you appear to think the famous Mellon letter ought to settle the issue, that Congress will not dare pass a measure which does not have the sanction of the Secretary of the Treasury. Without any desire to show disrespect to Mr. Mellon, I am frank to say that if this bill had the full sanction of Secretary Mellon I would feel skeptical about it being what the farmers want or need.

The distinguished Secretary of the Treasury and his faithful followers in Congress seem to oppose this or any other farm-relief program that has the slightest possibility of being real farm relief; they quite naturally oppose all measures which have for their purpose securing for the farmers reasonable prices for the products of the farm. Mr. Mellon and other beneficiaries of special privilege are very much alarmed lest the proposed measure might become a subsidy to the poor, distressed farmer. We heard no such protests from these quarters when the Congress passed the Fordney-McCumber tariff law, which granted subsidies to the industrial East and which robbed the farmer of millions in farm products.

Friends of the pending farm measure do not for a moment agree that it is fair to refer to this measure as a subsidy, but it is an honest effort to help the farmer help himself and to restore to the farmer the stabilization of farm products, which he was robbed of, if you please, by an unjust and discriminatory tariff. But I submit that if any class is entitled to special consideration by the Congress it is the farmer. [Applause.]

Mr. Chairman, several of my colleagues, especially on this side of the House Chamber, have persisted in this contention that we should revise the tariff to give the farmer a square deal and have insisted there would be no necessity for the McNary-Haugen bill or any of the many measures introduced here which seek equality for agriculture if we only had an honest revision of the tariff. I agree with these gentlemen, but this House early in the session turned down and refused to consider the Senate resolution proposing to revise the tariff. We are now confronted with a distressing condition and not a fanciful theory. We know this Congress will not revise the tariff.

During all of the debate for the past several days the one "scarecrow" the opposition to this measure has employed most effectively is the "big stick" of the President. The threat of another presidential veto has been swung high above our heads. So persistent have the enemies of this measure been in advising us of the absolute certainty of Executive veto that this body became terrified yesterday and for the time being eliminated what many of us believe to be the very heart of this bill—the equalization fee. But this afternoon friends of the bill here have reorganized their forces and reversed their decision of yesterday. For my part, Mr. Chairman, I am not alarmed because of this threat of those who claim to know the President's mind; and it is quite evident that the House is honored by having many who know the mind of the President. I say I am not alarmed about the much-discussed veto. I am determined to do my duty as I see it. Why, that word "veto" seems to be a nightmare to some of you. We have heard it almost constantly since last December. When the Democrats of this House were trying to relieve the small business man in the tax reduction bill we were warned about the veto. Only recently, when the House endeavored to pass a comprehensive flood control bill, and some of us who have tributaries, like the Canadian and the Washita Rivers, were bending every effort to get a square deal for those living on our tributaries, these self-styled White House spokesmen threw up their hands in holy horror and again told us flood control would be vetoed by the President. Mr. Chairman, it just occurs to me that if those who admit they know the mind of the President are correct and the tax reduction bill, the flood control bill, and the farm relief bill are doomed to a veto, this administration will break the previous records for breaking faith with the people, and the Republican Party already had a mighty high batting average in this respect.

I am not one of those who claim that the McNary-Haugen bill is a perfect measure. In its present form it doubtless has its defects, but it can be strengthened and perfected after the bill is put into operation. Although it possibly is not altogether the bill I would have written, it represents the judgment of the majority of the Agriculture Committee and is sponsored by practically every farm organization in the country. It is a great forward step in the right direction. It is a belated recognition of equality of agriculture. The McNary-Haugen bill is the only measure which has the slightest chance of passage. Let us give it a chance.

One thing is certain. Agriculture can not continue under the present deplorable conditions. In 1920 Government experts gave the mortgage indebtedness of the farms of America as $3,500,000,000, but to-day the mortgage indebtedness of the farmers has jumped to $12,450,000,000. Add to this $20,000,000,000 of shrinkage in farm values within the past eight years and we have the appalling figures of over $32,000,000,000 of actual loss to our farmers within only eight years. We know that since 1920 over 2,000,000 farmers have lost their homes and 4,000,000 of our farm population have been forced to leave the farms. More than 9 per cent of the farms of America are now vacant and uninhabited. These thousands of farms stand to-day as silent sentinels of the distress in which our farmers find themselves.

Within a few minutes we are to vote on this the most important bill to the farmers of America of any other measure that will come before the present session of Congress. We must pass the pending bill or nothing. We must give the farmers this measure or go home empty handed, so far as farm legislation is concerned. There have been many beautiful things said about the farmer during all this debate, but mere platitudes will not suffice now.

Within a few moments we must face the issue, and I hope and believe the reply of you gentlemen will be overwhelmingly in favor of the American farmers. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. ASWELL].

The amendment was rejected.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. ASWELL. Mr. Speaker, I demand a separate vote on the Aswell substitute.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The other amendments were agreed to.

The SPEAKER. The question is on the Aswell amendment in the nature of a substitute.

Mr. ASWELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 185, answered "present" 3, not voting 96, as follows:

[Roll No. 72]

YEAS—146

| | | | |
|---|---|---|---|
| Abernethy | Bowman | Cole, Md. | Edwards |
| Ackerman | Box | Connery | England |
| Aldrich | Boylan | Cooper, Ohio | Fenn |
| Andrew | Brand, Ga. | Cox | Fish |
| Aswell | Briggs | Crail | Fitzgerald, W. T. |
| Bacharach | Browning | Crisp | Fort |
| Bachmann | Buchanan | Crosser | Foss |
| Bacon | Burdick | Dallinger | Frothingham |
| Bankhead | Burton | Darrow | Gasque |
| Beedy | Bushong | Dominick | Gibson |
| Beers | Chalmers | Doughton | Gifford |
| Bell | Chapman | Douglass, Mass. | Green |
| Black, N. Y. | Chase | Doutrich | Hadley |
| Bohn | Chindblom | Drewry | Hale |
| Bowles | Cochran, Mo. | Dyer | Hardy |
| Bowling | Cochran, Pa. | Eaton | Hare |

| | | | |
|---|---|---|---|
| Hersey | McFadden | Perkins | Tilson |
| Hooper | McLaughlin | Quayle | Treadway |
| Hughes | McMillan | Rankin | Tucker |
| Hull, Morton D. | McSwain | Ransley | Underhill |
| Hull, Tenn. | MacGregor | Reece | Underwood |
| Igoe | Magrady | Reed, N. Y. | Vincent, Mich. |
| Jeffers | Mapes | Robsion, Ky. | Vinson, Ga. |
| Jenkins | Martin, Mass. | Rogers | Vinson, Ky. |
| Kahn | Merritt | Rutherford | Ware |
| Kearns | Michener | Sandlin | Warren |
| Kemp | Miller | Seger | Wason |
| Ketcham | Monast | Somers, N. Y. | Watres |
| Kiess | Montague | Speaks | Weaver |
| Korell | Mooney | Steele | Welsh, Pa. |
| Langley | Moore, Va. | Stevenson | Whitehead |
| Lanham | Morgan | Stobbs | Wilson, La. |
| Lankford | Nelson, Me. | Swick | Wolverton |
| Lehlbach | Newton | Taber | Woodrum |
| Lindsay | O'Brien | Tatgenhorst | Wright |
| Lowrey | Palmer | Temple | |
| McDuffie | Peery | Thatcher | |

NAYS—185

| | | | |
|---|---|---|---|
| Adkins | Faust | King | Rathbone |
| Allen | Fitzpatrick | Kopp | Rayburn |
| Allgood | Fletcher | Kvale | Reed, Ark. |
| Almon | Frear | LaGuardia | Reid, Ill. |
| Andresen | French | Lea | Robinson, Iowa |
| Arentz | Fulbright | Leatherwood | Romjue |
| Arnold | Fulmer | Leavitt | Rubey |
| Auf der Heide | Furlow | Letts | Sabath |
| Ayres | Gambrill | Lozier | Sanders, Tex. |
| Barbour | Garber | McClintic | Schafer |
| Beck, Wis. | Garner, Tex. | McKeown | Schneider |
| Berger | Garrett, Tex. | McReynolds | Sears, Nebr. |
| Black, Tex. | Gilbert | McSweeney | Sinnott |
| Brand, Ohio | Goldsborough | Maas | Selvig |
| Browne | Goodwin | Major, Ill. | Shallenberger |
| Burtness | Greenwood | Major, Mo. | Simmons |
| Busby | Griest | Manlove | Sinclair |
| Byrns | Guyer | Mansfield | Sirovich |
| Campbell | Hall, Ill. | Martin, La. | Smith |
| Cannon | Hall, Ind. | Mead | Spearing |
| Carley | Hall, N. Dak. | Menges | Sproul, Kans. |
| Carss | Hammer | Michaelson | Steagall |
| Cartwright | Harrison | Milligan | Stedman |
| Christopherson | Hastings | Moore, Ky. | Strong, Kans. |
| Clague | Haugen | Moore, N. J. | Summers, Wash. |
| Cohen | Hawley | Moorman | Sumners, Tex. |
| Cole, Iowa | Hickey | Morehead | Swank |
| Collier | Hill, Ala. | Morrow | Swing |
| Collins | Hill, Wash. | Murphy | Tarver |
| Colton | Hoch | Nelson, Mo. | Taylor, Colo. |
| Cooper, Wis. | Hogg | Nelson, Wis. | Thurston |
| Corning | Holaday | Norton, Nebr. | Timberlake |
| Cramton | Hope | Norton, N. J. | Vestal |
| Cullen | Howard, Nebr. | O'Connell | Watson |
| Curry | Howard, Okla. | O'Connor, La. | Welch, Calif. |
| Davis | Huddleston | O'Connor, N. Y. | Whittington |
| Denison | Hudson | Oliver, Ala. | Williams, Ill. |
| De Rouen | Hull, Wm. E. | Oliver, N. Y. | Williams, Mo. |
| Dickinson, Iowa | Jacobstein | Palmisano | Williamson |
| Dickinson, Mo. | Johnson, Ill. | Parks | Wilson, Miss. |
| Dowell | Johnson, Okla. | Peavey | Winter |
| Driver | Johnson, S. Dak. | Prall | Wood |
| Elliott | Johnson, Tex. | Purnell | Woodruff |
| Englebright | Jones | Quin | Zihlman |
| Eslick | Kading | Ragon | |
| Estep | Kincheloe | Rainey | |
| Evans, Mont. | Kindred | Ramseyer | |

ANSWERED "PRESENT"—3

| | | |
|---|---|---|
| Bland | Luce | Pou |

NOT VOTING—96

| | | | |
|---|---|---|---|
| Anthony | Deal | Johnson, Ind. | Sears, Fla. |
| Beck, Pa. | Dempsey | Johnson, Wash. | Shreve |
| Begg | Dickstein | Kelly | Snell |
| Blanton | Douglas, Ariz. | Kendall | Sproul, Ill. |
| Bloom | Doyle | Kent | Stalker |
| Boies | Drane | Kerr | Strong, Pa. |
| Brigham | Evans, Calif. | Knutson | Strother |
| Britten | Fisher | Kunz | Sullivan |
| Buckbee | Fitzgerald, Roy G. | Kurtz | Taylor, Tenn. |
| Bulwinkle | Free | Lampert | Thompson |
| Butler | Freeman | Larsen | Tillman |
| Canfield | Gardner, Ind. | Leech | Tinkham |
| Carew | Garrett, Tenn. | Linthicum | Updike |
| Carter | Glynn | Lyon | Wainwright |
| Casey | Golder | McLeod | Weller |
| Celler | Graham | Moore, Ohio | White, Colo. |
| Clancy | Gregory | Morin | White, Kans. |
| Clarke | Griffin | Niedringhaus | White, Me. |
| Combs | Hancock | Oldfield | Williams, Tex. |
| Connally, Tex. | Hoffman | Parker | Wingo |
| Connolly, Pa. | Houston, Del. | Porter | Wurzbach |
| Crowther | Hudspeth | Pratt | Wyant |
| Davenport | Irwin | Rowbottom | Yates |
| Davey | James | Sanders, N. Y. | Yon |

So the substitute was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Sproul of Illinois (for) with Mr. Knutson (against).
Mr. Hancock (for) with Mr. Yates (against).
Mr. Brigham (for) with Mr. Thompson (against).
Mr. Tinkham (for) with Mr. Rowbottom (against).
Mr. Hoffman (for) with Mr. Yon (against).
Mr. Niedringhaus (for) with Mr. White of Kansas (against).
Mr. Luce (for) with Mr. Buckbee (against).
Mr. Snell (for) with Mr. Carew (against).
Mr. Leech (for) with Mr. Taylor of Tennessee (against).
Mr. Crowther (for) with Mr. Blanton (against).
Mr. Johnson of Washington (for) with Mr. Gardner (against).
Mr. Clancy (for) with Mr. Updike (against).
Mr. McLeod (for) with Mr. Oldfield (against).
Mr. Weller (for) with Mr. Anthony (against).
Mr. Begg (for) with Mr. Lampert (against).
Mr. Free (for) with Mr. Wyant (against).
Mr. Dickstein (for) with Mr. Boies (against).
Mr. Roy G. Fitzgerald (for) with Mr. Canfield (against).
Mr. Davenport (for) with Mr. Wingo (against).
Mr. Bland (for) with Mr. James (against).
Mr. Deal (for) with Mr. Kerr (against).
Mr. Linthicum (for) with Mr. Williams of Texas (against).
Mr. Dempsey (for) with Mr. Celler (against).
Mr. Garrett of Tennessee (for) with Mr. White of Colorado (against).
Mr. Pratt (for) with Mr. Davey (against).
Mr. Porter (for) with Mr. Sullivan (against).
Mr. Connally of Texas (for) with Mr. Wurzbach (against).
Mr. Golder (for) with Mr. Johnson of Indiana (against).
Mr. Butler (for) with Mr. Pou (against).
Mr. Clarke (for) with Mr. Irwin (against).

General pairs:

Mr. Shreve with Mr. Tillman.
Mr. Connolly of Pennsylvania with Mr. Sears of Florida.
Mr. Stalker with Mr. Bloom.
Mr. Morin with Mr. Douglas of Arizona.
Mr. White of Maine with Mr. Bulwinkle.
Mr. Wainwright with Mr. Casey.
Mr. Moore of Ohio with Mr. Doyle.
Mr. Parker with Mr. Griffin.
Mr. Freeman with Mr. Larsen.
Mr. Graham with Mr. Hudspeth.
Mr. Strong of Pennsylvania with Mr. Combs.
Mr. Glynn with Mr. Drane.
Mr. Houston of Delaware with Mr. Fisher.
Mr. Sanders of New York with Mr. Gregory.
Mr. Kurtz with Mr. Kent.
Mr. Kendall with Mr. Lyon.
Mr. Kelly with Mr. Kunz.

Mr. JOHNSON of Texas. Mr. Speaker, my colleague, Mr. HUDSPETH, is not present on account of illness.

Mr. O'CONNOR of New York. Mr. Speaker, I want to announce the absence of my colleague, Mr. CELLER, who is ill. If present he would vote "aye."

The vote was announced as above recorded.

The SPEAKER. The question is on the committee substitute as amended to the Senate bill.

The committee substitute was agreed to.

The SPEAKER. The question is on the third reading.

The bill was ordered to be read a third time, and was read the third time.

Mr. ASWELL. Mr. Speaker, I move to recommit the bill with instructions.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASWELL moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back forthwith with the following instructions: Page 42, line 17, strike out sections 9, 10, and 11.

Mr. ASWELL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Louisiana to recommit the bill.

Mr. ASWELL. On that, Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Louisiana demands the yeas and nays. All those in favor of taking the question by the yeas and nays will rise. [After counting.] Fifty-five Members have risen, not a sufficient number, and the yeas and nays are refused.

The question now is on the motion to recommit the bill with instructions.

The question was taken, and the motion of Mr. ASWELL was lost.

The SPEAKER. The question is on the passage of the bill.

Mr. DOWELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 122, answered "present" 3, not voting 101, as follows:

[Roll No. 73]

YEAS—204

| | | | |
|---|---|---|---|
| Abernethy | Brand, Ga. | Collins | Eslick |
| Adkins | Brand, Ohio | Colton | Evans, Mont. |
| Allen | Browne | Cooper, Wis. | Faust |
| Allgood | Browning | Cramton | Fletcher |
| Almon | Burtness | Curry | Frear |
| Andresen | Busby | Davis | French |
| Arentz | Byrns | Denison | Fullbright |
| Arnold | Cannon | De Rouen | Fulmer |
| Ayres | Carss | Dickinson, Iowa | Furlow |
| Bankhead | Cartwright | Dickinson, Mo. | Gambrill |
| Barbour | Chapman | Doughton | Garber |
| Beck, Wis. | Christopherson | Doutrich | Garner, Tex. |
| Berger | Clague | Dowell | Garrett, Tex. |
| Black, Tex. | Cole, Iowa | Driver | Gasque |
| Bohn | Cole, Md. | Elliott | Gilbert |
| Bowman | Collier | Englebright | Goldsborough |

| | | | |
|---|---|---|---|
| Goodwin | Kemp | Morrow | Simmons |
| Green | Ketcham | Murphy | Sinclair |
| Greenwood | Kincheloe | Nelson, Mo. | Sinnott |
| Griest | King | Nelson, Wis. | Sirovich |
| Guyer | Knutson | Norton, Nebr. | Smith |
| Hadley | Kopp | O'Connor, La. | Spearing |
| Hall, Ill. | Kvale | O'Connor, N. Y. | Sproul, Kans. |
| Hall, Ind. | LaGuardia | Oliver, Ala. | Steagall |
| Hall, N. Dak. | Langley | Oliver, N. Y. | Stedman |
| Hammer | Lea | Palmer | Steele |
| Hardy | Leatherwood | Parks | Strong, Kans. |
| Harrison | Leavitt | Peavey | Summers, Wash. |
| Hastings | Letts | Purnell | Sumners, Tex. |
| Haugen | Lowrey | Quin | Swank |
| Hawley | Lozier | Ragon | Swing |
| Hickey | McClintic | Rainey | Tarver |
| Hill, Ala. | McKeown | Ramseyer | Taylor, Colo. |
| Hill, Wash. | McLaughlin | Rankin | Thurston |
| Hoch | McReynolds | Rathbone | Timberlake |
| Hogg | McSwain | Rayburn | Vestal |
| Holaday | McSweeney | Reece | Vincent, Mich. |
| Hooper | Maas | Reed, Ark. | Vinson, Ga. |
| Hope | Major, Ill. | Reid, Ill. | Vinson, Ky. |
| Howard, Nebr. | Major, Mo. | Robinson, Iowa | Warren |
| Howard, Okla. | Manlove | Robsion, Ky. | Welch, Calif. |
| Hudson | Mansfield | Romjue | Whittington |
| Hughes | Martin, La. | Rubey | Williams, Ill. |
| Hull, Wm. E. | Menges | Rutherford | Williams, Mo. |
| Jeffers | Michener | Sanders, Tex. | Williamson |
| Johnson, Ill. | Miller | Sandlin | Wilson, La. |
| Johnson, Okla. | Milligan | Schafer | Wilson, Miss. |
| Johnson, S. Dak. | Moore, Ky. | Schneider | Winter |
| Johnson, Tex. | Moorman | Sears, Nebr. | Wood |
| Jones | Morehead | Selvig | Woodruff |
| Kading | Morgan | Shallenberger | Zihlman |

NAYS—122

| | | | |
|---|---|---|---|
| Ackerman | Cox | Jenkins | Perkins |
| Aldrich | Crail | Kahn | Prall |
| Andrew | Crisp | Kearns | Quayle |
| Aswell | Crosser | Kiess | Ransley |
| Auf der Heide | Dallinger | Kindred | Rogers |
| Bacharach | Darrow | Korell | Seger |
| Bachmann | Dominick | Lanham | Somers, N. Y. |
| Bacon | Douglass, Mass. | Lankford | Speaks |
| Beedy | Drewry | Lehlbach | Stevenson |
| Beers | Dyer | Lindsay | Stobbs |
| Bell | Eaton | McDuffie | Swick |
| Black, N. Y. | Edwards | McFadden | Tatgenhorst |
| Bowles | England | McMillan | Temple |
| Bowling | Estep | Magrady | Thatcher |
| Box | Fenn | Mapes | Tilson |
| Boylan | Fish | Martin, Mass. | Treadway |
| Briggs | Fitzgerald, W. T. | Mead | Tucker |
| Buchanan | Fitzpatrick | Merritt | Underhill |
| Burdick | Fort | Monast | Underwood |
| Burton | Foss | Montague | Ware |
| Bushong | Frothingham | Mooney | Wason |
| Campbell | Gibson | Moore, N. J. | Watres |
| Carley | Gifford | Moore, Ohio | Watson |
| Chalmers | Hale | Moore, Va. | Weaver |
| Chase | Hare | Nelson, Me. | Welsh, Pa. |
| Chindblom | Hersey | Newton | Whitehead |
| Cochran, Mo. | Huddleston | Norton, N. J. | Wolverton |
| Cochran, Pa. | Hull, Morton D. | O'Brien | Woodrum |
| Connery | Hull, Tenn. | O'Connell | Wright |
| Cooper, Ohio | Igoe | Palmisano | |
| Corning | Jacobstein | Peery | |

ANSWERED "PRESENT"—3

| | | |
|---|---|---|
| Bland | Luce | Pou |

NOT VOTING—101

| | | | |
|---|---|---|---|
| Anthony | Deal | Kelly | Snell |
| Beck, Pa. | Dempsey | Kendall | Sproul, Ill. |
| Begg | Dickstein | Kent | Stalker |
| Blanton | Douglas, Ariz. | Kerr | Strong, Pa. |
| Bloom | Doyle | Kunz | Strother |
| Boies | Drane | Kurtz | Sullivan |
| Brigham | Evans, Calif. | Lampert | Taber |
| Britten | Fisher | Larsen | Taylor, Tenn. |
| Buckbee | Fitzgerald, Roy G. | Leech | Thompson |
| Bulwinkle | Free | Linthicum | Tillman |
| Butler | Freeman | Lyon | Tinkham |
| Canfield | Gardner, Ind. | McLeod | Updike |
| Carew | Garrett, Tenn. | MacGregor | Wainwright |
| Carter | Glynn | Michaelson | Weller |
| Casey | Golder | Morin | White, Colo. |
| Celler | Graham | Niedringhaus | White, Kans. |
| Clancy | Gregory | Oldfield | White, Me. |
| Clarke | Griffin | Parker | Williams, Tex. |
| Cohen | Hancock | Porter | Wingo |
| Combs | Hoffman | Pratt | Wurzbach |
| Connally, Tex. | Houston, Del. | Reed, N. Y. | Wyant |
| Connolly, Pa. | Hudspeth | Rowbottom | Yates |
| Crowther | Irwin | Sabath | Yon |
| Cullen | James | Sanders, N. Y. | |
| Davenport | Johnson, Ind. | Sears, Fla. | |
| Davey | Johnson, Wash. | Shreve | |

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. Yates (for) with Mr. Hancock (against).
Mr. Thompson (for) with Mr. Brigham (against).
Mr. Rowbottom (for) with Mr. Tinkham (against).
Mr. White of Kansas (for) with Mr. Niedringhaus (against).
Mr. Buckbee (for) with Mr. Luce (against).
Mr. Carew (for) with Mr. Snell (against).
Mr. Taylor of Tennessee (for) with Mr. Leech (against).
Mr. Blanton (for) with Mr. Crowther (against).
Mr. Gardner of Indiana (for) with Mr. Johnson of Washington (against).
Mr. Updike (for) with Mr. Clancy (against).
Mr. Oldfield (for) with Mr. McLeod (against).
Mr. Anthony (for) with Mr. Weller (against).
Mr. Lampert (for) with Mr. Begg (against).
Mr. Wyant (for) with Mr. Free (against).
Mr. Boies (for) with Mr. Dickstein (against).
Mr. Canfield (for) with Mr. Roy G. Fitzgerald (against).
Mr. Wingo (for) with Mr. Davenport (against).
Mr. James (for) with Mr. Bland (against).
Mr. Kerr (for) with Mr. Deal (against).
Mr. Williams of Texas (for) with Mr. Linthicum (against).
Mr. Celler (for) with Mr. Dempsey (against).
Mr. White of Colorado (for) with Mr. Garrett of Tennessee (against).
Mr. Davey (for) with Mr. Pratt (against).
Mr. Sullivan (for) with Mr. Porter (against).
Mr. Johnson of Indiana (for) with Mr. Connally of Texas (against).
Mr. Wurzbach (for) with Mr. Golder (against).
Mr. Pou (for) with Mr. Butler (against).
Mr. Irwin (for) with Mr. Clarke (against).
Mr. Sabath (for) with Mr. Michaelson (against).
Mr. Yon (for) with Mr. Hoffman (against).
Mr. Tillman (for) with Mr. Cohen (against).
Mr. Lyon (for) with Mr. Cullen (against).
Mr. Houston (for) with Mr. MacGregor (against).
Mr. Gregory (for) with Mr. Taber (against).
Mr. Strother (for with Mr. Sproul of Illinois (against).

Until further notice:

Mr. White of Maine with Mr. Bulwinkle.
Mr. Connolly of Pennsylvania with Mr. Sears of Florida.
Mr. Stalker with Mr. Bloom.
Mr. Wainwright with Mr. Casey.
Mr. Morin with Mr. Douglas of Arizona.
Mr. Strong of Pennsylvania with Mr. Combs.
Mr. Kendall with Mr. Doyle.
Mr. Glynn with Mr. Drane.
Mr. Parker with Mr. Griffin.
Mr. Shreve with Mr. Fisher.
Mr. Graham with Mr. Hudspeth.
Mr. Freeman with Mr. Larsen.
Mr. Kurtz with Mr. Kent.
Mr. Kelly with Mr. Kunz.

The result of the vote was announced as above recorded.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BACON. Mr. Speaker, yesterday the Speaker appointed a funeral committee to attend the funeral of the late Representative THADDEUS C. SWEET, of the third New York district. That committee was made up of the following Members:

JAMES S. PARKER, BERTRAND H. SNELL, S. WALLACE DEMPSEY, ARCHIE D. SANDERS, CLARENCE MACGREGOR, FIORELLO H. LAGUARDIA, DANIEL A. REED, J. MAYHEW WAINWRIGHT, JOHN TABER, FREDERICK M. DAVENPORT, HARCOURT J. PRATT, JOHN D. CLARKE, CLARENCE HANCOCK, WILLIS C. HAWLEY, ALLEN T. TREADWAY, JOHN CAREW, THOMAS CULLEN, CHRISTOPHER D. SULLIVAN, ANTHONY J. GRIFFIN, JOHN J. BOYLAN, GEORGE W. LINDSAY, D. J. O'CONNELL, ROYAL H. WELLER, WILLIAM W. COHEN, and JOHN J. O'CONNOR.

The members of the committee were compelled to leave before the final vote was taken on this bill. I ask unanimous consent that the names of this committee be inserted at this point in the RECORD, so that their absence may be noted.

I am also requested to announce that Mr. JAMES S. PARKER, Mr. BERTRAND H. SNELL, Mr. JOHN TABER, Mr. JOHN D. CLARKE, Mr. HARCOURT J. PRATT, Mr. FREDERICK M. DAVENPORT, Mr. CLARENCE E. HANCOCK, Mr. CLARENCE MACGREGOR, and Mr. DANIEL A. REED would have voted "no" on the final passage of this bill had they been able to be present at this time, had they not been obliged to catch the train to attend Mr. Sweet's funeral. I am not informed how the other Members of the funeral committee, who have already left, would have voted on the final passage of the bill.

Mr. MOORMAN. Mr. Speaker, other Members in that funeral party may have voted for the bill if they had been present. I think they should be permitted to so state in the RECORD when they return, if they desire.

The SPEAKER. That is a question that may be taken up when it arises.

Mr. BLACK of New York. Mr. Speaker, my colleagues, Mr. CULLEN, Mr. COHEN, Mr. CAREW, Mr. GRIFFIN, and Mr. SULLIVAN, are not recorded on this roll call because they have left Washington to attend the funeral ceremonies of the late Congressman SWEET. I am authorized to announce that if Mr. CULLEN and Mr. COHEN had been present they would have voted "no."

Mr. SOMERS of New York. Mr. Speaker, the gentleman from Missouri [Mr. COMBS] is unable to be present to-day on account of illness. He has requested me to state that if he had been present he would have voted against the bill.

### FOURTH-CLASS POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill H. R. 7900, respecting fourth-class postmasters.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the purpose of the bill H. R. 7900 is to grant allowances to fourth-class postmasters for rent, fuel, light, and equipment. It is not a measure intended to increase the compensation of these underpaid Government workers, although it does enable them to retain the small compensation they earn. It seeks to correct an injustice that has existed since the establishment of these post offices, namely, requiring the fourth-class postmasters to provide quarters, heat and light, and to purchase the equipment necessary to transact a necessary public business. They are the only Government workers required to do this.

Former Postmaster General Work, under date of September 12, 1922, said:

> The fourth-class postmasters are confronted with a financial problem. Back in the old days the average fourth-class post office in this country was a narrow counter rigged up in the rear of a general store at a rural crossroads, serving a few patrons that dropped in during the day to send a letter or to inquire if an epistle had arrived for them. Now this condition has changed. Many a fourth-class post office is a veritable beehive of industry. Hundreds of pounds of parcel-post packages and second-class mail matter, including the daily papers and the standard periodicals, pour in upon the postmaster every day for distribution to the farmers living in his community center. The post office is located in the front of the store. It is a glass-incased inclosure taking up frequently half of the building, and there are rows of privately owned lock boxes rented by the patrons who desire to collect their mail at all hours of the day.
>
> With the advent of the parcel post it is now conservatively estimated that the receipt of mail matter in fourth-class post offices exceeds the outgoing mail many times. For the work of handling these thousands of parcel-post packages, besides the provision of storage space for them, the fourth-class postmasters get no direct compensation under the terms of the present law.
>
> A fourth-class postmaster is required to pass a competitive civil-service examination. His character and reputation in the community are the subject of searching inquiry before the commission is given him. The commission is all he receives from the Government with which to transact the business of the post office. It is necessary for him to secure quarters in which to maintain his office that must be easily accessible to his patrons and consequently of the highest rental value. He must also purchase fixtures, the cost of which will vary according to the civic pride he takes in the fact that he is an official representative of his Government. He must have the office properly heated at all times as well as adequately lighted so that business may be transacted in the early and the late hours of the day. Carriers of rural routes running from his office must also have space assigned to them in which to sort their mail and make preparations for departure over their routes, and space must be furnished them to do their work.

Mr. Work's statement is an accurate presentation of the situation as it existed in 1922, and conditions have since grown worse on account of the tremendous increase in the volume of incoming second, third, and fourth-class mail, greatly adding to the responsibility and work of the fourth-class postmaster without adding a penny to his compensation.

There were on January 1, 1928, 34,401 fourth-class offices. On July 1, 1913, there were 49,614. The extension of rural free delivery has eliminated a great number of fourth-class offices. From this it will be seen that the appropriation needed to reimburse these postmasters for necessary expenditures to conduct their offices will decrease from year to year.

At the time hearings were held on this bill by the subcommittee of which I am a member, a report was submitted by the secretary of the National League of District Postmasters, as follows:

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|---|---|
| States reporting | 47 |
| Number of post offices reporting | 2,769 |
| Amount of salaries | $1,783,544 |
| Rental value of post-office quarters | $214,605 |
| Amount expended for fuel and light | $114,666 |
| Value of equipment | $372,122 |
| Average salary of those reporting | $644 |
| Percentage of salaries expended | 21.8 |

Now, here is a condition of Government employment that manifestly needs correction. Those of us who represent rural districts, wholly or in part, know that the value of the services of the country post offices is not alone as agencies for handling the mails in their respective communities. In thousands of these places the postmaster is the sole connecting link between the people and the Government. He is the guide, counsellor, and friend of those whom he serves and is called upon to be the leader in the social, civic, and patriotic activities that help to make good and substantial citizens.

The percentage of stamps on outgoing mail upon which his compensation depends is no index of the amount of work he must do nor the space required and equipment needed. As Postmaster General Work said, the day has passed when a post office of the fourth class could be conducted in the rear of a store as a side line to the business. Since their induction into the civil service the regulations require that they give their personal attention to the post office during business hours, which means anywhere from 10 to 14 hours daily.

It is true that the Postal Laws and Regulations permit fourth-class postmasters to engage in other business, limited in character. If this were not true there would be no post offices of this class because no man or woman could live on the small compensation received.

While the Postal Laws and Regulations permit a fourth-class postmaster to engage in other business, after an office has reached a grade of $500 salary it requires all the time of one person to attend to it. Either business or post office must be neglected, and the postmaster must hire some one to run his private business or some one to help him run the post office, of course, at his own expense. This was not true prior to 1912, because incoming and outgoing mail were more nearly equal. Since the introduction of parcel post and rural free delivery this service has undergone a complete change. The incoming mail, due to parcel post, requires much greater space, more work, but yields not one cent of revenue to the postmaster.

The laws says that third-class postmasters shall be granted an allowance for rent, fuel and light, and clerk hire. So a postmaster with postal receipts of $1,490, with a salary of $1,090, gets no allowance, but is entitled to it when he has receipts of $1,500 and a salary of $1,100. Though the office equipment and help are the same, in the latter case, he, as third class, may get what he is denied as a fourth class.

A difference of $10 in his receipts and $10 in his compensation will make a vast difference in his condition, because he then gets the allowances enumerated. There are a great many postmasters who are on the edge of the third class, and some of them have been on the edge of it for a number of years, but can not quite reach the mark required with regard to receipts. They have no allowances, but if they could jump that little hurdle, which may involve only an additional $10, or $20, or $30, of receipts they would be entitled to these allowances. So it is my contention that there is too big a spread there, and I think that this allowance based on compensation would bridge that gap.

In no other branch of the Government service is it required that its officers or agents furnish equipment necessary to carry on the Government's business. The great bulk of parcel post goes from city to country; hence the country postmasters are the distributing agents of this great volume of mail, performing the work and bearing the expense, but receiving no compensation for it.

Immense postal revenues are secured from the great mail-order centers. The contract entered into by the Post Office Department insures delivery through the country post office. As the distributing agent it is unfair to deny him compensation for his work, his building, equipment, heat, and light—all necessary to complete the contract.

It used to be said that these postmasters were glad to get the offices because it brought trade to the store. This is no longer the case, owing to rural free delivery, the mail-order business, and the automobile. Even if it did, that would be no justification for the Government to require the postmaster to donate rent, fuel, light, and equipment. While department regulations permit the fourth-class postmaster to engage in certain business activities, if he allows his other business to interfere with the proper discharge of his post-office duties, an inspector speedily recommends his removal.

Now, the fact is, that the storekeeper, by virtue of his position as postmaster, invites competition from outside. He is the Government agent of the mail-order houses in distant cities and near-by department stores, both of which use the parcel post and C. O. D. to take the trade from the locality served by the fourth-class office. Further proof that it is not a trade bringer is found in the fact that the annual turnover in the fourth-class postmaster service is approximately 20 per cent.

None of us, I believe, is proud of the fact that we have 34,400 men and women listed as officers of the Government—the only Government official with whom many of our citizens come in contact—whose average compensation is a little more than $500 a year. None of us, I feel assured, is content to permit these people to equip and maintain these Government agencies out of this pitiful wage. I firmly believe that it is the duty of the Government to be concerned with the welfare of its humblest citizens. How, then, can we permit a system to exist that makes it mandatory for this class of postal workers to donate part of their compensation in order that a necessary Government business be properly conducted?

MUSCLE SHOALS AND BOULDER DAM

Mr. BECK of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD relative to Boulder Dam and Muscle Shoals.

The SPEAKER. Is there objection?

There was no objection.

Mr. BECK of Wisconsin. Mr. Speaker, I feel that in effect I have been gagged in the matter of discussing the Power Trust and its effect upon the life of the American people. As it is a question of supreme importance, and as I realize that a considerable number of my constituents, being vitally and immediately affected, have expected me to go into this matter; and as the chairman of the Rules Committee is refusing to allow the Muscle Shoals bill, already passed the Senate, to come up in the House, I am hereby extending my remarks in the RECORD. I wish there were some more effective course, but no way is open to a Member of the House of Representatives, except by the unanimous consent of all Members present, to discuss a governmental policy, no matter how grave may be the necessity for such discussion, unless a bill or resolution involving that policy is actually pending before the House, no way except by "extending" his remarks in the CONGRESSIONAL RECORD. An "extension of remarks" means, of course, that what is contained in that "extension" has not been any part of oral debate, not a word of it has been uttered in the hearing of anybody, either in or out of Congress; but that it merely has been printed in the RECORD, where, if any Member is interested and has the time, he may read it.

This is one of the rules of the lower House of Congress. In the Senate, with its smaller membership, no such rule is necessary. Unlimited debate is permitted. A Senator need not wait until a bill or resolution is under consideration to discuss a subject. A Senator has the privilege of addressing his colleagues "on the state of the Union" which, of course, may include any public policy, any tendency or drift in affairs that may be of public concern. But in the House of Representatives with its 435 Members, it is necessary, in the very nature of things, that debate shall be limited to those subjects actually before the body in the form of a bill or a resolution.

However valuable this rule may be in expediting the business of the House, it nevertheless is not without its disadvantages to the public and not without its hardships upon the Members of the House. For it operates not only to prevent the discussion of many important matters which are very properly of concern to the legislative branch of the Government, but it compels any Member of the House who would escape being gagged to print and publish at his own expense any matter he may feel it his bounden duty to bring to the attention of the people of his district or of the country.

Now, this condition at times operates tremendously against the public interest, for it not infrequently happens that the things which Congress does not do and does not consider are of infinitely greater importance than anything it does or considers at that particular session.

It is because there has come to my attention a matter of the gravest public concern and of the widest possible effect—and yet a matter which is not before the House—that I am resorting to the only avenue left open to me—the "extension of my remarks" in the RECORD and paying from my own pocket, as the law requires, the expense of paper and printing that I may report to the people of the district I represent the conditions I have found and that, in my judgment, require the immediate consideration of voters generally and of Congress particularly.

Electricity is assuming daily a larger and more important part in the industrial and domestic life of the American people and daily is exercising a greater influence in Government—Federal, State, and local. With it we light our streets, churches, theaters, offices, stores, homes. It supplies the motive power for great transportation systems, street railways, interurbans, and even for great stretches of transcontinental railroads. On the farms it turns the cream separator, it grinds the feed, it pumps the water, it milks the cows. In the home we use it to run the washing machines, to do the ironing, to do the cooking, and to sweep the floors. Now we are beginning to use it for heating the homes.

Some recent disclosures show that it is being used to elect Senators and Congressmen and governors and members of the legislatures, mayors and members of the city councils, and county boards, and that it has secured the appointment of men to high official positions in both the Federal and State Governments.

As yet the people are without adequate control over the rates charged for electrical current. The charges are exorbitant, the profits of the power companies are enormous.

BOULDER DAM AND MUSCLE SHOALS

The question as to whether the people of the United States, who built the dams and power plant at Muscle Shoals, shall operate that project for their own benefit or shall be compelled by Congress to turn it over to the Power Trust to operate for its benefit is not before the House.

Neither is the question before the House as to whether the Government shall build Boulder Dam and thus protect the farmers in the Imperial Valley against floods and sell the power developed by this dam so that the Government may reimburse itself for the money expended.

And if we are to accept what the chairman of the Rules Committee said to this House a few days ago, neither of these questions will come before the House, simply because he himself does not believe in "putting the Government in business."

Nevertheless, I propose to discuss both Muscle Shoals and Boulder Dam. I shall endeavor to show why and how the power company is making this fight against Government operation of the Muscle Shoals plant and against the Government producing and selling power at Boulder Dam.

First, I want to direct attention to the highly organized and generously financed publicity campaign, the insidious and almost desperate attempt to control public opinion.

The Power Trust has organized the most gigantic publicity and propaganda machine ever conceived by the brain of man. It started with the organization of the National Electric Light Association, headed by George B. Cortelyou, formerly secretary to President Roosevelt and later Secretary of the United States Treasury. This association now has linked up with it the railroads, the gas and traction companies, insurance companies, banks, and trust companies. In addition to its original function of false propaganda and publicity, they are pointing out to the power interests where they can gobble up local power sites and power plants. Their specialty is the securing of municipally owned plants and water-power sites that might be developed to the advantage of the Power Trust. This association issues a "Handbook for Speakers," and it sends out an army of women and men who must literally commit this book to memory and give it to the people in the form of lectures, and they worm themselves in on every program of every farmers' meeting and every meeting of women's clubs and parent-teachers' associations where it is possible to get.

They lecture before classes in our common schools, high schools, colleges, and universities. Their chief purpose is to dangle the uses of electricity before the eyes of the people at an attractive rate until they get them hooked, and then they jerk them out like a boy catching suckers. They want to get the people in the frame of mind of letting the Power Trust stick its hands into their pockets and help itself and have them say they like it. Another purpose of these speakers is to sell the people the idea of private ownership of public utilities as opposed to municipal ownership.

ORGANIZED GREED OF THE POWER COMBINE

Raushenbush and Laidler, two nationally known and recognized authorities on public-utility matters, have written a book called "Power control." In this book they tell the story of how the National Electric Light Association has organized its campaign to control public opinion. This organization not only has its speaking committee but it has its customers' ownership committee, committee on educational institutions, information bureau committee, women's committee, committee on banking institutions, a committee on public relations, and a committee on national utilities.

Through these committees it reaches every conceivable institution and organization; none escape. The membership of the association is composed of men and women in every locality in the United States, every one of which must be recommended by the local head of a privately owned utility before he can become a member of the organization. It is made the duty of the managers of local utilities to join local civic and fraternal organizations. He is instructed to make friends with the doctors, lawyers, bankers, professors in schools and colleges, farm and labor leaders, both men and women, and to make an accurate report of every one of these to the National Electric Light Association. Then along will come one of the association's smoothest agents and begin selling those who are amenable to reason a few shares of stock, and if he finds a few he can not hook any other way he will give them a share or two. He will then proceed to the college professor and say to him something like this: "Professor, you have a wonderful knowledge of the economics of electricity and power. You ought to write a book on the subject. You could render no greater service to the people of the country than to write such a book. If you will do so and will treat 'us' fair, our association will subscribe for

50,000 or 100,000 copies and sell them for you," and some of the professors fall for it.

This association also has committees largely composed of professors of colleges of agriculture and farmers who "are right" which it uses to encourage farmers to use electric current, but in no instance have I been able to learn where these committees have tried to get cheaper rates as a means of increasing the use of current among them.

Another way the public utilities have of spreading their alluring propaganda before the public is through the newspapers. The Electrical World, the organ of the utility interests, quotes an executive of the industry as saying, "Take the newspaper fellows into your confidence." "Buy white space in as many newspapers as your appropriation will permit." "Use that space. * * *" Emphasis is given the newspapers because it affords the cheapest and quickest means of getting the utilities' story to the people. This executive then goes on to say that if this policy is consistently followed "the fellow on the 'outside' who wants to put the 'public be damned' words into the utilities' mouth will not find it quite so easy to get his 'letter to the editor' printed at the top of the column with a display head." In 1927 the electric light and power companies of the United States planned to spend $28,000,000 for newspaper advertising, according to Raushenbush and Laidler. That is an average of over $583,000 for the newspapers in each of the 48 States in the Union.

Nor is that all. They have got in their work in every radio bill that has passed this House. Under the radio law it has organized the National Broadcasting Co. which is connecting up with an ever-increasing number of stations, and owns two of the largest in New York. Its president was at one time publicity director of National Electric Light Association. One of the speakers of the Edison Electric Co. of Boston recently said:

> This company feels that its establishment of a broadcasting station with a well-planned program of entertainment has had a marked influence in reaching and obtaining public attention and good feeling.

Nor is this all. The public-speaking committee of this association succeeded in placing its speakers on 18,000 programs of civic bodies in 1927, where they claim to have reached 2,000,000 people.

In all the speeches and propaganda placed before the people through all these avenues open to the Power Trust, no opportunity to magnify the failures and berate the success of municipally owned power plants was overlooked, while the latter is practically without means of placing the advantages of municipal ownership before the public. Some interesting facts as to the extent to which the Power Trust will go to discourage and throttle the advocates of public ownership of utilities is being dug up by the Federal Trade Commission in its investigation of the Power Trust, authorized by a resolution recently adopted by the Senate, according to a recent article appearing in the Washington Herald by M. S. Ramsay.

It appears from this article that the Illinois Committee on Public Utility Information, fathered by Samuel Insull, the man who contributed something like $165,000 to elect both a Republican and a Democrat to the same seat in the United States Senate, is sending broadcast an anonymous document linking up with the communist and bolshevist forces those civic and religious organizations which refuse to become avenues for spreading Power Trust propaganda or which advocate public ownership.

Among these are the American Farm Bureau Federation, the American Association of University Women, the United Society of Christian Endeavor, the National Woman's Christian Temperance Union, the Central Conference of American Rabbis, the American Federation of Teachers, the National Education Association, National Council of Jewish Women, National Board of the Young Women's Christian Association, and the Religious Society of Friends. This article also said that the evidence showed that this same committee supplies over 600 high schools in the State of Illinois with Power Trust propaganda; that—

> supplies of liquor twice were ordered from New York by another Illinois Power Trust official to forward lobbying activities in the State legislature.

In a recent address in this city a speaker, employed by this gigantic organization of public utilities, said the organization never took any part in political campaigns. Yet, according to Raushenbush and Laidler, when the water and power act passed by the California Legislature was submitted to the people for approval, the utilities of that State spent over $500,000 to defeat it. In that campaign two men, Eustace Cullinan, head of the so-called Greater California League, and John S. Drum, a former president of the American Bankers' Association and head of two utility companies, met in some back room and organized the Greater California League, and Mr. Cullinan appointed himself as its head at a salary of $25,000. That is the only meeting this organization ever had, and no one had access to its accounts except Mr. Cullinan himself.

One of the first things this two-man organization did was to prepare a leaflet, to be sent out by the bond houses opposing the water power act. It employed leaders of various groups and communities to work against the act. P. H. McCarthy, for many years president of the Building Trades Council, was employed for three months at a salary of $10,000 to educate the members of the building trades against the bill. George Skaller, secretary of the Civic League of Improvement organization, received $6,000 to educate his group against the act. Another man was paid $26,000 for his work against the act. Another received $5,000. Other thousands of dollars were spent on automobiles to haul known opponents of the act to the polls. Still other thousands were spent on junketing trips for members of the legislature visiting power plants where future attractive jobs at good salaries were dangled before their eyes.

MACGREGOR WRITES A SPEECH

Now, this incident in California might be considered as being truly representative or typical of the Power Trust's methods. What was done in California may have been a little crude, because it was an effort to meet an emergency. But let us look at Illinois, the home base of the celebrated Samuel Insull. There is nothing temporary about the Illinois program. The organization is permanent. Its committees have anticipated every possible emergency. Hear the name:

> The Illinois Committee on Public Utility Information.

B. J. Mullaney is the director and R. R. MacGregor is assistant director. Mr. Mullaney and Mr. MacGregor recently engaged in an interesting correspondence in relation to a political campaign. Evidently some of Mr. Mullaney's candidates had opposition and needed coaching. Mr. Mullaney sent a note to Mr. MacGregor asking for help. The note was straightforward and matter of fact. Here it is as it now appears on page 7330 of the CONGRESSIONAL RECORD for April 27, 1928:

> Mr. MACGREGOR. If you were running for a nomination for United States Senator against a man whose speeches have indicated that he favors Government ownership generally, and you had to get up a speech or series of speeches tackling him on that line, what have we that you would find pertinent and useful?

In his reply (which also is found on page 7330 of CONGRESSIONAL RECORD) Mr. MacGregor proceeds to write a speech for Mr. Mullaney on how to brand a candidate for office who believes in public ownership of public utilities as—

> a socialist, a pink, a red, or a Bolshevik.

He then says—

> It's a disease, and the best preventive for a general infection is not to let it get a start. Kill the first germs before they multiply and kill.

He then says:

> What is wrong with Government ownership? The answer is, it doesn't and it won't work. It's been tried time and time again. And every time it has caused the downfall of the government which tried it. Workers refuse to be dogged by an endless chain of bureaus until they can't even raise their families the way they wish. They revolt.

That statement would be all right if it were true. But the fact is that there is not a line, word, or syllable of it that is true. Public ownership of public utilities did not cause the downfall of Germany. It has not caused the downfall of England. It has not caused the downfall of Canada. It has not caused the downfall of a single government on earth, and it never will cause the downfall of any. But the forcing of the will of the financially powerful few upon the many, aided by government officials controlled by the powerful few, has caused the downfall of governments. And that is what men of the MacGregor stripe will go the length to do, to accomplish their ends.

Fortunately, however, the founders of this Government placed its control in the hands of the people themselves by giving them the ballot. Through the use of the ballot the people can have the kind of government they desire and all the MacGregors in the country will not be able to contribute to the downfall of this Government unless they are first able to take away the voting power of the people. They know this, and that is why a general assault on primary election laws is being made.

But one needs not take Mr. MacGregor very seriously when he reads the closing paragraph of his speech to Mullaney. It says:

This, of course, is not an attempt at writing a speech. My idea would not be to try logic or reason but to try to pin the Bolshevik idea on my opponent. I do not believe that the theories of government ownership would be much use except before a hand-picked audience.

Translated into English, this paragraph simply means: "There is no argument against public ownership of public utilities. The only thing that the combine can do to retain its financial grip on the people is to throw mud, mix things, smear everybody who gets in its way, lie to some and buy others, use the terms socialist, pink, red, Bolshevik to prejudice people against those who favor public ownership."

Big business interests adopted that method during the war and then proceeded to make profits off the people to the extent of $38,000,000,000. The Power Trust thinks it can adopt the same policy and exact still more billions in profits off the people.

THE POWER COMBINE IN POLITICS

Again, if this organization does not take any part in politics, how does it explain its activities against the water and power act of California at an expenditure of over one-half million dollars? If it is not in politics, how does it explain Insull's contribution of over $160,000 in a senatorial campaign in Illinois? How does it explain its activities in the election of officials from President of the United States down to members of school boards? If it is not in politics, how does it explain the fact that it worms its way into every department of government and places those in these departments on its pay rolls whom it feels can be used to the best advantage of the trust? If it is not in politics, how does it explain the fact that the first step it invariably takes to head off any governmental proposal to in any way curb or limit its activities is to invite all the reporters of the leading newspapers of the country to a great banquet where speeches are made by Government officials, lawyers, and even ministers of the gospel, and where sometimes wine flows like water? If it is not in politics, how does it explain the fact that it has practically secured control of all the avenues for disseminating information to the public, including the radio, newspapers, and the lecture platform? If it is not in politics, how does it explain its opposition to Senator HOWELL'S renomination to the Senate in the recent primary in Nebraska? If it is not in politics, how does it explain the fact that I received 28 telegrams within the space of 15 minutes from voters in my district protesting against the Boulder Dam bill on the very day that bill was scheduled to come up in the House? If it is not in politics, how does it explain the fact that every scheme is used that is possible for human ingenuity to invent to crush those it can not control and to exalt and place in attractive, influential positions those who yield to their blandishments?

THE POWER COMBINE WATCHES LEGISLATION AND OFFICIALS

I venture the assertion that no Government agency makes a move in the direction of public interest but what a utilities official is on hand to scrutinize its acts. When the question of flood control in the Mississippi Valley was first raised the utility interests were on hand to see to it that whatever Congress does in the matter of flood control should not, in the remotest degree, border upon the development of power. One of the Army engineers, a man who had been appointed to West Point from Superior, Wis., by Senator Lenroot and educated at Government expense and drawing a salary from the Government, was sent into the Mississippi Valley to investigate the feasibility of building reservoirs along the tributaries of the Mississippi River as a means of holding back the flood waters. When reservoirs are built it is only a short step to the utilization of the water in such reservoirs for power purposes. This engineer made his investigation chiefly in his swivel chair in Washington and reported back to the Government that reservoirs are not feasible as a means of flood control. Later, before the Flood Control Committee of the House, this same engineer testified under cross-examination that he at one time had been connected with the National Electric Light Association and that he is now on the pay roll of a private electric light and power company in New York and is its vice president, while at the same time he is drawing a salary from the War Department of the United States Government. So the bill for the relief of stricken humanity in the lower Mississippi Valley and the prevention of such catastrophes as occurred in that valley last year came to us tainted by the Power Trust.

The United States Chamber of Commerce, through its recent changes in offices, has fallen completely under the domination of the National Electric Light Association and henceforth will become the chief lobby and propaganda mill of the Power Trust. It is tied up either through direct membership or business relations with local chambers of commerce and similar organizations throughout the United States.

During the war, as everybody knows, the Government—the people themselves—built the giant dam and power plant at Muscle Shoals to manufacture explosives to be used in the war. Some statements say this entire plant cost the people $250,000,000. Others put it as low as $150,000,000. But whatever it cost, it belongs to the people to do with as they please. It belongs to them to do with it as they please, just as much as does any other Government-owned property.

When it was felt that this plant would no longer be needed for the purposes for which it was built, ways and means were sought to dispose of it. There are those who would sell it for whatever can be obtained for it, or lease it for a term of years to private power interests at a nominal rate of interest. Among these are those known to be financially connected with the power interests. Then again, there are those who insist on the people operating their own plant and selling the power for enough to recover the entire cost.

The stock argument against public ownership is that it is a failure—is proving a failure wherever tried, chiefly because of politics. Mr. Cortelyou puts it on a little broader ground. He says:

We shall try, among other things, to demonstrate that the entry of Government, whether National, State, or local, into this field, is constitutionally unsafe, politically unwise, economically unsound, and competitively unfair.

Yet they all emphasize what a great failure public ownership is and has been, and they particularly lay stress upon this in their opposition to Government operation of Muscle Shoals.

Now, what is the truth about this? According to Bradstreet, over 90 per cent of those who enter private business fail, while the percentage of failures of municipally owned utilities is insignificant in comparison. They point to the fact that there are relatively more bank failures, privately owned, than municipally owned utility failures during the last few years. The same is true, they say, of other lines of private business. On the other hand, they point to the fact that the largest business in the world, the post-office business, is being cheaply and successfully operated in everybody's interest and no one is afraid, like those who own stock in large private corporations can well afford to be afraid, of being sold out by the "higher ups" and the people left holding the bag. That has been the situation with reference to banks, with manufacturing establishments, mercantile establishments, railroads, and with every other kind of business. It has not been true with Government-owned utilities.

It is true that some small municipally owned power plants here and there have felt the same "squeezing process" of the larger privately owned ones, just as other small business institutions have felt at the hands of big business whose object is to squeeze out the competition offered by the "little fellows." But no one can successfully maintain that the hydroelectric plant owned by Ontario has been anything but a complete success, and it furnishes electric current for less than one-third the average price charged the people of the United States by the private power interests. The city-owned power plant at Tacoma, Wash., charges about the same rates as are charged in Canada. The significance of this becomes all the more apparent when it is known that the average rate in the United States is 7½ cents per kilowatt-hour while in Canada and Tacoma it is 2 cents or less. This becomes all the more significant when it is understood that every half cent reduction in the price per kilowatt-hour means a saving of $300,000,000 per year to the people of the United States, and a reduction from 7½ cents to 2 cents would mean a saving of $3,300,000,000 a year. That is over 1 per cent on the value of all the property in the United States, or is about equal to one-half of the amount the people pay in direct taxes.

Senator NORRIS, who has been making a stubborn fight for Government development of Muscle Shoals for generating electricity and for harnessing Great Falls on the Potomac to furnish light for the United States Government, tells of a woman in Toronto, Canada, who lives in an eight-room house who does her sweeping, cooking, washing, and ironing, heats her water for both kitchen and bath, has twice as many light bulbs as a similar home in Washington, and it costs her an average of $3.55 per month. In the city of Washington, D. C., the same service would cost her $23.18 per month; in Birmingham, Ala., $32; in Nashville, Tenn., $40; and in some cities in the United States, $60 per month.

Nor is this all. Part of the $3.55 this woman pays is an amortization fee which, in 30 years, will entirely wipe out the capital account in the plant and from that time on Canadians will not have to pay rates based on capital invested, while here in the United States private utilities are continually adding to

their capital account and are charging rates on reproduction cost.

Senator NORRIS visited the farm home of B. L. Sible. His home was lighted by electricity; his farm buildings were lighted by electricity; his house and barns were furnished water pumped by electricity; he filled his silo and ground his feed by electricity; he milked 17 cows by electricity; his wife did her cooking, washing, sweeping, ironing, and ran the cream separator by electricity, and was free from drudgery; the total cost for this service was $115.49 for a year and by its use they saved the cost of a hired man and a hired girl. This instance is typical of thousands of other farmers in Canada, and was not picked out as an especially favorable case.

But I am not looking at this question merely from the point of view of Government ownership. In fact, I believe I would prefer private ownership if some effective means can be devised to protect the people against unjust and outrageous charges of private utilities. Many States have attempted such control and did very well at it until holding companies with headquarters in New York and Chicago sprang into existence. These holding companies will go into a locality and either buy or build a plant at various strategic points and oftentimes sell preferred stock to people in the vicinity to more than pay for it and then issue themselves common stock equal in amount to the preferred stock and reserve to themselves all managerial and voting rights, giving the preferred stockholders no voice whatever in the management of the business they really own, and the courts have held that unless fraud can be proven, State commissions have no power over them. Commissions do, however, exercise some indirect powers over holding companies, but how long the courts will stand for that remains to be seen.

There is no question but what the hydroelectric plant in Ontario exercises some beneficial influence over charges in northeastern United States, and if New York succeeds in establishing a public-owned plant along the St. Lawrence River, a still greater influence will be exercised in that territory. If this House will pass the Norris bill for Government operation of Muscle Shoals, no doubt but the people in the southeastern portion of the United States will be benefited by lower rates. The same will be true in the southwestern part if the Johnson-Swing bill becomes a law. These developments, together with those of Tacoma and Seattle in the Northwest, will no doubt have a most wholesome influence.

That influence may not be all that could be desired and, if not, I am for extending Government ownership and operation of power over the country until the desired effect is obtained. I recognize that this is an age of "big business" and big businesses with large amounts of capital can probably render service more cheaply than an aggregation of small businesses with small amounts of capital. But the people will not tolerate large combinations of wealth organized under the pretext of rendering cheaper service, and then using the power of organization to squeeze exorbitant profits out of them.

The high rates charged by privately owned electric utilities in the United States not only exact an unjust tribute from the people, but they stand in the way of the use of electric current for heat and power. The utility companies of the Pacific coast discouraged the use of electricity for heating and power until they became bold enough to give it a trial and found it a very profitable adventure. Since then electric heating is becoming more and more general.

Frank Putnam, an authority on the subject, says of the use of electric current in heating, lighting, cooking, and other domestic uses in the homes in San Francisco:

> The average rate per kilowatt-hour for all energy used in such homes shades down to a little over 2 cents; the bills, depending on the size of the house and energy used, range from $7.50 to $18 monthly average through the year.

Continuing, Mr. Putnam says that architects and builders say that 6 per cent on the saving on the cost of homes to be electrically heated by the elimination of heating basements, chimneys, fireplaces, and the like will pay the home owner's entire electric-current bills, "where heating rates comparable to those on the west coast are obtainable." He also points to the fact that a large apartment hotel in Los Angeles is completely electrified and paid $7,300 for current for the first 10 months of 1927, and that the installation of this system cost about half the amount a coal, oil, or gas system would cost, and that 6 per cent interest on the saving in construction cost of this hotel, together with the saving in operating and maintenance, pays about half the electric bills and higher rentals secured probably pay the other half with some to spare.

In discussing the advantages of using electricity for heating, cooking, and lighting to the people of Seattle, Mr. Putnam says:

> These folks are as free from heating toil, dirt, and worry as the guest of the most expensive hotel—and their yearly bills for all-electric service average only $7 to $15 monthly, depending on the size of the home and the habits of its occupants.

He then tells of an all-electric service of a 28-room house, worth a quarter of a million dollars, costing a little over $42 per month, or about $500 per year. Mr. Putnam says that electric current can be produced as cheaply or cheaper by modern plants using coal as fuel as it can in plants using water power. (See "Electric Service Enters New Era," by Frank Putnam.)

The city of Tacoma probably has more electrically heated homes than any other city in the world, the number being about 3,000. Homer T. Bone, port counsel of the port of Tacoma, writes me that for the month ending December 15, 1927, he paid $16.53 for all-electric service, including heat, for a 10-room house. This amounts to something like $200 a year. The average price for current is but little over 1 cent per kilowatt-hour, while the rate falls as low as one-half cent.

In an article written for the Locomotive Firemen and Enginemen's Magazine for January, 1927, Mr. Bone has this to say:

> During a comparatively recent period of 12 months light and power users in a neighboring city of 20,000 inhabitants, supplied by a private power company, using hydroelectric power, paid an average of 4.19 cents per kilowatt-hour for all current used in that city.
>
> If Tacoma had exacted that rate from its people, the revenues of the Tacoma light department would have been increased $3,014,360.67 during the 12-month period.
>
> The total tax that will be levied in Tacoma to run the city government for 1927 is $2,482,217.80.

In other words, the light department of the city of Tacoma is saving the people over $500,000 more than the entire city tax bill.

The mayor tells me that the light department of the city of Kaukauna, Wis., is saving its people in electric rates an amount equal to the cost of the entire city government plus the cost of its public schools outside its continuation school.

These are the things that trouble the power monopoly, and it does not purpose to have any more examples as to how cheaply electric power can be generated. In order to enlist the farmers in this fight it just had to discover that Government operation of a power plant at Boulder Dam was going to ruin them. When it made that discovery it made a rush for the agricultural press of the country and, using the argument of large contracts for advertising in these papers, convinced many of the editors that Boulder Dam means irrigation, irrigation means more land under cultivation, more land under cultivation means more crops, and more crops mean lower prices, and lower prices mean ruination for the farmers. They, however, failed to convince the editors of these papers that they were willing that the Government should irrigate the whole Southwest if it would turn over the power to the Power Trust. As a matter of fact, Boulder Dam does mean irrigation, but it does not mean any more irrigation than now. Imperial Valley is already irrigated with water from Mexico, and the only change Boulder Dam would make is to enable the farmers of that valley to get their water from the United States. But even if it did increase the land under cultivation, the crops raised in this valley are chiefly tropical and semitropical fruits and vegetables that do not compete with crops raised elsewhere in the United States. Besides, the fact that such crops are raised in this valley enables the people to obtain them cheaper than they could if they had to be imported from some foreign country.

I have given here and at this time only a general review of the methods and purposes of the Power Trust, but enough, I hope, to show the necessity for a careful study of this subject by the Federal Government, by every State government, and by every political subdivision which has any control over the service, the rates, or the financing of public utilities.

True, an inquiry into one phase of their activities is now under way by the Federal Trade Commission. But that investigation has nothing to do with the kind of service or the rates charged or the methods of financing. It is solely an inquiry into their methods in molding public opinion. And while these publicity methods are a stench in the nostrils of the people, the Federal Trade Commission scarcely can be expected to do more than to bring to light multiplied instances of a kind which already are known to the people. The inquiry will do good—lots of it—but it will not meet the problem. For, after all, what the people want is cheaper rates for light and power. I purpose to go back to my own State and present to the people a much fuller discussion of this matter than I have attempted here.

I purpose to discuss costs and rates, comparing the rates paid by Wisconsin people with those paid elsewhere, and especially with municipally owned plants.

I purpose also to discuss the methods of financing employed by each of the big holding companies operating lighting and power plants in Wisconsin. I purpose to discuss common stock, watered stock, and the profits on such stock and their relation to the rates paid by Wisconsin consumers.

I shall do this in the hope that the people of my State, at least, will take the necessary steps to prevent predatory interests from acquiring control or possession of the last great natural resource left to the public.

FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I submit a conference report on the bill (S. 3740) for the control of floods on the Mississippi River, its tributaries, and for other purposes, for printing under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 13, 17, 18, 19, and 20.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, and 33, and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of that part of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"; (c) provide without cost to the United States, all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place: *Provided, however*, That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct levees, either because such construction is not economically justified or because such construction would unreasonably restrict the flood channel, and the lands in such stretch of the river are subjected to greater overflow and damage by reason of the construction of levees on the opposite banks of the river it shall be the duty of the Secretary of War and the Chief of Engineers to institute proceedings on behalf of the United States Government to acquire either the absolute ownership of the lands so subjected to overflow and damage or floodage rights over such lands."

And the House agree to the same.

Amendment numbered 15: That the Senate recede from its disagreement to the amendment of the House numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. 4. The United States shall provide flowage rights for destructive flood waters that will pass by reason of diversions from the main channel of the Mississippi River: *Provided*, That in all cases where the execution of the flood control plan herein adopted results in benefits to property such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid."

And the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "which, in the opinion of the Secretary of War and the Chief of Engineers, are"; and the House agree to the same.

Amendment numbered 23: That the Senate recede from its disagreement to the amendment of the House numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on such tributaries, the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the costs of the works, and maintain them after completion: *And provided further*, That not more than $10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section.

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by said amendment insert the following:

"The sum of $5,000,000 is hereby authorized to be used out of the appropriation herein authorized in section 1 of this act, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized to be submitted to Congress under this section: *Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act: *And provided further*, That the President shall proceed to ascertain through the Secretary of Agriculture and such other agencies as he may deem proper, the extent to and manner in which the floods in the Mississippi Valley may be controlled by proper forestry practice."

And the House agree to the same.

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,
*Managers on the part of the House.*

W. L. JONES,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
JOS. E. RANSDELL,
HIRAM W. JOHNSON,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report, as to each of such amendments, namely:

SECTION 1

On No. 1: Strikes out the Secretary of War as a member of the planning board.

On No. 2: Provides for one civil engineer as a member of the planning board instead of two, as proposed by the Senate.

On No. 3: Provides that the civil engineer shall be chosen from civil life.

On No. 4: Provides that the planning board shall consider the plans recommended by the Mississippi River Commission.

On No. 5: Inserts the language proposed by the House, providing that the planning board shall recommend to the President such action as it may deem necessary to be taken in respect to the engineering differences between the two flood-control plans, the President's decision to be followed in carrying out the project. The planning board is to have no other authority in regard to the project except as set forth in this section.

On No. 6: Strikes out the word "further," as proposed by the House.

On No. 7: Strikes out the word "as," as proposed by the House.

On No. 8: Strikes out the words "as those protected by levees constructed on the main river," as proposed by the House.

On No. 9: Inserts the language proposed by the House, with the additional insertion, after the word "of," in line 22, on page 3, of the words "that part of." This is in the nature of a perfecting amendment and does not change the sense of the House amendment.

On No. 10: Inserts the new paragraph at the end of section 1, as proposed by the House, providing that all unexpended balances of appropriations heretofore made for flood control on the Mississippi River under the flood control acts of 1917 and 1923 shall be available for expenditure under this act, except section 13.

SECTION 2

On No. 11: Strikes out the word "additional," as proposed by the House, from the phrase "no additional local contribution to the project herein adopted is required."

SECTION 3

On No. 12: Strikes out the words "local interests" and inserts the words "the States or levee districts," as proposed by the House, in line 8, on page 5.

On No. 13: Strikes out the words "the title to," proposed to be inserted by the House, in line 15, on page 5.

On No. 14: Inserts the language proposed by the House, but changes the latter part of the last paragraph of the section so as to clarify the meaning.

SECTION 4

On No. 15: Strikes out the first paragraph of the section as proposed by the Senate, and inserts the language proposed by the House providing that the United States shall provide flowage rights for the water that is diverted from the main channel of the Mississippi. Strikes out the last clause of this paragraph, providing that the United States shall control, confine, and regulate such diversions. Conferees were of the opinion this language not needed, as amendment 8, section 1, fully covers the situation, and insert a proviso to the effect that where the flood-control project results in benefits to property, such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid. This provision is similar to existing law.

On No. 16: Inserts the language proposed by the House, to the effect that the opinion of the Secretary of War is to decide what lands, easements, or rights of way are necessary to be acquired; and adds that the opinion of the Chief of Engineers is also to be followed.

On Nos. 17, 18, 19, and 20: Strikes out the language proposed by the House, and restores the language of the Senate, in the last proviso in section 4, the House amendments not having been considered essential or important.

SECTION 6

On No. 21: Strikes out the language proposed by the Senate and inserts the word "Funds," as proposed by the House, in line 10 on page 8.

On No. 22: Inserts the words "section 1 of," as proposed by the House, in line 11 on page 8.

On No. 23: Strikes out the language proposed by the Senate and inserts the language proposed by the House, with the additional provision that for levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., the States or levee districts shall provide rights of way, pay one-third of the work, and maintain the levees when completed.

SECTION 7

On No. 24: Strikes out the words "below Cape Girardeau, Mo.," as proposed by the Senate, so that the emergency fund may be used for rescue work or repair or maintenance on any of the tributaries of the Mississippi.

On No. 25: Inserts the language proposed by the House, which would authorize the emergency fund to be used to repair levees destroyed by the flood of 1927.

SECTION 8

On No. 26: Inserts the new paragraph at the end of the section, as proposed by the House, providing that the salary of the president of the Mississippi River Commission shall be $10,000 and the salary of the other members of the commission shall be $7,500.

SECTION 9

On No. 27: Strikes out the entire section, as proposed by the Senate, and inserts the language proposed by the House providing that the provisions of sections 13, 14, 16, and 17 of the river and harbor act of March 3, 1899, shall be applicable to all lands, waters, easements, and other property and rights acquired or constructed under the provisions of this act.

SECTION 10

On No. 28: Inserts the language proposed by the House, providing that the surveys authorized by the river and harbor act of January 21, 1927, in addition to those set forth in House Document No. 308, Sixty-ninth Congress, first session, shall be prosecuted as speedily as practicable.

On Nos. 29 and 30: Strikes out the language proposed by the Senate and inserts the language proposed by the House, naming the tributaries for which flood-control projects shall be prepared.

On No. 31: Inserts the new paragraph at the end of the section, as proposed by the House, with the additional provisions that the flood-control projects on the tributaries of the Mississippi shall be submitted to Congress and that the forestry investigation may be undertaken by such other agencies as the President may deem proper, as well as by the Secretary of Agriculture.

SECTION 11

On No. 32: Strike out the language proposed by the Senate and inserts the language proposed by the House, to the effect that if the levee between Tiptonville, Tenn., and the Obion River, in Tennessee, is found feasible and is approved by the President it shall be built.

SECTIONS 13 AND 14

On No. 33: Inserts the two new sections proposed by the House, section 13 providing for a modification of the flood-control project on the Sacramento River, Calif., and section 14 providing that contracts for the sale of land shall contain a provision that no Member of Congress is interested in the sale.

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,
*Managers on the part of the House.*

Mr. GARNER of Texas. Mr. Speaker, can the gentleman inform us when he expects to call up this conference report?

Mr. REID of Illinois. On Saturday.

MISSOULA NATIONAL FOREST

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 126, respecting the Missoula National Forest, with Senate amendments thereto, and concur in the Senate amendments.

It is a very simple matter. It is a bill that was introduced by Mr. EVANS of Montana, the ranking minority member of my committee. The Senate amendment simply preserves the rights to certain homestead entrymen.

The SPEAKER. Has the matter been taken up by the committee?

Mr. SINNOTT. I can not say that the matter has been taken up by the committee, but the gentleman from Montana [Mr. EVANS], the author of the bill, requested me to call it up.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take up the bill referred to and agree to the Senate amendment. The Chair is informed that similar requests have heretofore been made to agree to Senate amendments when the committee was opposed to that action; not on this particular bill, but as a general proposition. At this time the Chair does not think he should recognize the gentleman to call up the bill. Will the gentleman postpone his request?

Mr. SINNOTT. I will.

POISON IN DENATURED ALCOHOL AND MODERN MEDICAL VIEWS CONCERNING THE USE OF ALCOHOL

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating two articles on the medical use of alcohol—one written by Dr. Howard A. Kelly, gynecologist, of Johns Hopkins University, and one written by Dr. Morris Fishbein, editor of the Journal of the American Medical Association and of Hygeia.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Speaker and fellow Members of the House, on Friday, March 2, 1928, I addressed the House for almost 40 minutes, speaking on the subject of poison in denatured alcohol. In the course of my address I said:

There are two views in the United States concerning beverage alcohol. One is that of a group of honest, sincere, loyal American citizens, who contend that beverage alcohol is detrimental for human

consumption, and is responsible for all the wickedness found in our Nation, and that from a social, physical, economic, and political standpoint beverage alcohol has destroyed the home, interfered with the economic welfare of our country, destroyed the physical welfare of our fellowmen, and is chiefly responsible in corrupting the body politic of our Nation.

On the other hand, there is the equally sincere and honest wet element of our country, who believe in moderation and in temperance, and who contend that those who believe in moderation and temperance should not be crucified upon the altar of the drunkard. The wets, so called, deny that from a social, from a physical, and from an economic standpoint temperance has ever harmed any human being; but, on the other hand, they contend that from a political standpoint modern prohibition has brought more corruption to-day in Government than has ever existed in the history of our Nation. [Applause.]

On the medical side we have two groups of physicians. One who are firmly convinced that beverage alcohol serves no remedial purpose to human beings, while on the other hand we have equally great authorities on the other side who contend that beverage alcohol taken in moderation is a tonic to the system, is converted into carbon dioxide and water and heat and energy without leaving behind any refuse whatsoever.

To confirm these opposing views I would respectfully like to quote from an article written by Prof. Howard A. Kelly, the distinguished surgeon and gynecologist on the staff of Johns Hopkins Hospital, as well as the eminent and brilliant editor of the Journal of the American Medical Association, and of Hygeia, Dr. Morris Fishbein. One wrote upon the abuses of alcohol as a medicine, while the other wrote upon alcohol as a necessary part of the doctor's kit, for the World's Work Magazine:

THE ABUSES OF ALCOHOL AS MEDICINE

There is no single disease in the world of which alcohol is the cure. This *fact* is well known to science, is now generally admitted by progressive members of the medical profession, but is rarely made clear to the layman. The purpose of medicine is to cure disease. Since alcohol cures no disease it is not a medicine. It has no place in medical practice.

These facts have not been established so very long. They run counter to beliefs that have been held for generations and are hard to displace. Yet a bit of straight thinking on them is of importance to all the people of the world. The effects of alcohol upon the mind and body of man have had very careful study during this generation. That study crowded alcohol first from the field of curative medicines into the realm of stimulants, then from the field of stimulants to the company of depressants. It is now well known that alcohol does not cure, does not stimulate. It decreases, lessens mental or physical vitality. It creates only an illusion of vigor that does not exist.

All this has been proved by innumerable tests. A typist of known speed and accuracy has taken alcohol in graduated quantities. His speed and accuracy decrease in proportion to the alcohol he takes. Two men may play tennis or chess equally well. Give one of them a single glass of beer and he will be easily defeated by the one who abstains. Start 10 men of comparable vigor up a mountain side, 5 of whom have taken drinks as stimulation. These five will fail in the climb. So mild a drink as a pint of beer will lessen their physical and mental prowess by from 10 to 15 per cent. Innumerable tests have proved that alcohol does not stimulate them or make them capable of greater accomplishment. Instead, it depresses them, lessens their power.

Railroads learned a long time ago that it would not do for their operation employees to drink at all. The menace of drinking by drivers of automobiles, as has been often demonstrated, takes its toll of life every passing week. It has been shown that one spoonful of liquor lessens the ability to form quick judgment and to act on that judgment. That lessening of mental and physical ability can and has been measured. Split seconds in this strenuous age may mean life or death. Giving a driver alchool endangers life.

Yet the drinker believes himself stimulated. To him his faculties seem much alive. As a matter of fact, they have been clouded, and it is the haze of them that mellows all about him. The power of reasoning, of quick judgment, of effective action, has been inhibited, but he knows it not.

In the days of our grandfathers nearly all physicians prescribed liquor. Even a generation ago the practice was still general. Those physicians among us who are getting on in years and who now refrain from doing so may have given our patients a bit of alcohol in the days of our youth. So general was the practice that it was almost universal. Each doctor was likely to have a favorite wine or brandy that was the specific intoxicant that he prescribed. This fact throws light on the psychology of his act. The alcohol is the effective element in all these liquors and was the same in all of them. If the alcohol had a medicinal effect it would be as well to prescribe one liquor as another. It would be as well to prescribe pure alcohol administered as is other medicine. When a doctor prescribed port or sherry he was, in fact, going out of his way to give his patient what he considered a very pleasant drink. He was presenting alcohol in what, to him, was its most pleasant guise. It was not a medicine but a pleasure he was furnishing. His prescription was likely to please the patient and hold his patronage.

This alcohol was in the form most likely to breed a habit. Raw alcohol diluted with water, if it possessed any medicinal value, would have served the same purpose but would not have equally pleased the patient. Likewise, it would not have been nearly so dangerous to him from the standpoint of forming the habit of taking it. This practice on the part of doctors of prescribing palatable liquors for their patients has done yeoman service in recruiting for the army of inebriates.

Alcohol is a habit-forming drug. Its prescription to a person as a tonic when he is weakened by disease is as effective a way as could be devised for developing the alcohol habit in him. If it were possible to mass the army of drunkards in this country that has been recruited through these liquor prescriptions and march it to the next convention of the American Medical Association, this question would be settled forever. If it were possible to pile up the dead from automobile accidents that have resulted from a lessened efficiency of drivers who had been drinking prescription whisky or who have formed the liquor habit through having it prescribed by doctors, the Nation would be appalled.

Through the generations it has been the practice to prescribe whisky to stimulate flagging heart action. This is done on that same theory that it increases vigor instead of lessening it. There is the former belief, for example, that whisky is good for snake bite. The poison of snake bite throws a great burden on the heart. The idea was to stimulate the heart that it might bear that burden. It is now known by actual measurement that it decreases the heart vigor and therefore increases the probabilities of death.

That past generation that so freely prescribed whisky had another practice; that of bleeding the patient, which has now been abandoned. The reverse operation, blood transfusion, has taken its place. That generation put whisky into the patient and took blood out of him. Modern practice, reversing the process, takes the whisky out of him and puts blood into him.

The disease for which alcohol comes nearest being a remedy is diabetes. It is probable that alcohol furnishes a fuel that tends to burn out the fat that causes that disease. It may be that it is helpful. Now, however, we have insulin, which serves the same purpose much more effectively and, therefore, displaces alcohol.

Not long ago there was a case much in the newspapers. It developed that the attorney general and the governor of a Western State in which the prescription of liquor was forbidden had used whisky as a medicine. The children of the attorney general had been ill with typhoid and the wife of the governor had been ill with pneumonia. It seems that the doctor in each case had recommended whisky, which could not be bought at the drug stores. It had been procured through friends and administered. Comments on the case current in newspapers took the view that the lives of these children and the governor's wife had been saved by the whisky. They seemed to accept this salvation through liquor as a fact.

Now, whisky is not a cure for typhoid fever or pneumonia. Alcohol in this whisky is, of course, the vital element. It is a depressant, and if taken by these patients undoubtedly made their recovery more difficult. Yet if the doctor in this case had considered alcohol necessary to the recovery of his patients that alcohol was procurable at the drug store. Under the laws of the State alcohol can be prescribed, but in the pure form rather than in that of the customary potable liquors. This alcohol loses none of its medicinal qualities but merely becomes less attractive as a beverage. So it is evident that much deception was used in the presentation of this case, probably engineered by some one whose purpose was a relaxation of the regulations governing the prescription of liquor.

It is hardly necessary, however, to make out so complete a case against alcohol. If it were even granted that its prescription were occasionally necessary, that it sometimes saved a life, it might still be inadvisable to use it. Against this occasional benefit there should be set down as though on a balance sheet the known harm that it does. All those inebriates who, because of alcohol, have found their way into hospitals and lunatic asylums should be put down. All those cripples who go maimed through life because they or some one else has caused an accident because of alcoholic lessening of efficiency, all those patients suffering from cirrhosis of the liver, from deranged kidneys and stomachs, from diseased hearts and blood vessels, through liquor, should be balanced against the assumed occasional benefit.

Exhaustive tables worked out by British insurance companies extending over a period of 30 years show how alcohol affects the length of life. The man of 30 who does not use liquor has a life expectancy of 39 years. The man who does use it has a life expectancy of 35½ years. Three and a half years off the lives of liquor users should be charged up against the little good that is claimed to come from prescribing it. The benefits, if any, are so small and the obvious harm so great that intelligent man, if ever brought to think the matter through, is sure to take his position against the use of liquor or its prescription by doctors.

And here is another consideration from the standpoint of the medical profession that is generally overlooked, but that is vital to its integrity. The liquor prescription places a temptation in the way of the young doctor that is tragically likely to cause his downfall. Most young doctors have to endure that lean novitiate that has long been known as the starving period. They hang out their shingles and wait for practice to come.

Such a young doctor may take out a license that entitles him to write 100 liquor prescriptions a month. Those prescriptions may be readily saleable at $2 each. This will give this youngster $50 a week, which is quite adequate to keep him going. Why starve, he may ask himself, when this money is so easily available? I know young doctors who chuckle among their friends and pronounce these prescriptions a godsend to those entering the profession.

But the young doctor who writes a liquor prescription under these circumstances has ceased to be a doctor and becomes a bootlegger. He has already prostituted a noble profession. Even before he has actually become a doctor he has thrown ethics to the wind. His ethical standards are gone. His moral fiber is weakened. He has lost that which is indispensable to the proper practice of the profession that he has chosen to follow.

One shudders to think of the percentage of young doctors who are every year morally broken at the very beginning of their careers. The older men have already established their standards. Fewer of them are affected by the temptation to prescribe liquor. The reports that I gather from all directions of the tendencies on the part of the young doctors, however, are such as to lead me to the conclusion that the profession is being degenerated by this practice of writing whisky prescriptions. Its abandonment would be amply justified if for no other reason than to remove the temptation it offers from the path of the young practitioner.

The Federal law as it exists to-day allows the doctor to take out a license to prescribe liquor. Under that law oculists, dentists, horse doctors, and many others who would never be called upon to prescribe medicine can, if they wish, give away or sell liquor prescriptions. The unscrupulous among them, of course, abuse the privilege. Each doctor who takes out a license to do so may write 100 prescriptions a month, each for a pint. The current charge for such prescriptions is $2, though a charge of $3 is often made. A return of more than $3,000 a year from these prescriptions is possible to those doctors who see fit to exploit them.

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ALCOHOL IN THE PRACTICE OF MEDICINE IS SEEN AS A NECESSARY PART OF THE DOCTOR'S KIT BY MORRIS FISHBEIN, M. D.

The wise physician is free from prejudice; he is not pledged to any single idea or system in the treatment of disease. He is entitled to use for the benefit of his patient any drug, manipulation, force, or food that he may think of benefit. There is no word in the English language so sadly abused as the word "cure." The history of medicine shows that there are no cures for anything.

There lies within the living tissue the power toward recovery, called in the Latin edition of Hippocrates the "vis medicatrix naturæ" [the remedial power of nature]. What the physician does is to attack the forces that cause disease, giving the tissues a better chance to repair the damages that these forces may have wrought. For instance, syphilis is caused by a wriggling organism known as the Spirochæta. The salvarsan or "606" of Paul Ehrlich has the power to inhibit the development of these organisms when it comes into contact with them in the human body. But the damage done by the organism on the tissues is not benefited by the salvarsan. That damage has to be repaired by the healing powers of the body, carried to the tissues by the blood.

If 100 emininent physicians were asked to vote as to the 10 most valuable drugs in the Pharmacopœia, a large majority would mention digitalis, brought prominently to medical attention many years ago by William Withering. This drug has the power of slowing the heart beat and of increasing its force. Next to rest it is probably the most valuable agent known in the treatment of the vast number of cases of heart disease that exist among our people. But digitalis is not a cure for anything. It does not restore a wasted heart muscle; it does not remove the excrescences from the heart valves that are the response to inflammations brought about by germs coming from the tonsils and the teeth; it does not attack the germs. It does produce a change in the heart function that may mean the difference between life and death, because it keeps the organ going until the healing powers that lie within the body itself have time and opportunity to exert their effects. Time is a great healer—but a slow one.

Sir Humphry Rolleston, Bart., K. C. B., M. D., Hon. D. Sc., D. C. L., and a lot of other alphabetical appendages of honor, formerly president of the Royal College of Physicians, of London, is also physician in ordinary to the King, and the holder of important teaching positions in medicine in England. In a few sentences he defines the position of alcohol as an important drug in the practice of medicine. "It may be beneficial, useless, or harmful," he says, "and, just as in health so in disease, it is the indiscriminate and excessive employment of alcohol that has encouraged the extreme view that it is never of any value. * * * Clinical observation by innumerable medical men over long ages has brought in a verdict favorable on the whole to the use of alcohol in disease, and it has naturally been urged that there may be a fallacy in arguing from the effects of alcohol in health to those in disease."

The distinguished British physician says that the main value of alcohol is in an emergency and as a temporary remedy at the crisis of pneumonia—for example, to stimulate the heart or occasionally as a sedative to induce sleep. The good effect on the heart is immediate and reflex from the mucous membrane of the stomach, but is temporary only, being followed by depression of the power of the heart. On the other hand, the continued use of alcohol in chronic heart disease is inadvisable because the drug has itself a tendency to weaken the heart muscle.

In 1925 Dr. Roger I. Lee read before the annual session of the American Medical Association his views as to the use of alcohol in medical practice. He pointed out that unquestionably the form of alcohol given has a distinct effect on the organs of taste and smell, and the form and dilution have a definite effect on the ease with which the drug is tolerated by the stomach. The great vogue of alcohol in the past was for the treatment of acute infections. It was noticed, for instance, that in such infections large amounts of alcohol could be tolerated without alcoholic intoxication, that the drug acted as a food tending to spare the tissues of the body, and that it possibly facilitated the retention of fluids in the body, a matter of great importance in fevers, in which the loss of water is great and serious.

Without regard to these factors, however, Doctor Lee finds a certain definite use for alcohol or for alcoholic liquors in the treatment of disease. "The usual immediate effect of alcohol in human beings," he says, "is the creation of the state of artificial euphoria."

The conspicuous example cited by Doctor Lee is one that has been cited to me by numerous great clinicians throughout the United States. "An elderly patient, for example, is convalescent from a mild upper respiratory infection, whether we call it a cold, the grip, influenza, bronchitis, or bronchial pneumonia. In the convalescence, the weight of years hangs heavily on the patient. He is conscious of many mild functional disturbances; he is depressed and miserable in mind and body; he is without appetite, and has a sense of prostration and weakness. To be sure, much can be done for this patient by careful nursing, tonics, and the various so-called volatile stimulants. Nevertheless, the exhibition of alcohol in some agreeable form eases the miseries of his body, encourages him to eat, and helps in the establishment of recovery."

"There are occasional cases in the early stage of pulmonary tuberculosis," Doctor Lee says, "when the little fever, the distress of body, and the consciousness of this dread malady make life appear drab, and the judicious administration of alcohol in small amounts seems to alter the gloomy outlook on life and to make endurable the rigors of the necessary regimen."

As for heart disease, here, too, Doctor Lee finds a use for alcohol, particularly in the patient with chronic disease of the organ that will no longer respond to the drugs used. The patient is worried and distressed. He sees constantly before him impending death. Such a patient "often finds more comfort from alcohol judiciously given in moderate doses than from opiates, which are better reserved for a future period."

Alcohol is probably never directly life-saving. That term must be reserved for such effects as are brought about by diphtheria or scarlet-fever antitoxins, by digitalis, by salvarsan, by quinine, or by other remedies with specific action on the organisms that cause disease.

In most of the textbooks on the uses of drugs there is specific mention of the use of alcohol in medicine as a food. The Council on Pharmacy and Chemistry of the American Medical Association—a body composed of some 17 practicing clinicians, specialists in the diseases of children, chemists, pharmacologists, bacteriologists, and others—has prepared for the use of teachers of materia medicia and therapeutics a book called Useful Drugs. This volume aims to select from the thousands of remedies in the United States Pharmacopœia and the National Formulary those drugs and preparations of greatest usefulness to the practicing physician.

In this book it is pointed out that alcohol is used externally to harden and cleanse the skin. Its astringent action permits it to serve as a mild counterirritant, and the fact that it is strongly antiseptic in concentrations of 70 per cent gives it high usefulness in surgery. Internally, according to Useful Drugs, "it is a narcotic, excessive doses depressing and paralyzing the central nervous system. Small doses produce euphoria, stimulate respiration, moderately dilate the cutaneous and splanchnic vessels, and modify the circulation. It is burned in the body and thus serves to a restricted extent as a source of energy." "In well-selected cases," says this guide, "especially in patients accustomed to its use, it may be very valuable; otherwise it is apt to do more harm than good."

The chief use of alcohol as a food or as a source of energy has been in diabetes. Since it is not nitrogenous it can not replace protein substances that are broken down in the body, and it can not replace insulin in the burning of sugar. It may act as a substitute for some of the

carbohydrates in the body, however, as it serves in the burning of fats. Alcohol does not become glycogen or give rise to the ketones, the substances that lead to acidosis and eventually to diabetic coma. Thus with alcohol in the diet it is possible to use a smaller amount of insulin than would otherwise be the case. The physiology and chemistry of these bodily reactions is a complicated matter.

Many competent physicians prefer to treat their cases of diabetes without the use of alcohol. No doubt an equally large number prefer to be in a position where they can use a pleasant form of this remedy if they feel the need of it. The late M. Duclaux, of the Pasteur Institute, was so much impressed by the experimental evidence on this question that he asserted that alcohol was a food surpassing starch and sugar in value, since weight for weight it contained more energy.

Many experiments have been cited to show that alcohol is harmful. Every one admits that validity of those experiments that indicated its detrimental effect on precise mental operations, such as are involved in typewriting, target shooting, typesetting, and motor driving. On the other hand, mental operations are shortened, the simple reactions and reaction times quickened, mental associations (such as making words to rhyme) made easier, and public speaking indulged in with facility. This has been thought to be the result of primary mental stimulation. But Prof. W. E. Dixon, the noted British pharmacologist, emphasizes the fact that these effects are the result of inhibition or depression of the higher centers of the brain.

It is safe to say that there is not the slightest scientific evidence to indicate that alcohol taken in moderation ever appreciably shortened anyone's existence. "When it is taken in strict moderation, injurious effects are yet to be proved," says Professor Dixon. The evidence presented by Prof. Raymond Pearl, the eminent biometrician of Johns Hopkins University, can not be gainsaid. In a fairly large and homogeneous sample of the working-class population of Baltimore the moderate drinking of alcohol did not shorten life. Indeed, moderate, steady drinkers showed somewhat lower rates of mortality and greater expectation of life than did total abstainers. On the other hand, those persons who were heavy drinkers of alcoholic beverages showed considerably increased rates of mortality and diminished longevity, as compared with abstainers or moderate drinkers.

The people who create an alcohol problem are obviously the heavy drinkers. They are, after all, cases for a psychiatrist, since their problem is a mental problem. They take too much alcohol because only with too much alcohol do they feel normal. The interior of the body of the drunkard shows the effects of alcohol as a poison. The final result of alcoholic intoxication repeatedly indulged in is delirium tremens, certainly a state of disease requiring serious consideration.

Professor Pearl emphasizes the beneficial effects of alcohol on the race, since it has a remarkably sharp and precise selective action on germ cells and developing embryos, killing off the weak and defective and leaving the strong and sound to survive and perpetuate the race. The fact has been proved on guinea pigs, fowls, rats, mice, rabbits, frogs, and insects. But if this fact is applied to the human race an entirely different point of view must be held, since the care of such weak, defective, or otherwise impaired specimens as come through embryonic life to human existence is a social problem.

Professor Pearl insists that the prevalent notion that parental alcoholism tends to cause the production of weak, defective, or monstrous progeny is not supported by the extensive body of experimental work that has been done on the problem. But there is some evidence to sustain this point of view. The German scientist, H. W. Siemens, states the matter briefly: "The cultured peoples of antiquity disappeared, despite the fact that they had no syphilis and that the alcohol industry was unknown to them. No uniform explanation of the downfall of all vanished peoples is afforded, therefore, by pointing to alcohol, to syphilis, or any similar agent. Above all, we know far too little as yet with regard to the influences that cause alterations in the germ plasm to permit us to draw any conclusions that would guide us to logical action."

The American Medical Association has invariably condemned physicians who were willfully prescribing liquor otherwise than in accordance with the law. It has urged every State and county medical association to use its best endeavor to discipline such physicians and to purge the medical profession of all who willfully, under the cloak of their profession, prescribe liquor for other than medicinal purposes. A resolution to this effect was adopted by the house of delegates in 1923, and reaffirmed in 1924. On the other hand, the house of delegates has felt that the law and its regulations at present have prevented large numbers of physicians of standing and professional integrity from prescribing for their patients in accordance with their best judgment as to their patients' necessities, while the unlawful acts of unworthy practitioners have been promoted.

The Volstead Act definitely makes the medical profession the custodian of beverage liquor in this country. The custodianship is not a pleasant one. The Government does not make any single group in its domain the custodian of dynamite, revolvers, or other objects with both good and evil uses. This custodianship, it has been urged, is granted to the medical profession as a privilege because at least a considerable number of physicians are convinced that alcoholic beverages have distinct uses in the treatment of disease. On the other hand, the word "privilege" in this connection is not apropos, since the patient who receives the liquor prescribed by a physician presumably requires it in order that he may recover from disease and become a more useful member of society.

In the last annual session of the American Medical Association, the house of delegates again gave serious consideration to the limitations on the prescribing of alcohol. Several resolutions were offered relative to the limitations that ought to be placed on such prescribing. The reference committee, to which the matter was referred, pointed out that "Alcohol is thought to be helpful in the treatment of disease and is being used in the practice of a very large number of doctors, many of whom believe it to be an essential and life-saving remedy."

The committee recommended that a bill be prepared correcting the provision of the Volstead Act that limits the amount of alcohol used, and providing such regulations as will permit doctors to prescribe whatever amounts of alcoholic liquors may be needed for their patients, and subject to such reasonable restrictions as may be thought wise and best after a conference with the head of the prohibition department. The committee recommended also the passage of a resolution, which was unanimously carried, to the effect that the American Medical Association declare its adherence to the principle that legislative bodies composed of laymen should not enact restrictive laws regulating the administration of any therapeutic agent by physicians regularly qualified to practice medicine.

Thus we have two of the most eminent authorities of the highest repute in medicine differing with one another as to the therapeutic use of alcohol in medicine.

If Professor Kelly is right in his scientific contention that pure alcohol is a poison, then how much greater a poison is pure alcohol denatured by the Government with the most violent and terrible poisons known to mankind when it enters the human stomach.

On February 14, 1928, in speaking before the House on this subject, I said:

Since prohibition has come into being 60,000,000 gallons of industrial alcohol are presumed to be used annually for commercial purposes, 6,000,000 of which, however, are diverted and converted by unscrupulous bootleggers to the clandestine purveyors of bootleg whisky. It is this industrial alcohol poisoned by the Government that has sent thousands of our unfortunate American citizens to an early and unsuspected grave.

Shall we have our Government act as a Lucretia Borgia of medieval days, who poisoned all who came into intimate contact with her? Shall we in this twentieth century—this civilized twentieth century—turn back to medieval times and leave to posterity the infamous heritage of the Borgias? I for one am irrevocably opposed to the country I love committing murder. [Applause.]

Mr. Chairman and gentlemen of the House, it is this 6,000,000 gallons of diverted and converted industrial poisoned alcohol that finds its way to human consumption and is responsible for the murder annually of 12,000 of our citizens. This frightful mortality of 12,000 has the added horror of the morbidity of those who become victims of alcoholic gastritis, cirrhosis of the liver, Bright's disease, optic neuritis, and blindness, which are all attributable to the poisonous substances contained in denatured alcohol.

Mr. Chairman, as long as the prohibition law is upon the statute books of our country I believe in its complete and rigid enforcement and will vote for any measure that will carry into effect that feature of our Constitution. [Applause.]

The question before the House is not whether one is in favor of prohibition or opposed to prohibition; not a question of temperance or intemperance; not a question of those who are honest in their views or those who are otherwise; but the fundamental and only question before the House is the amendment of the gentleman from Maryland [Mr. LINTHICUM], whether the Government shall put into industrial alcohol obnoxious drugs to make it unpalatable, or to put poison in it that ultimately commits murder.

Personally, I am in favor of denaturing alcohol with such ingredients that will make it unpalatable; yes, even nauseating, for human consumption; but loving humanity as I do, especially those weak, who need the guidance and assistance of others, I plead with you Members of this historic body not to permit our country to become particeps criminis to a continuation of horrors that have come in the wake of governmental participation in the poisoning of denatured alcohol. [Applause.]

To summarize my entire views, I would say that if drinking is a misdemeanor in the eyes of the law, it should not be punishable by blindness or death. Indeed, in the eyes of humanity, the deadly denaturing of pure alcohol that is ultimately diverted for bootleg purposes, is practicing capital punishment upon our citizens, and in my humble opinion is legalized murder.

As a deterrent and preventative for drinking poisoned alcohol is ineffective and has only helped increase prohibition's poisoned casualties.

When the history of prohibition will be written—its advantages or disadvantages, whichever time will record—this tragic and unfortunate casualty list will be one of the black chapters in American history, as it will always associate our Government, insofar as poisoning denatured alcohol is concerned, with the death penalty.

In the name of humanity I therefore appeal to the conscience of the membership of this historic body to retain whatever personal and individual views they may have regarding the advantages or disadvantages of prohibition, but only to modify the law so that alcohol may be denatured by various volatile oils and other chemical ingredients that are nontoxic in their nature but that can accomplish the same result as poison, without subjecting our Government to the proposition of poisoning its innocent and unsuspecting citizens.

FOREST CONSERVATION

Mr. MORROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of forest conservation.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MORROW. Mr. Speaker, forestry has become a problem of the people of the United States. When we can teach our people the necessity of reforestation and inspire in them the need of protecting our water and timber supply to prevent the floods and the washing away of the soil, then we have educated our American citizens to think constructively and not destructively.

The vital need of statistics covering the world's timber resources was brought out in the world's congress upon forestry. That congress brought out the fact that two countries which had been great sources of timber supply were in danger of exhausting that source of supply, namely, the United States and Canada.

It was announced that at the present rate of use the available supply of virgin softwood would be exhausted in 25 years. Each State should make a survey of its present supply of timber and ascertain the kind and quantity of new timber best suited for planting in the locality, in order to increase the available timber supply.

This need, as stated before, originates not only in the necessity for timber and the regrowth of the same, but likewise for water protection and flood control. State legislation should be enacted for cooperation with the Government in the drive for the growth of timber.

The spirit of timber planting and protection should be taught in the schools so the child will grow up with a desire for assisting in timber growth and its protection.

Forestry schools for the instruction of timber planting, growth, and care should be fostered in order that an interest may be created for the regrowth of a new crop of timber in the Nation.

Our people must realize that the loss of our timber has had much to do with the destruction of bird and wild life. Also that the removal of timber has permitted the soil and débris to be carried into the river channels and to destroy the fish, which have afforded man much sport and food.

Marshes and swamps which nature had placed for the home of wild life have been drained and to-day we are buying land for game preserves. Our only hope lies in reforestation and the stopping of the polluting of the streams.

Many of the rivers and streams that afforded fine fishing have become so polluted with mud that the fish have either perished or have been driven out. The student of nature realizes how stupid we American people have been in this respect. It is clear that the channels of streams are disappearing and the water supply therein is decreasing, and necessarily the life dependent upon that water supply is also decreasing.

The timber of the Nation, which was one of the elements of national wealth, should have been conserved years ago.

The same principle applies to another national source of wealth—oil. As fast as the hand of private capital can exhaust the supply so fast is that resource disappearing. We seem to adhere to the saying "Slam the door shut" after the animal has disappeared.

We have now a breathing spell, and have started principles of conservation, not alone for timber but also for the protection of the soil and water supply of the Nation.

The devastation of timber has brought about another evil in addition to destroying our timber supply and vegetation once sheltered by our forests. The President in his proclamation for Forest Week says that every year some 80,000 fires occur, which destroy our woodland.

The elements of nature cause a small percentage of these fires, but man, by careless and destructive habits, is the cause of the greatest per cent of forest fires. A cigarette smoker can cause the loss of millions of dollars in timber wealth. Besides the loss of human life, the loss from forest fires during the year in this Nation is in excess of $27,000,000. This loss was caused by 91,793 fires which burned and destroyed timber upon twenty-four and one-half million acres of land, an area as large as the State of Iowa. Seventy-two per cent of these fires were due to man's careless habits; 12 per cent were due to nature elements; and 15 per cent to unknown sources.

The American tobacco habit of smoking caused 5,626 fires, or 16 per cent; railroads caused 13 per cent of the fires; burning brush, 12 per cent. Under our fire-protection system 61 per cent were confined to fires of less than 10 acres, and less than 2 per cent exceeded 1,000 acres. Under the protected system the acreage areas as a whole were confined to average, one-fourteen hundredths of 140 acres, and without the protected system the average fire covered 337 acres. We see that the system of fire protection reduced the loss 60 per cent.

The influence that forests have upon water in the Nation is one of the most important subjects for solution to-day. The regularity of the flow of streams, the effect of erosion, must all be studied and considered in order that the prosperity of the Nation may not be endangered.

The devastation wrought by the uncontrolled flood waters of the Mississippi in the great flood of 1927 has brought the important question of flood control to our attention. Other problems than flood control are brought to mind. We turn to protecting, restoring, and conserving our great natural resources so vital to the needs, demands, and general utility of our people.

Through lack of economical use and protection, many of these resources are being exhausted. Oil and gas are fast disappearing and substitutes now are being demanded. Timber has become scarce, and we now awaken to its restoration, growth, and protection.

This form of education must continue if our soil is not to be washed away by erosion and our water supply curtailed. We must once more restore timber at the headwaters of the streams, upon the mountains, and on the hillsides. Waste land that will grow timber must be secured and utilized for that purpose.

We may think we own the land; we may go to the mountain top and say, as did Alexander the Great, "I am monarch of all I survey"; yet this is but a life lease. It has been and is continually being passed on.

This is very ably stated in an editorial appearing in the Albuquerque Journal, Albuquerque, N. Mex., under date of April 25, 1928, as follows:

> He who plants a tree does something for posterity and something for his own time as well. It is a beautiful thought that what we do to-day in the way of reforestation will benefit generations unborn, will aid in keeping our land verdant and beautiful as we know it, and will prevent erosion and kindred evils that will make of it a treeless waste, the prey of all the evils experienced by China and other countries whose forest armor has been sacrificed to greed, thoughtless improvidence, and crass indifference.

One thing that can not be stressed too strongly in this body, in public forums, clubs, and especially in the schoolroom, is the question of reforestation and protection of our timber. It means pure domestic water, the checking of floods, protection of and shelter for wild life, and restoration of proper climatic conditions.

The fact that Congress has passed legislation on this subject has stimulated an interest throughout the Nation for timber planting and conservation. This should be gratifying to those who have been foremost in this plan. The West must have timbered areas dotting its vast stretches; our mountain slopes and hillsides, which have been devastated must again be reforested. When this is properly brought about, and impounding dams have been erected, we will not be worried by drought, and certainly much of the flood disaster of the Nation will entirely disappear. Erosion will also be checked.

Scientific investigation of soil protection discloses that erosion carries away each year 1,500,000 tons of soil, and with it 60,000,000 tons of plant food. Little attention has thus far been paid to this depletion of soil which affords the sustenance for plant life in our agricultural and food-producing parts of the Nation.

Fostering education throughout the country by means of forest week, which has been proclaimed by the President and by the State executives in the Nation, is of great value in arousing interest in the observance of care and conservation of our

natural resources, particularly timber, which has heretofore been lacking in conservation.

Each person, man, woman, and child, in the United States should realize that the forest belongs to them; that they must care for and protect it; that the forest is the common heritage of all. By carrying into effect the McNary-Clark Act, in the course of half a century we can restore much of the protective watershed. Vast areas in Michigan, Wisconsin, Minnesota, and other States which were rich in pine and other forest trees can be replanted and can be classed again as timberland. The same principle can be applied with more force to the regions that were prairies; timber in such regions should be propagated and protected by State control.

The spirit of Arbor Day can not be stressed too strongly and observance of that day should be had in every school in the country.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925;

H. R. 11629. An act to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 11723. An act to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, a bill of the following title:

H. R. 10151. An act to amend section 9 of the Federal reserve act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COMBS (at the request of Mr. SOMERS of New York), for one day, on account of illness; and

To Mr. STROTHER, indefinitely, on account of illness.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 39 minutes p. m.) the House adjourned until to-morrow, Friday, May 4, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, May 4, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA

(7.30 p. m.)

To amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions (S. 2366).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a staple gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize an increase in the limit of cost of alterations and repairs to certain naval vessels (H. R. 13249).

To authorize the increase in the limit of cost of one fleet submarine (H. R. 13248).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

477. A letter from the Secretary of the Navy, transmitting draft of a bill for the relief of Pedro P. Alvarez, to compensate the claimant for medical services and hospital treatment rendered to Sonora Josefa Somarriba, a native of Nicaragua; to the Committee on Foreign Affairs.

478. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Treasury Department for the fiscal year 1929, under the provision of the public building act approved May 25, 1926, $575,000 (H. Doc. No. 258); to the Committee on Appropriations and ordered to be printed.

479. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Treasury Department for the fiscal year 1929, $613,153; also drafts of proposed legislation affecting the use of existing appropriations (H. Doc. No. 259); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Agriculture for the fiscal year 1929; to enable the Secretary of Agriculture to carry into effect the provisions of the act approved April 16, 1928 (H. Doc. No. 260); to the Committee on Appropriations and ordered to be printed.

481. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriations for the Department of the Interior for the fiscal years 1924 and 1927, $28,939.50; for the fiscal year 1928, $517,754.39; and for the fiscal year 1929, $452,500, amounting to $999,193,89; proposed authorizations for expenditure of Indian tribal funds amounting to $51,526.90, together with drafts of proposed legislation affecting existing appropriations (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

482. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Justice for the fiscal year 1928, amounting to $204,973; also drafts of proposed legislation affecting existing appropriations (H. Doc. No. 262); to the Committee on Appropriations and ordered to be printed.

483. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Navy Department for the fiscal year ending June 30, 1928, and prior years, amounting in all to $2,429,241.59 (H. Doc. No. 263); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. TEMPLE: Committee on Foreign Affairs. H. J. Res. 268. A joint resolution requesting the President to negotiate with the nations with which there is no such agreement treaties for the protection of American citizens of foreign birth, or parentage, from liability to military service in such nations; with amendment (Rept. No. 1482). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13206. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of the Cumberland River at Burnside, Pulaski County, Ky.; with amendment (Rept. No. 1484). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13207. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Neelys Ferry in Cumberland County, Ky.; with amendment (Rept. No. 1485). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13208. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky.; with amendment (Rept. No. 1486). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13209. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Arat, Cumberland County, Ky.; with amendment (Rept. No. 1487). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13210. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at Blacks

Ferry near Center Point in Monroe County, Ky.; with amendment (Rept. No. 1488). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 13481. A bill granting the consent of Congress to the Alabama State Bridge Corporation to construct bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama; with amendment (Rept. No. 1489). Referred to the House Calendar.

Mr. HILL of Washington: Committee on Indian Affairs. S. 1480. An act authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; without amendment (Rept. No. 1490). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOUSTON of Hawaii: Committee on Military Affairs. H. R. 13296. A bill to authorize the adjustment and settlement of claims for armory drill pay; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the state of the Union.

Mr. FROTHINGHAM: Committee on Military Affairs. S. 3057. An act authorizing the Secretary of War to transfer and convey to the Portland water district, a municipal corporation, the water-pipe line including the submarine water main connecting Fort McKinley, Me., with the water system of the Portland water district, and for other purposes; with amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the state of the Union.

Mr. REID of Illinois: Committee on Flood Control. H. R. 13484. A bill authorizing preliminary examinations of sundry streams with a view to the control of their floods, and for other purposes; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12203. A bill to authorize the designation and bonding of persons to act for disbursing officers and others charged with the disbursement of public money of the United States; with amendment (Rept. No. 1497). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12249. A bill to remove the age limit of persons who may be confined at the United States industrial reformatory at Chillicothe, Ohio; without amendment (Rept. No. 1498). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12250. A bill to amend section 574, title 28, United States Code; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 13116. A bill to provide an additional justice of the Supreme Court of the District of Columbia, and for other purposes; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 13370. A bill authorizing the Secretary of the Navy to assign to the Chief of Naval Operations the public quarters originally constructed for the Superintendent of the Naval Observatory in the District of Columbia; without amendment (Rept. No. 1502). Referred to the House Calendar.

Mr. LEHLBACH: Committee on the Civil Service. H. R. 6518. A bill to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"; with amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. S. J. Res. 61. A joint resolution to provide for an agricultural day; without amendment (Rept. No. 1504). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 10194. A bill for the relief of Maria Hensley Clay; without amendment (Rept. No. 1483). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. J. Res. 261. A joint resolution for the relief of Effa Cowe, Creek Indian, new born, roll No. 78; with amendment (Rept. No. 1493). Referred to the Committee of the Whole House.

Mr. W. T. FITZGERALD: Committee on Invalid Pensions. H. R. 13511. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of such soldiers and sailors of said war; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House.

## ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. Res. 180. A resolution directing the Attorney General to furnish to the House of Representatives certain information concerning prohibition enforcement, and for other purposes (Rept. No. 1495). Laid on the table.

Mr. GRAHAM: Committee on the Judiciary. H. Res. 181. A resolution directing the Secretary of the Treasury to furnish to the House of Representatives certain information concerning the enforcement of the prohibition act, and for other purposes (Rept. No. 1496). Laid on the table.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII the Committee on Pensions was discharged from the consideration of the bill (H. R. 8048) granting a pension to Margaret L. Davis, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUSBY: A bill (H. R. 13500) to require the Civil Service Commission to make investigation and report on same in certain cases; to the Committee on the Civil Service.

By Mr. KOPP: A bill (H. R. 13501) authorizing Henry Horsey, Winfield Scott, A. L. Ballegoin, and Frank Schee, their heirs, legal representatives, and assigns, to construct and operate a bridge across the Des Moines River at or near Croton, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDRESEN: A bill (H. R. 13502) authorizing the State of Minnesota to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Stillwater, Minn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13503) granting the consent of Congress to the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near Hastings, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN: A bill (H. R. 13504) to amend the act of August 11, 1916, known as the United States cotton futures act, as amended, by investing transactions in cotton for future delivery with public interest; providing a commission to supervise cotton futures exchanges; defining and prohibiting manipulations and squeezes, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 13505) to establish and maintain one or more pecan experiment stations, one located in the State of Oklahoma; to the Committee on Agriculture.

By Mr. LEAVITT: A bill (H. R. 13506) fixing the salary of the Commissioner of Indian Affairs and the Assistant Commissioner of Indian Affairs; to the Committee on Indian Affairs.

By Mr. SWANK: A bill (H. R. 13507) to amend section 3 of public act No. 230 (37 Stat. L. 194); to the Committee on Indian Affairs.

By Mr. THATCHER: A bill (H. R. 13508) to authorize the coinage of 50-cent pieces in commemoration of the enactment of the act of Congress, approved by the President on May 25, 1926, providing for the establishment in the State of Kentucky, of the Mammoth Cave National Park; to the Committee on Coinage, Weights, and Measures.

By Mr. WAINWRIGHT: A bill (H. R. 13509) to define the promotion list officers of the Army and to prescribe the method of their promotion, and for other purposes; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 13510) authorizing the erection in the city of Los Angeles of a suitable building for the Los Angeles branch of the Federal reserve bank; to the Committee on Banking and Currency.

By Mr. W. T. FITZGERALD: A bill (H. R. 13511) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; committed to the Committee of the Whole House.

By Mr. DENISON: A bill (H. R. 13512) to amend the act entitled "An act to create the Inland Waterways Corporation for the purposes of carrying out the mandate and purposes of Congress, as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924; to the Committee on Interstate and Foreign Commerce.

By Mr. MERRITT: A bill (H. R. 13513) to authorize the Secretary of Commerce to convey the Federal Point Lighthouse

Reservation, N. C., to the city of Wilmington, N. C., as a memorial to commemorate the Battle of Fort Fisher; to the Committee on Interstate and Foreign Commerce.

By Mr. TILSON: A bill (H. R. 13514) authorizing citizen veterans of the World War to bring into the United States their wives who during legal infancy may have committed petty offenses; to the Committee on Immigration and Naturalization.

By Mr. SNELL: Joint resolution (H. J. Res. 294) providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the vicinity of Muscle Shoals, Ala., for the manufacture and distribution of fertilizers, for the sale of surplus power, and for other purposes; to the Committee on Military Affairs.

By Mr. DENISON: Joint resolution (H. J. Res. 295) authorizing an investigation and survey for a Nicaraguan canal; to the Committee on Interstate and Foreign Commerce.

By Mr. BEEDY: Resolution (H. Res. 184) requesting the Secretary of State, the Secretary of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission to investigate in cooperation with each other the factors which are contributing to the diversion of commerce from points in the United States to Canadian ports and practical remedies for preventing such diversion, and to report thereon to the House at the beginning of the next session of the Seventieth Congress; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 13515) for the relief of the heirs of William H. Steele; to the Committee on War Claims.

By Mr. BOHN: A bill (H. R. 13516) providing for the examination and survey of Mackinac Island Passage; to the Committee on Rivers and Harbors.

By Mr. BRAND of Ohio: A bill (H. R. 13517) granting an increase of pension to Edna Olney Chrisman; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 13518) granting an increase of pension to Lance A. Chaldecott; to the Committee on Pensions.

By Mr. COLLINS: A bill (H. R. 13519) to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operated during the World War; to the Committee on Claims.

By Mr. FAUST: A bill (H. R. 13520) granting an increase of pension to Catherine Knudsen; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 13521) for the relief of Minnie A. Travers; to the Committee on Claims.

By Mr. HOPE: A bill (H. R. 13522) granting a pension to Eva L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13523) granting an increase of pension to Maranda F. Seals; to the Committee on Invalid Pensions.

By Mr. HOWARD of Oklahoma: A bill (H. R. 13524) for the relief of William Sheldon; to the Committee on Claims.

By Mr. HUDSPETH: A bill (H. R. 13525) granting a pension to G. P. Hodges; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 13526) granting a pension to Rosa Meyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13527) granting a pension to Sarah A. Fulkerson; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 13528) granting an increase of pension to Mima Osborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13529) for the relief of Chick Patrick; to the Committee on War Claims.

By Mr. POU: A bill (H. R. 13530) for the relief of J. R. and Eleanor Y. Collie; to the Committee on Claims.

By Mr. REED of New York: A bill (H. R. 13531) for the relief of Irene Brand Alber; to the Committee on Claims.

By Mr. SIMMONS: A bill (H. R. 13532) granting a pension to Raymond Emmett Slocumb; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 13533) granting a pension to James J. Fitzgerald; to the Committee on Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 13534) granting an increase of pension to Elizabeth McLeister; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 13535) for the relief of Gertrude Wood; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 13536) granting an increase of pension to Arminna P. Rice; to the Committee on Invalid Pensions.

By Mr. TATGENHORST: Resolution (H. Res. 183) to pay Jennie K. Hunt, clerk to the late Hon. A. E. B. Stephens, a sum equal to one month's salary; to the Committee on Accounts.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7385. By Mr. FROTHINGHAM: Petition signed by residents of Massachusetts, favoring flood-control legislation; to the Committee on Flood Control.

7386. By Mr. GARBER: Petition of Albert C. Hunt, justice, Supreme Court of Oklahoma, in support of the Tyson-Fitzgerald bill (S. 777, H. R. 500) without amendment; to the Committee on World War Veterans' Legislation.

7387. Also, petition of H. T. Petit, department adjutant the American Legion, Oklahoma City, Okla., in support of the Tyson-Fitzgerald bill without amendment; to the Committee on World War Veterans' Legislation.

7388. Also, petition of Mrs. Carl T. Wilson, department legislative chairman of the American Legion Auxiliary, Oklahoma City, Okla., in support of the Tyson-Fitzgerald bill without amendment; to the Committee on World War Veterans' Legislation.

7389. By Mr. HADLEY: Petition of residents of Sequim, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

7390. By Mr. JOHNSON of South Dakota: Petition of citizens of Day County, protesting against the passage of the compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7391. By Mr. KVALE: Petition of Mrs. E. W. Simpson and Mrs. M. N. Munson, Montevideo, Minn., urging passage of Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7392. Also, petition of Mr. and Mrs. Thomas Simmons and Mr. and Mrs. E. C. Johnson, of Buffalo Lake, Minn., urging passage of Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7393. By Mr. LEAVITT: Petition of citizens of Lewistown, Mont., urging increases in pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7394. By Mr. LINDSAY: Petition of the Cigar Makers International Union of America, Glendale, Brooklyn, N. Y., protesting against House Resolution 9195, proposing to revise the statutes permitting the importation of cigars, cheroots, and cigarettes in quantities of less than 3,000 in a single shipment or consignment from Cuba; to the Committee on Interstate and Foreign Commerce.

7395. Also, petition of Military Order of the World War, New York, urging passage of Tyson-Fitzgerald bill without amendments; to the Committee on World War Veterans' Legislation.

7396. By Mr. McREYNOLDS: Petition from citizens of Cowan and Monteagle, Tenn., protesting against the passage of the Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7397. By Mr. McSWEENEY: Petition of members of Weimer-Widder Post, No. 549, American Legion, of Beach City, Ohio, favoring Capper-Johnson bill; to the Committee on Military Affairs.

7398. By Mr. MEAD: Petition of Chamber of Commerce of Buffalo, N. Y., pertaining to farm-relief legislation; to the Committee on Agriculture.

7399. By Mr. O'CONNELL: Petition of the National Fertilizer Association, Washington, D. C., opposing the pending House substitute for the Norris Muscle Shoal resolution (S. J. Res. 46), particularly paragraph C of section 20, for which a special rule is now being sought; to the Committee on Foreign Affairs.

7400. Also, petition of the Cigar Makers' International Union of America, Local Union No. 87, Glendale, Brooklyn, N. Y., opposing the passage of House bill 9195, amending sections 2804 and 3402 of the Revised Statutes; to the Committee on Ways and Means.

7401. Also, petition of the Colorado River Commission of Arizona, Phoenix, Ariz., with reference to the Boulder Canyon Dam bill (H. R. 5773); to the Committee on Irrigation and Reclamation.

7402. By Mr. QUAYLE: Petition of Groton Chamber of Commerce, of Groton, Conn., opposing any legislative provision (as outlined in the naval construction bill, H. R. 11526), favoring ship or engine construction in Government plants; to the Committee on Naval Affairs.

7403. Also, petition of the Cigar Makers' International Union of America, of Glendale, Brooklyn, N. Y., opposing House

Resolution 9195, amending sections 2804 and 3402 of the Revised Statutes; to the Committee on Ways and Means.

7404. Also, petition of the Ellay Co. (Inc.), of New York City, favoring the old rate of postage of 1 cent on third-class matter; to the Committee on the Post Office and Post Roads.

7405. Also, petition of the American Legion, Department of New York State, headquarters of New York City, favoring the passage of the universal draft bill; to the Committee on Military Affairs.

7406. Also, petition of Gen. Harrison Gray Otis Post, No. 1537, of Los Angeles, Calif., favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7407. Also, petition of the United Veterans of the Republic, of Los Angeles, Calif., favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7408. Also, petition of Military Order of the World War, of New York, favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7409. Also, petition of Post No. 169, American Legion, of the United States Veterans' Hospital of Outwood, Ky., favoring the passage of the Cutting-Blanton bill; to the Committee on World War Veterans' Legislation.

7410. Also, petition of the American Federation of Labor, favoring the passage of Senate bill 744, with certain amendments, for the establishment and maintenance of the Nation's merchant marine service; to the Committee on the Merchant Marine and Fisheries.

7411. By Mr. TEMPLE: Resolution of Department of Pennsylvania, the American Legion, in support of legislation for the retirement of emergency Army officers permanently disabled in line of duty (H. R. 500, S. 777); to the Committee on World War Veterans' Legislation.

## SENATE

### FRIDAY, *May 4, 1928*

*(Legislative day of Thursday, May 3, 1928)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1929, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 4 to the said bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 1, 10, and 11 and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and also that the House insisted on its disagreement to the amendments of the Senate numbered 7, 8, and 9.

The message also announced that the House had passed the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, with an amendment, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925;

H. R. 11629. An act to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 11723. An act to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

#### ORDER OF PROCEEDING

Mr. HARRISON obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield? I desire to suggest the absence of a quorum.

Mr. HARRISON. If the Senator will withhold the suggestion for a moment, I will then yield. I understand the Senator from Michigan [Mr. VANDENBERG] desires to call up a bill for consideration which will not entail any discussion. I yield to him for that purpose.

#### ADDITIONAL CIRCUIT JUDGE FOR SIXTH JUDICIAL CIRCUIT

Mr. VANDENBERG. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 980, the bill (H. R. 8229) for the appointment of an additional circuit judge for the sixth judicial circuit.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

*Be it enacted, etc.*, That hereafter there shall be in the sixth circuit four circuit judges, to be appointed and to have the powers, salary, and duties prescribed in section 118 of the Judicial Code, as amended.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### RELIEF OF FARMERS

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD certain excerpts from various publications relating to the subject of farm relief and the farm-loan system.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[Editorial appearing in Cooperation Magazine, published by the Cooperative League, New York City]

"RELIEVING" THE FARMER

Last year 2,000,000 people left the farms in the United States. More than half the population of this country is now living in towns and cities of more than 2,500 population. Only about one-fourth of the people are on the farms. The mortgages on the farms, unlike the people, are steadily increasing. The farms are slipping out of the hands of the farmers. The farmers are slipping away from the farms.

POLITICIANS STEAL BANKS FROM FARMER-OWNERS

All kinds of schemes to relieve the farmer have been promoted at Washington. And about the only thing he has been relieved of is his cash. The Federal farm loan act and the bureau which it created might have done the farmer good. But the whole machinery was turned over to the bankers, who now use it to do the farmers. The farmers have no control over the very act that was passed for them. In the meantime things with the farmers go from bad to worse.

GRANGE STANDS FOR PRIVATE OWNERSHIP OF ALL FARM ENTERPRISES

A most comprehensive plan has been developed by A. S. Goss, master of the Washington State Grange. Mr. Goss has taken his plan to Washington with a committee of the National Grange, which has indorsed it, to try to get it enacted into law. The National Grange has for many years been a bulwark of reactionary conservatism. The fact that this measure has come out of its last convention would indicate that the breath of a new life has been blown into it. It looks as though leaders who once were but the agents of the railroads are giving place to farmers of vision and capacity.

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[Article appearing in Farm and Fireside, New York City]

WHAT THE FARM-LOAN SYSTEM NEEDS

(By Gertrude Mathews Shelby, New York writer and a careful student of cooperative credit, executive secretary of the national committee for cooperative banks)

[EDITOR'S NOTE.—We believe in the farm-loan system. We have not attacked it. We have merely called attention to policies and practices of the Federal board in Washington, which are clearly contrary to the letter and spirit of the farm loan act, which intended that management and control should be turned over to farmers.

We continue to insist upon a fair trial of the cooperative features of the law. We hold that farm-loan associations should be strengthened, not eliminated; that they should govern the land banks and participate in making a new market for bonds, while not discarding the old market.

Cooperative marketing is proving highly useful. Genuine cooperative credit will do as much, and even more. (George Martin, editor.)

DO SOMETHING CONSTRUCTIVE

Inasmuch as Farm and Fireside has unstintingly criticized the policies of the farm-loan system it is only just to farmers, to the Federal bureau, and to ourselves to offer in a wholly constructive spirit suggestions about the manner in which the situation may be remedied.

SEPARATE FEDERAL LAND BANKS FROM INTERMEDIATE CREDIT BANKS—A DANGEROUS DUAL POLITICAL AND FARMER-OWNERSHIP COMBINATION

The farm loan and agricultural credits acts should be amended, we think, in the following particulars:

1. The 12 new intermediate credit banks should be immediately and completely separated from the 12 land banks, with which they are now linked. Why?

Intermediates are Government-owned; land banks are farmer-owned. With the same board governing both, a knock on the head intended for one might kill both. Their destinies should not be confused.

Besides that, land-bank boards are now "the little neck of the farm-loan bottle." Even when money is on hand to lend, service is slow partly because applications can not be handled fast enough. Their work should not have been further complicated. Intermediates loan on livestock and warehoused products, land banks on real estate. A full board of experts on each highly specialized type of risk is needed.

2. Nearly four millions of undivided surplus or profits are being withheld. The act should be amended to specify when and how each borrower can get his full share of profits on his stock. To deprive a stockholder of any part of this surplus is to deprive him of the advantages of cooperation.

GET THE FARMER OUT OF DEBT!

After the required ample reserves are set aside, all earnings might be distributed annually. Or the interest rate might be lowered. The fairest plan for the farmer and safest for the system seems to us to be to apply earnings to shorten the term of loans—get the farmer out of debt quicker.

Also, upon repayment of a loan the law should require that it be retired at book value, not par, as now.

FARMERS NEVER GIVEN BUSINESSLIKE ACCOUNT OF THEIR BANKS

3. Businesslike account of your own great banking system has never been made to farmer stockholders. No statement is businesslike which does not include a detailed profit, loss, and expenditure account.

FARMER-OWNERS LIABLE FOR ALL LOSSES OF ALL LAND BANKS

4. Stockholders share in the gains of only their own land banks, but are liable to participate in the losses of all 12. Therefore the Federal board should be required to make available periodically a detailed report and statement of every bank in the system to any stockholder. Borrowers should be in a position to find out facts in full.

LET FARMERS BE REPRESENTED BY MAJORITY CONTROL OF BANKS THEY NOW FULLY OWN AND FULLY ASSUME LIABILITIES OF

5. The control of land-bank boards should be restored to stockholders, now practically powerless to control policy. The original number of directors should be restored to nine, of whom stockholders should elect six. This was guaranteed when 250,000 farmers purchased stock.

(More than 400,000 farmers, or 150,000 more than required number, now own this stock.)

OPERATE A GREAT SECRET CLAN OF FACT SUPPRESSION

6. The law by amendment should make it obligatory upon the board to publish for the use of stockholders a list of all associations and their directors. This information has been generally denied. Because the farmers' candidates in the recent elections did not have access to such lists those events were a farce. The law should require that up-to-date lists be distributed to directors of associations six months before each election, held every three years.

7. In some counties to discover the whereabouts of the farm-loan association requires a search warrant. What private business would fail to have its name in the telephone book and in the general directory? The law should require listing. If it has no office, the address of the official who conducts its business should be given.

PRIVATE BANKS HAVE THEIR MUTUAL, PROTECTIVE ASSOCIATIONS—WHY DOES FARM LOAN BOARD FEAR TO HAVE FARM-LOAN ASSOCIATIONS HAVE THEIR OWN ORGANIZATIONS FREE FROM FARM LOAN BOARD POLITICAL HAMSTRINGING AND HOG-TIED METHODS? IS THERE A REASON? THERE IS—THEY FEAR THAT SUCH A MOVEMENT WOULD SOON END THEIR UNFAIR AND UNJUST POLITICAL DOMINATION OF THAT WHICH THE FARMER NOW OWNS, AND THE END OF THEIR POLITICAL IRON-HAND RULE

The indisputable right of farm-loan associations to federate independently, without hindrance or dictation from land banks or Government bureaus, should be clearly established by an amendment. Had voluntary federation not been forbidden the associations, it would have been well-nigh impossible for politicians to control the land banks all these years. Real cooperation can not be ordered as a woman orders cheese from a store. Men must know each other well to choose officers, decide upon policy with restraint or regulation, and live up to common responsibility.

THESE POLITICAL BANKERS ARE THE ONLY ONES WHO ENJOY A "FREE BUGGY RIDE" AT THE EXPENSE OF THE OWNERS—ALL OTHERS PAY THEIR OWN EXPENSES—UNFAIR TREATMENT ACCORDED FARMER-OWNERS

The provision which requires land banks to pay the expenses of the Farm Loan Bureau of the Treasury Department out of the earnings on farmers' loans is unjust and should be repealed. National and Federal reserve banks do not pay expenses of similar bureaus.

THE FARM LOAN BOARD IS A GOVERNMENT UNTO ITSELF—SHOULD BE MADE RESPONSIBLE TO SOME ONE IN AUTHORITY TO REPRESENT THE PEOPLE AND REMOVED FROM PRESENT PETTY POLITICAL PLUNDERING

The Federal bureau is practically responsible to no authority. It should be made responsible to the Secretary of the Treasury and to the Director of the Federal Budget. The bureau now asks Congress for whatever appropriation it wants. If Congress votes the money, land banks will refund the amount to the Treasury. Because no Government funds are being spent, no check upon expenditures is probable. The door is open to wastefulness and exploitation.

POLITICS HAS CREPT INTO ITS ACTIVITIES—PUT EMPLOYEES UNDER CIVIL SERVICE AND REMOVE THEM FROM PETTY POLITICS

Political and personal patronage has crept into the system. To eradicate it, the act should be amended to place all employees of the board, including appraisers, under civil service.

THERE ARE SIX TOO MANY "BOB-TAILED" MEMBERS OF THE FARM LOAN BOARD—ONE HONEST SUPERVISOR ALL THAT IS NEEDED

To promote efficiency and heighten accountability we recommend reducing the Federal Farm Loan Bureau to one responsible official, who should be farm loan commissioner under the authority of the Secretary of the Treasury. "Bob-tailed commissions" grow slack. When something is found wrong it's nobody's fault. A single commissioner who understands and believes in genuinely cooperative credit is better than six mortgage specialists.

STRENGTHEN THE LOCAL FARM-LOAN ASSOCIATIONS

Demand that your farm-loan associations be strengthened. In this lies the great hope of farmers. Amendment of the law which will permit secretary-treasurers, after loans reach a stated total, to receive reasonable compensation for making collections and performing other duties is one practical step. Arguing that secretary-treasurers would not do this now unpaid work properly, the bureau refused to permit associations to make their own collections, etc.

FARM LOAN BOARD TREATS FARMERS' ASSOCIATION UNFAIRLY AND UNJUSTLY

The Federal bureau has consistently treated the association as though it were a vermiform appendix of the system—quite useless. It has repeatedly backed legislation to remove it under guise of arranging for "voluntary liquidation." The last Congress refused because the association's appraisal and indorsement of loans adds to the security behind the bonds. The law made the associations responsible for collections for two reasons: (a) To save money. (b) By prompt attendance to any delinquency before it becomes a default the association could often prevent loss. When defaults occur, the association as a whole must make good the sum. The secretary-treasurer, knowing personally borrower, property, and circumstances is obviously the best man to act.

BANKER POLITICIANS SERVE FARMERS—SHOULD BE REPLACED BY ACTUAL FARMER REPRESENTATIVES

Secretary-treasurers imbued with the spirit of cooperation do not balk full performance of their duties. Nevertheless, more efficient service might be secured if the work were paid for. Those in a position to know state that three-quarers of the secretary-treasurers are not imbued with the cooperative ideal of the system, the majority being bankers or country lawyers formerly or now engaged in private mortgage business. If so, stockholders should clean house. By the right sort of secretary-treasurers associations may readily be developed into strong, effective community agencies. The maximum income secretary-treasurers can now make is about $2,500 a year; the average is less than half, and the minimum can't be seen with the naked eye.

OPEN UP THE FARM-LOAN BOND SALES—LET EVERY BUYER HAVE A CHANCE INSTEAD OF A BANKER CLIQUE IN NEW YORK

14. Without disturbing present arrangements for the sale of bonds on the market now absorbing them (to secure the funds to loan farmers) provisions should be added to the law which would give everybody a chance to buy these securities and insure a steady expansion of the system.

Now bonds are issued only several times a year. Rich investors get them. They are practically all held east of Lake Erie. No general market has been developed. Small investors must have money available at precisely the moment the issue is out to get a smell of them.

Congress should place upon land banks and the bureau unmistakable responsibility to cultivate the widest possible market for bonds to secure the money to loan.

(a) Bonds should be on sale every day in the year.

(b) They should be widely advertised, until they become as well known as the soap that floats or the cigarette that satisfies.

(c) Secretary-treasurers should be empowered to sell these bonds and collect the commissions. Borrowers now have the right under the law, when for lack of funds their applications can not be granted by the land bank, to take their loans in bonds instead of in cash. Not many would have time or would want to sell these bonds. Secretary-treasurers, however, if permitted, might readily sell them. The old difficulty of finding farm-mortgage money was due partly to the necessity of finding a man with exactly the needed amount. Farm-loan bonds, in denominations of $25, $40, and $100 allow the loan to be split up between any number of purchasers.

Land banks should stand behind the bonds to prevent speculative variation in price.

The amount sold should be added to the quota allotted by the land bank to the association from the general sale of bonds. Forty-seven hundred secretary-treasurers would make a real sales force if trained, and the office would then become a position with fine prospects in it for a "live wire." Rubber and oil-stock salesmen can testify to the amount of money for investment in small towns and country districts. If money made in agricultural regions is kept there, the farmers' dependence on the traditional money center will be lessened and in time an independent financial system built up.

BIG BANKERS HAVE HYSTERICS IF DEPRIVED OF THEIR "RAKE-OFF"

The only people who would be sad are those financiers who privately have hysterics at the mere idea of anybody's money being handled without their getting the accustomed rake-off.

FARM LOAN BOARD IGNORES WILL AND RIGHTS OF THE FARMER-OWNERS OF THE 12 FEDERAL LAND BANKS—TOO PREPOSTEROUS TO BE PERPETUATED LONGER

The Federal Farm Loan Bureau should be legally confined to the reasonable duties of a department of the Treasury, to functions which are supervisory only. The spectacle of 12 privately owned banks being run by politicians who can ignore the will of stockholders, treat them arbitrarily, and get away with it is too preposterous to be perpetuated.

RESTRICT THE FARM LOAN BOARD TO ITS OWN BUSINESS AND PERMIT PRIVATE OWNERSHIP AND MANAGEMENT TO THRIVE INSTEAD OF BEING STIFLED BY POLITICAL PLUNDERERS

The bureau's main functions should be: (a) To see that mortgages in every way comply with the requirements laid down by the law, particularly that they do not exceed 50 per cent of the value of the property; (b) that bonds are properly issued; (c) that reserves are set aside by associations and banks as prescribed; (d) that investments are of required character; (e) that funds are accumulated to pay interest and retire bonds when due; (f) to maintain a campaign of education upon cooperative credit.

FARM LOAN BOARD GUILTY OF USURPATION OF PEOPLE'S RIGHTS—NEED OF DECENTRALIZATION OF THE PRESENT POLITICAL BANKING SYSTEM—LET THE PEOPLE RULE

It is usurpation of rights clearly belonging to stockholder-borrowers for the bureau to determine all policies. It must now approve every appointment. No wonder it is possible indirectly to run the whole system. Its domination, tolerable in the infancy of the land banks, would long ago have been limited if elections had been held as prescribed in the original act. The agricultural credits law extended the bureau's control. These provisions should be repealed, the system decentralized, and the board's power decidedly diminished.

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THE POLITICIANS BETRAY THE FARMER

By Gertrude Mathews Shelby

The mortgage on the old farm, in billion-dollar bulk, has become national drama. Three hundred thousand farmers own 12 great district land banks of the billion-dollar farm-loan system. They subscribed forty-five millions of capital stock, but have been deprived of their right, guaranteed by the farm loan act, to manage and operate their property.

OFFERS GREATEST SYSTEM FOR POLITICAL PLUNDER IN COUNTRY

Why? Partly because the system offers to politicians the greatest patronage outside of the civil service, coupled with the ability to lend two hundred to three hundred millions a year, and partly because of a bureaucrat at the head of the Federal Farm Loan Board. But most important, a fundamental new power was given to our people by the farm loan act, a power financiers greatly feared, whereby agriculture could create and control its own credit pool. If agriculture made a success of the exercise of that right, other workers could justly demand it. The concentration of money might be menaced.

HOW THE FARM LOAN BOARD HANDLED $881,000,000 WITHOUT ANY BOOKS

Naturally a dramatic struggle is on. Sidelights of it appeared in a little-noticed investigation of Congress last session, and a new and more searching inquiry will possibly be demanded this winter. How the Federal Farm Loan Board did business was shown by indisputable testimony that the board had kept no books on transactions of eight hundred and eighty-one millions.

"It recently took the Treasury Department, employing 10 accountants, and working double shifts, from March 12 to about May 1, or nearly seven weeks, to compile a mere statement of receipts and expenditures from the Farm Board records," said Senator HOWELL to his colleagues. "Moreover, the accountant in charge of this work testified that he would have been unable to make up the statement from the records afforded him without the aid of the memories of several of the employees of the board."

ILLEGAL DIVERSION OF TREASURY FUNDS INTO "HIDDEN" BANK ACCOUNT

It was charged also that the board had removed $43,000 from the Treasury without authority, disbursing it without vouchers or receipts upon checks signed only by the Farm Loan Commissioner, first Charles E. Lobdell, later R. A. Cooper. Upon this, too, no books were kept.

ITEMS DISALLOWED BY COMPTROLLER GENERAL PAID BY BOARD MEMBERS

What was done with the money? Items disallowed by the Comptroller General were paid from it. Traveling expenses and extra salaries were paid. Presents were made to employees. Lobdell, who had become the beneficiary of a salary of $25,000, not authorized by the act, plus $15,000 more for expenses, had received his monthly stipend from this account, unknown to the Comptroller General.

SENATOR EDWARDS CALLS IT "ACCOUNT JUGGLING"

Senator EDWARDS has declared that "accounts were juggled." Nepotism of the worst sort existed.

LOBDELL LOVES TO HIRE DRESSMAKERS AS CLERKS

Lobdell employed two sons, another relative, an old friend, his wife's former dressmaker (as statistician of the board), and as secretary his wife's former dressmaker's nephew.

SENATOR HOWELL MAKES SERIOUS CHARGES—"MISAPPROPRIATION OF FUNDS"—CALLS FOR INVESTIGATION

Senator HOWELL made six serious charges on the floor of Congress, including "misappropriation of funds," and put in a resolution of investigation, still pending.

That is one reason why the Progressive platform (1924) carried a plank demanding reconstruction of the farm loan system and indorsing cooperative banking. That is why also certain conservative Democratic and Republican Congressmen have put in bills to accomplish the same end.

There is nothing really more human than the aspiration and pain represented by mortgages. They tell the tale of the struggle of men for homes, for land. From the era of the covered wagon till now men have had to depend on funds obtained on security of their land to start or to stock farms, to carry on through bad crops or general depression. Little farmers, wanting small loans, always suffered most from the mortgage sharks. They got the worst terms. They constitute the bulk of the pitiful flood of bankrupt farmers to-day, a scandalous reflection on both our land and credit policies.

FARMERS HAVE PAID FOR THE BANKS—WHY ARE THEY DEPRIVED OF RIGHTS?

The farm loan act was our first Federal law to encourage banks of the people for use, not profit. Providing a workable method for securing large funds at low cost by issuing bonds against the farm lands on which loans were made, it granted farmers the right to make themselves independent of existing financial pools. Congress advanced $9,000,000 to start 12 land banks. This is now practically all repaid out of earnings. Farmers who borrowed were required to purchase stock to 5 per cent of the amount of their loans. Furnishing the capital, they were endowed with the right to control the management of all 12 land banks, electing the majority of directors. This they have never been permitted to do. In these land-bank boards was vested power to issue and to sell, in whatever manner they saw fit, together or separately, tax-exempt bonds.

WALL STREET BANKERS' CLIQUE CONTROL SALE OF BONDS WHILE LOBDELL DRAWS DOWN A FAT SALARY AND HIGH EXPENSES (TO DRESSMAKERS?)

Selling the bonds is the key power of the system. That is the crux of the present complicated drama. The Federal Farm Loan Board usurped that power, and gave the bond sale over exclusively into the hands of the very group whose interest it was to keep financial power centralized.

A syndicate of six bond houses has had this lucrative business. It is composed of Brown Bros., Harris Forbes & Co., Lee Higginson & Co., the National City Co., the Guaranty Trust Co., and Alexander Brown & Sons, of Baltimore. The amount and time of farm-loan bonds issued have practically been determined by counsel with their agents. That, of course, offers practical if not direct control over how much money agriculture shall receive through this channel. Instead of allowing farmers to decentralize credit the Federal Farm Loan Board, usurping powers in the last analysis belonging to stockholders, hogtied them to the same financiers from whom they were to escape if they chose.

FARMERS, NOT POLITICIANS, HAVE MONEY AND LAND AT STAKE—LET THEM RUN THEIR OWN BUSINESS FREE FROM POLITICAL DOMINATION

A word about the structure of this system. The act provided that 10 or more farmers who wanted loans should organize cooperatively a national farm-loan association ("national" only in that there would be others all over the land). There are now 4,500 of these purely local groups. Certain of them have done a million-dollar business each. When such an association received its charter Government appraisers visited the land, recommending to the lank bank allowance or rejection of loans. Farmers who got loans took stock in the land bank of their district—for example, Spokane, or Springfield (Mass.), or New Orleans. The associations had to indorse every loan, enhancing the security behind the bonds. All associations are liable to twice the value of their stock ($130,000,000) for losses of their own land bank, and each bank is liable for the losses of every other.

"FEDERAL" IN NAME ONLY—IT IS REALLY THE FARMERS' OWN SYSTEM, BUT FARM-LOAN BOARD DENIES THIS FUNDAMENTAL FACT AND WOULD HAVE THE WORLD BELIEVE THAT THEY, THE POLITICIANS, OWN IT

A huge chain. Although called the Federal farm loan system, it never was Federal. It is the farmers' own, but the Federal Farm Loan Board has given them scant encouragement to think so. Within a year after the system was started in 1917 the farmers had met all requirements to take over management of the banks.

NO ELECTIONS HELD BY FARM LOAN BOARD AS DEMANDED IN FARM LOAN ACT—BOARD NEGLECTS TO DO ITS LEGAL DUTY BY FARMERS

But no elections were called. The Federal Farm Loan Board, announcing itself in its first report as opposed to control of banks by borrowers (the farmer owners)—although the first premise of the act the board was intrusted to administer, but that the farmer stockholders and owners should operate their own land banks—proceeded to override the law and to usurp vital functions. To prevent farmers from demanding control, using the plausible excuse that they took the action to protect bond buyers and also to promote the sale of Liberty bonds then being issued, the board secured an amendment deferring elections.

FARMERS DID NOT KNOW WHAT HAD HAPPENED UNTIL AFTER THEY HAD BEEN ROBBED BY POLITICIANS—FARM LOAN BOARD REFUSED TO EVEN LET FARMER OWNERS SEND $10 TO PROTECT THEMSELVES FROM THIEVES OF WASHINGTON CLIQUE

No explanations were vouchsafed. Farmers did not know what had happened to them until several years later. No elections being held, stockholders protested. Some of them tried to organize to protect themselves. Two Attorneys General refused to allow them to use even $10 a year of association funds to support a federation. (Infamous and shady Harry Daugherty was one of these! "Birds of a feather flock together!" No further comment necessary.)

THE STRONG BILL WAS PLAIN BETRAYAL OF PUBLIC TRUST BECAUSE IT LEGALIZED USURPATION OF POWER AND BANISHED HOPE OF PROPERTY OWNERS TO ASSERT THEIR CONSTITUTIONAL RIGHTS

In 1923 the Federal Farm Loan Board wrote and obtained from Congress a revision and emasculation of the original farm loan act by means of the Strong bill. Its provisions were a betrayal of public trust, stultifying the purposes of the original act, legalizing the usurpation of power by the board, and banishing the hope of the farmer stockholders to regain control of their property.

SENATE PASSES VITAL LAW WITHOUT CONSIDERATION—DISGRACEFUL LAST-MINUTE TRICK

Without being considered by the Senate at all it became law. In the disgraceful last-minute legislative jam its sponsors slipped the bill into the composite intermediate credits act, between two measures the Senate had separately passed. Without discussion, without a reading of the bill or the conference report, it became law.

SENATOR FLETCHER CALLS PROVISION "CONFISCATION OF FARMERS' PROPERTY AND RIGHTS TO CONTROL THEIR OWN PROPERTY"

According to Senator FLETCHER (long friend of the farmers' land-bank system), this amendment confiscated the farmers' rights to control their own property. It reduced farmers' elected representation on each land-bank board to a minority. Thus uninterrupted continuation of the bond-selling policy was made probable, for the old land-bank boards were perpetuated in power. This legislation destroyed the promise of decentralization of land credit; it should be repealed.

FARMER OWNERS DEPRIVED OF RIGHT TO OPERATE THE BANKS THEY HAD BOUGHT AND FULLY PAID FOR—POLITICIANS WITHOUT ONE CENT AT STAKE DO ALL THE BOSSING AND RUN UP ALL THE BILLS FOR THE FARMERS TO PAY

Not until the first elections held in seven years occurred could the stockholders fairly measure the seriousness of what had happened. Then they discovered that they had been deprived of their last chance to affect policy, improve service, eradicate policies, reduce their own interest rate—higher than offered by private companies not enjoying tax exemption—or secure the return of several millions of undivided profits held up from year to year. They found the entire system in the hands of politicians with not one cent at stake!

LOBDELL OVERREACHES HIMSELF IN SALARY-GRABBING CAMPAIGN—SENATORS BECOME CURIOUS AS RESULT OF POLITICAL PILLAGE

If salaries had not been raised throughout the land banks, and Lobdell had not overreached himself grabbing for salary and place, the stockholders' protests might have availed them nothing. But certain Senators became curious, and finding facts impossible to ascertain put several resolutions through the Senate which forced continued hearings before the Banking and Currency Committee.

UNFAIR AMENDMENT SADDLED ENTIRE EXPENSE ON FARMERS WHICH IS CONTRACTED BY POLITICIANS—UNPRECEDENTED TREATMENT OF AMERICAN PROPERTY OWNERS

The new legislation put the entire expenses of the Federal Farm Loan Board, a bureau of the Treasury, on the farmers' backs—an unprecedented arrangement; National and Federal reserve banks do not pay the cost of their bureaus. Two new $10,000 memberships were added to the board. Senator BORAH objected to this, charging the two places had been added as a matter of "political exigency." The board, although on record that it was large enough to take care of the work, now declared the new members necessary.

FARMERS REPORT UNFAIR TREATMENT AND POOR SERVICE

Farmers reported unfair practices and poor service; they demanded control of their own banks. Yet the Senate committee refused Senator HOWELL'S request to call certain witnesses or go into the matter further. The appointments were confirmed!

"PLACES MORE IMPORTANT THAN PRINCIPLES," SAID SENATOR NORRIS

"Case of places being more important than principles," commented Senator NORRIS, of Nebraska.

Places! "The system has become a political annex and pie-counter," wrote a stockholder.

POLITICAL PHASE OF POLITICAL BANKS THREATENS EVERY VOTER—PATRONAGE CLAMORED FOR BY POLITICIANS—HENCHMEN THRIVE OFF FARMER HELD DOWN BY TRICK OF CONGRESS IN TAKING AWAY FROM RIGHTFUL OWNERS THEIR RIGHTS TO MANAGE THEIR OWN LAND BANKS

The political phase of these dull-sounding agricultural banks now threatens if it does not already affect every voter. Remember that this system which lends hundreds of millions a year is wholly in the hands of hundreds of political stockholders. These hundreds of jobs constitute a patronage naturally clamored for by politicians. Then suppose Congressmen become greedy to secure the largest share of loans for their districts. If loyal henchmen or relatives are appointed as officers of the land banks and appraisers, discrimination among loans applied for is very easy. Associations, even States, complain that they can not get applications approved. Concentration of loans in others is reported.

QUALIFICATIONS OF POLITICAL APPRAISER DUBIOUS—TRAVEL AROUND AT FARMERS' EXPENSE—MAKE IDEAL ELECTIONEERING GANG

Consider another phase: Appraisers number several hundred. Having to pass no civil-service examinations, and being politically appointed, their qualifications are often most dubious. In each land-bank district there are 60 to 70 who go constantly, at the farmers' expense, from place to place. What an ideal electioneering force!

LOBDELL FORCED TO PUT MONEY BACK INTO THE TREASURY—FORCED TO START KEEPING BOOKS BY OUTSIDE ACTION

The net improvement in the situation as a result of the Senate hearing (on Senator HOWELL'S complaint) was: A large amount of information was obtained; accretions to the irregular account in the Franklin National Bank were stopped by the Secretary of the Treasury and at least a partial refund was demanded; the fiscal agent (Lobdell) began to keep books!

STOCKHOLDING FARMERS WANT TO CONTROL THAT WHICH THEY NOW OWN—WANT ERADICATION OF POLITICAL ABUSES

For the future these are the main demands made by farmers: Stockholders want control of their own property and freedom to decentralize credit. They believe preferential or exclusive contracts should be refused to any bond-selling agency. They desire a broadened market for bonds, lower interest, and returns of surplus. They ask that the right of farm-loan associations to support a federation out of their own funds be recognized. They demand production by the Federal Farm Loan Board of public information now systematically withheld even from the stockholders who own the 12 district land banks. They hope for eradication of political abuses by putting the system under civil service.

IF FEDERAL GOVERNMENT IS HONORABLY TO FULFILL PROMISES TO FARMERS CONGRESS MUST IMMEDIATELY PUT THESE DEMANDS INTO ACTION

If the Federal Government is honorably to make good its promise to agriculture of independence through a cooperative credit system these issues must be met. This kind of credit presents genuine advantages over the old system, where the poorest farmers were the victims of

usurious loan rates. It is especially built up to serve all sections—not the "best territory"—like private joint-stock land banks. Ultimately, by "loans at cost and loans that never come due" (repaid in regular installments), the farmers will get out of debt.

GIGANTIC MORTGAGE INDEBTEDNESS PRESSES DOWN ON FARMER—IT IS A SOCIAL QUESTION TO RELIEVE THE FARMER OF THIS BURDEN

With more than $11,000,000,000 of mortgage indebtedness bearing down on agriculture, that's a social question. To protect and perfect the Federal farm-loan system is a necessity if it were not plain justice.

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[Extract from letter from farmer-owner of land-banking system deprived of his property rights by tricks of Harding-Coolidge administration]

"LET IT GO OVER!"

On page 7742 of the CONGRESSIONAL RECORD, in reporting the presentation by Senator COLE L. BLEASE of a resolution to demand that Secretary of the Treasury immediately release the annual report of the Farm Loan Board—which he has been suppressing and withholding for nearly five months—certain Senators shouted "Let it go over!"

That was purely a statemanshiplike action—"Let it go over!" These politicians will soon infest the various States with a message of "What we did for (should be "to") you dear farmers." The answer to that should be shouted from every seat—"Let it go over!" In fact, the further "over" it goes the better for farmers—so far as supporting at the election ballot box of politicians so craven as to desire to let pass the foul and dishonest treatment accorded farmer-owners of the 12 district Federal land banks by the present political pillage crew that has securely fastened its claws upon the political pork of the great farmer-owner land-bank system, and refuse to let go, allowing these farmer property owners of their simple rights and privileges as American citizens, instead of slaves in some Province of red Russia.

"Let it go over!"

And if Senator CHARLES CURTIS were one-tenth as much interested in the welfare of the farmers as he apparently was when he protested, when Senator BLEASE offered the resolution to release the annual report which Mellon now withholds, and said, "I think it unfair to the Secretary," etc., etc., the same Republican whip of the Senate would long since have rounded up the necessary votes to put the land banks into the hands of the rightful owners, which the same Senator CURTIS long since testified was the way it should have been done in the first place.

But the battle cry of the Coolidge administration now is "Let it go over!" Along next November millions of American voters will let it go over—to the Democrats who have them, first, a farmer-owned land-bank plan, which was pillaged away from them by dishonest Ohio politicians at the time Daugherty, Sinclair, Fall, and company were in the saddle.

"Let it go over!"

CALL OF THE ROLL

Mr. HARRISON. I now yield to the Senator from Kansas.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Edwards | Keyes | Sackett |
| Barkley | Fess | King | Schall |
| Bayard | Fletcher | La Follette | Sheppard |
| Bingham | Frazier | Locher | Shipstead |
| Black | George | McKellar | Shortridge |
| Blaine | Gerry | McLean | Simmons |
| Blease | Gillett | McNary | Smoot |
| Borah | Glass | Mayfield | Steiwer |
| Bratton | Goff | Metcalf | Stephens |
| Brookhart | Gooding | Moses | Swanson |
| Broussard | Gould | Neely | Thomas |
| Bruce | Greene | Norbeck | Tydings |
| Capper | Hale | Norris | Tyson |
| Copeland | Harris | Nye | Vandenberg |
| Couzens | Harrison | Overman | Walsh, Mass. |
| Curtis | Hawes | Phipps | Walsh, Mont. |
| Cutting | Hayden | Pine | Warren |
| Dale | Heflin | Pittman | Waterman |
| Deneen | Howell | Ransdell | Wheeler |
| Dill | Johnson | Reed, Pa. | |
| Edge | Kendrick | Robinson, Ark. | |

Mr. NORBECK. I desire to announce that my colleague the junior Senator from South Dakota [Mr. MCMASTER] is absent on official business. I ask that this announcement may stand for the day.

Mr. GERRY. I desire to announce that the Senator from New York [Mr. WAGNER] is necessarily detained from the Senate, being in attendance upon the funeral of the late Representative Sweet, of New York.

I also wish to announce that the Senator from South Carolina [Mr. SMITH] is detained from the Senate by illness.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Maryland [Mr. TYDINGS] to the farmers' produce market bill.

Mr. HARRISON. Mr. President, am I to understand that the market bill is before the Senate?

The VICE PRESIDENT. It is before the Senate.

Mr. SMOOT. The market bill was taken up by unanimous consent, was it not?

The VICE PRESIDENT. It was.

Mr. SMOOT. I ask for the regular order.

The VICE PRESIDENT. The regular order is Senate bill 728, the Boulder Dam bill.

Mr. SMOOT. I am perfectly aware of it, and I ask the Senator from California [Mr. JOHNSON] to lay it aside temporarily.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which is Senate bill 728, the Boulder Dam bill.

Mr. JOHNSON. I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House bill 1, the tax reduction bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS

Mr. EDGE presented a resolution adopted by the board of commissioners, of Passiac, N. J., favoring prompt action by the United States Tariff Commission in investigating relative to the hand-machine embroidery industry to the end that relief may be obtained by those engaged in that industry in Passaic and vicinity as soon as possible, which was referred to the Committee on Finance.

Mr. LOCHER. Mr. President, I send to the desk a couple of telegrams which I ask may be printed in the RECORD and lie on the table.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

COLUMBUS, OHIO, *May 3, 1928.*

Hon. CYRUS LOCHER,
*Senat Office Building, Washington, D. C.:*

Ohio physicians in session at eighty-second annual meeting officially protest against increase in Harrison narcotic tax and respectfully urge provision in revenue act for deduction of expenses incurred in attending scientific meetings.

OHIO STATE MEDICAL ASSOCIATION,
DON K. MARTIN,
*Executive Secretary.*

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COLUMBUS, OHIO, *May 4, 1928.*

Hon. CYRUS LOCHER,
*United States Senate, Washington, D. C.:*

Approximately 35,000 members American Dental Association consider professional groups discriminated against by not permitting deductions of expenses attending professional meetings from income under present regulations. Therefore we solicit your support of Robinson amendment to revenue bill. Further, narcotic law is for public protection, and why place expense of operation upon the professions loyally cooperating at great inconvenience through keeping records. Thus we trust you will vote against any narcotic-tax increase. Please send copy Senate revenue bill.

Dr. HOMER C. BROWN,
*Chairman Legislative Committee, A. D. A.,*
*Hartman Building.*

REPORTS OF COMMITTEES

Mr. LA FOLLETTE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3281) to provide a shorter workday on Saturday for postal employees, reported it without amendment and submitted a report (No. 990) thereon.

Mr. FRAZIER, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3127) to amend section 217, as amended, of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, reported it without amendment and submitted a report (No. 991) thereon.

Mr. BLEASE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3328) to amend title 39, the Postal Service, Chapter II, section 32, the Code of Laws of the United States of America in force December 6, 1926 (vol. 44, Pt. I, U. S. Stat. L.), reported it without amendment and submitted a report (No. 992) thereon.

Mr. MOSES, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 2751) to amend section 213, act of March 4, 1909 (Criminal Code, title 18, sec. 336, U. S. C.), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia, reported it with amendments and submitted a report (No. 994) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 1900) to provide for the construction of a post road and military highway from a point on or near the Atlantic coast to a point on or near the Pacific coast, and for other purposes (Rept. No. 999); and

A bill (S. 3890) to amend section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes" (Rept. No. 1000).

Mr. BLAINE, from the Committee on the District of Columbia, to which was referred the bill (S. 4124) to provide for notice to owners of land assessed for benefits by the verdict of condemnation juries in the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 993) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 3902) to provide books and educational supplies free of charge to pupils of the public schools of the District of Columbia, reported it without amendment and submitted a report (No. 997) thereon.

Mr. SACKETT, from the Committee on the District of Columbia, to which was referred the bill (S. 4126) authorizing the National Capital Park and Planning Commission to acquire rights in land, and to lease land or existing buildings for limited periods in certain instances, reported it with amendments and submitted a report (No. 1003) thereon.

Mr. BLACK, from the Commitee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3525) for the relief of A. M. Thomas (Rept. No. 995); and

A bill (H. R. 11960) for the relief of D. George Shorten (Rept. No. 996).

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (S. 3692) to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended, reported it with amendments and submitted a report (No. 998) thereon.

Mr. PINE, from the Committee on Military Affairs, to which was referred the bill (H. R. 3467) for the relief of Giles Gordon reported it without amendment and submitted a report (No. 1002) thereon.

Mr. BINGHAM, from the Committee on Military Affairs, to which were referred the following bills, reported adversely thereon:

A bill (S. 3210) providing for the men who served with the American Expeditionary Forces in Europe as engineer field clerks the status of Army field clerk and field clerk, Quartermaster Corps, of the United States Army when honorably discharged; and

A bill (H. R. 8778) for the relief of William W. Woodruff.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON of Arkansas:

A bill (S. 4344) granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across White River near Clarendon, Ark.; to the Committee on Commerce.

By Mr. CAPPER:

A bill (S. 4345) authorizing the Interstate Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Kansas City, Kans.; to the Committee on Commerce.

By Mr. FRAZIER:

(By request.) A bill (S. 4346) to authorize an appropriation for the purchase of certain privately owned land within the Fort Apache Indian Reservation, Ariz.; to the Committee on Indian Affairs.

A bill (S. 4347) granting an increase of pension to Laura L. Hammond (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4348) granting a pension to Maria Maryatt Maxwell; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4349) granting a pension to Mary M. Reynolds; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4350) granting an increase of pension to Mary I. Gatley (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 4351) granting an increase of pension to Etta McLoud (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 4352) for the relief of James R. Kiernan; to the Committee on Military Affairs.

By Mr. GOFF:

A bill (S. 4353) authorizing Huntington Clarksburg Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Great Kanawha River at a point at or near Winfield, Putnam County, W. Va.; to the Committee on Commerce.

By Mr. REED of Pennsylvania:

A bill (S. 4354) for the relief of Atlantic Refining Co., a corporation of the State of Pennsylvania, owner of the American steamship *H. C. Folger*, against U. S. S. *Connecticut;* to the Committee on Claims.

### AMENDMENTS TO TAX REDUCTION BILL

Mr. KING submitted an amendment, and Mr. COPELAND submitted two amendments, intended to be proposed by them to House bill 1, the tax reduction bill, which were ordered to lie on the table and to be printed.

### CUSTOMS SERVICE EMPLOYEES

Mr. EDGE submitted an amendment intended to be proposed by him to the bill (S. 4075) to adjust the compensation of certain employees in the customs service, which was referred to the Committee on Finance and ordered to be printed.

### AMENDMENT OF WORLD WAR ADJUSTED COMPENSATION ACT

Mr. BLACK submitted an amendment intended to be proposed by him to the bill (H. R. 10487) to amend the World War adjusted compensation act, as amended, which was referred to the Committee on Finance and ordered to be printed.

### TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, produce revenue, and for other purposes.

Mr. HEFLIN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. HEFLIN. I make the point of order that the Senate is not in order. I can not hear what is going on in front of the Vice President's desk.

The VICE PRESIDENT. The Senate will be in order.

Mr. HEFLIN. Has the tax bill been laid before the Senate?

The VICE PRESIDENT. The tax bill has been laid before the Senate.

Mr. SMOOT. Mr. President, I desire to submit the following unanimous-consent request:

### UNANIMOUS-CONSENT REQUEST

It is agreed by unanimous consent that when the Senate has completed its consideration of H. R. 1, the pending revenue bill, the Secretary be authorized—

(1) To make necessary changes in numbers and letters in all headings and subheadings and in any cross references thereto.

(2) To strike out or correct cross references that have become superfluous or erroneous, and to insert cross references made necessary or convenient, by reason of changes made by the Senate.

(3) Where amendments adopted to the bill do not conform in typography and indention to the style of the bill as printed, to make such corrections as may be necessary to produce such conformity.

(4) To make such changes in the table of contents as are necessary to make it conform to the action of the Senate in the remainder of the bill.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator propose to give the Secretary power to revise the bill after it has been passed by the Senate?

Mr. SMOOT. Oh, no. If this is not done, we shall have to act upon every solitary change in the bill. It has always been done in the past. It simply authorizes the Secretary, if we strike out a paragraph or section, to change the numbers of the succeeding paragraphs or sections. If we strike out a section, then every section of the bill thereafter has to be renumbered.

Mr. ROBINSON of Arkansas. Of course, there is no objection to giving the Secretary authority to make changes in the numbering of sections or paragraphs or to correct manifest typographical errors. Has the Senator submitted his request to the ranking minority member on the Finance Committee, the Senator from North Carolina [Mr. SIMMONS]?

Mr. SMOOT. No; I have not. It was handed to me in typewritten form just before I presented it.

Mr. ROBINSON of Arkansas. Then I suggest that the Senator let it go over until the Senator from North Carolina has had an opportunity to examine it.

Mr. SMOOT. Very well.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD certain telegrams relating to the pending tax bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegrams referred to are as follows:

EL DORADO, ARK., *May 2, 1928.*

Senator JOE T. ROBINSON,
*United States Senate, Washington, D. C.:*

The Arkansas Medical Society, with a membership of exceeding 1,200, assembled in annual meeting at El Dorado to protest against the proposed increase in narcotic tax from $1 to $3. Furthermore, it is unfair to tax physicians, dentists, and druggists to cover expense, since the real benefit is to the laity and not to the profession.

WM. R. BATHURST, *Secretary.*

---

ELDORADO, ARK., *May 4, 1928.*

Senator J. T. ROBINSON,
*Washington, D. C.:*

This body urges your support of Robinson amendment correcting present discrimination against professional groups in not allowing income-tax deductions while attending professional and scientific meetings, also to oppose the proposed increase narcotic tax.

ARKANSAS DENTAL ASSOCIATION,
H. J. CRUME, *Secretary.*

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COLUMBUS, OHIO, *May 3, 1928.*

Hon. JOSEPH T. ROBINSON,
*United States Senate, Washington, D. C.:*

Approximately 35,000 members of American Dental Association consider that professional groups are discriminated against by not permitting deductions of expenses attending professional meetings from income reports under present regulations; therefore, we solicit your support of Robinson amendment to revenue bill. Further, the narcotic law is for public's protection, and why place expense of operation upon the professions loyally cooperating at great inconvenience through the keeping of records; thus we trust you will vote against any narcotic-tax increase.

Dr. HOMER C. BROWN,
*Chairman Legislative Committee,*
*American Dental Association, Hartman Building.*

COTTON PRICE PREDICTIONS

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of Senate bill 3845. I do not think there will be any objection to its consideration and passage.

Mr. CURTIS. Let the title of the bill be stated, Mr. President.

The VICE PRESIDENT. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 3845) to prohibit predictions with respect to cotton or grain prices in any report, bulletin, or other publication issued by any department or other establishment in the executive branch of the Government.

Mr. HEFLIN. Mr. President, all references to grain have been stricken from the bill, and as it now stands it applies to nothing but cotton. Several days ago the Senator from Connecticut asked for time to examine the bill; the bill has been pending here for two weeks, and I take it that he will not object to it. I trust that he will not. The Senator from Maryland on yesterday asked that the bill go over. It is very necessary that the bill be passed. There is a provision in the agricultural appropriation bill to prevent price predictions as to cotton, and this bill provides a penalty if such a thing shall be done. A number of Senators asked me to introduce the bill, the committee has unanimously reported it, and it ought to be passed. I trust there will be no objection to it.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BINGHAM. Mr. President, the Senator from Alabama is incorrect in stating that I asked that the bill go over.

Mr. HEFLIN. I meant to say that the Senator from Rhode Island [Mr. METCALF] asked that the bill go over.

Mr. METCALF. Mr. President, I think if the bill shall be considered it may take some time. I might want to make one of my long speeches on it. [Laughter.] I suggest that the bill had better go over for the time being.

Mr. HEFLIN. Mr. President, I desired to see who objected to the consideration of the bill. I myself am going to make a speech on it a little later on. I think a part of it will be of interest to the Senator from Rhode Island.

POST OFFICE AT PHILIPPI, W. VA.

Mr. NEELY. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 1010, the bill (H. R. 10799) for the lease of land and the erection of a post office at Philippi, W. Va., and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Buildings and Grounds with an amendment, on page 1, line 8, after the words "Postmaster General," insert the words "and by the Secretary of the Treasury," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to (1) authorize the Philippi Improvement Co. to erect upon the lot of land at the corner of Main and Masons Streets in the city of Philippi, W. Va., a building to be used as a post office of a design, plan, and specification approved by the Postmaster General and by the Secretary of the Treasury, and (2) require of the Philippi Improvement Co. the execution of such bonds to the United States as are required of contractors for the erection of public buildings.

SEC. 2. That the Postmaster General is authorized and directed to lease such building from the Philippi Improvement Co. for a term of 10 years after its occupancy at an annual rental of one-tenth of the total cost of such building, plus taxes, and plus interest at 6 per cent upon the difference between the total cost of the building and the quarterly installments of rent already paid, not including interest or taxes, but in no case shall the total payments provided for by this section exceed $52,600.

SEC. 3. That the expenses of such repairs, maintenance, and operation of the building as the Postmaster General may find necessary and proper during the period of the lease shall be borne by the Post Office Department.

SEC. 4. That upon the termination of the lease provided for in section 2, or upon payment by the Post Office Department at any time prior to the termination of such lease of the total cost of such building minus installments of rent already paid, such building shall become the property of the United States free and clear of all encumbrances.

SEC. 5. That there is authorized to be appropriated the amount necessary to pay the installments of rent provided for by section 2, and the expenses of repairs, maintenance, and operation provided for by section 3.

Mr. NEELY. Mr. President, two years ago the post-office building at Philippi, W. Va., was destroyed by fire. Ever since the mail for that office has been received and distributed in a small room of the Barbour County courthouse, which is destitute of every postal facility. The existing conditions are intolerably inconvenient for every patron of the office. The people of Philippi generously and patriotically propose, in pursuance of the provisions of this bill, to erect their own appropriate post-office building without subjecting the Government to any financial burden. The bill has been approved by the Post Office Department and by the proper committee of the Senate. In order to serve an extraordinary necessity the junior Senator from West Virginia [Mr. GOFF] and I urge the Senate to pass this measure immediately.

Mr. GOFF. Mr. President, as my colleague has stated, we are very anxious to have the bill passed, and I hope it may be passed without delay.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TAX REDUCTION

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. BINGHAM. Mr. President, I submit an amendment to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HARRISON. Mr. President, in the brief time during which I shall occupy the attention of the Senate this morning I desire to address myself to two propositions: One is the debt-retiring policy now being followed by the Treasury Department and the other is the estimates of the Treasury Department as to probable surpluses, because upon these two propositions rest the action of the Senate. The Treasury Department has stated that the Federal Treasury will stand for a cut in taxes of approximately $200,000,000. The majority members of the Finance Committee have accepted the views of the Treasury Department; much of the partisan press of the country have accepted them, and some have been led to believe that the Congress ought to go to no greater extent than $200,000,000 or $210,000,000 in the reduction of taxes.

Mr. President, in its estimates the Treasury Department every year for the last seven years has been incorrect anywhere from $100,000,000 to $600,000,000.

For your benefit I wish to state that in 1922 the Treasury Department estimated a surplus of $24,000,000, while there was an actual surplus of $313,000,000; in 1923 the Treasury Department estimated a surplus of $273,000,000, whereas the surplus grew to $309,000,000; in 1924 the Treasury's estimate was $329,000,000, while the actual surplus was $505,000,000; in 1925 the estimate of the Treasury Department was a surplus of $67,000,000, while the actual figures were $250,000,000; in 1926 the Treasury estimate was $262,000,000, while the actual figures were $377,000,000; in 1927 the Treasury estimate was $383,000,000, while the actual surplus was $635,000,000. This year there is a surplus of more than $400,000,000 in the Treasury. If the Treasury Department has been wrong in every instance for the last seven years, why should its estimate be accepted by us at this time as being conclusive?

When the 1921 revenue bill was under consideration the Treasury Department stated that it would stand for a reduction of $372,000,000. That was the recommendation of the Secretary of the Treasury. That was all the Treasury Department said the Treasury would stand. Both Houses of Congress refused to accept that recommendation, and they cut the taxes by $663,000,000; in other words, nearly $300,000,000 more relief was given in that act to the American taxpayers than the Treasury Department recommended or said that it could stand. Yet, with that large reduction that year, there was piled up in the Treasury a surplus of $313,000,000. The next year the surplus was $309,000,000; and yet the distinguished chairman of the Committee on Finance says that the Treasury's estimate of $200,000,000 at this time should be accepted as conclusive.

When the revenue act of 1924 was before Congress the Treasury Department recommended that a reduction of $323,000,000 would be quite sufficient; that the condition of the Federal finances could stand no greater reduction than that. The Congress did not accept their recommendation and passed an act carrying a reduction of $519,000,000, or nearly $200,000,000 more than the Treasury said it would stand for. Yet, Mr. President, that year, despite that great reduction beyond the recommendation of the Treasury Department, there was piled up in the Treasury a surplus of $505,000,000. The next year there was a surplus piled up of $250,000,000. Yet the distinguished chairman of the Finance Committee and the majority members of that committee say we should accept this year without question the recommendations of the Treasury Department.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. HARRISON. Yes; I yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. Is it not true that the estimates which the Senator is criticizing were all made before the assembling of Congress in each year when it was impossible to know what the receipts of the future two years would be, which were necessarily involved in the estimates for the ensuing fiscal year; and is it not a fact that the estimate upon which the Finance Committee has acted in this case was made after the receipt of the March 15 tax payments, which enabled this estimate to be made with a degree of certainty that has not extended to any of the other cases?

Mr. HARRISON. If the Senator will bide his time, I will get to that very proposition. May I say, however, that he is wholly mistaken?

Mr. REED of Pennsylvania. The Senator is going to answer my question, is he?

Mr. HARRISON. Yes; I am going to answer that question or any other question which the Senator wishes to propound to me. That is the same argument that was made when the 1921 revenue act was being considered; it is the same argument that was made in 1924; it is the same argument that was made in 1926. I propose to read from the 1926 statement of the Secretary of the Treasury, after the March 15 tax returns had come in, as the tax returns for March, 1928, have now come in, upon which the chairman of the committee bases his claims of accuracy and upon which the Senator from Pennsylvania bases his claims of accuracy, and show that in that instance the Treasury figures were wrong, and state the reasons why they were wrong.

I am not deceived, neither are the minority members of the Finance Committee deceived by the assertions of the Treasury Department that this time their statements are more correct than heretofore, because they sent out all over the country and asked the collectors of internal revenue to report immediately upon the returns of the big taxpayers, so that they could compile them quickly and base their estimates upon them.

Mr. President, there are thousands upon tens of thousands of taxpayers in America who pay only their first installment in March; there are thousands upon thousands of them who pay perhaps half, and, perhaps, just a few of them pay all the tax assessed against them. I submit that the situation is not different at this time as to forming conclusions upon the estimates of the Treasury from what it has been in the past. But the Senator from Pennsylvania, with his adroitness—and he is adroit; if there is anybody who could throw up a smoke screen and hoodwink the American people with reference to the fiscal policies of the administration it is the distinguished Senator from Pennsylvania—knew what was coming in the following statement I was going to make, and that is why he tried to divert my attention from the line of discussion I was then pursuing. I showed to the Senate what happened in 1921 and in the consideration of the act of 1924. Now, let us see about the act of 1926.

The Treasury recommended in the consideration of the 1926 act that the Congress could cut the taxes $300,000,000. Congress did not accept that recommendation, but they cut the taxes by $422,000,000. Notwithstanding a $122,000,000 greater cut than that recommended by the Treasury, there was piled up in the Treasury a surplus that year of $307,000,000, and the next year it reached the enormous figure of $607,000,000. Yet with these startling facts before the Senate and before the country—facts which no Senator on the other side will deny—they have the audacity to come here and say, "Let us accept conclusively this year the estimate of the Treasury Department." I submit, Mr. President, if the Treasury Department has been wrong in every instance heretofore it is likely to be wrong in this instance at this time.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit another question?

Mr. HARRISON. Why, yes; the Senator can ask all he desires.

Mr. REED of Pennsylvania. The Senator has called attention to the fact that the surplus in the fiscal year 1927 was about $250,000,000 more than the estimate.

Mr. HARRISON. Nineteen hundred and twenty-seven?

Mr. REED of Pennsylvania. Nineteen hundred and twenty-seven.

Mr. HARRISON. The surplus was $635,000,000.

Mr. REED of Pennsylvania. Yes; $250,000,000 more than the estimate.

Mr. HARRISON. Yes.

Mr. REED of Pennsylvania. Half of that increase was due to increased receipts, mostly because railroads paid their bonds which the Treasury was holding; and half of it was due to the decrease in expenditures, largely because the Senator's colleague from Missouri [Mr. REED] insisted that no legislation, including the deficiency appropriation bill, should pass unless he got his investigating committee continued.

How could the Treasury foresee either of those events; and how is the Treasury to be blamed for its failure to know that there was going to be such a filibuster?

Mr. HARRISON. Mr. President, if I were the Senator from Pennsylvania, I should be the last one in this Chamber to recall that filibuster——

Mr. REED of Pennsylvania. I should think the Senator would.

Mr. HARRISON. Because he was the one that led in it, and he was the one that caused the confusion at that time. It reflected no credit upon the Senator.

Mr. REED of Pennsylvania. The closing speech of that session was one which I should think the Senator would not want to recall.

Mr. HARRISON. It was the best one I ever made, and it was about the Senator from Pennsylvania and his connection with Pennsylvania corrupt politics.

Mr. REED of Pennsylvania. I suppose the Senator remembers what he said.

Mr. HARRISON. Now, may I proceed? I knew that that would be the argument made, that some of the railroads had paid some of their debts, and that we would not collect as much from the railroads next year as that year.

Mr. SMOOT. That is true.

Mr. HARRISON. Yes; to a certain extent that is true; but that does not excuse an error of between four hundred and six hundred million dollars in the Treasury Department's estimate. Not once, but year after year. The Senator can not excuse it under any circumstances.

In answer to the question of the Senator from Pennsylvania, here is a statement made by the Treasury Department in 1925, after the March returns came in. Here is what they said:

Under other revenue acts the March installment had been a certain percentage of the total annual revenue. Our June and September results, however, show that this ratio had changed materially. The explanation appears to be this: The large taxpayers pay in installments throughout the year. The small taxpayers pay in full in March. The taxes of the small taxpayers had been so reduced by the new law that their payments in full did not constitute such a material part of the whole.

Mr. President, that statement was made in 1925 after these returns. The same argument has been made every time; and I submit that there is no accuracy in the estimates made by the department.

Now, let me read some of the statements of some of the leaders on the other side of the aisle in the past with reference to their views of these estimates. Why, they have shifted as the winds have shifted; and none of them shifted more, and quicker, and in greater amount than the distinguished chairman of the Finance Committee.

Last year he shifted from one place to the other. When he was out amid the Black Hills of South Dakota it was one thing. When he was here in his office at Washington it was another thing. When he came in contact with that dominant figure of this administration, Andy Mellon, it was another thing. Now, I want to bear out that statement, because I would not do the Senator an injustice. I know that he has a right to change his mind. He has grown up changing his mind; but I never knew him to change his mind so completely and so constantly as he has upon this tax question during the last two years.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I do.

Mr. SMOOT. The reason why the Senator from Utah changed his mind as to the amount of reduction of taxes for this year was the very fact that after the returns of March 15 were known, and there was not any guess about it, I could not do otherwise than say that that is exactly what I was going to follow out if I could. That is the position I took, and that is my position now.

Mr. HARRISON. Mr. President, before I finish I shall show the motives behind this proposition for the rapid payment of the national debt. I shall lay the picture not only before the Senate but before the American people, and let them draw their own deductions. I shall let them know that from the head of this Government down to the chairman of the Finance Committee and our emissaries in foreign countries they are obsessed with the idea of taxing the American people in excessive sums to pay off the national debt within an unreasonable period. And that, too, notwithstanding the President of the United States on one occasion characterized as larceny, "The collection of more taxes than were required for the orderly administration of the Government."

Mr. SMOOT. I want to say to the Senator, so far as I am personally concerned, that I have no interest whatever in what may be paid off to assist anybody in this country.

Mr. HARRISON. Well, let us see. The Senator, then, can respond.

Mr. SMOOT. I want the Senator to understand that at this particular time. I have insisted, and shall always insist, that we collect from the foreign countries every dollar they owe the Government of the United States, and do it just as fairly as possible.

Mr. HARRISON. The Senator is being hoodwinked. He is being deceived. If he is innocent in this matter, he had better open his eyes quickly, because he is tripping into a trap.

Mr. SMOOT. I will take care of myself, Mr. President.

Mr. HARRISON. The Senator usually does, but I am always willing to give him good advice.

Mr. SMOOT. Before the Senator starts on that, I should like to have the Senator tell the Senate and the country what his estimates are now.

Mr. HARRISON. I shall tell the Senator and the country what my estimates are.

Mr. SMOOT. I should like to have them in detail.

Mr. HARRISON. We will give them to you in detail. Of course, I know it is going to have no influence upon the Senator, because, if he had taken all of our suggestions, he would really have had a pretty good bill here. The best parts of the bill were where he did accept our suggestions.

Mr. SMOOT. I do not know what the Senator means by "our suggestions." Does he mean the suggestions of the majority of the Finance Committee?

Mr. HARRISON. The Senator knows too well what I mean. Will not the Senator now, please, let me proceed?

Mr. SMOOT. Certainly; with great pleasure.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. HARRISON. Mr. President, I want to read a few extracts from the "high-ups" of the administration. Let us take, first, the President, the great friend of Dwight Morrow.

Three hundred and eighty-three million dollars—

Says the President on December 9, 1926, says the New York Times—

surplus for the fiscal year ending June 30, 1927. Expressed opinion that if surplus was to be used for any purpose other than reduction of public debt, it was wisest simply to make refund or credit to all classes of income-tax payers next year.

If it could not be used in paying off the national debt, he wanted to give the credit immediately to the income-tax payers for that year. No permanent tax reduction, notwithstanding at that time, according to his language, there was $383,000,000 surplus in the Treasury.

He said further, a little later, on March 26 of the same year:

Coolidge assured of heavy surplus. Understands surplus for fiscal year will be considerably in excess of the $400,000,000 previously estimated.

Let us see what Mr. Mellon says about this debt retirement, in April, 1923:

Mellon forecasts $484,000,000 deficit in the Budget in 1923—

Deficit!—

instead of the $167,000,000 predicted earlier. The surplus in 1922 will be about $47,000,000.

And yet the surplus was $308,000,000! He was not very far off; just a little over $250,000,000—this great man whose recommendation you ask us to accept as conclusive. I read further from the New York Times of March 16, 1926:

Treasury advises Coolidge that surplus for fiscal year 1924 will exceed one-half billion dollars.

Mellon says in letter to Senator SMOOT (dated July 4, 1926) that surplus of more than $377,000,000, recorded on June 30, has been applied to debt reluction. By close of fiscal year entire surplus will have gone into debt reduction—

Says the Secretary of the Treasury.

On March 21 of that year it says:

Treasury raises its estimate of this year's surplus to $250,000,000. Favors return of 15 per cent tax, but no revision of rates.

Prospect of surplus—

of $600,000,000 makes tax reduction an issue. Mellon prefers debt cut.

Mellon sees $600,000,000 or, maybe, $650,000,000 surplus. Later figures than those he gave to Coolidge.

That was in 1927, June 11—

Senator SMOOT—

Let us get down to him.

Mr. REED of Pennsylvania. Up to him.

Mr. HARRISON. I never supposed before that the Senator from Pennsylvania thought that in going from Mellon to SMOOT you would have to go up. I thought the Senator at least would think that you had to go down.

June 8, 1926, says the Times—

SMOOT tried to prove to his colleagues that unofficial estimates that the Budget surplus on June 30 would be from $250,000,000 to $300,000,000 were built on unstable figures. Expressed doubt whether there would be a considerable surplus at end of fiscal year 1927, quoting figures to prove his estimate.

And yet there was in 1926 a surplus of $377,000,000 and the next year of $658,000,000. The Senator was not very far wrong—just $658,000,000.

SMOOT says the surplus will be between $350,000,000 and $600,000,000.

That was on March 21, 1927; and yet it was still higher than that.

Senator SMOOT further said—

This is March 19, 1927, right after Congress adjourned, following that fight that we made here in that Congress to get some tax relief to the American people, when the majority side of this Chamber thwarted our plans; when, over on the other side of the Capitol, led by the distinguished minority leader of the Ways and Means Committee, a request signed by more than 175

Members of the House of Representatives was presented to the Ways and Means Committee of the House to take up immediately the consideration of a revenue bill and give some relief to the country, but the majority organization over there, acting in conjunction with the majority organization here, both of them under the domination and instruction of the man who sits as Secretary of the Treasury and the man who sits as President of the United States, thwarted our plans. You said the surplus ought to go into debt retirement. Just 12 days after that, however, the Senator from Utah gave out a statement to this effect:

SMOOT estimated surplus would reach as high as $600,000,000. If this figure was reached, Congress would be justified in reducing taxes $500,000,000, with special relief being afforded to corporations and those paying the medium surtaxes.

That was in March of last year.

Mr. SMOOT. I do not know what the papers say, Mr. President. I can not say anything about what papers the statement was in, but——

Mr. HARRISON. This was in the New York Times of March 19, 1927.

Mr. SMOOT. I do not care what paper it may have been in, Mr. President. I have never at any time thought that it would be more than $400,000,000. The Senator gets his years mixed up.

Mr. HARRISON. No; I am not getting my years mixed up. I am reading what purports to be a statement of the Senator and published in a reputable newspaper.

Mr. SMOOT. The Senator has already done it once, and I did not call his attention to it.

Mr. HARRISON. I am quoting from a paper here. The Senator denies the statement.

Mr. SMOOT. No; no.

Mr. HARRISON. I am going to read from papers of other dates and see if they are wrong also.

Mr. SMOOT. The Senator is speaking of one year and I was speaking of another year.

Mr. HARRISON. What year is the Senator speaking of?

Mr. SMOOT. Of course, I do not know in what year that paper was published.

Mr. HARRISON. I am speaking of March 19, 1927, immediately following the adjournment of the last Congress.

Mr. SMOOT. I think I said that the surplus would be over $600,000,000; and it was. It was $635,000,000.

Mr. HARRISON. Yes; the Senator just missed it by $35,000,000 that time. Did the Senator say at the same time that if it was over $600,000,000 we might give tax relief of $500,000,000 to the people at this time?

Mr. SMOOT. That is, if the same increase was made for the year that we are now legislating for, then we could do it.

Mr. HARRISON. It was more than $600,000,000 in 1927, and it is more than $400,000,000 in 1928.

Mr. SMOOT. No; the Senator has made a mistake again. We have not any figures for 1928 yet.

Mr. HARRISON. Why, I am surprised at the Senator. What is the Treasury's estimate for 1928?

Mr. SMOOT. The Treasury's estimate now, after receiving the taxes on March 15, 1928, is about $187,000,000.

Mr. HARRISON. Does the Senator state to this body that the Treasury does not estimate that for the fiscal year 1928, the present year, there will be a surplus of over $400,000,000 in the Treasury?

Mr. SMOOT. The Senator is quoting from a paper of March, 1927. Now he is speaking of the fiscal year which took in the $635,000,000 and was quite a different proposition.

Mr. HARRISON. For 1927 it was over $600,000,000.

Mr. SMOOT. Six hundred and thirty-five million dollars.

Mr. HARRISON. Why, of course; and this year it is more than $400,000,000. Is not that right?

Mr. SMOOT. Mr. President, I said if——

Mr. HARRISON. Oh, yes; "if."

Mr. SMOOT. And I say it again. Nobody knew it. The Secretary of the Treasury did not know it. The Senator from Mississippi did not know it. Nobody in the country knew what it would be for the fiscal year 1928.

Mr. HARRISON. What does the Senator say it is?

Mr. SMOOT. Nobody knew anything about what it would be for the fiscal year 1929—and that is what this bill applies to—until after the returns came in on March 15 of 1928. We must not get the fiscal year and the calendar year mixed up, and that is what the Senator is doing.

Mr. HARRISON. The Senator is still trying to confuse the issue. He plays "hide and seek" well with himself.

Mr. SMOOT. I am not trying to confuse the issue.

Mr. HARRISON. But he can not do it. Here he stated, if the newspaper is correct, in the New York Times of March 19, that the surplus would reach as high as $600,000,000.

Mr. SMOOT. And it reaches $635,000,000.

Mr. HARRISON. He said that if this figure was reached Congress would be justified in reducing taxes $500,000,000.

It reached $635,000,000, and yet the Senator says now that we will stand for a reduction of but $200,000,000.

Mr. SMOOT. The pending bill has no reference to that at all. This bill is to take care of 1929. This bill is based upon the receipts as shown on March 15, 1928, and the estimate of the Treasury was about $200,000,000. To be exact, it is $187,000,000, as I remember. That is what we are working on in this bill.

Mr. HARRISON. Now, let me ask the Senator a question.

Mr. SMOOT. Certainly.

Mr. HARRISON. What did the Senator mean when he said that if this figure, $600,000,000, was reached, Congress would be justified in reducing taxes $500,000,000?

Mr. SMOOT. I said if the amount of $600,000,000 was repeated again; then we could do it, and I say so now.

Mr. HARRISON. No; the Senator did not say anything about "repeated again."

Mr. SMOOT. Well——

Mr. HARRISON. Then the newspaper is wrong.

Mr. SMOOT. I will let the Senator from Mississippi put any construction on it he wants to; any construction he desires.

Mr. HARRISON. Let me read it again, so there will be no confusion about it.

Mr. SMOOT. There is no confusion about it.

Mr. HARRISON. Then we agree, and I will proceed.

Mr. SMOOT. No; we do not agree, because we disagree as to years. There is all the difference in the world.

Mr. HARRISON. Let us take another statement of the Senator. That was March 19.

Mr. SMOOT. Yes.

Mr. HARRISON. That he was going to give tax relief; and if it appeared there would be a surplus of $600,000,000, we were going to get a five hundred million tax reduction bill. On June 8, 1927, the Senator is quoted in the New York Times——

Mr. SMOOT. 1927?

Mr. HARRISON. June 8, 1927, the Senator is quoted as saying:

I think the tax bill is a very important thing and the taxes ought to be reduced to the extent of two hundred and sixty to three hundred million dollars, and the revision effective by February 1 next.

That was the statement at that time, that it could go up to $300,000,000.

Mr. SMOOT. That had no reference whatever to the $600,000,000. It is not the same thing at all.

Mr. HARRISON. I am not talking about the $600,000,000 now. I am just quoting from the Senator's statement. I am talking as the Senator was talking about a permanent tax-relief measure.

On July 22 the Senator made another statement. This was a speech at Rapid City.

Mr. PITTMAN. What year?

Mr. HARRISON. This was 1927. He said:

Plans cut of $300,000,000 including following reductions.

This is when he became specific. He was going to give tax reduction; and he was going to specify where it would come. First, corporation tax, 13½ to 12 per cent. In the pending bill he has not done that. He and his committee first reduced it to 12 per cent, and then they raised it to 12½ per cent. So he is not carrying out that promise. Let us see the next one:

Abolition of admission and so-called nuisance taxes.

He has not done that. He eliminated the admission taxes up to $3, but he left the tax on the balance. We are trying to eliminate all the admission taxes. So he is wrong in that.

Reduction in income taxes between $15,000 and $60,000.

He proposed to give a reduction to everybody who pays an income tax, whether five millions or twelve thousand, so he is wrong in that.

Automobile tax from 3 to 1½ per cent.

He was for that; he was against taking off the automobile tax, but when he saw we had sufficient votes to remove those taxes, then he, with his political brothers on the Finance Committee, suddenly changed front and they come in and now propose to take all the automobile taxes off. Consequently, he was not right in that assertion. I am just wondering whether the Senator was correct in any of those propositions. Let us go further. He made another statement on July 23, 1927, just the day after the other statement.

Will not support reduction beyond $300,000,000. To go beyond that would threaten a deficit.

He will not even go to $300,000,000. He wants to limit it now to $200,000,000. The next statement was November 15, 1927. Now we come to the time when he began to associate with Mr. Mellon and the occupant of the White House. Let us see if he shifted his position again. He says, as reported in the New York Times of that date:

Treasury determined in its stand not to reduce tax yields beyond $225,000,000. SMOOT now agrees.

I have here a copy of the New York Times of that date, in which there appears in big headlines—

Mellon foresees no business slump; tax shift by SMOOT.

Look at it, Senators: "Tax shift by SMOOT." That is in big headlines. So the Senator was just sidestepping and shifting all the time. The Secretary of the Treasury had a powerful influence with him.

I might read from the statements which I put in the RECORD of Representative Green, who at that time was chairman of the Committee on Ways and Means. I might put into the RECORD some of the statements of Mr. HAWLEY, who succeeds him. Of course, Mr. Green has not always agreed with the Treasury Department, so they found another place for him. I am very fond of the distinguished former Representative from Iowa, Mr. Green, but he had reached that age in life when, in the wisdom of Congress, men should retire from public service; so he was taken out of his important position as chairman of the Ways and Means Committee and elevated to a place upon the judiciary. It is quite a contrast, and yet amusing, that just a few weeks after that the chief justice of the Court of Claims, who was not as old as Mr. Green, retired, under the law. Thus we have it that some men who have reached an allotted age step down and accept the provisions of the law governing retirement, while others are kicked out and given like places.

They did not stop there, however. It was thought that Mr. Mills, who had been an influential spokesman for the Treasury Department on the Ways and Means Committee, could render greater service as Undersecretary of the Treasury. He likewise shifted his positions. I have many expressions here in which he speaks for debt retirement. He was the one in the hearings this time who appeared before the Finance Committee and combated the views of the Chamber of Commerce of the United States. He is the one who defends all this debt-retirement policy.

Mr. President, I submit that the Treasury to-day will stand for a tax reduction of at least $325,000,000. The American people are entitled to that relief. We have in this bill eliminated the retroactive features of the law, which give the relief in this tax year. That will carry over next year $400,000,000 of the surplus. That amount will be made available for tax reduction next year.

Ah, but Senators on the other side say, "That has been spent; the debt has been paid. We saved a lot of interest. We are using that money in debt retirement." Yes; but they forget that when they save a quarter of 1 per cent for the Government in retiring these bonds they are compelling the American taxpayer to go out and pay 6 per cent and 8 per cent, and sometimes 10 per cent, to borrow money in order that his taxes might be paid. Yes; you are saving the Government interest, but you are clamping the iron yoke of unnecessary taxes around the necks of the taxpayers of this country.

What about this debt-retiring proposition? Listen to me. In 1919 the Congress thought it was wise to create a sinking fund, which the Congress might appropriate annually to supply, and that that sinking fund should go toward the liquidation of the Nation's debt. The amount was made $253,000,000 annually.

The law provided further that we would take that money and buy Government bonds, and that when those bonds were canceled the interest on those bonds should continue to run and be compounded, piling up year by year in the sinking fund an added amount. Now it amounts to something like $350,000,000. In a few years it will soar to $600,000,000, and on up to $800,000,000. It was thought at that time that we could pay off the Nation's debt in 26 years by the use of that sinking fund alone, not employing surpluses drawn from the taxpayers of the country, not employing the interest that comes from the foreign debt. It was recognized that the war was fought not only for this generation but for generations yet to come, yet, at the rapid gait they are now going, and if we would follow the dictates of the Secretary of the Treasury and the President and the distinguished chairman of the Finance Committee, we would pay the debt off in far shorter time than 20 years. Their answer is that "We save interest by doing so," forgetting that they are imposing higher burdens and interest charges on the taxpayers of the United States.

Mr. President, I believe, and the other minority members of the Finance Committee believe, that a sufficient sinking fund should be provided annually to pay off this national debt in a reasonable time, and in an orderly, certain way. We believe that if you want to fix it at 20 years, you should do so, or at 25 years or 30 years, but the American people ought to know definitely just how much is to be employed every year in the payment of our national debt; that you should not this year pile up new surpluses drawn from the taxpayers and put them into the sinking fund, and take the interest from the foreign debt and put it into the sinking fund, and pay off in some instances more than a billion dollars a year in retiring the Nation's debt.

Why is this, I ask? It is hard to believe, but people have their opinions. I have shown what the President of the United States has said, that he did not want to give tax reduction to the people in 1926, but wanted to apply the surplus to debt reduction. We have read what certain leaders on the other side said last year, that the surplus should be applied to debt reduction.

The Senator from Utah, as well as anyone else, knows how difficult it was to fund our foreign debt. You were a long time negotiating. The representatives of the foreign countries pointed out the fine economic condition of America. They pointed out their own depleted condition. They pointed to the huge debt burdens of those countries, and you, in return, among other things, said that you were not going to cancel the debts, because this country owed huge debts. The large amount of this Nation's debt entered into that negotiation, and was helpful in getting as good a debt-funding agreement as you did procure. There is no question about that.

The debt will be paid in 18 years if we apply the interest on foreign debts and the principal of foreign debts collected with the sinking-fund requirements of the present law. Billions of dollars to be paid by the American people within 18 years. If we pay according to the sinking-fund law, using no cent drawn from the taxpayers in building up a surplus, and not using the interest that comes from the foreign debt, amounting to $160,000,000, if we use just the sinking fund alone, we will pay the whole debt in 22 years. In 22 years, applying merely the sinking fund alone, as provided in the law, excluding interest on foreign debts, excluding surpluses that may be drawn from the taxpayers, we will get out of debt.

Mr. SMOOT. The Senator will probably make the correction, but for the RECORD permit me to say this: The Senator speaks of the amount provided under the law to extinguish the debt. That has reference only to the domestic debt.

Mr. HARRISON. We were to raise 2½ per cent of the aggregate amount of bonds and notes of this Government outstanding, less an amount equal to the par amount of obligations of foreign governments held by the United States. That is quite true.

Mr. SMOOT. But outside of that there will be billions of dollars that we owe, representing money that we loaned to foreign countries, and we have to pay that.

Mr. HARRISON. There is no difference between the Senator and myself on this proposition. Let me continue, and the Senator will see that there is no difference.

Mr. SMOOT. From what the Senator has already said, I think there is.

Mr. HARRISON. The law provided for 2½ per cent upon the outstanding indebtedness of this Government, less the amount the foreign Governments owed.

Mr. SMOOT. But this is the domestic debt; that is, it was money expended by us during the war and not advanced to foreign countries.

Mr. HARRISON. That is quite true.

Mr. SMOOT. It was $10,136,194,500.

Mr. HARRISON. That is absolutely right. The constant appropriation continually for the sinking fund is $253,000,000 plus.

Mr. SMOOT. Yes; but——

Mr. HARRISON. Let me finish this. There is no difference between the Senator and myself.

The aggregate of Liberty bonds and Victory notes outstanding July 1, 1920, was $19,000,000,000 plus. The amount of foreign obligations held by the United States July 1, 1920, was $9,000,000,000 plus. The basis of the sinking fund was $10,136,000,000 plus. Two and one-half per cent of this was $253,000,000. We thought at that time, of course, that the foreign Governments would at least pay the interest and would pay the principal and that we would get the money back. We held their notes. Nobody thought we would have to compromise in some instances on the basis of 27 cents on the dollar, but we did.

If we allow the sinking fund to remain as it is, as I have stated, at $253,000,000 a year, and take that amount and buy Government bonds, as is provided, and cancel them and let the interest continue to run, compounded, in 22 years we will have paid not only our domestic debt but the foreign debt as well.

Does the Senator combat that proposition?

Mr. SMOOT. I combat it so far as the 2½ per cent is concerned. The Senator limited his statement to that basis. We would have to pay all the principal owed by the foreign countries; we would have to pay all the interest owed by the foreign countries; and we would have then to pay the 2½ per cent.

Mr. HARRISON. That is all quite true, but we would pay it all in 22 years. If the Senator disputes that proposition—and will ask his own actuary about it—he will find that I am stating the fact.

Mr. OVERMAN. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. Certainly.

Mr. OVERMAN. As I understand it, the Senator from Utah has said that we owe foreign Governments a billion dollars, which we will have to pay?

Mr. SMOOT. Oh, no. They borrowed billions of dollars from us, and if they do not pay the United States the United States will have to pay the bonds which we sold to get the money to give to those foreign countries.

Mr. OVERMAN. That is quite another question.

Mr. GERRY. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Rhode Island?

Mr. HARRISON. I yield.

Mr. GERRY. I read briefly from the hearings before the Finance Committee as bearing on that point:

Senator SHORTRIDGE. How long would it take us to pay off the entire indebtedness under the present system, eliminating any application by the Treasury for the payment of that debt out of accumulated surplus, except as provided by legislation since the war?

The CHAIRMAN. You mean at the 2½ per cent?

Senator SHORTRIDGE. That is about what it amounts to.

Undersecretary MILLS. About 22 years.

Senator SHORTRIDGE. About 20 years?

The CHAIRMAN. Yes.

Undersecretary MILLS. I think it is about that. It certainly would not be before that.

Mr. HARRISON. There is no controversy about that.

Mr. SMOOT. None at all on that point.

Mr. HARRISON. By the employment of the sinking fund alone, not using the interest we collect annually, which is about $160,000,000, from the foreign debt, we will have paid off our domestic and foreign debt in 22 years. If we want to employ the interest that we collect to build up a sinking fund, that is all right, but let us follow some fixed rule. Let us have the American people know that within a certain period this debt is going to be liquidated. I have the idea—and many people in the country have the idea—that in 18 years we will owe nothing unless we get into another war, which God grant we never will. If we employ the interest and the principal and the sinking-fund requirements during that time, we will be clear out of debt.

Mr. SMOOT. And then we can reduce taxes.

Mr. HARRISON. What will then happen I do not know. Let us see! There is where the Senator has tripped into the trap. There is not a single government whose debt we have not funded, and we have given them 62 years to pay, that will not then be here at the doors of this Government asking for the cancellation of the debt at that time. The argument will be most appealing. The argument will not then lie in the mouth of the chairman of the Finance Committee, who was a member of the War Debt Commission, to say, "Oh, we can not. Look at our own condition. We are in debt. We are taxing the American people to pay off this debt." They would then say immediately in reply, "But you are out of debt. You have prosperity in America. It is a great, wonderful, wealthy country. On the contrary, our nation is poor. We are struggling. We are burdened with taxes. Although we have 42 years more in which to pay you the principal and interest, although you may have settled with us at 27 cents on the dollar, yet we ask you to cancel the debt."

Behind that request will move a great force, a great propaganda which will rise in America, and which will force this Government to cancel those debts. We have seen the effect, poisonous at times as it is, of foreign interests in this country working upon the public mind to get legislation favorable to them. But behind all this are groups made up of the sons and daughters who came from those countries, bringing their pressure to bear upon their Congressmen, upon their Senators, upon the President and others to get those debts canceled. There will be other powerful interests at work. I have cited what the President said about debt retirement and what the Secretary of the Treasury has said about it.

Mr. President, the Senator from Utah as well as the Senator from Pennsylvania will remember that there appeared before the Finance Committee of the Senate some two years ago, when the French debt-funding agreement was before it, Mr. Dwight Morrow. Mr. Morrow at that time was the dominating figure of Morgan & Co., an able man, an estimable gentleman, close chum and college friend of the President of the United States; the man who, it is said, the President seeks for counsel and advice, who sat closeted at times exchanging views with the President when the President would see none other save Dwight Morrow. It is said that the Secretary of the Treasury has been not only a great business friend of Dwight Morrow, but a social friend as well. It is known to everybody how close the Undersecretary of the Treasury, Ogden Mills, has been and is to Dwight Morrow. Mr. Morrow has been appointed by the President on numerous commissions to render high service. He has performed those services well, no doubt. He has recently been honored by being sent as ambassador to Mexico. It is said by his friends that he performed a task there that none other could, powerful man that he was and is.

There he was appearing before the Finance Committee as the dominating representative and figure of Morgan & Co. What was his testimony? I asked him the question if his firm had negotiated and sold any bonds of any foreign country in America within recent months. His answer was to the point:

Since the war we have placed loans of European nations as follows: One loan to Great Britain of $250,000,000 in 1919; six loans to Belgium, one of $25,000,000 in 1920, one of $50,000,000 in 1920, one of $3,000,000 in 1921, one of $30,000,000 in 1924, one of $50,000,000 in 1924, and one of $50,000,000 in 1925; one loan to Austria of $25,000,000 in 1923; two loans to Switzerland, one loan to Germany, and three loans to France, of $100,000,000 each.

There was also a $100,000,000 loan placed in this country by the Italian Government. He told in the testimony how his interests and other groups took those bonds, how they made the loans, how they had to get other institutions in New York to take them over. He said that they sold in some instances, in the case of the Italian bonds, for instance, at 88 cents. They have now gone down still further. As a matter of fact, it is said that they are not marketable now.

The bonds are in this country. The Austrian bonds, the French bonds, the Italian bonds, all the bonds of the foreign governments whom we have given 62 years in which to fund their debts to us, will have their representatives here crying aloud for their cancellation. When they are canceled what will happen? Every Italian bond, every French bond, every Austrian bond, every foreign bond sold by the Morgan interests, through Dwight Morrow and his associates, will be affected by the cancellation of the Governments' debts, and those private bonds will immediately take on new life and soar skyward. They will reach par. They will go above par. Who will be benefited? It will be the groups of interests which own the bonds that were sold by Dwight Morrow's firm. Is that the reason for this unyielding contention, this organized plan upon the part of men in high places to liquidate our foreign debt within such a short time? It behooves the American people to think, and if the Senator from Utah has not believed that, then he is more innocent than I think he is.

Mr. SMOOT. Mr. President, I want to say to the Senator that I think he knows my attitude in relation to the cancellation of foreign debts.

Mr. HARRISON. Yes; but the Senator and I might not be here in 18 or 20 years.

Mr. SMOOT. That may be true, too; and more than likely is true so far as I am concerned.

Mr. HARRISON. I hope the Senator will be here.

Mr. SMOOT. I want to say to the Senator that I have never thought of agreeing, I have never had an idea of agreeing, and I can truthfully say that I never shall agree to the cancellation of the foreign debts. They may not pay us, but the obligation will be there, so far as I am concerned, and will last just as long as time remains as far as any action of mine is concerned.

Mr. BRUCE. Mr. President, does the Senator mean to say that even after our domestic indebtedness has been disposed of the obligations on the part of other nations of the world to us must be paid?

Mr. SMOOT. Certainly.

Mr. BRUCE. Even then?

Mr. SMOOT. Why, yes. Why should we cancel the debts?

Mr. BRUCE. Even after we have not a single dollar of indebtness remaining unpaid we are still to collect?

Mr. SMOOT. Absolutely. There is an obligation existing there that is just as sacred as any obligation the Senator himself would make.

Mr. HARRISON. Mr. President, I merely desired to say what I have said, and I therefore yield the floor.

Mr. SMOOT. Mr. President, in connection with the suggestion of the Senator from Mississippi, there are less than 4,000,000 people in the United States who pay taxes at all. We have no greater number of taxpayers than that, and that number includes all the associations, individuals, and all the corporations in the country. Every reduction that is made by the paying off of our indebtedness, the cancellation of our obligations, means reduction of taxes. If what the Senator said should happen in 18 years, the interest alone at 3 per cent on $18,000,000,000 would be $540,000,000. We talk about tax reduction. That is the best way in the world to have tax reduction.

As far as the debts owing to the United States by foreign countries are concerned, I want to call the attention of the Senate to the fact that approximately half of those debts were made after the close of the war. The advances were made after the close of the war.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Certainly.

Mr. KING. I think the Senator ought to state, in connection with that last observation, that most of the advances made after the armistice were based upon commitments anterior to that time and largely to pay American dealers who had sold goods and supplies and munitions of war to the allied nations, and most of them were payments and advances from the Treasury that went into the pockets of American manufacturers.

Mr. SMOOT. So far as the statement of my colleague is concerned, I could bring the hearings before the Finance Committee and submit them to the Senate, showing that the Senator from Missouri [Mr. REED] called particular attention to the fact and stated that there was not a scintilla of law authorizing such advances. I am not complaining of that. I simply want to call it to the attention of the Senate. I merely called it to the attention of the Senate.

Mr. BRUCE and Mr. SHORTRIDGE addressed the Chair.

Mr. SMOOT. Just a moment. I know what was back of it all. We had been in the Great War; the foreign countries incurred these obligations; there is not any question about it; and, in order to save their own credit or what little they had left, America had to advance this money to them.

Mr. BRUCE. The Senator called attention to the fact that a part of this indebtedness was contracted after the close of the World War. I imagine, however, that even that part of the entire indebtedness that the Senator from Utah [Mr. KING] has suggested was on account of commitments made during the World War.

Mr. SMOOT. I will admit that some of it was, but not all of it.

Mr. BRUCE. And, of course, part of it must also have been made necessary by the calamities and distress, in one form and another, resulting from the World War.

Mr. SMOOT. I have no doubt of that.

Mr. BRUCE. Suppose the Senator is right in saying that we should not cancel any part of the foreign indebtedness contracted after the war——

Mr. SMOOT. I did not say "after the war." I said any part of the indebtedness due to this country by foreign nations for which we are holding their obligations to-day. I will say further to the Senator that there was one country—Italy—whose obligations to the United States amounted to about $2,000,000,000, which were settled on a 26 per cent basis. The proposition that we made to France was on a basis of about 50 per cent.

Mr. BRUCE. I understand that.

Mr. SMOOT. In fact, I was perfectly willing to give France every single dollar that was advanced to her up to November 11, 1918, the date of the armistice, and then let her pay just what we had advanced to her after that, and pay it at the lowest rate of interest borne by any of the bonds which we issued. France, however, did not accept that proposition. If that had been done, it would not have been more than 50 per cent on the dollar of the French obligations due the United States.

Mr. FLETCHER. The reduction the Senator mentions much more than covers what went out of the pockets of American manufacturers.

Mr. SMOOT. Certainly; the reduction that we offered them was more than all that went to the manufacturers.

Mr. BRUCE. The Senator says that no part of the entire foreign indebtedness due to us, as well that contracted during the World War as that contracted after the World War, should be canceled, even though our indebtedness arising out of the World War shall have been completely discharged. I ask, is that the Senator's position?

Mr. SMOOT. I will say to the Senate that my position is exactly as I have stated it. We have settled with England; we have settled with Italy; we have settled with a number of other countries, not a single one of them paying the full amount of their obligations. My position is that when this Nation has settled with a foreign country and the two have agreed upon the amount of the obligation owed to the United States, the foreign country ought to pay it in full. That is my position.

Mr. BRUCE. I wish to say that I do not agree with the Senator. It is perfectly proper that we should ask for these settlements, because our own indebtedness has been contracted and remains unpaid, but it does seem to me that after our entire indebtedness originating in the World War shall have been fully discharged it would be mean and ungenerous not to say a squalid thing for this country then not to cancel the entire balance of the foreign indebtedness that may remain.

Mr. FLETCHER. Discharged by taxing our own people.

Mr. SMOOT. Mr. President, that would be an invitation for the other nations to pay no more money when we shall have collected from our taxpayers a sufficient amount to pay the obligations of the United States.

Mr. BRUCE. Mr. President, as I look at it to-day—of course, I simply state my own point of view, though it is that of thousands of citizens of the United States besides—the only justification that we have for asking that our Allies in the World War pay any part of their indebtedness to us, incurred during the World War, is found in the fact that we ourselves incurred indebtedness on account of that war; but after this latter indebtedness is all paid off—as it will be, I presume, in 15 years or so—it does seem to me that it would be unworthy of this great, generous, magnanimous Nation of ours that we should still insist on the payment to the last farthing of the principal and interest of the war debts due us by foreign governments.

Mr. REED of Pennsylvania. Will the Senator permit me to ask him a question?

Mr. BRUCE. Certainly.

Mr. REED of Pennsylvania. I should like to know which of our distinguished colleagues is speaking for the Democratic Party? I understood the Senator from Mississippi [Mr. HARRISON] to denounce the very thought of cancellation of the debts and warn us that we were going to be exposed to foreign influence to that end, and now I understand the Senator from Maryland to denounce anyone, or disagree violently with anyone, who does not think the debts ought to be canceled the moment the American taxpayer has succeeded in paying off the Liberty bonds which raised the money that we loaned to foreign governments. I should like to know which is the orthodox Democratic doctrine?

Mr. BRUCE. To begin with, I do not feel that I am under any imperious obligation to square my political convictions with those of any Member of the Senate, whether he is a Democrat or a Republican. I will say to the Senator, as my old friend the late S. Teackle Wallis used to say of himself, that while I belong to the Democratic Party in the proper sense of that term, I do not belong to it in any servile sense whatsoever.

Mr. REED of Pennsylvania. I quite honor the Senator for that.

Mr. BRUCE. That may not be sound Pennsylvania politics but it is good Maryland politics.

Mr. REED of Pennsylvania. But I am interested in knowing whether the Senator in this instance speaks the sentiment of the Democratic Party or whether the sentiment of a majority of that party is expressed by the Senator from Mississippi [Mr. HARRISON].

Mr. BRUCE. I do not know whether I speak the sentiments of the Democratic Party as a whole or not, and under the circumstances I do not care. I only know that I speak the sentiments of many of my own Democratic constituents in the State of Maryland, some of whom—and among them several of the most distinguished citizens of that State—have from the beginning advocated the entire cancellation of our foreign indebtedness.

Mr. REED of Pennsylvania. Then, perhaps the Senator from Mississippi, who is a distinguished keynoter, will tell us whether he agrees with the Senator from Maryland.

Mr. HARRISON. Mr. President, I have just expressed at length my own position about this matter. We have voted upon the debt-funding agreements; and Senators, by their votes, certainly expressed their views. I had not supposed the Republican Party had passed on the proposition, certainly the Democratic Party has not done so, that when we shall have

paid off our national debt, then we will be in favor or against the cancellation of the debts due us by foreign governments. For my own part, if I shall have any influence and I am here at that time, I shall then oppose the cancellation of these debts, as I oppose now the too rapid liquidation of our national debt, because I do not want to see that idea encouraged and that day hastened.

Mr. REED of Pennsylvania. Mr. President——

Mr. BRUCE. I think I have the floor.

Mr. REED of Pennsylvania. The Senator from Mississippi and the Senator from Utah are in perfect accord in opposing the cancellation of the debts until the foreign governments that have given us their pledges have complied with them. I am glad to say that I agree with both those Senators.

Mr. BRUCE. Mr. President, I wish to say first of all that I do not see exactly how the Senator could regularly ask of me the privilege of interrupting me when I had the floor and then when I attempted to say something to him, being still upon my feet, deny me the privilege of interrupting him. That is rather an unusual parliamentary situation.

Mr. REED of Pennsylvania. Will the Senator yield to me?

Mr. BRUCE. Yes.

Mr. REED of Pennsylvania. I understood that the Senator from Utah had the floor and that when he yielded I was recognized. If I interrupted the Senator when he held the floor in his own right, I beg his pardon.

Mr. BRUCE. The Senator has been here——

Mr. BROOKHART. Mr. President, I should like to get a chance to ask the Senator from Mississippi a question before we get too far away from his speech.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Too many Senators are talking at the same time.

Mr. BRUCE. Mr. President, it is not my purpose to object to your ruling, but the Senator from Utah yielded the floor to me, and then the Senator from Pennsylvania asked me if I would not suspend what I was saying for a moment and I gave my consent and yielded.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. BRUCE. Yes, I do, if the Senator from Utah no longer has the floor.

Mr. BROOKHART. I wish to ask two or three questions of the Senator from Mississippi. The Senator objects apparently to the payment of our national debt in 18 years. From his speech, as well as I can judge from it, he said that would be an evil which we ought to avoid.

Mr. HARRISON. The Senator correctly interpreted my speech.

Mr. BROOKHART. The Senator from Mississippi mentioned a tax on somebody to pay the national debt. I should like to ask him if the war profiteers and the campaign contributors will not pay most of the debt in 18 years?

Mr. HARRISON. I did not mean the Senator from Iowa.

Mr. BROOKHART. I do not suggest that there is anything personal to me in that claim, but it seemed to me to be one of the most ridiculous arguments I ever heard to oppose paying our debts.

Mr. HARRISON. I am complimented that——

Mr. BROOKHART. When the profiteers of the war are on hand to be taxed to pay it.

Mr. HARRISON. I am complimented that the Senator has that view about it.

Mr. BROOKHART. The Senator made an estimate of the surplus under the rates that he advocates. How much does he figure that surplus will be?

Mr. HARRISON. Under what rates?

Mr. BROOKHART. The rates the Senator has proposed.

Mr. HARRISON. We have not proposed any rates as yet.

Mr. BROOKHART. Well, the Senator and his colleagues will propose rates.

Mr. HARRISON. We will.

Mr. BROOKHART. There will be no surplus under the rates which you will propose, then?

Mr. HARRISON. The idea of the minority members of the Finance Committee is that the Treasury can easily absorb a reduction in taxes of approximately $325,000,000, and if we can have our way about it we will present a substitute for the provisions of this bill touching a reduction of the surplus. I do not care, however, to get into a discussion of that question at this time. We will discuss that later when the amendment is offered.

Mr. BROOKHART. I only care to discuss the general features of it myself. Does the estimate of the Senator and his colleagues include the expense of flood control?

Mr. HARRISON. I judge from the question the Senator propounds that he is not for any tax reduction at this time, but he is for the payment of the national debt.

Mr. BROOKHART. I say frankly that I would be in favor of increasing the taxes if they were put on the right parties.

Mr. HARRISON. I judge that is the Senator's view.

Mr. BROOKHART. I am not for tax reduction; but the Senator favors this flood-control bill?

Mr. HARRISON. Yes; very much so.

Mr. BROOKHART. And has he allowed, in the rates that he will propose, enough to pay that bill? Will that be included?

Mr. HARRISON. The Senator probably was not here when I stated that there was a surplus this year of something over $400,000,000 under the House bill.

Mr. BROOKHART. The Senator proposes to reduce that by $300,000,000?

Mr. HARRISON. The Senator did not let me finish my statement.

Mr. BRUCE. Mr. President, I believe I have the floor. The Senator from Iowa is now going off on a line that hardly justifies me in surrendering the floor to him any longer, though I do not want abruptly to cut him off.

Mr. BROOKHART. One or two more questions.

Mr. BRUCE. I am sorry, but I can not yield further.

The PRESIDING OFFICER. Does the Senator from Maryland yield further to the Senator from Iowa?

Mr. BRUCE. I can not submit to interruptions any longer.

Mr. HARRISON. I should be very glad to answer the questions.

Mr. BRUCE. In his own time the Senator from Iowa can ask his questions; but he is now asking questions that are entirely alien to the one point in which I am interested.

Before I take my seat I merely wish to say that there is nothing surprising even about the idea that the foreign debts due to us might well have been canceled long ago, because, as we all know, there is an urgent body of public opinion in this country, and of the most highly enlightened and disinterested character, which has advocated the entire cancellation of those debts.

I remind the Senator from Utah of the action recently taken by that group of learned men, consisting largely of university teachers, who certainly are among the finest exemplars of our best national ideals, who insisted in the most vigorous and eloquent terms that the war debts due us should be totally canceled. I say nothing of other American citizens outside of academic walks who cherish the same belief.

I have never gone that far. We ourselves contracted, on account of the World War, an indebtedness of very great magnitude, even when considered in the light of our own enormous pecuniary resources; so I have felt that our country did the right thing when it settled on the terms that it did with Great Britain, on the terms that it did with France, and on the terms that it did with Italy.

Mr. SMOOT. We have not settled with France yet.

Mr. BRUCE. That is true; we have not finally settled with France yet.

Mr. SMOOT. Mr. Clemenceau said the other day that they never would pay us a dollar.

Mr. BRUCE. I should have said Belgium, not France. The Senator, strictly speaking, is right, though, so far as the debt commissions of France and the United States are concerned they have arrived at an agreement which lacks only the ratification of the French legislative assembly to be effective. I approve the debt settlements that we have actually arrived at. I think that our country in entering into them came up to the proper level of generosity and magnanimity in every way, though I, for one, do regret that England, in her pride of character and what Edmund Burke once called that chastity of honor which feels a stain as though it were a wound, was not a little less reserved in imparting to us just what she really felt was the proper basis of compromise between her and us under the circumstances. However, as I have said, I approve those settlements. Nevertheless, it does seem to me that when their terms shall have been met down to the time when our own indebtedness incurred on account of the World War—shall have been paid off, then all foreign debts due to us, principal and interest, should be released.

The debtors were our allies and partners with us in a great adventure and a desperate struggle, and though essentially are by no means altogether mere ordinary debtors, I admit that we should not be too quick to accept the opinion of debtors themselves on that subject. The point of view of the debtor is always very different from that of the creditor, whether the debtor is a domestic or an international one; but the very fact that Clemenceau has just stated that not a solitary franc due

by France to the United States will ever be paid shows that in the hearts of the French people there is the feeling that after having taken—to use a plain, coarse phrase—potluck with them in the World War the relations between them and us as debtor and creditor are something just a little different from an ordinary transaction on Wall Street or the Paris Bourse.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Utah?

Mr. BRUCE. I do.

Mr. SMOOT. Suppose the American Government had not taken part in the war, and Germany had won the war, which she more than likely would have done if America had not gone into it, the Senator does not think for a moment that Germany would have been as liberal to France as the Government of the United States has been, does he?

Mr. BRUCE. No; because I have not forgotten that when Bismarck went down to Paris and exacted an indemnity of one milliard of the French people, and afterwards saw with what rapidity the French provided the funds for its payment, he declared grimly that the next time he went to Paris he would bleed France white.

Mr. SMOOT. The Senator is correct.

Mr. BRUCE. That is the Bismarckian, but it is not the American way.

Mr. SMOOT. Not at all.

Mr. BRUCE. Nor is it the German way when Germany is not controlled by a military aristocracy; but that was the Bismarck way.

Mr. SMOOT. But if America had not gone into the war, I think France and all of the other countries that were fighting Germany would have been bled white by this time and no leniency at all would have been exercised toward any of them, in my opinion. What I want America to do is to settle exactly as we settled before; that is, on the basis of capacity to pay. That is what we have done with every single country; and we have all of the debts settled now, with the exception of the debt of France.

Mr. BRUCE. Let me interrupt the Senator for a moment. I agree with him entirely. I think that France, as a matter of self-respect as well as a matter of what is due to us, should come up and enter into a settlement with us as those other European nations have; and I think that she is running the risk of exposing herself to the world as guilty of shabby conduct in not being as sensitive as she should be to her pecuniary obligations to us.

Mr. SMOOT. I want to call the Senator's attention to the fact that we included in the settlement with France not only what we advanced to her for war purposes, but she bought about $2,000,000,000 worth of material, and the amount she agreed to pay was $407,000,000——

Mr. BRUCE. I would not release her from a dollar of that—not one dollar—unless she can plead some equitable set-off arising out of the war which I can not think of at this moment.

Mr. SMOOT. And all that she has ever paid us is 5 per cent upon that amount, or $20,000,000 a year. That amount falls due some time this year or next, I do not know which. That is $407,000,000; and we were perfectly willing to put it in. We were perfectly willing to say, "We will settle with you at 50 cents on the dollar of that, and we are perfectly willing to extend the time of payment for 62 years"; and I do not think it was a very nice thing for Mr. Clemenceau to make the statement he did the other day that France would never pay America one penny.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Maryland yield to the Senator from North Carolina?

Mr. BRUCE. I am sorry, but I can not yield to the Senator at this time. I will be very glad to do so later. The Senator from Utah has opened up a train of reflection by what he has said, which is natural enough, as the Senator from Utah has a way of always speaking right to the point.

The Senator misunderstands me if he thinks that I have any disposition to reflect on our Foreign Debt Commission. Not at all. I think that they handled all their problems in an admirable manner; and I think that they not only handled them with due regard to everything that we as a people had a right to expect of them, but with a generous sense in every regard of what we owed to our debtors. I do not think that there is any fault to be found with the Italian settlement, or with the British settlement, or with the Belgian settlement, or with any other settlement into which they have entered, assuming that our treatment of Great Britain was quite as lenient as she had a right to expect. That is not the point; and I think, of course, that France should not be released from a single dollar of the indebtedness which she has incurred to us under circumstances that do not arise directly out of our war copartnership with her.

The only indebtedness that I have in view as proper for cancellation hereafter is that which was contracted by those foreign countries when we were carrying on the war in conjunction with them, as their allies and comrades, and were struggling as they were struggling for the preservation of human liberty and free institutions throughout the world, or as Wilson said, to make the world safe for Democracy.

Mr. FLETCHER. Mr. President, may I ask the Senator one question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Florida?

Mr. BRUCE. Yes; I will yield, but I promised first to yield to the Senator from North Carolina.

Mr. SIMMONS. No; I will wait.

Mr. FLETCHER. I just want to ask one question—whether the position the Senator takes now, that when our debts are all paid we ought to cancel all foreign obligations to us, is not an encouragement to countries like France, and particularly France, to hold out and say that they are not going to pay this debt, in the hope that eventually we will have discharged all our obligations, met all our bonds, and then the argument that the Senator makes will apply, that we ought to cancel the rest of them? Does he not encourage France in the position that she is taking now?

Mr. BRUCE. No; I do not. I think that the effect would be just the opposite. Then France would have a clear prospect of some limit of time at the end of which her obligation to continue to make payments to us would cease. It is my belief that such an outlook would rather stimulate than dull the disposition of the French to meet their present obligations to us. At least, that is one view that might reasonably be taken of the matter.

The Senator from North Carolina desired to interrupt me. I shall be very glad now to submit to an interruption.

Mr. SIMMONS. The Senator has passed from the point about which I desired to ask him.

Mr. BRUCE. I will go back to it.

Mr. SIMMONS. But I will ask the Senator from Maryland and I will ask the Senator from Utah if they believe that the recent utterances of Mr. Clemenceau reflect the sentiment of the French people and the French Government?

Mr. SMOOT. Does the Senator want me to answer first?

Mr. BRUCE. I do. I should like to have the Senator do so.

Mr. SMOOT. I will say frankly to the Senator that I think they do. I think so from the articles I have received and the letters I have received from individuals in France, men that I know are responsible men, men of the French Government who stand in positions of responsibility. I have come to the conclusion that that is the position of the French people—not every one of them; but, I mean, the great majority of the French people.

Mr. SIMMONS. Does the Senator think that is the position of the present French Government, as distinguished from the French people?

Mr. SMOOT. I could not say that, Mr. President. I do know, however, that in the payments that were made to our Government for last year—that is, the payment of $20,000,000 interest upon the $470,000,000 for goods purchased—the French Government paid that $20,000,000, as they have done ever since the contract was made, and the first payment that was made upon the debt itself was the $10,000,000, or approximately $10,000,000, that was added.

Mr. SIMMONS. That is, the war debt?

Mr. SMOOT. That went on to the war debt. So that under Premier Poincare there has been paid on the French debt, outside of the goods purchased, $10,000,000, and that is all.

Mr. SIMMONS. Does not the Senator think that is a committal, so far as the present French Government can commit the people of France?

Mr. SMOOT. It was at least an acknowledgment; and, if the Senator will remember, when the French settlement was made the payments on the French debt settlement included the $20,000,000, 5 per cent on the amount of purchases made, and in the first two or three years it was $32,500,000, then a few years at $35,000,000, and it increased very gradually, because of the fact that we wanted France to get into such a financial condition that she could stabilize her franc and stabilize her money. That is the reason the settlement made with her was a very much better settlement than was made with most any other country with the exception of Belgium. We allowed Belgium to settle all of the prearmistice debt without interest, providing that she should pay interest on the money advanced to her after the armistice was signed.

Mr. SIMMONS. Mr. President, I want to say, so far as I have any opinion about the matter, that I do not believe that Clemenceau's declaration correctly represents the attitude of the French people, as expressed in the position and attitude of its Government. I think it would be a very sad thing for the United States Senate, through the expression of its Members, t give currency to the idea that this country did accept Mr. Clemenceau's declaration as a finality.

Mr. SMOOT. The Senator does not think my statement is to that effect, so far as the American people are concerned?

Mr. SIMMONS. The Senator went as far as he could possibly go.

Mr. SMOOT. I based my statement on letters I have received, I based it on articles I have seen in the French papers, and I based it upon the statement of French citizens in this country with whom I have conversed. I have not seen a single one of them yet who would not say, "We think that debt ought to be canceled."

Mr. SIMMONS. Mr. President, of course, I think that the individual expression of Frenchmen in this country would be along the line just indicated by the Senator from Utah, but I have very great respect for the honor and integrity of the French people, and I believe, even if there is a tendency at this time toward what might be called repudiation of this just debt to us, the time will soon come when the good sense of that great nation will recognize its obligations to itself, as well as to this country, and its responsibility to make just payments upon that indebtedness. However, that was not what I rose to ask the Senator.

Mr. KING. Mr. President, before the Senator leaves that point, will he suffer an interruption?

Mr. SIMMONS. I do not want to have an expression of sentiment here on the floor of the Senate that would be equivalent to accepting this declaration of Mr. Clemenceau as representing the French Government.

Mr. KING. I want to suggest to my friend from North Carolina, as well as my friend from Virginia, that the recent elections in France support, in my view, the opinion just expressed by the Senator from North Carolina.

Mr. SIMMONS. I had that in mind when I made the statement.

Mr. KING. Poincare, it is known, has uniformly held that the debt must be met, that there must be some common ground upon which the United States and France can meet with a view to accommodating any possible misunderstanding that now arises. He has recently achieved a great political trumph, and comes back to the control of France stronger than before. He will have a more powerful majority in the Chamber of Deputies, as well as in the Senate, than in the past. I think that that indicates that an approachment will soon be made by Poincare to the United States Government with a view to making a settlement of the debt which is due from France to the United States.

Mr. SIMMONS. And that would be in entire harmony with his attitude in recent years.

Mr. KING. Yes.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Virginia?

Mr. BRUCE. I yield.

Mr. GLASS. I would ask the privilege of propounding a question to the Senator from Utah in the time of the Senator from Maryland, as I am compelled to leave the Chamber.

Mr. BRUCE. I am delighted to yield to the Senator.

Mr. SIMMONS. I hope that will not end my interruption.

Mr. GLASS. I ask the Senator to pardon me.

Mr. SIMMONS. I yield, so far as my rights are concerned.

Mr. GLASS. I am told that the Senator from Utah in my absence from the Chamber made the statement that the greater part of the loans made by this Government to foreign governments were made after the armistice, and made without authority of law. I desire to ask if that statement is correct.

Mr. SMOOT. I stated that in the hearings before the Finance Committee the Senator from Missouri [Mr. REED] brought that question up, and it appeared that more money had been advanced after the armistice was signed than before the close of the war, I think to nearly all the countries; I do not know whether it was all of them, but the great majority of them, the larger ones. He took the position that that was done without any law authorizing it.

Mr. GLASS. The Senator from Utah does not make himself responsible for the statement?

Mr. SMOOT. I do not.

Mr. GLASS. As a matter of fact, it is not true. As a matter of fact, after the armistice, millions of dollars were paid to foreign nations, but in response to commitments already made.

Mr. SMOOT. That came out in the discussion.

Mr. GLASS. Not one single dollar was loaned to them, or paid to them, that was not fully warranted by the text of the bond acts passed by Congress. As a matter of fact, the Senator from Utah knows, or should know, that all of these bond acts provided that—

> For the purposes of this act the date of the termination of the war between the United States and the Imperial German Government shall be fixed by proclamation of the President of the United States.

And nobody will find that one dollar was ever paid out of the United States Treasury on account of foreign loans after the proclamation of the President of the United States terminating the war. So that every dollar loaned was loaned in response to textual requirements of the law.

Mr. SMOOT. What I stated before that was that there was more money advanced after November 11, 1918, than was advanced before that date.

Mr. GLASS. I can not say definitely, although I am sure that is not true; but I am sure very definitely that no dollar was loaned to a foreign nation that was not fully warranted by the text of some act of Congress.

Mr. SIMMONS. Mr. President, I had not finished my interruption. If the Senator from Maryland desires to go on, I will not interrupt now.

Mr. BRUCE. I yield.

Mr. SIMMONS. The Senator from Pennsylvania [Mr. REED] sought to give a political aspect to this matter of difference of opinion as to whether our foreign obligations should be canceled or not. I am under the impression that there are no party lines so far as this question is concerned, that there are Democrats and there are Republicans who believe that the debts should not be canceled now or at any time in the future, under any conditions that may arise in the future, except to the extent to which this Government may consent to a reduction of the indebtedness such as has been made to various nations but not to France.

Mr. SMOOT. We offered it to them.

Mr. SIMMONS. Yes; we offered it to them. There is another element in this country who believe that these debts ought to be canceled now, and who believe, with the Senator from Maryland, that they ought to be canceled anyhow whenever our domestic debt is canceled.

The great mass of the people, in my judgment, are against cancellation, but, as I understood the point made by the Senator from Mississippi, his contention is that there is a powerful element in this country who would be glad to see the debt canceled now, and if it can not be canceled now would be glad to see it canceled when we pay our domestic debt, and that the position of many of them with respect to this is a selfish one, which grows out of large loans that have been made, and that the great financial interests in this country are connected with this loan.

The Secretary of the Treasury believes that, I imagine. Probably the subordinates who represent the Secretary believe it. As I understand, the Senator from Maryland is reflecting that view.

The Senator from Mississippi made the argument that the great source of this clamor for the quick payment of our domestic indebtedness was these very interests that have become so much involved in European finances, in the hope that as soon as this debt of ours is forgiven they will have first claim upon the foreign countries for their obligations, and that the result of that would be the advancement of the price and value of their securities. That is the position he was taking. He was insisting that not only the European Governments would like to have this quick payment of our domestic debt, in the hope of getting a cancellation of their debts at the time of its payment, but he insisted that there are big interests in this country that are insisting upon the same policy, that of quick payment of our indebtedness for this purpose.

He was combating that theory as not being in the interest of the American people, but in the interest of a small coterie of American financiers and capitalists, as not being urged by the American people as a whole, or by a majority of the American people, but by a small body interested in the advancement of the price of their securities, and an increase in the security which they would have for the payment of their debt, by wiping off the first lien, which is held by the United States.

I agree with the Senator from Maryland that he does not stand alone. There are a great many people who have no interest in the cancellation of foreign securities who agree with the Senator from Maryland, those professors to whom he has referred, and a great many who are not professors.

Mr. BORAH. Mr. President——

Mr. BRUCE. I yield to the Senator from Idaho.

Mr. BORAH. I want to ask a question of the Senator from North Carolina. Has the Committee on Finance ever undertaken to make any investigation of the activities of those who are seeking to have cancellation of the foreign debt?

Mr. SIMMONS. None that I know of. I admit that the Senator's view represents a very respectable element of people in this country who are not interested in the selfish way that I have described, but I believe that the main pressure of propaganda that has heretofore existed in favor of the cancellation of this debt and the propaganda that will come as soon as our debt is paid off, to cancel the balance of the obligations due us from foreign governments, has come and will come largely from men who are interested in having our foreign indebtedness forgiven because of the loans they have made to those countries. But I do dissent from the idea that there are any partisan lines upon the question. I think most of the Republicans of the country are opposed to cancellation. I think most of the people of the country who are Democrats are opposed to cancellation.

Mr. WALSH of Massachusetts. Mr. President, does the Senator know that the Republican Party, in its platform of 1926 and 1924, declared against cancellation?

Mr. SIMMONS. No; but I supposed, of course, they did, and I supposed the Democratic Party is against cancellation.

Mr. WALSH of Massachusetts. I find, on examining its platform, that the Democratic Party has not taken any position with reference to cancellation.

Mr. SIMMONS. But I do know that in many States the Democratic Party has taken a stand against it.

Mr. BRUCE. Mr. President, I bear witness to the fact that that is the position which the Senator from Pennsylvania [Mr. REED] has always taken in regard to the controversy. I recall the fact that on one occasion before any settlements were arrived at between the United States and any of our debtors he declared with no little vehemence, not to say heat, upon the floor of the Senate, that the American people were fixedly determined not to cancel one red cent owed us by these debtors.

Mr. REED of Pennsylvania. To the limit of their capacity.

Mr. BRUCE. Though I admit that the memory is a treacherous organ, yet the words of the Senator left the indelible impression on my mind that the Senator did not annex any qualification to his statement that those foreign countries might as well surrender all thought of indulgence on our part, because we would never relieve any of them from one red cent of the indebtedness due us by them.

Mr. REED of Pennsylvania. If the Senator will permit an interruption——

Mr. BRUCE. Certainly.

Mr. REED of Pennsylvania. I think the nature of the case establishes that qualification. No sane man expects them to pay beyond their capacity to pay.

Mr. BRUCE. At that time the Senator's attitude seemed to be that they had unlimited capacity to pay, that they had some sort of Fortunatus's purse or Aladdin's lamp, which would enable them to produce any amount of money that might be necessary for the liquidation of their indebtedness to us.

Mr. REED of Pennsylvania. I am diffident about interrupting the Senator, but perhaps he is willing to have it a colloquy. I think when we remember that in no case, except possibly the case of Great Britain, does the sum we are asking them to pay amount to so much as 5 per cent of what they are now spending on the maintenance of their armies and navies, it must be admitted that we are not extravagant in our request.

Mr. BRUCE. Yes; but they are spending that money largely because the United States of America will not do its duty and become a member of the World Court and the League of Nations and aid them in preserving the peace of the world. There is nothing surprising to me in the fact that the face of the Senator from Pennsylvania wore a peculiarly skeptical look when I suggested the idea that at some time in the future, when our own indebtedness arising out of the World War shall have been paid off, we might, as a matter of international generosity and good feeling, release all those foreign debts. I am bound to say that I am somewhat disappointed myself as to France because it was perhaps during the debate, when the Senator from Pennsylvania made his unyielding declaration, that I took up the cudgels for France and expressed my opinion that with just a little indulgence from us she would in due time place her head alongside of ours and reach a settlement with us that would be satisfactory to both countries.

At any rate, during the discussion to which I am referring I took the position that we should at least release France from a sufficient amount of her indebtedness to constitute some sort of equivalent for the large sums of money which she had given to us, in addition to the sums of money that she had loaned to us, when we were struggling, with her aid, for our national independence. I was the first person in this body—indeed, I was the first person in Congress, I think, to express the hope that we might be peculiarly generous in our relations as a creditor to France; and I am happy to say that in many different ways—though I was looking for nothing of the sort—I have received highly gratifying evidences of the sensibility on the part of the French people to the position which I took at that time, both in the form of letters and newspaper clippings and in the form of what was said to me orally when I happened to be abroad last year. I can only affirm that what I said I spoke from my heart. Of all the countries in the world there is not one to which we owe such a debt of gratitude as we owe to France.

Mr. REED of Pennsylvania. Mr. President, if the Senator will permit me——

Mr. BRUCE. Certainly.

Mr. REED of Pennsylvania. I myself have not been loath to speak in favor of the French position from time to time when I thought they were right. But when the Senator suggests that we ought to forgive a part of this debt in recognition of aid which France advanced to us during the Revolutionary War, surely he does not forget that although France, under Louis XVI, was one of the great countries of the world, she did not scruple to take from this country payment of every last red farthing of the debt that we owed to her which she had advanced to us in our distress.

Mr. BRUCE. I know, however, that she was a most generous, indulgent creditor. The Senator will recollect that the debt due by us to her was, in part at least, extended for a considerable time before it was finally funded; and she certainly released us from a part of the interest due her by us.

Mr. REED of Pennsylvania. She released us from interest down to 1783 when the treaty of peace was signed, and from then on we paid the interest.

Mr. BRUCE. That is, I think, a correct statement of the facts, but what I had in mind especially was the certainty that France not only made loans to us during the American Revolution but made splendid gifts. I shall never forget that on one occasion, when Benjamin Franklin went to the French minister to ask for a loan, the reply of the minister was, "No; we will not loan you the money. You have a hard campaign ahead of you in the South. You will need all your own resources of every sort to maintain yourself. My king is not willing to make a loan to you, but he will make a gift of the money to you," and he made it.

Mr. BORAH. The Senator ought to state the balance of it. The French minister in substance stated "We can not make a loan at this time because we do not want it known that we are having any part in this controversy."

Mr. BRUCE. No; that was later.

Mr. BORAH. Oh, no; it was not later. If the Senator will look at the record he will find that it was not later.

Mr. BRUCE. I think the Senator is mistaken. I had occasion once to say, in connection with some statement that the Senator made with reference to this matter, that there is such a thing as impromptu eloquence, but there is no such thing as impromptu history.

Mr. BORAH. That is what I am objecting to now.

Mr. BRUCE. My recollection is that the Senator made some statements of that kind at that time with regard to the transaction to which I have referred that were afterwards corrected by that learned don, Dr. John H. Latane, of Johns Hopkins University.

Mr. BORAH. I read his corrections, but I have also read history and I was stating an historic fact.

Mr. BRUCE. The Senator agreed with the corrections?

Mr. BORAH. No; I did not correct him. I stated the historic facts and now undertake to say that the only gifts which were made were made at the time when it was not thought safe to make a loan because it would identify France with the United States.

Mr. BRUCE. The Senator takes issue again with regard to that. The loan I am speaking of was not a loan made at the

time that Beaumarchais was carrying on his commercial operations, but at a later time.

Mr. BORAH. How much was that generous gift?

Mr. BRUCE. It was in those days considered a very great gift.

Mr. SMOOT. It was about a million dollars. I have a statement of every loan that was made and how it was made.

Mr. BRUCE. I forget the exact amount of it. I do not risk at this moment any statement as to its amount, but it was for that time a very great gift and was most gratefully received by our people; so gratefully that it was one of the things that made Benjamin Franklin say, when he was leaving the shores of France, that the American people would never forget their obligations to France.

So, as I said, we owe to France a measure of consideration such as we owe to no other people. All of us should be prepared to say of the French very much what Franklin himself said of them on one occasion. After making some observation he added, "The truth is that I love the French and the French love me." That has with brief interruptions always been our attitude toward France; that we loved the French and that they loved us, and I trust that the time will come when those delightful relations between the two countries will be completely restored.

What I am disappointed about in France, and I should not be the good friend of hers that I am if I did not state it, is that she has not paid as I see it the punctilious regard to her obligations as a nation to us that she should have paid. I think that we were disposed, in the persons of our Debt Commission, to be just as generous to her as she had any right to expect, indeed, perhaps, more generous than she had any right to expect, I think that it has not at all inured to her international credit that she should have been as dilatory—as faltering—as she has been with respect to her pecuniary obligations to us, and I fervently trust that the new political régime in France will commit itself to a different policy from that which has prevailed recently.

The Senator from North Carolina [Mr. SIMMONS] and the Senator from Mississippi [Mr. HARRISON] in their remarks have revealed the idea that there are selfish motives back of this desire on the part of a large portion of the American people that the foreign debts due us should be canceled.

Mr. SIMMONS. The Senator did not understand me to express any such view, did he?

Mr. BRUCE. I know that the Senator did not. He expressly disclaimed it. I have no exception to take to anything that the Senator said. We know that all human motives, individual, national, or international, are an amalgam of selfishness and unselfishness. The motives that took us into the World War were partly selfish and partly unselfish. There could be no grosser injustice than to say that they were wholly selfish; it would be nothing but a foul slander upon our people to affirm that; but they were partly selfish; that is to say, selfish so far as they arose out of natural instincts of self-preservation, and they were in part gloriously unselfish; that is to say, inspired by the genius of our institutions, by our love of liberty, by our devotion to those distinctive principles which have made our country so prosperous, so great, and so renowned; but if there is any selfishness at work in connection with the idea that the indebtedness due by France to us should be released now or hereafter, I say that it is of very limited operation. Of course, there are many sagacious business men in our country—the Secretary of the Treasury, if I am not mistaken, is one—who have always believed from the beginning that, just as an individual creditor sometimes gains by being indulgent with his individual debtor, so the United States of America, in a merely material sense, might gain more by being generous than by being a harsh creditor to our foreign debtors.

There is much to be said for that view. Often, of course, it is the broad view that is the wise view. Undeniably there is a vast volume of disinterested public opinion existing in this country which holds that those debts should be released. It is not asserting itself now, because the matter is practically settled for the present by the debt settlements into which we have entered.

Mr. SIMMONS. Mr. President, may I interrupt the Senator from Maryland?

Mr. BRUCE. Yes.

Mr. SIMMONS. The Senator spoke about the Secretary of the Treasury a few moments ago. I know, of course, the Secretary of the Treasury was in favor of a speedy liquidation of our domestic debt; but I want to ask the Senator from Maryland if he meant to state or to imply a minute or two ago that the Secretary of the Treasury was now in favor of a cancellation of the foreign indebtedness?

Mr. BRUCE. No; not at all. There is no warrant so far as I know for any such idea.

Mr. SIMMONS. Is the Secretary of the Treasury in favor of such cancellation after our domestic debt shall have been paid?

Mr. BRUCE. No; I have never heard that he entertained any such idea as that; but it is a fact, as the Senator from North Carolina will probably recall, that in one of his interesting papers the Secretary of the Treasury did express the opinion that often, merely as a matter of selfish policy, it is better to be generous with your debtor than too exacting; at least, that is my recollection at this moment. As I have stated, there is a great body of disinterested public opinion in the United States which for a time declared in the most unequivocal terms that there should be a cancellation of those debts; and it is perfectly idle to try to belittle the character of the men who voiced that opinion, because they are among the ablest, the most high-minded, the most useful, the most influential, and the most conspicuous citizens of our country. I am not speaking merely of the circle of learned men connected with our universities who came out in a pronouncement on the subject not very long ago, but I am speaking of thousands of Americans not so conspicuous throughout the length and breadth of our land. In the community in which I live, for instance, I recall the fact that one of the most distinguished of our judges in the city of Baltimore, the Hon. Alfred S. Niles, expressed in a public way the belief that there should be a total cancellation of the foreign debts due us.

He was followed or preceded—I forget which—by Mr. William L. Marbury, who, if not the leader, is among the most distinguished leaders of the Maryland bar. Mr. Marbury took exactly the same position as Judge Niles. My recollection is that the same policy was advocated by the Manufacturers Record, of Baltimore, which is so well known throughout the South and, indeed, in every State of the Union, for that matter. All this now belongs to the past, but I think that there is nothing visionary, nothing speculative, nothing beyond the domain of practical politics in my saying that when our own indebtedness arising out of the World War shall have been extinguished it would be the generous, the magnanimous, the wise, and the proper thing in every respect for this country to cancel all the foreign debts due it.

Of course, if in the meantime France does not arrive at a reasonable basis of settlement with us we should ignore her, but even if she is not fully alive now to what is due to her reputation as a nation it is to be hoped that by that time she will have been fully so and will have entered into a settlement with us that would also then come to an end.

Such are my views. They may be limited to me so far as the United States Senate is concerned, but I not only entertain them but entertain them most strongly.

I have been really discussing what lawyers call a moot question. In no event can the debts due us be paid off under 15 or 18 years from now; and I rather imagine that by that time I shall be paying an individual debt which is of far more consequence to me in a purely personal, selfish sense than any debt that is due by France to the United States. I shall then doubtless have gone where, as the Greeks said, "the most" are. Still, I trust that I may be pardoned for lifting the veil of futurity just a little.

Mr. TYDINGS. Mr. President——

Mr. BRUCE. I yield to my colleague.

Mr. TYDINGS. I ask unanimous consent to have printed in the RECORD, in connection with the foreign-debt discussion, a table which I have prepared showing all the countries of the world, the amount of their defense expenditures for 1927, the amount of foreign securities publicly offered in the United States, the relation which the defense expenditures bear to those securities, the population of the country, the standing armies of each country, showing the men in them and the proportion of men in the standing army to the whole population, the number of reserve forces and the proportion of reserves to the whole population, the total organized forces of the country and their percentage of the total population, also the additional unorganized man power of those countries, and some other information which the table itself will explain, as being worthy, I think, of the attention of the Senate in connection with this matter.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The table referred to is as follows:

*Table showing United States loans to nations of the world and the relation of these loans to their defense expenditures and military establishments*

By MILLARD E. TYDINGS

| Country | Defense expenditures, 1927 | Foreign securities publicly offered in the United States, 1927 | | Population | Active army | | | Reserve forces | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount | Per cent of defense expenditures to loans | | Number | Population | | Number | Population | |
| | | | | | | Per cent | One out of each— | | Per cent | One out of each— |
| Albania | $1,840,000 | | | 850,000 | 11,469 | 1.35 | 74 | | | |
| Argentina | 44,771,000 | $99,561,000 | 222 | 10,087,118 | 33,790 | .33 | 300 | 290,000 | 2.87 | 35 |
| Austria | 11,220,000 | 33,887,000 | 302 | 6,535,365 | 32,704 | .50 | 200 | (1) | (1) | |
| Bavaria | | | | 7,379,594 | | | | | | |
| Belgium | 22,729,000 | 14,130,000 | 62 | 7,874,600 | 71,790 | .90 | 111 | 689,683 | 8.80 | 12 |
| Bolivia | 3,411,000 | 12,585,000 | 369 | 2,155,000 | 7,500 | .23 | 434 | 30,000 | .94 | 106 |
| Brazil | 53,386,000 | 56,780,000 | 106 | 30,635,605 | 35,186 | .12 | 833 | 195,821 | .65 | 154 |
| Bulgaria | 8,404,000 | | | 5,484,143 | 33,000 | .60 | 166 | (1) | (1) | |
| Chile | 13,706,000 | 22,883,000 | 167 | 3,937,678 | 29,760 | .70 | 143 | 177,000 | 4.48 | 22 |
| China | 297,703,000 | 10,752,000 | 3 | 400,000,000 | 1,450,000 | .34 | 300 | | | |
| Colombia | 7,125,000 | 68,670,000 | 964 | 6,617,833 | 8,041 | .14 | 714 | 34,000 | .58 | 173 |
| Costa Rica | 655,000 | 1,800,000 | 280 | 507,193 | 318 | .06 | 1,666 | 37,055 | 7.30 | 14 |
| Cuba | 11,515,000 | 61,750,000 | 537 | 3,418,033 | 13,722 | .41 | 244 | | | |
| Czechoslovakia | 56,973,000 | 1,500,000 | 3 | 13,613,172 | 140,700 | 1.03 | 97 | 1,489,000 | 10.94 | 10 |
| Denmark | 15,738,000 | 28,046,000 | 178 | 3,419,056 | 9,177 | .27 | 370 | 150,000 | 4.34 | 23 |
| Dominican Republic | 1,473,000 | 5,000,000 | 341 | 897,405 | 2,100 | .23 | 434 | 25,000 | 2.79 | 34 |
| Ecuador | 1,933,000 | | | 2,000,000 | 5,814 | .29 | 345 | 25,000 | 1.25 | 80 |
| Estonia | 4,994,000 | | | 1,110,538 | 17,000 | 1.53 | 65 | 27,000 | 2.43 | 41 |
| Finland | 14,467,000 | | | 3,495,000 | 29,700 | .85 | 118 | 250,300 | 7.16 | 14 |
| France | 269,463,000 | 50,000,000 | 18 | 40,922,300 | 727,413 | 1.80 | 56 | 4,610,000 | 11.30 | 9 |
| Germany | 127,581,000 | 222,692,000 | 175 | 62,348,782 | 100,000 | .16 | 625 | (1) | (1) | |
| Australia | 177,752,000 | 101,508,000 | 57 | 6,103,924 | 1,697 | .03 | 3,300 | 49,646 | .81 | 123 |
| Canada | 13,086,000 | 319,765,000 | 2,444 | 9,504,700 | 3,499 | .04 | 2,500 | 61,288 | .65 | 154 |
| Great Britain | 567,427,000 | 5,747,000 | 1 | 45,226,300 | 214,190 | .47 | 213 | 309,251 | .68 | 148 |
| India | 215,999,000 | | | 318,942,480 | 161,000 | .05 | 2,000 | 76,481 | .02 | 5,000 |
| Irish Free State | 11,669,000 | | | 2,972,802 | 13,564 | .46 | 218 | 4,500 | .15 | 600 |
| New Zealand | 4,656,000 | | | 1,395,815 | 515 | .04 | 2,500 | 22,039 | 1.59 | 63 |
| South Africa | 4,490,000 | | | 7,481,866 | 9,450 | .13 | 770 | 15,000 | .20 | 500 |
| British Empire | 995,079,000 | 427,020,000 | 43 | 391,627,887 | 403,915 | .10 | 1,000 | 538,205 | .14 | 714 |
| Greece | 25,646,000 | 2,000,000 | 7 | 6,200,000 | 55,000 | .90 | 111 | 266,489 | 4.30 | 23 |
| Guatamala | 1,358,000 | 3,150,000 | 232 | 2,119,165 | 7,794 | .32 | 312 | | | |
| Honduras | 928,000 | | | 733,408 | 2,253 | .33 | 303 | 39,375 | 5.86 | 17 |
| Haiti | 1,299,000 | | | 2,045,000 | 3,144 | .15 | 600 | 20,000 | .98 | 102 |
| Hungary | 19,835,000 | 26,122,000 | 132 | 7,980,143 | 47,000 | .60 | 166 | (1) | (1) | 166 |
| Italy | 218,816,000 | 120,400,000 | 55 | 42,115,606 | 380,448 | .90 | 111 | 2,990,454 | 7.10 | 14 |
| Japan | 208,245,000 | 308,647,000 | 150 | 86,000,000 | 210,000 | .24 | 417 | 2,038,000 | 2.37 | 42 |
| Latvia | 8,927,000 | | | 1,844,805 | 18,000 | .98 | 102 | 20,000 | 1.08 | 92 |
| Lithuania | 3,989,000 | | | 2,011,173 | 20,000 | .90 | 111 | | | |
| Liberia | 125,000 | | | 2,035,000 | 3,300 | .16 | 625 | 3,500 | .17 | 588 |
| Luxemburg | 195,000 | | | 260,767 | 338 | .13 | 770 | | | |
| Mexico | 38,476,000 | | | 14,234,799 | 76,243 | .53 | 190 | | | 190 |
| Netherlands | 23,651,000 | 20,716,000 | 87 | 7,358,365 | 18,679 | .25 | 400 | 330,396 | 4.46 | 23 |
| Dutch East Indies | 44,595,000 | 156,465,000 | 351 | 49,534,618 | | | | | | |
| Nicaragua | 219,000 | 266,059 | 121 | 638,119 | 2,112 | .30 | 333 | | | |
| Norway | 11,129,000 | 29,466,000 | 265 | 2,649,775 | 30,000 | 1.20 | 83 | 315,000 | 11.90 | 8 |
| Palestine | 1,625,000 | | | 757,182 | | | | | | |
| Panama | | 1,500,000 | | 442,522 | | | | | | |
| Paraguay | 1,068,000 | | | 853,321 | 2,722 | .32 | 313 | | | |
| Peru | 7,222,000 | 60,000,000 | 831 | 5,500,000 | 14,222 | .28 | 357 | 20,000 | .40 | 250 |
| Poland | 74,857,000 | 47,000,000 | 63 | 29,249,000 | 242,372 | .83 | 120 | 500,000 | 1.71 | 58 |
| Portugal | 25,916,000 | | | 6,033,000 | 26,200 | .43 | 233 | 430,000 | 7.13 | 14 |
| Rumania | 44,199,000 | | | 17,393,000 | 266,500 | 1.53 | 65 | 750,000 | 4.31 | 23 |
| Russia | 347,580,000 | | | 146,300,000 | 658,000 | .45 | 200 | 5,425,000 | 3.71 | 24 |
| Salvador | 1,656,000 | 3,150,000 | 190 | 1,610,000 | 3,929 | .24 | 417 | 215,576 | 13.38 | 7½ |
| Spain | 85,194,000 | | | 21,347,000 | 272,787 | 1.28 | 80 | 1,330,226 | 6.23 | 16 |
| Sweden | 37,017,000 | | | 6,005,759 | 10,169 | .17 | 590 | 667,831 | 11.19 | 9 |
| Switzerland | 16,374,000 | | | 3,917,800 | 453 | .01 | 10,000 | 305,000 | 7.78 | 13 |
| Turkey | 29,910,000 | | | 14,000,000 | 125,000 | .89 | 112 | 200,000 | 1.43 | 70 |
| Uruguay | 7,134,000 | | | 1,662,116 | 9,300 | .57 | 176 | 7,000 | .43 | 233 |
| Venezuela | 3,043,000 | 10,275,000 | 337 | 3,000,000 | 7,500 | .32 | 313 | | | |
| Yugoslavia | 41,346,000 | 34,035,000 | 85 | 12,017,323 | 142,000 | 1.20 | 83 | 2,050,000 | 17.00 | 6 |
| United States | 679,709,000 | | | 118,628,000 | 137,698 | .12 | 833 | 296,709 | .25 | 400 |

| Country | Total organized forces | | | | | Additional man power (unorganized) | Total military man power | |
|---|---|---|---|---|---|---|---|---|
| | Number | Population | | Military man power | | | Number | Per cent of population |
| | | Per cent | One out of each— | Per cent | One out of each— | | | |
| Albania | 11,469 | 1.35 | 74 | 14.00 | 7.0 | 70,000 | 81,469 | 9.58 |
| Argentina | 323,790 | 3.20 | 31 | 21.50 | 5.0 | 1,180,000 | 1,503,790 | 15.00 |
| Austria | 32,704 | .50 | 200 | 6.10 | 16.0 | 500,000 | 532,704 | 8.10 |
| Belgium | 761,473 | 9.70 | 10 | 70.80 | 1.4 | 314,417 | 1,075,890 | 13.60 |
| Bolivia | 37,500 | 1.17 | 90 | 32.00 | 3.0 | 80,000 | 117,500 | 3.67 |
| Brazil | 231,007 | .77 | 130 | 24.00 | 4.0 | 737,743 | 968,750 | 3.16 |
| Bulgaria | 33,000 | .60 | 166 | 4.70 | 21.0 | 667,000 | 700,000 | 12.70 |
| Chile | 206,760 | 5.18 | 19 | 32.20 | 3.0 | 435,000 | 641,760 | 16.23 |
| Colombia | 42,041 | .72 | 140 | 14.40 | 7.0 | 250,000 | 292,041 | 4.75 |
| Costa Rica | 37,373 | 7.36 | 14 | 74.00 | 1.4 | 13,205 | 50,578 | 10.00 |
| Cuba | 13,722 | .41 | 244 | 6.24 | 16.0 | 206,000 | 219,722 | 6.52 |
| Czechoslovakia | 1,629,000 | 12.00 | 8 | 77.40 | 1.3 | 475,000 | 2,104,700 | 15.50 |
| Denmark | 159,177 | 4.61 | 22 | 34.23 | 3.0 | 300,000 | 459,177 | 13.28 |
| Dominican Republic | 27,100 | 3.02 | 33 | 25.30 | 4.0 | 80,000 | 107,100 | 11.96 |
| Equador | 30,814 | 1.54 | 65 | 23.50 | 4.0 | 100,000 | 130,814 | 6.54 |
| Estonia | 44,000 | 3.96 | 25 | 25.75 | 4.0 | 127,000 | 171,000 | 15.45 |

[1] Limited by treaty.

*Table showing United States loans to nations of the world and the relation of these loans to their defense expenditures and military establishments*—Continued

| Country | Total organized forces | | | | | Additional man power (unorganized) | Total military man power | |
|---|---|---|---|---|---|---|---|---|
| | Number | Population | | Military man power | | | Number | Per cent of population |
| | | Per cent | One out of— | Per cent | One out of each— | | | |
| Finland | 280,000 | 7.10 | 14 | 50.90 | 2.0 | 270,300 | 550,300 | 15.80 |
| France | 5,337,413 | 13.00 | 7½ | 88.24 | 1.1 | 700,000 | 6,037,413 | 14.60 |
| Germany | 100,000 | .16 | 625 | 1.15 | 87.0 | 8,600,000 | 8,700,000 | 13.90 |
| Australia | 51,343 | .84 | 118 | 8.55 | 12.0 | 548,657 | 600,000 | 9.80 |
| Canada | 64,787 | .70 | 143 | 7.62 | 13.0 | 785,213 | 850,000 | 8.90 |
| Great Britain | 523,441 | 1.20 | 83 | 8.53 | 12.0 | 5,612,899 | 6,136,340 | 13.60 |
| India | 237,481 | .07 | 1,428 | 8.08 | 12.0 | 2,700,946 | 2,938,427 | .90 |
| Irish Free State | 18,064 | .60 | 166 | 5.01 | 20.0 | 342,290 | 360,354 | 12.10 |
| New Zealand | 22,554 | 1.63 | 61 | 17.00 | 6.0 | 110,048 | 132,602 | 9.50 |
| South Africa | 24,450 | .33 | 300 | 3.42 | 29.0 | 690,550 | 715,000 | 9.50 |
| British Empire | 942,120 | .24 | 416 | 8.00 | 12.0 | 10,880,603 | 11,822,723 | 3.00 |
| Greece | 321,489 | 5.20 | 19 | 53.58 | 2.0 | 278,511 | 600,000 | 9.70 |
| Guatemala | 7,794 | .32 | 313 | 5.87 | 17.0 | 125,000 | 132,794 | 5.41 |
| Honduras | 41,628 | 6.19 | 16 | 64.44 | 1.5 | 22,925 | 64,553 | 9.59 |
| Haiti | 23,144 | 1.13 | 90 | 10.37 | 10.0 | 200,000 | 223,144 | 11.00 |
| Hungary | 47,000 | .60 | 166 | 6.10 | 16.0 | 723,000 | 770,000 | 9.60 |
| Italy | 3,370,902 | 8.00 | 12½ | 62.75 | 1.6 | 2,000,000 | 5,370,902 | 12.60 |
| Japan | 2,248,000 | 2.60 | 40 | 30.35 | 3.3 | 5,092,000 | 7,340,000 | 8.50 |
| Latvia | 38,000 | 2.06 | 48 | 15.77 | 6.3 | 203,000 | 241,000 | 13.00 |
| Lithuania | 20,000 | .90 | 111 | 6.66 | 15.0 | 280,000 | 300,000 | 13.45 |
| Liberia | 6,800 | .33 | 300 | 6.37 | 15.0 | 100,000 | 106,800 | 5.25 |
| Luxemburg | 338 | .13 | 770 | .86 | 116.0 | 39,000 | 39,338 | 14.50 |
| Mexico | 76,243 | .53 | 190 | 5.97 | 17.0 | 1,200,000 | 1,276,243 | 8.96 |
| Netherlands | 349,075 | 4.71 | 21 | 48.55 | 2.0 | 370,000 | 719,075 | 9.69 |
| Dutch East Indies | | | | | | | | |
| Nicaragua | 2,112 | .30 | 333 | 3.16 | 31.0 | 64,638 | 66,750 | 9.54 |
| Norway | 345,000 | 13.00 | 7½ | 85.18 | 1.2 | 60,000 | 405,000 | 15.70 |
| Palestine | | | | | | | | |
| Panama | | | | | | 35,000 | 35,000 | 7.85 |
| Paraguay | 2,722 | .32 | 313 | 4.72 | 21.0 | 55,000 | 57,722 | 6.76 |
| Peru | 34,222 | .68 | 148 | 30.00 | 3.3 | 80,000 | 114,222 | 2.28 |
| Poland | 742,372 | 2.54 | 40 | 27.07 | 3.7 | 2,000,000 | 2,742,372 | 9.40 |
| Portugal | 456,200 | 7.60 | 13 | 47.71 | 2.1 | 500,000 | 956,200 | 15.80 |
| Rumania | 1,016,500 | 5.84 | 18 | 63.53 | 1.6 | 583,500 | 1,600,000 | 9.20 |
| Russia | 6,083,000 | 4.16 | 24 | 50.04 | 2.0 | 6,072,000 | 12,155,000 | 8.00 |
| Salvador | 219,505 | 13.62 | 7 | 100.00 | 1.0 | | 219,505 | 13.62 |
| Spain | 1,603,013 | 7.51 | 13 | 67.89 | 1.5 | 758,034 | 2,361,047 | 11.20 |
| Sweden | 688,000 | 11.36 | 9 | 92.00 | 1.1 | 60,000 | 748,000 | 12.37 |
| Switzerland | 305,453 | 7.79 | 13 | 57.00 | 1.8 | 297,000 | 602,453 | 15.37 |
| Turkey | 325,000 | 2.32 | 43 | 49.62 | 2.0 | 340,000 | 665,000 | 4.70 |
| Uruguay | 16,300 | 1.00 | 100 | 9.90 | 10.0 | 149,000 | 165,300 | 10.79 |
| Venezuela | 7,500 | .32 | 313 | 8.80 | 11.4 | 78,500 | 86,000 | 3.66 |
| Yugoslavia | 2,192,000 | 18.20 | 5½ | 100.00 | 1.0 | | 2,192,000 | 18.20 |
| United States | 434,497 | .37 | 270 | 1.87 | 53.5 | 22,816,681 | 23,251,088 | 19.60 |

Mr. KING. Mr. President, will the Senator yield?

Mr. BRUCE. In one moment; let me make just one remark, and then I will gladly yield to the Senator. I merely wish to say that I hope that those figures buttress up the conclusions which I have reached, among other reasons, because it is a fact, if not known to all the Members of the Senate yet known to me and to the people of Maryland and to the members of the American Legion throughout the country, that one of the American soldiers who bore with the very highest degree of gallantry the burdens of the World War was my colleague, Mr. TYDINGS, who has just produced those figures. Beginning in the American Army as a private in a machine-gun company, he rose by his splendid gallantry and rare intelligence to be a lieutenant colonel at the close of the war.

Now I yield to the Senator from Utah.

Mr. KING. I want to ask the junior Senator from Maryland whether, in the tables he has presented, he has shown that for the next fiscal year the United States has appropriated substantially $800,000,000 for the Army and the Navy, and that there is before us a bill, which will probably pass, calling for an appropriation of $300,000,000 more for new construction——

Mr. WALSH of Massachusetts. Naval construction.

Mr. KING. Naval construction; and probably another bill will pass for modernization, adding from twelve to twenty-five million dollars.

Mr. TYDINGS. In answer to the Senator's question, I will say that at the time this table was prepared it showed that the United States for the year 1927—the year taken in all countries—had appropriated $679,709,000 for military defense purposes. I have not added the figures of 1928 to that, because I took the same year for every country in the world in order that the figures might be comparable.

Mr. KING. I want to say to the Senator that we are emphasizing our desire for peace and supporting in a magnificent way the efforts of the Secretary of State for peace, by the President recommending an appropriation of $740,000,000 for the Navy for new construction, and appropriating for the Army and the Navy substantially $800,000,000 this year, and at least $300,000,000 for new construction; so that we are contributing materially to world peace by appropriating this year and authorizing substantially $1,000,000,000 for the Army and the Navy.

Mr. REED of Pennsylvania. Mr. President, does not the Senator think that the probability of peace in Washington is increased by every additional policeman that is put on the force?

Mr. KING. Mr. President, if the Senator means to imply by that——

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom? The Senator from Maryland has the floor.

Mr. KING. I beg the Senator's pardon.

Mr. BRUCE. I do not want to be too chary of my privilege; I simply wish to tell the Senator from Utah, my friend Mr. SMOOT, who has done me the honor to listen to me so patiently another story illustrating just what sort of treatment we might have received if the spirit of Bismarck had had its way at the close of the World War.

This story was told to me some years ago by a friend of mine who heard it in Germany. I do not think that it has ever crept into print. When Bismarck had his interview with the representative of the French Government—I forget just at the moment who it was, whether it was Olivier or not; probably the Senator from Pennsylvania can tell me—for the purpose of fixing the terms of the French indemnity, and mentioned the amount that he required, Olivier, or whoever it was, replied, "Why, do you realize that a man attempting to count such a sum of money as that could hardly count it all if he had been counting from the birth of Christ down to the present day?" Turning to a man of Jewish descent, a skillful accountant that he had rought along with him, Bismarck rejoined, "Oh, yes; but I have been so prudent as to bring along with me a fellow whose ancestors were counting money long before the birth of Christ."

Mr. TYDINGS. Mr. President, I should like to say, in further answer to the question asked by the Senator from Utah, that

France is shown to have a standing army of 727,413 men. That is, one out of every 56 men, women, and children in that country is in the active standing army.

Italy has a standing army of 380,448 men—one out of every 111 men, women, and children in that country.

Spain has a standing army of 272,787 men. One out of every 80 citizens is in the active standing army.

Rumania has a standing army of 266,500 men. One out of every 65 people in Rumania is in the standing army.

As this table will show, if Senators will look at it, all of these countries are borrowing tremendous sums from the United States, and are not scaling down their military establishments; so that to some degree, at least, we are financing the standing armies of the entire world with American capital.

Mr. GERRY obtained the floor.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. GERRY. I yield to the Senator from Utah.

Mr. SMOOT. I submit a proposed unanimous-consent agreement, which I send to the desk and ask to have stated. I will say to Senators that it went over this morning because the Senator from North Carolina [Mr. SIMMONS] was not in the Chamber. The Senator from North Carolina has returned, and he has no objection to the proposed agreement.

Mr. GERRY. The Senator from North Carolina has no objection to it?

Mr. SMOOT. None whatever.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be stated.

The Chief Clerk read as follows:

It is agreed by unanimous consent that when the Senate has completed its consideration of H. R. 1, the pending revenue bill, the Secretary be authorized—

(1) To make necessary changes in numbers and letters in all headings and subheadings and in any cross references thereto.

(2) To strike out or correct cross references that have become superfluous or erroneous, and to insert cross references made necessary or convenient by reason of changes made by the Senate.

(3) Where amendments adopted to the bill do not conform in style, typography, and intention to the style of the bill as printed, to make such corrections as may be necessary to produce such conformity.

(4) To make such changes in the table of contents as are necessary to make it conform to the action of the Senate in the remainder of the bill.

Mr. JOHNSON. Mr. President, before that agreement is adopted, will the Senator from Utah kindly tell me what is meant by the expression "changes in style"? Does that mean in the make-up or in the phraseology?

Mr. SMOOT. We can not tell just exactly what minor amendments may be made in the wording.

Mr. JOHNSON. I am not objecting to it, but I am asking for information. Is it the purpose of the committee to have the Secretary rewrite the English where it is essential?

Mr. SMOOT. Oh, no. For instance, we will take the first section of the bill: If there is one amendment in that section, it may have to be carried on in three or four sections to carry out the meaning of the first section. This is the same unanimous-consent agreement that has been made heretofore.

Mr. JOHNSON. I am not objecting, but the word struck me from my old college days, when English was insisted upon and style was required; and I did not know whether the Senator from Utah was insisting upon a particular style in the financial bill or not.

Mr. SMOOT. I assure the Senator I was not.

Mr. JOHNSON. Very well.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. KING. Mr. President, I shall not object to the unanimous-consent request, but the point made by the Senator from California attracted my attention this morning.

Mr. SMOOT. I will say to the Senator that I have no objection to striking out the word "style"; but I was following the example that has been set in the past.

Mr. KING. I understand; and my understanding has been that in the past, where there was any verbal change made, it was called to the attention of Senators.

Mr. SMOOT. The Senate will have to act upon these changes.

Mr. KING. I know that the Senator from Pennsylvania [Mr. REED] and myself, when the last tax bill was under consideration, in consultation with representatives of the bureau, went over these amendments and changes; and when there was any textual change I am sure that it met the approval of the Senator from Pennsylvania and myself, and, if it was at all material, we called the attention of the committee to it. I presume the same policy will be pursued with respect to this matter; so I have no objection.

Mr. SMOOT. I will go farther than that, and advise the Senate now that if at any time they want to reopen any question involved in this unanimous-consent agreement, I will agree to it freely.

The PRESIDING OFFICER. Without objection, the modified unanimous-consent agreement is entered into.

## INDEPENDENT OFFICES APPROPRIATIONS

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Wyoming?

Mr. GERRY. Is this for the submission of a conference report?

Mr. WARREN. A conference report.

Mr. GERRY. I am very glad to yield, if it does not take me from the floor.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which will be stated.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
*May 3, 1928.*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate No. 4 to the bill (H. R. 9481) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 1, and concur therein with an amendment as follows:

In line 1 of the matter inserted by said amendment, after the word "duties," insert the words "and powers."

That the House recede from its disagreement to the amendment of the Senate No. 10, and concur therein with an amendment as follows:

In line 8 of the matter inserted by said amendment, after the word "That," insert the following: "after such reconditioning."

That the House recede from its disagreement to the amendment of the Senate No. 11, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: "$13,688,750: *Provided*, That of the sums herein made available under the United States Shipping Board, not to exceed an aggregate of $350,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis and for fees and expenses of attorneys employed in special cases."

That the House further insists on its disagreement to the amendments of the Senate Nos. 7, 8, and 9.

Mr. WARREN. Mr. President, I present the conference report on the independent offices appropriation bill, and I will then ask to make one or two changes, which will complete the agreement of the two branches.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Wyoming answer a question, please?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Massachusetts?

Mr. GERRY. I do.

Mr. WALSH of Massachusetts. May I ask the Senator from Wyoming in what condition the appropriation for the reconstruction of the *Mount Vernon* and *Monticello* has been left in the report?

Mr. WARREN. I think there are two or three words included since the bill passed the Senate. We will come to that if we can get the report adopted.

Mr. WALSH of Massachusetts. Has the amount originally appropriated been retained?

Mr. WARREN. It is the same amount.

Mr. KING. I think we had better have a chance to examine it before we agree to it.

The PRESIDING OFFICER. The Senator from Wyoming presents a report, which will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 12, 13, and 14.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

", of which $1,000,000, or so much thereof as may be necessary, may be used for reconditioning and operating ships for carrying coal to foreign ports"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 1, 4, 7, 8, 9, 10, and 11.

F. E. WARREN,
REED SMOOT,
W. L. JONES,
LEE S. OVERMAN,
CARTER GLASS,
*Managers on the part of the Senate.*

WILL R. WOOD,
EDWARD H. WASON,
THOMAS H. CULLEN,
*Managers on the part of the House.*

Mr. WARREN. I move the adoption of the conference report.

Mr. KING. I wish the Senator from Wyoming would tell us what changes have been made from the bill as it passed the Senate in the items on which the Senate has receded.

Mr. WARREN. Some of the changes were reported before, and in order to get an agreement it required the changing of a few which I will send to the desk. What has the Senator in mind as to the changes?

Mr. KING. I have not the bill before me, and I do not recall. I am merely asking the Senator to explain the changes from the text as the bill passed the Senate, where the Senate has receded.

Mr. WARREN. The text as it passed the Senate was changed, for instance, in the Shipping Board in three or four different places, and comes back to us with two or three of those matters standing as they did, and the others with amendments suggested which I propose to offer now, before we complete the consideration of the report.

Mr. KING. Does this involve the amendment which was offered by the Senator from Alabama [Mr. BLACK].

Mr. WARREN. It does. I have explained that to the Senator from Alabama, and I think it is satisfactory to him. The changes are that the salaries are left as they were; but the total amount, which covers both salaries and fees and expenses of all kinds, is in another lump, very considerably smaller, as the Senator from Alabama—who, I see, is on his feet—will tell the Senator.

Mr. BLACK. Mr. President, if I may make a statement with reference to that matter, the two amendments which were agreed to by the Senate had two objects. One of them was to limit the fees to be paid to the attorneys to $10,000. The House declined to accept that amendment. The other amendment provided for a reduction of $150,000 in the total amount paid for attorneys' fees during the next year. The House accepted a reduction of $70,000, which means a saving on attorneys' fees of $70,000.

Personally, I do not think that is enough. I think the amendment as agreed to by the Senate left ample funds for the operation of the legal department; but I do not think the difference is sufficient to hold up further at this time the conference report on this bill. I give notice, however, that when the next appropriation bill comes up I desire to see that the matter is presented to the Appropriations Committee and a thorough investigation made, in order that there may be made a still further and radical reduction, so as to get this department down somewhere near the basis on which it ought to be; and I understand that the various members of the Appropriations Committee will be glad to go into the matter fully when it is again presented. For that reason I do not object to accepting the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. WARREN. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 1, 10, and 11, and that the Senate recede from its amendments numbered 7, 8, and 9.

Mr. LA FOLLETTE. Mr. President, I am not sufficiently familiar with the bill to discuss any but one amendment adopted by the Senate upon which the Senator from Wyoming now moves that the Senate recede. That is an amendment offered by me to provide for the abolition of the sea service bureau maintained and operated by the Shipping Board.

The sea service bureau was created during the war as a recruiting and training agency for the enormously expanded shipping facilities of the United States occasioned by our entry into the war. It has been maintained since that time, and the evidence is practically conclusive that the service is taken advantage of only by the Shipping Board for the operation of its vessels. There is an enormous turnover in the men who are employed by the sea service bureau, and the evidence is conclusive that the expenditure of this sum of money, which varies from three hundred to three hundred and fifty or four hundred thousand dollars a year—

Mr. WARREN. It is now $120,000.

Mr. LA FOLLETTE. The Senator from Wyoming informs me that it has now been reduced to $120,000. The conference report was presented in the House on yesterday amid the confusion of the debate on the McNary-Haugen bill in the House. I am informed by Members in the House who were specifically interested in the amendment which I am now discussing that they had been advised that they would be notified when the conference report was to come up in the House, but such notice was not given to them, and at least in two instances I know of members who were upon the committee of the House investigating the Shipping Board, and who were very much opposed to the continuance of the sea service bureau, were not notified that the conference report would be taken up for consideration and were not present in the House.

Therefore I am satisfied, from such investigation as I have been able to make, that the adoption of the conference report on the part of the House did not give any opportunity to those who were interested in a number of these amendments, and in this amendment in particular, to be heard in the House. Therefore I hope that the motion of the Senator from Wyoming, in so far as it affects amendment No. 9, will not be agreed to.

Mr. WARREN. Mr. President, the Senator must remember that it would be pretty hard for us to keep track of the four hundred and thirty-odd Members of the House and keep them in attendance on every occasion. Reading the RECORD, there is nothing to show that there was other than the regular course followed in the handling of this conference report. We struggled in conference over this item; it was one of the things the House conferees would not agree to, and, of course, in order to save it we did not yield, but asked the House conferees to take it back to the House and get the opinion of the House on it. It did not pass in the House, and all that would be left to us would be to take the matter up again and go against the same stone wall again.

I would like at this time to have read at the desk a communication from the president of the Shipping Board in regard to this matter. It is a question to which we have given a great deal of attention and on which we have put a great deal of hard work.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk proceeded to read, and read as follows:

With reference to H. R. 9481, independent offices appropriation bill, which carried the following amendment:

"No part of the funds of the United States Shipping Board or the United States Shipping Board Merchant Fleet Corporation shall be available for the maintenance of a sea service bureau."

I wish to submit the following outline of the functions of the sea service bureau, which will show why it should not be discontinued:

The sea service bureau of the United States Shipping Board is a section of the bureau of operations. This bureau was organized June 20, 1917, at which time the principal duty was to place officers and men who had graduated from the navigation and engineering schools as well as the unlicensed personnel which were trained by various colleges and school ships conducted under the supervision of the United States Shipping Board.

When this bureau was organized we had 90 per cent aliens aboard the American flagships. The report for the period ending June 30, 1927, shows that we have 87.2 per cent Americans in the merchant marine service.

Very few changes have been made in the personnel of this bureau. This alone shows the efficiency and splendid results that have been obtained by keeping our organization together.

The principal work of the section is to Americanize the merchant marines, place the best competent men aboard the ships, and aid foreigners who are desirous of becoming citizens of the United States of America. The sea service bureau slogan is "American seamen for American ships."

Mr. WARREN. I want special attention given to two or three passages. It would seem as if in what they are doing the bureau is working in the right direction.

The Chief Clerk resumed and concluded the reading, as follows:

The sea service bureau have their own medical department in New York City, Baltimore, and New Orleans, where the physical examination of seamen is conducted prior to being assigned to a vessel. The examining of seamen has a dual purpose. We acquaint the seamen of their physical condition and at the same time we are having seamen on our ships that are physically fit. The saving alone on the

claims against the ships more than pays for the expense of the operating of the whole sea service bureau section. In ports where we do not maintain our own medical staff arrangements have been made with the United States Public Health Service to carry on the physical examinations when requested to do so by the master of the vessel.

A complete record is kept on file in the various agencies showing each seaman's name, address, next of kin, age and description, name of last vessel on which employed, discharge markings as to ability, conduct, seamanship, etc. In fact, the record of each seaman is complete from the time of his first position on a Shipping Board ship.

Thousands of letters are received annually from interested American youths in every section of the United States who desire to enter the sea profession, and it is the aim of every local agency of the sea service to encourage these American youths to follow the sea as a livelihood. During the past year 1,170 inexperienced boys between the ages of 18 and 23 years have been given an opportunity to go to sea. They were rated as deck boys and paid $25 per month.

Upon the officers of our ships is imposed the duty of training these boys. The groundwork being of the highest importance, they are required to train the boys in seamanship, cargo work, rope work, maintenance of ship's structure, and expenditure of stores; in short, in the care and upkeep of the modern steamship, as well as in navigation. The boy advances as he shows proficiency in his primary training. It is not too much to say that the schooling of these deck boys may prove an important factor in the ultimate success of the American merchant marine. A large percentage of them are now on their way to development as efficient officers.

The sea service section is the only official agency in the United States which offers an opportunity to young Americans who are desirous of entering the sea life and serving on the ships of the American merchant marine to secure the requisite training which will qualify them to fill even the most unskilled positions aboard ship.

It should ever be borne in mind the lesson taught by the late war, when the greatest question before the country was how to get ships and men to man them, when the large number of alien seamen then employed on American ships refused to man our ships on voyages through the war zone, but instead sought safety on coastwise runs or retired entirely from the sea until after war was over, making it necessary to man such ships with untrained young Americans, where possible, or, in a large number of cases, tying up the ships entirely until American youths could be trained to man them, thus crippling the country's resources because of its lack of a trained body of American seamen.

The shipping interests of foreign nations are resorting to every practice to cripple the American merchant marine, and actual experience has proved that the subjects, or former subjects, of these countries who are now employed on American ships, discriminate, whenever possible, against the young Americans who work with them, and are attempting in every conceivable way to drive these Americans off the ships. Unless the Shipping Board continues to assist more young Americans to go to sea and replace this element they will ultimately be successful in their efforts and the American merchant marine will be manned solely by men of foreign birth as it was prior to the establishment of the sea service section by the United States Shipping Board.

The sea service section makes no discrimination as to whether or not the seaman belongs to a labor organization. The local managers of the section are chiefly men who have followed the sea prior to taking up this work. They have therefore a complete knowledge of the likes and dislikes of the sailor and are fully competent to place the best men available in the various ratings.

The per capita cost of placing seamen is somewhat higher than the average cost for last year because of a substantial decrease in the number of men placed. This smaller turnover is due to careful selections made, and shows that the men are becoming better satisfied with their employment. While an increase is indicated in the cost of placements, there is at the same time a decrease in the operating expenses of the ships.

All matters pertaining to the now extinct sea training bureau, navigation and engineering schools, sea-training ships, etc., are kept in this office and are referred to very often by the various departments of the Shipping Board and Fleet Corporation, as well as by civilians who were interested at the time of the World War.

The cost of operating the sea service bureau is $120,000 per annum. Should this bureau be abolished the cost of manning our ships will far exceed this figure, with no assurance of obtaining efficient American crews.

Letters from the following organizations have been received protesting against the discontinuance of the sea service bureau:

Letter dated—

February 27, 1928: The American Red Cross, New York City.

February 27, 1928: United States Veterans' Bureau, New York City.

February 27, 1928: State of New York department of labor, New York City.

February 28, 1928: The Salvation Army, New York City.

February 28, 1928: Pacific Steamship Co., Seattle Wash.

March 1, 1928: Civitan Club of Baltimore, Md., Baltimore, Md.

March 1, 1928: Kiwanis Club of Portland, Oreg., Portland, Oreg.

March 1, 1928: Baltimore Association of Commerce, Baltimore, Md.

March 1, 1928: Chamber of Commerce, Boston, Mass.

March 6, 1928: American Marine Mutual Association of Masters, Mates, and Pilots, Boston, Mass.

March 6, 1928: Chamber of Commerce, Seattle, Wash.

March 6, 1928: Grays Harbor Stevedore Co., Aberdeen, Wash.

March 7, 1928: Society for Prevention of Cruelty to Children, New York City.

March 8, 1928: Hampton Roads Maritime Exchange, Hampton Roads, Va.

March 8, 1928: Newport News Shipbuilding Co., Newport News, Va.

March 8, 1928: Chamber of Commerce, Norfolk, Va.

March 12, 1928. Chamber of Commerce, Savannah, Ga.

March 13, 1928: Marine Engineers' Beneficial Association, Boston, Mass.

March 13, 1928: Chamber of Commerce, Portland, Oreg.

UNITED STATES SHIPPING BOARD SEA SERVICE BUREAU.

Mr. GERRY. Mr. President, I understand that this conference report will lead to a good deal of debate. I yielded to the Senator from Wyoming with the understanding that there was not going to be any debate upon it.

Mr. WARREN. So far as I am concerned, I have nothing further to say.

Mr. GERRY. But I understand that the Senator from Wisconsin has. I would like to go on with my speech.

Mr. LA FOLLETTE. It was not my fault that the Senator from Rhode Island permitted this matter to come up, and I do not propose to have this amendment disposed of without some debate. Nor do I propose to delay the consideration of the conference report. Nevertheless, I am not satisfied to have the Senate register its opinion with regard to this amendment after hearing a self-serving statement by the president of the Shipping Board, which has just been read into the RECORD. If the Senator from Rhode Island desires to proceed, then I suggest to the Senator from Wyoming that he lay the conference report aside, and we will take it up to-morrow.

Mr. GERRY. I do desire to proceed, and I ask for recognition by the Chair.

Mr. WARREN. I do not want to let this matter go over until to-morrow, but I will be very glad to lay it aside until the Senator from Rhode Island, who was kind enough to yield to me, shall have concluded whatever he may have to say. I will wait and take up the matter further after he shall have finished.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. GERRY. Mr. President, it is very apparent, from the debate that has taken place to-day, that the Senate has recognized the feeling of business in this country, and not only its feeling but that of the average taxpayer, that we should do something more in tax reduction than has been done. The time has come when we should have a better policy in regard to the funding of our debt.

The Treasury experts in the past have been very conservative, to say the least. I do not blame them for being conservative to a certain extent, because naturally they want their estimates to be such that there shall be no deficit; but from the figures which I have here, it is very apparent that the Treasury's estimates for the taxable years have been so conservative that they have been of little value to the Committee on Finance.

For example, in August, 1921, the Secretary of the Treasury, before the Ways and Means Committee, estimated that for the fiscal year ending June 30, 1922, there would be an excess of expenditures over receipts of $336,000,000 and over. As an actual fact, instead of a deficit in that year, there was a Treasury surplus of $313,000,000 and over. The estimate for 1922 was therefore in round figures, $650,000,000 too low.

If a mistake like that had been made in only one year it could be explained, or an attempt made to explain it; it could be said that this thing and that happened. But every year the estimates have erred in practically the same way, and we always have an explanation instead of an accurate estimate.

Let us take the next year. In January, 1924, again before the Ways and Means Committee, the Undersecretary of the Treasury placed the estimated surplus for the year 1924 at $329,000,000. The actual surplus was over $505,000,000. This time the Treasury came a little closer, but again they were too low by $176,000,000.

In 1925, before the Ways and Means Committee, the Secretary of the Treasury estimated the surplus for the fiscal year

1925 at $290,000,000. The actual surplus was $377,000,000, a very much closer estimate than the ones theretofore made, but even then about $100,000 000 out.

In 1927 the surplus was placed at $250,000,000 to $300,000,000, while as an actual fact it turned out to be the amazing sum of $635,000,000. The Treasury's guess then was $325,000,000 too small, and to show how little the situation was understood the Finance Committee had a specially called meeting, as I recollect, and the corporation tax was increased from 12½ to 13½ per cent.

The minority leader on the Finance Committee, the Senator from North Carolina [Mr. SIMMONS], and other minority members of the committee, argued with the majority that the Treasury estimate was not correct, that the experts whom they had consulted stated that the estimates were not correct, and that there was no necessity for putting the extra tax on the business of the country. The vote in the committee I have not before me, but the minority members, I think, were unanimous in opposing the increase and fought it vigorously on the floor of the Senate. This year, in the bill now before us, the majority members are asking a decrease in the corporation tax to 12½ per cent; in other words, simply taking off the additional amount which they put on in the last revenue bill.

The Senator from Utah [Mr. SMOOT], in submitting the majority report of the committee to the Senate, estimated that the surplus will be $400,000,000, but he also goes further and says that in 1929 the surplus will be only $212,000,000, and therefore he feels that it is unsafe to reduce our taxes by more than a little over $200,000,000.

Frankly, I am surprised at as conservative a Senator as is the Senator from Utah recommending a tax cut which will, according to his estimate, be within $7,000,000 or $8,000,000 of what he estimates the surplus will amount to. That is very close figuring unless in the back of his head he has a subconscious feeling that the estimate of the Treasury which he has submitted for 1929 will be as far above the amount he gives as the past estimates have proven to be above the estimates in past years. I can not help feeling that he must have some idea of this sort; otherwise I do not believe he would venture so close to the margin.

Mr. President, the minority members of the committee feel that the Treasury estimates are too low, as I have stated; that there will be a greater surplus and that it will be safe to reduce the taxes of the country in the amount to which we will try to reduce them in the amendment which the ranking minority member of the committee, the Senator from North Carolina [Mr. SIMMONS], will offer when the time comes.

But apart from that the minority members of the committee feel, I think very unanimously, that there is another matter which we must now meet in all questions of tax reduction, in all questions regarding estimates for the coming year. I refer to our policy with reference to the payment of foreign debts. I do not think the country realized, although the Finance Committee did and discussed it somewhat when the last tax bill was before the committee, the vast amount of money that is going to refund our indebtedness, to pay off the obligations which the Government incurred during the war, both for itself and for the amounts which we loaned our allies.

In 1920 we passed the original debt funding act, and for the convenience of the Senate I am going to place a portion of it in the RECORD so that Senators may understand more clearly exactly how the sinking fund is worked:

> The sinking fund and all additions thereto are hereby appropriated for the payment of such bonds and notes at maturity, or for the redemption or purchase thereof before maturity by the Secretary of the Treasury at such prices and upon such terms and conditions as he shall prescribe, and shall be available until all such bonds and notes are retired.

In other words, the sinking fund continues in effect until the bonds and notes are paid off.

> The average cost of the bonds and notes purchased shall not exceed par and accrued interest. Bonds and notes purchased, redeemed, or paid out of the sinking fund shall be canceled and retired and shall not be reissued. For the fiscal year beginning July 1, 1920, and for each fiscal year thereafter, until all such bonds and notes are retired there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of such sinking fund, an amount equal to the sum of (1) 2½ per cent of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920, and——

Mr. SIMMONS. Mr. President, will the Senator tell me whether he is not now reading the law?

Mr. GERRY. Yes; I am

Mr. SIMMONS. Will the Senator object to my sending to the clerk's desk and having read an amendment dealing with that very subject, and for the purpose of requiring payments made by foreign governments, both upon principal and interest, to be covered into the sinking fund, thereby reducing to that extent every year the amount that will have to be raised by taxation? I would like to have it appear in this connection in the Senator's speech.

Mr. GERRY. I shall be very glad to have that done.

Mr. SIMMONS. I send the amendment to the desk and ask that it may be read, and I give notice that I shall offer it at the proper time.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read the amendment, as follows:

> At the proper place in the bill insert a new section to read as follows:
>
> "SEC. —. Liberty bond sinking fund: (a) Subdivision (a) of section 6 of the Victory Liberty loan act is amended by adding at the end of the first paragraph thereof a new sentence to read as follows: 'In the fiscal year beginning July 1, 1928, and in each fiscal year thereafter, payments (whether in money or in other property) received during such year from foreign governments in respect of their obligations held by the United States, and the proceeds received during such year from the sale of any such obligations, shall first be applied against the appropriation made by this section for such year, and any excess shall be applied as otherwise provided by law.'
>
> "(b) This section shall take effect on July 1, 1928."

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. GERRY. I had just read the requirements of the statute for an amount equal to 2½ per cent, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920; in other words, they take the amount of our own indebtedness and then deduct the amount of the obligation of foreign governments, and of that remaining sum they compute an amount of 2½ per cent, which is the sum that is paid from the revenue of the United States into the sinking fund.

> 2. The interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or any previous years.

In other words, after bonds and notes are redeemed by the sinking fund, the Government still continues to pay into the sinking fund the amount of the interest due on those securities. The result of that is that it makes the sinking fund pyramid like compound interest.

If we study the figures we shall find how the sinking fund keeps on swelling until in a very few years to come it will amount, I think, to something like $750,000,000 annually.

As an example of how the sinking fund increases, I have a table here which shows that in 1927, "on account of sinking fund," the amount was $333,528,400. For 1928 the amount is estimated at $353,221,424.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Rhode Island permit an interruption? If he wants the exact figures at that point I happen to have them.

Mr. GERRY. I shall be very glad to yield to the Senator from Pennsylvania for that purpose.

Mr. REED of Pennsylvania. The exact amount is $354,741,300.

Mr. GERRY. Is that for 1928?

Mr. REED of Pennsylvania. That is for the fiscal year 1928.

Mr. GERRY. Yes; and for 1929 my figures are $369,209,094.

Mr. REED of Pennsylvania. Necessarily, the amount is hard to calculate at this time because of the uncertainty as to the amount of interest on the securities in hand, but it will be about that amount.

Mr. GERRY. I say to the Senator from Pennsylvania that Mr. McCoy furnished me with the figures I am stating, and I presume they are very accurate, as Mr. McCoy's figures always are.

Mr. President, besides that the sinking fund has additional items that go to make it up. There are "purchases from foreign repayments," "received from foreign governments," "purchases from franchise-tax receipts (Federal reserve and Federal intermediate credit banks)," "forfeiture gifts," and so forth. So that last year the sinking fund amounted to over $519,000,000.

I have a table here which I shall read. It shows that from 1920 to 1927, inclusive, the public debt has been decreased from the following sources:

| | |
|---|---|
| Sinking fund | $2,074,080,950 |
| Foreign repayments | 306,130,350 |
| Bonds received in debt settlements | 663,646,700 |
| Estate tax received in bonds and notes | 66,088,000 |
| Franchise-tax receipts | 149,023,696 |
| Miscellaneous | 11,914,071 |
| From surplus | 2,692,108,044 |
| From decrease in general-fund balance | 1,017,607,417 |
| Total | 6,972,599,228 |

So a debt amounting roughly to twenty-five and a half billion dollars has been reduced to eighteen and a half billion dollars. It is estimated that by the operations of the sinking fund alone, leaving out the application of the surplus, such as the $400,000,000 that was paid into it this year, at the present rate the entire remaining amount of our national indebtedness, approximating eighteen and a half billion dollars, will be paid off in from 21 to 22 years. Of course, if we go on paying off the debt at the rate we did last year, which was something like $900,000,000, it will be paid off even more quickly.

The chambers of commerce of the United States are much alive to the conditions that exist and have been protesting vigorously through their organization to the Congress that we are not reducing taxes with sufficient rapidity, and that the sinking fund condition should be remedied. Apart from the question of tax reduction, it seems to me that we are confronted with a very important policy that should be determined now in a farsighted manner. In view of the vast amount of money in the sinking fund, it is very easy to see that if, instead of paying off our entire indebtedness in 21 or 22 years, we lengthen that period to 31 or 32 years, we could save anywhere from $60,000,000 to $100,000,000, which could be applied to tax reduction and thus afford relief to the business of the country and to the people of the country generally.

We have reached the point now where we must determine what policy we are going to pursue. The longer we wait the longer we are going to have the situation that was discussed here to-day on the floor of the Senate. Our agreements with our allies were based on the theory that their indebtedness to us would be settled in 62 years. The British debt settlement, which is the largest and most important one, was entered into in 1923. If we add 62 years to that date we shall find that in 1985 the debt due us from Great Britain will have been settled; but in the meanwhile what is happening? If we go on paying off our indebtedness in the future in the way we have in the past we are going to find that in 1950 or 1951 we shall have paid off all our indebtedness, while our former allies, if we continue to demand that they pay us, will be paying money to the United States Government on an account of an indebtedness that is no longer charged against our people.

If Senators will think for a moment they will realize that such a condition would go on for 30 years, and even for over 35 or 40 years, if we continue applying a yearly surplus of $300,000,000 or $400,000,000, in addition to the sinking fund, to the payment of our national debt. That would be at the rate of nearly a billion dollars a year, and, in view of the way in which the sinking fund grows, it is easy to see how soon the entire indebtedness will be canceled. Then we are going to reach the condition that was so much discussed on the floor of the Senate to-day; we are going to have a clamor for the forgiving of the remainder of the entire indebtedness; and it is my humble opinion that the demand has already started.

Mr. PITTMAN. Does the Senator mean forgiving the foreign indebtedness?

Mr. GERRY. Yes; we are going to have a clamor to forgive our allies the amount of money they borrowed from us.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island further yield to the Senator from Nevada?

Mr. GERRY. I yield.

Mr. PITTMAN. Do I understand that the argument in favor of that would be that the people of America, being no longer taxed by reason of that indebtedness, therefore might as well forgive it?

Mr. GERRY. That is exactly the argument that would be used, because the American taxpayer would have already been taxed to pay off this indebtedness; and when the European payment continues we will be using that money to pay our current expenses in place of deriving it from our own taxes. That this condition would be created would be true if it were not for the fact that, according to my recollection, there is in the agreements that we entered into with our allies a proviso that the money collected from them must be paid toward meeting their indebtedness.

I should like to ask the Senator from Utah if that is not true. Is it not true that the money paid to us from the Allies must be paid toward their indebtedness?

Mr. SMOOT. Oh, no; not toward their indebtedness.

Mr. GERRY. Toward interest and indebtedness?

Mr. SMOOT. We use the money, the interest that they pay upon their obligations, to refund our obligations. It is not to pay their indebtedness.

Mr. GERRY. I understand that. The Senator missed my point.

Mr. SMOOT. I understood the Senator to ask whether the money we received from them was used to pay their indebtedness. It is used to reduce the domestic indebtedness.

Mr. GERRY. They borrowed the money from us, and we sold bonds to obtain that money.

Mr. SMOOT. Yes.

Mr. GERRY. Under the debt settlements a part of the money that we received from the Allies goes to the payment of the capital and the other part goes to interest.

Mr. SMOOT. That is right.

Mr. GERRY. But it is limited to that amount. There is a limitation in the agreement; is there not?

Mr. SMOOT. I do not quite understand the Senator. A limitation of what kind—as to the amount that we shall apply upon our indebtedness?

Mr. GERRY. No; that it must go to their indebtedness.

Mr. SMOOT. Certainly; that is the law.

Mr. GERRY. That is in the contract?

Mr. SMOOT. That is in the agreement that has been made.

Mr. GERRY. That was my understanding of the agreement. It is in the agreement?

Mr. SMOOT. Yes.

Mr. PITTMAN. Mr. President, does the Senator happen to have the statistics there to show what our domestic debts are evidenced by?

Mr. GERRY. By bonds. I do not think I get the Senator's question.

Mr. PITTMAN. It was stated there that our Government sold bonds for the purpose of raising the money to be furnished to the Allies. What character of bonds were they?

Mr. GERRY. Our Liberty bonds were sold, and the money obtained from those bonds was given to the Allies and then we took their notes in return.

Mr. PITTMAN. And those Liberty bonds were due in what period of time, generally speaking?

Mr. SMOOT. The last of them run up to 1947. Within a couple of years about $2,000,000,000 of the bonds will fall due.

Mr. PITTMAN. As I understand, those bonds were first sold in the open market, and at times were sold below par. In fact, they sold sometimes, I believe, as low as 85 per cent of par.

Mr. SMOOT. They reached that figure on the market, but they never were issued for that.

Mr. PITTMAN. I do not mean that; I mean they reached that level on the market—85 cents on the dollar. Then those bonds went into the hands of those who could afford to hold them, and they are largely there now; and the sooner those bonds are paid off the larger profit there will be to the holders. Is that correct?

Mr. SMOOT. No; the holder does not want them paid off. They are the best security in the world, and they are being refunded at a very much lower rate of interest than they are carrying now.

Mr. PITTMAN. If I bought a bond to-day for 85 per cent of its face value and sold it to-morrow at par, I would make 15 per cent on the transaction.

Mr. SMOOT. Yes; of course.

Mr. PITTMAN. If I did not sell it for 10 years, I would make the interest during that period of time, and one-tenth of 15 per cent each year.

Mr. SMOOT. And it would not make a penny of difference to the Government.

Mr. PITTMAN. It would not make a penny of difference to the Government, but it would make a tremendous difference to the man who got the 15 per cent.

Mr. SMOOT. There is no man who bought our bonds but that can sell them any day he desires; and the only reason he is holding them now is because they are the best investment that he can find.

Mr. PITTMAN. There might be a question as to whether the bonds would be as valuable if they thought they were not going to be paid off as rapidly as possible, if they thought they were going to run the full period of time; but, be that as it may——

Mr. SMOOT. Why, just within a few months we called bonds that were drawing 4¼ per cent, and we have reissued short-time certificates at 3⅜ per cent, and they were taken up just as rapidly as the bonds themselves were. There is none of the

bonds of the United States but that is slightly above par at the rate they are bearing now.

Mr. PITTMAN. Then it comes down solely to the proposition—I am asking this for information—whether it is better for the Government to cease paying the interest on those bonds, varying from 3¾ per cent to 4¼ per cent, or whether it is better that the taxpayer should pay the rate of interest that is being paid at the present time?

Mr. SMOOT. If the bonds are paid off, it will cause a reduction in the bonds of the Government outstanding, and therefore a reduction in the amount of interest that must be paid each year.

Mr. PITTMAN. But the taxpayer would not get any reduction of his taxes if the money, instead of being used for the support of the Government, were diverted to the purpose of reducing the national debt, would he?

Mr. SMOOT. Why, certainly. If we had our $18,000,000,000 of national debt paid off now, drawing, say, an average of 4 per cent, that would be $720,000,000 a year that the taxpayer would not have to pay at all.

Mr. PITTMAN. If the taxpayer were only required to pay the tax necessary to raise two hundred or two hundred and fifty million dollars a year, he would not be benefited at all by a reduction of the public debt over and above that amount. It would not reduce taxation or increase it, either one.

Mr. SMOOT. It would reduce it, because the amount we have already paid off on our obligations is equivalent to some $375,000,000 of interest; and instead of paying the interest we can reduce the annual tax by that amount of money. That is why I want the debt paid off just as quickly as possible, because there is not any better reduction in taxes than to reduce the debt, so as to reduce the interest that the Government will have to pay.

Mr. PITTMAN. It is perfectly evident that there is an argument used now that it is better to reduce the national debt than to reduce taxes. Consequently, you can not do both.

Mr. SMOOT. No, Mr. President; the proposition now is that there should be a happy medium between the two; and that is exactly what we are trying to arrive at with the bill that is before the Senate, and that has been the policy in the past.

Mr. PITTMAN. Then I thoroughly understand it. The happy medium means that both can not exist at the same time.

Mr. SMOOT. That is true, too, and the Senator knows it.

Mr. PITTMAN. You can not use your funds for the reduction of a past debt and at the same time reduce present taxation.

Mr. SMOOT. That is a fact that can not be denied by any human being.

Mr. PITTMAN. I was trying to understand the theory; and it is felt that the public is bearing a greater burden by rapidly taking off the burden of war at the expense of taxation.

Mr. GERRY. I should like to say to the Senator from Nevada that that very fact of the ability to buy bonds below par was availed of by certain foreign governments, and it was very wise banking. Under the debt settlements they were allowed to pay their indebtedness to us with our bonds, and therefore, having bought those bonds below par, they were able to give those bonds to our Treasury and have them taken in payment at par.

Mr. SMOOT. Mr. President, I want to say to the Senator that at the date the first settlement was made—and that was with England—the bonds were nearly at par. If these settlements had been made when these bonds were selling for about 88, that would have been absolutely true; and I think England did make a little profit on purchasing the bonds and paying the bonds at par on their obligations.

Mr. GERRY. I have always understood, if the Senator from Utah will permit me, that they bought a great many bonds early, and then, after the settlement was made, they reaped the benefit of their foresight.

Mr. SMOOT. Just the same as if the Senator had bought the bonds himself he would have reaped it, or any other corporation or individual in the world. That was a question of investment. If they had gone down they would have lost that much. Since they went up they made that much.

Mr. GERRY. I am not saying that that is not the case. I am stating that as the fact.

Mr. SMOOT. That is true.

Mr. GERRY. It is true, and they reaped the benefit of their foresight. The expert has also just told me that I am correct in my understanding of what I asked the Senator from Utah about, that in these debt settlements there is a proviso that the money set aside for capital must be paid for the canceling of the public debt; and, therefore, if we should cancel all of our public debt, that money could not be used. Of course, that is a theoretical proposition.

Mr. SMOOT. Of course, if such a condition existed, I will say to the Senator——

Mr. GERRY. But that is in the statute? I was correct in my understanding of the statute?

Mr. SMOOT. Yes; I said the Senator was.

Mr. GERRY. I thought so, but I wanted to be accurate, and that is the reason why I asked the Senator from Utah.

Mr. SMOOT. As to the law, the Senator stated it correctly; but I will say further to the Senator that if these obligations were all paid we could reduce our taxes by an amount which I have not figured out, but which would be, anyhow, 3⅜ per cent on seventeen or eighteen billion dollars.

Mr. GERRY. There is no question of that. I am not disputing that; but here is the point, and I am nearly through: If you do that, you have reduced indebtedness by making this generation carry the heavy tax burden of the war; and there you are going into a question of policy as to what the Government should do and what is the best financing.

Mr. SMOOT. That is absolutely true.

Mr. GERRY. I have maintained right along that we are now coming to a position in taxation where we have got to determine a policy, because unless we meet the issue and determine upon a policy, we are going to get in a position where we are paying off this debt so fast that there will be a tremendous demand and a great propaganda to forgive the foreign indebtedness, and place that burden on the American people.

Mr. SMOOT. Mr. President, I am one of those who believe that future generations will have all the obligations to meet that they can carry. If it were true that future generations would sail along without incurring any obligations at all, then the Senator's argument would be quite proper, that the present generation should not take the whole burden of the war; but I believe, as much as I believe that I am alive, that between now and 22 years from now—the time when this debt will be canceled if the program as mapped out is carried out the children who are born during that period will have all they can pack.

Mr. GERRY. Is the Senator in favor of paying off the debt in 22 years?

Mr. SMOOT. I would like to see it paid off quicker than that.

Mr. GERRY. And putting heavier taxation on the people?

Mr. SMOOT. We are not putting heavier taxation on them. There are less than 4,000,000 persons in the United States, including corporations, associations, and other organizations, who pay taxes to-day. Now, we are reducing the taxes again, and we will cut out quite a number more. I believe that the people who pay taxes to-day, including the corporations and associations, can afford to do so better than those who have been exempted in the past.

Mr. GERRY. How would the Senator, then, handle the question of the foreign indebtedness?

Mr. SMOOT. That was discussed this morning. I would expect the foreign nations to pay under the terms of whatever settlement is agreed upon.

Mr. GERRY. After all, the paying off of the indebtedness is a question of degree, or a matter of policy as to how much we will pay off and how soon we will pay it off. But is it not a matter of fact that if we pay the debt off in 22, or even 30 years, and we have this foreign indebtedness that will run for 25 years in addition, we will have a great demand to settle the foreign indebtedness, we will have the international banker wanting the foreign indebtedness canceled? The Senator from Utah knows that, and I know it.

Mr. SMOOT. The international banker would like to see it canceled to-day.

Mr. GERRY. He would like to see it canceled to-day. Then the securities he owns would rise in value, and he figures that he might have a chance to handle more bond issues abroad.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GERRY. I yield.

Mr. McKELLAR. In view of the challenge from somebody on the other side to know how Democrats stood on the cancellation of the indebtedness, I take this opportunity of saying that, so far as I am concerned, I think the terms we have given our debtors have been far more liberal than we ought to have given. I am utterly and absolutely opposed to making any reduction in those debts now or at any other time. I think we have been more liberal than the debtors could have hoped.

Mr. GERRY. Mr. President, my contention is that we have come to a time when we have to establish a policy as to whether we are going on to pay off our total indebtedness in 21 or 22 years or less—and if we go on at the present rate,

it will probably be less—and continue our present rate of taxation, or whether we want to pay off our indebtedness over a slightly longer period, say, 10 years more, or in 31 or 32 years, and be able to give tax reduction to the American people of from sixty to one hundred million dollars. That is a question about which the Senator from Utah and I differ.

Apart from the question simply of tax reduction, there is also the question we have been discussing to-day as to whether, unless we change the rate at which we are paying off our indebtedness, we will not be faced with what we are going to do with the obligations that foreign governments owe us. We are going to be faced unquestionably by propaganda on the part of many idealistic and sincere people, and also by propaganda from the international bankers, who would gain by the canceling of the foreign indebtedness.

We are going to have to meet that issue, and I for one believe that the sooner it is met the better, because it is going to be increasingly difficult for us to collect as our own indebtedness becomes less and less.

I do not see, and I have never seen, why America is not entitled to continue to receive from her allies the money they have agreed to pay. We have paid our share of taxes, and I do not think that proud nations in the future will want to feel that they have failed to meet their obligations. But whether they do or not, I feel certain that the average American citizen realizes that he has done his bit, that he is doing his bit, and that he is entitled to receive all the advantage that he can from the money that he pays in taxes, which includes the amount he pays to reduce our debt, and that he is the one who should be considered.

Mr. GLASS. Mr. President, I want to call the attention of the Senator from Utah to a very egregious blunder he made in a statement upon the floor to-day, if I may be permitted to do so.

Earlier in the day I demonstrated by quotations from the act itself that not a single dollar was loaned by this Government to foreign governments without authority of law; on the contrary, that it was by the express authorization of the statute; but the Senator from Utah made what seemed to me the most astonishing statement to come from the chairman of the Finance Committee of the Senate in declaring that more money was loaned to foreign governments after the armistice than prior to the armistice.

I did not venture specifically to give my recollection of the figures at the time, but I have gotten the report of the Secretary of the Treasury since, and the facts are that, prior to the armistice, credits established amounted to $8,171,976,666, and that following the armistice credits established were only $1,475,442,743.84. So that the difference is as I have indicated. The credits established before the armistice were in excess of $8,000,000,000, and the credits established to meet commitments after the armistice were less than a billion and a half dollars.

Mr. SMOOT. Mr. President, will the Senator state to the Senate now what France received after the armistice?

Mr. GLASS. I will in a few moments; but it was an inappreciable amount contrasted with what she got before the armistice. The point is that the chairman of the Finance Committee of the Senate makes upon the floor of the Senate the statement that more credits were established to foreign governments after the armistice than theretofore, when, far from that being so, it is as eight billion dollars is to a billion and a half.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. SMOOT. I forgot to take into consideration the amount England was owing the United States. That was $4,600,000,000. If the Senator will take each of the countries outside of England, I think he will find my statement about correct.

Mr. GLASS. No; I will find it utterly incorrect. I have gone into it far enough to establish the fact that it is utterly incorrect.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to ask a question?

Mr. GLASS. Certainly.

Mr. REED of Pennsylvania. I am impressed by the fact that what the Senator from Utah said with regard to the advances before and after the armistice dealt with payments that were made by the United States to those foreign governments.

Mr. GLASS. He would be just as far wrong in that as he was in the other statement.

Mr. REED of Pennsylvania. What the Senator from Virginia is endeavoring to show is the establishment of credit on this Government's books, a very different thing from the payments.

Mr. GLASS. Oh, yes; but I will show that the Senator from Utah was just as far wrong in that supposition as the Senator from Pennsylvania is.

Mr. REED of Pennsylvania. If the Senator wanted to make a responsive answer, it seems to me he ought to answer on that point.

Mr. GLASS. I will make a response right here from the report of the Secretary of the Treasury. The cash advanced prior to the armistice, or up to three days after the armistice, was $7,098,714,750, whereas the total advances were but $9,647,419,000. That is a specific answer.

Mr. REED of Pennsylvania. From what is the Senator reading?

Mr. GLASS. I am reading from the official report of the Secretary of the Treasury to the President.

Mr. REED of Pennsylvania. For what year?

Mr. GLASS. For the year 1918. The credits established for Belgium prior to the armistice were $106,580,000; subsequent to the armistice, $236,865,000.

Credits established to France prior to the armistice were $2,389,956,600; subsequent to the armistice but $658,018,177.24.

Mr. REED of Pennsylvania. How much was paid to France after the armistice?

Mr. SMOOT. I was speaking of settlements that were made.

Mr. GLASS. I can get those figures and show that the Senator was as far wrong in that item as I am showing he was wrong in the other.

Great Britain had credits established of $3,709,000,000 before the armistice, and she had credits etsablished of $568,000,000 after the armistice.

Russia had credits established of $187,000,000 before and nothing after the armistice.

Italy had credits established of $1,102,351,891.98 before the armistice and $518,570,000 after the armistice. If it would afford the Senator any satisfaction, I could very easily obtain the advances and show he was just as far wrong in that item as he has been in these two, which is very far.

Mr. SMOOT. I will put the figures in the RECORD myself.

Mr. GLASS. Mr. President, in order to continue for a moment the statement I made in the time of the Senator from Rhode Island, I want to say that the Senator from Utah [Mr. SMOOT] asked me with reference to the cash advances on account of foreign loans prior to and after the armistice, especially with reference to France and Great Britain. From the report of the Secretary of the Treasury for 1918, page 36, I read again that the total established credits to Great Britain amounted to $3,945,000,000, of which amount there was advanced in cash before the armistice $3,696,000,000. The total credits established for France were $2,445,000,000 and the total cash advances prior to the armistice were $1,970,000,000.

Mr. REED of Pennsylvania. I am not able to reconcile the figures in the Treasury report for 1918 with those in the Treasury report for 1927. At page 323 of the latter volume I find the statement that France's afterwar indebtedness, with interest, amounts to $1,655,000,000; Belgium's postarmistice borrowings, with interest, were $258,000,000; the postarmistice indebtedness of Italy, with interest, was $800,000,000, and so on. In order that we may clear it up I shall ask the Treasury Department to send us a statement showing the exact amounts advanced in cash before and after the armistice.

Mr. GLASS. I accounted to the Senator for nearly $500,000,000 of the postwar indebtedness which arose after the war out of the sale of material by this Government to the French Government.

Mr. REED of Pennsylvania. Four hundred and seven million dollars.

Mr. GLASS. I said approximately $500,000,000. I did not undertake to state the exact figures. I can not account for other postwar indebtedness, but I have no doubt in the world the official figures of the Secretary of the Treasury are correct.

Mr. SMOOT. In the statement I made I had reference to the settlements which were made or supposed to be made by the Debt Commission. Of course, I think they were correct, but I will get the exact figures.

Mr. GLASS. The exact figures have just been quoted from the report of the Secretary of the Treasury. The Senator can not set up his recollection against the official figures from the report of the Secretary of the Treasury.

Mr. SMOOT. I am not trying to do so.

## PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On May 1, 1928:

S. 1368. An act to extend the benefits of the employee's compensation act of September 7, 1916, to Martha A. Hauch; and

S. 3437. An act to provide for the conservation of fish, and for other purposes.

On May 2, 1928:

S. 4180. An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

On May 3, 1928:

S. 2900. An act granting pensions and increase of pensions, to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 4046. An act authorizing the Henderson-Ohio River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Henderson, Ky.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS (S. DOC. NO. 94)

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

*To the Congress of the United States:*

I transmit a report from the Secretary of State in regard to the work of the International Technical Committee of Aerial Legal Experts, in the deliberations of which the Government of the United States would be entitled to participate if it should pay a share of the annual expenses of the committee, and commend to the favorable consideration of the Congress the recommendation of the Secretary of State, as contained in the report, that legislation be enacted authorizing an annual appropriation of a sum not in excess of $250 to meet the quota of the United States toward the annual expenses of this committee, beginning with the calendar year 1928.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 4, 1928.*

AYER & LORD TIE CO.

The PRESIDING OFFICER laid before the Senate a communication from the Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation concerning the claim of the Ayer & Lord Tie Co., which, with the accompanying report, was referred to the Committee on Claims.

REPORT OF NATIONAL INSTITUTE OF ARTS AND LETTERS

The PRESIDING OFFICER laid before the Senate the annual report of the National Institute of Arts and Letters relative to its activities for the year 1927, which was referred to the Committee on the Library.

MARINE BIOLOGICAL STATION AT KEY WEST, FLA.

The PRESIDING OFFICER laid before the Senate a communication from the Acting Secretary of Commerce, transmitting draft of a proposed bill for the reconveyance to the Key West Realty Co. of the marine biological station at Key West, Fla., with favorable recommendation, which, with the accompanying paper, was referred to the Committee on Commerce.

THE COOLIDGE DAM (S. DOC. NO. 93)

The PRESIDING OFFICER laid before the Senate a communication from the Secretary of War, chairman of the Federal Power Commission, reporting, pursuant to law, for the commission, relative to the proposed development of hydroelectric power at the Coolidge Dam and the compensation to be paid to the Apache Indians of the San Carlos Reservation for the use of their lands in connection with the Coolidge Dam project, which, with the accompanying report, was ordered to lie on the table and to be printed.

FARM RELIEF

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Mr. MCNARY. I move that the Senate disagree to the amendment of the House and request a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCNARY, Mr. CAPPER, Mr. GOODING, Mr. SMITH, and Mr. RANSDELL conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of Mr. WARREN'S motion that the Senate recede from its amendment numbered 9 to the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement concerning Senate amendment No. 9, providing that no further funds shall be available for the maintenance of the sea-service bureau by the Shipping Board.

The sea service bureau was created during the war as a recruiting and training service. The testimony seems to be practically unanimous to the effect that the sea service bureau rendered good service during that period. Following the armistice and since that time the sea service bureau has been maintained by the Shipping Board, although there is no statutory provision authorizing its maintenance. It has been carried on by the Shipping Board without statutory provision. The statute provides that the shipping of sailors shall be done before United States shipping commissioners. Therefore the work done by the sea service bureau is a duplication. As is the case with all bureaus which have been created, there is a disposition for it to continue. Those who are employed desire to have their employment continued.

A rather thorough investigation was made of the Shipping Board by a committee of the House, of which Representative DAVIS of Tennessee was a member. When the independent offices appropriation bill was under consideration in the House Representative DAVIS offered an amendment similar to the one which I subsequently offered and which was adopted by the Senate. I desire to quote briefly from Mr. DAVIS'S statement on the floor of the House on January 24, appearing on page 1970 of the RECORD. Referring to the sea service bureau, he said:

I want to state that the select committee which investigated Shipping Board affairs sometime back entered into a full investigation of this subject and I know that I reached the conclusion, and I believe that other members of that committee reached the conclusion, that this sea service bureau should be eliminated.

If I had time to go into details and explain many of the things that were shown with respect to this bureau at those hearings, I believe the distinguished gentleman from Indiana and his colleagues upon the Appropriations Committee would reach the same conclusion which I have reached. I believe that in their effort to economize and to save every dollar they can—which I commend—they would see that undoubtedly here is one opportunity to effect a saving.

I do not know just exactly how much this sea service bureau cost during the last calendar year, but it has been ranging all the way from $100,000 per annum to as high as $400,000 some time back.

Mr. DAVIS continued:

Chairman O'Connor, of the Shipping Board, appeared before the select committee and was questioned with regard to this sea service bureau, in part, as follows.

I direct the attention of the Senate to this testimony taken by the select committee of the House when it was investigating the Shipping Board and had under consideration the matter of the sea service bureau.

Mr. DAVIS. Mr. O'Connor, you are the member of the Shipping Board who has jurisdiction over the sea service bureau, are you not?

Commissioner O'CONNOR. Yes, sir.

Mr. DAVIS. As I understand, that was a bureau that was established during the war, primarily in order to train seamen to be placed upon the Shipping Board vessels that were being acquired and constructed?

Commissioner O'CONNOR. Yes, sir.

Mr. DAVIS. At the present time, and for some two or three years past, the sea service bureau has amounted to only a recruiting or seamen's employment service, has it not?

Commissioner O'CONNOR. That is practically all; yes.

Continuing to quote from Mr. DAVIS:

Now, Mr. Joseph E. Sheedy was the vice president of the Emergency Fleet Corporation and the director of operations, and the one directly in charge of this sea service bureau, and I want to call your attention to what he had to say upon the same subject. After asking in a general way about it, this occurred at the same hearing:

"Mr. DAVIS. Do you think that the bureau performs a successful function?

"Mr. SHEEDY. Frankly, I have never been able to find out."

That statement was made by the vice president of the Emergency Fleet Corporation, under whose direct supervision the sea service bureau rested.

Mr. President, the sea service bureau maintained by the Shipping Board has so conducted its affairs in the shipping of seamen that there has been an enormous turnover in personnel, such an enormous turnover that all their claims regarding the training of boys for the service of the sea are completely answered. Mr. D. A. Hoover, supervising inspector general,

stated under date of January 13, 1928, that approximately 16,633 seamen are required as the number of able seamen actually to man the merchant fleet. According to the statement made by the board in defense of the sea service bureau they admit that they have placed 68,636 seamen on Shipping Board vessels during the year. This means a turnover of approximately 450 per cent, and I submit to the judgment of any Senator whether or not an efficient organization can be built up under conditions where a turnover of this magnitude is inevitable.

Mr. FLETCHER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. LA FOLLETTE. I yield.

Mr. FLETCHER. The claim is made by those who are favoring the sea service bureau that it tends to Americanize the seamen on American ships. Does the Senator have any information with respect to that claim? It is claimed, I believe, too, that before the bureau was established some 90 per cent of the seamen were foreigners and that now they are 80 per cent Americans. It is also claimed, I believe, that while the bureau costs $120,000 or more a year, it would probably cost more to make the examinations and supply the sailors without the bureau. I would like to hear the Senator with reference to those two particular claims.

Mr. LA FOLLETTE. Their statement is that they have 87.2 per cent Americans on United States Shipping Board vessels. My information is that in order to reach that percentage they include the Filipinos who have been signed on those vessels. I may be in error as to that, but that is my information. Of course, the Filipinos who are signed are not citizens, except as they may have discharges from the Army or the Navy or from the naval auxiliary.

Mr. WARREN. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Wyoming.

Mr. WARREN. I would ask the Senator, in connection with that observation, how the Shipping Board treated the Filipinos before that time when they figured on how many non-American seamen they had? It was figured that they had some eighty-odd per cent in the early years of non-American seamen.

Mr. LA FOLLETTE. I can not answer the Senator's question.

Mr. WARREN. Their declaration was that they had changed some eighty-odd per cent of foreigners to about 87 per cent of Americans or citizens of the United States.

Mr. LA FOLLETTE. Mr. President, there is considerable evidence to the effect that the sea service bureau is maintaining a black list. They term it a "deferred list." The claim is made—and I believe it is substantiated—that men shipping on these vessels who complain of violations of safety and labor provisions of the seamen's act when a vessel has completed its trip are placed upon a deferred list and can not secure further employment through the agency of the sea service bureau. I have here a photostatic copy of a letter on the letterhead of the Fleet Corporation addressed to Mr. Wilson and reading:

DEAR SIR: Please assign the bearer, Arthur Sorrel, as A. B. on this ship; and will you also please send me over a good ordinary seaman?

Respectfully yours,

E. E. HORRELL,
*Chief Officer, S. S. Mount Evans.*

Then there appears upon the lower portion of the letter a longhand memorandum signed by Mr. Wilson, in which he said:

The bearer, A. Sorrel, appears on our deferred list, so therefore can not be assigned to a Shipping Board vessel.

I also have a copy of another letter signed by Mr. Chris Rasmussen, agent New York Branch Eastern & Gulf Sailors' Association, written to Mr. W. P. Seymour, assistant to the director of industrial relations, United States Shipping Board, and reading as follows:

DEAR SIR: I am writing this short letter to you on behalf of Mr. John Olson, a member of this organization, who served as an able seaman on the S. S. *Saugus*, American Export Line. He shipped here in New York in September, 1924, and was discharged from that ship in Greece the same year; he came back to the United States about three months later by way of England. Mr. John Olson is an American citizen and has several very good discharges from ships, including some Shipping Board ships, and also from the United States Army Transport S. S. *Calemaras* during the World War. He has lately been sailing in oil tanks and other privately owned American ships, owing and due to the fact that he was put on the deferred list by the sea-service bureau after coming back from Europe at the time above mentioned, and I am asking you if possible to see that Mr. John Olson will be taken off the deferred list and given another chance, which I really believe he is entitled to. Mr. Daly, at the sea service bureau here, recommended that he write to your office in care of you, and I, in turn, promised to write this letter for him. Trusting that I will hear from you at your earliest convenience on this matter, I am,

Yours most respectfully,

CHRIS RASMUSSEN,
*Agent New York Branch Eastern & Gulf Sailors' Association (Inc.).*

I also desire to read a resolution adopted unanimously by the forty-seventh convention of the American Federation of Labor held at Los Angeles, Calif.:

Whereas there can be no safety at sea without skilled officers and seamen; and

Whereas the needed skill is only developed when those who are to see the work done are selecting those who are to do it; and

Whereas the sea service bureau and the shipowners' employment offices are working directly against any and all efficiency and safety; and

Whereas these employment offices are gathering places for casual laborers and men seeking shelter from too close a scrutiny by the police and to get away when the scrutiny becomes too pressing; and

Whereas these conditions work a hardship upon all real seamen and a most serious hindrance to the development of a merchant marine and a sufficient sea power for the United States: Therefore be it

*Resolved*, That the sea service bureau and shipowners' association shipping offices are a positive evil and ought to be abolished, and that employment of seamen ought to be through the United States shipping commissioner's office, being selected by the vessels' officers either at the commissioner's office or before coming there to be signed.

That raises the question which is very important here, as I see it, Mr. President, namely, that under the statutory provisions for the shipping of men upon ships before United States commissioners, the United States commissioner acts only as an intermediary to see that the sailor has justice. The master of the ship, under those provisions, has the last word to say concerning the personnel of those who are to go to sea with him. That was the practice for generations of time on the sea until this sea service bureau was set up by the Shipping Board, and has been maintained for the purpose of standing between the officers who desire to ship their men and the men themselves; and they have maintained these deferred or black lists, putting upon them, as I have shown here, men who have made complaints against the safety or the labor provisions of the seamen's act.

I desire briefly to refer to an editorial which appeared in the Washington Post under date of February 22.

Mr. KING. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Utah.

Mr. KING. Apropos of the resolution adopted by the labor organization in Los Angeles, have the Shipping Board or this bureau which seeks to perpetuate itself ever attempted to answer it?

Mr. LA FOLLETTE. Yes, Mr. President. The Senator from Wyoming had a letter read into the RECORD. Perhaps the Senator heard portions of it.

Mr. KING. Yes.

Mr. LA FOLLETTE. That is the answer which they make.

Mr. KING. I do not think it is satisfactory at all. It seems to me, from that letter and from what the Senator has said and from my limited knowledge of the matter, that this bureau, like most Federal bureaus, is trying to perpetuate itself, though it was created for a transitory purpose. It is like a leech; when it attaches itself to the Federal Government, it never lets go; and Congress has not power enough to pry off some of these leeches.

Mr. LA FOLLETTE. The Senator states the case very succinctly so far as this bureau is concerned. I am informed by the Senator from Wyoming that it is now costing the Government $120,000 a year to maintain this organization, which has no statutory authorization, and is, as a matter of fact, maintained in violation of the theory upon which the shipping of seamen is provided for in the statutory provisions.

I wish to read, Mr. President, this editorial from the Washington Post—it is very brief—entitled:

A BUREAU THAT MAKES LAW

The Senate has attached an amendment to the appropriation for the Shipping Board to the effect that none of the appropriation shall be used to maintain the sea service bureau. The bureau is now nothing but an employment office, performing services which by law are assigned to the shipping commissioners, for whom offices are provided in every port of entry that is also a port of ocean navigation.

The first duty of the shipping commissioner's office is "to afford facilities for engaging seamen by keeping a register of their names and characters." This is exactly the work that the sea service bureau is doing at an expense of about $150,000 a year. This is an inexcusable waste of public money. If the shipping commissioners have not done this duty, they should do it, as required by law.

The shipping commissioners have an added duty of seeing that the laws relating to seamen are obeyed. There are certain laws for the protection of the seamen which would be obeyed if this work was done by the shipping commissioners.

Let me say that that also is an important reason why the Shipping Board is determined to maintain this bureau.

Among these laws are certain penalties for misconduct when committed by the seamen or when committed by the officers of the vessel. The sea service bureau disregards these laws and places men on what is called the deferred list (black list), in lieu of submitting those men to the regular authorities for trial and punishment. These laws were passed to protect life and property at sea by maintaining proper skill and discipline. To disregard those laws and substitute therefor the whim of the owner, the master, and the sea service bureau must necessarily result in fostering a disregard for law and in driving skilled and law-abiding seamen from the service.

By its own admission the sea service bureau uses the deferred list in lieu of the penalties not only for serious infractions of discipline but even for crimes. This is a vicious system of lawmaking by a bureau, in disregard of the laws of Congress. The bureau should be abolished. The House conferees should accept the Senate amendment to the Shipping Board bill.

Mr. President, this bill has been in conference for many weeks. Only on yesterday was the conference report taken to the floor of the House. It was taken to the floor of the House at a time when the House was centering its attention upon the consideration of, or was preparing to consider, the so-called Haugen bill. Because of the desire of the House speedily to get to the consideration of that other measure, the injection of the report at that time precluded any adequate consideration of this question.

What boots it that amendments put on in the Senate are taken to the floor of the House unless there is to be given an opportunity for discussion and for an intelligent rendition by the House of its opinion with regard to those amendments?

In my brief experience in this body it has seemed to me that there has been growing up here within recent years an utter lack of consideration for the amendments which are put on House bills in the Senate. I have nothing to say concerning the attitude of the Senate conferees. I believe that they conscientiously struggled to secure an agreement on the part of the House conferees to this amendment; but I submit that under the circumstances the House, or the individual Members of that body, had no opportunity to consider the merits of this amendment attached in the Senate, or of the other two amendments upon which a recession by the Senate is now moved by the Senator from Wyoming.

It seems to me, Mr. President, that the Senate could very well insist upon a further conference concerning this amendment, with a request that it be taken to the floor of the House at a time when a consideration of the merits of the amendment might be had. Let me say, Mr. President, that there are able men in the House who have given very careful study to this entire subject who are concerned and interested in this amendment and who had no opportunity on yesterday to present this question upon the floor of the House.

Therefore I trust that the motion of the Senator from Wyoming concerning Senate amendment No. 9 will not prevail.

The VICE PRESIDENT. Without objection, the motion of the Senator from Wyoming to agree to the amendments of the House to the amendments of the Senate Nos. 1, 10, and 11, and to recede from the amendments of the Senate Nos. 7 and 8, will be agreed to. The question now is on the motion of the Senator from Wyoming to recede from the amendment of the Senate No. 9.

Mr. WARREN. Mr. President, I was about to make some remarks, but I am willing that the matter shall be voted on now.

Mr. LA FOLLETTE. I ask for a division.

Mr. FLETCHER. Mr. President, before we get to that point, with regard to this proposal for unanimous consent to agree to the rest of it——

Mr. WARREN. In the first place, I think we ought to know a little more about it; and, if the Senator will excuse me a moment, I want to say that when this amendment was offered by my friend from Wisconsin [Mr. LA FOLLETTE] on the floor. it was objected to as being out of order on the ground that it was legislation, and there was some talk about it. I remember that I took the ground at the time, and so stated, that I felt that we would not make the point of order and that it could go to conference and probably would be taken care of there.

Mr. LA FOLLETTE. Mr. President, if the Senator will permit me, the RECORD will show that the President pro tempore of the Senate, who was in the chair, ruled that the amendment was clearly a limitation and therefore not subject to a point of order. I wish to say, further, that this amendment was not adopted without an understanding on the part of the Senate as to what was contained in it, because the Senator from Connecticut questioned me concerning the amendment, and at that time I made an explanation of its purposes and of the reason for its adoption.

Mr. WARREN. I have no difference with the Senator from Wisconsin about that. If there was a point of order made, I do not know it; and I do not know that there was any Senate ruling, except as the Senator has so stated.

Mr. FLETCHER. What I was asking the Senator about—I was not in the Chamber when the report was laid down—was the amendment offered by the Senator from Alabama [Mr. BLACK]. That was in conference, also?

Mr. WARREN. Yes; and several others.

Mr. FLETCHER. I wanted to inquire what attitude was taken with regard to that.

Mr. WARREN. The motion that is now up will cause the two Houses to agree. The House disagreed to the particular amendments that the Senator from Alabama had offered, and the Senator from Alabama knows about that and took up that matter to-day. Out of the four amendments offered by the Senator from Alabama there is one that is included now in this motion that gives $350,000 for the appointment of attorneys, but includes in that the salaries of those who are drawing salaries by the year, the same as the fees of those who serve for shorter periods.

Mr. FLETCHER. That has been agreed to by the Senator from Alabama? He is not here. That is the reason why I am asking. The Senator from Alabama has agreed to that?

Mr. WARREN. The Senator from Alabama approved that, because, as he figured, it will save $70,000.

Mr. FLETCHER. I do not care to argue it. I am just trying to ascertain the situation.

Mr. WARREN. Certainly.

Mr. FLETCHER. That disposes of everything except amendment No. 9?

Mr. WARREN. They are all disposed of, so far as I know, except this one. The pending motion includes all of those that are in disagreement and to which, so far as I know, there are no objections; so that it comes down now to the matter of this one amendment, No. 9, to which the Senator from Wisconsin objects.

Mr. FLETCHER. With regard to this motion, I concede the difficulties in the situation now. Originally, I think the Senator's amendment was entirely meritorious, and I think it is yet. If we can possibly secure for it further consideration in the House, I should like to see that done. I think originally this bureau was justified, and served a good purpose; but that service now is not needed to be performed, and it is costing the Shipping Board this much money which it need not cost, and which can be avoided, I think, by a proper handling of the situation. For that reason I should like to see the Senator's amendment prevail.

That is all I care to say. I do not care to take time to discuss it.

Mr. WARREN. Mr. President, I want to appeal to the Senator from Wisconsin to allow this matter to go through, because we have done all that we can in reason, I think.

I was about to say that the Senate amendments went to conference, where they had the warmest support of every man on the conference committee on the part of the Senate. The House refused to agree, and we would not recede; and, of course, we insisted that the matter go back to the House; so that it would have gone back even without a reconsideration. It went back to the House; and I have read the RECORD, and there is nothing in the world so far as the RECORD is concerned that would show what the Senator has received news of from other quarters, because each one of these amendments was taken up by the gentleman from Indiana, and the question put.

In this particular case the gentleman from New York [Mr. LAGUARDIA] moved that the House yield to the Senate. It was voted on and rejected. Later, the motion was made that they insist upon their disagreement, and that was sustained; and so it goes down. Every one of these amendments is considered in particularity, quoted absolutely, every word of them, and in each case the motion is put and carried.

Now, it may be, and I am perfectly willing to accept the fact that there must have been some confusion in the House because of the particular legislation to which the Senator from Wisconsin refers being before them; but the condition that it puts us in as conferees, after going through the conference, and now, after going through the House, is such that it seems that it is time for us now to accept what they have to say about it.

All of this argument about the merits of the case is like the merits of many another case, where in conference we are sometimes unable on the Senate side and they are sometimes unable on the House side to maintain what each side is in favor of. I have had any amount of literature sent to me about the result of having, or not having, this bureau. I have had some of the remarks read at the desk; and I will ask now to have the clerk commence at the top of page 3 and read that, as being among those things that surround us, and I suppose they are considered by the House in their very strong attitude against us.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Chief Clerk read as follows:

This smaller turnover is due to careful selections made, and shows that the men are becoming better satisfied with their employment. While an increase is indicated in the cost of placements, there is at the same time a decrease in the operating expenses of the ships.

All matters pertaining to the now extinct sea training bureau, navigation and engineering schools, sea training ships, etc., are kept in this office and are referred to very often by the various departments of the Shipping Board and Fleet Corporation, as well as by civilians who were interested at the time of the World War.

The cost of operating the sea service bureau is $120,000 per annum. Should this bureau be abolished the cost of manning our ships will far exceed this figure, with no assurance of obtaining efficient American crews.

Letters from the following organizations have been received protesting against the discontinuance of the sea service bureau:

Letter dated—

February 27, 1928: The American Red Cross, New York City.

February 27, 1928: United States Veterans' Bureau, New York City.

February 27, 1928: State of New York, Department of Labor, New York City.

February 28, 1928: The Salvation Army, New York City.

February 28, 1928: Pacific Steamship Co., Seattle, Wash.

March 1, 1928: Civitan Club of Baltimore, Baltimore, Md.

March 1, 1928: Kiwanis Club of Portland, Portland, Oreg.

March 1, 1928: Baltimore Association of Commerce, Baltimore, Md.

March 1, 1928: Chamber of Commerce, Boston, Mass.

March 6, 1928: American Marine Mutual Association of Masters, Mates, and Pilots, Boston, Mass.

March 6, 1928: Chamber of Commerce, Seattle, Wash.

March 6, 1928: Grays Harbor Stevedore Co., Aberdeen, Wash.

March 7, 1928: Society for Prevention of Cruelty to Children, New York City.

March 8, 1928: Hampton Roads Maritime Exchange, Hampton Roads, Va.

March 8, 1928: Newport News Shipbuilding Co., Newport News, Va.

March 8, 1928: Chamber of Commerce, Norfolk, Va.

March 12, 1928: Chamber of Commerce, Savannah, Ga.

March 13, 1928: Marine Engineers' Beneficial Association, Boston, Mass.

March 13, 1928: Chamber of Commerce, Portland, Oreg.

UNITED STATES SHIPPING BOARD SEA SERVICE BUREAU.

## POWER TRUST INVESTIGATION

Mr. NORRIS. Mr. President, there is taking place now before the Federal Trade Commission an investigation of very far-reaching importance, one which, in my judgment, is not attracting the attention that it should attract from the leading newspapers of the country. All the prophecies that have been made in the past several years, when questions regarding water power and the Water Power Trust and the Electric Trust have been before the Senate, are being fulfilled in that investigation. Some of the most startling things are coming to light, some things which, it seems to me, are almost beyond the power of human beings to do. The way they are trying to educate the people of the country and create public sentiment in favor of the Water Power and the Electric Trust is something that must shock the consciences of all fair-minded people when they read or hear about it.

I am going to read an editorial from the New York World that calls attention to conditions in language much better than I am able to employ. This is from the issue of May 1 of this year:

[From the New York World of May 1, 1928]

### THE "POWER TRUST" INVESTIGATION

For a graphic account of the manner in which it is possible to use the modern publicity machine of moving pictures, radio, syndicates, "news" stories, and inspired editorials it would be difficult to surpass the story now being told before the Federal Trade Commission by the publicity experts of the power companies. The World's bureau in Washington reported yesterday one bit of strategy whereby candidates for the Senate were advised to attack Senators who had advocated Government ownership by describing them as socialists and bolsheviks. "Pin the bolshevik idea" on your opponent was the advice offered.

This is an interesting experiment in propaganda methods, but it does not suggest the thoroughness with which the power companies have worked. Their boards of strategy seem to have included not only publicity experts but bureaus of espionage. Thus in the records of the Federal Trade Commission we find the director of the Illinois committee on public utility information reporting to an officer of the Electric Bond & Share Co. in New York regarding the textbooks used in the public schools of Illinois (Document 449).

In other words, we find that the employees of this great monopoly, of this great trust, are reporting to a corporation in New York the success they are having in putting textbooks and pamphlets into the public schools of Illinois for the purpose of educating the children according to their ideas as to the management of public utilities. I continue reading:

We find the same director reporting (in Document 448) upon the methods of banishing from the schools any textbook of which his committee disapproved.

In other words, this great monopoly is picking and selecting the textbooks which shall be used in the public schools of America, and is taking out of the schools those textbooks which its men and its employees do not approve. I read further:

There are two such methods, he suggests. One, "getting in touch with" the publishers, is "a very slow process." The other method "gets action in the form of the immediate removal of the books from the schools of a city, and I can certainly see no objection to that."

This latter method needs more explanation. What "action" do the utilities companies take when they wish to obtain "the immediate removal" of a textbook from an American public school? And to what type of textbook do the utilities take exception?

When the full report of the Federal Trade Commission is available it seems certain that it will be instructive. There are some points, however, on which more light is needed.

I want to read also, in the same connection, an editorial from the Scripps-Howard papers. I read this from the Washington News of May 1:

### WHO PAYS FOR PROPAGANDA?

The Federal Trade Commission during recent weeks has been piling up a mass of documentary evidence and direct testimony which seems to substantiate assertions made in Congress that the utilities industries are engaged in a propaganda campaign of enormous proportions. Its object is to influence public thought and legislation against public ownership in any form, against Federal legislation, and specifically against the Boulder Dam and Muscle Shoals bills.

It has been established that the Joint Committee of National Utilities, composed of the National Electric Light Association, the American Gas Association, and the American Electric Railway Association, collected between June and December of 1927 some $400,000 for propaganda purposes. Its organization came as a result of the probability that the Walsh resolution, calling for a Senate investigation of the power industry, would become law.

It was desired, testimony showed, to have representation in Washington. The power lobby succeeded in shunting off the Walsh resolution to the Federal Trade Commission, and it is under authority of this that the commission is now proceeding.

The National Electric Light Association itself within a year collected more than a million dollars with which to influence public opinion.

It has been shown that the utilities organizations hired former United States Senators and other officials to work here in their behalf. They employed well-known writers to prepare books and pamphlets, which were distributed broadcast. An effort has been made to influence newspapers through this printed propaganda and by direct contact. Methods have been provided to supply women's clubs throughout the country with "information," and for "cooperating" with the clubs. Contacts have been established with schools and colleges, textbooks surveyed, students and faculty members employed during summer months, and cash grants made to further work in which the utilities are interested.

The primary purpose of this all, of course, is to defeat Government operation and forestall Federal regulation. But the utilities likewise have opposed the Shipstead bill to protect labor against injunction abuses and other measures and have interested themselves in taxation and control of navigable streams.

Witnesses admitted frankly that they attempted to use every form of publicity available in an effort to persuade the public to their way of thinking. One witness said his State organization tried to reach everyone from the eighth grade on.

The Federal Trade Commission, it would seem, is getting a comprehensive picture of this gigantic propaganda mill.

But it should not stop there. It should find out who is paying for this propaganda. Are these huge expenditures included in the expenses

the regulatory bodies permit the utilities to charge against the consumer?

Must the public pay to have its opinions brought into line with those of the utilities?

And after that, of course, the question of utility financing remains—the determination of just what is back of the huge issues of utilities securities sold to the public.

Mr. President, I have here a report of one day's proceedings before the Federal Trade Commission, printed in the Washington Herald of April 28, and in the evidence reviewed here it is shown how the giant hand of these great corporations and this great monopoly has fastened itself upon the newspapers and the schools and the teachers and the students. I read from the article:

In solemn review, Judge Healy, counsel of the commission, conducted a parade of subsidized professors and writers who prepared books and delivered lectures paid for by the power lobby, which then disseminated this literature through the country disguised as bona fide investigations by impartial scientific men.

I ask to have the article printed as a part of my remarks. There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWER INQUIRY DIGS DEEPER IN PROPAGANDA'S FAR-FLUNG NET—HAND OF GIANT CORPORATIONS FASTENED ON NEWSPAPERS AND SCHOOLS, PROBERS FIND—METHODS UNPARALLELED

By Edwin J. Clapp

The hearing yesterday in the Federal Trade Commission's investigation of the power lobby brought out the unparalleled methods by which the public-utility interests have got hold of the newspapers and schools which form the public opinion of the country, and the legislators who pass its laws.

In solemn review, Judge Healy, counsel of the commission, conducted a parade of subsidized professors and writers who prepared books and delivered lectures paid for by the power lobby, which then disseminated this literature through the country disguised as bona fide investigations by impartial scientific men.

STUCK TO PROPAGANDA

Propaganda against the Boulder Dam bill proved the main, if not the exclusive, activity of the power people, whose funds include the $1,100,000 being spent by the National Electric Light Association this year and the $400,000 collected since last June 1 by the joint committee of utility associations, the more specialized agent of anti-Boulder Dam activity.

Among the day's revelations of the marvelous workings of light and power in the year 1928 were the following:

1. George F. Oxley, publicity director for the National Electric Light Association, defended his practice of inspiring newspaper editorials with the novel explanation that "it is absolutely fair for me to put into the hands of the editor material so that he can reflect on his own views in editorials."

2. Judge Healy put into the record a letter by Oxley to the Pennsylvania State utility information director, asking for a list of State legislators in Pennsylvania, because "we have a particular piece of work which we wish to do with them."

$100 A WEEK FOR BOHN

3. Dr. Frank Bohn, a writer, was revealed as recipient of a retainer of $100 a week from the joint committee of National Utility Associations while he was publishing power articles in the Sunday edition of the New York Times of October 2, 1927, and October 30, 1927.

4. The minutes of the National Electric Light Association's public policy committee, headed by Russell H. Ballard, president of the Southern California Edison Co., threw light on the motive for an annual payment of $30,000 a year to the Harvard University School of Business Administration. The committee is on record as approving this payment on the ground that it will result in a textbook from Harvard on public regulation of utilities and "a textbook covering this ground would better appear under academic auspices than as a publication of the association."

5. The public policy committee voted to add to the $150,000 appropriated by the Puget Sound Power & Light Co. to attempt a publicity campaign demonstrating the failure of the Seattle municipally owned electric-light plant. The policy committee said:

"Seattle's rates are continually cited as lower than those charged by privately owned plants; the claim of successful results of such a policy in Seattle is dangerous and requires refutation."

6. Paul Clapp, managing director of the National Electric Light Association, testified to a swing around the circle in the Southwest and Southeast, organizing meetings of utility executives, subordinate officials and employees, to stir up "generally diffused" opposition to the Swing-Johnson bill for Boulder Dam.

7. Alfred Fisher, director of the Missouri committee on public utility information, in 1926 reported to Oxley that "the most important work done by the Missouri committee last year was in directing the attention of the industry to textbooks in public schools. You will agree with me that it would be most unwise to give this work any publicity." He added: "It is a matter for executive session between leaders of the industry, writers of textbooks, and printers thereof."

8. Prof. Theodore J. Grayson, of the University of Pennsylvania, is shown as the recipient of $407.27 as "fees and expenses" for a public lecture delivered in New Orleans last October. The news report of the lecture, sent to editors by Grayson as a Pennsylvania professor, discloses that he classed Boulder Dam advocates with socialists. This designation would include such supporters of the legislation as the Los Angeles Chamber of Commerce, John Hays Hammond, Gen. George W. Goethals, and President Coolidge.

$291.50 FOR A LECTURE

Grayson received an additional $291.50 for a lecture at Richmond on December 1 last and $288.29 for another address at Geneva, N. Y., on December 31. Judge Stephen B. Davis, New York head of the power lobby, in a letter to the Federal Trade Commission of March 21, 1928, wrote that "Mr. Grayson is an official of the New Jersey Public Utility Association as well as a college professor." The commission has also learned he is a Philadelphia lawyer, attorney for the New Jersey Water Service Co.

Doctor Bohn was shown to have been paid $100 a week from July 16 to November 23, 1927. Maj. J. S. S. Richardson, publicity director of the joint committee, testified Thursday Bohn was paid this sum for "editing." His activity during this period included an article, "Superpower era of electricity," published in the Sunday New York Times of October 2, 1927, and an article, "The struggle over Government *v.* private development of water power," in the Sunday New York Times of October 30, 1927. In the October 30 article Doctor Bohn carefully balanced the advantages of public versus private ownership, with the balance always slightly in favor of private ownership.

ADDRESSES SOUGHT

The doctor's services were further explained in a letter of September 16, 1927, written by George F. Oxley, of the National Electric Light Association, to Thorne Brown, director of the mid-West of the National Electric Light Association, and reading:

"I am taking up with the joint committee the question of whether it is possible to arrange for Mr. Frank Bohn to make two or three additional addresses while he is in your division, and I am asking Judge Davis to correspond with you direct."

Perhaps the most amusing exhibit in the hearing is a letter written by Prof. E. A. Stewart, of the University of Minnesota, in 1925, to Dr. S. S. Wyer, long-established writer against public ownership, whose wares have been broadcast by the National Electric Light Association and the joint committee. Stewart thanks Wyer for sending him a pamphlet disputing the success of the Government-owned power system of the Province of Ontario. The professor writes that after reading a few of the excerpts contained in Wyer's pamphlet, "I couldn't help but think of the song:

"'Hallelujah! Thine the glory,
Hallelujah, amen.
Hallelujah, Thine the glory,
Revive us again!'"

TRIES IT HIMSELF

Professor Stewart became so affected by the Wyer effort that he has recently himself made an elaborate report on what he calls the failure of the Ontario plan for providing cheap electricity for farmers. The pamphlet is being given nation-wide distribution by a Minneapolis public utility.

Dr. S. S. Wyer is author of the latest anti-Boulder Dam pamphlet, entitled "Study of the Boulder Dam Project," by Samuel S. Wyer, consulting engineer. This pamphlet, issued by the Ohio State Chamber of Commerce on January 30, 1928, and one of the exhibits introduced into the record, has been distributed broadcast through the country and put into the hands of every Representative and Senator.

The Ohio State Chamber of Commerce came into the picture yesterday when George B. Chandler, its secretary, was shown by exhibits and testimony to have labored for an anti-Boulder Dam resolution at a meeting of State chambers of commerce officials assembled in Atlantic City.

He actually succeeded in getting such a resolution considered favorably by the Connecticut Chamber of Commerce. However, they insisted upon expert advice as to what to do about Boulder Dam, and voted against it only after an adverse resolution had been prepared and submitted by Samuel Ferguson, president of the Hartford Electric Light Co.

WANTED AN INQUIRY

The next move for delaying action on Boulder Dam was prefigured by a resolution presented at the February 16, 1928, meeting of the public policy committee of the National Electric Light Association. The minutes of this session contain the following item:

"Mr. Paul A. Schollkopf, of the Niagara Falls Power Co., presented to the committee the desirability of securing an independent engineer-

ing investigation on the Colorado River. It was suggested that the United States Chamber of Commerce might properly set up a commission with the object in view of determining the soundest possible engineering treatment of the river, such a study to be started promptly in order that it may be completed early this fall."

The power lobby's method of working the newspapers is nicely illustrated in a letter of January 19, 1926, written by Oxley, of the light association, to Richardson, then head of the Pennsylvania public service information committee:

"Inclosed please find uncorrected proof of an editorial which will be published in the January 21 issue of the Progressive Labor World, which, of course, you know. Arrangements have been made to have the revised proofs of the editorial in the hands of Charles Penrose to-morrow.

"I thought it might be possible for you to call the editorial to the attention of some of your newspaper friends and perhaps the Associated Press representatives, with a view to having them list at least a part of it for use in some other paper in the city."

GREENWOOD'S BOOK

Yesterday's hearings gave further information regarding the propaganda book, Aladdin, U. S. A., by Ernest Greenwood, former member of the District of Columbia school board. The book was financed by the National Electric Light Association, which advanced $5,000 to Greenwood and then purchased 5,000 copies for $7,500 from Harper & Bros., publishers, "in anticipation of reselling" to public-utilities companies.

Oxley in a letter of January 8, 1928, "to member company executives," urged the wide distribution of the book and added the following quaint comment on its scientific value:

"Thomas A. Edison has written a foreword to the book and authorized the use of an autographed photograph as frontispiece. This, of course, will add to the value and convincing quality of the material in the book."

On January 13, 1928, Oxley again circularized "member company executives" with a "pamphlet reprint of an article by Ernest Greenwood, which will appear in the February issue of the Industrial Digest." The magazine article attached to Oxley's letter was entitled "Panning public utilities," and the subtitle was: "What is the basis of the popular pastime of picking on organizations with clean business records which always have paid dividends to their security holders?"

WOMAN URGES BOOK

Sophia Malieki, chairman of the women's committee of the National Electric Light Association, on March 22, 1928, addressed an appeal to "chairmen of women's committees":

"Aladdin, U. S. A., by Ernest Greenwood, is a book every member of the electrical industry ought to read. Students and club members frequently ask for material on the industry. This book is an authoritative source. Teachers and librarians will appreciate having the book brought to their attention or given them."

Further data were produced with respect to the trip to Washington made by ex-Gov. James G. Scrugham, of Nevada, in January, to confer with Judge Stephen B. Davis, director of the joint committee of National Utility Associations, which is leading the fight against Boulder Dam. For this trip Governor Scrugham was paid $600 expense money. The controversy is still unsettled as to whether Scrugham invited himself to the conference or was invited by Judge Davis. Governor Scrugham has been an outstanding advocate of Boulder Dam legislation.

The exact date of the Scrugham-Davis conference was established as January 19 by an entry in an expense memorandum prepared by Judge Davis, accounting for a matter of $3,395.04 of special expenses from December 9, 1927, to January 25, 1928. Attention was called to the fact that from January 12 to January 27 Judge Davis and George B. Cortelyou, president of the Consolidated Gas Co. of New York and chairman of the joint committee, were together in Washington, as shown by an item of $1,282.14, described as expended for "Mayflower Hotel—Mr. Cortelyou and Judge Davis, railroad tickets, meals, and incidentals."

Scrugham apparently arrived in Washington in the middle of this period. Davis and Cortelyou were obviously in Washington fighting the Walsh resolution for investigation of the so-called Power Trust, for the resolution was defeated after Senate committee hearings on January 16 to 21, inclusive.

Yesterday afternoon the commission's hearings adjourned until next Wednesday, to give time to digest the trunk full of additional subpœnaed documents dumped in the hearing room yesterday.

ODDIE SCORES SCRUGHAM FOR POWER-LOBBY PAY

Senator TASKER ODDIE, of Nevada, yesterday made a statement criticizing ex-Governor James G. Scrugham, of Nevada, for accepting money from the power lobby:

"I was amazed that ex-Governor Scrugham should have accepted money from the power interests which are trying to defeat the Boulder Dam legislation.

"This partly accounts for some of the opposition on the part of Secretary Work and ex-Governor Scrugham to myself and to some of the important features of my stand on Boulder Dam legislation.

"Secretary Work and ex-Governor Scrugham have been working very closely together, and ex-Governor Scrugham is Secretary Work's personal representative on these matters in Nevada.

"Their attacks on my policy, in my opinion, were for the purpose of embarrassing the Boulder Dam legislation which we are trying to get through.

"I can see now where some of this influence came from."

Mr. NORRIS. Mr. President, I ask to have included in the RECORD a report from the same writer, printed in the same paper, in which the evidence reviewed shows how the State of Connecticut is being covered with propaganda, and how the school children of that State are being educated at the expense of the Power Trust along the line that is agreeable to those who control that great monopoly.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. FRAZIER. I want to ask the Senator if he understands that the Power Trust are not only furnishing these books, but donating them to the schools?

Mr. NORRIS. Oh, yes; they are donating them, and paying teachers and instructors wherever they can get them to go out in the country and make speeches. They are getting women's organizations, and all kinds of organizations that they can get. I will refer to some more of them as I proceed.

Mr. GOODING. Mr. President, does the Senator know whether the Associated Press and other organizations are carrying this news to the people?

Mr. NORRIS. I have looked into the matter for two days. In my judgment, the Associated Press carried a very small account of it. I was hardly able to get an intelligent idea of just what happened before the Federal Trade Commission from reading the Associated Press report.

Mr. GOODING. I ask that question because a newspaper man who was in the city two or three days ago, and who went over to New York, said the newspapers there were not carrying practically anything at all in connection with this investigation. He was astonished when I told him of some things the commission was uncovering. Possibly no more important information has ever been given to the public than is being furnished in the investigation now being made. Yet I understand the great press of the country is not carrying enough of it so that the people can get even an intelligent idea of what is being done.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COUZENS. Is it not also true that they catalogue Senators in some respects, as to what position they take, stating that some of them are safe and some are not? Is not that correct?

Mr. NORRIS. I have no doubt but that they have catalogued us. I do not know that that has been done down there yet, but I have no doubt that we are all classified, that some of us are classified as safe, and some of us are classified as sane, and some as bolshevik, and some as "red."

I was about to read what they were sending into the schools of Connecticut when I was interrupted. In order to meet any argument that may be made against them, they send out various things. The Senator from Montana put in the RECORD the other day a sample of a speech a man is to make when he is running against another for the United States Senate who is supposed to be friendly to Government ownership of anything. They send out a catechism to the children, consisting of questions and answers. I want to read one of them. Here is the question.

What is the effect of adverse criticism upon utility service?

A. When people in any community criticize adversely public utilities in their cities, they are advertising their own city to outsiders as a poor place in which to live and are thereby retarding its growth.

That is what the children are taught. You must not criticize the public utilities in your town unless they are owned by the municipality, and then you can give them fits every day.

Mr. JOHNSON. Is that a part of the curriculum of Connecticut?

Mr. NORRIS. It was sent into the public schools of Connecticut.

Mr. LA FOLLETTE. Does the Senator know how long ago they started teaching that in the schools up there?

Mr. NORRIS. I suppose they started it a good while ago, because I know there are men who come from Connecticut who are quite old who have those ideas.

Mr. President, I ask to have printed as a part of my remarks this entire article without further reading.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, April 3, 1928]

CONNECTICUT'S YOUTH TAUGHT BY CATECHISM SENT TEACHERS—GRADE SCHOOLS ALSO ARE USING PROPAGANDA PUBLISHED BY LOBBY, INQUIRY DISCOVERS—PARTY BOSS INVOLVED—RORABACK COUNSEL FOR GROUP—NATIONAL BODY OF WOMEN FORMED TO "SPREAD GOSPEL"

By Edwin J. Clapp

"The little red schoolhouse" in Connecticut is using as a textbook in classroom work the Connecticut Public Utilities Catechism, published by the Connecticut Committee on Public Service Information, it was disclosed yesterday in the Federal Trade Commission's hearing on the so-called Power Trust and the power lobby.

According to Clarence G. Willard, secretary of the Connecticut committee, 76 high schools in the State are using his "catechism," while letters from Connecticut teachers aver that it is being used in grade schools as well.

SPENDS $15,000 ANNUALLY

Other outstanding events in the day's developments were:

1. Disclosure that the Connecticut committee spends $15,000 a year, of which it gets $3,000 from the New Haven Railroad Co., $2,500 from the Connecticut company, a subsidiary of the New Haven, and $15,000 from the Connecticut Light & Power Co., a public utility, of which J. Henry Roraback, Republican boss in Connecticut, is counsel and chairman of the management committee.

2. The outlines were given of a nation-wide organization of women to spread the public-utility propaganda, their leaders being trained in a high-powered school of elocution, and then sent out like apostles to spread the gospel taught them with respect to rates, earnings, and public regulation.

3. The 1927 convention of the Great Lakes division of the National Electric Light Association, held last September, and the meeting of the Southern Appalachian Power Conference, last October, were both disclosed to have climaxed in appeals to mobilize power forces to defeat Boulder Dam.

GOT EXPENSES, TOO

4. J. Bart Campbell, Washington newspaper correspondent, who, according to the testimony, was employed by the power lobby to supply it with "news releases" at $150 per month, is shown also to have received from the power lobby money for expense accounts, varying from $51.11 to $122.85 a month.

David Lawrence, publisher of the United States Daily, which had submitted to the power lobby a proposal for a $202,800 advertising campaign in that newspaper, was defended in a letter submitted to the commission by the paper's director of advertising, Victor Whitlock, who said "the memorandum does not represent the views of David Lawrence, nor does it represent the views of our newspaper."

Judge Robert E. Healy, chief counsel of the Federal Trade Commission, admitted the letter to the record with the comment:

"I do it, however, without indicating anything as to what future inquiry may be made or seem desirable * * * as I stated, I put this in without any inference whatever as to the future action or future inquiry on the same matter."

CATECHISM IS SENSATION

Without any doubt the sensation of the day was the Connecticut public-utilities catechism, revised and distributed to schools annually by the Connecticut committee.

In the committee's annual report for the year ended March 31, 1927, appears the item: "Church press, for printing catechisms, $694.89." The cost of this year's edition was approximately $800.

The caliber of the "catechism" is indicated by the following:

"Question 9. What is the effect of adverse criticism upon utility service?

"Answer. When people in any community criticize adversely public utilities in their city they are advertising their own city to outsiders as a poor place in which to live and are thereby retarding its growth."

According to the testimony of Secretary Willard, of the committee, there are 10,110 of these catechisms in use, copies having been ordered by 76 high schools. A letter dated January 11, 1927, to Willard from E. H. Parkman, superintendent of schools, of Thompsonville, Conn., says: "We have placed the catechisms in certain high-school classes and in several of our upper-grade classes, for the teachers find them very useful, indeed."

A SOLEMN RITUAL

The catechism is offered to the Connecticut schools with all the solemnity of a research document. On January 6, 1927, Willard wrote Frank W. Strong, principal of the Durham High School, thanking him for ordering 60 copies of the catechism, and adding: "It took us six months to compile it, most of the time being spent in verifying the text and making certain that everything was exactly according to facts."

Judge Healy pressed Willard closely with respect to his authority for some of the "facts" in the catechism. For example, in the answer to question 21, the catechism says that when communities attempt to offer a light-and-power service, "in every case it has been found that the costs of the service are higher than when the service is furnished by a private corporation." Judge Healy questioned Willard, as follows:

"Q. In this paragraph 21 you undertake to prove to the high-school children that municipal ownership is a bad thing, don't you?—A. As a matter of fact; yes. I think it is so in every case I have heard of.

"Q. Don't you know whether it is or not? Don't you know that there are communities in this country served by municipal plants where the costs of the service are no higher than when the service is furnished by a private corporation?—A. I don't know.

CONVENIENT KNOWLEDGE

"Q. I want to ask you if, when you wrote that article, you knew anything at all about the cost of service in the municipality-operated plants I will name? Let us take first the city of Los Angeles.—A. Personally, I don't know."

Another of the catechism statements to which Judge Healy took exception is the following, also under question 21:

"Statistics have proven that the cost of living in cities which operate their own utilities is much higher than in cities where the public service is intrusted to private enterprise regulated by the public's servants on a commission."

This statement gave rise to the following colloquy between Judge Healy and the witness:

"Q. Do you remember whether a statement to that effect was sent out by the National Electric Light Association in a pamphlet?—A. It might have been. I don't remember.

"Q. The record here shows a statement of that kind was made by the National Electric Light Association, and the National Industrial Conference Board was cited as the authority, and we had in the record a letter from the National Industrial Conference Board, saying they never did anything of the kind.—A. That may have been a fact.

MIGHT BE ERRONEOUS

"Q. If that was the basis, it rests upon a mistaken basis, does it not?—A. I assume so."

The catechism, however, went like hot cakes in the Connecticut schools. Robert G. Blanchard, of the Lewis High School, Southington, Conn., wrote in October, 1926: "Your catechism is a real contribution to secondary education; we would like 150 copies."

The most glowing eulogy of the catechism was given by Ralph W. Hedges, principal of the Warren Harding High School, of Bridgeport, in a letter to Willard, dated September 16, 1927:

"Will you kindly send us 1,300 copies (of the new edition)? We wish to thank you very much for this material and to congratulate you upon the splendid work which you are doing for the public schools of the State of Connecticut. We not only make use of the material in many of our classes, but we also have placed a copy in the hands of every pupil in our school."

Willard testified that he keeps a stream of "clip sheets" pouring out to a mailing list of 1,036, which includes 108 newspapers, 128 banks and trust companies, 40 chambers of commerce, and 237 high-school students. In a letter of November 4, 1925, Willard reported to the chairman of the committee, Samuel Ferguson, president of the Hartford Electric Light Co., on the success of getting the clip sheets into the schools:

"For the past few months we have been making an effort to interest the high schools in the State to use our clip sheets in their classrooms, particularly in the study of civics. I believe this work is of value in shaping many future opinions. Within the next six months I trust we may be able to have our clip sheets used generally throughout the State, just as the Literary Digest and Current Events are used to-day."

Prompt action to prevent Boulder Dam legislation was taken by A. Bliss McCrum, director of the West Virginia committee, immediately after receipt of the circular telegram of January 7, 1927, sent to all State committee directors by George F. Oxley, publicity director of the National Electric Light Association. McCrum promptly wrote Oxley on January 10:

"Probably the most effective way in which the West Virginia association in this State can help is by getting in contact with Members of the House of Representatives from the State of West Virginia. I am taking the matter up with some of the more active members of the association and will ask them to get in touch with their Representatives in the House of Representatives at Washington."

CONFERENCE ALARMED

The October 13, 14, 15, 1927, meeting of the Southern Appalachian Power Conference, at Chattanooga, adopted a resolution favoring private instead of "political" ownership. The delegates were addressed by William H. Onken, jr., editor of the Electrical World, of New York City, who said:

"The inhabitants of other States are as anxious, I take it, as are the politicians of California, to protect the inhabitants of the Imperial Valley against flood. But that is not to say that they will shut their

eyes to the water grab promised in the Swing-Johnson bill or the effort also there made to put the Government in business and to thwart the Federal water power act."

The September 22–24, 1927, annual convention of the Great Lakes division of the National Electric Light Association, at French Lick, closed with the following remarks on Boulder Dam by President Sands:

"You may think that the Boulder Dam issue, in so far as Government operation of the electric light and power end of the business is concerned, is of minor importance, but it is these beginnings of the intrusion of the Government into our business that must be resisted."

A WORD TO BOSSES

Speaking at the fifth annual meeting at French Lick of the Great Lakes division of the National Electric Light Association, whose minutes were introduced into yesterday's hearing, Chester Corey, vice president of the Harris Trust & Savings Bank, of Chicago, stressed the "political value of customer ownership of the stock of public utilities." He said that "many instances could be cited of the appreciation of the politicians of the unwisdom of favoring legislation adverse to the safety of investments made in small units by a very large number of their constituents."

This September meeting at French Lick was also addressed by Miss Isabel Davis, secretary of the National Electric Light Association's women's committee, which, she said, was organized five years ago to "give the women of the country an idea of what the electric light and power industry is."

The national committee makes plans that are followed by a women's committee in each member company, meeting monthly and listening to facts on "regulation, financing, superpower, private versus political ownership, as presented by executives, and the women are encouraged to take part in the discussion following."

DESCRIBES WORK

The missionary work being done by these women was thus described by Miss Davis:

"A large number of the committee are studying public speaking under qualified instructors, with practice within their meetings. And from this activity many speakers are being developed who are qualified to appear before groups outside the industry. Two young women members of the women's committee of the southwestern geographic division traveled over that division, making a town a day, and in each town they talked two or three times. They addressed business women's clubs, women's social clubs, men's civic clubs, and even the employees of a big cracker factory, and reached thousands of men and women with facts about the industry.

"In New Orleans a young lady conducts classes of school children through the power plant, explaining in simple language the uses of electricity, how it is generated, and telling them about the policies of the company which serves them."

Mr. NORRIS. Here is another one, reporting another day's work down in the commission, from the same paper, written by the same man. I read a paragraph from it:

At hearings in the investigation of the so-called Power Trust it was frankly admitted that $20,225 of this money—

of a much larger sum—

was spent secretly, and was never accounted for.

The distributor of this money was Walter H. Johnson, of Philadelphia, until recently president of the Philadelphia Electric Co., and now head of the public policy committee, Pennsylvania Electric Association. He could not remember where a single dollar of it had gone, although on February 29 of this year he spent the last $675 of it.

I ask that the whole article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, May 4, 1928]

STATE LOBBY WORKED UPON PENNSYLVANIA LEGISLATORS—FEDERAL TRADE COMMISSION BARES HOW ELECTRIC CO. PAID WAY INTO FAVOR AT CAPITAL—NO RECORD OF $20,225—PAID PROPAGANDA TWISTED BOOKS IN SCHOOLS TO CONFORM WITH POLICY OF CORPORATIONS

By Edwin J. Clapp

A $59,000 slush fund used by the electric power interests to hire lobbyists and influence legislators in Pennsylvania was uncovered by the Federal Trade Commission yesterday.

At hearings in the investigation of the so-called Power Trust, it was frankly admitted that $20,225 of this money was spent secretly, and was never accounted for.

The distributor of this largess, Walter H. Johnson, of Philadelphia, until recently president of the Philadelphia Electric Co. and now head of the public policy committee, Pennsylvania Electric Association, could not remember where a single dollar of it had gone, although on February 29 of this year he spent the last $675 of it.

There is a man who spent something over $20,000 in the course of several years, just winding up last February, and he can not give to the inquirer the name of a single person who got a penny of it. He has no recollection of the identity of anyone who got a single cent of that money. I suppose that man was under oath, and I presume most of those who are doing me the honor of listening to me now are attorneys, or, if they are not, they have had some experience in court. Is there a man within the sound of my voice who will say that a witness who handles that much money, and does it secretly, tells the truth when he says within two or three months after he is through spending it that he can not remember a single individual who got a penny of it? Nobody will believe that story.

If the ordinary man went to court or before a commission and gave that kind of testimony, nobody would hesitate to brand him as a perjurer, but if he is connected with the great Electric Power Trust that has its fangs upon the communities from the Atlantic to the Pacific and from the Lakes to the Gulf, then we look upon it just as a slip of memory.

Reading further from this article:

LEGISLATIVE LOBBY

According to exhibits introduced yesterday, $38,775 more expenditures of Johnson's public policy committee were disbursed to individuals admittedly hired to operate upon the State legislators in Harrisburg. Prominent men in Pennsylvania are involved in the disclosures.

The Boulder Dam bill, now pending in the Senate, came in for a large share of the attention of the utility organizations of Pennsylvania, which assembled in meeting to pass resolutions against it, and devoted to it liberal space in the publicity matter they distributed.

Schools and newspapers are no more neglected by Pennsylvania than by the other States thus far investigated. The State utilities information bureau has investigated the textbooks on civics and economics used in the State and published a survey, indicating "unsound" information they contained.

120,000 PAMPHLETS

Thirty thousand sets of four pamphlets on public utilities, corresponding to the "catechism" distributed by the utilities to the schools of Connecticut, have been sent out by the Pennsylvania information bureau to the school children of the State.

The testimony disclosed that in Pennsylvania they had discarded outgrown methods of sending "news" to the papers. Instead, "contact men" take matter to the editors direct.

Exhibits disclose the utility men urging liberal advertising expenditures, especially among rural newspapers, on the ground that "paid advertising is manna to the country newspaper," and "it helps you to more readily interest them in your point of view" if they are given paid advertising.

A SPY SYSTEM

An "important and confidential" memorandum addressed to "executives of Pennsylvania public utilities" by the State information bureau urges each one of them to "delegate some one of your organization to the following task:

"To report to the committee director the names of newspapers which do not quote items from the news bulletin." (Sent out by the committee.)

In other words, they not only send out paid advertising to any newspaper, according to the theory that I have just read, but they send out bulletins and then they hire spies to report to them the names of the newspapers who do not publish from those pamphlets any part of the propaganda which is sent out to them.

I remember in one of these articles—I think I ought to read that particular item—there is shown a contribution of the trust made to a religious paper, and one item of expense on that account shows an expenditure of something over $600. I can not just find it at the moment, but it is in some of the articles which I am having placed in the RECORD, and Senators will be able to find it there.

The article from which I last read continues:

An interested and attentive observer of the day's proceedings was ex-Gov. Gifford Pinchot, of Pennsylvania. More than half of the $59,000 slush fund was spent when the Pennsylvania power lobby was waging its successful attempt to defeat the 19 bills that Pinchot had introduced into the Pennsylvania Legislature to make possible its giant power system, with its provision for the sale of cheap current to municipalities and farmer groups, and also bring about a more stringent regulation of the earnings of Pennsylvania utility companies. During the afternoon Mrs. Pinchot sat by the governor, knitting.

A few feet away, another attentive spectator, sat one of Pinchot's political enemies, Philip H. Gadsden, of Philadelphia, vice president of the United Gas Improvement Co., in charge of public relations.

Gadsden is likewise vice chairman of the national power lobby, the joint committee of National Utility Associations in New York, and is also chairman of its executive committee. Gadsden was accompanied by Josiah T. Newcomb, $35,000 lobbyist of the joint committee.

The star witness of the day, and of the entire investigation to date, was Walter H. Johnson, of Philadelphia. His avocation is the chairmanship of the public policy committee of the Pennsylvania Electric Association; his business is assistant to the chairman of the board of directors of the Philadelphia Electric Co. Johnson gave a classic and an engagingly frank exhibition of the standards, the methods, and the memory lapses of men who handle special funds used to influence legislation.

He could not remember where or how or when or to whom he disbursed any of the $20,225 he had handled. All he knew was that it had been honorably and lawfully spent. He just drew the money out at different times, put it in the safe, and used it. He said he thought it was perfectly proper for a person to appear before a legislative committee as a witness and conceal the fact that he had been paid.

Here is some questioning about Pennsylvania:

JUDGE SHARPLY QUESTIONS MAN WHO HIRED "HELPERS"

Johnson's views met with sharp comment from Judge Edgar A. McCulloch, Federal Trade Commissioner in charge of the investigation, and Judge Robert E. Healy, chief counsel of the commission, who conducted the examination. With reference to Johnson's secret disbursements of cash drawn from the bank account of the public policy committee of the Pennsylvania Electric Association, the following colloquy took place:

"Q. Is it correct to say that the principal expenditures of the committee have been in connection with legislative matters in Pennsylvania?—A. That is correct.

"Q. Who employed these various lawyers and experts for the services rendered?—A. I did.

SELDOM THERE

"Q. Was that your particular function?—A. That was my particular function as chairman of the committee.

"Q. Did you attend the legislative sessions yourself to some extent?—A. Oh, very seldom.

"Q. Do you discuss the bills with the members of the legislature?—A. I discussed the bills with counsel.

"Q. You don't go up and undertake to buttonhole the legislators?—A. No, sir.

"Q. Your method is to stir the people back home up to write the legislators?—A. That is correct.

"Q. That is the way you have the pressure exerted on them?—A. Yes, sir.

"Q. And through your counsel you get people to go and speak against the bill?—A. Correct.

YES, OF COURSE

"Q. Are the counsel also expected to talk with legislators outside of committee hearings?—A. Why, of course, I don't see why they should not.

"Q. And if they can get a friend of theirs in the legislature to oppose a measure there, they are expected to do that?—A. Of course they are.

"Q. If one or more of them has a specially wide acquaintance in the legislature, wouldn't that be looked upon as an advantage?—A. It certainly would.

"Q. Do you think it takes special legal skill to do this kind of work that is referred to in the legislature, or don't you undertake to select men that are popular with the legislators and have a wide acquaintance in the legislature?—A. I should say that, of course, we employ men that have a wide acquaintance. Yes; certainly; but they are honorable and they have got to have good common sense."

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HE KEPT NO EXPENSE BOOK, "SO NONE COULD EVER KNOW"

Johnson admitted to Judge Healy that he had been "the main legislative man in the public-policy committee" and that he had received, on dates specified, $20,225 in cash from W. E. Long, treasurer of the committee, the sums ranging from $250 to $7,500, the last payment being $675 on February 29, 1928. With respect to each item the question was asked, "What did you do with it?" and the answer was, "I don't know." For example:

"Q. On the 18th of March, 1927, you received in the same way the sum of $7,500?—A. Correct.

"Q. What did you do with that?—A. I don't know. If Mr. Long had told me, I would recall it. It might have been some cleaning-up matters.

"Q. Who cleaned up?—A. Well, what I mean is not the way you are taking it. There are expenses connected with the honorable discharge of duties performed, and that is the only way I can account for that.

WANT IT SECRET

"Q. If they are incurred in an honorable discharge of duties, why is the payment handled by Mr. Long drawing the money and turning it over to you in cash?—A. Simply because people—we don't want people to know who gets the money.

"Q. Very good. You don't want people to know who gets the money.—A. I don't know who got it. I can not answer that. I can't answer that if my life depended upon it. The legislature is in session year by year. I had a corporation I was trying to handle, and I had to have people do the details for me, doing the work, as you have your honorable, distinguished attorneys around you to assist you.

"Q. I am beginning to understand why you were chairman of the committee. Answer my question. If this money was spent honorably and lawfully, would there be any objection to telling who got it and how much?—A. Yes, sir; there would.

"Q. There would, although it was honorable and lawful?—A. Yes, sir.

"Q. But you are unable to tell about where any of this money went?—A. Correct.

ALWAYS A SECRET

"Q. Beginning with the first item in December, 1922, your mind is just as blank as with respect to the one of March 18, 1927?—A. That is correct.

"Q. Barely a year ago?—Yes, sir.

"Q. The sum of $7,500?—A. Yes, sir.

"Q. Have you no recollection at all as to why you proposed to Mr. Long that the money should be handled in this way?—A. Except I thought it was the way to do it.

"Q. It was because you didn't want it known who got the money and how much, Mr. Johnson?—A. Of course.

"Q. And if we don't know who got the money and how much, we will never know what they got it for, will we?—A. No, sir.

"Q. Or whether it was honorable and lawful?—A. No, sir.

"Q. And you don't intend to tell us, do you?—A. I don't know. I scratched my brain to try to find out."

At this point Commissioner McCulloch intervened:

"Commissioner MCCULLOCH. You can't remember a single individual you paid any of that money to?

"The WITNESS. No, sir.

"Commissioner MCCULLOCH. Did you carry it around in your pockets and hand it out?

"The WITNESS. No; I paid it out—I put it in the safe and used it. That is, if it was for entertainment, traveling expenses, I would send for people and pay their expenses and then give them something for their services.

"Mr. HEALY. Wasn't some of that money paid to people in that way that were to go before the legislature and into the committees in opposition to these bills?

"A. I should think so, but I would not say so.

"Q. A person paid by your association would go to the legislature and oppose a bill without disclosing the fact that he was being paid?—A. Of course.

"Q. That would be perfectly honorable and lawful?—A. Yes, sir.

"Q. All right. That gives us some standard by which we can judge the use that was made of the rest of the money, perhaps"—

And so on. Mr. President, I ask to print, without further reading, the remainder of the article.

The PRESIDING OFFICER (Mr. SACKETT in the chair). Without objection, it is so ordered.

The remainder of the article referred to is as follows:

WHO TOOK THE BIG MONEY BROUGHT TO LIGHT AT LAST

Judge Healy questioned Mr. Johnson closely to ascertain whether the public policy committee had opposed the giant power bills of Governor Pinchot because they opened the way for the development of public ownership. Mr. Johnson was unable to recall that public ownership was in any way a feature of the giant power proposition until he heard Judge Healy read into the record a pamphlet attacking Giant Power on this ground written by Charles Penrose, brother of the late Senator Boies Penrose, and given nation-wide circulation by the Pennsylvania Utility Association assisted by the Investment Bankers' Association.

Mr. Johnson closed his testimony with: "I do not think that the Giant Power bills are practical, to begin with, and I do not think that they are to the best interests of the dear people."

Among the known recipients of the funds of the Pennsylvania Association's public policy committee, a leading beneficiary was John P. Connelly, who got $14,103, of which $11,525 was paid him during the period when the utility companies were fighting the giant power bill and the tri-State water-power pact. Connelly is a chief lieutenant of WILLIAM S. VARE, Philadelphia Republican boss, who spent $800,000 to win a seat in the United States Senate in 1926 and has not yet been seated.

LAWYER LOBBYIST

Payments totaling $14,615 were made to the Philadelphia law firm of Hause, Evans & Baker, one of whose members, Berne T. Evans, is known as the chief lobbyist of the power interests in Pennsylvania. All but $2,000 of this fund was paid during the fight over giant power and the tri-State pact.

J. H. Bigelow, chairman of the Democratic State committee, got $1,000 on March 3, 1926. On April 17, 1926, $1,000 was paid to James F. Burke, of Pittsburgh, former Member of Congress, and one of Andrew W. Mellon's political lieutenants. The $1,000 to Burke was

paid via the Duquesne Light & Power Co. Burke was VARE'S original counsel in the Reed committee investigation.

Another $1,000 went to William T. Ramsey, formerly wet mayor of Chester, Pa., and former member of the State legislature. This payment was likewise made indirectly, a double play from Long to Ramsey via Albert R. Granger.

Daniel T. McKelvie, of Hazelton, whom Long described as "not a lawyer," received a total of $7,050 for services on legislative matters between March 3, 1926, and April 26, 1926.

NEWSPAPERS, COLLEGES

The technique of handling the newspapers was explained by A. G. McKenzie, director of the State utility information bureaus of Pennsylvania and New Jersey, at a meeting of the Pennsylvania Electric Association on November 7. Mr. McKenzie spoke about the value of utility companies carrying advertisements in the newspapers, especially the small and rural papers. He stated it was his experience that it was extremely difficult to interest the newspapers in your welfare unless you are interested in the welfare of the newspapers.

The minutes of the same November meeting also disclosed some attention paid to the colleges:

"Mr. Kuhn mentioned that he believed it would be a good idea to check up on the trend of teaching as imparted in the colleges and universities, especially in economics and liberal arts schools, in relation to the utilities. So many courses in these schools are in the form of lecture courses, and unless the professors have the right point of view, immense damage will be done to the industry. Most of these lectures are not based on textbooks, consequently, he declared, the textbooks will not disclose the main source of the trouble."

Examination of the weekly clip sheets of the Pennsylvania Public Utilities Information Bureau during 1927 discloses frequent items attacking the present Swing-Johnson bill for Boulder Dam, with major articles against them on February 14 and September 12. A meeting of the public relations committee of the Pennsylvania Electric Association at Altoona, Pa., February 28, 1927, was largely devoted to attacking the Boulder Dam bill and devising means of fighting it.

SWING-JOHNSON BILL

The meeting was called to order by Mr. Shearer with this address:

"It is quite an opportune time for this meeting to be scheduled because of the agitation being fostered in various quarters against the public utilities. It is essential that steps be taken by the industry to combat the propaganda of the agitators. Every day brings to our attention some new movement aimed at the public utilities.

"At the present time there is pending in the Senate the 'Swing-Johnson bill,' which is being promoted primarily by a group of legislators interested in the nationalization of the electric light and power industry. This bill is the first big effort of the Government ownership group to get the Federal Government to go into the power business. This bill is of momentous importance to the electric light and power industry, because it will establish a precedent for other similar projects.

"We also have ex-Governor Pinchot active as ever in the promotion of his 'Giant power.' Only recently he paid a visit to Portland, Me., to deliver an address on the 'Superpower monopoly.' He is now in Washington and is quite active behind the scenes, in all Government ownership propaganda. Only on last Friday Senator WALSH of Montana introduced a bill in the Senate providing for investigation of the public utilities.

"In addition to these efforts we have men of the caliber of Professor Ripley, of Harvard, issuing articles and books, all aimed at the electric light and power industry."

Hearings will resume this morning at 10 o'clock.

Mr. NORRIS. The question is asked sometimes by the writer and the question presents itself to anyone who looks into it or who listens to this wonderful tale of evidence coming before the Federal Trade Commission, Who pays the bill? Where did they get the $7,500. Where did they get the $400,000 that was used to pay the lobby in this city? Where did the other company, speaking of the electric light company, get the more than $1,000,000 that was used in propaganda purposes? Who paid this money? Just ask yourselves the question, Who paid this money?

Every penny of it came from those who use the public utilities. They have no other source of income. The man who, by the electric light in his humble home, reads his evening paper, is making his contribution. The woman turning out washing for her neighbors with an electric washing machine is paying her share of this boodle money. Every man who uses an electric light, every man who uses any electric power, whether he is getting it in large quantities or in small quantities, is making his contribution. Although it may be made in pennies, in the aggregate it amounts to millions. That same money is used to deceive the very men and the very women who make the contributions from their daily wages.

That is what is being shown up right in this city. The evidence discloses the fact that it is coming from all over the United States. I have only touched some of the high spots. They have only touched some of the high spots as far as they have gone. But it does disclose that this organization, handling millions of dollars, is looking after not only the Senate of the United States, not only the House of Representatives of the United States but every legislature in the land, and down to every street commissioner running for office where he has anything to do with regulation. It will be found that they are some of the principal contributors in presidential campaigns. There is nothing that escapes this great trust. From the public schools and the humble homes into the public halls of the legislatives and the palaces of the officials, both of the State and of the Nation, this wonderful trust is sending its information tending to deceive and to misrepresent the truth to the American people.

INDEPENDENT OFFICES APPROPRIATIONS

Mr. WARREN. Mr. President, the bill now before us, the independent offices appropriation bill, is the second one we passed this session. It has been in the mill all the time up to the present moment. No one can be more sorry than I am that we must disappoint the Senator from Wisconsin [Mr. LA FOLLETTE], but we have done all that I feel we can do.

I want to ask the Senator himself and I want to ask all Senators present to vote "yea" upon the motion, so we can finish with this long, drawn-out affair which we have had on our hands for some two months.

Mr. LA FOLLETTE. Mr. President, I feel that this amendment is of too much importance to yield to the appeal of the Senator to vote with him upon this motion.

In connection I ask to have inserted in the RECORD at this point a copy of a letter written by Andrew Furuseth to Hon. Martin B. Madden at that time chairman of the Committee on Appropriations of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

JANUARY 2, 1928.

Hon. MARTIN B. MADDEN,
*Chairman Committee on Appropriations of the*
*House of Representatives,*
*House Office Building, Washington, D. C.*

DEAR SIR: On behalf of the seamen I beg most respectfully to call to your attention that there are two services which are substantially duplicating, and for the expenses of which appropriations have for some time past been made by Congress.

This matter was brought to the attention of Mr. WOOD'S subcommittee. I was granted a hearing in which I tried to develop the facts. Fearing that to some extent I failed, I beg respectfully to submit the following facts:

The sea service bureau was organized as a war measure and as such it did fully as much good as might be expected. In the war there were three lines of service that might be followed by a young man. The Nation needed men for the Navy, and the young man might enlist for a specific time; it needed men for the expanding of the merchant marine, and here the young man might enlist for the war, if he could find the proper information, the means to reach a seaport and the opportunity to join a vessel; or he might be drafted for the Army. There might be the most honorable reasons why he desired to choose the merchant service. Mr. Henry Howard, a wealthy citizen of Boston, undertook to perfect an organization which would give to the young man the information and the means to permit him to choose the merchant marine. It was called the Recruiting and Training Service. The young men were recruited, given a very short training, and then were sent to the vessels, where they were utilized by mixing them with the more experienced men, and thus expand the personnel very sorely needed. The young men came in great numbers, they served during the war. They wrote home and urged others to come; they came, and the organization was a success during the war.

When the armistice came the men, who had come from motives of patriotism—and they constituted the great majority—left to take up their duties on shore. The sea service bureau then became nothing but an employment office and partly a duplication of the United States shipping commissioners' offices, which had since 1872 been in operation in all ports of entry which were also ports of ocean navigation. The purpose of those offices was to furnish a place where masters might come to select crews for their vessels without the interference of private employment agents, usually called crimps. That such was part of their duty is found in section 4508, Revised Statutes, page 41, navigation laws, 1927, which reads:

"First. To afford facilities for engaging seamen by keeping a register of their names and characters.

"Second. To superintend their engagement and discharge in manner prescribed by law.

"Third. To provide means for securing the presence on board at the proper time of men who are so engaged.

"Fourth. To facilitate the making of apprenticeships to the sea service.

"Fifth. To perform such other duties relating to merchant seamen or merchant ships as are now or may hereafter be required by law."

The sea service bureau is duplicating these duties except in the bare signing and discharging of the men and that having relation to apprenticeships, and the work is done in such way that it violates the law as laid down by the Supreme Court of the United States; that it deprives the master of the right to select the men for his vessel by keeping a deferred list (blacklist) of the seamen who, for one reason or another, may have become disliked by any of the officers of the last vessel. (See hearing.)

The young American seeing his shipmate blacklisted or finding himself blacklisted writes to his home and friends, who as a result stay away. This again results in the best and most promising young men refusing to seek the sea and thus leaves the bureau in position to gradually furnish the more unfit. There is thus created a condition under which unfitness is steadily increasing, and this is not the only grievance that the young man has against the sea service bureau, though it is one of the most serious and the one most easily proven. (See hearings.)

The condition results in a turnover under which any development of a skilled personnel is impossible.

The president of the Merchant Fleet Corporation confesses to this much when he says:

"A recent investigation of the accidents occurring on one steamship line discloses that three of every five of the injuries or deaths result from human rather than mechanical failure."

To one who knows sea life it is rather plain that the human failure is also responsible for, or at least very largely responsible for, the two mechanical failures, because in a seaworthy vessel with a seaworthy crew—and that means a skilled personnel—the mechanical failures are discovered and replaced. It would thus appear that the lack of skill is even more serious than stated.

In the name of not only the seamen, but in the name of the hope that we have for the development of a necessary sea power for America, this letter is submitted in addition to what was developed in the hearing.

Most respectfully yours,

ANDREW FURUSETH,
*President International Seamen's Union of America.*

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Tradition and history alike testify to the wisdom of having the master select the crew for his vessel, and the decisions of the courts, extracts of and references to which are found below, make it part of the maritime law.

Farrell *v.* McCrea (1 Dallas, 304, 305):

"There was no distinction in this respect, between the mate and a common mariner; they were alike subject to the order of the master, who could equally refuse to receive either; or, when received, was equally empowered to dismiss them, for his appointment as master gave him the sole undoubted and exclusive right of choosing every seaman under him, whatever courtesy he might be inclined to show to the recommendation of those by whom he was himself employed."

Butler *v.* Boston Steamship Co. (130 U. S. 527, 554):

"By virtue of his office and the rules of the maritime law, the captain or master has charge of the ship and the selection and employment of the crew. * * *"

Respondents' rules are, therefore, in derogation of the decisions of this court and the general maritime law. The master being responsible for the wages of the crew and the safety of the ship and the lives of everyone on board, he should have the common right of selecting his own crew.

The PRESIDING OFFICER. The question is, Shall the Senate recede from its amendment No. 9?

Mr. LA FOLLETTE. On this question I ask for a division.

On a division, the motion was agreed to.

ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 10536. An act granting six months' pay to Anita W. Dyer; and

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits.

GOV. ALFRED E. SMITH

Mr. BRUCE. Mr. President, I desire to have inserted in the RECORD a letter from Mr. Frank R. Kent to the Baltimore Morning Sun of this morning, in which he laughs to scorn the idea that after we have forced, as we have practically done, the nomination of Governor Smith as President of the United States, we propose to acquiesce in the insertion in the next Democratic national platform of a dry plank or any dry being associated with Governor Smith as a candidate for the Vice Presidency.

I desire to read just one short paragraph:

It is manifestly absurd to nominate Smith, a recognized and avowed wet, and then stand him on a dry platform or link him with a dry running mate. To do either of these things would make the candidates and the party ridiculous. It is possible in politics to straddle and it is possible to pussyfoot, but it is not possible to face simultaneously both ways without some sort of camouflage or concealment.

To nominate Smith on a dry platform and with a dry candidate for Vice President would simply be a great national joke.

I ask that the entire article be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the Baltimore Sun, May 4, 1928]

THE GREAT GAME OF POLITICS—A SENSE OF DIRECTION IS IMPORTANT

By Frank R. Kent

WASHINGTON, May 3.—With the selection of Governor Smith as the Democratic standard bearer conceded on all sides the interesting question now is: What logically follows? Where does this leave the Democratic Party? In what direction is the donkey faced? In other words, what does the Smith nomination mean?

The answer seems clear. The California primaries not only definitely determine the party nominee but with almost equal definiteness indicate his issue. It is manifestly absurd to nominate Smith, a recognized and avowed wet, and then stand him on a dry platform or link him with a dry running mate. To do either of these things would make the candidates and the party ridiculous. It is possible in politics to straddle and it is possible to pussyfoot, but it is not possible to face simultaneously both ways without some sort of camouflage or concealment.

To nominate Smith on a dry platform and with a dry candidate for Vice President would simply be a great national joke. It will not likely be done, though some of our most earnest politicians and publicists are proceeding on the theory that it will. They talk and write earnestly about the necessity of nominating for second place a Protestant dry from the South and insist that a plank satisfactory to the friends of the Volstead Act must be incorporated. Carrying out this idea, all of the vice presidential possibilities mentioned in the Washington dispatches are drys—Moody, of Texas; Daniels or McLean, of North Carolina; Hull, of Tennessee; George, of Georgia; Byrd, of Virginia.

The Protestant and South part of this is sound enough, but it is hard to understand how the idea of a dry can be reconciled with reason—why it does not at once appear impractical and impolitic on its face. Logically, such a course could not fail to weaken the ticket. To the extreme wets it would seem a cowardly compromise. To the extreme drys its rank insincerity would be plain. To the moderates the incongruity of a dry and a wet on the same ticket would seem inexcusable. It would be as if in former campaigns a free silverite had been linked with a gold-standard man, or a high protective tariff advocate with a free trader.

It just will not work. Plainly, prohibition is going to be the vibrant question of the campaign. It is all very well to talk about corruption as the big issue, but no practical politician believes it possible to arouse the people very greatly now over the misdeeds of the Harding régime, rotten as they were. California showed that. The two candidates who regard corruption as the issue were the two Senators whose work in uncovering corruption has placed the country deeply in their debt—WALSH and REED. Their national services are far greater than any rendered by Smith. Yet Smith beat them 5 to 1; got many more votes than both combined. WALSH, a convinced dry, ran last. REED, a wet, who wants to subordinate all issues to corruption, was a poor second. Smith, the real wet, got more than 60 per cent of the total Democratic vote in this dry State.

It is impossible to question that those who voted for Smith did so because they approve the things for which he stands. The principal thing for which he stands, so far as the voters outside New York know, is modification of the Volstead Act. Hoover, who will probably be his Republican opponent, does not favor modification, and his party will not propose it. What an absurdity under the circumstances for the Democrats to nominate a man for President who favors liberalization of the Volstead act and a man for Vice President opposed to any change?

They would be traveling in opposite directions on the main line. The presidential candidate's views on the big issue would clash with the vice presidential candidate's. There would be discord from the start. Smith's running mate would be in tune with Smith's opponent, rather than with Smith. Smith would have—to avoid stultification—to repudiate his running mate or his party platform, or both.

It isn't possible to affirmatively face both ways and get away with it this time. It might be if the presidential nominee had no views and

no record on this issue; but it is not possible with Smith, who has both views and record. Unless the party is prepared to adopt a platform and provide a running mate in sympathy with its leader, it might as well throw up the sponge. "If," as one newspaper says, "they are not going to follow him it is absurd to nominate him." A hybrid ticket on a pussyfooting platform will hardly make an effective appeal. If you run in both directions, you never arrive.

DONATION OF BRONZE CANNON TO CHARLESTON, S. C.

Mr. SHEPPARD. From the Committee on Military Affairs, I report back favorably without amendment the bill (H. R. 6492) to authorize the Secretary of War to donate to the city of Charleston, S. C., a certain bronze cannon, and I submit a report (No. 1001) thereon. I call the attention of the Senator from South Carolina [Mr. BLEASE] to the report.

Mr. BLEASE. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

*Be it enacted, etc.*, That the Secretary of War is authorized and directed to donate, without expense to the United States, to the city of Charleston, S. C., a smoothbore, muzzle-loading, bronze field gun, No. 124, captured from the Confederate forces, and now in the Watervliet Arsenal, Watervliet, N. Y.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TAX REDUCTION

Mr. CURTIS. Mr. President, I ask that the revenue bill be laid before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 25 minutes p. m.) took a recess until to-morrow, Saturday, May 5, 1928, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate April 4 (legislative day of April 3), 1928*

MEMBER OF UNITED STATES CUSTOMS COURT

Genevieve R. Cline, of Cleveland, Ohio, to be a member of the United States Customs Court, in place of Hon. William C. Adamson, retired.

APPOINTMENTS IN THE REGULAR ARMY

Capt. George Edward Kraul to be a captain of Infantry, with rank from July 1, 1920.

(NOTE.—The nominee is now a captain of Infantry, with rank from November 25, 1920. This message is submitted for the purpose of correcting an error in his date of rank.)

MEDICAL ADMINISTRATIVE CORPS

*To be second lieutenants*

Staff Sergt. Omer Antonio Couture, Medical Department, with rank from April 30, 1928.

Staff Sergt. Edward James Gearin, Medical Department, with rank from April 30, 1928.

Staff Sergt. Ralph Beveridge Robinson, Medical Department, with rank from April 30, 1928.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Ernest Hill Burt, Infantry (detailed in Judge Advocate General's Department), with rank from July 20, 1918.

Capt. John Fulton Reynolds Scott, Cavalry (detailed in Judge Advocate General's Department), with rank from July 1, 1920.

Capt. Frank Eugene Shaw, Infantry (detailed in Judge Advocate General's Department), with rank from July 1, 1920.

Capt. Clarence Charles Fenn, Infantry (detailed in Judge Advocate General's Department), with rank from July 1, 1920.

PROMOTIONS IN THE REGULAR ARMY

*To be captain*

First Lieut. Mahlon Milton Read, Coast Artillery Corps, from April 27, 1928.

*To be first lieutenants*

Second Lieut. William Augustus Davis Thomas, Field Artillery, from April 27, 1928.

Second Lieut. Eugene Lynch Harrison, Cavalry, from April 27, 1928.

PROMOTIONS IN THE NAVY

Lieut. Benjamin F. Staud to be a lieutenant commander in the Navy from the 2d day of October, 1927.

Lieut. (Junior Grade) Carl H. Reynolds, jr., to be a lieutenant in the Navy from the 16th day of November, 1926.

The following-named acting chaplains to be chaplains in the Navy, with the rank of lieutenant, from the 2d day of June, 1927:

William H. Rafferty.
John E. Johnson.

The following-named acting chaplains to be chaplains in the Navy, with the rank of lieutenant, from the 1st day of July, 1927:

Joseph E. McNanamy.
Homer G. Glunt.
Edward J. Robbins.
Charles A. Dittmar.
Emerson G. Hangen.

Boatswain George P. Childs to be a chief boatswain in the Navy, to rank with but after ensign, from the 5th day of August, 1926.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 3d day of December, 1927:

Andrew E. King.
Rufus Hendon.
Fred Robinson.
Chester W. Utterback.
Wilburn Bates.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate May 4 (legislative day of May 3), 1928*

PROMOTIONS IN THE NAVY

*To be lieutenant commanders*

Herbert B. Knowles.
Stanwix G. Mayfield, jr.

*To be lieutenants*

Clement R. Baume.
Henry T. Wray.

*To be lieutenants (junior grade)*

Louis D. Sharp, jr.
Charles M. E. Hoffman.
Edward P. Creehan.

*To be surgeon*

Frederick W. Muller.

*To be chief pay clerks*

Charles G. Crumbaker, jr.
John K. Chisholm.
Arthur L. Sullivan.
Stanley B. McCune.
Henry L. Greenough.
Chastine A. Murray.

IN THE MARINE CORPS

*To be captains*

Hal N. Potter.
Oliver T. Francis.
Edward A. Fellowes.
Robert C. Kilmartin, jr.
Edward A. Craig.
Lester A. Dessez.

*To be first lieutenants*

Shelton C. Zern.
John E. Curry.
Richard M. Cutts, jr.
Frank D. Weir.

POSTMASTERS

IOWA

Melvin V. Smith, Akron.
Claude M. Sullivan, Cherokee.
Orpha M. Bloomer, Havelock.
Wilbert W. Clover, Lohrville.
Celia T. Green, Mystic.
Loys E. Couch, Newell.

MARYLAND

Samantha E. Wilson, Mardela Springs.

PENNSYLVANIA

Wade M. Henderson, Brookville.
Laura M. Peacock, Houston.

WEST VIRGINIA

Robert S. Hornor, Bridgeport.

## HOUSE OF REPRESENTATIVES

FRIDAY, *May 4, 1928*

The House met at 12 o'clock noon.

Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Almighty and everlasting God, when we consider the heavens, the work of Thy fingers, the moon and the stars, which Thou hast ordained, what are we that Thou art mindful of us and that Thou shouldst visit us? And then we read that Thou hast made us but a little lower than Thyself and hast crowned us with glory and honor—glory in that we bear Thy divine image, honor in that we think Thy thoughts after Thee. For this we thank Thee; and with such knowledge in our hearts and on our lips, we pray that Thou wouldst bless us with Thy wisdom, so that in all the deliberations of this day we may express the thought and interpret the will of the living God. May the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. For Jesus' sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 8229. An act for the appointment of an additional circuit judge for the sixth judicial circuit;

H. R. 10536. An act granting six months' pay to Anita W. Dyer; and

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3594. An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes; and

S. 1727. An act to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, as amended.

### AMERICAN MERCHANT MARINE

Mr. RAMSEYER. Mr. Speaker, I call up House Resolution 175, a privileged resolution from the Committee on Rules.

The SPEAKER. The gentleman from Iowa calls up a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 175

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 744, entitled "An act to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes." That after general debate, which shall be confined to the bill and which shall continue not to exceed four hours, the time to be equally divided and controlled by those favoring and those opposing the bill, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of the point of order as provided in clause 7 of Rule XVI the substitute committee amendment recommended by the Committee on the Merchant Marine and Fisheries now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with the committee substitute, as amended, and the previous question shall be considered as ordered on the bill and committee substitute thereto to final passage without intervening motion except one motion to recommit.

Mr. RAMSEYER. Mr. Speaker, this resolution makes in order the consideration of Senate bill 744, which passed that body and then was referred to the House Committee on the Merchant Marine and Fisheries. That committee, after considering the Senate bill, struck out all of the Senate bill after the enacting clause and substituted an entirely new bill. The Senate bill covers less than three pages while the House bill covers 22 pages. The bill as reported out by that committee is a comprehensive bill.

The rule is in the usual form. It provides for general debate not to exceed four hours, the debate to be on the bill, half the time to be controlled by those in favor of the bill and half by those opposed to the bill. The Senate bill, 744, was reported by the Committee on the Merchant Marine and Fisheries without opposition, and this resolution comes from the Committee on Rules with a unanimous report.

The rule further provides that:

It shall be in order to consider without the intervention of the point of order as provided in clause 7 of Rule XVI the substitute committee amendment recommended by the Committee on the Merchant Marine and Fisheries now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill.

But for that rule you could only consider the House provisions as one amendment to the Senate bill. The rule makes it in order to take up the committee substitute to be read section by section under the five-minute rule, with the right to offer amendments to each section as it is reached for consideration.

Then there is another thing. Some of the House provisions may not be germane to the Senate provisions, and that is the reason why for the provision of the rule relative to clause 7 of Rule XVI, which reads:

And no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

So that if there should be any provision in the House bill not germane to the provisions of the Senate bill a point of order against such provision on the ground of germaneness would not lie.

Mr. Speaker, I yield to the gentleman from North Carolina [Mr. POU] such time as he desires to use.

Mr. POU. Mr. Speaker, this was a unanimous report from the Committee on Rules. There is no controversy with respect to the rule. The ranking minority member of the Committee on the Merchant Marine and Fisheries came before the Committee on Rules and joined in the request for this rule.

Mr. RAMSEYER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. WHITE of Maine. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate bill 744 to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes. Pending that motion, I would like to inquire about the control of the time. The rule provides that the time shall be controlled by those in favor and by those opposed to the bill. So far as my knowledge goes there is no Member who is opposed to the bill. There is no member of the committee opposed to the bill, and I know of no Member of the House who desires to control the time in opposition. I therefore ask unanimous consent that the time may be equally controlled by myself and the gentleman from Tennessee [Mr. DAVIS], the ranking minority member of the committee, with the understanding we will yield equally to those who may be opposed to the bill.

The SPEAKER. The gentleman from Maine moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 744 and pending that motion asks unanimous consent that the time may be equally divided between himself and the gentleman from Tennessee. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 744, with Mr. CRAMTON in the chair.

The Clerk read the title of the bill.

Mr. WHITE of Maine. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. WHITE of Maine. Mr. Chairman and members of the committee, I will undertake in the first instance to briefly describe the situation in which we find ourselves with respect to our merchant marine, and to make reference to some of the tendencies which ought to engage our serious consideration. I will then, time permitting, go through the bill somewhat in detail, explaining to the Members of the House the particular provisions of the bill and indicating what we of the committee hope to result from its passage.

A merchant marine of adequate size and of proper types of vessels assures to the country possessing the same commercial independence and national security. America must have both.

So long as the productive capacity of our farms and factories, our forests and mines, exceeds the needs of our people, this Nation's well-being is dependent upon sea transportation, for an unsold exportable surplus leads inevitably to curtailment in business activity, to agricultural depression, to unemployment, and to all the misfortunes incident to such conditions. We produce one-half more cotton than we use, one-third more wheat and pork, and 15 per cent more of manufactured products. These excesses and others over our domestic needs must be sold and delivered abroad, and it is ships alone which can make this necessary delivery.

The value of our exports for the calendar year 1926 totaled $4,809,000,000. These goods sold abroad assured American industry a substantial degree of prosperity. Unsold, they would have brought deflation, stagnation, idleness, privation.

During the calendar year 1926, 33 countries participated in the carriage of our foreign trade. There were 58,500 entrances and clearances of vessels carrying more than 112,800,000 cargo tons, upon which the freight bill approximated $728,000,000.

Of this total volume of trade, vessels of American registry carried about 34 per cent and this 34 per cent in volume was almost exactly 34 per cent in value. We paid, therefore, to foreign vessels not far from $500,000,000 for the carriage of goods sold or bought by us. This was tribute paid to foreign interests for a service which American ships in large measure should have rendered.

Of equal importance with the present facts as to our participation in this ocean trade are the tendencies with respect to such trade. The decline in the percentage of goods carried in American ships has been marked and is of sinister significance. In 1921 American vessels carried 51 per cent of our exports and imports. In 1923 this proportion had dropped to 44 per cent, in 1925 to 40 per cent, and in 1926 to 34 per cent, and the percentage for the last year is even less. While these losses were taking place in the tonnage carried by American ships, the aggregate tonnage carried by foreign ships correspondingly increased, moving from 49 per cent in 1921 to 66 per cent in 1926. Of 59 principal ports of the United States through which moved inbound and outbound foreign cargo tonnage, the percentage carried in foreign vessels increased in 47 of the 59 ports between 1921 and 1926. This distribution of foreign shipping activity indicates the extent of the competition to which American vessels are subjected and the increase in the tonnage carried on foreign ships demonstrates the effectiveness of this competition.

The tragedy of American shipping is further emphasized by the facts with respect to shipbuilding. It is a lamentable truth that there has been a continuous decline in this industry in the United States since 1921. Of vessels of seagoing size built in the world between January 1, 1922, and August 15, 1927, amounting to 7,900,847 tons, only 309,264 tons were built in the United States. Of 1,034 vessels constituting this tonnage only 41 were built in the United States, and of 307 motor ships included in this total only 2 were built in the United States. Great Britain built 14 times as many as the United States. Since 1921 not a single ship has been built in the United States for the overseas trade, but of 4,085 foreign ships more than 20 per cent have been built within the last six years.

At the end of 1927, 3¼ per cent of the tonnage under construction in the world was building in our country, the lowest at any time in more than 35 years, but at the end of March, 1928, our percentage had shrunk to 2 per cent, about 58 per cent lower than at end of 1927. The United States as of this latter date ranked tenth among the nations of the world in shipbuilding. These shipbuilding figures tell their story as to the character of the present fleet of vessels under the American flag, of the condition of our yards, and they have another important bearing. With the disappearance of our yards and the absence of work we lose the physical capacity to build ships, and of equal importance, the technical staff essential for this highly specialized industry. Years of training and of experience is necessary to design the hull of a first-class passenger or naval vessel, but designing of machinery involves even greater complications. Because of a want of shipbuilding work in this country, our technical men are disappearing. The technical employees in our yards to-day are but one-quarter the number of 1916.

The first modern battleship built in the United States was the *Texas*. She was built at Norfolk Navy Yard, but her designs were purchased from an Englishman because the United States had not at that time the experience to build such a ship. Ten more years like the last will bring us to a like condition, subject us to the same humiliation and danger.

This want of shipbuilding within the United States has permitted foreign nations to outstrip us in the construction of new and modern vessels. Constant replacements are necessary if a fleet is to be maintained to the highest point of efficiency, and vessels built must be of the modern type. Speed in later years has become increasingly important. An analysis of the figures shows that of the seagoing vessels of the principal maritime nations Great Britain has 886 built within five years, Germany has 180 built within this time, and the United States but 84. Japan, Italy, and France have slightly less in numbers than the United States but the tonnage of the new vessels of France and of Italy exceed substantially the tonnage of the 84 United States vessels built during these years. Of recent construction Great Britain has ten times the number of ships of the United States, and Germany has twice as many modern ships as fly our flag. Considered with reference to speed, Great Britain has 1,039 seagoing vessels with a speed in excess of 12 knots. The United States has but 180 such vessels. Of 16 knots speed and above, Great Britain has 158; we have 51.

The figures heretofore given painfully illustrate the part taken by American ships in American trade and the facts with respect to modern-built ships of the higher speeds clearly indicate that we shall lose further ground and become independent in still greater degree upon foreign ships unless we take prompt and vigorous action in behalf of our marine.

In studying the problem and in endeavoring to find a solution, we are confronted with the problem of cost and operating differentials against the American ship, and with the fact, which adds to our difficulties, that American vessels engaged in our foreign trade are in part governmentally owned and operated and in part are under private ownership and operation. Both of these conditions must be considered and must be dealt with.

As of January 1, 1928, there were 541 passenger and general cargo vessels in our foreign trade, of which number 300 were owned by the Government. There is complete agreement that until the services maintained by these ships may be taken over and maintained by private enterprise we should continue Government vessels therein. The continuance of the Government in these enterprises, however, involves more than is usually recognized. The vessels of the Shipping Board have lived half their efficient life and continued governmental operation requires the immediate beginnings of a replacement program of vast proportions. The replacement of the vessels in operation by the Government at the date of its last annual report with new cargo vessels of 14 knots speed calls for a capital expenditure of $525,000,000. This means if the replacement is completed by 1940, with the last appropriation made available in 1938, an average annual expenditure of $52,500,000, and to this expenditure there must be added if we are to clearly appraise the cost of such an undertaking to the people, the operating losses by the Government during the intervening years. Figuring these losses at $15,000,000 a year, there would be added the further sum of $150,000,000, making a total expenditure on account of governmental operations during the years to 1940 of $675,000,000.

There is talk of maintaining ourselves upon the sea and building our fleet to the size and efficiency demanded by the American people through governmental operation. This bill proceeds upon the theory that there are certain essential services which can not be profitably operated by private companies under present conditions, which in the public interest should be maintained at Government expense, but in my view it is idle to think of the maintenance by the Government of anything more than this minimum of service. The figures demonstrate that at the present time, after years of experience, our Shipping Board vessels are averaging only 121 days a year at sea per ship, that we are losing practically $1.48 per ship-mile and $1.84 per ton carried, that our vessels in some Atlantic and Gulf port trades are averaging to carry less than 45 per cent of their capacity, and in all trades 56 per cent capacity, and that the entire Government fleet for the year 1926 carried but 8 per cent of our total cargo. There is in these figures no justification for the hope that Government operation holds a promise of success. The legislation which we are presenting nevertheless retains in full vigor all of the provisions of law conferring the right and the duty upon the Shipping Board to maintain existing essential services. It supplements authority to continue governmental operations with aids to privately owned vessels, which we hope and believe will result in substantial expansion of our private fleets.

Our privately owned fleet in the foreign trade as of January 1 last comprised 237 vessels of all types engaged in carrying our goods to most of the principal ports of the world. This privately owned fleet carried in the year 1926 approximately 26 per cent of our commerce, as against 8 per cent carried by the Shipping Board. This fleet falls generally into two classes; first, the combination cargo and passenger vessel, and second, the general-cargo ship. They face the handicap of substantial differentials. The reasons for the inability of the privately owned American ship—except those bought from the Government at nominal prices and some others in noncompetitive trades—to successfully compete are chargeable to such dif-

ferentials. In a Shipping Board report, which speaks as of January, 1927, the board found construction costs to average 33⅓ per cent against us.

The American Ship Builders' Association tells us that upon the assumption that both have a normal volume of work that it costs to build a 10,000 dead-weight ton cargo steamer 59 per cent more than in Great Britain, 60 per cent more to build a 9,850 dead-weight ton tank steamer, and 54 per cent more to build a combination cargo and passenger steamer.

Annual fixed charges are usually interest, 6 per cent; depreciation, 5 per cent; repairs, 2 per cent; insurance, 5 per cent; a total of 18 per cent. Private shipbuilders say 27 per cent.

This means that the American owner of an American-built ship is handicapped at least 18 per cent annually on this capital differential.

The principal reason for this cost differential is labor cost. Wages in American yards nearly double those in Great Britain and three to four times those in Germany. In the building of a ship 39 per cent is labor in the shipyard; 5.6 per cent taxes, insurance, and depreciation; 4.6 per cent freight; and 50.8 per cent materials. Breaking down these items it will appear that 78 per cent—$11,700,000—of the entire cost of a $15,000,000 ship goes to American labor; that is, 7,800 workmen one year at $5 a day, or 2,600 workmen for three years. This capital cost is the great factor in the differential cost.

Of lesser consequence but still of importance is the wage and subsistence differential. The Shipping Board tells us that averaging the difference between United States vessels and those of eight principal maritime competitors it appears:

1. Pay roll ratio of the average of these countries is to United States wage costs as 51 is to 100.

2. Subsistence costs of the average of these countries is to United States costs as 62 is to 100.

From a number of typical British ships it appears, according to the board's experts, that it takes about 7.25 per cent of the total American cost to meet and equalize the annual differential against the American ship arising from the lower construction and operating costs of a British vessel.

In my belief these figures of the board are too low.

Notwithstanding handicaps it is said of this first class of privately owned vessels—combination cargo and passenger—that they are generally making their expenses, but they fall far short of earning sufficient to provide for replacement. They, therefore, face, as the matter now stands, a keener and more effective competition by newer and faster foreign ships.

I would not minimize the service rendered to American shippers during late years by this Government fleet. It is proper, however, to have clearly in mind that notwithstanding our huge initial expenditure and our operating losses in the maintenance of this fleet the percentage of our commerce carried in Government-owned ships has been growing constantly less and in a greater degree than the loss suffered by privately owned American ships. In 1921 our Government-owned fleet carried 15 per cent of our commerce, but for the year 1926 this percentage had dropped to 8 per cent. Stated in another way, our operating losses exceeded $16,000,000 in the carriage of 8 per cent of our commerce. In the same period the percentage carried by the private vessels under our flag dropped from 36 per cent to 26 per cent. We must always have in mind that our private ships are carrying in our foreign trade over three times the cargo tons carried by our Government vessels. They are entitled to protection against governmental competition. They merit our thought and aid quite as fully as does the smaller governmental activity. We must not permit our concern for these Government vessels to close our eyes to the relative importance of the two classes of vessels and services. It would be better to lose the 8 per cent than the 26 per cent if a choice had to be made.

The general cargo ship may in turn be divided into two classes. There are, in the first place, those lines operating tonnage bought of the Shipping Board at low prices and on easy terms. Fixed charges for interest, insurance, and depreciation on such vessels are below like charges on foreign ships with which they compete and offset their own higher operating costs. The American operator who has ships of this kind is able to compete successfully with a foreign line, but, like the passenger vessel, these ships show no profits from which replacements may be anticipated. The second class of cargo vessels are those belonging to long-established lines operating in large part pre-war tonnage or tonnage acquired immediately after the war, in either case of high cost. Such ships, however, are in selected and more profitable trades. This and the long experience of the operators therein constitute a favorable factor, but because of the high fixed charges these vessels are not operating at a profit from which replacements may be made. It may be said, therefore, that although the privately owned American fleet is struggling along, it is in no position to replace its old vessels with new ships, modern in type and of the higher speeds, and is in no position to expand its activities.

It has been pointed out that 20 per cent of the vessels of foreign flags in our trade have been built within the last five years, while not a single American ship for our overseas foreign trade has been built within that period. It seems certain that unless newer and faster and more modern ships find their way into American trade under the American flag and unless the differentials heretofore mentioned are overcome by superiority of service, by efficiencies in operation or otherwise, we must expect a continued shrinkage in the percentage of our commerce carried by our ships and a constantly greater dependence upon foreign nations.

There is a volume of trade ample to support an adequate American merchant marine, but that business will not seek the American ship if a better and faster service is furnished by another flag. Our problem is to aid in the construction of the best type of ships and by proper governmental encouragement to make certain permanence of operation by such ships. This bill which is before you is an effort to aid in bringing about the end we all desire. Your committee members would be the last to claim for it that it will accomplish all we desire. Our merchant marine is not to be rebuilt and restored to its old-time place in a day. We face a long struggle. Your committee believe, however, that this bill is the first step in the legislative program which must be ultimately adopted.

The alternatives presented to us are clear. We must embark upon an extensive and costly program of shipbuilding and ship operation by the Government; we must legislate in behalf of the private ship, as this bill does, or we must accept as certain the disappearance of our flag from the sea and acknowledge our dependence upon other nations.

We who support this measure believe its enactment insures the maintenance by the Government of those routes deemed essential to American commerce, routes not now attractive to private operators; we have faith that if administered in accordance with our purpose and to the extent authorized, shipbuilding within the United States will be stimulated, that new and modern American ships will take their place upon the seas, that interest among our people in our ships will be revived, that a new loyalty will be aroused in American shippers and American business, and that we shall have done much toward the restoration of American supremacy upon the seas, to bringing again the day when our flag will be seen in every port, when our lost heritage shall be restored, and we shall have resumed that position and that independence on the waters of the earth which in the years of long ago we established at the risk of our existence as a Nation.

The pending bill offers no untried experiments. Every principle in it has at times been resorted to in this country or by the great maritime powers of the world.

Mr. RAMSEYER. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. RAMSEYER. How many more Government ships did we have in 1921 than at the last date given by the gentleman?

Mr. WHITE of Maine. I am not able at the moment to give the exact number, but substantially more.

Mr. RAMSEYER. Many of the ships that were operated by the Government in 1921 have been sold, have they not?

Mr. WHITE of Maine. Many of them have; yes.

Mr. DAVIS. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. DAVIS. Right in that connection, I think we have about one-third of what we had at the peak number.

Mr. MORTON D. HULL. Do I understand that the commerce has not diminished but is going in foreign vessels?

Mr. WHITE of Maine. The percentage of our cargoes carried by foreign vessels has increased between 1921 and 1926 from something like 49 per cent to over 66 per cent.

Mr. MORTON D. HULL. There is an explanation for that, which the gentleman will give, is there not?

Mr. WHITE of Maine. I believe so.

Mr. MORTON D. HULL. Does that explanation appear in the gentleman's statement?

Mr. WHITE of Maine. I think there are many reasons, but perhaps the overshadowing reason is in the superior speeds and the modernizing of the ships of foreign nations which have been entering into our trade.

Mr. MORTON D. HULL. In other words, the explanation is they give a better service, is it not?

Mr. WHITE of Maine. Well, that is a matter of argument; but I express the belief that the great consideration is in the fact that the fleet of other nations has been modernized and ours has not.

Mr. COLE of Iowa. Will the gentleman yield for just one question?

Mr. WHITE of Maine. Yes.

Mr. COLE of Iowa. Is it not true that the foreign vessels are operated more cheaply than our vessels?

Mr. WHITE of Maine. I think that enters into it also.

Mr. CRISP. Will the gentleman yield?

Mr. WHITE of Maine. I yield.

Mr. CRISP. I have listened with profit and interest to my friend's statement. Will he be kind enough to give briefly to the House the provisions in the bill by which he hopes to remedy the evils that now exist?

Mr. WHITE of Maine. I will go through the bill——

Mr. MERRITT. Before the gentleman does that, I notice with concern that there have been no new vessels added to the merchant marine in the last five years.

Mr. WHITE of Maine. No new overseas vessels.

Mr. MERRITT. What effect has that condition had upon the shipyards?

Mr. WHITE of Maine. It has resulted in almost the disappearance of the American shipyards of other days. We had in the United States in 1916, 22 shipyards equipped to build vessels of the seagoing type. We have now only 8 of such shipyards in the United States. There have disappeared in the intervening years some shipyards that have been in activity generation after generation. In my own State the Bath Iron Works, and the Cramp yards in Philadelphia, that have been building American ships for almost a hundred years are closed and others have disappeared within the last few years.

So to-day we have in the United States just 8 shipyards capable of building seagoing vessels. Great Britain is keeping busy 57 shipyards.

Mr. MERRITT. Then we have a vicious circle—we can not build ships because the cost is so high and the yards are disappearing, so the costs are getting higher.

Mr. WHITE of Maine. That is true; we are in a vicious circle with the disappearing of the shipyards and the disappearance of the resources for building ships; and that is a problem that must be considered in the light of these conditions.

We have confronting us the problem not only of the ship itself, but the shipyards which are back of the ships. I will take occasion to say that this legislation looks not only to the ships but the shipyards, and all the way through we have stressed in this legislation the necessity for the new modern types, not only that it may successfully carry goods but that the shipyards may be again brought to life.

Mr. SPEAKS. Will the gentleman yield? Will the gentleman state the number of shipyards in the United States in 1915?

Mr. WHITE of Maine. I can not give the gentleman the number in 1915, but in 1916 there were 22 shipyards capable of building seagoing vessels. At the present time there are only 8.

Mr. SOMERS of New York. How many are constructing ships?

Mr. WHITE of Maine. At the time of the hearings there were building in the entire United States, I think, only two vessels of the seagoing type.

Now, if I may, let me go through the bill. We have reported out the Senate bill in an amended form. The Senate bill in a large measure, it seems to me, was a restatement of existing provisions of law. There were in it, however, two or three substantive matters. One dealt with the authority of the Shipping Board to sell governmental vessels.

Under the existing law vessels may be sold for operation under our flag by a majority vote of the board. Vessels may not be sold for foreign registry except by a vote of 5 to 2. The Senate provision was to the effect that no vessel of the Government should be sold except by unanimous vote of the Shipping Board. Your committee was unwilling to accept that provision, because that would give to a single individual the right of veto. It would give to a single individual in one of the independent boards of the Government in effect the right to determine a great governmental policy, because by withholding his approval he might prevent for all time the sale of a single Government vessel. By that action he in effect would require permanent Government operation of our vessels.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. In the House bill we have provided that these vessels may be sold on an affirmative vote of five members of the board. We passed beyond the requirement of a mere majority, and say that no Government vessel may be sold except upon the affirmative vote of five members of the board. That is the first and substantial change made by the House committee in the Senate bill. I yield to the gentleman from Maryland.

Mr. LINTHICUM. How many votes did it take to sell the ships on the Pacific coast that we parted with within the last six months?

Mr. WHITE of Maine. As I stated, a majority vote of the board is required under the present law.

Mr. TILSON. Why did a majority of the committee think they should depart from the almost universal rule that a majority of a commission or of a board or of a court should govern? Why should this exception be made? What is the reason for requiring more than a majority of the board to sell a vessel?

Mr. WHITE of Maine. I am compelled to say that there was a wide difference of view upon that point, and the result, as it appears in the bill, is a compromise effected by the members of the committee.

Mr. MORTON D. HULL. How many members are there on the board?

Mr. WHITE of Maine. Seven. Section 5 of the Senate bill provides that all the offices or employment or positions under the United States Shipping Board and the Fleet Corporation should generally be under civil service. The House committee has stricken that provision from the bill. The existing law provides for those positions in the Government that shall fall within the classified civil service. Your committee felt strongly that it was not our province to redraft or modify the general civil service laws of the United States. We felt, further than that, that it was unwise in the extreme to undertake to place under the civil service those positions requiring ship knowledge and knowledge of ship operations. It is a type of experience, a type of knowledge, which does not lend itself readily to ascertainment by civil-service examinations. So we have stricken from the bill that provision.

I may say, speaking in very general terms, that all of the other provisions of the Senate bill are redrafted and reembodied in the House amendment in their substance. The House amendment deals with possibly four or five matters of consequence. First of all, Title III of the House bill redrafts, expands, liberalizes the present provisions of the construction loan law, so called. Under the construction loan act as it is now framed there is an authorized amount constituting that fund of $125,000,000.

The Shipping Board is authorized to make loans from that fund to private shipowners for the construction and reconditioning of vessels. The present law specifically places limitations upon the authority of the board with respect to those loans. It limits the authorized loans to one-half the cost of the vessels, but in exceptional circumstances, where additional security to the mortgage is taken, it permits a loan of two-thirds of the cost of the vessel. Your committee has expanded that provision and permits loans under the section which we report to you up to three-quarters of the cost of the vessel. The existing law fixes a limitation of 4¼ per cent upon the rate of interest which these loans shall bear when the money goes for the construction of a ship in foreign trade. Your committee has recommended the lowering of that rate of interest in the case of vessels engaged in foreign trade. The present law limits the life of a loan to 15 years. Your committee has recommended that the life of the loan may be extended to 20 years. Bear in mind, these provisions to which I have alluded are in the main the maximum placed upon the authority of the commission to loan. The commission may loan smaller amounts and at shorter terms and under more drastic conditions than are set forth in this bill. Your committee feels this is one of the most important provisions of the bill. It is not new. We have had a construction loan fund in our law since 1920. This principle has been resorted to by most of the maritime nations of the world. Great Britain, to whom we may look for light in shipping matters, has utilized this fund in the building of her fastest liners, and she has established a substantial amount, I think a fund of $126,000,000, to be used to aid in the construction of ships in her yards. Your committee has authorized an increase in the amount of this loan fund from $125,000,000 to $250,000,000. We feel that if we are to embark upon an extensive program of ship construction, if we are to have within the near-by years a fleet of vessels of types and of size competent to wage effective competition with foreign vessels, we must utilize this fund to a large extent. So this provision, as I have roughly sketched it, comes before the membership of the House with the unanimous approval of the Merchant Marine Committee.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. CRISP. Is that to be a revolving fund?

Mr. WHITE of Maine. It is to be a revolving fund, but at no time are the amounts in it to exceed $250,000,000, the limit that we have placed upon it.

Mr. CRISP. And where a loan of 75 per cent is made in the construction of new vessels the board will have a lien on the vessel for the repayment of the same?

Mr. WHITE of Maine. The board will not only have a preferred mortgage but such other and additional security as the board may insist upon. We think we have given to the board the fullest authority necessary to safeguard the interests of the United States and to insure the repayment in full of every dollar of the loan with interest thereon.

Mr. LINTHICUM. On page 6 it is provided that they may set aside receipts until it amounts to $125,000,000.

Mr. WHITE of Maine. On what page?

Mr. LINTHICUM. On page 6. And then on page 9, section 302, provision is made for an increase of the construction loan fund to $250,000,000. Is part of that for the Shipping Board now and is the other part for the new loan fund?

Mr. WHITE of Maine. The present law authorizes the setting up of this fund of $125,000,000, specifying the sources from which the fund shall come. It comes from sales and the liquidation of the securities which the board has at any time. The limit we have provided in this bill is that in addition to the amount now authorized, there may be appropriated such amounts from time to time as shall lift the amounts available to $250,000,000.

Mr. LINTHICUM. Then the $250,000,000 would include the $125,000,000?

Mr. WHITE of Maine. Yes. The $250,000,000 would include the $125,000,000.

Mr. SOMERS of New York. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. SOMERS of New York. Speaking of this loan, in your report you refer to vessels in the foreign trade, where the rate is fixed "at the lowest rate of yield of any government obligation outstanding at the time the loan is made." Could the gentleman tell us what that would be to-day?

Mr. WHITE of Maine. There are many Government securities, and I can not give you the exact figures to-day of what that would be. Some of the earlier loans bear as low a rate of interest as 2 per cent. I may say that I have called a meeting of the committee to-morrow morning to still further consider that language. It appears there is some doubt in the minds of Members as to whether we should authorize as low a rate of interest as that particular section now permits. Before that matter is disposed of in the House I want to bring to you the more considered judgment of the Committee on the Merchant Marine and Fisheries on that point.

Now, passing from the construction loan fund to other provisions of importance, I direct your attention to the matter of postal contracts. There is nothing new in the principle of that proposed provision. This Government of ours for many years past has authorized the entering into contracts with merchant vessels and vessel owners for the carriage of our mail. There is the old provision in section 4007 of the Revised Statutes, which has been on the books for more years than I can recall—the ocean mail act of 1891—the provisions of the merchant marine act of 1920, and the act passed in 1918 authorizing mail contracts between the United States and Great Britain. All through the years the Government of the United States has recognized the propriety of entering into contracts of this type. Your committee feel that such contracts in substance and in fact are payments for a definite service rendered to the Government of the United States, for which it is proper that we should make payments. Not only has our own Government approved this policy, but every other maritime nation on earth has likewise utilized this means.

The difficulty with the United States has been that we never have constantly and persistently and aggressively pursued the policy, so that these provisions on the statute books have heretofore been of relatively little importance. I do not mean to say they have not been of some value, because I think I know of vessels in operation which would not be in operation if it were not for the payment they are receiving for the carriage of the United States mail. But we believe that there is a legitimate opportunity to expand this feature of our law and make it useful not only to all of our people in the speedy transportation of our mails but also to aid our merchant marine.

Now under the terms of this section the Postmaster General is given the authority to determine what mail routes shall be established. He is to notify the Shipping Board as to the postal requirements of our ocean service. It then becomes the obligation of the Shipping Board to pass upon what I would call the navigational side or aspect, to determine what type and character and size and speed of ships will respond most efficiently to the postal needs as laid down by the Postmaster General.

The Shipping Board makes its recommendation under the terms of the bill to the Postmaster General as to these shipping matters, and the Postmaster General is then authorized to make contracts with our vessels. We have classified the vessels in this title according to tonnage and speed. That follows the language of the established precedents; and we have provided the maximum rates of pay to the various classes, the rates of pay being generally based upon the size and speed of the vessel performing the service.

Your committee is unanimous in its recommendation that this title be approved by the House.

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. O'CONNOR of New York. The gentleman will recall that when the bill was pending before the Committee on Rules I asked the question: "Why do you not put some compulsion on the Post Office Department, other things being equal, to prefer American ships?" You leave it wide open to an individual as to what he is going to do about it.

Mr. WHITE of Maine. It is a question how far you can be asked to lay down a direction without taking from the executive officer that discretion which an executive officer of the Government ought to have. There may be certain services where it will not be advisable to enter into these long-term contracts. It may be better to proceed under some other provision of law and provide for the carriage of mail upon a poundage basis or some other contractual arrangement. And that leads me to emphasize this, that this provision of the bill is not an exclusive authority for entering into mail contracts.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. ABERNETHY. I understand that the Postmaster General stated that this provision would result in profit to the Government?

Mr. WHITE of Maine. That was the view presented to our committee by the Post Office Department.

Mr. SOMERS of New York. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. SOMERS of New York. What percentage do you pay out now?

Mr. WHITE of Maine. Under the provisions of existing law there is paid for the carriage of mail on American ships in the overseas trade something like $7,000,000.

The receipts from our Postal Services, from that same character of service, amount to about twelve and a half million dollars. I think I am stating that right. This represents a very substantial margin between the amounts paid to American ships and the receipts from our ocean mail service.

It is estimated that if we apply the maximum rates—this is important and I want you to get the significance of it—that if we apply the maximum rates of this bill to all the vessels now carrying United States mail, all American vessels, we will increase the compensation paid to approximately $14,000,000. In other words, this provision of this bill will entail an additional expenditure upon the Federal Treasury of approximately $7,000,000 annually, but I think it important in the extreme that we should consider in that connection the opinion of the Postmaster General that from the improvement in the services and from the higher-speed vessels there will result a very much larger volume of mail moving under our flag, and, therefore, a very much increased revenue to our Post Office Department from the operation of our-flag ships, and I give it as my opinion that it will be many years before this provision of our bill will pass beyond the self-sustaining standpoint, if it ever does that.

Mr. SOMERS of New York. One more question. Does the gentleman know how much foreign mail United States vessels carry?

Mr. WHITE of Maine. Roughly speaking, foreign-flag ships carry 30 per cent of our foreign mail at this time. I am giving that as an offhand recollection but I think I am approximately right. It may be slightly under that, but somewhere, I should think, about 30 per cent.

Now, I want to hurry on.

Mr. KNUTSON. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. KNUTSON. I noticed in looking over the bill the other day that it exempts the steward's department from the compulsory provision for the employment of American citizens. Has the committee given consideration to the fact that the most prolific source of smuggling is in the steward's department?

Mr. WHITE of Maine. We have given consideration to this question of nationality of crews upon American ships. The situation is this: There is no general provision of law at the present time requiring that any member of a crew on an American ship should be an American citizen except that provision applying to licensed officers. Licensed officers must be American citizens, but there is no other general provision of law requiring a crew to be made up of American citizens. That I may not be misunderstood, I want to supplement that statement. Under the 1891 ocean mail act there was a provision that one-half of the crew—which would include the steward's department—should be American citizens; that is, upon vessels which held contracts under the 1891 act. But as a practical matter there are no such vessels operating under the 1891 act by contract, or, if any, a negligible number. The practical result is that to-day there is no general requirement that there shall be American citizens upon our ships other than the provision with respect to officers. There is the provision of the seamen's law which requires, I think, that three-fourths of a crew shall be able to understand the language of the officers, but that has no relation to citizenship. So I feel, and many members of our committee feel, that in this provision here we are working toward a larger percentage of American citizenship on American-flag vessels.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. MORTON D. HULL. Before the gentleman gets away from the loan fund I would like him to tell me whether I understood him correctly in stating that the total of the loan fund will be $250,000,000?

Mr. WHITE of Maine. That is right.

Mr. MORTON D. HULL. Then what is the significance of this parenthetical provision, "exclusive of such repayments"?

Mr. WHITE of Maine. Those repayments go into the fund in order that it may be a revolving fund; in other words, if they loan out $100,000,000 in a year, those repayments, when made, go back into the fund in order to keep it at its maximum figure.

Mr. MORTON D. HULL. Can they not enlarge it?

Mr. WHITE of Maine. No.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. LINTHICUM. The gentleman said a moment ago that 30 per cent of our mail was carried in foreign ships?

Mr. WHITE of Maine. But I did not vouch for the accuracy of the statement.

Mr. LINTHICUM. Well, approximately. What I want to know is, what part of the foreign mail we carry in our ships?

Mr. WHITE of Maine. Well, I can not give it to you in percentages. If you see any instance where a foreign government is letting an American-flag ship carry mail, except under the force of necessities, you will see something I have never been able to see.

Mr. LINTHICUM. Will the gentleman be good enough to put the exact percentages in the RECORD?

Mr. WHITE of Maine. I will try to do so.

Mr. CHINDBLOM. May I ask what that figure was of the percentage of American mail carried in American ships?

Mr. WHITE of Maine. Subject to correction, I will say that between 65 and 70 per cent of our mail is carried in American ships and 30 per cent or thereabouts carried in foreign ships. Can any member of the committee correct me on that?

Mr. DAVIS. It has been reduced in the last two or three years. I do not think that now the amount carried in foreign ships is over 20 or 25 per cent. It has been very much higher, but it has been greatly reduced in the last two or three years.

Mr. WHITE of Maine. I will put in the RECORD the exact proportions.

I think I have alluded to the principal matters in this bill. I want to emphasize in closing that we are not taking from the Shipping Board any of the rights it now has to maintain ships in trades deemed by it to be essential. On the contrary, we reserve in full vigor and force and vitality every provision of law authorizing the Shipping Board to maintain these essential services. We have, however, carried in this bill various provisions which we hope and believe will stimulate American shipbuilding and put upon the seas newer and more efficient American-flag ships.

Mr. SOMERS of New York. Before the gentleman closes his very instructive and enlightening discussion, will he be good enough to touch on the insurance features of this bill?

Mr. WHITE of Maine. The question of insurance was one that gave our committee great concern. There was a feeling, and there were charges made, that the marine insurance companies of the United States are discriminating against the American ship, both with respect to the classification of the ship and with respect to the insurance rates fixed for that ship and for the cargo thereon.

In the bill as it was originally introduced there was a provision authorizing the Shipping Board to reinsure risks placed upon American vessels. Your committee found the subject was full of controversy, full of difficulties so important that we believed it entitled to longer and more searching investigation than we were able to give it at this session.

Existing law carries a provision, section 10 of the merchant marine act of 1920, authorizing the Shipping Board to set up an insurance fund for the insurance of the interest of the United States in any vessel or in any plant. Your committee took that provision of existing law and expanded it somewhat.

Under the present law this fund is to come from net revenues. We struck out the word "net," authorized the fund to be set up from revenues, and also provided that the fund might be increased or built up from insurance premiums.

Then we provided that the United States might insure any legal or any equitable interest which it might have in a vessel and we declared expressly that the United States should be deemed to have such an interest in any vessel toward the construction of which it had made a loan, in any vessel upon which it had a mortgage or lien of any character, and in any vessel obligated by contract with the United States to perform service to the United States, to the extent of the Government's interest therein.

We believe this provision in its present form is not offensive to insurance companies of the United States, but we think it does give opportunity for the Shipping Board to secure the interest of the United States in any of these vessels toward the construction of which, as I have said, we have lent money, upon which we may hold mortgages or in which we have a contract interest.

The CHAIRMAN (Mr. BEEDY). The gentleman from Maine has consumed one hour.

Mr. WHITE of Maine. At this point I yield the floor, Mr. Chairman.

Mr. DAVIS. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman and gentlemen of the committee, when the gentleman from Maine [Mr. WHITE] concluded his very able presentation of this bill I was reminded of the statement made by Will Rogers at the Jackson Day dinner after Claude Bowers had made the opening speech. He advised the other speakers that they might as well go home; that everything had been said that could be said on the subject.

I wish to add that this bill and this subject of a merchant marine have been considered by the committee with the sole thought of building up an American merchant marine and of advancing the interests of the United States. Never at any time has any partisan political element entered; never at any time in the consideration of this bill has any member of the committee, either of the subcommittee or of the committee as a whole, approached the question in any other way than with a desire to promote the common interests of the country. It has been peculiarly gratifying to serve with men who have tried to work out this great problem in this honest and conscientious way—and it is a great problem.

I feel, gentlemen, that the Members of this House, in their repeated expressions of interest in a merchant marine, in their continued thought to its problems, and in their votes from time to time of appropriations for a merchant marine, have but reflected the sentiment that exists all through the United States, that the American flag shall not depart from the seas.

The problem involves, as the gentleman from Maine has said, the development of the foreign commerce of the United States. It involves the question of the national defense of our country. We have realized that we can not retain our position in the foreign commerce of the world unless we possess the delivery wagons to carry the goods that are manufactured here or that are raised here for sale upon the markets of the world.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. BLAND. Yes.

Mr. LINTHICUM. At one time we had a very large merchant marine, and I would like to know why it was we allowed it to be sold and distributed, and so on, at a great loss to the country. Why did we not continue the merchant marine, which was very large, indeed, under the Shipping Board as we had it? Can the gentleman tell me anything about that?

Mr. BLAND. The policy, as declared in the act of 1920, was to transfer the ships of the Shipping Board to private operation as rapidly as this could be conveniently done in the interest of the country.

Some of these ships have been transferred. They are still in operation. Others are not in operation at the present time, for

the reason that there was no appropriation for them, and because those ships are not constructed so as to be susceptible of economic operation.

Mr. SOMERS of New York. A good many of these ships were designed to meet war conditions?

Mr. BLAND. Yes; the ships were built for war purposes and to meet, as the gentleman says, war conditions. As one witness who appeared before our committee said, it is very much as if an employer had too many unskilled laborers at the very time when he needed a larger number of skilled laborers. Speed and regular service are essential in order that there shall be built up a merchant marine, and by these ships rapid and economical and regular service can not be provided. However, these Shipping Board ships have served a very useful purpose. They served a good purpose in 1926, when the foreign ships were diverted into the coal business and when we were without ships in regular operation to carry the products of the farm, our cotton and our grain, to the markets of the world. They were put up on the seas, and as Secretary Hoover said, they saved $650,000,000 to the American farmers and the American people.

Mr. MOREHEAD. Will the gentleman yield?

Mr. BLAND. I will.

Mr. MOREHEAD. What is the attitude of the President in regard to building up the shipping business—what are his recommendations to Congress in that respect?

Mr. BLAND. As I recall various expressions in the messages of the President, he is interested in the building up of a merchant marine, but if the gentleman wants a more particular expression of the attitude of the President on the subject, I must refer him to some Member of the President's own party. I am not sufficiently in the confidence of the President to answer him.

Mr. KINDRED. Will the gentleman yield?

Mr. BLAND. Yes.

Mr. KINDRED. Will the gentleman explain with reference to the liability of the United States for certain established claims? Will they have to come to Congress to collect any damages?

Mr. BLAND. I do not think so.

Mr. SOMERS of New York. They are all taken care of.

Mr. BLAND. I am satisfied that that would be handled by the Shipping Board.

Mr. KINDRED. And that any claim for damages could be collected without coming to Congress?

Mr. BLAND. That is the intention of the bill.

Mr. MOREHEAD. I want to say to the gentleman that the reason I asked the question as to the attitude of the administration was that I was carrying out the thought of my friend from Maryland [Mr. LINTHICUM]. My thought as a business man was that any business that does not pay, that holds out no opportunity for it to be profitable to the private shipowner or the Government was not encouraging, and I gathered that from the remarks of the gentleman from Maine.

Mr. BLAND. Will the gentleman repeat his question?

Mr. MOREHEAD. The only thing presented by the gentleman from Maine was that the present ships are not being used a great deal of the time, and I was wondering if the abandonment of the shipyards was not an elimination and consolidation of the different yards? What I wanted to say, however, was that if the gentleman could give us some encouragement that some time the operation will be successful and not be a loss to the private owners or the Government.

Mr. BLAND. That is the thought of the committee in the presentation of this bill. In the first place, in order to establish a merchant marine I think it will be conceded that we must have a merchant marine in private hands, for unless the Government makes larger appropriations than I think probable, you are not going to secure out of the private treasury the necessary replacements for our merchant marine. The encouragement that is held out in this bill we think will be able to secure private capital, which will go into the upbuilding of the merchant marine and will result in the building of modern ships.

I want to call attention to this—and it was referred to by the gentleman from Maine—that Great Britain, by the trade-facilities loan or some legislation of that kind, created in 1921 an initial fund of $121,000,000 to be used in doing the very thing contemplated here. As I recall the testimony before the committee, that fund of $121,000,000 has been increased until it is now $365,000,000. This fund is used for the purpose primarily of causing ships to be built in British yards. Those ships are the most modern types of vessels. If a man in Great Britain desires to build a ship, he applies to the authorities having in charge the administration of that fund, and the Government lends him 85 per cent of the cost of the vessel. This loan is made for a long term.

In this connection I may call attention to the fact, as shown before our committee, that the Government of Belgium subscribed a million dollars to the stock of three Belgian steamship companies, and that it guaranteed, in 1916, the Lloyd Royal Belge Steamship Co. for $19,300,000. According to Mr. Plummer, of the Shipping Board, that company is one of the most energetic competitors of our domestic ships in the North Atlantic trade.

It was testified that in 1925 the German Government, despite its financial condition, placed $12,000,000 at the disposal of German steamship companies as loans, and that in 1924 the French Government guaranteed a loan of $10,000,000 for a 25-year period, the loan being at 7 per cent, the 7 per cent to be paid not to the Government but to the purchasers of these debentures.

The evidence was to the effect that American bankers handled that particular loan; so that, while it is very difficult to induce American bankers to handle a loan for an American shipping company, this loan was handled by them, though, of course, it should be said that in handling this loan they had the French Government behind the loan.

The evidence further disclosed that Japan, having since 1889 paid construction and operating bounties which in 1910 reached the annual sum of $7,386,000, in spite of their cheap labor and cheap production, is now proposing a $75,000,000 loan fund—one-half for construction and one-half for operation bounties—and those are for vessels to run to the west coast of the United States. The evidence was further that last year Japan loaned 30,000,000 yen to the Tokyo dockyards in order that they might have proper facilities for keeping their great trans-Pacific ships in first-class shape.

The evidence before the committee showed further that Great Britain had developed something that was said to be unique in international trade and in harmony with the trade facilities act which I have mentioned. I refer to the export credits act, under which that Government has created a further fund of $126,000,000 so that the English merchant who is selling goods abroad can give his customer such long-time credit as he may desire and yet raise money on his bills of lading so as to have capital for his own uses as he may desire, while giving his customer whatever credit he needs.

This statement will explain why other nations are securing so many modern ships, for, as the gentleman from Maine has said, all of the ship-owning, maritime nations of the world are putting modern ships upon the seas.

Our own people in America are not supporting the American merchant marine as they should, and frequently their failure to do so arises from no lack of patriotism or from any desire to fail in support to our American merchant marine but simply because under the conditions existing to-day they fear that the American flag is going to leave the seas. In consequence they are afraid to cut off their connections and trade relations with foreign shipping interests. They are afraid that if they do so they will be left high and dry. We believe that if this bill is passed it will be an inducement to our people to support our ships. We believe, as one of the newspapers of this country has said, that it will be a proclamation to the world that America has just begun to fight for her place on the seas, and that it will serve notice to the people in our own country that America is going to keep her flag there. We believe that it will serve notice to all foreign shipping interests that are now discriminating against us, and to all countries that may be discriminating against us, that all discrimination may as well cease, and that they may as well try to harmonize their interests with ours. We will notify the world that we are determined that our flag shall be kept on the seas, in private hands, if possible, but if that be not possible nevertheless that our flag shall be kept upon the seas by appropriations out of the Treasury of the United States and by Government-owned ships. [Applause.]

Mr. KINDRED. In connection with the appropriations and provisions of this bill, which is a good bill, under the operation of the bill what will be the net loss to the United States Government?

Mr. BLAND. I can not say that there would be any net loss. Take the construction loan fund of 75 per cent, which is contemplated to be loaned. It will be loaned at a rate of interest at which the Government can borrow the money, and there will be no loss there because it has to be secured.

Mr. KINDRED. Judging from operations in the past, what will probably be the loss?

Mr. BLAND. It would be impossible for me to say what the losses would be if we go on in the way in which we have gone in the past and in which we are now going; but the

situation would be this, that if we continue as at present our Government-owned merchant marine will in a short time be upon the rocks by reason of the necessary obsolescence of our ships. It will be there because our ships themselves are not modern, and commerce will go to the more modern, speedier, and more economical ships.

Mr. KINDRED. But any reasonable loss will be justified by the results accomplished?

Mr. BLAND. Any reasonable loss, but I can not see how there will be any loss. Certainly not under the construction loan fund, and under the mail pay act the testimony of the Postmaster General is that if we can get faster ships we will increase our funds there, so that he estimates there will be no loss there.

Mr. KINDRED. There have been losses in the past?

Mr. BLAND. Yes; running to an enormous sum, which I can not give the gentleman at this time.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. DAVIS. I suggest to the gentleman from New York [Mr. KINDRED] that the provisions require an annual payment, not only of the interest but of a pro rata part of the principal, over an average of years. If there should be a default in the payment, under the mortgage the Government would take the ship, and we could either resell it or operate it. It is our purpose to maintain a merchant marine one way or the other.

Mr. KINDRED. Will the gentleman tell us the justification for any loss by the results expected?

Mr. DAVIS. I think we are justified in taking some risk, not only from the standpoint of American commerce but from the standpoint of national defense.

Mr. MORTON D. HULL. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. MORTON D. HULL. What is the gentleman's understanding of the total loan fund provided by this bill?

Mr. BLAND. Not to exceed $250,000,000.

Mr. MORTON D. HULL. What is the gentleman's explanation of the phrase "exclusive of such repayments"?

Mr. BLAND. My explanation is that which has been given by the gentleman from Maine [Mr. WHITE]. Certainly that was the intention of the committee. It was their intention that the maximum fund should not exceed $250,000,000. If the language does not express that idea, then I am perfectly willing to make that intention clear. We had the bill prepared with the aid of the legal drafting department, and that was the thought the committee had in mind.

Mr. MORTON D. HULL. Further, the bill provides:

(b) When $250,000,000 has been credited to such fund—

And so forth.

Mr. BLAND. I heard the question which the gentleman asked the gentleman from Maine, and if there is any doubt about that intent, then I am sure that the committee will be delighted to clear it up. I want to call attention to just one more thing. Reference has been made to the condition of the private shipyards. I fear there may exist the thought that these shipyards exist only for the particular sections in which they are located. The testimony before our committee shows that if you were to take a $15,000,000 passenger vessel and were to construct it in a shipyard, only 39 per cent of the total cost of building such a vessel would be expended in that yard; 5.6 per cent would go for taxes, insurance, and depreciation; 4.6 per cent would go for freight. I show this because I want to show the interest the country at large has in the maintenance and preservation of these institutions. The remainder of 50.8 per cent is represented by material furnished by supply people throughout the country, and it was shown just how that would work out. It would go as far west as Oregon.

The evidence was that from Oregon there would be $35,000 of material purchased; in the State of Idaho, $35,000; in the State of Texas, $44,000; in Oklahoma, $35,000; Arkansas, $15,000; Louisiana, $25,000; Mississippi, $25,000; Alabama, $25,000; Georgia, $46,000; Tennessee, $25,000; Indiana, $235,000; Ohio, $350,000; Michigan, $260,000; Minnesota, $92,000; Missouri, $46,000; and so on. So that the distribution is all over the country, and, more than that, there is the matter of our national defense. We should have these instrumentalities to be used when needed. [Applause.]

These private institutions are essential to our defense. In the case of the Newport News yard alone, during the World War, there were repaired and sent to sea 1,000 vessels, an average of two a day. Many of these ships were armed merchantmen. That yard repaired almost the entire fleet of 25 transports running out of Hampton Roads. They delivered 10 ships of 100,000 tons carrying capacity, and in addition they completed three destroyers and completed a battleship.

Unless something is done soon shipbuilding will become a lost art in America. There is a total of 60 shipways in the five east coast yards, and 50 of them are vacant.

An old-established yard which had built ships for nearly 100 years has gone under.

It was not until 1900 that the schools and colleges of this country, teaching shipbuilding and engineering, had progressed to such a point that the Navy Department would send its students to them to acquire their theoretical education. Since 1900 we have had students from the Navy at the Massachusetts Institute of Technology and at some of the other schools in this country, but now the demand for these students in shipyards has fallen off to such an extent due to her lack of shipbuilding, that they can not obtain employment after graduation, and if the present conditions continue for another 10 years, American students must be again sent abroad to learn their business.

American merchant ships are essential to our national prosperity and to our national defense. American shipyards are essential to an American merchant marine.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WHITE of Maine. Mr. Chairman, I yield to the gentleman from Indiana [Mr. WOOD] 20 minutes.

The CHAIRMAN. The gentleman from Indiana is recognized for 20 minutes.

Mr. WOOD. Mr. Chairman and gentlemen of the House, before commencing the statement I have to make I wish to congratulate the Committee on the Merchant Marine and Fisheries for their accomplishment. While it may not be all that is to be desired—and it is not—and while it may not be all that we ought to have at this time, it is a splendid start in the right direction, and I hope that every man who is in favor of an American merchant marine will give his hearty support to this measure. [Applause.] I expect to support it, and am glad of the opportunity. I have some amendments here that I propose to offer; but whether they are adopted or not, I shall support this bill.

I think that in proposing these amendments we will indicate to the committee and to the House and to the Nation something of the necessity that will have to be met before we shall ever have a well-rounded and completed merchant marine.

I also wish to thank the gentlemen of this committee and each individual member of it for the very courteous treatment I have received at their hands on the various occasions when I have appeared before the committee to present my views.

The maritime mandate of the American people—the unqualified determination to provide an American merchant marine—is vigorously asserted in the preamble of the merchant marine act of 1920. It is the American declaration of maritime independence.

The achievement of that courageous aspiration will render a service to our entire country in which all our people participate.

It will provide the balance wheel of our national prosperity.

Not only is it indispensable as an auxiliary to our national defense, it is in fact an actual part of our Naval Establishment. It completes that aspect of our Government which only can be adequately expressed as sea power.

Can such an essence of our welfare and security fail to have the united support of all who benefit by our institutions?

The problem now confronting us is: How shall we complete the accomplishment of our declaration of 1920?

Let us briefly review outstanding facts.

MAGNITUDE OF OUR FOREIGN COMMERCE

The total value of American foreign trade for 1927 amounted to $9,230,000,000. The total value of the water-borne portion amounted to nearly $8,000,000,000. In volume the water-borne portion amounted to 113,000,000 cargo tons. The freight bill for transporting this commerce amounted to $760,000,000. American ships received approximately 30 per cent of this amount.

Thirty-two countries with 5,700 vessels of over 26,000,000 gross tons participate in the transportation of our foreign trade. Those vessels represent a total of 58,000 entrances and clearances.

Foreign-flag ships carry more than 66 per cent of our entire foreign trade, American-flag vessels carry less than 34 per cent.

There are but 475 American-flag vessels capable of meeting the foreign competition presented by more than 4,000 vessels.

Since 1922 our foreign competitors have built 1,280 vessels for transoceanic service. The United States has constructed 18.

Our foreign commerce is divided into two groups commonly referred to as the "near-by foreign trade" and the "overseas foreign trade" which are defined as follows:

NEAR-BY FOREIGN TRADE

The "near-by foreign trade" of the United States includes commerce with Canada, Mexico, Central America, West Indies, and the north coast of South America to and including the Guianas.

In this trade approximately 43,000,000 tons are moved annually with an average value of $30 per ton of merchandise, and constitutes more than 26 per cent in tonnage volume of our entire water-borne foreign commerce.

Mr. O'CONNELL. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Certainly.

Mr. O'CONNELL. The gentleman is making a very interesting statement. Can he tell us from what source he has obtained those figures? Are these the gentleman's own figures, or are they furnished by the Department of Commerce?

Mr. WOOD. These figures are largely furnished by the Department of Commerce.

American vessels carry approximately 56 per cent of the import cargo tonnage and 52 per cent of the export cargo tonnage.

The Great Lakes trade with Canada includes tonnage amounting to more than 11 per cent of our total water-borne foreign commerce and American vessels carry two-thirds of the import cargo, but only 40 per cent of the export cargo in the Great Lakes foreign trade.

The average value of near-by imports, including Great Lakes trade, is slightly more than $26 a ton of merchandise, and the average value of exports is almost $37.50 a ton of merchandise.

OVERSEAS FOREIGN TRADE

The "overseas foreign trade" of the United States includes commerce with all countries other than those described in the "near-by foreign trade"—trans-Atlantic, trans-Pacific, and the east and west coasts of South America.

In this trade approximately 70,000,000 tons of freight are moved annually with an average of $95 per cargo ton of merchandise, and constitutes nearly 62 per cent in tonnage volume and 80 per cent in value of our total water-borne foreign commerce.

American flag vessels carry less than 30 per cent of the import cargo tonnage and less than 19 per cent of the export cargo tonnage.

In other words, we carry only 30 per cent of what we buy and the foreigners carry 81 per cent of what they buy from us.

The average value of overseas imports is $182.50 a ton of merchandise, and the average value of overseas exports is $66.20 a ton of merchandise. Please note that our foreign competitors do not permit us to carry our share of the higher-priced cargo.

WHAT OUR COMPETITORS HAVE DONE TO RETRIEVE THEIR SHIPPING

Shipbuilding activities of the principal maritime nations from 1922–1927, covering ships of 2,000 gross tons and over suitable for trans-oceanic service, are shown in the following table:

| Country | Number of ships | Gross tons |
|---|---|---|
| Great Britain | 882 | 4,905,853 |
| Germany | 192 | 1,118,635 |
| France | 104 | 630,613 |
| Italy | 87 | 711,499 |
| Japan | 75 | 333,327 |
| United States | 18 | 195,191 |
| Total | | 7,895,118 |

The statement discloses that out of a total of almost 1,300 ships of approximately 8,000,000 gross tons the United States is credited with but 18 ships of less than 200,000 gross tons, thus being outbuilt by Great Britain by almost 50 to 1; Germany, more than 10 to 1; France, more than 5 to 1; Italy, almost 5 to 1; and Japan, more than 4 to 1.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. SHALLENBERGER. I am very much interested in that statement. Can you give us your judgment as to what we ought to do to correct that?

Mr. WOOD. Yes. I will give that later.

The postwar trend has been toward cargo-liner service—that is, a regular service on definite routes—in contradistinction to tramp service. Over 75 per cent of the world's shipping is now engaged in this class of service. Prior to 1914 it was but 25 per cent.

Our competitors were quick to recognize this trend and have either built or acquired modern tonnage with increased speeds and other economic advantages as shown by the following compilation:

| Country | 12 knots and over, number of ships | 14 knots and over, number of ships | 16 knots and over, number of ships | 18 knots and over, number of ships | 20 knots and over, number of ships |
|---|---|---|---|---|---|
| Great Britain | 1,280 | 436 | 145 | 38 | 12 |
| France | 277 | 105 | 55 | 19 | 11 |
| United States | 235 | 101 | 37 | 6 | 2 |
| Japan | 206 | 56 | 10 | 2 | 2 |
| Italy | 186 | 55 | 27 | 9 | 9 |
| Germany | 153 | 29 | 9 | 2 | 1 |
| Total | 2,337 | 782 | 283 | 76 | 37 |

We now realize how severely handicapped we are to meet competition!

Flag-waving arguments have little or no effect in influencing American shippers to use our ships until such time as we can place at their disposal ships offering the same advantage in speed, regularity, and frequency of sailings as are offered by our competitors. Not until that time can we be assured of the full support of American shippers, nor is it fair or reasonable for us to expect them to accept inferior commercial service under the guise of patriotism.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. MONTAGUE. The gentleman has not mentioned at all the figures of Scandinavian countries carrying sea-borne commerce?

Mr. WOOD. I have not put it in my statement.

Mr. MONTAGUE. Can the gentleman give us the figures as to their water-borne commerce by sail and not by steam?

Mr. WOOD. No. I am only dealing with the character of vessels with which we are and are to be in competition.

Mr. MONTAGUE. I was just inquiring.

HOW AND WHY AMERICAN SHIPPING IS HANDICAPPED

Mr. WOOD. In the problem confronting us in placing American shipping where it rightfully belongs we must consider the economic phase. Some are of the opinion that this basic obstacle can be overcome by increased efficiency and ingenuity. What are the facts? The major handicap against us is due to the higher shipbuilding costs in the United States. It is not due to the lack of efficiency or ingenuity. In normal times the personnel and equipment of our shipyards—of the few that are left—are as efficient as any in the world. The reason for our higher ship construction costs is the result of our higher living standards and no amount of increased efficiency or ingenuity can offset this handicap.

We have heard statements that many of our industries have been able to manufacture their products to enable them to compete in foreign markets. This is true where industries can take advantage of mass production methods, but such methods do not apply in the construction of ships. The reason for this is that under normal conditions seldom more than half a dozen ships are built from the one design. Therefore this expedient can not be used to lessen the handicap of American shipyards in competition with foreign yards where labor and material are cheaper to any appreciable extent. It must be remembered that ships are built to order—not manufactured, and that the normal life is 20 years.

American shipyards are, therefore, in direct competition with foreign yards.

The difference in construction costs of ships built in American yards compared with those built abroad results in an annual handicap of over 4 per cent of the price paid for the vessel built in an American yard.

Where standards of living differ in the countries engaged in the business of building ships the cost of construction will vary directly as the standards of living in those countries.

Until such time as the living standards of the countries with whom we are competing are brought to our level this handicap will prevail.

TO WHAT EXTENT DO OUR SHIPPING LAWS HANDICAP US?

The seamen's act has been most severely criticized as handicapping American shipping. After carefully analyzing the provisions in this act it appears that the criticisms are largely unfounded. The frequent advances of pay to the crew may be undesirable. However, prior to the seamen's act advances were made to the crew, and it would seem that this is a matter which the master of the vessel can deal with in a satisfactory manner.

Our measurement laws are also subject to considerable unfavorable comment, insinuating that American ships are discriminated against. This is a matter which has been thoroughly investigated, and the conclusions reached show that there is practically no difference in our laws as compared with

those of foreign countries. It has been found, however, that in some instances the provisions in the American rules have not been fully taken advantage of; hence, the fault lies not in the existing law but to negligence on the part of the shipowner.

Our steamboat inspection laws have been criticized particularly with reference to the testing of boilers.

While our laws appear to be more severe than those of other countries, it remains a question, and largely a matter of opinion, whether our laws should be changed to conform to those of other countries.

In summing up the situation regarding these laws which have been unduly criticized without a thorough understanding of them the final result, due to any changes that might be made, would be trivial. It is felt, after numerous interviews and consultations with practical steamship owners and operators, that such items as those referred to in our existing laws as constituting a handicap could be easily overcome when the major handicap, the construction differential, is absorbed.

CONCLUSIONS

Successful competition in the world's markets is predicated on the delivered price of the commodity—in first-class condition—in the shortest time. This not only requires ships equal to those of our competitors in speed, regularity, and frequency of sailings, but obviously necessitates equalizing the higher American construction costs as compared with the lower ship-construction costs prevalent in foreign shipyards. This is our greatest handicap.

If we are to continue to support our American industries, we must build our ships at home and give them the same protection against direct foreign competition that many of our other industries now enjoy.

It has been stated by some that the annual Government operating loss is, in effect, an indirect subsidy. A more accurate statement would be that this is the price we pay for the operation of obsolete and unsuitable types of ships in competition with the more modern and faster ships of our competitors.

Our past experiences have taught us that the pioneering and establishing period of steamship services is an expensive operation under the most favorable conditions. It is therefore quite obvious that slight progress, if any, can be made during that period until we have ships on a parity with those of our competitors.

In view of the rapid progress made by our competitors it is highly imperative that we begin a replacement and construction program without further delay, and in order to accomplish this there must be provided a plan—

Which will equalize the capital investment of the American and foreign ship;

Which will permit the ships to be owned and operated by private citizens under Government regulation;

Which provides for the owner to pay the full price of the American-built ship;

Which will insure permanency of operation; and

Which will guarantee adequate replacement.

The proposal I have to place before you fully incorporates these requirements.

THE REMEDY

There are several amendments I intend to offer to this bill. However, the one in which we are all most interested relates to the construction of cargo vessels and will be offered as section 303 of the bill.

How does the Government expect to compensate those charged with the responsibility of maintaining this national service, which so vitally affects both our country's prosperity and security? It is simple.

The bill provides a form of aid for vessels able to carry the mails. In addition the loan provisions are extended to aid American owners and operators. However, the cargo vessels, forming the backbone of any merchant fleet, are not adequately provided for. The difference in the cost of construction can not be absorbed by the measures proposed in the bill. To this end I offer the following amendment for your consideration:

SEC. 303. The board is hereby authorized and directed to make loans from the construction-loan fund for the total cost of construction of vessels for service in the foreign trade for citizens of the United States. Such vessels shall be constructed in American shipyards and according to designs approved by the board. Such sums as may be loaned for such construction shall be repaid to the construction-loan fund by the purchaser of such newly constructed vessels within a period of 20 years: *Provided*, That the contract and preferred mortgage guaranteeing the service of such vessel in the foreign trade shall provide for an initial payment of 5 per cent of the cost of the vessel upon the making of the contract and 5 per cent annually thereafter.

The provisions of this section shall not apply to vessels entitled to the benefit of Title IV of this act relating to the transportation of foreign mails.

It has been determined by experts in ship construction costs that a vessel costing $1,000,000 in the United States can be constructed in Great Britain for $636,942.67. After the British owner has charged interest on his investment, insurance, and depreciation, the cost at the end of 20 years exceeds $1,000,000. It will be observed from the above amendment that the cost of this vessel is to be repaid by the American owner within 20 years, and after he has maintained insurance thereon the cost will be approximately equal to that of the British owner. This is only possible without charging interest on the principal of the loan.

The CHAIRMAN (Mr. CRAMTON). The time of the gentleman from Indiana has expired.

Mr. WOOD. May I have five minutes more?

Mr. WHITE of Maine. I give the gentleman five additional minutes.

The CHAIRMAN. The gentleman is recognized for five additional minutes.

Mr. WOOD. If the Government owned and operated the ships this fund would not be drawing interest. Therefore, to charge interest for this fund would be the equivalent of demanding of the private owner that he pay a bonus for the privilege of rendering our country a national service, since it benefits all of the people and insures the means for the establishment and maintenance of a permanently American owned and controlled merchant marine, a merchant marine which will be able to compete with any nation in the world and which will complete the establishment of an adequate naval sea power.

Do not take this proposal lightly; it is not without precedent. Our decline in maritime affairs resulted partially from our development of the interior. When national resources were made available for the development of our western territory we found railroads financing transcontinental projects through enormous land grants. Later, with the westward migration of our population, the reclamation of arid lands was essential. Here the Government constructed huge dams, with reservoirs, canals, and all necessary work for the creation of an irrigation and reclamation system. And under the reclamation act as amended the cost of this construction work is to be paid by settlers on those projects within a period of 40 years, but no interest is charged. To-day we find the Federal Government spending a hundred million dollars each year for the construction of highways, not one cent of which is repaid to the Treasury. Surely the meager aid I have suggested for our merchant marine is not without precedent.

In addition to the foregoing I wish, in conclusion, to direct your attention to a situation which deserves serious thought and consideration. In spite of the fact that we have been dubbed an Uncle Shylock the United States has proved a good samaritan to many foreign nations. We have loaned billions of dollars abroad for the rehabilitation of those nations and their industries.

Directly or indirectly some of those very nations with whom we are competing in the markets of the world have been enabled to build up and modernize their shipping, the necessary funds being obtained from loans granted by the United States. I have here a statement showing the amount of the funded debt of various foreign nations, the total payments to be made, and the present worth of payments as at the time of funding.

*Funded indebtedness of foreign governments to the United States*

| Country | Date of agreements | Amount of debt as funded | Total payments to be made | Present worth of payments (at time of funding) at 4¼ per cent compound interest | Per cent of present worth to amount as funded |
|---|---|---|---|---|---|
| Great Britain | June 18, 1923 | $4,600,000,000 | $11,105,965,000 | $3,792,350,150 | 82.44 |
| France | Apr. 29, 1926 | 4,025,000,000 | 6,847,647,104 | 2,008,122,624 | [1] 49.89 |
| Italy | Nov. 14, 1925 | 2,042,000,000 | 2,407,677,500 | 535,312,311 | 26.21 |
| Belgium | Aug. 18, 1925 | 417,000,000 | 727,830,500 | 226,020,669 | 54.20 |
| Finland | May 1, 1923 | 9,000,000 | 21,695,055 | 7,420,497 | 82.45 |
| Hungary | May 29, 1924 | 1,939,000 | 4,693,240 | 1,598,429 | 82.44 |
| Lithuania | Sept. 22, 1924 | 6,030,000 | 14,531,940 | 4,972,364 | 82.46 |
| Poland | Nov. 14, 1924 | 178,560,000 | 435,687,550 | 146,989,791 | 82.30 |
| Latvia | Sept. 24, 1925 | 5,775,000 | 13,958,635 | 4,760,424 | 82.36 |
| Czechoslovakia | Oct. 13, 1925 | 115,000,000 | 312,811,439 | 92,167,514 | 80.15 |
| Estonia | Oct. 28, 1925 | 13,830,000 | 33,331,140 | 11,404,289 | 82.46 |
| Rumania | Dec. 4, 1925 | 44,590,000 | 122,506,260 | 35,343,429 | 79.26 |
| Yugoslavia | May 2, 1926 | 62,850,000 | 95,177,635 | 20,236,000 | [1] 32.21 |
| Total | | 11,521,574,000 | 22,143,512,997 | 6,886,698,491 | 59.77 |

[1] Computed by the Treasury Department.

It will be observed that Great Britain, France, and Italy, which countries are our principal competitors in maritime affairs, profited handsomely by the funding of their debts. For these three countries the difference between the amount of the debt as funded and the present worth of payments at the time of funding is $4,330,234,915. A very liberal estimate of the cost of vessels constructed by these three countries since 1922 is $2,000,000,000. There remains an additional $2,000,000,000 for expenditures unknown.

The amendments I have outlined give no more to the private owner than would be given to the Government. There is, however, this advantage: Under private operation, at the end of 20 years, the original cost of construction has been repaid to the marine security fund from private sources, as compared to reimbursement by the Government, coming from a public source, the United States Treasury.

Surely the time has arrived to rehabilitate industries so vital and indispensable as our shipbuilding and shipping, to make it possible to successfully compete with the very ships American dollars enabled our competitors to build.

My proposal only asks that the American merchant marine be accorded the same treatment extended to our competitors. Action is imperative. It is now a matter of self-preservation. The issue is one which not only affects our prosperity and security, but the very destiny of these United States.

Gentlemen, I thank you. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. DAVIS. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BRIGGS].

The CHAIRMAN. The gentleman from Texas is recognized for 20 minutes.

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, I do not think any subject before the American people is fraught with more concern to their interest than the subject of the American merchant marine. I do not think that there has ever been a greater lack of information indicated as to what the fleet which America now possesses is worth than that which obtains in many circles to-day regarding the American merchant marine.

Many people are prone to think that the great construction program of ships during the World War resulted in little or no benefit to the American people. The facts are that for the first two years after their construction they earned $500,000,000.

The further fact is true that had it not been for the existence of the ships of the United States since the World War the American people would have paid out in increased freight rates probably a billion dollars more than they have paid. That alone would disclose a billion and a half return to the people for the $3,000,000,000 they have expended in the construction of the ships.

But more than that, the United States upon the close of the World War and, particularly, directly after the World War, found for a long time the utmost difficulty in getting adequate tonnage, even with the new ships, to move the commerce desired by the foreign countries of the world. Tonnage rates were exceedingly high, and the United States employed the bulk of its fleet in that service. But in the year 1920 the crisis came in ocean rates. Shipping became demoralized, because commerce became demoralized. Commerce on the high seas declined to such an extent that there was a vastly greater amount of tonnage than there was available cargo or any demand for tonnage.

The result was that ocean rates fell practically below the cost of operation; and a world-wide demoralization of rates, experienced by all nations, resulted, and still continues to be felt, even though conditions have recently improved.

The United States Government was operating its fleet several years ago at a deficit, if you choose to call it such, of approximately $50,000,000 a year. The statement by the Fleet Corporation for last year reflected the fact that such deficit was practically reduced to $13,600,000. The reduction in operating deficits therefore is approximately $36,400,000.

What has the fleet accomplished in addition to those things to which I have already called attention and which graphically illustrate the constant value of an American merchant marine to the American people? In 1924 there was a tremendous scarcity of tonnage. A great deal of the foreign tramp tonnage, so-called, which comes into our ports to carry cargoes of a seasonal character from the United States to different parts of the world, was not available. It was being utilized by its own countries for emergency uses. What happened? An appeal had to be made for the United States to put into service additional ships. Why? Because producers, and particularly the wheat and cotton growers of this Nation, could not move their exportable surplus from the United States to the foreign countries that wanted that surplus. They could not get the tonnage to do it.

Representations were made to the President of the United States for the purpose of securing his authorization for the use of extra ships. The President gave that authorization and ships were put into service at an additional cost to the Government of about three-quarters of a million dollars. The testimony of the Secretary of Commerce before the House Merchant Marine Committee subsequently disclosed the fact that in providing that tonnage and lifting that exportable surplus of wheat alone from the American market caused wheat to rebound from $1 a bushel to $1.65 a bushel, and resulted in an increase in the market price of the wheat crop of the United States of about $650,000,000. So you can add that item to the benefits of the American merchant marine. Undoubtedly such extra American ships also saved millions to the cotton and other producers, agricultural and industrial, shipping to foreign markets.

In 1926, during the great British coal strike, we had another instance of inability to get ships to move the seasonal commerce of this country—cotton, grain, and its products, manufactured commodities and coal. What was the result? The Government put into service 100 extra ships from its idle fleet, and they moved the commerce of the United States to the markets of the world, when and where the people wanted that commerce; for, mind you, the wants of the people for certain products are not always a constant quantity. Those wants are often acute at a time when people are not able to buy the same products in other world markets, so that they must come to the United States to get those products. If you do not move them when they want them, or if you wait until commodities of a similar character are available in other countries, you have severe competition, and as a result there is serious difficulty in selling, or often an inability to sell, your products in foreign markets. The result was that by putting those 100 extra ships into the service of the United States to move cotton, grain, and the products therefrom, as well as other agricultural and manufactured products of this Nation, the American people benefited to the extent of approximately a quarter of a billion dollars. So with the fleet, or a large part of it, still existent, you have already had placed before you financial returns from it to the American people of at least two billion five hundred million, and probably as much as two billion seven hundred and fifty million, a sum almost equaling the cost of the original fleet.

Now, it is perfectly true that the trend to-day is toward faster and speedier ships. It is perfectly true that the ships you have are good ships so far as they go. Practically every witness that came before the Merchant Marine Committee testified to the worth of the great majority of the ships which the United States owns. Of the original 2,500 vessels owned by the United States, we have sold about 1,700 at a return of approximately $300,000,000.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. VINSON of Kentucky. In respect of the sale of ships by the Shipping Board what is the usual term of restricted use?

Mr. BRIGGS. You mean the five-year period?

Mr. VINSON of Kentucky. Is it a five-year period?

Mr. BRIGGS. Usually.

Mr. VINSON of Kentucky. Has there been any effort made to change the period?

Mr. BRIGGS. Well, there was a very decided effort made, I think, in the Shipping Board itself, and there was quite a wide difference of opinion prevailing there with regard to whether the contract of sale of the lines on the Pacific coast should provide for 5 or 10 year operation of such lines under the American flag. The determination of that question tied up the Shipping Board a long time, but it made an adjustment in some way and finally provided for a five-year period.

Mr. VINSON of Kentucky. The restricted use period, then, is not statutory, but it is subject to the action of the Shipping Board?

Mr. BRIGGS. That is it under existing law. But the proposed bill before you provides that during the life of the loan period of 20 years, for the construction of new ships, such ships must remain and continue in operation under the American flag.

Mr. BLAND. And if reconditioned, for five years?

Mr. BRIGGS. Yes; if they borrow money for that purpose, they must operate the ships under the American flag for not less than five years.

The United States owns to-day approximately 800 ships, and about 268 or 270 of them are in actual operation. Of course, during the movement of seasonal crops more American vessels are employed than at other times. At that time the number will probably run in excess of 300 or 350, according to the de-

mand and the scarcity of other tonnage, as well as the competition which develops.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. SHALLENBERGER. When these new ships are called into service by seasonal demands are they operated by the Government directly or are they leased to private operators?

Mr. BRIGGS. The Government usually operates them under what is known as managing operators' agreements. That is the way practically all of these vessels are operated except the United States passenger line, which is practically operated directly by the Government.

Now, the question before the American people to-day is whether we are going to retain and strengthen our place on the high seas and enjoy and increase the advantages which I have pointed out to you. The question is whether we are to hold not only the position we now command, and command only through the possession of our own fleet, but to provide for necessary expansion and development. That is the problem which has confronted the Nation for some time, and your committee has worked most earnestly to obtain a solution of that problem. It believes it has done so.

We believe in presenting this measure before you, while it is perhaps not an ideal measure, while it has been give and take to a very large extent, and the result of compromises, yet you have a measure here that will operate not only to materially benefit the American merchant marine but make possible its permanence and success.

It provides for the continuance under the Shipping Board of the existing trade routes and services operated by the Fleet Corporation until those trade routes and services are taken over by purchasers and privately operated.

It also makes the cargo carrier, as well as the passenger ship, eligible for mail contracts where such cargo vessel has at least a speed of 10 knots an hour and a tonnage of 2,500 gross tons.

The incentive to private ownership and operation is still further indicated when it is pointed out that serviceable, well-built ships of modern construction can be purchased by Americans from the fleet of the Shipping Board at a cost at least 250 per cent below the cost of replacement anywhere, and the purchaser thereby obtains a substantial reduction and aid in his capital investment.

Provision is also made for an increase in American seamen in crews, though it does not go as far as I should like to have it do. I look forward to the day when American ships are both completely owned and manned by Americans.

It also provides for an extension of insurance relief and other aid.

The bill invokes no new principle of Federal policy. The principles applied in the bill are all recognized and contained in existing law, and have simply been liberalized in return for added service to the people. The representatives of the Post Office Department testified that the postal receipts would cover the expense of mail contracts.

You have in it a doubling of the existing construction loan fund, which provides money at rates of interest at which the Government itself might borrow. It means no gift of the money. It is a loan of the money with good security on the ship, and with such additional security as the Shipping Board may require to insure the return or the repayment of the sums advanced.

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. BRIGGS. Certainly.

Mr. MOORE of Virginia. Under the bill will not the American shipbuilder or the American shipowner be at an advantage in respect of the interest on the loan as compared with the British shipbuilder or shipowner?

Mr. BRIGGS. Most assuredly. This bill provides that the money may be obtained where the ship goes into foreign trade at the current rates of interest or the lowest rates of interest at which the Government may borrow the money. It means no loss to the people, but it gives ship operators and builders a very low rate of interest. The British have a fund along much the same line, but they require a rate of interest of approximately 5 per cent.

Mr. SHALLENBERGER. If I may interrupt, I understood the gentleman from Indiana to indicate that the money might be advanced without interest. Was that under his amendment?

Mr. BRIGGS. I do not know. That is not the committee bill. This bill is presented to you for adoption by this House upon the basis of a loan with an interest rate which shall not subject the Government of the United States to any loss, and yet gives to the ship owner or operator the benefit of very low rates of interest, and for that reason, even with reference to differences which may obtain in construction costs at home and abroad, the American builder of ships will by the use of this fund have a 2 per cent advantage in the loan rate over a period of 20 years.

Mr. GREEN. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. GREEN. I understand our merchant marine is not self-sustaining, and I was wondering about what the annual deficit has been for the last two or three years.

Mr. BRIGGS. I endeavored to explain a moment ago that that has been reduced from $50,000,000 to almost $13,000,000 a year.

Mr. GREEN. Is it hoped by the committee or does it appear that we may eventually wipe out that deficit?

Mr. BRIGGS. It is confidently expected. This committee reaffirms the policy of the act of 1920, that it ultimately hopes for private ownership and private operation of the American merchant marine, but until that time the American people are going to keep their fleets upon the high seas and operate their trade routes, if they have to do it, under the existing situation.

This is one of the most important things, it seems to me, that should be understood not only at home, but should be understood abroad—that the United States does not mean to relinquish its American merchant marine; that it is not a temporary affair. We have stricken from the name of the Fleet Corporation the word "Emergency" and we now call it the United States Shipping Board Merchant Fleet Corporation. This bill intends to serve notice that the United States is on the high seas to stay; that it is going to have vessels of a modern and well-balanced type to carry its cargoes; that it is not going to be as it was in 1914, practically without a ship to carry its commodities abroad and into the world markets, having to pay to foreign ships an increased freight cost of approximately $5,000,000,000.

Mr. GREEN. Will the gentleman yield for a question there? I am asking this for information.

Mr. BRIGGS. Yes; that is what I am trying to give the committee.

Mr. GREEN. I understand the tonnage carried in American vessels has been decreasing in proportion to the amount carried by foreign vessels. By maintaining the merchant marine, does the gentleman, as a member of the committee, think this will have a tendency to have more of America's commerce carried in American vessels?

Mr. BRIGGS. Yes; and not only by maintaining it, but by developing in the United States a feeling of, "Let us do something for our own ships by shipping much more of our own commerce in and by traveling more on our own ships." [Applause.]

This bill provides that Government officials while on Government business shall travel on American ships where those ships are available.

Mr. Farrell, the president of the United States Steel Corporation, said that the greatest aid which the American merchant marine could have would be the support of the American people.

It came to my attention not a great while ago that one of the most difficult situations with which the United States ships still have to contend is the lack of sufficient import cargo. We carry a much larger proportion of exports than imports. This is what reduces the levels in the amount of cargo carried. We find that some importers will not utilize the American ships, although they can get the same service on the same terms as foreign ships provide; perhaps because such importers have not had their attention sufficiently directed to the situation. Americans should at least give the American ships an even break in the matter and let the American merchant marine reduce some of its operating losses and provide for the carriage of a greater share of commerce throughout the world for the American Nation.

Mr. McDUFFIE. May I interrupt the gentleman?

Mr. BRIGGS. Certainly.

Mr. McDUFFIE. I understood the gentleman from Indiana [Mr. WOOD] to say that a ship costing $1,000,000 in an American shipyard could be constructed in a British shipyard for $600,000. This is quite a difference—nearly $400,000, if I remember his figures correctly. Does the gentleman think under the provisions of this bill we are meeting that difference or that we can meet the difference so as to put the man who wants to invest his capital in ships on a parity with the British ship operator?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DAVIS. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. SHALLENBERGER. Will the gentleman yield there?

Mr. BRIGGS. Certainly.

Mr. SHALLENBERGER. I made some computations here while the gentleman from Indiana was talking to us dealing directly with what the gentleman from Alabama [Mr. McDUFFIE] has referred to. The difference in construction cost, as I figured it, is $365,000 in favor of the English builder, and you propose a saving of 2 per cent to the American builder.

Mr. BRIGGS. Over a period of 20 years.

Mr. SHALLENBERGER. Which is $400,000, so that the saving under your bill amounts to more than the difference in cost.

Mr. BRIGGS. That is exactly what I was getting ready to explain.

Mr. McDUFFIE. The Britisher borrows money now——

Mr. BRIGGS. But he borrows it at 5 per cent.

Mr. McDUFFIE. And you propose to have the American Government lend to the American shipbuilder or ship operator money at 3 per cent.

Mr. BRIGGS. At the current rate the United States may borrow it, probably 3 per cent, so the Government does not stand to lose anything on the transaction. I want to say to the people and to the membership of this committee of the House that to my mind this measure is capable of solving one of the most difficult problems we have ever had and solving it without burdening the American people or stifling initiative. We believe it will bring success.

Shipbuilders and ship operators who appeared before our committee indicated that they felt that such a measure as we have reported would make a success of American operation and of a privately owned and operated American merchant marine.

Of course, you must bear in mind that the success of any undertaking depends very much on the support it receives. The gentleman from Florida [Mr. GREEN] called attention to the decline in the amount of cargo that the United States vessels carry in foreign trade. The United States carries probably 34 per cent of the exports and imports in ocean trade; that does not include the Great Lakes. The rest of such commerce is carried in foreign vessels. It is not true that the United States could not carry more; but if it did, it would carry more at a resulting deficit.

Mr. MONTAGUE. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. MONTAGUE. By ocean trade the gentleman means from the United States and to the United States. The gentleman is not dealing with the world ocean trade?

Mr. BRIGGS. I mean from the ports of the United States to foreign ports and back to the United States. I do not include the Great Lakes.

Mr. SOMERS of New York. Will the gentleman yield?

Mr. BRIGGS. Certainly.

Mr. SOMERS of New York. Is it not true that a study of the history of the American merchant marine reveals the fact that wherever conditions were equal the American merchant marine grew faster than any other?

Mr. BRIGGS. That is true. I want to call attention to the fact that from 1908 to 1914 the United States carried less, with the exception of one year, than 10 per cent of the volume of commerce of the United States in foreign trade. In carrying 34 per cent now we have made a tremendous advance from that period—an advance of nearly 350 per cent. But we ought to carry more. This bill is intended and designed that that shall be the result and to give that benefit without putting a tax on the people—it gives such benefit to the American merchant marine as will encourage it to build faster and better vessels, and also enable it to compete more successfully with the ships of foreign nations.

Mr. BLAND. Will the gentleman yield?

Mr. BRIGGS. I will.

Mr. BLAND. Is it not a fact that at one time the cotton of the South could not be shipped because the foreign ships were involved in other service?

Mr. BRIGGS. It was so in the World War when the cotton of the South was piled up in warehouses and yet the world wanted cotton, but there was not tonnage available to move it.

Mr. SHALLENBERGER. And the price of cotton fell to 6 cents a pound?

Mr. BRIGGS. Of course, it did. The fact that we had no ocean transportation resulted in a loss of hundreds of millions to the cotton farmers of the South and the manufacturers as well.

Mr. GREEN. If the gentleman will yield, I am glad to know that the committee has worked out this problem as well as it has, and I hope it will continue to work to the end that our ships may be built at home, and that we can carry more of American commerce.

Mr. BRIGGS. Now, I want to call attention to another thing, and that is that, after all, the heart of the whole situation is in the fact that you must have a market for your commodities either at home or abroad. You must have a market for the things you produce and you must have ships to carry your goods. The United States has been going into the world market more and more. Since the World War our water-borne foreign commerce has increased from 81,824,834 long tons in 1921 to 112,825,756 tons in 1926, or 37.9 per cent. The value has increased from $6,888,000,000, in round numbers, in 1921, to $9,142,000,000 in 1926. From 1921 to 1926 an average of 55.9 per cent of the cotton crop was exported to foreign markets; 27.3 per cent of the wheat crop, 47.6 per cent of the rye crop, and 26 per cent of the rice crop were also exported and consumed in foreign markets.

The same is true to a very large extent of other commodities. If you do not have the ships to carry those things when you need them, and you have to compete among the foreign ships for a limited amount of space, you are bound to pay vastly increased freight rates. The bill America now pays, as the gentleman from Indiana [Mr. WOOD] called attention to a few moments ago, averages over $700,000,000 a year in ocean freight rates alone, and the average from 1921 to 1926 was about $600,000,000 a year. As I have explained, if you had had only a 25 per cent increase in your ocean freight rates for that period of time, it would have added $150,000,000 a year that the American producer would have had to pay, and it would have amounted to approximately $900,000,000 in that period from 1921 to 1926.

Mr. Chairman, this bill may not be all everybody hopes for. We have attempted with the Senate bill which was presented to us to work out something we feel everybody could support, that would not be obnoxious to the American people, and would preserve to the American people their great fleet; that would not destroy, but preserve it; that not only will do that, but enable the American fleet to be added to in private operation by private operators, with fine modern ships, to compete with the foreign ships that are being constructed, and to which attention was so vividly called by the gentleman from Indiana [Mr. WOOD]. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITE of Maine. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD]. [Applause.]

Mr. GIFFORD. Mr. Chairman, I entered this House in November, 1922. The President had just called a special session of Congress to consider the passage of a ship subsidy bill. We were informed that our merchant marine was losing $50,000,000 a year and that a bill would be presented to us under the provisions of which the cost to the Government would be only about $30,000,000; that we had built a fleet during the war at a cost of $3,400,000,000, and that in that year of 1922 it was worth not over $400,000,000 and was eating its head off at the rate of $1,000,000 per day. That was a direct subsidy bill, and we went so far in our anxiety to correct the situation that we passed legislation containing a clause requiring that half of our immigrants should be brought here in United States vessels, despite the fact that was in direct conflict with 32 existing treaties with foreign nations. Under that act we were willing to give $15,000,000 direct compensating aid for losses. We were willing to grant $7,000,000 in tax exemptions. That subsidy bill of 1922 was passed by the House by a fair majority and there were sufficient votes in the other branch to have passed it had not a vote thereon been prevented by a filibuster. As I have said, the bill provided for aids estimated at $30,000,000 per year. It also provided that insurance be undertaken by the Government when necessary in order to meet competing rates established by foreign companies. There was a provision that the Navy should employ the merchant marine for its transportation purposes. The provisions of that direct subsidy bill plainly proved that the Nation demanded that an end be put to the annual loss of $50,000,000 incurred under Government operation and that we should directly assist a private merchant marine at an expenditure of not more than $30,000,000.

The United States Shipping Board has recently held meetings in various parts of the country and has reported that the Nation is unanimously in favor of a merchant marine, and one privately owned, if possible. The United States Chamber of Commerce has reported the same result from its questionnaires. Congress should show itself responsive to this general demand, and it is hoped that the bill which we now have before us for consideration will accomplish the desired result. Most of the Government-owned vessels are already operated by private companies, and we are paying these agents not only their commission on the freight rates but for the losses arising from such operation to an amount which is estimated at $1.48 per ton. Including in the estimate depreciation, rents, interest, and the difference in insurance rates, these losses from operation and care of the fleet amount to nearly $20,000,000 yearly. It is fur-

ther believed that the enactment of this bill would obviate the necessity of the Government entering on a further shipbuilding program. There is certainly sufficient capital in this country which would be attracted to this type of investment if a fair return were assured thereon.

New ships can not, however, be built at the price which would have to be paid in America without Government aid. This bill provides for loans to the extent of 75 per cent of the cost of construction and equipment at the current Government rates of interest. It is estimated that the consequent saving in interest charges over a period of 20 years would take care of the difference in the cost of building here in America and that the liberal mail contracts provided for by this bill should overcome the difference in operating expenses.

I wish to read this paragraph. In 1902 Great Britain through its admiralty loaned for a period of 20 years, at 2¾ per cent, all the money required to build the 25-knot ships—the *Lusitania* and the *Mauretania*. It gave them a 20-year naval subvention of the equivalent of $735,000 annually, to which the post office added a 25-year mail contract in the sum of $330,000 per year.

The paragraph then goes on to show that these two vessels paid back every penny of that money, and that if the *Lusitania* had not been sunk they would have made a profit of about $5,000,000.

Owing to the new building programs of foreign nations, and the liberal subventions granted by their governments, up-to-date and much faster ships of greater utility are now needed by the United States in order that we may be successful competitors. The vital question now is whether—and if so, under what conditions—we should begin the work of new construction? The country has declared itself against Government operation. In order to assure the accomplishment of new shipbuilding by private concerns we must be fair-minded and liberal. The Shipping Board is the agency which seems to hold the fate of this great problem in its control. We have made it our bankers and it is authorized to loan our money, even at a considerable risk, to accomplish the purposes provided in the act. Some losses should be regarded as justified if by sustaining them we can be of assistance to the Naval Establishment upon which we expend $400,000,000 per year.

During the last six years our foreign competitors have built new vessels to the extent of from six to eight million tons, which is three times what the Shipping Board and all other American companies have engaged in foreign trade. During those six years we have not built a single ship to engage in foreign commerce. We must meet this competition of newer, larger, and faster ships, and we must do it under private operation. This can be accomplished only through liberal assistance from the Government.

It is confidently believed that the passage of this bill will result in the building of ships and the raising of our present fleet to a higher level of competitive efficiency. It will mean new prosperity for our shipyards and for the many lines of industry which contribute to the various phases of shipbuilding.

Our Shipping Board should take into consideration the foreign steamship affiliations of such persons as criticize the activities and plans of the board, or of any proposals advanced to upbuild our merchant marine. We must realize that capital provided by our own citizens is invested in foreign shipping and that many of those foreign lines are represented by American agents who have much influence in the shipping world. The seven members of our Shipping Board—two each from the Atlantic and Pacific coasts and one from the Gulf coast, Great Lakes, and agricultural sections of the country—have within their control the policy which will mean encouragement or discouragement to the patriotic and enthusiastic persons who, if this bill is enacted, will be willing to embark upon a new shipbuilding era and create ships which will be privately owned and privately operated.

Extreme interest is now being shown in the North Atlantic route which to-day is used almost exclusively by foreign vessels. Of the 18 monster steamships in operation we have practically only one—the *Leviathan*—and she is not making the maximum number of trips per year. Her sailings are irregular and do not have proper supplementary service.

Mr. COX. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. COX. The observation has been made that there are discriminations against us, in the way of insurance and patronage, and so forth, because of the inadequate condition of the ships. Does not the statement that the gentleman has just made argue that even if our ships were in condition to put them on a parity with foreign ships, they still would not get the traffic?

Mr. GIFFORD. I do not think that is the trouble in the case of the *Leviathan*. Inasmuch as she is Government owned and operated I do not believe that argument applies.

Our imagination is fired by the bold and daring proposition of the Trans-Oceanic Co., whose proposal is to build six monster ships of greater speed and efficiency than any vessel now afloat. The shipping world has been startled before when similar proposals were made, and it is always a difficult task for the proponents of big, unproven projects to convince those who hold the control of finances that they should be approved and the necessary funds provided. The Shipping Board has recently reported unfavorably on the plan of the Trans-Oceanic Co. to the Senate. However, I see in its report no suggestion to the effect that this plan would not be a so-called essential service. It would almost seem that the North Atlantic business has become the most essential of services. If you will read the hearings held by our committee you will find that this company presented convincing reports from some of our greatest engineers, both from the construction and the operation standpoint. There were also reports from those highly qualified in the subject of economics which set forth the probable success of such operation. The report of the engineers and authorities representing the Shipping Board was diametrically opposed to those submitted by the company. It is our desire that the Shipping Board should be open-minded, keeping this proposition before it and granting sufficient hearings before it expresses its complete disapproval of the plan.

Since the greatest speed requirements of the present day have been met in the construction of naval vessels, such as the *Saratoga*, it necessarily follows that merchant ships can likewise be built having equal speed. Long and painstaking experimental work, both before and during construction, is always necessary, and construction plans having an absolute certainty of success naturally could not be ready for presentation at this time. It is my belief that our Government should cooperate, as did the Government of Great Britain in the building of the *Lusitania* and *Mauretania*, vessels which at that time were as revolutionary as those now proposed under the plan of the Trans-Oceanic Co. It has been suggested that, acting on the order adopted by the Senate, the Shipping Board report on this proposition as the experts for both parties have not consulted together, and that the previous report was premature. I appeal for a most careful reconsideration of the matter and trust that the Shipping Board will be fair-minded and give this company the fullest opportunity which it may desire to present its case through the medium of its expert advisors. It is true that in this case the radical departure of building ships with speed increased from 25 to 33 knots an hour must have most careful consideration, but I feel that the Shipping Board should be ready to give its sympathetic cooperation in determining the matter.

Seventy per cent of the North Atlantic business is American and if a four-day service at regular intervals can be inaugurated the proponents thereof should have every right to believe that they will receive, from patriotic citizens and the traveling public which will certainly welcome the saving in time, a sufficient amount of business to warrant the undertaking. Cold figures, based upon the present amount of business with a suggested normal increase of 2½ per cent each year should be convincing, even without taking into consideration the sentimental and patriotic factors which should induce our people to use this service. The financial responsibility of the new company, judged by the names of those who are, or will be, identified with the project should also be sufficient.

Speaking in the Senate recently, Senator BINGHAM devoted a great deal of attention to this matter, and spread at some length upon the record the names and standing of those identified with the company, thereby assuring us that from a financial standpoint the project was entirely feasible. At this time the Shipping Board may well give its attention to the determination of the question whether or not this would be an essential service. Under the very liberal construction of the act of 1920 and the present bill it is allowed great freedom. These acts even provide that it shall take the moral hazard into consideration. In fact, the act expressly recites that it shall loan money on vessels of the newest and most up to date types of construction. The Shipping Board's decision will be of tremendous importance to the country, and we must demand of it the strongest and most sincere efforts to place the entire merchant marine in the hands of private operators as soon as feasible, and to encourage any and all honest attempts of our citizens to build up that merchant marine, not only to meet our foreign competitors on a parity but to outstrip them in this highly competitive race.

We should consider the subject in a large way; we can afford to take chances in a business which is already losing money.

I told the chairman of our committee that I should devote the time allotted to me principally to this proposal for a North Atlantic service, since I believe that if this can be made effective the shipping problems of this country will be solved. We would be a "ship-minded" nation. I wish to call attention to the last few lines of the adverse report made by the United States Shipping Board. "They—the board—are prepared to state to the Senate how this can be accomplished." In closing I desire to say that when the board's plan is presented to the Senate and the Congress of the United States I trust that it will not of necessity be one for Government operation, but will rather be a plan for an American merchant marine privately owned and privately operated. [Applause.]

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back two minutes.

MESSAGE FROM THE PRESIDENT

The committee informally rose; and the Speaker having resumed the chair, a message in writing from the President of the United States was presented to the House of Representatives, by Mr. Latta, one of his secretaries, who also announced that on the following dates the President approved and signed bills and resolutions of the House of the following titles:

On April 28, 1928:

H. R. 7722. An act authorizing the health officer of the District of Columbia to issue a permit for the opening of the grave containing the remains of the late Nellie Richards.

On April 30, 1928:

H. R. 6103. An act to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for fiscal year ending June 30, 1884," and for other purposes.

On May 1, 1928:

H. R. 484. An act to amend section 10 of the plant quarantine act, approved August 20, 1912;

H. R. 4068. An act for the relief of the Majestic Hotel, Lake Charles, La., and of Lieut. R. T. Cronau, United States Army;

H. R. 4126. An act authorizing the Secretary of the Interior to issue a patent to Katie Cassiday for a certain tract of land;

H. R. 7184. An act authorizing J. L. Rowan, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Shawneetown, Ill.;

H. R. 9485. An act authorizing Roy Clippinger, Ulys Pyle, Edgar Leathers, Groves K. Flescher, Carmen Flescher, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Wabash River at or near McGregors Ferry in White County, Ill.;

H. R. 11212. An act authorizing Paul Leupp, his heirs, legal representatives, or assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Stanton, N. Dak.;

H. R. 11265. An act authorizing the Cabin Creek Kanawha Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Cabin Creek, W. Va.;

H. R. 11266. An act authorizing the St. Albans Nitro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near St. Albans, Kanawha County, W. Va.;

H. R. 11267. An act granting the consent of Congress to the board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

H. R. 11279. An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes;

H. R. 11356. An act authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Rockport, Ind.;

H. R. 11473. An act granting the consent of Congress to the States of North Dakota and Minnesota to construct, maintain, and operate a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 11578. An act authorizing the B & P Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande River at or near Weslaco, Tex.;

H. R. 11583. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark.;

H. R. 11625. An act granting the consent of Congress to the State of Montana, Valley County, Mont., and Garfield County, Mont., or to any or either of them, jointly or severally, to construct, maintain, and operate a bridge across the Missouri River at or near Glasgow, Mont.; and

H. J. Res. 152. Joint resolution authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Entomology to be held in the United States in 1928.

On May 2, 1928:

H. R. 11478. An act to amend an act to allot lands to children on the Crow Reservation, Mont.;

H. R. 13331. An act to authorize the President to present the distinguished-flying cross to Col. Francesco de Pinedo, Dieudonne Costes, Joseph LeBrix, Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl; and

H. J. Res. 239. Joint resolution authorizing the erection in the District of Columbia of a monument in memory of Peter Muhlenberg.

On May 3, 1928:

H. R. 2654. An act for the relief of Anton Anderson;

H. R. 6862. An act authorizing and directing the Secretary of the Interior to investigate, hear, and determine the claims of individual members of the Sioux Tribe of Indians against tribal funds or against the United States;

H. R. 8487. An act to adjudicate the claims of homestead settlers on the drained Mud Lake bottom, in the State of Minnesota;

H. R. 9047. An act to authorize appropriations for the construction of roads at the Presidio of San Francisco, Calif.;

H. R. 9569. An act authorizing the payment of an indemnity to the British Government on account of the death of Reginald Ethelbert Myrie, alleged to have been killed in the Panama Canal Zone on February 5, 1921, by a United States Army motor truck;

H. R. 12179. An act to provide for the reimbursement of the Government of Great Britain on account of certain sums expended by the British chaplain in Moscow, the Rev. F. North, for the relief of American nationals in Russia in 1920;

H. R. 11764. An act conferring jurisdiction upon the Court of Claims of the United States or the district courts of the United States to hear, adjudicate, and enter judgment on the claim of A. Roy Knabenshue against the United States for the use or manufacture of an invention of A. Roy Knabenshue, covered by Letters Patent No. 858875, issued by the Patent Office of the United States under date of July 2, 1907;

H. J. Res. 145. Joint resolution to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States;

H. J. Res. 146. Joint resolution to provide for the payment of an indemnity to the Dominican Republic for the death of Juan Soriano, who was killed by the landing of an airplane belonging to the United States Marine Corps;

H. J. Res. 147. Joint resolution for the relief of the estate of the late Max D. Kirjassoff;

H. J. Res. 148. Joint resolution to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, alleged to have been killed by a United States Army ambulance in Colon, Panama;

H. J. Res. 149. Joint resolution to authorize an appropriation for the compensation of William Wiseman;

H. J. Res. 150. Joint resolution to provide for the payment of an indemnity to the Government of the Netherlands for compensation for personal injuries sustained by two Netherlands subjects, Arend Kamp and Francis Gort, while the U. S. S. *Canibas* was loading on May 1, 1919, at Rotterdam;

H. J. Res. 151. Joint resolution to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps;

H. J. Res. 230. Joint resolution to provide for the membership of the United States in the American International Institute for the Protection of Childhood; and

H. J. Res. 262. Joint resolution requesting the President to extend to the Republics of America an invitation to attend a conference of conciliation and arbitration to be held at Washington during 1928 or 1929.

On May 4, 1928:

H. R. 12320. An act to amend the longshoremen's and harbor workers' compensation act.

AMERICAN MERCHANT MARINE

The committee resumed its session.

Mr. DAVIS. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. ABERNETHY].

The CHAIRMAN. The gentleman from North Carolina is recognized for 15 minutes.

Mr. ABERNETHY. Mr. Chairman and members of the committee, before proceeding I want to thank the able chairman of

the Committee on the Merchant Marine and Fisheries for the admirable manner in which he has handled the matter before the committee and the amiable spirit of compromise and accommodation which he has observed throughout the progress of the hearings and in the consideration of the bill. I also want to thank the ranking member on the minority side of the committee, the gentleman from Tennessee [Mr. DAVIS], for his attitude, and also the other members of the committee.

I listened with a great deal of interest to the address by the distinguished gentleman from Indiana [Mr. WOOD], and I was glad to hear him say that while he had certain amendments which he proposed to offer to this bill, yet he thought the bill was a great constructive measure and he would support it, regardless of whether his amendments were adopted or not.

This bill which has been brought out here is a composite bill. It did not go as far as any individual member of the committee would like it to go, but there has been a unanimous approval of all the items of the bill, and we find it one of the most constructive pieces of legislation ever presented to the Congress of the United States, coming in here without one scintilla of opposition from any member of the committee.

I believe, ladies and gentlemen of the House, that if this bill becomes a law we shall have an adequate merchant marine in the future for America, and it will be the most outstanding accomplishment that has ever been put through Congress. I say that advisedly. I do not want to raise any controversy here this afternoon, when everything is running on smoothly. It is not desirable that we should raise any controversy under such circumstances, and I do not propose to do that.

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. O'CONNOR of New York. Is not that always regarded as somewhat suspicious?

Mr. ABERNETHY. Not in this instance, because the personnel of the committee is such that it would obviate that suspicion.

I have heard in the running debate here a great many questions asked as to what was the trouble with American shipping. I have listened to the hearings on this matter and have attended the hearings in most instances, and have heard various witnesses representing the shipping interests, and the farming interests, and the American Federation of Labor, and the United States Chamber of Commerce, and the syndicates representing the insurance interests of the country engaged in marine insurance; and other business interests generally present their views on this matter; and when we went into the consideration of the bill we had the Jones bill from the Senate and the White bill from the House; and we had the Wood bill from the House and we had the Wainwright bill. But now we have taken all those bills and brought in a composite bill which we claim represents every interest of the country. It is a very unusual thing that we should have the entire and unanimous approval of every member of the committee, and we are assured that this bill will become a law, because we feel certain that when it goes to the other body that body will approve it and the President will sign it.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. COLE of Iowa. A moment ago the gentleman asked what is the matter with the American shipping. Is it not because of the high cost of building the ships, in the first instance, and then the high cost of operating the ships?

If you want to put American shipping on the map, will it not be necessary for some McNary-Haugen contrivance to equalize the cost of operating ships under the American flag and operating them under other flags; and if we want American shipping to be successful, will it not be necessary for us to go in and pay the difference in the costs of operation?

Mr. ABERNETHY. I want to say in answer to the gentleman that there is no equalization fee in this bill, and I am glad there is not, because that seems to be a very much controverted question in the country at the present time. But if the gentleman wants to know from me what I think the trouble is with American shipping, it is that there is too much British domination of our shipping in the country. That is what is the trouble. I did not want to say that, but it is the fact. If you want to know what I think about it, I think America must wake up to the fact that America must run its own ships, and it must operate them under the American flag and not have them under the influence of any foreign nation. That, I think, will solve the problem.

Mr. COLE of Iowa. Will the gentleman yield for one more question?

Mr. ABERNETHY. I will be glad to yield.

Mr. COLE of Iowa. In order to do that, will it not be necessary for us to do something along the line I have suggested? I used the phrase "McNary-Haugen" only as an illustration. But will it not be necessary for us, I repeat, if we are going to maintain the American standard of wages on the ocean, as we should do, and to compete with those who are satisfied with lower standards, to equalize those wages in some way?

Mr. ABERNETHY. I will answer the gentleman by saying that if he will read this bill he will find this language in Title I.

> The policy and the primary purpose declared in section 1 of the merchant marine act, 1920, are hereby confirmed.

Then, if he will read section 805, he will find this language:

> The policy and the primary purpose declared in section 7 of the merchant marine act, 1920, are hereby reaffirmed.

Now, if he will read the act of 1920, he will find that the Shipping Board, if private operators will not come in and maintain a merchant marine, that the Government itself, with the aid of Congress, can maintain it. That is what we have put in here as the primary object of this bill, namely, to encourage private operation; but if we can not get private operation by the loan fund and by the other provisions of the bill then we authorize the Shipping Board to operate the trade routes, and then we say that each and every port of the country shall be open and that American ships shall be run from these ports. Then we give a liberal loan fund and we give the ocean-mail contracts which, I think, more than equalize the situation.

Mr. COLE of Iowa. In other words, however you may conceal it, you will have to come down to the fact that if you want an American merchant marine the American people in some manner must pay the difference in the cost of operating ships under the American flag and under foreign flags.

Mr. ABERNETHY. There is nothing in here about a subsidy, and if there were our side of the House would not support it and we are supporting it unanimously.

Mr. COLE of Iowa. Unless you provide the money you will not get any results.

Mr. ABERNETHY. I do not think the gentleman should put the McNary-Haugen principle into this bill.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. O'CONNOR of New York. The gentleman from North Carolina does not understand what the gentleman on the other side is trying to suggest. The gentleman is thinking in the terms of the protective, subsidized tariff. That is what he wants to put in the bill and not the McNary-Haugen proposition.

Mr. COLE of Iowa. That is quite correct.

Mr. ABERNETHY. I think if the gentleman will read this bill carefully he will find it is so worded that that will not be necessary. You take the ocean mail contracts. Mr. Glover, Second Assistant Postmaster General—and I want to commend him publicly for the splendid manner in which he presented this matter to our committee—told us that if we would give him the ships, and ships of sufficient speed, it would be the policy of the Post Office Department to carry all the mails in American ships; that if we did that we would not have any loss but would have a profit. That is no subsidy. The giving of ocean mail contracts has been the law, which has been upon the statute books for some time, and all the Post Office Department wants is ships that can compete.

In other words, gentlemen, this is one bill on which Republicans, Democrats, Progressives, and all interests can get together, and I say it is largely due to the management of the gentleman from Maine and the gentleman from Tennessee. [Applause.] When you get those two contending factions together, the proposition must be all right. I want to say for the gentleman from Tennessee [Mr. DAVIS] that he lives in the interior. He is not interested in any port; but he comes in here and gives his unqualified approval of this bill. The gentleman from Oklahoma [Mr. MCKEOWN] and other gentlemen from the great interior give their unqualified approval of this bill.

Mr. COLE of Iowa. Will the gentleman yield for an observation?

Mr. ABERNETHY. Yes.

Mr. COLE of Iowa. You may think we live in the interior, but we are going to bring ships into that interior. We are going to bring them up the St. Lawrence and up the Mississippi. We are interested in ships just as much as you are who live on the coast.

Mr. ABERNETHY. And am I not helping you every day when I vote for appropriations for waterways and when I

went the whole way yesterday afternoon and voted for the McNary-Haugen bill in aid of the farmer?

Mr. COLE of Iowa. You cotton men got enough out of that bill to make you vote for it.

Mr. LOZIER. Will the gentleman yield?

Mr. ABERNETHY. I will be pleased to yield.

Mr. LOZIER. In England practically all the export tonnage is carried in English bottoms, the English railroads bringing that tonnage to the sea and the English exporters see that it is exported in English bottoms. In the United States the great bulk of our tonnage originates in the interior of the country.

Mr. ABERNETHY. That is true.

Mr. LOZIER. It is carried to tidewater by American railroads, but those American railroads and the American exporters in an overwhelming preponderance of cases have entered into contracts with owners of British ships by which this American tonnage, after being carried to tidewater by American railroads, is turned over to the British ships and carried to the world markets in British bottoms. I have called attention to this situation every time measures affecting shipping have been before the Congress, and I would like to have the gentleman's reaction, and I would like to ask him whether or not a method can be devised by which American exporters and American railroads will be induced and persuaded to turn over this tonnage, which originates in the interior, to American ships and have it carried abroad in American bottoms rather than turn it over to British ships. Can the gentleman suggest a remedy for that situation?

Mr. MANSFIELD. Will the gentleman yield right there?

Mr. ABERNETHY. Certainly.

Mr. MANSFIELD. I want to add a little to the gentleman's question, if you please. Will the gentleman answer, furthermore, why it is that the members of the American Bar Association, when they travel overseas, travel in English ships?

Mr. ABERNETHY. I can not speak for the attitude of the American Bar Association, but in answering further the gentleman from Missouri——

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DAVIS. Mr. Chairman, I yield the gentleman three minutes.

Mr. ABERNETHY. I want to say to the gentleman from Missouri that the question he puts to me is very pertinent and very proper, and needs an affirmative answer. If I read properly the attempt of this committee as expressed in this bill, and also as I know from the personnel of the committee, it is the intention of the Committee on the Merchant Marine and Fisheries that if you pass this legislation and it is not sufficient to bring about the situation we desire, we will bring in other legislation. I am sure this statement is backed up by the chairman of the committee, because if there is any one man here who wants to put this great commerce of ours, which is bulging out from over the country, in American bottoms, it is the chairman of this great committee. He has done as much to correct the situation as any man here because he represents the majority side of the House, and the gentleman from Tennessee and the gentleman from Virginia and the gentleman from Texas and the gentleman from Oklahoma and the entire committee are a unit on this proposition.

The gentleman from Missouri [Mr. LOZIER] has hit the nail on the head, and we might as well notify the business interests of this country that if they are to expect the cooperation of Congress and the sympathy of Congress, that when they ship goods abroad and get goods from abroad they must use American bottoms because this is the only way we can build up an adequate merchant marine in this country. And if additional legislation is needed to bring this about, Congress will act promptly.

We believe this is the most constructive piece of legislation that has ever been reported to the Congress.

Mr. LOZIER. I did not ask the question in a spirit of hostility.

Mr. ABERNETHY. I know that.

Mr. LOZIER. But in a sincere desire to reach a formula by which this abuse in the future can be prevented.

Mr. ABERNETHY. I believe this bill will help, with the assistance of the Shipping Board, and I believe we will have their assistance, because we have made up our minds, and I think the Congress and the country are determined not to scrap the ships we have, but to put them into commission and to build new ships, and to put our shipyards in commission, and open all our ports in the country, and open up our great waterways, and have American ships carry our great commerce, at the same time saying to the balance of the world that as far as we are concerned, we are going to use our own transportation system. When we do this we will build up a proper merchant marine. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. WHITE of Maine. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ROMJUE. Will the gentleman yield?

Mr. ABERNETHY. I will be pleased to yield.

Mr. ROMJUE. I presume the committee in the formation of the bill, of course, has been in touch with the Shipping Board?

Mr. ABERNETHY. Yes.

Mr. ROMJUE. I presume you have conferred with them and have listened to their views. Are there any material points which the Shipping Board favors that are not in the bill at the present time.

Mr. ABERNETHY. The only thing which I think the Shipping Board might be criticized for—and I say this with all due respect, because I have great admiration for the present board—is the manner in which they have approached this new idea of having faster ships across the ocean. I think the Shipping Board might as well understand that if we are going to build up the American merchant marine they must respond to the will of Congress, and I believe they will do this.

Mr. ROMJUE. I was about to say to the gentleman that it has always seemed to me that they are very well posted on these matters and their views might well be considered.

Mr. ABERNETHY. We had them before us and they were very helpful in many instances. For instance, Mr. Plummer was very helpful with respect to the insurance feature of the bill.

Mr. ROMJUE. And does the board, generally, approve the terms of the bill?

Mr. ABERNETHY. Absolutely, as I understand it. [Applause.]

Mr. WHITE of Maine. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. BOWMAN].

Mr. BOWMAN. Mr. Chairman, the remarkable rise of American ships and sailors to the commercial supremacy of the seas is an unparalleled story in the history of the maritime world. It is a romance of the courageous seagoing men, who with pike and carronade won, established, and defended the freedom of the seas. With unreliable charts and crude instruments of navigation, America held this most enviable position of commercial supremacy for almost two centuries against the incessant plague of French, Spanish, Dutch, and English sea-roving privateers, and the swarms of marauding freebooters and pirates sailing under the black flag. No more thrilling epics of history have ever been written than those recording the heroic deeds of American pioneers upon the uncharted seas. They brought renown to America and commanded respect for her flag in every known port of the world.

The ascendency of America's commerce upon the seas was no less spectacular than was her decline. Shortly after the Civil War, America forsook her established supremacy and turned her steps from the shores to the inland to seek a new destiny. She ceased to concern herself with the sea. The ingenuity and industry of her people were turned to an inland empire of untold national resources. They gave no thought to this epochal change. "Winning the West" brought the greatest development in railroad building, manufacturing, and farming that the world has ever experienced, but the commerce of the seas lost its virility and importance in America. The American fleet, whose sails once flecked every sea in every clime, vanished, and only the brave memories of a former glory remain as a heritage to the greatest nation in the world in this hour of commercial need.

The first vessel built within the limits of the United States for commercial purposes was a small seagoing vessel of 30 tons called the *Virginia*, which was constructed at the mouth of the Kennebec River, Me., in 1607. It is quite an interesting coincidence that the congressional district of Maine in which the mouth of this river is located is now represented in the House of Representatives of the United States by Hon. WALLACE WHITE, chairman of the Committee on the Merchant Marine and Fisheries [applause], who, with the gentleman from Tennessee [Mr. DAVIS], is responsible for pending legislation.

The successful venture of this first little sailing craft to the fishing banks of Newfoundland not only established the fishing industry in the New England coast, whose climate was unsuited to agriculture, but laid the foundation and keel for the shipping industry of this country and foreshadowed the creation of a merchant marine that would claim the supremacy of the seas. The business of building ships was stimulated and developed, until the mouth of every river and bay on the Atlantic coast from Nova Scotia to Long Island Sound had keel blocks sloping to the tide. It might be interesting to note that the construction of each vessel was a community enterprise. The

blacksmith, the carpenter, the calker, the rigger, the material man took their pay in shares. Each voyage of the ship directly concerned a community.

Before the close of the seventeenth century more than 1,000 New England ships were sailing upon the trade routes of the Atlantic. England's peculiar and sovereign rights to the seas were threatened. In 1668, Sir Josiah Child, British merchant and economist, declared that in his opinion nothing was more prejudicial and in many respects more dangerous to the mother kingdom than the increase of shipping in her colonies, plantations, and provinces. Eventually the English Parliament forbade the Colonies to export fish to foreign markets. This unjust law to curb the growing trade of the Colonies affected more than 6,000 able-bodied seafaring men and spread ruin and distress among the New England ports.

This was only an incident in the evolution of a new nation. Denied the normal ebb and flow of trade and commerce, the sturdy colonial fishermen and seamen became privateers upon the high seas. This was the only means of retaliation; but fate decreed it. It taught them how to defend the honor and integrity of the Stars and Stripes upon the sea as well as upon the land. It trained them to meet the emergencies of a new nation. The effect of this was apparent later during the Revolutionary War, when 174 colonial merchant ships, armed with 2,000 short-range guns, captured 10,000 British seamen and took as prizes 733 merchant vessels. This victory was more serious to the success of England's war against the Colonies than the capture of the Hessian troops by the land forces commanded by Washington. Actual distress in England resulted from the daring and heroism of our sailors upon the sea.

It was our brave sailors who upheld the dignity and commanded the respect of our Nation in its early days. In 1799 they compelled France, who was seizing our merchantmen in the West Indies, to make a new treaty of peace. They drove from the trade routes of the seas the pirates of the Barbary States of northern Africa. In 1812 they again defied England, who was seizing American citizens and American merchantships, and compelled a treaty that opened forever the highways of the sea to the commerce of the United States and gave to us supremacy in the world trade; to have, but not to hold. America was destined to relinquish voluntarily her control of the commerce upon the seas.

Between the years 1795 and 1810 the United States carried 90 per cent of the world's ocean commerce in American-flag ships. During the period from 1821 to 1860 American vessels carried import and export freight valued at $12,378,999,144, or 77.3 per cent of the world's commerce.

The period from 1860 to 1865 marks the rapid decline of our sea trade. In 1861 American vessels carried imports valued at $201,600,000, compared to $134,000,000 by other vessels. Our export trade amounted to $179,000,000, while foreign trade in exports amounted to $69,000,000. Four years later our import trade had fallen to $74,000,000, while foreign trade leaped to $174,000,000, and our export trade had fallen to $93,000,000, while foreign export trade jumped to $263,000,000. The average percentage of all imports and exports carried by American vessels during this period was 41.2 per cent. This condition was due primarily to the internal strife between the North and the South during the Civil War, which made American commerce on the seas extremely hazardous and dangerous.

From 1866 to 1913 foreign vessels carried five times the freight value of our exports and eight times the freight value of our imports as were carried by vessels under the American flag. The percentage of all exports and imports carried by American vessels for this period was 14.6 per cent.

In 1914 the value of our import and export freight was $3,800,000,000 and American merchant ships carried only 9.7 per cent. The value of American freight for this single year amounted to one-fourth of the total freight for the period between 1821 and 1860, and our percentage in carrying and transporting our freight dropped from 77.3 per cent to 9.7 per cent. During the World War our vessels carried 42.7 per cent of our import and export freight value; and in 1927, with a total of freight imports and exports valued at $8,000,000,000—or two-thirds of the total freight value carried from 1821 to 1860—American vessels carried only 34.1 per cent. The freight bills for our export and import cargoes amounted to approximately $730,000,000, of which sum American vessels received $230,000,000 and foreign vessels received $500,000,000.

A detailed analysis of our overseas trade, which does not include Canada and countries bordering on the Gulf of Mexico, the Caribbean Sea, the West Indies, Central American States, and the north coast of South America, shows that American vessels carry less than 30 per cent of our import cargo tonnage and less than 19 per cent of our export tonnage. In other words, our vessels carry only 30 per cent of what we buy from foreign countries and the vessels of foreign countries carry more than 81 per cent of what foreign countries purchase from us.

To enable us to comprehend the reasons for the ascendancy and the decline of our merchant marine, it is well for us to have in mind that the speed of our vessels was the dominant factor. Our supremacy was based upon speed. America had the most graceful and speediest vessels of the world. Only when foreign ships excelled our speed upon the seas did we lose supremacy in trade.

Between 1849 and 1851 three notable events transpired that stimulated our trade upon the seas and developed our vessels into winged crafts of speed. First, the discovery of gold in California; second, the repeal of the British navigation laws which had given England a monopoly of trade with British East Indies; and third, the discovery of gold in Australia. These events created the wildest and most extravagant demands for the transportation of passengers and freight the world has ever known in times of peace. Speed was the ruling passion of commerce upon the seas. Competition among the nations of the world was keen and every national resource was developed in the bitter rivalry for trade. In this struggle for the trade of the world America won. From 1850 to 1854 she launched 160 clippers, among which was the historic *Flying Cloud*, which outdistanced and outclassed the fastest ship of any other nation. America had evolved a ship and had produced a crew which, taken together, were able to give more ton-miles for a dollar than any other similar unit of foreign nations. This was due to speed.

During this period our ships invaded the ports of East Indies, and because of their reputation for speed received freightage at 6 pounds per ton, while English ships rode at anchor or were glad to accept freight at 3 pounds per ton. England was dismayed at this competition of speed, and it was freely admitted that the tea trade in England had passed from English ships to American clippers. The London Times in an editorial sounded the warning in the following words:

> We must run a race with our gigantic and unshackled rival—there will always be an abundant supply of vessels good enough and fast enough for short voyages; but we want fast vessels for long voyages, which otherwise will fall into American hands.

The warning came too late. America was supreme upon the seas.

The screw propeller sealed the doom of American clippers. This invention had aroused the interest of two continents. America rejected it; but England exploited its possibilities.

In 1839 Ericsson, the inventor of the *Monitor* during the Civil War, came to this country and built a screw steamship named the *Princeton* for our Navy. This was the first ship of its character in operation. The utility of the screw propeller necessarily involved the substitution of iron for the hull, because wooden hulls could not stand the vibration. America had not learned her possibilities in the iron industry, and her commercial faith was bound in the success of her wooden-hull clippers and paddle-wheel steamers.

England, on the other hand, began the immediate construction of screw-propelled vessels with iron hulls. This became a great industry in English ports. Again speed determined the commercial supremacy of the sea. England regained the trade routes because of the regularity and speed of her iron ships propelled by screws. The screw propeller added greatly to the speed of vessels and opened a new era of transportation.

In 1857 there were 51 vessels carrying the trade between the American ports on the Atlantic and Europe. Of these, 17 were paddle-wheel steamers and sailing vessels and 34 were steamers with iron hulls and screw propellers. The last-named ships were always preferred by shippers at a higher freight rate because of their speed.

In 1860 nearly all of our mail, freight, and passengers were carried by English vessels, and not a single ship was being built in our shipyards, while 16,000 tons of new iron and screw-propelled steamers were being built in England for American trade.

It remained for the Civil War to sweep the last vestige of our commercial supremacy from the seas. Confederate privateers scoured the seas and while our loss in vessels was negligible, the possibility of capture and confiscation deprived American ships of the opportunity to obtain cargoes of freight. American owners of American ships transferred their vessels to foreign flags for safety and protection. American shipyards were idle. The currents of commerce were changed. England took advantage of every opportunity, as America had done with England in the troubled days of the war with Napoleon. Trade naturally gravitated from the nation that had survived and triumphed over the greater calamities of the Revolution, embargoes of European countries, and the War of 1812. America

gradually relinquished her national renown and prestige upon the seas until by 1900 no American-flag ship sailed from our shores to Russia, Sweden, Norway, Denmark, Netherlands, Italy, Hungary, Greece, or Turkey. During that same year only two small vessels of American registry sailed for France, and these ships returned to our shores in ballast. The trade of our country was carried by vessels under foreign flags, and in 1910 we carried only 8 per cent of the world's commerce.

The failure to maintain our trade upon the seas has brought many bitter experiences to our Nation. In 1898 we had no merchant ships to carry supplies and reinforcements to our troops in Cuba. Chartered foreign vessels were responsible for the sustenance of our Army during the war with Spain; and at the close of the war chartered merchant vessels of Spain brought our men back from Cuba and the Philippines. In 1908, when our naval fleet sailed around the world, we were compelled to use foreign-flag merchant vessels to carry the fuel and supplies. We had only eight auxiliary vessels, and were forced to charter 50 vessels sailing foreign flags. This was, perhaps, satisfactory in times of peace, but we should not anticipate nor expect the use of foreign vessels in the time of war. In the light of these historical facts our national pride is neither heightened nor broadened.

Then came the sad experiences of the World War. We became most extravagant and wasteful in the intense and hectic fabrication of a merchant fleet. In our feverish haste we were compelled to build great shipyards, dry docks, piers, terminals, and warehouses. We were forced to construct and launch thousands of ships and vessels in order to relieve a paralyzed export trade. Because of the lack of an adequate merchant marine, terminal facilities were congested and the main lines of our great railroads were blocked with loaded cars of fuel and food consigned to the war-torn nations of the world. Every Atlantic port had to declare embargoes on incoming materials for foreign shipments. It is true we performed a miracle in ships and foreign transportation. I do not discredit the miracle, because it demonstrates what the United States could do in times of emergency. I am proud of my country in the knowledge that it could rise and respond so readily to such handicaps. I do deplore and condemn, however, our deliberate failure to maintain an adequate merchant marine, which failure necessitated this most extravagant miracle of national power and national resourcefulness. The miracle was justified, but the causes were inexcusable.

This experience has cost the American Government more than $3,570,000,000, as evidenced by actual congressional appropriations for the Shipping Board and the Emergency Fleet Corporation, including the estimate for 1929. It is estimated that this amount would be more than doubled if there were added to this sum the amount paid for exorbitant and excessive freight rates on more than 70 per cent of our export and import trade which was carried by foreign ships during the war and the cost of transporting our men to the war front. According to the records of the War Department we were not able to transport our soldiers across the Atlantic. They show the glaring facts that 911,000 soldiers were carried by United States transports, 41,500 by other United States ships, 1,007,000 by British ships, and 121,000 by other foreign ships. In other words, America transported only 45 per cent of her soldiers and less than 30 per cent of her export and import trade during the World War.

What would have been our measure of success in the World War had England, with her wide commercial sweep of the seas, instead of Germany, been at war with us? What would have been the result if Germany had had control of the seas? Had this condition existed, imagination can not picture the penalties of defeat because of our unpreparedness. In this war America was lucky. The freedom of the seas was secured by her allies. The next emergency may find us most unfortunate in being unable to make speedy preparations. We can not always rely upon luck.

A little more than 10 years ago we emerged from the World War with every element of sea power. We had shipyards, docks, piers, naval bases, a Navy, and every incentive for an adequate merchant marine. Our world trade in exports and imports amounted to almost $10,000,000,000 annually, but our many shipyards were idle. Shipbuilding was apparently a lost art. From 1922 to 1927 the United States built only 18 merchant vessels, with a tonnage of less than 200,000 tons, while Great Britain, Germany, France, Italy, and Japan during the same period launched 1,340 ships, with a gross tonnage of almost 8,000,000 tons. To-day we discover that we have a merchant marine problem instead of a merchant marine.

The National Council of American Shipbuilders is an authority for the following tabulated statement taken from Lloyd's Register of Shipping, showing the approximate gross tonnage of vessels under construction in the various countries of the world during the last quarter of 1927 and the first quarter of 1928:

| | Mar. 31, 1928 | Dec. 31, 1927 |
|---|---|---|
| Great Britain and Ireland | 1,440,000 | 1,579,000 |
| Germany | 443,000 | 472,000 |
| Italy | 171,000 | 183,000 |
| Holland | 162,000 | 174,000 |
| France | 103,000 | 115,000 |
| Denmark | 103,000 | 97,000 |
| Russia | 94,000 | 87,000 |
| Japan | 91,000 | 68,000 |
| Sweden | 91,000 | 100,000 |
| United States | 56,000 | 97,000 |

The above figures show that at the end of 1927 America was building only 3¼ per cent of the world tonnage, and that during the first quarter in 1928 we were constructing only 2 per cent of the combined tonnage of the world. The report is also responsible for the statement that the tonnage under construction in the United States at the end of 1927 was the lowest it had been for a period of 35 years; and at the end of the first quarter of 1928 the tonnage under construction was even lower, being 58 per cent of what it had been at the end of 1927.

The above analysis not only shows the deplorable condition of our shipbuilding industry, but also discloses the fact that very few merchant marines are being constructed to replace or supplement our vessels now operating in the foreign trade to meet the keen competition of modern high-speed vessels recently constructed and now being constructed by foreign nations. These startling facts and truths present a sad commentary on the progress and spirit of the richest and most prosperous nation in the world.

The term sea power is not confined to a large navy alone, but it includes a merchant marine to support it. Every modern naval fleet must have an auxiliary fleet of supply ships, ammunition ships, hospital ships, mine layers, mine sweepers, destroyers, tenders, and so forth, and these auxiliary ships should be merchant ships commandeered by the Government merchant vessels seeking new markets for our products in time of peace; but auxiliary vessels to the Navy in times of war. This would create a well-balanced navy and permit our ships to carry the American flag into all parts of the world. A navy without a merchant marine is not effective. In the establishment of an adequate merchant marine no element of national defense should be omitted nor overlooked. An efficient, adequate merchant marine is a national obligation we owe to the Navy.

If this be true, it is apparent that the vessels of our merchant marine should be vessels of great speed. The history of merchant marines shows conclusively that speed is a dominant factor in the development of an adequate merchant marine. Trade has always followed the vessels of greatest speed, and if America should contend for the supremacy of the seas her vessels must necessarily be vessels of equal or greater speed than foreign merchant vessels. A vessel without speed is a national liability, either in the times of peace or in the times of war.

As a product of the World War the United States Shipping Board has under its control more than 500 merchant ships riding at anchor in the Atlantic ports, which were never intended for commercial use. These ships deter private capital and industry. Foreign nations have no fear of them in trade competition. Most of these vessels are more than 10 years old, while the average life of a steamer is 20 years. Their speed averages a little more than 10 knots per hour. A few of these vessels can be reconditioned, remodeled, and repaired by the installation of additional machinery, and their speed increased to 13 knots per hour. When you increase the speed of these vessels 3 knots per hour, what do you have? Experts say we will not even have a nucleus of an adequate merchant marine. They can not contend with foreign vessels of greater speed. To even believe or hope they will be successful contenders for trade is arbitrarily to defy the experiences and historical traditions of the merchant marines throughout all ages.

Only our fastest vessels, such as the *Leviathan*, the *Northern Pacific*, and *Great Northern*, were permitted to sail the Atlantic unescorted during the World War, because their high speed was considered sufficient protection against the enemy. Speed was protection. Speed was safety. Think of our emergency war fleet, with an average speed of 13 knots per hour, remodeled and reconditioned as supply ships for our airplane carrier *Saratoga*, with a speed of 33 knots per hour. America can not always gamble with fate. We must not continue to trust to luck. In my mind, any legislation that tends to recognize our obsolete war vessels as a foundation or nucleus for an adequate mer-

chant marine will be a serious blunder which will cost our Government untold millions without reaching the object of legislation.

There is just one place for these war-built ships, and that is at the bottom of the sea and not on the surface of the sea. In other words, these obsolete vessels should be scrapped and the keel of every new vessel constructed should embody and contemplate all the latest improvements for speed, regularity, and durability. America's merchant marine fleet should be the speediest, best equipped, and the most complete fleet upon the seas.

There is no patriotism in the dollar. Operating a merchant marine is a business proposition. It should pay a fair return on the capital invested and provide the necessary depreciation for replacements. In this manner only can a merchant marine be maintained. It must be profitable before it can be successful. Capital seeks the avenue of trade which yields a satisfactory return. The merchant marine must be made profitable before attracting the attention of capital. This is the crux of our merchant marine problem.

The greatest disadvantages to the establishment and maintenance of an adequate merchant marine are: First, the high cost in the construction of vessels in the United States, which exceeds by 40 per cent the cost of vessels constructed in foreign countries, and, second, the excess in cost of manning and operating the ships at sea, which amounts to almost 20 per cent more than the cost of operating foreign vessels. These disadvantages and hindrances to a merchant marine are due primarily to the high wages paid the American workman and the American seaman, respectively. These peculiar disadvantages must not be eliminated; but they must be overcome. The success of any industry should not be established and maintained at the sacrifice and cost of American labor. Methods must be found to reduce and overcome these disabilities of ship construction and ship operation without destroying the high standard of living of American wage earners.

The White amendment, which was considered and reported out unanimously by the Committee on the Merchant Marine and Fisheries of the House of Representatives, aims to correct the defects of our merchant marine problem. To my mind it is the most important step in legislation since the close of the Civil War. It not only recognizes the principle of private ownership and operation of the merchant marine, but seeks to eliminate the many obstacles to our shipping interests. It eventually takes the Government out of the shipping industry, and while it does not guarantee a fair return upon capital invested, it secures for American capital an equal chance in competition with foreign capital for the commerce of the world.

The said White amendments have four important features and provisions which are absolutely necessary to the establishment and maintenance of an adequate merchant marine.

CONSTRUCTION LOAN FUND

The idea of loans by the Government is not new. In the marked competition for commerce upon the seas many European nations have resorted to legislation providing for construction loans, navigation loans, mail contracts, naval subventions, and various other forms of subsidies. These laws have given to foreign nations a distinct advantage over the United States in competition for the world's trade. America, with her high cost of constructing and operating ships, must overcome in some manner the differential in favor of our foreign competitors.

In 1907 the Government of Belgium subscribed $1,000,000 to the stock of three Belgian steamship companies, and in 1916 guaranteed the Lloyd Royal Belge Steamship Co. the sum of $19,300,000. We can understand the financial incentive that makes Belgium a serious competitor of the United States.

Germany in 1925 placed $12,000,000 at the disposal of three steamship companies as loans. In 1924 France guaranteed a loan of $10,000,000 for 25 years to her shipping interests. The shipping interests of Holland are benefited by a direct subsidy. In 1921 that nation began loaning and advancing $400,000 annually to the Holland-South Africa Line for five years without interest, unless the trade justified a return sufficient for interest.

From 1889 to 1910 Japan paid in construction and operation bounties to her shipping interests the sum of $7,386,000, and is now proposing a $75,000,000 loan fund to be used in the construction and operation of her merchant marine.

In 1902 the admiralty of Great Britain loaned the Cunard Line for 20 years, at 2¾ per cent, all money required to build the 25-knot steamships *Lusitania* and *Mauretania*, and gave them a 20-year naval subvention of $730,000 per year, to which the post-office department of England added a 25-year mail contract at $330,000 per year. These contracts more than repaid the loans and all interest.

A construction loan fund was created in the merchant marine act of 1920, which was amended in 1924 and 1927. This act with amendments tended to limit and restrict shipbuilding in the United States. In other words, it did not stimulate this important industry. The basic principle of this legislation was sound, but its provisions and terms offered no advantages to American shipbuilders over the shipbuilders of foreign nations. The Government took no risks and exacted a full measure of obligations for every advantage offered.

The pending bill liberalizes the provisions of the existing law. It eventually creates a revolving fund of $250,000,000, from which loans may be made upon vessels in sums not exceeding three-fourths of the costs of vessels to be constructed, nor more than three-fourths of the cost of reconditioning, remodeling, improving, or equipping vessels already constructed. These loans may be made for a period of 20 years at a rate of interest determined and fixed by the lowest rate of yield of any Government obligation outstanding at the time the loans are made. The present bill, if enacted into law, will permit the Government to extend favorable credits to the shipping interests of the United States at a rate of interest which in a great measure will offset the high construction costs in American shipyards.

MAIL CONTRACTS

The merchant marines of European countries have benefited materially from mail contracts extending over a long period of years. They have recognized the importance of liberal compensation for mail transportation upon the seas. These contracts have stimulated shipbuilding and have guaranteed a large portion of the operating expenses of merchant vessels.

This policy is not new in the United States. Legislation favorable to this policy has been enacted by the United States in 1891, 1917, and 1920, but the inadequacy of the payment and the failure to provide contracts for a substantial period of years made such legislation without force and effect. These acts simply recognized a principle, but gave neither opportunity nor chance to demonstrate the practical utility and operation of the principle.

The bill under consideration authorizes the Postmaster General to enter into long-time contracts with American shipowners for a period not exceeding 10 years for transporting the mails, and the vessels employed in this character of service must be vessels of United States registry during the entire terms of their contracts, and with limited exceptions such vessels shall have been constructed in American shipyards. The provisions of this bill guarantee that American mail to foreign countries will be carried by American ships built in American shipyards and flying the American flag.

The vessels to be employed in transporting mail will be classified according to tonnage and speed into seven classes, and compensation to be paid by the Government to each vessel will be determined by the classification of that vessel. However, in order to meet unusual conditions the Postmaster General is authorized to pay a rate of compensation higher than the maximum rates of this bill to vessels with speed in excess of 24 knots.

The possibilities of utilizing airships and airplanes in the transportation of mail from ship to port, and from port to ship, is recognized, and for this service, which is entirely probable, the Postmaster General is authorized to pay compensation in excess of the maximum rates of the bill.

INSURANCE

For many years American shipping interests have been at the mercy of British insurance companies. These companies fix and establish rates, and American shipowners must bargain for hull and cargo insurance. It must be conceded that they have no community of interests with America, and consequently the owners of our merchant vessels are compelled to pay insurance rates and premiums much higher than are justified by the rates for English shipowners. American shipowners are at the mercy of this gigantic insurance trust. The pending bill, however, seeks to liberalize and broaden the insurance feature of the merchant marine act of 1920, and makes the Shipping Board an effective agency in the establishment and maintenance of our merchant marine.

MERCHANT MARINE NAVAL RESERVE

The coordination of a merchant marine in our program for national defense depends entirely upon an efficient merchant marine naval reserve. Ships alone are not sufficient. We must have capable and experienced men trained on merchant ships in the times of peace to operate and command the auxiliaries of our sea-fighting unit in the times of war. The maritime nations of Europe have recognized the importance of this principle and for a great number of years many of them have maintained a merchant marine naval reserve.

The act of February 28, 1925, authorized the establishment of a merchant marine naval reserve by the United States; but the provisions of this act fell short of the legislative goal. In all probabilities this was due to the declining interest in our merchant marine. It must be borne in mind that before we can have a merchant marine naval reserve we must first have a merchant marine.

The present bill under consideration provides that in addition to the pay prescribed by existing law for officers and enlisted men of the merchant marine naval reserve when not employed on active duty with the regular Navy, such officers and enlisted men of the merchant marine naval reserve as are employed on merchant vessels of United States registry regularly engaged in foreign trade shall be paid per annum by the Navy Department, under such regulations as the Secretary of the Navy may prescribe, an amount equal to two months' base pay of their corresponding grades, ranks, or ratings in the regular Navy, such payments so made by the Navy to be considered, in all laws or agreements referring to the officers and crew of the merchant marine, as an integral part of the total pay prescribed for such officers and crew in accordance with such laws and agreements. This will reduce the operating expenses of our merchant ships and at the same time will provide a training school for our Naval Reserves under the complete control of the Navy Department. We have become accustomed to estimating the strength of foreign nations at sea by a comparative analysis of battleships, cruisers, and destroyers. This method has goaded and committed us to a competitive naval program for the construction of cruisers. We underestimate the potential sea strength of foreign nations when we understand that the availability of their merchant fleet for war-time use is always a matter of prime consideration and importance. It is reported that the merchant ships now under construction by our competitors in the commerce of the sea are designed for immediate conversion into indispensable and necessary auxiliaries of their naval fleets.

This policy should be America's policy. The day may come when our foreign competitors for trade upon the seas may be our adversaries in war. We can not always choose our allies, and it may be a sad awakening to find our present inadequate merchant marine a defective link in our national defense. The foreign nations of the world have challenged America. We must meet that challenge by establishing and maintaining a merchant marine fleet with ships of unexcelled speed constructed in American shipyards, manned by American seamen, and carrying the American flag. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Chairman and gentlemen of the House, one coming from out in the West where I come from, where few of his constituents have seen a magnificent ship sail the sea, is not expected to make a lengthy speech about the merchant marine. I have to look at the situation from one who is interested in the exportation of the products of my country in the interior of the United States. The great problem to-day in my country is transportation of the farm products to points in the United States and to foreign markets.

The freight rates of this country are so high compared to the prices received for farm products that the farmers of this country and the stock raisers are vitally interested in the question of the American merchant marine, because if the American merchant marine does not occupy a position on the high seas where she can keep control of ocean-going rates, then my people will sustain great losses.

As a schoolboy I always read with great interest the story of the whalers and of the clipper ships from New Bedford. They were always fascinating stories, and one of the most interesting books I ever read was a true account given by a young man, one of the first stenographers in the United States Senate, who on account of a short session found himself out of employment and shipped at New Bedford on a whaling vessel. That story emphasizes the necessity of the Government of the United States seeing that the condition of the crews that served in the merchant marine is made more attractive and should interest itself in the general welfare of our seamen.

We are not like the British Isles, where you have easy and ready access to the sea. A great many of our boys live hundreds of mile from the sea and thousands of our people have never seen the ocean. Our boys, except on the coast, are not drawn to the sea, and I have often wondered why.

I heard a man who was familiar with the situation explain that it is because it is not made attractive any longer, that conditions have not been made such as to make it attractive. Our Congress has enacted laws to make the conditions better, and I am hoping that this legislation will result in the growth of the merchant marine and will keep our flag permanently on the high seas. We are busy in our country trying to produce things to ship abroad, and it has been for many years in this country that the exportation of cotton brought the balance of trade in favor of the United States. It has been this one great staple of agriculture that has turned the balance of trade in favor of the United States.

One thing we should keep in mind when we criticize the shippers for shipping their goods in foreign ships. Here is the difficulty: You can not by law make a man patriotic; you can not by law say that a citizen of this country shall not ship in foreign ships unless he can ship as cheaply and as profitably in American bottoms.

The shippers in my country ship gasoline abroad and they ship wheat abroad. Here is what they are met with. The foreign buyer says, "I will buy your gasoline f. o. b. on the coast and I will send my own ships and take it away. I will send my own ship and take your wheat." In trading with a man like that you have to accept his proposition if you want his trade. For that reason it is a difficult matter and you can not by law make an American citizen ship his goods under the American flag by the dictation of law; if it costs him more money to ship under the American flag, he is not going to ship under the American flag.

Mr. MANSFIELD. Will the gentleman yield?

Mr. McKEOWN. I will.

Mr. MANSFIELD. Is it not a fact that the larger part of the cotton that goes to England goes in foreign bottoms because the buyer says I will take the cotton but my ships shall carry it?

Mr. McKEOWN. That is the difficulty; when he ships an article to a buyer in a foreign country, in many instances the foreign buyer says, "I want the article delivered at the seaboard. We will send over and get it in our vessels"; but our buyers, on the other hand, are not so careful to say to the foreign exporter, "We will buy your goods on the seacoast over there, and let it come in our ships."

Mr. JACOBSTEIN. Is it the gentleman's understanding that there is anything in the bill to arbitrarily restrict that?

Mr. McKEOWN. Oh, no; there is nothing in this bill. I am talking generally about the proposition and the conditions and effects of legislation generally. The bill before the House has the unanimous indorsement of the committee. We may differ on some of the items in the bill personally, but as a whole the bill has been reported out favorably, and I understand it has the unanimous indorsement of the Shipping Board.

One of the new factors in marine travel is going to be time. The man from New York who transacts business in London or in Liverpool or in Paris will want to go in a hurry. He does not want to lose much time. If we can encourage this quick service, we ought to do so, and why? Because to-day there are foreign nations who are expecting to inaugurate an air service by dirigibles to come across to this country and use those dirigibles for transportation. We are told that these new ships can go across the Atlantic from dock to dock in four days. If a man in New York misses his boat he can take an airplane and catch the ship at sea, or if he is in an extraordinary hurry, before he lands can leave the ship and go ahead by airplane to shore; of course that will keep up the pace that we are all trying to travel.

Mr. SANDLIN. Does not the gentleman really think that the passage of this legislation will create in the minds of the American people an idea that the American merchant marine has a fixed policy? As it is at present they do not know how long these routes will be established, but they will know now that the Government means to stay in the shipping business and have established routes. Does the gentleman not think that it is a great step forward?

Mr. McKEOWN. I agree with the gentleman and thank him for his contribution. Our people are interested, but when a man is busy and trying to make his business profitable he does not take time enough to make a survey, but, as the gentleman says whenever it is known that ships are going to run, that there will be a regular schedule, business men then will take more pains to route their cargoes over those established routes.

There is one other thing that I think is very interesting about this shipping business. This bill does not require the unanimous consent of the Shipping Board to sell a ship. I think the provision in the bill is fairer because it makes five out of seven control. If the judgment of five men is unanimous, then I do not think we ought to deprive the board of the use of its judgment simply because there is a contrary juror on the case. In other words, we ought not to have a hung jury all of the time; we ought to have a majority verdict.

I shall not take up any more time, but I do hope the Members of the House will give this bill their careful consideration and show an interest in shaping it into such a measure as will be

satisfactory to and receive the approval of the American people. [Applause.]

Mr. WHITE of Maine. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. MARTIN]. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield the gentleman five minutes.

Mr. MARTIN of Massachusetts. Mr. Chairman, it is not my purpose to discuss the details of the proposed shipping bill. That has been done by the distinguished and able chairman of the committee. But I do want to speak in behalf of what I believe is the most constructive piece of legislation which will appear before the present Congress.

I am in favor of this bill not because it will be of benefit to any one section of our country; not because it will benefit any single industry; but because it will be of real benefit to every section and every industry whether it be farming, mining, or manufacturing.

The great problem of America to-day as indeed it is for all of the great commercial nations of the world, is the finding of a market for the surplus goods which come from the farms, the mines, and the workshops.

It is apparent to all who think the home markets will not take care of all that can be produced. It is estimated the home demand will take care of but 80 per cent of the output. That means we must sell to other nations the balance of the goods produced if we are to have the full measure of prosperity. Foreign trade can be expanded almost indefinitely. It is limited only by the resourcefulness and energy employed. Let me illustrate:

When Capt. Robert Dollar, who is a pioneer in the upbuilding of American foreign trade, started his round-the-world service four years ago there was hardly any trade between California and Singapore, Penang, or Ceylon.

During the four years of giving that part of the world a fortnightly service to the United States it has brought into this country $29,000,000 of new money. The increase in the then existing trade in Japan, China, and the Philippines amounted to $54,387,045, most of it new business.

What Dollar has done on the Pacific has been duplicated in South America and other parts of the world where permanent trade routes have been maintained. It is obvious from experience that trade follows the flag.

The people of our country have finally begun to realize that shipping in our overseas trade affects the welfare of the entire Nation, not only their continued prosperity but their security as well.

In the keen competition existing in the world's markets to-day, a country which must rely on competing nations to transport its commerce is hopelessly handicapped. We have been told frequently by theorists and short-sighted economists to allow competing nations to carry our products because they could carry them cheapest. This is the height of false economy and has been repeatedly proven to be the case.

Prior to 1914 we depended upon our competitors to carry over 20 per cent of our commerce in their ships; then the American people were rudely awakened to find that our commerce ceased to flow because of the fact that we relied almost entirely on ships of competitor nations for the transportation of our foreign trade. The irreparable losses to the Nation in depending on foreign-flag ships to move our commerce and in our feverish haste to build ships during abnormal times resulted in fabulous expenditures for which the American people will pay unto the third and fourth generation.

The gigantic losses incurred by the Nation before our entrance into the World War when our products congested and rotted at the seaboard for lack of ships to move it, and then our entrance into the World War when ships became imperative for military needs, culminated in needless expenditures amounting to a sum which would have been sufficient to have permanently and profitably established an adequate merchant marine for the past 150 years and for the next century to come.

It is only natural that the sentiment of the American people has changed from indifference to that of "ship-mindedness." Other maritime nations have long realized the obvious necessity of supporting their national shipping. This is borne out by the various forms of aid, during the last 50 years, extended to them for the sole purpose of supporting and expanding their shipping and thus their trade.

One of the best examples of a nation realizing how indispensable shipping is in the development and expansion of her trade is Germany. Although seriously handicapped financially, Germany has seen fit to retrieve her shipping, with the result that to-day she is again able to resume and build up her trade connections. If it were economically sound to rely upon ships of other nations to carry products of a competing nation, it is obvious that Germany is too shrewd not to have welcomed this opportunity.

Trading, banking, and transportation complete the cycle of international trade; each is dependent upon the other, and successful competition in the world's markets can only be achieved by the nation which has complete control of this cycle.

Two important transitions have taken place in ocean transportation since pre-war days. First, the change from tramp service to cargo-liner service. Cargo-liner service predominates to-day. This class of shipping is rapidly approaching 80 per cent of the world's ocean transportation.

The second transition is the trend from steam to internal-combustion type of ship propulsion, which now represents more than one-half of the entire world ship production figure.

These transitions clearly emphasize the demand for economical ships and better services. It is, therefore, evident that successful competition in world trade can only be met by providing permanent services with regular and frequent sailings. The rapid turnover of capital demands this service, and the ships, regardless of nationality, which provide this service will get the business.

Since the ending of the World War our competitor nations were quick to recognize the new era in international shipping and during the past six years those nations have built almost 1,300 ships, of 7,000,000 gross tons, suitable for transoceanic service, with the result that the United States has been far outranked by her competitors in both modern passenger and cargo ships. During the same period the United States has built but 14 ships suitable for transoceanic service, totaling less than 200,000 gross tons.

As a result of our shipbuilding inactivity, American shipyards are in a precarious condition and at this time we rank tenth in world shipbuilding, even Russia having passed us. The total gross tonnage building in the United States to-day in all of our shipyards combined amounts to less than the equivalent of one ship the size of the *Leviathan*. Surely this is a most humiliating position for our country to occupy and it is high time that serious consideration be given to the rehabilitation of this industry, which is an indispensable factor in times of a national emergency.

The chief cause underlying the decline of our shipyards is the fact that ships cost considerably more when built in American yards, which is obviously due to our higher labor and material costs as compared with the lower costs of foreign shipyards. Therefore the capital invested in an American-built ship, together with the higher cost of operating American ships in foreign trade, make it an unprofitable venture and offers no incentive for American investors to build ships in American yards to compete with the lower-priced ships of our foreign competitors.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. MANSFIELD. The gentleman speaks of many nations getting ahead of us in the shipbuilding business. Is it not a fact that we overbuilt during the war and had more ships than we could use, and is not that a principal reason why we have not been building ships since that time?

Mr. MARTIN of Massachusetts. That is true in a measure, but if we are to continue to do anything in commerce, we must build new ships to handle our traffic at the present time.

Mr. MANSFIELD. That is, a new type of ship?

Mr. MARTIN of Massachusetts. Yes. The United States Shipping Board has endeavored to carry out the provisions contained in the merchant marine act, 1920, for the establishment of services in the overseas trade routes. It has endeavored and is endeavoring to comply with the provisions of the act. However, the modern ships of our competitors make it extremely difficult to operate successfully and the lines which have been sold by the board to private owners experience this difficulty. It would seem, owing to the greatly reduced prices of the ships which the Government has sold, this handicap would be offset. It is found, however, that the ships which are being patronized are the modern types with increased speeds which provide definite and frequent sailings which explains the problem confronting us. If we expect to remain in the shipping business and attain our rightful place among the maritime nations it is highly imperative that a ship-replacement program be started without further delay, not only to revive our shipbuilding industry but to place American shipping on a parity with the modern ships of our competitors.

In the further development and expansion of our foreign trade it is essential to establish and pioneer new services. By the establishment of such services new trade can be developed in many parts of the world. No competing nation which is also seeking new markets will expand our foreign trade for us. This pioneering work is a function which we must obviously

perform ourselves. Experience has shown us that ocean transportation must be in advance of trade.

The water-borne commerce of the United States amounts to $8,000,000,000. This must continue to grow if we are to remain a prosperous people. And since other nations are equally anxious to expand their foreign trade and in many instances compete with us in like commodities, it becomes essential in the sale of those commodities that we have ships of our own to deliver them.

Therefore in order to perpetuate American shipping we must adopt a plan to insure permanent services to all parts of the world with ships equal to or better than those of our competitors. We must find some means to encourage private capital to invest in American ships. We must recognize the fact that American shipping is handicapped and will continue to be handicapped, due to the higher American living standards, and that this handicap can not be overcome to any appreciable extent by methods adopted in some of our other industries where mass-production methods apply. It must always be remembered that ships are built to order and not manufactured. Likewise the wage scale on American ships will continue to be higher than those of our competitors, also due to our higher living standards. If Americans are to be encouraged to follow the sea, it is only natural that American standards apply.

We can not continue and should not expect such indispensable industries as shipbuilding and shipping to engage in direct competition without some form of protection such as is afforded our other industries. Either directly or indirectly American shipping must be placed on an equality with our other industries which compete in international trade. The service rendered by American shipping is national in scope. It serves all industries engaged in international trade and will serve to stimulate, pioneer, and expand that trade.

The annual sum necessary to accomplish this purpose is less than one-fourth of 1 per cent of the value of our total water-borne foreign commerce. This surely is an insignificant sum to revive, maintain, and perpetuate two of our most vital industries, those of shipbuilding and shipowning.

In the revival of these two indispensable industries the beneficial effect will be felt throughout every one of these United States, as was demonstrated by the reconditioning of the steamship *Leviathan*, to which the products and labor of 46 States directly contributed.

A factor that can not be overlooked is the contribution of merchant ships to the national defense. This is of unusual importance owing to the limitations placed on naval tonnage. The potential sea strength of a nation is not fixed by naval ratios alone, but by the combined strength of naval and merchant tonnage, each serving the other.

The time has surely arrived when we can no longer permit the decline of our sea power to continue without dire results to the Nation, both from a commercial and strategic standpoint. Every effort must be made, partisan differences set aside. This is the crisis; we must declare our commercial independence in the matter of our national shipping and foreign trade and attain our rightful position as a principal world power and a first-class commercial and maritime nation second to none. The bill now before Congress, which was reported unanimously from the committee, with all differences composed, proves as in the past when confronted with a national emergency, the patriotism of the American people as reflected by Congress, rises above the restraining influence of partisan consideration.

The world is awaiting the definite decision as to the future position of the United States upon the seas which this Congress is now about to declare.

Our destiny may be shaped by this decision. I am sure it will be in the interest of greater and more progressive America. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield six minutes to the gentleman from New York [Mr. BLACK]. [Applause.]

Mr. BLACK of New York. Mr. Chairman, as befitting an advancing country of the world, we are taking a reckoning of our power on the sea. That such power is inadequate either for the distribution of our production or for the protection of our basic wealth is fairly evident. Our output is carried in foreign crafts, and our coasts are exposed to enemy attacks. The Nation must think of the sea; the people must contrive a merchant marine and a defensive marine. Public opinion should force the construction of ships of peace and ships of war.

The United States is too resourceful a nation to depend upon other nations for the transportation of its goods to the ports of the world. The Congress has almost as little justification in trusting our commerce to the ships of competing nations as in trusting the defense of our coast line to foreign naval vessels. To translate riches into economic power requires the control over the facilities for the transportation of the riches over the seas. It is akin to hiding one's light under a bushel to deprive the Nation's merchants of national sea carriers.

That it will cost money to give us a sizeable merchant marine is no objection, for money so spent shall return to the country more than tenfold. We are reaching a turning point in the relative commercial status of this Nation, and we must advance or decline. Our commercial health will depend largely on maritime circulation. We must not be like the wealthy miser who was in danger of death and would not call in the doctor because it would cost him money.

A spur to American shipping activity will do much to help domestic industrial conditions. Our merchants will be able to transport their goods at more reasonable rates than now exist due to the preferences given by foreign shipping to foreign cargoes lying side by side with American cargoes in foreign hulls. Moreover, many of our private shipyards, which once throbbed with activity at our principal ports and are now as lifeless as the deserted village, will again hum with all the mighty music of American industrial life. The navy yards of the country will no longer have the competition of the private yards, for work on naval vessels and the Government yards will add to the country's dynamic energy.

Though the country is rich, men are walking the streets for want of work. The restoration of American interest in the merchant marine and the Navy will call many of them back into the ranks of active labor.

America has lately been drifting along without any design. It is time that we plan for our future. In considering that future, America must look to the sea.

Let us learn from Great Britain the story of sea power, but let us not be taught by Great Britain that Britannia alone has the right to unfurl a flag on the peaceful and troubled waters of the world.

The pending bill provides a reliable chart for our proper maritime development.

Give American shipping a chance to show its ingenuity in the age of startling progress. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield 20 minutes to myself.

The CHAIRMAN. The gentleman from Tennessee [Mr. DAVIS] is recognized for 20 minutes. [Applause.]

Mr. DAVIS. Mr. Chairman, this is a very important measure. I suppose it is natural that there is apparently not a great deal of interest when there is but little, if any, controversy. However, this is a problem in which the committee which has reported this bill has been interested ever since the creation of the committee. It is a subject upon which we have held hearings in every Congress of which I have been a Member. There are various phases of the problem. They are presented in somewhat more acute shape at times than at others, but we are all interested in an American merchant marine.

I think that to-day the American public is very much more interested and more vitally concerned in having an American merchant marine than it has been for a long, long time. There was a time when the American-flag ship was preeminent on the sea. As has already been suggested by other speakers, we excelled the world prior to the Civil War. In other words, from 1820 down to about 1860 we had the greatest merchant marine in the world. We were the most successful shipbuilders and ship operators in the world. Our fast "clippers" plied all the seven seas and carried the commerce of this country, ranging all the way from a percentage of 62½ per cent to 92 per cent during that period, and in addition to that these American ships operated extensively in indirect trade; that is, between other nations of the world. The American merchant marine was not only successful but it was profitable, and it was profitable in spite of alleged handicaps that existed then with respect to differentials in wages and otherwise.

As has already been pointed out, however, a decline, an unfortunate decline, came in our shipping; a decline in the percentage of our own commerce which we carried, and a disappearance from the seas of American-flag ships engaged in indirect trade. In 1860 we had by far the largest merchant marine we ever had, and we then had the largest merchant marine in the world, barring none.

But during the Civil War more than a million tons of our ships were destroyed, and fully that many more sought foreign registry to prevent capture and destruction by one side or the other in that unfortunate fratricidal contest. And in 1866, immediately following the Civil War, the Congress, perhaps in a spirit of pique, enacted a law prohibiting the reregistry under the American flag of those ships that had sought protection under foreign documentation. So that during that brief period there was a very substantial decrease in American ships; and just about that time and for a decade prior to the Civil War we had the advent of the steamship; and while an American had invented the steamboat, yet we were so successful with and

so wedded to our fast wooden sailers that we were very slow to turn to steamships and also slow to turn to iron and steel vessels. And so Great Britain, which was then our greatest rival on the sea, began the construction of steamships and of iron vessels, and in that way began to overtake us and distance us.

Then along in 1849 and the few years thereafter we had the discovery of gold and the rush to California, which attracted the minds of the citizens of this country to the great undeveloped West, and we began a great material development, and that attracted the minds of the people and the money of the investors. And so this great interior development, followed by a great industrial development, took place, with the result that this Nation ceased to be ship mined at the time that it turned its mind and its attention and its money to interior development.

American people not only lost interest in a merchant marine from a commercial standpoint but also from the standpoint of national pride. One of the greatest handicaps to American shipping has been that Americans are not as loyal to the flagships of their country as are the nationals of other countries. Even high American officials frequently travel on foreign ships. If American citizens would loyally support American passenger and cargo vessels, American shipping will surely succeed.

Another reason assigned by the authorities on the subject is that—

a most effective cause for the decline was the protective tariff.

As is well known, high tariff duties began to be imposed soon after the Civil War, primarily for the purpose of raising revenue to liquidate the war indebtedness. However, the high protective tariff system became a fixed policy of the party which has been in power most of the time since the Civil War, and tariff rates have on the whole steadily increased. High tariff rates on shipbuilding materials has militated against American ship construction, and the present high tariff rates on shipbuilding material cover most of the differential between the cost of American and foreign ship construction. Furthermore, the authorities agree that the—

tariff has restricted the number and amount of cargoes that American ships could bring from foreign ports, and that condition will always be present in the face of a high tariff.

President Harding, in one of his messages to Congress, very correctly stated that before you can have a successful and profitable merchant marine you must have both incoming and outgoing cargoes. Nobody disputes this truism. The situation is such that Chairman Lasker described it by saying that the tonnage of all exports to Europe is three and a half times as much as the tonnage of our imports from Europe. We must admit that it is not an ideal situation when even if our ships go to Europe fully loaded they must return five-sevenths empty.

I am not discussing this question from a partisan standpoint. I shall not enter into any discussion of the merits of a high protective-tariff system. I am simply stating the facts. No discussion of the handicaps to American shipping can fairly omit mention of the greatest handicap.

However, without even suggesting any surrender of their views with respect to a high protective-tariff policy, I do wish to suggest to those members of the Republican Party, who are vitally interested in an American merchant marine, the advisability of either repealing or substantially reducing the tariff on shipbuilding materials. It is not a part of the policy of the party in power to impose high tariff duties upon all commodities, not even all manufactured commodities—notably shoes. They might, with entire propriety and with great benefit to American shipbuilding and consequent ship operation, adopt such a policy with respect to shipbuilding materials. To do so, would be in keeping with the policy of the Republican Party prior to the Fordney-McCumber Tariff Act.

The act of June 6, 1872, permitted the free importation of certain materials which entered into the construction of wooden vessels for foreign trade and trade between the Atlantic and Pacific coasts of the United States. The tariff act of August 15, 1894, extended the free list so as to include all shipbuilding materials, but only to be used in the construction of vessels for the foreign trade and for the domestic trade between the Atlantic and Pacific ports of the United States. This restriction was such as to practically nullify the usefulness of the privilege. The act of August 5, 1909, permitted ships constructed in whole or in part of imported materials to engage in coastwise trade six months out of the year, while section 5 of the Panama Canal act of August 24, 1912, permitted such ships to engage in the coasting trade during the entire year. The tariff act of October 3, 1913, made no change in this respect.

Prior to the 1909 act the cost of steel plates, the chief material entering into ship construction, ranged from $6 to $15 more per ton in the United States than in England, it being freely charged that American steel manufacturers successfully competed with English manufacturers in foreign countries, selling steel plates and other material much cheaper abroad than they did in the United States. Even with the restrictions on ship construction imposed by the act of 1909, the differential began to disappear; by August, 1910, one year after the passage of the act, the price of steel ship plates in the United States was $31.36 per ton and in England $31.63 per ton; by September, 1911, steel plates were $28.54 in the United States and $32.85 in Great Britain; in September, 1912, they were $30.91 in the United States and $38.93 in Great Britain, this being the month following the passage of the act of 1912; in December, 1914, the selling price of steel plates in the United States was $23.74 and $35.59 in Great Britain; in June, 1915, the price in the United States was $27.44 and in Great Britain $47.45, a differential of $20.01 in favor of the United States. Consequently, by these changes in the tariff laws a former large disadvantage of the American shipbuilder was converted into a distinct advantage.

The condition of the American merchant marine engaged in the foreign trade grew gradually worse until 1910. At that time, instead of carrying from 62½ per cent to 92 per cent of our whole commerce, we were carrying only 8.7 per cent.

In that connection, however, I want to state this, because not to state it, it seems to me, would be unfair and misleading. Aside from the decrease in American tonnage from 1860 to 1870, there was no decrease in our tonnage. It gradually grew. It has continued to grow practically from the establishment of this Government. But there was a tremendous decrease, as I have indicated, in the percentage of our commerce which we carried, because our commerce grew so rapidly and our shipping grew so slowly after 1860 that we did not by any means keep up with our industrial growth, so far as our shipping growth was concerned.

Now, that brings us down to the World War; and we were so interested and so absorbed in our domestic affairs and industry that we seemed to have largely forgotten the sea. We seemed to have largely forgotten the importance of an American merchant marine, particularly from the standpoint of national defense; and so, after the commencement of the World War, and even before we ourselves became involved in the World War, we began to feel keenly the need of merchant ships, because many of the foreign ships which had been plying to and from our shores were diverted from that trade. Many of them were sunk. And so we began to feel the situation very seriously before we became involved in the war.

Then, when we ourselves became involved in the war, we found that we needed merchant ships more than we needed warships. In that connection I want to remind you Members that there has seldom been a war of any magnitude in which merchant ships have not borne as important a part and proven as useful and necessary as warships. This was literally true in the World War, and it will ever be so, because if we maintain our commerce in war and supply our troops with munitions and food supplies and with various other equipment, as is necessary in the conduct of a real war, we must have the ships to carry them as well as the men; and we would likewise need our merchant ships if other important maritime nations became involved in war and their ships are withdrawn from our trade.

Hence, from the national defense standpoint, it is important to have an American merchant marine, and as has already been well stated by others, it is a matter of tremendous importance in peace time.

As indicated, conditions created by the World War, even before the United States became involved therein, forcibly impressed the importance of a larger American merchant marine; besides there was a continual apprehension that the United States might become involved in war. Consequently, the Sixty-fourth Congress enacted the shipping act, 1916, as stated in the title:

To establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes.

Within a year after the passage of said act, the United States did become involved in the World War. There was a most pressing and immediate demand for ships and more ships. Under the provisions of the 1916 act and certain emergency acts was consummated the most tremendous shipbuilding program in the world's history. The United States acquired by construction and purchase a total of about 2,500 merchant ships, which were put into immediate service as soon as purchased or launched. Aside from the very important part these ships

played in the war and in the return of our troops, supplies, and equipment, the Shipping Board established trade routes to every principal port of the world, with the result that American-flag ships carried over 50 per cent of our exports and imports in the years 1920, 1921, and 1922. On January 1, 1920, 1,525 Shipping Board vessels with a dead-weight tonnage of 8,681,791 were in successful commercial operation. During the year 1920 there developed a tremendous slump in world commerce resulting in a world-wide withdrawal and lay up of ships. Shipping Board vessels were rapidly—too rapidly—withdrawn from operation, with the result that American-flag ships carried 42 per cent of our imports and exports during the year 1923, 44 per cent during 1924, 40 per cent during 1925, and so on. During the Sixty-sixth Congress a select committee, of which Representative Joseph Walsh, of Massachusetts, was the chairman, was appointed to inquire into the operations of the United States Shipping Board and Fleet Corporation, and conducted a comprehensive inquiry into the ship construction and other activities during the World War. The unanimous report of this committee concluded in part as follows:

> Considering the program as a whole, the accomplishments in the number of ships constructed, the tonnage secured, and the time within which the ships were completed and delivered constitute the most remarkable achievement in shipbuilding that the world has ever seen.

However, aside from the delay involved, these ships were constructed, purchased, and commandeered at war prices, all of which we hope may be avoided in any future national emergency.

It is difficult to estimate correctly how much the Shipping Board vessels have saved the American people in the way of freight rates, not to speak of better and more frequent services from and to a much larger number of ports both at home and abroad.

There is no question at all but that if we had not had these ships plying in American services and carrying American products that we would have been bled through the nose with exorbitant freight rates, such as were exacted during the war, when they charged whatever they desired, and at that time it could not be prevented.

This is a large subject, and I can touch upon only a few features of the bill before us and of their import and significance.

I want to concur in the statement that this bill is possible because of a spirit of cooperation on the part of the members of the Merchant Marine and Fisheries Committee. I have never seen a finer spirit manifested. We all realized that every man could not have his way; that perhaps no man could have a bill exactly in accord with his own views. So far as I am concerned, if I were given the absolute and unconditional authority to draft legislation, I would draft it differently in some particulars, at least, from the bill before us, and I assume that is true with respect to every other member of the committee. On the other hand, each of us might have been wrong in our individual opinion, and I hope that in reporting a bill which represents the composite wisdom of the entire committee we have a more valuable measure than could be drafted by any of the members acting alone.

I do not agree with the suggestion of the gentleman from Indiana [Mr. WOOD], who in his speech said that he indorsed this bill because it was a "good beginning." I want to assert that it is more than a beginning, and I further assert that this bill, if enacted into law, is the most constructive and will be the most helpful bill to a national merchant marine that has ever been enacted by this or any other country. [Applause.] While I say that, yet I consider the bill economically sound and entirely workable.

There is no provision in it involving a principle which does violence to the historic views of either great party. I do not think there is anything in it which any Member of this Congress can not conscientiously support. As I indicated at the outset, there are doubtless differences as to some of the details, but I am discussing the principles involved, and there is not a single provision in this bill which involves a principle that is not already embodied in our laws. We have modernized and liberalized existing laws in several particulars. I shall not undertake to discuss the detailed features of the bill, because that has been admirably done by the distinguished chairman of our committee and by other members of this committee.

But referring again to the effect of this legislation, I want to state that in my opinion it will restore the American flag to the sea in such a way and to such an extent that the American people will again become ship minded; they will take a pride in their merchant marine and will support it in such a way that it will be entirely successful. [Applause.] All authorities agree that one of the greatest difficulties now is that when the American people ceased to have an interest in the sea they ceased to appreciate the importance of their individual and collective support of an American merchant marine, and if Americans will support their merchant marine like the nationals of other countries support their merchant marines, we will not only have a great merchant marine, carrying at least 50 per cent of our imports and exports, but we will have one that will be financially successful. Our national pride and patriotism should embrace our merchant marine. To-day, even under existing conditions, if our ships returned with full cargoes, like most of them depart from our shores, they would be on a very profitable basis. This view is not mine alone.

We had before us at the hearings many witnesses. We had many American shipowners, and I want for a minute to refer to their views. We had before us Henry Herberman, the president of the American Export Lines, which operate between north Atlantic ports, and nearly a score of Mediterranean and Black Sea ports. They are operating in this highly competitive trade 21 passenger and cargo vessels, which they purchased from the Shipping Board, all under the American flag and with crews practically 100 per cent American. They are doing a splendid work, they are rendering a fine service, and promoting American commerce, because they are operating these lines on American businesslike principles. [Applause.]

Mr. Herberman stated that if this bill became a law they would be "on top of the world," and would build new, speedier, and finer ships to replace their present fleet, and would be able to successfully compete with any ships in the world.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DAVIS. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman from Tennessee is recognized for 10 additional minutes.

Mr. MOORE of Virginia. Before the gentleman finishes his remarks will he touch upon the point that was made here early in the debate with reference to the contracts under which American railroads operate in connection with foreign steamship lines? I assume the gentleman's belief is that if the American merchant marine is made more vigorous and its permanency insured that after awhile there will be no such contracts to invite criticism.

Mr. DAVIS. In reply to the gentleman from Virginia I will say that it is undoubtedly true that certain American railroads have contracts with foreign steamship lines, under which agreements they exchange freight with each other. My information is that that practice is not as bad as it was, but it is certainly bad enough. I wish to state that that matter is dealt with by the Democratic national platform adopted in 1924, and if you will pardon a personal reference, I had some part in the preparation of that platform. Among other things it says this:

> We condemn the practice of certain American railroads in favoring foreign ships and pledge ourselves to correct such discriminations.

I want to state to the gentleman from Virginia that there is in the merchant marine act of 1920 what is known as section 28, which was designed to remedy that situation. Our committee held extensive hearings on that provision some two or three years ago, at which representatives from all over this country appeared and gave their views, but nothing was done at that time by the committee or by the Shipping Board for the reason that it appeared that to invoke that provision at the time would work a very great hardship on American industry and American foreign commerce in many ports, at least, because of the lack of American ships to adequately take care of the situation, both with respect to tonnage and sailings, and general service. If this measure builds up an American merchant marine, if it results in the construction and operation of faster ships, more frequent sailings, more modern service in every way, and more American lines operating to and from our shores, which we think will result, it will no longer give an excuse to these railroads, in the first place, to make contracts with foreign lines, and, in the second place, it will certainly justify the Government through that section or in some other manner, in meeting the situation and eliminating that practice.

Reverting to the prospects for the construction and operation of speedy, modern ships under the American flag and in the foreign trade, in the event this measure becomes a law, it appears that several private operators in the Pacific, the Oceanic Steamship Co., the American Hawaiian Steamship Co., the Oregon Oriental Line, and perhaps others plan the construction of several such ships, involving an expenditure of approximately $40,000,000 in the near future.

The gentleman from Massachusetts [Mr. GIFFORD] explained in some detail the plans of the Trans-Oceanic Co. to construct

and place in operation six of the speediest and most modern ships ever constructed, for operation under the American flag in the North Atlantic.

Of course, all of these plans and proposals are tentative and conditional upon the passage of this bill.

This is the reason we increased the construction-loan fund, in order to meet the demands for money with which to build these modern, speedy ships, which will not only be so valuable as merchant ships in times of peace, but will prove of incalculable benefit in time of war.

I was requested by some one to explain what justification we thought there was for proposing to lend 75 per cent of the cost of construction of a ship at the current Government rate of interest. In addition to what I stated in response to the question at the time, I want to suggest this: We are spending every year several hundred million dollars upon our Navy, not to speak of our Army, from which we receive no pecuniary returns whatever, and which does not perform any useful service in peace times. We do not expect them to. We do not complain because they do not, but here it is proposed to build some modern ships which would be of just as much value in times of national emergency as the warships, and all the Government is asked to do is to lend 75 per cent of the value of the construction at the rate at which the Government itself could borrow the money, and for the principal to be paid back in equal annual installments with annual interest.

Under the provisions of this bill these ships must be constructed in accordance with plans approved by the Navy, and the Navy will approve them from the standpoint of naval auxiliaries.

The Trans-Oceanic Co. explained their tentative proposal before the committee and before the Shipping Board to build six very large ships that would be airplane carriers. These are the same people who built the U. S. S. *Lexington* and *Saratoga*, the great airplane carriers. The *Lexington* has already in actual test demonstrated that she can make 33 knots or more. These ships will be capable of carrying 24 airplanes on the upper deck of each one of them, and under the provisions of this bill, if we get into war, we can commandeer these ships and pay no consequential damages and pay nothing because of an enhanced price due to the war.

I think this sufficient justification, if somebody else is willing to build these great instrumentalities of defense under the provisions of this bill. I think it is a pretty good investment from a national-defense standpoint, not to speak of the fact that during peace times they will be operating under the American flag between our shores and the shores of other countries.

Like the gentleman from Massachusetts [Mr. GIFFORD], I am not familiar with the technical and mechanical details of the proposal, but it appealed to me and I think it appealed to the Congress. The construction and operation of such ships as proposed by the Trans-Oceanic Co. would certainly go far toward restoring American prestige on the seas, would appeal to American pride, and do much toward making American citizens "sea minded" again. If such a proposal be formally and officially presented to the Shipping Board, I trust that it will have most careful, impartial, and sympathetic consideration. I have always said that the American people can excel every other nationality in every line of industry and that whenever they apply the same industry and the same enterprise and the same intelligence to shipping that they apply to other industries they will likewise excel the world in that. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WHITE of Maine. I yield to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman and Members, I come from a State with many miles of seacoast on one of the earth's greatest oceans. To the north my State shelters the harbor of New York, and to the south its borders combine to form the port of Philadelphia. Within the State, I come from a district extending along the banks of the Delaware River—the greatest shipbuilding area in America.

I proudly admit I am ship minded. I confess to the belief that this country's future destiny lies on the sea. It is heartening to know that I am not alone in this faith. Our legislators and leaders throughout the land have unanimously expressed their deep conviction that America must again take her place as a maritime nation. I speak of a return to the sea because from 1816 to 1860 American clipper ships and packet boats were supreme on the oceans of the world, the envy and despair of foreign traders. Built for long voyages and marvels of speed, they carried during this period nearly 90 per cent of our foreign commerce.

If we follow the history of American navigation laws we see that the policy of discriminating duties was in full force until about the year 1790. This policy gradually weakened, until in 1850 it was finally suspended due to the adoption of reciprocity treaties with the leading nations. But prior to this date all sections and all parties of this country had united in offering subsidy to American steamship lines, and this ocean mail policy begun in 1847 had by 1855 completely vindicated itself. Our ocean fleet had increased in tonnage 200 per cent in this short period, and our vessels were the equal of any afloat. It was the grave misfortune of the American marine at this critical period to be drawn into the maelstrom of sectional strife. The merchant shipping of the United States was owned chiefly in New England and New York and sailed from northern ports.

The ocean mail system became more and more an issue of sectional politics, and in 1855 the ocean mail transportation bill making appropriations for the coming year was vetoed by the President. This checked at once the swift, steady growth of our deep-sea tonnage and the most important lines were soon abandoned. The startling reversal of a great national policy that had been entered upon with such high patriotic motives was part of the price this country has had to pay for that feud between the States. In the years when America withdrew its protection from Atlantic steamship enterprise and left it to perish, the nations of Europe, our competitors, were steadily increasing their ship subventions and widely extending their trade routes from ocean to ocean. But with the period of our Civil War what remained of our shipping was totally destroyed. Following the war, Americans turned their energies to the building of railroads and the developing of the interior of their country. To-day, railroad networks cover the land, and we have become the greatest industrial Nation on the globe. And I remind you, Mr. Chairman and Members, that our railway systems have been built up with a subsidy ten times greater than would be required for the revival of our foreign-commerce routes. Our economists tell us that we must now sell abroad from 10 to 12 per cent of our products. The farmers from the interior and the manufacturers along our shores all agree that we must take this surplus product of farm and factory to foreign markets. Having provided adequate and economical facilities for carrying the products of the country to the seaboard, must we await the convenience of the foreign carrier to take this wheat, cotton, oil, and machinery to market for us? We left the high seas to build our country. We have completed that job and we turn our faces seaward once more. It is a logical result by reason of our traditions and the natural instincts of a maritime nation. Furthermore, there is on the sea a great field for transportation enterprise and the development of a commerce profitable alike to producers on shore and operators on the sea. The 5,000 miles of coast line possessed by this country does not suggest to me any reason for the supremacy of any foreign power on the sea.

From the days of Oliver Cromwell until the present, British shipping has been built up and largely sustained through discriminations in favor of her own and against the ships of other nations. No student of history can doubt but that to her navigation laws, which are an ingeniously constructed system favoring British seamen, British shipbuilders, British shipowners, and British merchants, England chiefly owes the vast extension of her commerce. And to-day we find foreign governments still assisting in the development and maintenance of their respective merchant marines. Mr. Lawrie, of the Shipping Board, in his recent report, tells us that capital is being loaned by some foreign governments at low rates of interest as an inducement to the construction of vessels of the most up-to-date types and of the greatest speed. That mail subventions and construction bounties are being paid by these governments to their shipowners and have proved of great assistance in developing and maintaining their fleets. When a foreign vessel is constructed to satisfy the requirements of the Navy for conversion as a cruiser in time of war, the owner of the vessel is adequately compensated. By these and other means our competitors foster and maintain their sea power.

That some assistance should be afforded shipping is only consistent with our national policy, and in recognition of this principle variousprotections and aids were provided for our overseas ships by the merchant marine act of October, 1920. Those aids consisted of preferential rail rates, discriminating duties in favor of goods transported in American vessels, certain tax exemptions, and the extension of our coastwise laws to some of our insular possessions. None of these provisions ever become effective. Almost without exception the items of real interest in what has been called our declaration of maritime independence have either been ignored, repealed, or in some manner set aside. So we have had on our statute books much writing that would give the casual reader the impression that American ships are receiving substantial aid and protection,

while, as a matter of fact, the results of such few of these provisions as have been put into effect are insignificant and in their general application ineffective. So the light which Americans hoped would brighten our merchant marine has turned to darkness and only those familiar with the gradual decadence of our shipping know how great is that darkness. We realize that Thomas Jefferson spoke truth when he said:

> The carriage of our commodities, if once established in another channel, can not be resumed in the moment we may desire.

The sequel to patriotic declarations, noble sentiments, and solemn pledges has been a policy of evasion and denial.

It is with a negligent Congress refusing substantial encouragement and aid, which private shipping enterprise requires to enable it to meet world competition, that our citizens are so much concerned. Such neglect has made our maritime interest doubtful and forced capital to seek other fields of investment. It indicates an abandonment of the hope of American ship undertakings and suggests a loss of faith in the vision of an American merchant marine proportionate to the American cargoes to be carried over the seven seas.

During the present session of this House the people of the United States have unanimously reaffirmed their maritime mandate of 1920 and again vigorously asserted their unqualified determination to provide an adequate merchant marine. They know that American capital and American labor can build and operate American ships if the Government will give the shipping industry that legitimate aid which in addition to putting our flag on the seas would be a benefit to every farm and every factory in the land.

I am satisfied with the deliberations given to this matter by both Houses of this Congress and my pride and love of country do not mislead me when I state my belief that the people of the United States if given the proper assistance and encouragement can rival any maritime people on earth. I believe the bill under consideration gives the necessary aid and that the enactment of this definite policy is imperative.

It is not a partisan issue. Woodrow Wilson said in 1915:

> To speak plainly, we have grossly erred in the way we have stunted and hindered the development of our merchant marine. The merchants and farmers of this country must have ships to carry their goods. It is of capital importance that the United States should be its own carrier on the sea and enjoy the economic independence which only an adequate merchant marine would give it. It is high time we repaired our mistake and resumed our commercial independence on the sea.

And when the World War began the United States, with a wealth surpassing that of any other nation on earth and a commerce equaling that of any country, had under her flag in the overseas trade only 15 ships. Less than 10 per cent of our billions of ocean commerce was at that time transported under our own flag. We were dependent for carrying facilities upon our greatest commercial competitors, and we paid into their coffers each year for transportation charges millions of dollars. The war came and revealed the fact that this Nation had progressed in everything that makes a people great except ocean transportation. Our docks and terminals were soon piled high with the products of the farm and the factory. Our foreign competitors, who had always been willing to carry our imports and exports, were found in this time of emergency to be unavailable.

The farmer was perhaps the greatest sufferer, because of the perishable character of his products. It is estimated that our lack of ships cost us in increased charges in one year $500,000,000. After our own entrance into the war this service became more inadequate than ever and there resulted the unprecedented congestion of domestic products awaiting shipment at every seaport in the country. This necessitated the huge emergency shipbuilding program carried on by the United States at an enormous expense. At the time of construction the question of fitness of these vessels to engage in competitive foreign trade was not considered, but was entirely subordinated to the primary requirements of speedy output and heavy tonnage. So the end of the war found these vessels, with only a few exceptions, to a large degree obsolete for competitive purposes and fast wearing out. In general, they are far inferior to the vessels of foreign nations, who are now building ships of the very latest types and highest efficiency. We can not hope to succeed unless we do likewise; we can not blame our Shipping Board for failure to accomplish the impossible. At the present time there is no ship being built in the shipyards of this country for overseas trade. The need of a definite policy is imperative. Within the next five years the German merchant marine, assuming that its present building program can be maintained, will have reached a total tonnage exceeding its pre-war strength and will be composed entirely of vessels constructed on the latest and most efficient lines.

A very important factor on the sea is speed. The British Empire has 309 vessels, as compared with 51 of the United States, ranging in speed between 15 and 19 knots. In ships over 20 knots we rank fourth. In view of the disarmament treaty, it is the larger and faster vessels, quickly convertible into naval auxiliaries, that are of paramount importance.

In President Coolidge's annual message to Congress in 1923 he stated:

> The entire well-being of our country is dependent upon transportation by sea and land. We must have a merchant marine which meets these requirements, and we shall have to pay the cost of its service.

The records of this Congress, Mr. Chairman, reveal only too well what the cost of this service would be if provided by the Government. The bill I am indorsing proposes to build up a new American merchant marine without cost to the Government or the taxpayer, except as payment for service rendered and when those services are measured by a fair, just, and reasonable price and not paid as a lump sum without regard to work performed. Its provisions will make possible the use of Government credit facilities in the form of a construction loan of three-fourths the cost of building ships at the Government's current rate of interest. Such a loan is protected by prior liens on the ships themselves and will be returned in 20 years by amortization. Mail rates are established, not as a subsidy but commensurate with the speed and frequency of the service, its cost, and utility. Authority is given to the Post Office Department to enter into ocean mail-carrying contracts for periods of 20 years, the life of the loan.

Because approved insurance, whether here or abroad, is limited on any single ship to $9,000,000, the bill provides, in case of total loss, for cancellation of the loan against the ship to the extent not covered by amortization and insurance. Provision is also made by which the crews or a part of them can be enrolled in the Naval Reserve.

I submit that this is the first time that any proposed shipping legislation, prior to its enactment, has called forth from our citizens promises of concrete building programs to advance America's prestige on the sea. This must surely reflect the merit inherent in this bill and would seem to be an earnest of its success if it becomes law. In the RECORD for January 31 is recorded a telegram addressed to the Shipping Board from the president of the Export Steamship Corporation and reading as follows:

> We contemplate placing order for three combination passenger and cargo vessels with a speed of 18 knots for operation between New York and Alexandria, Egypt, with call at Gibraltar and Algiers en route. This new construction conditional upon the passage of Copeland bill or similar legislation providing long-term mail contracts and loan from construction loan fund to partly finance new construction. We are also willing to consider new construction for the New York-west coast of Italy service under similar conditions.

Also, the Transoceanic Corporation of the United States on January 24 made a definite proposal to the Shipping Board for the construction of six vessels to fly the American flag across the North Atlantic—ships that will make the fastest passenger vessels now afloat look like lumbering freighters. This proposal is contingent on the enactment of legislation similar to that contained in the bill at issue. These ships are designed as airplane carriers and meet more perfectly than any vessel ever projected the requirements both of the merchant marine and the Navy. In times of peace these vessels will pay their own way and in times of war they will be deadly units of our armed forces at sea. Their readiness will cost the taxpayer nothing.

This bill will revolutionize ocean service. It offers not only a way to build up a merchant vessel service capable of carrying our traders, our products, and our trade influence to the trade marts of other nations, but also makes possible the building of those naval auxiliaries so necessary for any nation that has risen to a commanding place in the world. We ask only for legislation that will give an American merchant marine of use to the manufacturers, merchants, and agriculturists; that will furnish employment to labor; and that will permit us to build ships in competition with those constructed in foreign countries. If we are to have continued prosperity, we must acquire our share of the world's commerce, and we must transport those commodities to the markets of the world in American ships at least the equal of our competitors and maintain a service on a par with, or better than, our nearest rival. The merchant marine is not merely a carrier of the fruits of industry and of the soil, but the merchant marine is an organization which seeks to develop new business. Overproduction is already a

problem and must be solved. The development of foreign markets will be a remedy. Ships are essential to this commerce, and the principle of the control of these ships is as vital as the principle of the freedom of the seas. Our economic independence demands that the ownership of the vessels that carry our products remain in America.

We are drifting for want of leadership in things concerning shipping. I believe the enactment of this bill will give us wise shipping laws, free us from useless restrictions, and go a long way toward solving our problem. I earnestly implore and bespeak your support, for we must give it more than just serious consideration. Our present fleet will soon become obsolete and our shipyards are fast disappearing. Unless Congress acts we will be dependent upon foreign ships to handle our overseas trade upon their own terms and conditions. Can we supply the statesmanship that shall make the flag of vessels carrying this country's commerce our own?

It is a question of aid, of high and holy protection in the best meaning of the term; the protection of our country, our labor, our commerce, and all that gives dignity and character to nations.

The bill before you answers fully this question and will give the protection desired. It represents on this subject the thought of the best minds in Congress and throughout the land. It is not a subsidy or a subvention, but gives aid only in return for services rendered and commensurate with the work performed.

Mr. WHITE of Maine. Mr. Chairman, I have no other requests for time, and unless there is time available on that side I suggest that the Clerk read the bill for amendment. May I say to the membership of the House I hope we can read to the middle of page 5. So far as I am concerned, I will be disposed to stop there.

The Clerk proceeded with the reading of the bill, and read to line 12, page 5.

Mr. WHITE of Maine. Mr. Chairman, in accordance with an understanding I have had with various members of the committee, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 744) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes, and had come to no resolution thereon.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate disagrees to the amendment of the House of Representatives to the bill (S. 3555) entitled "An act to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCNARY, Mr. CAPPER, Mr. GOODING, Mr. SMITH, and Mr. RANSDELL conferees on the part of the Senate.

### ROSEBUD SIOUX INDIANS, SOUTH DAKOTA

Mr. WILLIAMSON. Mr. Speaker, I call up the bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota.

The SPEAKER. The gentleman from South Dakota calls up the bill S. 3438, which the Clerk will report.

The Clerk read as follows:

A bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States so much of the tribal funds on deposit therein to the credit of the Rosebud Indians, of South Dakota, as may be required to make a $10 per capita payment to the recognized members of the tribe, and to pay or distribute the same under such rules and regulations as he may prescribe.

The bill was ordered to be read a third time, was read a third time, and passed.

On motion of Mr. WILLIAMSON a motion to reconsider the vote whereby the bill was passed was laid on the table.

A similar House bill was laid on the table.

### INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS (S. DOC. NO. 94)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

*To the Congress of the United States:*

I transmit a report from the Secretary of State in regard to the work of the International Technical Committee of Aerial Legal Experts, in the deliberations of which the Government of the United States would be entitled to participate if it should pay a share of the annual expenses of the committee, and commend to the favorable consideration of the Congress the recommendation of the Secretary of State, as contained in the report, that legislation be enacted authorizing an annual appropriation of a sum not in excess of $250 to meet the quota of the United States toward the annual expenses of this committee, beginning with the calendar year 1928.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 4, 1928.*

### AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3555, the agricultural surplus control bill, that the House insist on its amendments, and agree to the conference asked for.

The SPEAKER. The gentleman from Iowa asks unanimous consent to take from the Speaker's table the bill S. 3555, the agricultural surplus control bill, insist on the House amendments, and agree to the conference asked for by the Senate. Is there objection?

Mr. O'CONNOR of Louisiana. Reserving the right to object, I want to suggest the advisability in view of the widespread importance of the bill that five conferees be named.

Mr. HAUGEN. I have suggested the usual number.

Mr. O'CONNOR of Louisiana. I submit that because of its tremendous importance and its wide scope that five conferees would better represent the attitude of the House.

Mr. HAUGEN. There is very little difference in the two bills.

Mr. O'CONNOR of Louisiana. The suggestion was made to me by a Member of the Senate in whom I have great confidence.

Mr. CRAMTON. Mr. Speaker, perhaps I misunderstood the gentleman; but I understood him to say that he made the suggestion at the request of a Member of the Senate. I want to protest against a Member of the Senate making any suggestions as to the number of House conferees.

Mr. O'CONNOR of Louisiana. If I expressed myself in that way, I might say that it was for the purpose of better arresting the attention of the gentleman from Michigan, or that it was a loose and inadvertent expression of my thoughts. I regret that I alluded to a matter which was a statement in a conversational way and that it has aroused the violent animosities of the gentleman from Michigan. The statement of the Senator was my thought also.

Mr. CRAMTON. The selection of conferees is in the hands of the Speaker. The selection of House conferees is not in the hands of the Senate.

Mr. O'CONNOR of Louisiana. I have no doubt about that. There is no reason for resentment because I had a conversation with a Senator—I do not think they are pariahs among the Nation as yet. He would not think of intruding on the functions of the House and I did not make my statement at his request. I am perfectly frank about it. I think he was correct, however, in the hope that he expressed to me that five conferees would be better than three to express the attitude of the House on this far-reaching legislation.

Mr. Speaker, I withdraw the reservation of an objection.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. HAUGEN, Mr. PURNELL, and Mr. ASWELL.

### LEAVE OF ABSENCE

Mr. BURTON, by unanimous consent, was given leave of absense for one week on account of important business.

### AGRICULTURAL EXTENSION WORK

Mr. HAUGEN. Mr. Speaker, I present a conference report on the bill H. R. 9495, agricultural extension work, for printing in the RECORD.

The conference report and statement are as follows:

### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9495) to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture," as amended,

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 2:

(1) Page 3, line 8, after "in," insert "such."

(2) Page 3, line 8, after "proportions," insert "as may be determined by the State agencies."

G. N. HAUGEN,
JOHN C. KETCHAM,
J. B. ASWELL,
*Managers on the part of the House.*

CHAS. L. MCNARY,
ARTHUR CAPPER,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9495) to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture," submit the following written statement in explanation of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendments Nos. 1 and 2: The Senate amendments would have changed the form of the bill as passed by the House by leaving the final determination as to the proportion of men and women agents to the extension directors of the several States without final review by the Secretary of Agriculture. In view of the fact that this extension service is a cooperative service and the Federal Government makes substantial contributions to the support of the extension agents, the conferees deemed it unwise for the Federal Government to entirely surrender its jurisdiction provided in the Senate amendments, and therefore reached a unanimous agreement in support of the bill as it was passed by the House. The provision as it now stands in the bill gives to the extension directors of the several States and the Department of Agriculture the same control and jurisdiction now exercised in the distribution of funds under the Smith-Lever bill and with a modification as to the proportion of men and women agents to be employed in the further development of the cooperative extension system in agriculture and home economics.

G. N. HAUGEN,
JOHN C. KETCHAM,
J. B. ASWELL,
*Managers on the part of the House.*

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, when the tentative program was made up and posted in the Speaker's lobby, nearly a week ago, it was not practicable to state what the business would be on Saturday, to-morrow, and therefore it is stated there as "undetermined." I now wish to state that it is expected on to-morrow to take up the conference report on the flood control bill and when that is disposed of to go on with the reading of the shipping bill under the five-minute rule, with the expectation that the bill will be completed to-morrow.

Mr. WHITE of Maine. I take it, Mr. Speaker, that the conference report has the right of way, but I do have the earnest hope that the membership will be disposed to remain here and complete this bill to-morrow.

Mr. DAVIS. I would like to ask the gentleman from Connecticut to state whether or not, if we do complete the bill to-morrow, the Committee on the Merchant Marine and Fisheries will have next Tuesday as a special Calendar Wednesday?

Mr. TILSON. That is the understanding and, in fact, the order of the House.

SENATE BILLS REFERRED

Bills of the following titles were taken from the Speaker's table and, under the rule, referred to the appropriate committees, as follows:

S. 1727. An act to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926; to the Committee on Civil Service.

S. 1781. An act to establish load lines for American vessels, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

S. 2720. An act for the relief of David McD. Shearer; to the Committee on Claims.

S. 3752. An act to amend section 3 of an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes," approved March 12, 1926; to the Committee on Military Affairs.

S. 4216. An act to authorize the adjustment and settlement of claims for armory-drill pay; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10536. An act granting six months' pay to Anita W. Dyer; and

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, bills of the House of the following titles:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925;

H. R. 11629. An act to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 11723. An act to provide for the paving of the Government road known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

ADJOURNMENT

Mr. WHITE of Maine. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 29 minutes p. m.) the House adjourned until to-morrow, Saturday, May 5, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, May 5, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

To consider the private bills.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To consider the private bills.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

484. A letter from the Comptroller General of the United States, transmitting report and recommendation to the Congress concerning the claim of the Ayer & Lord Tie Co., with request that you lay same before the House of Representatives; to the Committee on Claims.

485. A letter from the Acting Secretary of Commerce, transmitting draft of a bill for the reconveyance to the Key Realty Co. of the marine biological station at Key West, Fla., which bill the department recommends, be enacted into law during the present session of Congress; to the Committee on the Merchant Marine and Fisheries.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 11468. A bill authorizing the Secretary of the Interior to execute an agreement or agreements with drainage district or districts providing for drainage and reclamation of Kootenai Indian allotments in Idaho within the exterior boundaries of such district or districts that may be benefited by the drainage and reclamation work, and for other purposes; without amendment (Rept. No. 1506). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINTER: Committee on Mines and Mining. H. R. 496. A bill authorizing an appropriation for development of potash jointly by the United States Geological Survey of the Department of the Interior and the Bureau of Mines of the Department of Commerce by improved methods of recovering potash from deposits in the United States; with amendment (Rept. No. 1518). Referred to the Committee of the Whole House on the state of the Union.

Mr. QUIN: Committee on Military Affairs. H. R. 12110. A bill to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended; without amendment (Rept. No. 1519). Referred to the Committee of the Whole House on the state of the Union.

Mr. VESTAL: Committee on Patents. H. R. 13452. A bill to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended, in respect of mechanical reproduction of musical compositions, and for other purposes; without amendment (Rept. No. 1520). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PEAVEY: Committee on War Claims. H. R. 3937. A bill for the relief of the heirs of Thomas G. Wright; without amendment (Rept. No. 1507). Referred to the Committee of the Whole House.

Mr. HOOPER: Committee on War Claims. H. R. 4781. A bill for the relief of the legal representatives of Cobb Blasdell & Co.; without amendment (Rept. No. 1508). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on War Claims. H. R. 9210. A bill for the relief of Lieut. George H. Hauge, United States Army; without amendment (Rept. No. 1509). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on War Claims. H. R. 9396. A bill to compensate Eugenia Edwards, of Saluda, S. C., for allowances due and unpaid during the World War; with amendment (Rept. No. 1510). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on War Claims. H. R. 9516. A bill for the relief of Capt. W. B. Finney; without amendment (Rept. No. 1511). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on War Claims. H. R. 10236. A bill for the relief of Harry M. King; with amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. PEAVEY: Committee on War Claims. S. 342. An act for the relief of George B. Booker Co.; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. LOWREY: Committee on War Claims. S. 605. An act for the relief of Capt. Clarence Barnard; without amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mrs. KAHN: Committee on War Claims. S. 2319. An act for the relief of John W. Stockett; without amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. LOWREY: Committee on War Claims. S. 2473. An act for the relief of Will J. Allen; without amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. SINCLAIR: Committee on War Claims. S. 3308. An act to confer jurisdiction on the Court of Claims to hear and determine the facts in the claim of John L. Alcock; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 9719. A bill for the relief of George A. Day; without amendment (Rept. No. 1521). Referred to the Committee of the Whole House.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 11064. A bill for the relief of F. Stanley Millichamp; with amendment (Rept. No. 1522). Referred to the Committee of the Whole House.

Mr. RANSLEY: Committee on Military Affairs. H. R. 13476. A bill for the relief of Joseph M. McAleer; with amendment (Rept. No. 1523). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 13537) to redesignate the Humboldt, Nevada, and Toiyabe National Forests, within the State of Nevada, as the Humboldt, Nevada, and Toiyabe Federal grazing reserves, to provide for their administration as such, and for other purposes; to the Committee on the Public Lands.

By Mr. BYRNS: A bill (H. R. 13538) interpreting the construction to be placed upon the words "child" and "children" as used in certain sections of the act approved May 18, 1920, June 10, 1922, and June 1, 1926; to the Committee on Military Affairs.

By Mr. CARLEY: A bill (H. R. 13539) repealing the adoption of project for improvement of waterway connecting Gravesend Bay with Jamaica Bay; to the Committee on Rivers and Harbors.

By Mr. PARKS: A bill (H. R. 13540) granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the Ouachita River at a point between the mouth of Saline River and the Louisiana and Arkansas line; to the Committee on Interstate and Foreign Commerce.

By Mr. GILBERT: A bill (H. R. 13541) to provide for the establishment of the Fort Boonesboro National Monument in the State of Kentucky, and for other purposes; to the Committee on the Library.

By Mr. PEAVEY: Resolution (H. Res. 185) relative to the construction of a shipway from the Great Lakes to the Atlantic Ocean via the St. Lawrence River; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 13542) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarine *S–4;* to the Committee on Naval Affairs.

By Mr. CHASE: A bill (H. R. 13543) granting a pension to Emily Cooper Mather; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 13544) authorizing the President to appoint Edgar A. Gilbert to the position and rank of first lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. HERSEY: A bill (H. R. 13545) granting an increase of pension to Helen R. Godsoe; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 13546) for the relief of Joseph Bratten; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 13547) granting a pension to Samuel H. Anderson; to the Committee on Pensions.

By Mr. KUNZ: A bill (H. R. 13548) for the relief of Harry A. Tedswell; to the Committee on Claims.

Also, a bill (H. R. 13549) granting an increase of pension to Stephen Murphy; to the Committee on Pensions.

By Mr. LEA: A bill (H. R. 13550) granting an increase of pension to Nancy Malchi; to the Committee on Invalid Pensions.

By Mr. MOORMAN: A bill (H. R. 13551) granting a pension to Myzella Rowe; to the Committee on Pensions.

By Mr. MORGAN: A bill (H. R. 13552) granting a pension to Alice J. Warrett; to the Committee on Invalid Pensions.

By Mr. SPEARING: A bill (H. R. 13553) for the relief of Mrs. Sol Lion; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 13554) for the relief of the Burtman Ornamental Iron & Wire Works; to the Committee on Claims.

Also, a bill (H. R. 13555) granting a pension to George Henry Heller; to the Committee on Pensions.

Also, a bill (H. R. 13556) for the relief of Stephen J. Crotty; to the Committee on Military Affairs.

Also, a bill (H. R. 13557) for the relief of Thomas J. Harrington; to the Committee on Naval Affairs.

By Mr. WATSON: A bill (H. R. 13558) granting an increase of pension to Mary W. Ryan; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 13559) granting an increase of pension to Rachel Goble; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 13560) granting an increase of pension to Arabella Jefferson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13561) granting an increase of pension to Annie E. Toomey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13562) for the relief of Ella E. Horner; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7412. By Mr. BEEDY: Petition of over 2,000 employees of the Portsmouth (N. H.) Navy Yard, urging the passage of the bill amending the civil service retirement act which provides $1,200 the maximum for retirement on 30 years' service; to the Committee on the Civil Service.

7413. By Mr. CARLEY: Petition of S. Goldsmith, secretary Cigarmakers International Union No. 87, against House bill 9195, amending sections 2804 and 3402, Revised Statutes; to the Committee on the Judiciary.

7414. By Mr. DOUGLASS of Massachusetts: Petition of 128 citizens of Massachusetts urging early and favorable enactment of the pending legislation to increase the pensions of veterans and widows of veterans of the Civil War from Mrs. William H. Moore, of 223 Trenton Street, East Boston, Mass., whose husband served with honor in the Civil War in the famous East Boston Regiment of General Barnes; to the Committee on Invalid Pensions.

7415. By Mr. ENGLEBRIGHT: Petition of Thelma Estes and other citizens of Day, Calif., protesting against House bill 78; to the Committee on the District of Columbia.

7416. By Mr. ROY G. FITZGERALD: Memorial of veterans of the World War, petitioning Congress in regard to the McKellar-Fitzgerald bill, known as the Postal Service bill; to the Committee on the Post Office and Post Roads.

7417. By Mr. FITZPATRICK: Petition from the Allied Printing Trades Council of Greater New York, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7418. Also, petition from the Bindery Women's Union, Local No. 43, International Brotherhood of Bookbinders of New York, and vicinity, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7419. By Mr. GREGORY: Petition of Ernest Lackey and other citizens of Paducah, Ky., protesting the passage of House bill 78, or any other compulsory Sunday legislation; to the Committee on the District of Columbia.

7420. Also, petition of Hibbert J. Cullars and other citizens of McCracken County, Ky., urging that immediate steps be taken to bring to a vote a Civil War pension bill for the relief of veterans and widows of veterans; to the Committee on Invalid Pensions.

7421. By Mr. MORROW: Petition of citizens of Texico, N. Mex., indorsing Civil War pension legislation; to the Committee on Invalid Pensions.

7422. Also, petition of citizens of Santa Fe, N. Mex., on Civil War pension legislation; to the Committee on Invalid Pensions.

7423. Also, petition of citizens of Roswell, N. Mex., against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

7424. Also, petition of citizens of Roswell, N. Mex., on Civil War pension legislation; to the Committee on Invalid Pensions.

7425. Also, petition of citizens of Reserve, N. Mex., on Civil War pension legislation; to the Committee on Invalid Pensions.

7426. Also, petition of citizens of Roswell, N. Mex., on Civil War pension legislation; to the Committee on Invalid Pensions.

7427. Also, petition of citizens of Gallup, N. Mex., indorsing Civil War pension legislation; to the Committee on Invalid Pensions.

7428. By Mr. MICHENER: Petition of citizens of Jackson, Mich., asking for increase in pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7429. Also, petitions of citizens of second district of Michigan, favoring passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

7430. By Mr. O'CONNELL: Petition of William J. Hammer, late major, General Staff, United States Army; historian general, Military Order of the World War; and director, Society American Military Engineers, favoring the passage of the Tyson-Fitzgerald bill; to the Committee on World War Veterans' Legislation.

7431. By Mr. VINCENT of Michigan: Petition of residents of the eighth district of Michigan, urging more liberal pension legislation for the benefit of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7432. By Mr. WINTER: Resolutions from John Oliver, president Natrona County Poultry Association, Casper, Wyo., and Palmer Gormley, president Big Horn County Farm Bureau, Greybull, Wyo.; to the Committee on Irrigation and Reclamation.

# SENATE

## SATURDAY, *May 5, 1928*

*(Legislative day of Thursday, May 3, 1928)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota.

The message also announced that the House insisted upon its amendment to the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HAUGEN, Mr. PURNELL, and Mr. ASWELL were appointed managers on the part of the House at the conference.

### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 8229) for the appointment of an additional circuit judge for the sixth judicial circuit, and it was signed by the Vice President.

### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fletcher | La Follette | Sackett |
| Barkley | Frazier | Locher | Schall |
| Bayard | George | McKellar | Sheppard |
| Bingham | Gerry | McLean | Shipstead |
| Black | Gillett | McMaster | Shortridge |
| Blaine | Glass | McNary | Simmons |
| Blease | Goff | Mayfield | Smoot |
| Borah | Gooding | Metcalf | Steiwer |
| Bratton | Gould | Moses | Stephens |
| Brookhart | Greene | Neely | Swanson |
| Broussard | Hale | Norbeck | Thomas |
| Bruce | Harrison | Norris | Tydings |
| Capper | Hawes | Overman | Tyson |
| Couzens | Hayden | Phipps | Vandenberg |
| Curtis | Howell | Pine | Walsh, Mass. |
| Cutting | Johnson | Pittman | Warren |
| Dale | Jones | Ransdell | Waterman |
| Deneen | Kendrick | Reed, Mo. | Wheeler |
| Dill | Keyes | Reed, Pa. | |
| Fess | King | Robinson, Ark. | |

Mr. FRAZIER. I desire to announce that my colleague the junior Senator from North Dakota [Mr. NYE] is detained from the Senate on account of illness in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present.

### RAILROAD VALUATION

Mr. NORRIS. Mr. President, I desire to offer a Senate resolution. While I think there will be no opposition to the resolution when it is understood by the Senate, yet in talking with several Senators about it the wish has been expressed that it should go over under the rule. In order that there may be no embarrassment about it, I will ask that the resolution be read and then that it may go over under the rule.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 222), as follows:

Whereas in May, 1923, the National Conference on Valuation of American Railroads was organized for the purpose of securing a fair

valuation of the railroads of the United States and for the purpose, in behalf of the public interest of the people of the United States, of appearing by counsel before the Interstate Commerce Commission and the courts, with a view of preventing an overvaulation of railroads. Said National Conference on Valuation was organized through the participation and cooperation of Senators, Representatives, governors of various States, mayors of some of the principal cities of the United States, several farm, agricultural, and labor organizations, traveling salesmen's associations, and national organizations of railway employees, and many similar organizations and individuals of national importance; and

Whereas by order of the Interstate Commerce Commission the National Conference on Valuation has been since 1923 a party to all valuation proceedings, has participated in said proceedings, has received notice of all hearings and copies of all the valuation reports, and has been recognized by the commission as a representative of substantial public interests and of a large percentage of travelers, shippers, and consumers dependent upon the railroads for transportation, and of organizations of employees engaged in such transportation, all of which persons have a vital and continuous interest in transportation rates which are and will be established by the commission on the basis of its valuation of the properties of the carriers; and

Whereas the National Conference on Valuation has selected Donald R. Richberg as its counsel, who, as representing said national conference, has advocated principles and methods of valuation which have been opposed by the railroads, but have been widely accepted by lawyers and economists of the highest standing, many of which principles and methods of valuation have been met with the approval of the commission; and

Whereas when the commission considered in public hearing the report upon which its order was based determining the value of the property of the St. Louis & O'Fallon Railway Co., the said Donald R. Richberg, as counsel for the National Conference on Valuation, was the only representative of a party to the proceedings who argued orally and by briefs in favor of the proposed report of the commission, while the official counsel for the commission made no argument for or against said report; and

Whereas suit has been brought by the St. Louis & O'Fallon Railway Co. to set aside the order of the Interstate Commerce Commission fixing the value of its property, which suit is generally accepted as a test case to determine the principles of railroad valuation for rate-making and recapture purposes and has already been heard by a three-judge statutory court, which refused to set aside the order of the commission, and which suit is to be heard on the appeal of the railroads which has been taken to the Supreme Court of the United States; and

Whereas under the circumstances set forth it would seem that the National Conference on Valuation, represented by the said Donald R. Richberg, having advocated the action taken by the commission in said case, should be heard on the appeal of the railroad to the courts to set aside the order of the commission; and it would seem to be in the public interest consistent with the intent of the law that the said national conference, through its counsel, the said Donald R. Richberg, should be heard as a matter of right, and provided in Thirty-eighth Statutes at Large, page 219, and Thirty-sixth Statutes at Large, page 539; and

Whereas the said Donald R. Richberg, as counsel for the National Conference on Valuation, was permitted to present an argument to the statutory three-judge court which heard the O'Fallon case, but the National Conference on Valuation not being permitted to intervene as a party to the proceedings, its counsel must make application to the Supreme Court for leave to be heard in the appeal now pending, which application, being addressed to the discretion of the court, involves primarily consideration of what is in the public interest; and

Whereas, depending upon the valuation principles and methods which may be determined by the O'Fallon case, the aggregate valuation placed on railroad properties may differ to the extent of many billions of dollars, with a consequent difference in the aggregate of transportation rates amounting to hundreds of millions of dollars, so that the O'Fallon case as a test case involved issues of wide and exceptional public interest and of immense consequence to all the people of the United States: Therefore be it

*Resolved*, That the Senate expresses its approval of the application of counsel for the National Conference on Valuation for leave to participate in the hearing of the O'Fallon case in the Supreme Court without thereby expressing its approval or disapproval of the arguments of counsel and without thereby intimating any opinion regarding the issues in the case; and be it further

*Resolved*, That the Senate hereby most respectfully requests the Supreme Court to permit the said Donald R. Richberg, as counsel for the said National Conference on Valuation, to intervene in said O'Fallon case for the purpose of making oral argument and filing a brief therein.

Mr. CURTIS. I understand the resolution is to go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

LXIX——495

COOPERATIVE MARKETING—REPORT OF FEDERAL TRADE COMMISSION

Mr. SHIPSTEAD. From the Committee on Printing I report an original resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 223), as follows:

*Resolved*, That the report of the Federal Trade Commission on "Cooperative Marketing of Farm Products," transmitted to the Senate on May 2, 1928, in response to Senate Resolution 34, Sixty-ninth Congress, be printed with illustrations as a Senate document.

Mr. SMOOT. I will ask if the consideration of the resolution will lead to any debate and whether it is a unanimous report?

Mr. FLETCHER. I will say to the Senator from Utah that the resolution has been reported unanimously from the committee, and I do not think it will lead to any debate.

Mr. SMOOT. Very well.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

OPERATION OF CHAIN STORE SYSTEM

Mr. BROOKHART. I offer a Senate resolution. I ask that it be read and go over, under the rule.

The resolution (S. Res. 224) was read, as follows:

Whereas it is estimated that from 1921 to 1927 the retail sales of all chain stores have increased from approximately 4 per cent to 16 per cent of all retail sales; and

Whereas there are estimated to be less than 4,000 chain-store systems with over 100,000 stores; and

Whereas many of these chains operate from 100 to several thousand stores; and

Whereas there have been numerous consolidations of chain stores throughout the history of the movement, and particularly in the last few years; and

Whereas these chain stores now control a substantial proportion of the distribution of certain commodities in certain cities, are rapidly increasing this proportion of control in these and other cities, and are beginning to extend this system of merchandising into country districts as well; and

Whereas the continuance of the growth of chain-store distribution and the consolidation of such chain stores may result in the development of monopolistic organizations in certain lines of retail distribution; and

Whereas many of these concerns though engaged in interstate commerce in buying, may not be engaged in interstate commerce in selling; and

Whereas in consequence, the extent to which such consolidations are now, or should be made, amenable to the jurisdiction of the Federal antitrust laws is a matter of serious concern to the public: Now, therefore, be it

*Resolved*, That the Federal Trade Commission is hereby directed to undertake an inquiry into the chain-store system of marketing and distribution as conducted by manufacturing, wholesaling, retailing, or other types of chain stores and to ascertain and report to the Senate, (1) the extent to which such consolidations have been effected in violation of the antitrust laws, if at all; (2) the extent to which consolidations or combinations of such organizations are susceptible to regulation under the Federal Trade Commission act or the antitrust laws, if at all; and (3) what legislation, if any, should be enacted for the purpose of regulating and controlling chain-store distribution.

And for the information of the Senate in connection with the aforesaid subdivisions (1), (2), and (3) of this resolution the commission is directed to inquire into and report in full to the Senate (a) the extent to which the chain-store movement has tended to create a monopoly or concentration of control in the distribution of any commodity either locally or nationally; (b) evidences indicating the existence of unfair methods of competition in commerce or of agreements, conspiracies, or combinations in restraint of trade involving chain-store distribution; (c) the advantages or disadvantages of chain-store distribution in comparison with those of other types of distribution as shown by prices, costs, profits, and margins, quality of goods and services rendered by chain stores and other distributors or resulting from integration, managerial efficiency, low overhead, or other similar causes; (d) how far the rapid increase in the chain-store system of distribution is based upon actual savings in costs of management and operation and how far upon quantity prices available only to chain-store distributors or any class of them; (e) whether or not such quantity prices constitute a violation of either the Federal Trade Commission act, the Clayton Act, or any other statute; and (f) what legislation, if any, should be enacted with reference to such quantity prices.

Mr. CURTIS. The resolution is to go over, under the rule.

The VICE PRESIDENT. The resolution goes over, under the rule.

FEDERAL TRADE COMMISSION REPORT ON SALE OF FLOUR AND BREAD

Mr. BRUCE. Mr. President, a day or two ago I obtained the consent of the Senate for the publication as a Senate document of the final report of the Federal Trade Commission made to the Senate on January 11, 1928, pursuant to Senate Resolution No. 163, which was agreed to on February 16, 1924, directing an inquiry into the Bakery Trust. Now, I am informed that special authority of the Senate is necessary in order to have the illustrations which accompany that report form a part of the publication which has been ordered. Therefore, if there be no objection, I ask unanimous consent that the illustrations may be printed.

Mr. SMOOT. Mr. President, will the Senator let that request go to the Committee on Printing?

Mr. BRUCE. Yes; I will do that, if necessary.

Mr. FLETCHER. I will say to the Senator that the matter has been before the Committee on Printing, and the committee did act on the matter for which unanimous consent was given to have printed the other day. However, there is a preliminary report, called part 1, which is a part of the same report. The committee knew nothing about that. I understand the Senator from Maryland now wants to add to the unanimous consent given the other day so as to have that preliminary report included in the permission granted.

Mr. SMOOT. Under the rule, I think it will be necessary to have the request go to the Committee on Printing.

Mr. FLETCHER. It has been before the committee, and I think the committee believe it ought to be done.

Mr. BRUCE. In addition to that, I desire special leave of the Senate to have incorporated the illustrations in the published report. That is the object of the request I have made: First, to obtain the consent of the Senate for the publication of the preliminary part of the report which was not covered by the action of the Senate a few days ago and then to obtain the consent of the Senate to the incorporation in the published report of the illustrations accompanying the report.

The VICE PRESIDENT. Is there objection to the modification of the unanimous consent so as to cover the printing of the preliminary report, together with the illustrations? The Chair hears none, and, without objection, it is so ordered.

TAX ON NARCOTIC DRUGS

The VICE PRESIDENT laid before the Senate a communication from Olin West, M. D., secretary and general manager American Medical Association, Chicago, Ill., which was ordered to lie on the table and to be printed in the RECORD, as follows:

AMERICAN MEDICAL ASSOCIATION,
*Chicago, May 3, 1928.*

The honorable the VICE PRESIDENT OF THE UNITED STATES,
*Washington, D. C.*

SIR: As secretary of the American Medical Association, in behalf of the more than 96,000 physicians who are its members, I protest against the proposed increase in the tax on physicians under the Harrison Narcotic Act, recommended by the Senate Committee on Finance in the proposed revenue act of 1928 (H. R. 1) as reported May 1, 1928.

The Congress, under the revenue act of 1926, reduced to a peacetime basis (from $3 to $1 a year) the war tax imposed on physicians under the Harrison Narcotic Act by the revenue act of 1918. The sudden proposal of a repudiation of the action of Congress taken at that time comes now without explanation and, so far as can be discovered, without justification or excuse. The increased taxation can not be justified on the basis of any supposed need of money wherewith to enforce the act, for the very purpose of the bill in which this increase is recommended is to reduce Federal revenues by approximately $200,000,000.

If the proposed increase in the tax on physicians is based on the hypothesis that the increase is necessary to sustain the constitutionality of the Harrison Narcotic Act, the hypothesis finds no support in the record of adjudicated cases, for the United States Supreme Court has twice held the act to be constitutional when the tax on physicians was only $1 a year (U. S. *v.* Jin Fuey Moy, 241 U. S. 394; U. S. *v.* Doremus, 249 U. S. 86). The recent decision of the court (Nigro *v.* U. S., 72 L. Ed. 426), in which it was held that the act was constitutional at a time when physicians were taxed $3 a year, did not and could not hold the act any more constitutional then than it was when the tax was $1 a year. Only a most strained and impossible interpretation of a dictum in the opinion in this case can be used as a basis for any demand for increasing even the tax as a whole imposed by the act, and certainly no part even of the dictum can be used as a basis for singling out physicians for increased taxation.

No doubt the Treasury Department has a right to initiate taxation, directly or by implication, without allowing taxpayers who are to bear the proposed burden to know what is in prospect for them. It is obviously within the right of the Senate or any of its committees to consider and to act on recommendations and implications of the Treasury Department without affording interested taxpayers opportunities to protest and to file briefs and arguments in support of such protests. The American Medical Association feels, however, that such secret courses should be pursued only in grave emergencies and it is unable to see any grave emergency that has justified the course of secrecy pursued in the present case. The more than 96,000 physicians who constitute the membership of the American Medical Association deeply resent the course that has been followed in this matter and protest most strongly against the imposition on the medical profession of this proposed tax burden, particularly at a time when the public has been made to believe that taxes were to be, not increased, but reduced.

The medical profession of the United States, as represented by this association, asks that the recommendation of the Senate Committee on Finance, whereby the tax on physicians will be increased under the Harrison Narcotic Act, be rejected.

Very respectfully yours,

OLIN WEST.

AMENDMENT OF WORLD WAR VETERANS' ACT

Mr. ASHURST presented resolutions adopted by Cactus Chapter, No. 2, Disabled American Veterans of the World War, of Tucson, Ariz., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TUCSON, ARIZ., *April 30, 1928.*

A resolution proposing that section 202, subdivision (3), paragraph 1 of the World War veterans' act, as amended, be hereby amended to read as follows:

"(3) If and while the disability is rated as total and permanent, the rate of compensation shall be $100 per month plus the allowances for dependents provided by subdivision (1) of this section."

Whereas disabled veterans of the World War throughout the United States have at different times forwarded resolutions to Members of Congress requesting that dependency compensation be payable to totally and permanently disabled veterans; and

Whereas need of this legislation is proved, inasmuch as it is practically impossible for any man, either able-bodied or disabled, to support a family on $100 per month. For instance, a properly furnished house or apartment of two or three small rooms rents for at least $50 per month and a grocery bill for a medium-sized family amounts to $40 per month. With this amount expended there is very little left for the really necessary expenses of life; and

Whereas the Disabled American Veterans of the World War are cognizant of the fact that our representatives in Congress wish the disabled ex-service men to be both well fed and well housed, and are aware that $100 per month is not sufficient compensation for a totally and permanently disabled veteran; and

Whereas in many instances it has become necessary for the wife of the disabled veteran to work daily in department stores and laundries in order to assist the family budget in order that the family may live in comfort; and

Whereas this proposed amendment will particularly affect the welfare and treatment of the 800 disabled compensable ex-service men now living in Tucson and vicinity under the Veterans' Bureau home-treatment status, and the attention of Congress is called to the fact that even should any of these 800 men desire hospitalization by the bureau in Tucson they could not be accommodated because the hospital now under construction by the United States Veterans' Bureau will only accommodate 261 patients, therefore these veterans, in order to obtain the maximum benefit from the dry, sunny climate of Tucson, must live and support their families on the maximum sum of $100 per month: Therefore be it

*Resolved*, That we, the members of Cactus Chapter, No. 2, Disabled American Veterans of the World War, in regular session assembled, do hereby request the Hon. HENRY F. ASHURST to present the facts of this matter to the United States Senate in order that section 202, World War veterans' act, 1924, as amended, be amended in subdivision (3), paragraph 1, as follows:

"(3) If and while the disability is rated as total and permanent, the rate of compensation shall be $100 per month plus the allowances for dependents provided by subdivision (1) of this section."

*Be it further resolved*, That Maj. Thomas Kirby, national legislative committeeman of the Disabled American Veterans of the World War, be given a copy of this resolution and requested to confer with Hon. HENRY F. ASHURST regarding this legislation.

JOSEPH THOMAS,
*Acting Commander.*
CHARLES L. EDGERTON,
*Adjutant.*
FRANCIS J. NILLES,
*Executive Committee.*
LA RUE GOODRICH,
*Executive Committee.*
JAMES C. HERRON,
*Executive Committee.*

INVESTIGATION BY FEDERAL TRADE COMMISSION OF BOULDER DAM LOBBY

Mr. ASHURST. Mr. President, on yesterday the able Senator from Nebraska [Mr. NORRIS] inserted into the CONGRESSIONAL RECORD copious extracts from newspapers regarding the investigation being conducted by the Federal Trade Commission into the activities of the Power Trust. I believe the Senator did a wise, proper thing, and it is now my duty to include into the RECORD a letter signed by Governor Hunt, of Arizona, and addressed to the Federal Trade Commission, demanding that an investigation also be made by the Federal Trade Commission of the lobby which here and elsewhere is attempting to promote the Boulder Canyon Dam bill. I ask that the Secretary read the governor's letter; and at this juncture I wish to make the following correction, viz: Among the witnesses whom the governor demanded be summoned and sworn to explain their diversified activities in behalf of this bill there was named the auditor and manager of the International News Service. That should read the Universal Service. I ask that the governor's letter be now read and that the list of witnesses whom the governor desires to have sworn and examined be printed in the RECORD.

Mr. SMOOT. Does the Senator desire the letter read?

Mr. ASHURST. Yes. It is not long; it can be read in about five minutes.

Mr. SMOOT. I do not want to take up any more time with extraneous matters than is necessary.

Mr. ASHURST. Will the Senator grant his consent?

Mr. SMOOT. If it will not take more than five minutes, but if it does I want to go on with the revenue bill.

Mr. ASHURST. I ask the clerk to read very rapidly.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

MAY 1, 1928.

*To the Federal Trade Commission, Washington, D. C.*

GENTLEMEN: You are now engaged in making an investigation of the electrical power industry of the United States. One of the duties with which you are charged by the resolution adopted by the Senate is to investigate the activities of the so-called hydroelectric power lobby.

I am not concerned officially with the question of whether it is improper for American citizens to exercise the right of "petition" which is guaranteed to them by the Constitution of the United States. That is a matter for Congress to decide. However, many irresponsible and fantastic statements and charges concerning the alleged activities of the so-called power lobby are published daily by certain newspapers.

Charges have been made upon the floor of Congress by proponents of the Swing-Johnson bill, and these newspaper articles have been inserted into the CONGRESSIONAL RECORD by proponents of the legislation, who are seeking to secure the passage of the Swing-Johnson bill or what is known as the Boulder Canyon Dam bill. The fact that no evidence has ever been adduced to substantiate many of the innuendos and charges does not appear to hinder or restrain those who are supporting the legislation from repeating such insinuations.

It is with these latter activities that I am concerned as the Governor of the State of Arizona. Many of these newspaper articles, by inference and innuendo, charge that the State of Arizona in opposing the Swing-Johnson bill is acting in collusion with and under the influence of the representatives of private power companies. These allegations I challenge, denounce, and deny.

I am, of course, familiar in a general way with the "evidence" which has been offered to sustain the charges with reference to the alleged activities of the power companies.

I am also familiar, in a general way, with some of the propaganda broadcast by those who are advocating this Boulder Dam legislation, and it is my belief that for every dollar the opponents of Boulder Canyon legislation have spent in opposing it, that those supporting the legislation have spent $5.

I charge that there is a conspiracy to rob the State of Arizona of valuable resources, to make them available to power companies in the State of California, and that enormous sums of money have been and are being expended to employ lobbyists, lawyers, engineers, and newspaper men, and to pay for propaganda; that methods—both legitimate and questionable—have been employed to influence public opinion and to influence Members of Congress in favor of the Boulder Dam legislation and to threaten, intimidate, harrass, and browbeat Members of Congress into supporting the Boulder Dam legislation. It could also probably be established that attempts have been made to influence the policy of candidates for the office of President of the United States.

I respectfully submit that these charges are susceptible of verification.

In view of the foregoing and in view of the further fact that while you are conducting your investigation the Boulder Dam legislation is now being discussed in Congress. I therefore respectfully request that you do not confine your investigation solely to the activities of those whose are opposing the Boulder Canyon legislation but that you also investigate the activities of the lobby which is supporting the Boulder Dam legislation, so that, in fairness to the State of Arizona and the other States interested, such States shall not be irreparably injured by legislation which Congress may pass as a result of false and misleading information.

I respectfully request that you at once summon to appear before you, with all their books, papers, accounts, and records which in any way pertain to the legislation proposed in the Swing-Johnson and Phipps Boulder Dam bills, relating to the development of the Colorado River, all persons who possess evidence concerning the activities of those who are supporting said legislation. I append to this letter a list of persons whom I suggest that you summon to testify in this matter.

Very respectfully yours,

GEO. W. P. HUNT,
*Governor of Arizona.*

The VICE PRESIDENT. Without objection, the list of witnesses referred to by the Senator from Arizona will be printed in the RECORD.

The list of witnesses is as follows:

List of witnesses which Gov. George W. P. Hunt, of Arizona, suggests that the Federal Trade Commission summon to appear to give testimony concerning lobbying activities on the Boulder Canyon Dam bills:

The members of the board of public service commissioners of the city of Los Angeles, Calif.

The officers of the bureau of light, power, and water of Los Angeles, Calif.

Officials of the Imperial Valley Irrigation District, of Imperial Valley, Calif.

Officials of the Boulder Canyon Dam Association.

Officers of the Motion-Picture Producers' Association.

Mayor and auditor of the city of San Diego, Calif.

Former Mayor John L. Bacon, president of the Boulder Canyon Dam Association, San Diego, Calif.

Officers of the Coachella Valley Irrigation District, Coachella Valley, Calif.

Officers of the Colorado River Land Co., California.

Editor and auditor of the Los Angeles Record, Los Angeles, Calif.

Editor and auditor of the Los Angeles Examiner, Los Angeles, Calif.

Editor and auditor of the Los Angeles Times, Los Angeles, Calif.

Editor and auditor of the Los Angeles Express, Los Angeles, Calif.

Officers of the League of Southern California Municipalities, California.

Officers of the Los Angeles Chamber of Commerce, Los Angeles, Calif.

Mr. R. B. Peters, of the Southern California Farm Bureau.

Manager and auditor of the Chandler Mexican land interests.

Editor and auditor of the Los Angeles Herald, Los Angeles, Calif.

Editor and auditor of the New Republic, New York City.

The members of the boards of supervisors of the counties of Los Angeles, Orange, Imperial, Riverside, Santa Anna, and San Bernardino, also San Diego, Calif.

The mayors of Riverside, Calif., from 1922 to date, particularly Mr. S. C. Evans, executive director of the Boulder Canyon Dam Association.

William Randolph Hearst and the editors and auditors of his newspapers and publications.

The auditor and manager of the Universal Service and the auditors and managers of the motion-picture companies in which William Randolph Hearst is financially interested.

Mr. Roy Howard and the editors and auditors of the newspapers associated with the Scripps-Howard chain of papers.

The managers of the Newspaper Enterprise Association, and also of the Scripps-Howard alliance.

Mr. W. A. Bonfils, owner of the Denver Post, and Mr. Hayes, one of its feature writers, Denver, Colo.

Producers of the moving picture, "The Winning of Barbara Worth."

Producers of the moving picture which was filmed in the Colorado River December, 1927.

Mr. L. Ward Bannister, attorney at law, Denver, Colo.

Mr. James G. Schrugham, Reno, Nev.

Mr. Arthur P. Davis, Oakland, Calif.

Mr. Charles P. Squires, Los Vegas, Nev.

Mr. William Mulholland, Los Angeles, Calif.

Mr. E. F. Scattergood, Los Angeles, Calif.

Mr. Burdette Moody, Los Angeles, Calif.

Prof. William F. Durant, Berkeley, Calif.

Mr. Ralph L. Criswell, Los Angeles, Calif.

Mr. William J. Carr, Pasadena, Calif.

Mr. Ralph H. Swing, San Bernardino, Calif.

Mr. Louis C. Hill, civil engineer, Los Angeles, Calif.

Mr. J. B. Lippincott, civil engineer, Los Angeles, Calif.

Mr. Lucius K. Chase, attorney at law, Los Angeles, Calif.

Mr. F. H. McIver, Imperial Valley, Calif.

Mr. Walter B. Clawson, of the Associated Press, Los Angeles, Calif.

Mr. R. D. McPherian, Imperial Valley, Calif.

Mr. Joseph Timmons, feature writer, Hearst newspapers, Los Angeles, Calif.

Mr. John T. Lambert, feature writer, Hearst newspapers, Washington, D. C.
Mr. Judson King, Washington, D. C.
Mr. Gifford Pinchot, Washington, D. C.
Dr. S. S. M. Jennings, Coachella, Calif.
Mr. Thomas C. Yeager, Coachella, Calif.
Mr. W. B. Matthews, attorney for the Los Angeles Bureau of Power and Light, Los Angeles, Calif.
Mr. F. W. Greer, publicity director.
Mr. Nelson M. Shipp, Cordele, Ga.
Mr. J. C. Allison, operator of Mexican lands.
Congressman PHIL D. SWING, Imperial Valley, Calif.
Mr. Harry Chandler, owner of Mexican land and of the Los Angeles Times, Los Angeles, Calif.
Mr. Enterman, Imperial Valley, Calif.
Mr. Earl Pound, El Centro, Calif.
Mr. Mark Rose, El Centro, Calif.

REPORTS OF COMMITTEES

Mr. DALE, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 11692) authorizing the Gulf Coast Properties (Inc.), a Florida corporation, of Jacksonville, Duval County, Fla., its successors and assigns, to construct, maintain, and operate a bridge across the Lake Champlain at or near East Alburg, Vt. (Rept. No. 1006);

A bill (H. R. 11797) granting the consent of Congress to Columbus County, State of North Carolina, to construct, maintain, and operate a free highway bridge across the Waccamaw River at or near Reeves Ferry, Columbus County, N. C. (Rept. No. 1007); and

A bill (H. R. 11992) granting the consent of Congress to the Arkansas Highway Commission to construct, maintain, and operate a free highway bridge across the Current River at or near Biggers, Ark. (Rept. No. 1008).

Mr. DALE, also from the Committee on Commerce, to which was referred the bill (H. R. 11338) authorizing the Kansas City Southern Railway Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Randolph, Mo., reported it with an amendment and submitted a report (No. 1009) thereon.

He also, from the same committee, to which was referred the bill (S. 4203) authorizing J. H. Haley, his successors and assigns (or his heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the Missouri River at or near a point where Olive Street Road, St. Louis County, Mo., if extended west would intersect the Missouri River, reported it with amendments and submitted a report (No. 1010) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (H. R. 4652) for the relief of Charlie R. Pate, reported it without amendment and submitted a report (No. 1011) thereon.

He also, from the same committee, to which was referred the bill (S. 3812) for the appointment of William Edward Tidwell as a first lieutenant in the United States Army, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

Mr. TYSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 4664) for the relief of Capt. George R. Armstrong, United States Army, retired, reported it with amendments and submitted a report (No. 1012) thereon.

He also, from the same committee, to which was referred the bill (S. 1933) granting an honorable discharge from the military service to Charles Morton Wilson, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 3827) to exempt employees of the public-school system of the District of Columbia from the $2,000 salary limitation provision of the legislative, executive, and judicial appropriation act approved May 10, 1916, as amended, reported it without amendment and submitted a report (No. 1013) thereon.

DELAWARE RIVER BRIDGE

Mr. DALE. From the Committee on Commerce I report back favorably with an amendment Senate bill 1857, and I submit a report (No. 1004) thereon. I call the attention of the Senator from Delaware [Mr. BAYARD] to the bill.

Mr. BAYARD. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. The Senator from Delaware asks unanimous consent for the present consideration of a bill the title of which will be stated by the Secretary.

The LEGISLATIVE CLERK. A bill (S. 1857) granting the consent of Congress to the Delaware & New Jersey Bridge Corporation, a corporation of the State of Delaware, domiciled at Wilmington, Del., its successors and assigns, to construct, maintain, and operate a bridge across the Delaware River.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment was to strike out all after the enacting clause and in lieu thereof to insert:

That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the Delaware & New Jersey Bridge Corporation, a corporation of the State of Delaware, domiciled at Wilmington, Del., its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J.; their heirs, executors, administrators, or assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Delaware River at a point suitable to the interests of navigation, at or near Wilmington, Del., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the condition and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Delaware & New Jersey Bridge Corporation, its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs, executors, administrators, or assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, contruction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Delaware & New Jersey Bridge Corporation, its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J.; their heirs, executors, administrators, or assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of Delaware, the State of New Jersey, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 30 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of

the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. The Delaware & New Jersey Bridge Corporation, its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs executors, administrators, or assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Delaware and New Jersey, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Delaware & New Jersey Bridge Corporation, its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs, executors, administrators, or assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Delaware & New Jersey Bridge Corporation, its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs, executors, administrators, or assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Delaware & New Jersey Bridge Corporation, a corporation of the State of Delaware, domiciled at Wilmington, Del., its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs, executors, administrators, or assigns, to construct, maintain, and operate a bridge across the Delaware River at or near Wilmington, Del."

### ERECTION OF FLAGSTAFF AT FORT SUMTER, S. C.

Mr. TYSON. From the Committee on Military Affairs I report back favorably, without amendment, House Joint Resolution 177, authorizing the erection of a flagstaff at Fort Sumter, Charleston, S. C., and for other purposes, and I submit a report (No. 1005) thereon.

Mr. BLEASE. Mr. President, that is a local matter, and is approved by the Secretary of War. It does not call for any appropriation. I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

*Resolved, etc.*, That the Secretary of War is authorized and directed to select a suitable site and to permit the executors of the estate of Eliza Mackintosh Clinch Anderson Lawton to erect on public grounds of the United States at Fort Sumter, Charleston, S. C., a flagstaff, with appropriate landscape and architectural setting, and to place in connection therewith a memorial commemorating the defense of the fort by Gen. Robert Anderson. The design and materials of the flagstaff and memorial shall be subject to the approval of the Secretary of War, with the advice of the Commission of Fine Arts. The United States shall be put to no expense in or by the erection of such flagstaff and memorial. Upon completion thereof the Secretary of War is authorized and directed to accept, on behalf of the United States, the flagstaff and memorial, in lieu of the legacy in the will of Eliza Mackintosh Clinch Anderson Lawton, providing for the erection of a statue of Gen. Robert Anderson at Fort Sumter.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED of Pennsylvania:

A bill (S. 4355) to amend section 14 of the national defense act; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 4356) for the relief of Howard P. Cornick; to the Committee on Military Affairs.

By Mr. BROOKHART:

A bill (S. 4357) authorizing Henry Horsey, Winfield Scott, A. L. Ballegoin, and Frank Schee, their heirs, legal representatives, and assigns, to construct and operate a bridge across the Des Moines River at or near Croton, Iowa; to the Committee on Commerce.

By Mr. GILLETT:

A bill (S. 4358) for the relief of Minnie A. Travers; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 4359) granting a pension to James Stuart; to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 4360) granting an increase of pension to Marguerite W. Huston (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4361) granting an increase of pension to Octavia R. Bickmore (with accompanying papers); to the Committee on Pensions.

By Mr. BRUCE:

A bill (S. 4362) to amend section 641 of the act approved May 19, 1924, entitled "World War veterans' relief," providing for the payment of a certificate upon certain conditions; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 4363) for the relief of Elmer E. C. Armstrong; and

A bill (S. 4364) providing for the advancement of Michael Holub on the retired list of the Army; to the Committee on Military Affairs.

By Mr. DALE:

A bill (S. 4365) granting an incerase of pension to Harriet M. Gridley (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 4366) for the relief of James H. Roache; to the Committee on Public Lands and Surveys.

By Mr. SHIPSTEAD:

A bill (S. 4367) for the relief of Joseph Lee; to the Committee on Military Affairs.

A bill (S. 4368) to authorize reinstatement of war-risk insurance of Sophus B. Enger, deceased; to the Committee on Finance.

### AMENDMENTS TO TAX REDUCTION BILL

Mr. SHIPSTEAD and Mr. REED of Pennsylvania each submitted an amendment intended to be proposed by them to House bill 1, the tax reduction bill, which were separately ordered to lie on the table and to be printed.

### SENATOR FROM PENNSYLVANIA—EXPENSES OF CONTEST

Mr. SHORTRIDGE submitted the following resolution (S. Res. 225), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Privileges and Elections, authorized by resolution of December 17, 1927, to hear and determine the pending contest between WILLIAM S. VARE and William B. Wilson involving the right to membership in the United States Senate as a Senator from the State of Pennsylvania, hereby is authorized to expend from the contingent fund of the Senate $25,000 in addition to the amount heretofore authorized for such purpose.

### MEMBERS OF SAME FAMILY IN GOVERNMENT SERVICE

Mr. BLEASE. I offer a resolution, which I ask to have read and go over, under the rule.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 226) was read, as follows:

*Resolved*, That the heads and chiefs of any and all the various departments, bureaus, commissions, and other establishments of the United States Government be, and the same are hereby, directed and required to forward, on or before the 3d day of December, 1928, a report to the Senate, setting forth with particularity the names and addresses of any and all husbands, wives, and other members of the same immediate

family employed in the Government service, together with the place of such employment, the salary received by each therefrom, the date of appointment to the said service, and by whom made.

*Resolved further,* That any person or persons failing or refusing to make the said report as hereinabove directed, or making a false statement in reference to any item or items thereof, shall forthwith be adjudged in contempt of the Senate, and shall suffer therefor such penalty or penalties as may be prescribed.

The VICE PRESIDENT. The resolution will go over, under the rule.

ENFORCEMENT OF PROHIBITION

Mr. BRUCE. Mr. President, I should like to have inserted in the RECORD an editorial from the St. Louis Post-Dispatch of May 2, 1928, headed "Submit the issue of Federal prohibition to the people."

This paper, as we all know, is one of the great organs of personal liberty in the United States; and I have not for some time seen a more effective attack than this editorial is upon that system of organized fanaticism and organized hypocrisy known as the national prohibition system.

The VICE PRESIDENT. Without objection, the editorial will be printed in the RECORD.

The matter referred to is here printed, as follows:

SUBMIT THE ISSUE OF FEDERAL PROHIBITION TO THE PEOPLE

The only sound and satisfactory solution of the Federal prohibition problem is the repeal of the eighteenth amendment. Every other proposal, touching the modification of the Volstead Act or the nullification of the amendment by repeal of all enforcing legislation is a makeshift. It would only postpone the final settlement of the question.

Put the question to the people.

The issue of Federal prohibition can not be taken out of politics until it is finally and conclusively settled by the complete abandonment of Federal prohibition. So long as the eighteenth amendment remains in the Constitution the issue will persist. It will be a red herring across the trail of all other national issues, diverting the public mind from them.

Federal prohibition is a paramount issue throughout the country. There is a reason for its predominance. It has had more effect on politics and on government, on legislation, and on public sentiment than any issue in American history since the slavery question and secession.

The eighteenth amendment changed the character and spirit of the Constitution. It changed the scope and power of the Federal Government. It broke down the constitutional restrictions on Federal powers and functions. It authorized the Federal Government to violate the rights of the States and usurp their police powers guaranteed by the Constitution. It authorized the Federal Government to destroy the inherent constitutional rights of the individual. It was a deadly assault upon the individual liberty of the citizen. It impaired local self-government.

Federal prohibition has never been submitted to the American people as a clear-cut issue.

It was adopted without consulting the people as a whole. It was adopted during the war, on the pretense of being a war measure, while millions of voters were disfranchised by absence abroad or by war activities. It was adopted by indirect political methods. The Anti-Saloon League, under cover, with a huge campaign fund, took advantage of the war to elect legislators, national and State, favorable or actually pledged to the support of the Federal prohibition program.

The Anti-Saloon League program for Federal prohibition was carried through, we believe, against the convictions of a majority of the people; against the convictions of a majority of the Congress which submitted it, and of many of the State legislatures which ratified it.

The Volstead Act, enforcing Federal prohibition, which violated fundamental American principles and guarantees embodied in the Constitution, was adopted not through the convictions of Members of Congress and their free, conscientious approval of it, but through compulsion of threats and fear of defeat by a powerful political organization.

These are the fundamental reasons for the submission to the people of a clear issue of repeal. But there are other convincing reasons, based upon the experience of the Nation with Federal prohibition. The effects of Federal prohibition have not justified the avowed purposes and the predictions of those who organized and managed the prohibition campaign, nor the expectations of those who with honest motives were misled into supporting it.

Instead of destroying the saloon it has increased the number of saloons and drinking places, in cities at least, and of stills and brewing plants in country districts.

Instead of promoting temperance, it has increased intemperance and its consequent disorders.

Instead of protecting the young from the evils of intemperance, it has induced many to drink to excess.

Instead of stopping the manufacture and sale of intoxicating beverages, it has encouraged the illicit manufacture and sale. Bootleggers have multiplied.

Instead of checking crime and emptying the jails, it has increased crime and lawlessness and filled the jails to overflowing. It has caused lawlessness and widespread corruption among public officials. It has put a huge corruption fund in the hands of the underworld.

These conditions of increasing intemperance, lawlessness, and corruption have convinced many individuals and organizations who supported Federal prohibition as the solution of the problem of intemperance and as a great moral advance that the experiment is a failure. There is increasing evidence of a reaction against Federal prohibition among the people.

The only practical way in which to get a fair plebiscite is through action by the leading political parties.

Two forces, under strong leadership, are working within the Republican Party.

Senator BORAH insists that the Republican Party shall adopt an unequivocal plank in its platform, declaring for Federal prohibition and the rigid enforcement of prohibition laws.

President Nicholas Murray Butler, of Columbia University, New York, a Republican leader, declares himself emphatically in favor of repeal, and insists that the political parties should take a decisive stand on this issue.

There is nothing in the avowed principles of the Republican Party which would prevent it from deciding either way, on the ground of general public welfare or of expediency. It inclines to paternalism and centralization of power in the Federal Government, but a large element of Republicans favors repeal of the eighteenth amendment.

On the other hand, the Democratic Party, by avowed principle and tradition, is the logical guardian of the original Constitution. It was founded on the fundamental principle of the constitutional restriction of Federal powers and functions. It avows the Jeffersonian principles of the preservation of the rights and powers of the State, and the guarantees of individual rights and liberties. It is the avowed defender of the principle of local self-government. It is the avowed opponent of Federal usurpation.

The Democratic Party is divided on the issue of Federal prohibition. There are leaders on both sides of the question, but the opposition to Federal prohibition within the Democratic Party is very strong in both leadership and numbers. Its two leading presidential candidates, Governor Smith, of New York, and Senator REED of Missouri, are against Federal prohibition on principle.

We believe the balance of strength, in leadership and in the rank and file of both parties combined, is against Federal prohibition.

If the Democratic Party were true and faithful to its principles and traditions, it would adopt a platform unequivocally favoring the repeal of the eighteenth amendment, and nominate a candidate in accord with this platform.

In our insistence on the submission to the people of a clear issue of the repeal of the eighteenth amendment there is not a shadow of intention to advocate a reestablishment of the old licensed saloons. That problem can be met when the vital problem of Federal prohibition is settled.

The besetting sins of political parties, political leaders, and public officials in this country are cowardice and hypocrisy. They are deadly sins. Cowardly evasion is blighting both political and governmental action.

It is high time that cowardice, hypocrisy, and evasion should be abandoned in dealing with Federal prohibition, which so seriously affects our Government and the social and political life of the people.

The Post-Dispatch appeals to political leaders and to the people to put an end to political evasion on the question of Federal prohibition. We demand that the political parties and every candidate for an office which is concerned with Federal prohibition shall make a clear declaration on this question.

The issue of repeal of the eighteenth amendment should be submitted to the voters in the presidential campaign.

POSTAL RATES

Mr. KING. Mr. President, a few days ago the so-called postal rates bill was under consideration by the Senate. During the discussion there was some controversy as to whether accurate information had been obtained in regard to the deficits in the Post Office Department and, if so, the principal causes of such deficits. It was contended by some Senators that there was a deficit for the past year of $75,000,000, and it was claimed that this large deficit resulted from carrying second-class mail at lower rates than those which should prevail. The discussion revealed that there was no unanimity of opinion upon the part of those on the Post Office Committee either as to the amount of the deficit or the causes of the same.

During the debate I asked the Senator from New Hampshire [Mr. MOSES] a question, substantially as follows:

Why have not facts been presented that will enable the Congress to determine whether the Post Office Department's figures are correct or not?

While I put the question in an interrogative form, I did not mean to imply a disbelief in the accuracy of the figures submitted by the Post Office Department. However, the question which I propounded has led some of my friends to believe that I took the side of those who were insisting that the deficit was very much less than shown by the Post Office Department.

I am taking this occasion to very briefly state that at the time of the discussion I was of the opinion that the position of the Post Office Department was right and that the deficit was such as was indicated by the officials in that department. I have made some inquiry since then and am more convinced than I was then of the accuracy of the figures submitted by the postal authorities. It occurred to me during the debate that there ought not to be any dubiety on the question of receipts and disbursements of the Post Office Department, and that there ought to be no uncertainty as to whether the department was losing money; and if so, the annual deficits. It did seem to me that a system of bookkeeping and accounting should have been adopted in that great department that would accurately reflect its business, its losses, and its gains. It is true that persons have represented to me that the Post Office Department's accounting system was archaic, and that it was difficult, if not impossible, to determine with any degree of certainty the sources of revenue and the losses sustained in its operation. It has been stated that the accounting system did not provide full and accurate information with respect to the gains or losses resulting from any particular class of mail carried by the Post Office Department.

Notwithstanding these contentions, I have been inclined to accept the statements of the department and regard their findings as to their deficits as being substantially correct. I have made some inquiry since the discussion referred to and have learned that the department employed one of the leading accounting firms of the United States to examine the books of the department with a view to determining whether the report submitted by the Post Office Department with respect to the losses referred to was accurate or inaccurate. The firm referred to submitted a report, as I am advised, supporting the figures of the Post Office Department. My information is that when the postal rate bill was under consideration in 1925 a committee representing the users of second-class mail suggested an investigation of the figures submitted by the Postmaster General in order that such figures might be tested and the accuracy of the same determined. It was the report submitted by the firm of certified accountants to which I have just referred that supported the report of the Post Office Department. When the report of the certified accountants was made my information is that the matter was referred to the firm of Price Waterhouse. This firm deservedly enjoys a high reputation as certified public accountants, and, as I am advised, its conclusions were in accord with the report of the firm of certified public accountants employed by the department in 1925.

My information is, Mr. President, that there is a deficit as reported by the Post Office Department of substantially $75,000,000. I think this should be accepted as the basis for any legislation that may be enacted. There is no reason why the rates should not be so changed and modified as to prevent any further deficits in the operation of the Post Office Department. It should be self-supporting and those who use the mails should be willing to pay for such use, and no group or class of citizens should seek or obtain any favors not granted to all others, or seek to have established discriminatory rates which will enable them to pass on to those who use the mails the losses resulting from the special advantages or privileges which they seek.

ABOLITION OF WAR

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the San Francisco Call and Post of April 27, 1928, with regard to a recent speech made by the noted writer, Mrs. Kathleen Norris, in opposition to war.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Without objection, the article will be printed in the RECORD.

The matter referred to is here printed, as follows:

BAN WAR, MRS. NORRIS'S PLEA TO SAN FRANCISCO MOTHERS

"If we women made up our minds to organize and fight, we could stop war forever."

That was the statement by Kathleen Norris, famous novelist, which was being discussed to-day by the wealthy and fashionable women of the Mill Valley Outdoor Art Club. A "standing room only" audience had heard Mrs. Norris hurl javelin after javelin at Mars in her address before the club yesterday.

"In Paris," said the novelist, "there are signs on every lamp-post saying, 'Women of France, for every child you are giving to France the women of Germany are giving seven!'

"But the women of France are wise. They will no longer rear children to be cannon food. And I don't blame them!

"We mothers rear perfect children to make perfect fodder for the guns," cried Mrs. Norris.

"We get spinach and force the children to eat it whether they like it or not so they will grow up strong and healthy, fit to be butchered in Europe.

FED FOR SLAUGHTER

"Carrots, spinach, certified milk, all the things we are told so often that we must make our sons eat—we faithfully get them and faithfully feed the poor little kids these things so that their bodies and souls and lives can be fed to the slaughterhouses of war later.

"Is it fair," demanded Mrs. Norris, "that the woman who takes the best care of her son is the one that is forced to lose him in some war that he had nothing to do with starting?

"Let a woman neglect her son and fail to get for him that certified cream which we careful mothers pour so carefully on his mush—then that woman's son is carefully preserved for her, and he is saved in time of war.

GIVEN UP TO WAR

"But we who take care of our sons must give them up in time of war."

Mrs. Norris insisted that women could do something now that would stop war.

"The next generation will be fooled by the same brass bands and appeals to patriotism," she said. "The time to organize against war is now!"

"We women don't have to be afraid we can't get anything we want," the famous writer declared. "Three or four times the women of America have risen up, and each time they've got just what they wanted. They can do it again, and stop the murder of their sons."

NOBODY TO BLAME

"The war is over," Mrs. Norris continued. "Nobody was responsible. Nobody was to blame. No individual decided upon it. It was all a terrible blunder. That's what they tell us, and now they say, 'Let's forget it and turn our attention to Lindy and automobiles.'

"But just the same, if a few—a very few—American women—perhaps some of the women in this audience—made up their minds that it should not be forgotten—

"'That our dead,' in Lincoln's matchless phrase, 'should not have died in vain'—

"That time has come for action and not passive acquiescence—

"Then we should have no more wars. One hundred years of peace would show the world what war really is.

"After that it would be as easy to make America go back to slavery or England to go back to religious persecutions as ever to try war again.

"We could do this—we women of America—through the Federated Clubs, the parent-teacher organizations, the Red Cross and the 'Y,' the Girl Scouts and the Campfire Girls, and all the magnificent groups that exist in all the churches.

"We can do it if we wish to. The only question is, Will we do it?"

"Propaganda in time of war," the famous woman writer insisted, "is largely lies. We war-hating women have to be assured over and over that this is a philanthropic war to end all wars. They said that to the women in the old Greek and Persian wars, too.

"'A war to end war!' How fatuously, how simply, we repeated this and believed this 10 years ago!

"Frenzied, mud-caked, half-frozen, hungry, desolately puzzled, and lonely boys scrambling through blood-soaked barbed-wire entanglements, plunging their bayonets into the soft bodies of other boys—to 'end war.'

"One could begin to laugh and cry and scream and go mad at the mere memory of it all."

SOUNDS WARNING

Mrs. Norris warned her hearers not to be impressed unduly by the arguments of men in favor of war. She said:

"Many of the men who hold forth on the subject of international relationships haven't the slightest idea what they are talking about. Face them with one or two shrewd questions and they crumple into sulky generalities.

"Men's favorite generality is, of course, that women have no business to talk war. They say it sounds silly, coming from women. What do women know about war, anyway?

"Well, gentlemen, our humble hope is that some one of these days women are going to know something about war—and for your sakes."

Mrs. Norris insisted that "if ever a general statement is 100 per cent true it is true to say that American women hate wars.

"Established in the center of our astounding sophistication, furred, rouged, powdered, perfumed, always well fed and silken clad, protected a thousand times by walls and streets and pavements, mails and police and radio and telegraph and press, laws and lights and bells, Army and Navy, our women go about with a jungle fear devouring their hearts—the fear of war."

THE WORLD COURT

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a letter from Prof. David Y. Thomas, of the University of Arkansas, respecting the subject of the World Court and the Gillett resolution.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Without objection, the letter will be printed in the RECORD.

The matter referred to here is printed, as follows:

UNIVERSITY OF ARKANSAS,
DEPARTMENT OF HISTORY AND POLITICAL SCIENCE,
*Fayetteville, May 1, 1928.*

Hon. J. T. ROBINSON, M. C.,
*Washington, D. C.*

DEAR SENATOR ROBINSON: According to the press dispatches the Gillett resolution requesting the President to renew negotiations about our entrance into the World Court has been up for discussion, but apparently has not been disposed of at this writing.

I am heartily in favor of the resolution, but I don't see much good that can come of a renewal unless the President is in a position to remove the doubts and fears of the European nations regarding the meaning of the fifth reservation made by the Senate when ratifying the statute creating the World Court. The significant part of this reservation reads that the court shall not, "without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

It is my understanding that this part of the reservation is the main thing that caused the European nations to request an explanation. As it stands, if a dispute were to arise between, say, Hungary and Rumania and our State Department were to claim that we have an interest in it, though it might be very difficult to prove such interest, that would block consideration by the court. In this way our State Department could block all advisory opinions. It is hard to think that it would ever trump up a claim to an interest when we really had none, but the possibility is there and it is not strange that European nations balk at it.

Surely the Senate never intended that this interpretation should be put upon its reservation. As a means of clearing up the difficulty I respectfully suggest that the Senate restate the reservation by striking out the two words "or claims," so that the reservation will read, "in which the United States has an interest." But if it seems best to retain "or claims," then follow it with this concession: "*Provided*, That if a difference of opinion arises on whether or not the claim is valid, then the United States agrees that the validity of the claim shall be passed upon by the court."

I am not sure that this will allay all the fears of the European powers, but it seems to me that it ought to settle most of them. Anyway I am very much interested in the Gillett resolution, and I trust that you will support it with such reasonable changes in the fifth reservation as will tend to allay the reasonable fears of the Europeans.

Very truly yours,

DAVID Y. THOMAS.

HERBERT HOOVER

Mr. BLEASE. I ask that the clerk read an editorial on "Hoover's Americanism" and that it be printed in the RECORD.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Is there objection to the request of the Senator from South Carolina? The Chair hears none.

The Chief Clerk read as follows:

[From the Fellowship Forum of April 28, 1928]

HOOVER'S AMERICANISM

A California correspondent recently wrote to the Fellowship Forum questioning the Americanism of Secretary of Commerce Herbert C. Hoover, one of the leading candidates for the Republican nomination for President. Subsequently our correspondent forwarded to us a clipping from a Sacramento newspaper covering the matter which he had brought to attention, the employment of foreign labor on Mr. Hoover's large farm in Kern County, Calif.

From this newspaper clipping it appears that a union-labor committee recently investigated the report about Mr. Hoover's employment of foreigners and found that out of approximately 300 persons working on his farm only about 25 to 30, or 1 in 10, were Americans, and of the 25 or 30 only a very few were whites. Most of the labor is done by Mexicans and Filipinos. The union-labor committee investigated to determine if employment of foreigners was necessary because of a shortage of white American workers. It found no shortage; also, that Mr. Hoover's farm manager had made no request of the near-by United States employment bureau to assist him in finding American workers.

The incident is rather illuminating. It again shows the need of restricting Mexican immigration. Not only in California, but throughout the West and Southwest, Mexican laborers are taking jobs that ought to go to American workers. That is one of the reasons several million Americans who would like to work are out of employment right now.

Coupled with the disclosures in Mr. Hoover's personally written autobiography in Who's Who, which listed his residence as London and showed most of his business and professional connections to be foreign up to the World War, when he decided to repatriate himself, the California incident certainly lays the Secretary of Commerce open to the charge of being an American by nativity only until such time as he entered politics.

Recently indignant protests have been registered against Mr. Hoover's order ending segregation of whites and negroes in the Department of Commerce and requiring men and women of both races to work side by side. This indignation was righteous. Resentment that on his California farm, when so many American workers are out of employment, he does not take the trouble to have his manager give the preference to people of his own color and nationality, is justified.

All of these things raise a doubt that Mr. Hoover is a thoroughgoing American in all things, or that he always thinks in terms of America. He has been called America's foremost internationalist. These things go to make him an exceedingly vulnerable candidate if nominated by his rather lately adopted political party. The Kansas City convention could find a man far more thoroughgoing in his Americanism, and therefore far less vulnerable than Mr. Hoover.

It is beginning to appear that the country can look only to the Kansas City convention for a nominee whom genuine Americans can wholeheartedly support. It is to be hoped the convention will rise to the occasion and offer the country a candidate about whose heart there can be no suspicion.

WILLIAM CHILDERS

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of House bill 4357, for the relief of William Childers.

Mr. SMOOT. What is the bill?

Mr. BARKLEY. It is a little claim bill, reported by the Committee on Claims. It will take no time at all.

Mr. SMOOT. If there is any objection to it, I will ask that it go over.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William Childers, formerly employed in quarrying stone for use in connection with the Government Lock No. 1, on the Levisa Fork of the Big Sandy River, the sum of $840, out of any money in the Treasury not otherwise appropriated, as full compensation for injury and consequent loss of the left eye sustained in the course of his employment and without negligence on his part.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3594) to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes.

The message also announced that Mr. WILLIAMS of Illinois and Mr. KINCHELOE were appointed as additional managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

The message further announced that the House insisted upon its amendment to the bill (S. 1648) for the relief of Oliver C. Macey and Marguerite Macey, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. UNDERHILL, Mr. SEARS of Nebraska, and Mr. BOX were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to each of the following bills of the House:

H. R. 9495. An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture; and

H. R. 10141. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

TAX REDUCTION

Mr. SMOOT. I ask now that the Senate proceed to the consideration of the revenue bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

Mr. REED of Pennsylvania. I send to the desk an amendment which I intend to present to the bill now under consideration. I ask that it be printed and lie upon the table.

The VICE PRESIDENT. That order will be made.

Mr. McMASTER. I desire to offer a tariff amendment to the pending bill. This amendment does not involve the change of any tariff schedule, but its purport is to establish for the farmers of the country the principle of the drawback system which is now enjoyed by the manufacturers of the country. I ask that the amendment be printed and lie on the table and that it be printed in the RECORD.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 245, after line 16, insert the following:

SEC. —. Amendment to tariff act of 1922. The tariff act of 1922 is amended by adding after section 313 thereof a new section to read as follows:

"SEC. 313a. The Secretary of Agriculture is authorized and directed to designate primary markets for each of the following: Grains, cotton, livestock, tobacco, fruits, nuts, vegetables, and any other agricultural product which the Secretary of Agriculture deems advisable. After the designation of any primary market for any such product any producer or shipper of such product shipping for export any quantity thereof through a primary market shall be paid a compensatory allowance equal to the transportation charges paid on such product from the primary market to the most convenient port. Such allowances shall be paid out of the revenue from customs, and a sum sufficient for such purpose is hereby reserved, set aside, and appropriated from the revenue from customs for each fiscal year in a special fund to be administered by the Secretary of Agriculture to carry out the provisions of this section. Such allowances shall be determined and paid under such rules and regulations, and upon the filing of such notices, bonds, bills of lading, and other evidence of payment of transportation charges and exportation, as the Secretary of Agriculture may prescribe. In designating primary markets for any agricultural product under this section the Secretary of Agriculture shall, so far as practicable, avoid the creation of discrimination against other primary markets for such product."

Mr. WALSH of Massachusetts. Mr. President, I have been receiving, as probably every other Senator on the floor has been receiving in the last few days, a large number of telegrams and letters from people engaged in the installment-sale business, protesting against the provisions in the bill which relate to the taxing of incomes from sales made upon the installment plan.

I understand that the Finance Committee have not definitely determined to press the amendment which they have reported in the revenue bill, and that negotiations are on foot to reach a satisfactory agreement between these protestants and the Treasury Department. Will the Senator from Utah please state, for the information of the Senate and the public, just what the attitude of the Finance Committee is upon that phase of this bill?

Mr. SMOOT. Of course, the committee itself authorized the reporting of the bill containing the provisions in regard to the installment plan as written in the bill. Since the bill was reported to the Senate one class of merchants engaged in selling have presented to me, at least—I do not know whether they have talked to other members of the committee or not—what seems a sufficiently good reason why there should be an amendment, and just as soon as Mr. Alvord and Mr. Beaman get the full details of the suggested amendment, I shall ask the committee either to adopt it or to reject it.

Mr. WALSH of Massachusetts. So that the chairman does not intend at this time, to-day, at least, to press the amendment reported by the committee?

Mr. SMOOT. If the installment sales provision comes up to-day, I shall ask that it go over.

Mr. WALSH of Massachusetts. There are prospects of a satisfactory agreement being reached?

Mr. SMOOT. I think so; I hope so.

Mr. FLETCHER. Mr. President, it has been brought to my attention that real estate ought to be eliminated from the installment sales provision. I am not sure whether the committee has thought about that or not.

Mr. SMOOT. I will say to the Senator that a representative of a real-estate firm appeared before the committee at the hearings, but the committee decided unanimously that it would not except real estate, but would allow it to stand upon the same basis, where there were sales, as any other business.

Mr. FLETCHER. Strictly installment sales?

Mr. SMOOT. Strictly installment sales.

Mr. FLETCHER. I am not so sure about that. I may suggest an amendment to eliminate real estate. It seems to me that in selling sewing machines, or victrolas, or that sort of thing we have a different situation than where land is being sold.

Mr. SMOOT. Not as to the profits, and it is the profits we have to tax, and not the business. I will gladly confer with the Senator in relation to it if he desires to go into the matter.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). The question is on agreeing to the committee amendment, on page 8, line 5, to strike out "1927," and insert "1928."

Mr. SMOOT. Mr. President, this is a retroactive feature, applying to corporations, and at the request of a number of Senators I ask that it may go over.

Mr. KING. My colleague is referring to the amendment found on page 8, line 5?

Mr. SMOOT. That is the amendment.

Mr. KING. I want to state that when we reach page 215, which provides for the retroactive application of the law to the surtax, I shall move to strike out the amendment found there.

Mr. SMOOT. That has reference to individuals.

Mr. KING. Yes; exactly. I am not in favor of any retroactivity as contemplated in any provision of the bill.

The PRESIDING OFFICER. The Chair understands that the committee desires to have the amendment passed over.

Mr. SMOOT. Yes, Mr. President.

The PRESIDING OFFICER. Both amendment on page 8?

Mr. SMOOT. Both amendments.

The PRESIDING OFFICER. Both amendments will be passed over.

The next amendment was, in section 12, surtax on individuals, on page 10, after line 17, to strike out all the items to line 3, page 13, and insert the items from line 4, page 13, to line 3, page 15.

Mr. HARRISON. Let all those amendments go over.

Mr. SMOOT. In going over the bill first, we may pass over all the amendments involving rates and take up the administrative features first, then return to the provisions covering rates and discuss each item as it appears in the bill.

The PRESIDING OFFICER. The amendments involving rates will be passed over. Will the chairman of the committee indicate the amendment he desires to have taken up?

Mr. SMOOT. The first one is, on page 15, line 15, to strike out "sections 104 and 105" and insert "section 104," so as to read:

(d) Evasion of surtaxes by incorporation: For tax on corporations which accumulate surplus to evade surtax on stockholders, see section 104.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I wish to suggest to the Senator from Utah that when we reach those amendments he make a brief statement with reference to the substance of the amendment.

Mr. SMOOT. This amendment is merely a change in number.

Mr. SIMMONS. The Senator will understand that I am not objecting to that sort of a change, but some of these administrative provisions were adopted unanimously by the committee.

Mr. SMOOT. I will ask the clerk, under the unanimous-consent agreement entered into, to make the changes in the numbers of the sections wherever that is necessary.

The PRESIDING OFFICER. Without objection, it will be understood that all amendments merely changing section numbers will be agreed to.

Mr. SMOOT. The next amendment to be considered now is on page 16, line 24.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 16, line 24, after the word "service," insert "(including in the case of any President of the United States taking office after the enactment of this act, the compensation received as such)," so as to read:

PART II—COMPUTATION OF NET INCOME

SECTION 21. NET INCOME.

"Net income" means the gross income computed under section 22, less the deductions allowed by section 23.

SECTION 22. GROSS INCOME.

(a) General definition: "Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including in the case of any President of the United States taking office after the enactment of this act, the compensation received as such), of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever.

Mr. SMOOT. This simply means that hereafter the salary of the President shall be taxable just the same as any other individual's salary is taxable.

Mr. KING. Mr. President, I agree with my colleague that there should be a provision taxing the salary of the President. I am not so sure that a proper interpretation of the existing law would exempt the salary of the President from taxation. I have no objection to this amendment, but if upon further consideration I am convinced that the present law subjects the salary of the President to taxation, I shall either move to reconsider and strike out the clause inserted or offer an amendment providing that nothing herein shall be construed as exempting the salary of the President from taxation.

Mr. SMOOT. So that Senators may know, I will state now that if at any time a Senator desires to have a reconsideration of the vote by which any amendment is agreed to, and asks for it, as far as I am concerned, he will have an opportunity to submit his views upon the amendment.

Mr. FLETCHER. Mr. President, whether or not the junior Senator from Utah is correct, this amendment ought to go in, anyhow, it seems to me. I would like to ask the chairman of the committee whether, under the rulings now in force, the President's salary is exempt from taxation and whether the practice is to exempt it?

Mr. SMOOT. I want to say, in the first place, that the Supreme Court has so held. Some of the former President's have not paid taxes on their salaries. I understand that the present President is paying the tax upon his salary. I am not sure of that, because I have not asked him, but this amendment is put in following a decision of the Supreme Court, so that there will be no question about it in the future.

Mr. KING. May I say to the Senator from Florida that in the case of Miles against Graham the matter did not involve, of course, the President—that is to say, the President was not a litigant in the case, and there was no consideration of the salary paid to him—but it was with respect to a judge, and it may be that that decision goes far enough clearly to exempt the salary of the President from taxation. The point I made was that if upon further consideration of that decision I should reach the conclusion that it did not exempt the President from taxation of his salary I should offer a proviso.

Mr. SMOOT. Under the Constitution a judge and the President of the United States are on identically the same basis.

Mr. REED of Pennsylvania. Mr. President, in the Graham case it was held that inasmuch as the provision in the present law related indiscriminately to judges appointed previous and judges appointed subsequent to the passage of the income-tax amendment and of the income tax law, and inasmuch as that provision taxing judges who had been appointed previously was obviously unconstitutional, as the provisions were all inseparable, it was therefore unconstitutional as to judges subsequently appointed. Whether we are in full sympathy with that decision or not does not matter, because it is binding on us.

The provision in the Constitution about the President's salary is as follows:

The President shall, at stated times, receive for his services, a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected, and he shall not receive within that period any other emolument from the United States, or any of them.

Obviously the reasoning of the Supreme Court applies to the effort in the tax law to reach the President's salary, and that is the reason why this amendment is couched in the words in which it is found, so that it can not be stricken down under the principle in the Graham case.

Mr. SHORTRIDGE. Mr. President, the question is whether we shall impose this tax upon the President during the period for which he shall have been elected. I understand the matter may be brought up again if any Senator is disposed to discuss it. Up to this moment I have been disposed to oppose this proposed amendment, and I may have something to say upon the subject later on.

The PRESIDING OFFICER. Does the Senator desire that the amendment shall go over?

Mr. SHORTRIDGE. No; I do not ask that, under the statement of the Senator in charge of the bill that it may be taken up again.

The PRESIDING OFFICER. The vote by which the amendment is adopted will be subject to reconsideration. It is agreed to. The Clerk will state the next amendment.

The next amendment was, on page 20, after line 10, to strike out:

(9) Cooperative apartments: In the case of a corporation owning or leasing an apartment building and operating it on the cooperative plan, the payments to such corporation on account of taxes and interest as specified in section 23 (q).

The amendment was agreed to.

The next amendment was, on page 23, line 4, after the word "property," to strike out "assessed" and the period and insert, "assessed; but this paragraph shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges," so as to read:

(c) Taxes generally: Taxes paid or accrued within the taxable year, except—

(1) income, war-profits, and excess-profits taxes imposed by the authority of the United States;

(2) so much of the income, war-profits, and excess-profits taxes imposed by the authority of any foreign country or possession of the United States as is allowed as a credit against the tax under section 131; and

(3) taxes assessed against local benefits of a kind tending to increase the value of the property assessed; but this paragraph shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges.

For the purpose of this subsection, estate, inheritance, legacy, and succession taxes accrue on the due date thereof, except as otherwise provided by the law of the jurisdiction imposing such taxes, and shall be allowed as a deduction only to the estate.

The amendment was agreed to.

The next amendment was, on page 25, line 6, after the word "obsolescence," to strike out "In the case of improved real estate held by one person for life with remainder to another person, the deduction provided for in this subsection shall be equitably apportioned between the life tenant and the remainderman under rules and regulations prescribed by the commissioner with the approval of the Secretary" and insert "In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each," so as to read:

(k) Depreciation: A reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence. In the case of property held by one person for life with remainder to another person, etc.

The amendment was agreed to.

## ASSAULT ON MRS. MARY E. MICHAEL

Mr. BLEASE. Mr. President, I shall take just a few minutes of the Senate's time. Two or three days ago, in this city, a negro went to the home of a fine white family, and, at the point of a pistol in the face of the woman who was in a room with her little 5-year-old child, forced that woman to submit to his beastly desires. He then took her down into the kitchen of the home and made her cook a meal for him to eat. After he had eaten it, he forced her back into her bedroom, and for the second time the beast satisfied his desires. He vanished, and he has not been captured.

That was right here in the shadow of the Capitol, right in the shadow of where this order a few days ago was passed, attempting to put white women on social equality with that class of animals, and forcing them to sit side by side with them for hours at a desk to work.

Mr. President, I wish to call the attention of the country to the fact that that order of Herbert Hoover is just one of the things which is encouraging exactly what happened in this city day before yesterday, and shows the negroes' appreciations.

I shall not take the time of the Senate to read it, but I have here an article from the Washington Post, in which it is stated that the negro told this white lady that this was not his first offense of the kind, and that it would not be his last. I would

like to have that article printed in the RECORD, together with an editorial from yesterday afternoon's Washington Star, in reference to it.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

The article and editorial are as follows:

[From the Washington Post, Saturday, May 5, 1928]

WOMAN SAYS PHOTO IS OF HER ASSAILANT—MRS. M. E. MICHAEL PICKS OUT ROGUES' GALLERY PICTURE—FIVE SUSPECTS FREED

Mrs. Mary E. Michael, 20 years old, of 756 Twentieth Street NE., yesterday identified a rogues' gallery picture as that of the negro who assaulted her and held her and her 5-year-old stepdaughter, Elsie, captive at pistol point for two hours in her home Thursday afternoon.

The police department yesterday offered a reward of $300 for the capture of Mrs. Michael's assailant. The five suspects who were captured in the dragnet spread by police over the city following the attack were released yesterday. Police said they are confident none was responsible for the crime against Mrs. Michael.

While forcing her to sign a statement that he was invited into her house, Mrs. Michael told police her assailant laughingly bragged of other attacks upon white women, and said he had "jumped" bond in New York City for a similar offense. Two glasses which the negro handled while in Mrs. Michael's home were examined for finger prints yesterday, but Detective Sergt. Fred Sandberg said he found no marks.

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[From the Washington Star, Friday, May 4, 1928]

DEFERRED JUSTICE

The atrocious attack on a young married woman in northeast Washington yesterday by a fiend, who subdued his victim with a pistol, calls attention to the fact that Philip Jackson, who attacked a woman in the shadows of the Capitol Grounds, has succeeded so far in escaping punishment, although the sentence of the court for his deed was death in the electric chair some months ago. Jackson was arrested after one of the most intensive man hunts in the history of the city and after large rewards were posted for his capture. He was given a fair trial, with no evidence offered by the defense to disprove his guilt. Yet, though condemned to die, he has succeeded in deferring the execution date.

Now comes another case of almost the same character, although more diabolical in execution. This man, who is still at large, forced his way into the house of a young married couple when the husband was away at work. He assaulted the woman, made her write a note exonerating him of guilt, boasted of similar crimes, and compelled her to cook him a meal, later sneaking out of the house into adjacent woods. Unlike the case of Jackson, however, a minute description of the criminal has been furnished, and, unless he has fled the jurisdiction, it should be comparatively easy for the police to pick him up.

When he is caught, it is to be fervently hoped that there will be no repetition of the Jackson case. By all means, give him an orderly trial to prove his guilt, but let there be no delay in carrying out the mandate of the court. Justice, swift and sure, should follow every crime of this revolting nature. Otherwise thousands of men who leave loved ones at home will undergo mental torture lest a fiend in human form, aware that clever legal tactics can probably get him off, will repeat the deeds of these scoundrels. The law is mighty, but it must dispense justice unerringly or the confidence of the public, from which it obtains its power, will be withdrawn.

HERBERT HOOVER

Mr. BLEASE. I have an article that is too long to ask to have read at the desk, which appears in the Christian Century of May 10, 1928. It is headed "The search for a candidate." I want to refer to just one matter in it and then request that the entire article be printed in the RECORD. It relates to Teapot Dome, which I think I have never mentioned before on this floor.

Mr. Herbert Hoover, who was then in the Cabinet, right at the inception of the Teapot Dome deal was notified by Mr. Helms of the situation. That part of the article which I desire to read in this connection is as follows:

On April 20, 1922, 13 days after the deal with Sinclair was made, this experienced oil man put evidence in the hands of Mr. Hoover which would indicate that the Department of the Interior was mixing up in something with a decidedly off-color aspect—the leasing of national resources of immense value without public bids and in the utmost secrecy. The appeal to Mr. Hoover was in this form:

"Have just sent the following telegram to President, and if you are interested hope you will discuss matter with him. Telegram quoted as follows: 'Will it be convenient for you to grant me a few moments on either April 25 or 26 with reference to the proposed development of Teapot Dome structure in Wyoming? As reported approved by you have just been advised by Secretary Fall that this matter is closed, but feel that my company should have had opportunity to have made a bid upon it, as we requested such an opportunity six months ago, and were then advised by both the Interior and Navy Departments that development proposition would not be considered for a very long time; and, furthermore, we requested same opportunity a few weeks ago and understood that we would have such an opportunity to submit a competitive bid. Please wire collect here.'"

Mr. Hoover, in a word, received this appeal at the very start of the Teapot Dome deal, when the secrecy of the schemers gave evidence that one bold word of public inquiry or denunciation would stop this steal before it could get started. And Mr. Hoover acted. In that he differed from Mr. Harding and the others. How did he act? The files of the Interior Department show that he forwarded his telegram from Mr. Helms to Secretary Fall with this notation:

"I should be glad to convey to this gentleman any reply that you may suggest."

That, in the cold light of the record, is Mr. Hoover's connection with the oil scandal. A member of the Government at the time it occurred; a member ever since; appealed to at the time it occurred to stop it; assuring the chief culprit in the Cabinet of his willingness to allow him to dictate his action in the matter; silent then; silent ever since.

I ask that the entire article be printed in the RECORD, as I do not care to take the time of the Senate to read it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

THE SEARCH FOR A CANDIDATE

What sort of presidential candidate offers to an aroused and indignant Nation promise of the rehabilitation of our public life? The underlying immoralities of our current political situation have already been treated in these pages. Consideration has been given to the three candidates from Illinois who may be offered to lead in this work of restoring both the Republican Party and the Federal Government to a basis of sound morality. It is now necessary to treat of two other frequently mentioned aspirants for the Republican nomination. What may a nation, determined that its public life shall be purified, expect from either of these two men who will be conspicuously in the limelight at the Kansas City convention?

First, as to Mr. Charles Evans Hughes. Mr. Hughes is not an avowed candidate. He has called himself "too old." But Mr. Hughes has had such a long and honored career in public life, and has so recently—at Habana—demonstrated the persistence of those powers as agile diplomat and advocate which have placed him in the highest rank in the legal profession, that it is natural that agitation for his nomination should persist. It is generally believed that the largest uninstructed block of delegates in the Kansas City convention will be those from Pennsylvania, controlled by Mr. Mellon, and from New York, controlled by Mr. Hilles. It is altogether possible that these delegations may try to secure the nomination of Mr. Hughes.

It is hard to discuss Mr. Hughes as a candidate, because, like Mr. DAWES, he is not nominally such. His failure, therefore, to announce an open stand on the decisive issues in this campaign can hardly be held against him. Mr. Hughes once made a campaign as the Republican nominee for the Presidency. That campaign, too, came at a time of national crisis, and it is hardly too much to say that Mr. Hughes in that campaign distressed his most ardent admirers by the manner in which he perfected the technique of making meaningless campaign speeches. Should he run again, Mr. Hughes might prove to have profited by experience. But this does not go very far in answering the question as to the availability of Mr. Hughes as a candidate.

Perhaps the question should be put in this way: Is there any valid reason why citizens who are anxious to secure a cleansing of our American Government should not look to Mr. Hughes for leadership? We believe that there is. We believe that in the one question which presents the most urgent issue in the coming campaign, Mr. Hughes, by past association and present employment, is plainly estopped from taking the lead toward reform. Speaking in the recent Ohio primary campaign, Mr. THEODORE E. BURTON, that fine figure in a State where politics has been conducted on a pretty sordid level, said, according to the Chicago Tribune, that the Republican candidate in the coming presidential election "must be as far removed from the taint of oil as heaven from hades." Mr. BURTON is right. But the demand removes Mr. Hughes from serious consideration. For Mr. Hughes has for years been one of the great oil lawyers of the country. He has represented the great oil interests in case after case. And he is to-day general counsel for the American Petroleum Institute which, just a few months ago, reelected Mr. Doheny and Mr. Sinclair as its directors in the face of a general public sense of outrage. If oil is to enter the coming campaign—as it must—the Republican Party can hardly afford to have as its candidate a man now accepting income from huge oil interests with which two of the most sinister figures in the recent revelations are personally and powerfully identified.

We come now to Mr. Hoover. Mr. Hoover is generally regarded as perhaps the most efficient member of the present administration. This notion may be a mistaken one, but it is held by large portions of the public. His career, since he became a world figure in 1914, has been

a notable one. It is possible that, if a referendum could be taken among all the members of the Republican Party to-morrow, Mr. Hoover might emerge as first choice for the nomination. We are quite sure that he would be given the preference of the majority of members of the Protestant churches. It would be surprising were it otherwise. Around Mr. Hoover there still gathers the glamor of the Belgian relief. It was Mr. Hoover who showed the housewives of America how they could express their patriotism during the days of the war. When the famine rolled over Russia it was Mr. Hoover who directed that service of mercy and relief. A year ago it was Mr. Hoover who was called on to lead in the rescue and aid of the Americans driven from their homes in the flooded Mississippi Valley. Add to these humanitarian considerations the reputation which Mr. Hoover has for almost supernatural ability in the conduct of affairs, and it is natural that people who normally vote the Republican ticket if they can do so without actively outraging their own consciences should have settled on Mr. Hoover as their favorite in this campaign.

But even with this roseate background, Mr. Hoover, as a candidate for the Presidency, requires the same scrutiny that we give to the other candidates. The same tests should be applied to him that we would apply to Lowden or DAWES or Hughes or any of the others. The moral crisis with which we now have to deal is far too real and far too serious to be settled by sentimentalism. We must once more appeal to the facts. Is Mr. Hoover the man who will restore our public life to the high levels of honesty, both in word and act, which an aroused national conscience must demand? To answer, let us apply three tests.

Where does Mr. Hoover stand on foreign policy? Yes; where? Does anybody know? Does anybody pretend to know? There was a time, before Herbert Hoover, the rescuer of Europe's starving, became Herbert Hoover, the officeholder and candidate, when Mr. Hoover's views on foreign policy were available for the asking. He was in favor of American entry into the League of Nations. He was in favor of American entry into the World Court. But what does he favor to-day? Senator MOSES, one of the few complete "irreconcilables" left in public life, who hopes to be the second man on the Republican ticket if Mr. Hoover heads it, has said that Mr. Hoover stands with him in complete opposition to cooperation in any form with European nations in the search for world peace. But there is no way of knowing whether Mr. MOSES is relating fact or merely translating his personal prejudices into hopes. Mr. Hoover is a member of the administration which has dared to propose the outlawry of war as an instrument of policy to the other leading powers. Does Mr. Hoover favor the same thing? Nobody knows. He has managed, although in the Cabinet, to remain entirely mum on this vital issue during this period when Mr. Coolidge and Mr. Kellogg have been pushing it toward international action. Test Mr. Hoover at the first point, and the result is zero.

Where does Mr. Hoover stand on prohibition? Personally, he is a dry. We have heard that no liquor is served at his table in Washington, and the more honor to him for that. But as to the national issue, we have only the enigmatical letter to Senator BORAH to guide us. At the time that letter was written we commented on it, and pointed out that it was an attempt by Mr. Hoover, entered in the Ohio primaries, to hold in line the wet support which he already had in the city machines in Cincinnati and Cleveland, while angling for the dry support of the rural districts. Mr. BORAH put before Mr. Hoover a definite list of definite questions. Mr. Hoover replied by ignoring the specific questions, calling prohibition an "experiment," but opposing repeal of the eighteenth amendment and enforcement of the laws enacted thereunder. He is silent on the vital question propounded by Senator BORAH, as to whether the Republican Party shall make a platform pledge of allegiance to this policy. The letter is greatly admired by professional politicians. They regard it as proof of Mr. Hoover's developing ability to straddle, an accomplishment which they hold essential for a successful political career. Readers of The Christian Century will have to rate Mr. Hoover's standing in this second test for themselves.

This brings us to the third, and the most immediately urgent test. Where does Mr. Hoover stand on the oil-corruption issue? Congressman BURTON, in demanding that the Republican candidate be as far removed from the oil taint as "heaven from hades," was campaigning for Mr. Hoover. By the Burton measurement, how far is Mr. Hoover's heaven from Mr. Fall's hades? Mr. Hoover became one of the chiefs of the American Government on March 4, 1921. On the same day Mr. Harding, Mr. Daugherty, Mr. Weeks, Mr. Denby, and Mr. Fall assumed office. From that day there began the intrigue which culminated in Teapot Dome. Senator BORAH was well within the facts when, in his Chicago speech of last week, he said: "Nothing could be worse than the conditions lately uncovered at Washington. No one should underestimate the searching significance of these faithless and sordid transactions, and no one can overstate the profound issues which they present for the consideration of the American people." What of the relation of Mr. Hoover to these issues?

Mr. Hoover is a mining engineer. With the possible exception of Mr. John Hays Hammond, he is probably the most famous American mining engineer. He was thus the only man in the Cabinet with technical knowledge in a field collateral with that in which the corruption developed. More than that, Mr. Hoover has a restless intelligence which has impelled him to such an aggressive study of what is going on in departments of the Government other than his own that there have been frequent resentments and protests to the President. Still more than that, we now have incontrovertible proof that Mr. Hoover was made cognizant of the suspicious Teapot Dome deal almost at its inception. In Mr. Hoover, therefore, the people of the United States had in their Government from the first day of the Harding régime a technically qualified mining expert, with a keen interest in the working of all departments of the Government, and early information as to presumptive wrongdoing in a field very close to his own. What did Mr. Hoover do about it? What has he done about it from that day to this? Did he ever make a public move to expose or stop the oil corruption? Never. Has he ever said a word in public against it? Never. But, worse than that, documentary evidence shows that he actually played into the hands of those "faithless public servants," to employ the language of the Supreme Court, who conceived and carried through the Teapot Dome deal.

The record is clear. It was taken before the Senate investigating committee on April 3 of the present year. We refer to the testimony as published in the New York Herald-Tribune, a thick-and-thin Republican Party organ. It consists of the story told on the witness stand by Mr. Birch Helms, in 1921 vice president of the Texas Pacific Coal & Oil Co., and now vice president of the important banking firm of Blair & Co., of New York, together with letters and telegrams taken from departmental and other files. It shows that Mr. Helms's company, hearing that the leasing of Teapot Dome was in prospect, sent Mr. Helms to Secretary Fall early in the game, asking for a chance to bid. He was told that no such lease was contemplated. Later, hearing rumors within the oil industry, Mr. Helms went to Mr. Fall again, and this time Mr. Fall assured him that when the matter was ripe he would be glad to entertain the bid of the Texas Pacific. That was on April 10, 1922. On April 7 Mr. Fall had actually signed the notorious Teapot Dome lease! Finally finding out what had happened, Mr. Helms tried to take the case higher up. He went to Mr. Harding; he went to Mr. Christian, Mr. Harding's secretary; he went to Mr. Daugherty; he went to Mr. Weeks. In the light of revelations since made it will surprise no one that neither Mr. Harding, nor Mr. Christian, nor Mr. Daugherty, nor Mr. Weeks lifted a hand to hold up the deal. Mr. Weeks did, indeed, send the amazingly revealing reply to Mr. Helms: "For good reasons I can not become involved in the controversy," thus admitting that, even at that early stage, the matter had assumed the proportions of an open "controversy" within the administration and oil circles.

But Mr. Helms went also to Mr. Hoover. On April 20, 1922, 13 days after the deal with Sinclair was made, this experienced oil man put evidence in the hands of Mr. Hoover which would indicate that the Department of the Interior was mixing up in something with a decidedly off-color aspect—the leasing of national resources of immense value without public bids and in the utmost secrecy. The appeal to Mr. Hoover was in this form:

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We do not write these facts concerning Mr. Hoover's candidacy wantonly. Mr. Hoover is an extremely formidable candidate. His chances for nomination seem to exceed those, at this writing, of any other Republican. But facts are facts. Mr. Hoover, in his one direct connection with corruption in public life, offered to do what the corrupted would most eagerly have desired him to do in order to secure their own immunity. And on the other vital issues Mr. Hoover turns

chameleon. That is what politicians call "playing the game." It is exactly what has reduced the American public service to a meaningless and immoral mummery.

The crisis which confronts the American people as the presidential candidates are chosen is a moral crisis. Corruption is a moral issue, and corruption will be the first issue in the coming campaign. Unfortunately the vast majority of Americans still think of corruption as something unusual, local, self-contained; something that had to do only with the Ohio gang or Teapot Dome. But this, true as far as it goes, is a fatally inadequate understanding of our national moral crisis. Teapot Dome was a piece of shameless corruption—the Supreme Court has so certified. But it was only a piece of corruption. Beneath Teapot Dome and the mulcting of the disabled veterans and the scandals of the Alien Property Custodian's office and the excesses of the Ohio gang—beneath everything against which the Democratic partisans are now preparing to unlimber their oratorical guns—lies an immorality which has yet to be challenged, and out of which all our other political immoralities grow.

This is the immorality which divests political life of candor, dignity, and honor, and reduces it to the level of a mere crafty game. It makes the politician more eager to protect the party against a scandal than to protect the Nation against being looted. It regards the people as unworthy of confidence, and makes public office a prize to be grasped by those slick professional gamesters who have succeeded in deluding the largest number of dupes. It is this immorality which really threatens our American institutions at the foundation, and with which our public opinion must deal if the Teapot Dome experience is to have lasting value in building up the strength of the Republic.

The moral rehabilitation of American politics is our problem. And the moral rehabilitation of American politics requires a leadership which will cast into outer darkness the current political methods of dodging and covering up and avoiding responsibility to the limit of human ingenuity. To force our citizens to choose between candidates whose views have been deliberately withheld and beclouded is to force them to contribute to the increasing frustration of their own form of government. Only leaders with principles clearly defined and records beyond reproach are worthy of the confidence of the people when such an hour of crisis as this comes upon us. Campaign managers will, of course, claim that their candidates are men of this type. To admit that a candidate was trying to hide his record or his principles would be to concede his defeat. But the claim is not enough. There are three issues by which the American public will put that claim to the test. Where does the candidate stand on foreign policy? Where does he stand on prohibition? Where does he stand on the oil corruption? Not one of the candidates so far scrutinized can, in our opinion, successfully submit to this test. Then shall the leader to whom we turn for reform be one of these, or shall he be a veteran of Tammany Hall?

### PULLMAN SURCHARGE

Mr. LOCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Cincinnati Enquirer of Friday, March 16, 1928, relating to repeal of the Pullman surcharge.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### REPEAL THE PULLMAN SURCHARGE

It is high time that all luxury taxes put into force as war-time revenue measures were repealed. Some have been. Of those that remain there is none more burdensome than the 50 per cent Pullman surcharge. It is a penalty on passenger travel and is estimated to cost the railroads more than they get from it. It is the only war-time surtax that has not been repealed. The bill now pending in Congress to do so should be passed without delay.

It is a heavy burden on business activity. It is being opposed by the National Retail Dry Goods Association and by the National Association of Commercial Travelers, which numbers almost 1,000,000 members. It should be wiped off the statute books. When travelers have paid the regular passenger fare and the regular Pullman fare there is no justice in compelling them to pay an additional fare of one-half the Pullman rate.

It was originally intended to be a deterrent to travel in war time so as to leave more railroad facilities available to the Government. Congress enacted the law authorizing the surcharge at the request of the Director General of Railroads. There no longer being need of such restriction of civilian travel, there no longer is occasion to continue the war-time measure to restrict it. This is common-sense reasoning. Of course, the carriers will lose their share of it, but they would benefit quite as much by the additional travel that would be encouraged. Yet whether they would or not the reason for its creation having ceased, it, too, should cease.

The removal of this surcharge has been recommended by Examiner Keeler, of the Interstate Commerce Commission. Acting on his report, six of the commissioners held the surcharge to be unreasonable. The others held it to be reasonable. But because two of the six favored a reduction only, no final action has been reached. However, as the surcharge is not a rate authorized for revenue to the roads, but an enactment to penalize civilian travel when train accommodations were needed for troop movements, it is not a thing the commission has any authority over, but Congress only, and it is for Congress to repeal it, the cause for its imposition no longer existing.

### TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Finance was, on page 26, line 3, after the word "deduction," to strike out "allowed by this subsection"; and in line 4, after the word "lessee," to insert "In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each," so as to read:

(1) Depletion: In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case; such reasonable allowance in all cases to be made under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary. In the case of leases the deduction shall be equitably apportioned between the lessor and lessee. In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each. (For percentage depletion in case of oil and gas wells, see sec. 114 (b) (3).)

The amendment was agreed to.

The next amendment was, on page 29, after line 14, to strike out:

(q) Cooperative apartments: Amounts paid by an individual taxpayer during the taxable year to a corporation which owns or leases an apartment building and operates it under the cooperative plan if—

(1) Such amounts are bona fide expended by the corporation in the same taxable year, in payment of taxes allowable as deductions under subsection (c) of this section or in payment of interest on its bonds or on other indebtedness incurred by it in the acquisition, construction, or maintenance of such apartment building or in the acquisition of the land on which the building is located, and

(2) Such individual is the owner or lessee of an apartment in the building under a lease the term of which is twenty years or more, or under an agreement with the corporation, is entitled, by reason of stock ownership, to the use and occupancy of such apartment for a like period, and

(3) No part of the net earnings of the corporation inures to the benefit of any private shareholder or individual other than an owner or lessee of an apartment in such building or one entitled by reason of stock ownership to the use and occupancy of any such apartment.

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

(q) Pension trusts: In the case of an employer establishing or maintaining a pension trust for the benefit of his employees which is exempt from tax under section 165, amounts transferred to such trust from a pension reserve fund accumulated prior to the enactment of this act, under a pension plan previously in force, to the extent that the amounts so transferred have not been theretofore allowable as a deduction. The deduction allowed by this paragraph shall be apportioned in equal parts over a number of consecutive years (beginning with the year in which the transfer is made) equal to the number of years during which such pension reserve fund was accumulated.

The amendment was agreed to.

The next amendment was, at the top of page 31, to insert:

(r) Expenses of tax adjustment: All expenses paid or incurred in contesting liability for any tax, including fees and compensation for personal services, but exclusive of expenses allowable under subsection (a).

Mr. KING. Mr. President, I am opposed to this amendment. I am willing to take it up now or let it go over, as the chairman of the Finance Committee may prefer.

Mr. SMOOT. I will ask that it go over. I will say to my colleague that it involves the attorney's fees which may be allowed.

Mr. KING. Yes; I understand.

Mr. FLETCHER. Mr. President, am I to understand that the provision allows deductions for expenses?

Mr. SMOOT. For attorney's fees.

Mr. WALSH of Massachusetts. Mr. President, would it not be well to have the chairman of the Finance Committee explain each amendment as it goes over, so that Senators between now and Monday may read his explanation in the RECORD and understand it?

Mr. SMOOT. All the amendment does is to allow a deduction for expenses and attorney's fees where a taxpayer is involved in a suit with the Government.

Mr. WALSH of Massachusetts. I understand, but my idea is that by the Senator explaining the amendments which go over for further discussion, the Senate will have the benefit of his explanation in the RECORD and be able to read it between now and Monday.

Mr. KING. It is a little broader than my colleague states it. "All expenses paid or incurred in contesting liability of any tax, including fees and compensation for personal services," and so forth, would be a deduction. I am inclined to think that would reach any contest relating to a State tax or a municipal tax, but even if it is limited only to expenses incurred in contesting the collection of a Federal tax, I am opposed to it, particularly because there is no limitation. A man might agree to pay, as some of them do, to some lawyer 50 per cent of all that the attorney may save. Suppose he saved 50 per cent; that would be the deduction, at least. I am inclined to think it would be. There is no restriction. It is an invitation to taxpayers to challenge the validity of a tax and to contest it not only through the agencies of the department, but through the courts, because they may get a rebate and a deduction for all expenses incurred in contesting the validity of the tax.

Mr. WALSH of Massachusetts. Mr. President, is the Senator opposed to the entire amendment?

Mr. KING. I am. I think if a man wants a lawsuit connected with the Government of the United States, as with private individuals, the expenses incurred in his lawsuit ought not to be allowed as a deduction in his tax. We have lawsuits that are not connected with the Government, and we do not get any deduction in those cases. The amendment presupposes that the Government is proceeding wrongfully in the collection of the tax, and it is an invitation to a man to challenge the validity of the tax and contest it, if it is important, by going to law upon the theory that he will get a deduction for all expenses incurred in the litigation. I am opposed to the entire provision.

Mr. WALSH of Massachusetts. The amendment is to go over?

The PRESIDING OFFICER. The amendment will go over.

Mr. FLETCHER. Mr. President, let me say just a word about the amendment. I do not think there will be any temptation on the part of any individual taxpayer to enter into a lawsuit with the Government and waste his time and pay lawyers' fees, and so forth, just for the sake of contesting the matter and taking the chance of getting a deduction somewhere. He would not do that unless he had a good case. There are numerous cases where the taxes have been improperly and unjustly assessed, and the taxpayer has to fight for his rights. I can see no objection to allowing the taxpayer his attorneys' fees and perhaps some other expenses in that sort of a case.

The only objection to the amendment in my mind is that it seems to be rather broad in that it includes not only fees, but compensation for personal services. That is a very elastic and all-embracing item. What would be the taxpayer's compensation for his personal services in connection with such a contest?

Mr. SMOOT. It is intended to cover accountants, and engineers in some cases.

Mr. FLETCHER. Not the personal services of the contestant?

Mr. SMOOT. Oh, no.

Mr. FLETCHER. I understand. That makes it a little plainer, but as the language reads now it is ambiguous, it seems to me, "including fees and compensation for personal services." I did not know but that it meant personal services of the taxpayer while he was conducting the contest.

Mr. SMOOT. It is compensation for personal services. The taxpayer does not pay himself for his own personal services.

Mr. FLETCHER. It means what he pays out for auditors or accountants or engineers?

Mr. SMOOT. Yes; or whatever is necessary in his case.

Mr. FLETCHER. "But exclusive of expenses allowable under subsection (a)."

Mr. SMOOT. Those are the ordinary business expenses.

Mr. FLETCHER. Where is subsection (a)?

Mr. SMOOT. It is in the same section, page 22.

Mr. FLETCHER. I think there is a great deal of merit in the amendment.

Mr. GERRY. Mr. President, may I say to the Senator from Florida that that section would also cover all legal expenses?

Mr. FLETCHER. Yes; including attorney's fees.

Mr. KING. I might mention to the Senator from Florida, so that he may have it in mind when we discuss it again, that the tax involved might be, as an illustration, only a few dollars, and a man might, because of his litigious spirit, contest it, as we know frequently men will contest over a few dollars and spend thousands of dollars in litigation. A man might pay his attorney a dozen or 50 times as much as the amount of the tax involved, and yet he would be allowed a deduction for all the expenses and costs involved in the matter.

Mr. GERRY. As the Senator from Utah has well said it is an invitation to anybody who wants to contest a tax, to make that contest and then deduct the expense of it from his future tax payments.

The PRESIDING OFFICER. The amendment goes over on request. The clerk will state the next amendment.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 32, line 4, after the word "act" to insert "(except the deductions provided for in subsections (k) and (l) of section 23)"; so as to read:

(b) Holders of life or terminable interest: Amounts paid under the laws of any State, Territory, District of Columbia, possession of the United States, or foreign country as income to the holder of a life or terminable interest acquired by gift, bequest, or inheritance shall not be reduced or diminished by any deduction for shrinkage (by whatever name called) in the value of such interest due to the lapse of time, nor by any deduction allowed by this act (except the deductions provided for in subsections (k) and (l) of section 23) for the purpose of computing the net income of an estate or trust but not allowed under the laws of such State, Territory, District of Columbia, possession of the United States, or foreign country for the purpose of computing the income to which such holder is entitled.

The amendment was agreed to.

The next amendment was, on page 32, line 13, after the word "section," to strike out "143" and insert "144," so as to read:

(c) Tax withheld on tax-free covenant bonds: For tax withheld on tax-free covenant bonds, see section 144 (a) (4).

The amendment was agreed to.

The next amendment was, on page 32, after line 13, to strike out:

(d) Cooperative apartments: No deduction shall be allowed to any corporation which owns or leases an apartment building and operates it under the cooperative plan, in respect of any expenditures by the corporation on account of taxes or interest as specified in section 23 (q) (1).

Mr. KING. Mr. President, I presume that is made necessary because of the antecedent provision with which we have dealt?

Mr. SMOOT. That is true, I will say to the Senator. I think there are one or two others similar in nature.

Mr. KING. But all relating to the same subject?

Mr. SMOOT. Yes.

The amendment was agreed to.

The next amendment was, on page 37, line 18, after the word "section," to strike out "143" and insert "144," so as to read:

SEC. 33. TAXES WITHHELD AT SOURCE.

The amount of tax withheld at the source under section 144 shall be allowed as a credit against the tax.

The amendment was agreed to.

The next amendment was, on page 37, line 23, after the word "in," to strike out "1927" and insert "1928"; in line 25, after the words "beginning in," to strike out "1926" and insert "1927"; and in the same line, after the words "ending in," to strike out "1927" and insert "1928," so as to read:

SEC. 34. ERRONEOUS PAYMENT.

(a) Credit for overpayments: For credit against the tax of overpayments of taxes imposed by this title for other taxable years, see section 322.

(b) Fiscal year ending in 1928: For credit against the tax of amounts of tax paid for a fiscal year beginning in 1927 and ending in 1928, see section 132.

Mr. SMOOT. That relates to the effective date of the tax. Let the amendment go over.

Mr. KING. It involves the same question suggested when we took up the first amendment, so it had better go over.

Mr. FLETCHER. Does it refer to any of the retroactive features in the bill?

Mr. SMOOT. It does. The amendment should go over.

The PRESIDING OFFICER. The amendment will be passed over. The clerk will state the next amendment.

The next amendment was, on page 40, line 10, after the word "taxpayer," to insert "entitled to the benefits of subsection (a)," so as to read:

(c) Change from accrual to installment basis: If a taxpayer entitled to the benefits of subsection (a) elects for any taxable year to report his net income on the installment basis, then in computing his income for the year of change or any subsequent year amounts actually received during any such year on account of sales made in any prior year shall not be excluded.

The amendment was agreed to.

The next amendment was, on page 44, line 14, after the word "year," to strike out "1927" and insert "1928"; in line 15, after the words "calendar year," to strike out "1927" and insert "1928"; and in line 16, after the word "year," to strike out "1927" and insert "1928," so as to read:

SEC. 48. DEFINITIONS.

When used in this title—

(a) Taxable year: "Taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under this part. "Taxable year" includes in the case of a return made for a fractional part of a year under the provisions of this title or under regulations prescribed by the commissioner with the approval of the Secretary, the period for which such return is made. The first taxable year, to be called the taxable year 1928, shall be the calendar year 1928 or any fiscal year ending during the calendar year 1928.

Mr. SMOOT. I ask that that amendment go over. The same question is involved as in the last amendment passed over.

The PRESIDING OFFICER. The amendment will be passed over at the request of the Senator from Utah.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 46, line 22, after the word "see," to strike out "section 141" and insert "sections 141 and 142," so as to read:

(b) Consolidated returns: For provision as to consolidated returns of affiliated corporations, see sections 141 and 142.

Mr. SMOOT. That is a clerical change and is covered by the unanimous-consent agreement which has been entered into.

The PRESIDING OFFICER. That change in numbering is covered by the unanimous-consent agreement heretofore entered into.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 53, line 5, after the date "January 1," to strike out "1927" and insert "1928," so as to read:

SEC. 65. EFFECTIVE DATE OF TITLE.

This title shall take effect as of January 1, 1928.

Mr. SMOOT. That amendment should be passed over.

The PRESIDING OFFICER. The amendment will be passed over. The next amendment will be stated.

The LEGISLATIVE CLERK. On page 61, after line 11, it is proposed to insert——

Mr. WALSH of Massachusetts. Did the Senator request that the section relating to consolidated returns go over?

Mr. SMOOT. The provisions relating to consolidated returns when reached will be passed over.

Mr. WALSH of Massachusetts. I thought we had reached the item on page 46, line 21.

Mr. SMOOT. That is a mere renumbering change. The amendment on page 61 does not refer to consolidated returns. It exempts from taxation financing corporations such as the farmers' cooperative and other organizations. The Senator may have the wrong page.

Mr. WALSH of Massachusetts. I had in mind the consolidated returns, which are covered later in the bill.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. On page 61, after line 11, it is proposed to insert:

(13) Corporations organized by an association exempt under the provisions of paragraph (12), or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association. Exemption shall not be denied any such corporation because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 per cent per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the corporation, upon dissolution or otherwise, beyond the fixed dividends) is owned by such association, or members thereof; nor shall exemption be denied any such corporation because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose.

Mr. KING. Mr. President, there is a good deal of merit in this amendment, but I am afraid that its implications are broader than contemplated by the Senator from Mississippi [Mr. HARRISON]. I believe that under this provision corporations so organized may go further than the handling of products of agriculturists who may be members of the corporation; indeed, I am not so sure that corporations may not be formed by capitalists outside of the farmers and for the purpose of handling their products.

Mr. SMOOT. Mr. President, I will say to my colleague that this provision does not affect marketing associations in the least. The corporations covered may have capital stock, but I understood my colleague to say the amendment affected marketing associations. I repeat it has no reference whatever to marketing associations. That provision will be found in another part of the bill.

Mr. KING. What I had in mind was this: I was apprehensive that this provision would permit financing organizations to engage in speculation in the acquisition and sale of agricultural products not produced by members of the financing corporation; that it would permit financing corporations to go into the market in competition with legitimate corporations engaged in the buying and selling of farm products, as many of these organizations do.

Mr. SMOOT. I will call my colleague's attention to the fact that paragraph 13 does not refer to organizations he has in mind. They are covered by paragraph 12, beginning on page 60 of the bill, the page preceding the one on which this amendment is found.

Mr. KING. I know that there is a distinction.

Mr. HARRISON. Let me say to the Senator from Utah that experts say that the situation which the Senator has pictured would not arise under the wording of this amendment. I recall the discussion in the committee. I think then the Senator brought up that suggestion, but the experts framed the provision to take care of such a situation and to avoid it.

Mr. SMOOT. The situation referred to has been taken care of.

Mr. KING. I did not understand that it had been prepared by the experts. I will not object to its being considered now, but upon further examination, if I think there is any ground for the apprehension which I have expressed, I will move to reconsider.

Mr. WALSH of Massachusetts. I should like to ask the junior Senator from Utah upon what theory these organizations are exempted? Is it because they are farming corporations?

Mr. KING. Yes.

Mr. SMOOT. That is all.

Mr. WALSH of Massachusetts. Once we enter upon the policy of allowing exemptions to farm corporations, have we not got to extend it to manufacturing corporations and to other corporations that may be in distress from time to time?

Mr. KING. I do not know where the limit is going to be.

Mr. SMOOT. My colleague knows where it is to-day.

Mr. KING. I may say to my friend from Massachusetts that my attention recently has been called to a corporation or to an association—one of the farm organizations—that in order to destroy any competition agreed to pay to the farmers in the vicinity a higher price for a certain product than the competing private corporation was paying. Obviously it could not succeed, and so it became insolvent, owing to farmers a large amount—several hundred thousand dollars. It started over again; it is a farming organization; and it could go into competition, as stated, with legitimate business enterprises and injure them; and in the long run bring injury to the farmers; and yet it is to be protected by the gracious provisions of an act of Congress. Now we are to permit financing corporations to be organized by the farmers to finance their crops and they are to be exempt from any taxation whatever.

Mr. WALSH of Massachusetts. What influence caused this amendment to be inserted in the bill?

Mr. KING. That of the able Senator from Mississippi [Mr. HARRISON], who was the sponsor for the amendment.

Mr. WALSH of Massachusetts. I am surprised that the able Senator from Mississippi should be held responsible for this amendment. He is usually against special privilege in all forms.

Mr. HARRISON. This is a very appropriate amendment to take care of the farmers.

Mr. WALSH of Massachusetts. Is it limited to cotton-growing farmers?

Mr. HARRISON. No; it covers wheat farmers also.

Mr. FLETCHER. It seems that the members of a corporation, which is exempt under section 12, may go out and form another corporation for the purpose of financing crop operations of such members or other producers. So that if we exempt the one corporation it looks like we might exempt the other.

Mr. HARRISON. That was the theory upon which the amendment was offered.

Mr. WALSH of Massachusetts. Has the amendment gone over?

Mr. KING. No; but there is an understanding that we may reconsider it at any time.

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 62, line 18, after "(A)," to strike out "no part of the net earnings of which inures," and insert "no part of their net earnings inures (other than through such payments)"; and in line 23, after the words "purpose of," to strike out "meeting losses and expenses" and insert "making such payments and meeting expenses," so as to read:

(16) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (A) no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (B) 85 per cent or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

The amendment was agreed to.

The next amendment was, at the top of page 63, to insert:

(17) Teachers' retirement fund associations of a purely local character, if (A) no part of their net earnings inures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual, and (B) the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income in respect of investments.

The amendment was agreed to.

The next amendment was, on page 63, after line 8, to strike out:

SEC. 104. ACCUMULATION OF SURPLUS TO EVADE SURTAXES—1928 OR SUBSEQUENT TAXABLE YEARS.

(a) Tax on personal holding company: If any personal holding company permits its undistributed profits for the taxable year 1928 or any succeeding taxable year to exceed 30 per cent of the sum of its net income for such year plus the amount of the dividend deduction and interest upon obligations of the United States, there shall be levied, collected, and paid for such taxable year, in addition to the tax on corporations imposed by section 13 (a), a tax equal to 25 per cent of such undistributed profits.

(b) Definitions: As used in this section—

(1) The term "personal holding company" means any corporation if (A) at least 80 per cent of its gross income for the taxable year is derived from rents, royalties, dividends, interest (whether or not tax exempt), annuities, and (except in the case of regular dealers in securities) gains from the sale of securities, and (B) either—

Eighty per cent or more of its voting stock (exclusive of stock limited as to dividends and exclusive of stock redeemable upon less than 30 days' notice) is owned or controlled, directly or indirectly, through affiliation, stock ownership, voting-trust agreements, or otherwise, by or for not more than 10 individuals, or the right to receive 80 per cent or more of the dividends distributed by the corporation is vested, directly or indirectly, through affiliation, stock ownership, voting-trust agreements, or otherwise, in not more than 10 individuals; but such term shall not include any banking or insurance corporation.

(2) The term "dividend deduction" means the deduction specified in section 23 (p).

(3) The term "interest upon obligations of the United States" means interest upon obligations of the United States issued after September 1, 1917, which would be subject to tax in whole or in part in the hands of an individual owner.

(4) The term "undistributed profits" means the net income for the taxable year increased by the amount of the dividend reduction and interest upon obligations of the United States, but diminished by—

(A) The amount of tax under section 13 (a) for the taxable year.

(B) The amount of dividends declared out of earnings or profits for the taxable year, not later than the 15th day of the third month following the close of such taxable year and payable prior to the 15th day of the sixth month following the close of such taxable year. If dividends so declared are not actually paid prior to such date, then the amount not so paid shall be included in the undistributed profits and the tax imposed by subsection (a) shall be redetermined in accordance therewith.

(c) Tax on corporation formed or availed of to evade surtax: If any corporation, however created or organized, other than a personal holding company, is formed or availed of for the purpose of preventing the imposition of the surtax upon any of its shareholders through the medium of permitting its gains and profits to remain accumulated, instead of being divided or distributed among its shareholders, there shall be levied, collected, and paid for the taxable year 1928 and succeeding taxable years in addition to the tax on corporations imposed by section 13 (a), a tax of 25 per cent of the net income of the corporation increased by the amount of the dividend deduction and interest upon obligations of the United States. Such tax shall be computed, levied, collected, and paid upon the same basis and in the same manner and subject to the same provisions of law, including penalties, as that tax. The following shall be prima facie evidence that a corporation, other than a "personal holding company" as hereinbefore defined, is formed or availed of for the purpose of preventing the imposition of surtax upon any of its shareholders:

(1) That the corporation is a mere holding or investment company; or

(2) That the gains or profits are permitted to remain accumulated beyond the reasonable needs of the business. In determining whether gains or profits are permitted to remain accumulated beyond the reasonable needs of the business there shall not be included gains or profits remaining accumulated during a prior taxable year for which the corporation has paid a tax imposed by this section.

(d) Information statements: A corporation which in the taxable year 1928 or any succeeding taxable year permits the accumulation of more than 60 per cent of its net income increased by the amount of the dividend deduction, and interest upon obligations of the United States, under regulations to be prescribed by the commissioner with the approval of the Secretary, shall (1) file as a part of its return a statement giving in detail the reasons for the accumulation and the purposes to which the amounts accumulated are to be devoted, and (2) from time to time thereafter, file reports under oath giving the disposition of the amounts so accumulated until all such amounts have been accounted for.

(e) Optional tax on shareholders: The tax imposed by subsection (a) shall not apply in respect of any taxable year if all the shareholders of the corporation include in their gross income, at the time of filing their returns, the amount of their entire distributive shares of the undistributed profits of the corporation for such taxable year. The tax imposed by subsection (c) shall not apply in respect of any taxable year if all the shareholders of the corporation include in their gross income at the time of filing their returns, the amount of their entire distributive shares of the gains and profits remaining accumulated beyond the reasonable needs of the business as determined by the commissioner. Any amount so included in the gross income of the shareholder shall be treated as a dividend received by the shareholder. A shareholder who has so included in his gross income his distributive share shall be entitled to receive exempt from tax subsequent distributions made by the corporation out of earnings or profits until such taxpayer has received exempt distributions in the amount of such share.

Mr. KING. I ask that that amendment go over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 68, lines 5 to 7, in the heading, to strike out "105. Accumulation of surplus to evade surtaxes—taxable year 1927" and insert "104. Accumulation of surplus to evade surtaxes," so as to read:

SEC. 104. ACCUMULATION OF SURPLUS TO EVADE SURTAXES.

Mr. KING. Let that amendment go over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 68, line 13, after the word "for," to strike out "the taxable year 1927" and insert "each taxable year," so as to read:

(a) If any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders through the medium of permitting its gains and profits to accumulate instead of being divided or distributed, there shall be levied, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 50 per cent of the amount thereof, which shall be in addition to the tax imposed by section 13, and shall be

computed, collected, and paid upon the same basis and in the same manner and subject to the same provisions of law, including penalties, as that tax.

Mr. KING. I ask that that amendment go over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 74, line 23, after the word "corporation," to insert "accumulated after February 28, 1913," so as to read:

(2) If a distribution made in pursuance of a plan of reorganization is within the provisions of paragraph (1) of this subsection, but has the effect of the distribution of a taxable dividend, then there shall be taxed as a dividend to each distributee such an amount of the gain recognized under paragraph (1) as is not in excess of his ratable share of the undistributed earnings and profits of the corporation accumulated after February 28, 1913. The remainder, if any, of the gain recognized under paragraph (1) shall be taxed as a gain from the exchange of property.

The amendment was agreed to.

The next amendment was, on page 79, line 19, after the word "made," to strike out the period and "The provisions of this paragraph and of paragraph (2) shall not apply to the acquisition of such property interests as are specified in section 402(c) or (e) of the revenue act of 1921, or in section 302(c) or (f) of the revenue act of 1924 or the revenue act of 1926 (relating to transfers in contemplation of or intended to take effect at or after death, and to property passing under power of appointment)," so as to read:

(3) Transfer in trust after December 31, 1920: If the property was acquired after December 31, 1920, by a transfer in trust (other than by a transfer in trust by a bequest or devise) the basis shall be the same as it would be in the hands of the grantor, increased in the amount of gain or decreased in the amount of loss recognized to the grantor upon such transfer under the law applicable to the year in which the transfer was made.

Mr. WALSH of Massachusetts. What is the purpose of that amendment?

Mr. SMOOT. That has to do with the basis of determining gain or loss in the case of transfers in trust.

Mr. KING. It does not affect the question of taxing gifts or estates?

Mr. SMOOT. No; not at all.

Mr. KING. It does not involve that directly or indirectly?

Mr. SMOOT. No; it does not.

Mr. KING. It would involve the taxing of gifts, would it not?

Mr. SMOOT. It changes the measure of the tax. I will say to the Senator that we are not taxing gifts under this provision. If the Senator desires the amendment to go over, I am perfectly willing to have it go over.

Mr. WALSH of Massachusetts. Will the Senator state what the amendment does? It strikes out some of the provisions of the present law.

Mr. SMOOT. The committee report gives rather an extended explanation, and I will read from it.

It appears that the House bill is inadequate to take care of a number of situations which frequently arise. For example, the executor, pursuant to the terms of the will, may purchase property and distribute it to the beneficiaries, in which case it is impossible to use the value at the decedent's death as the basis for determining subsequent gain or loss, for the decedent never owned the property. Moreover, the fair market value of the property at the decedent's death can not properly be used as the basis, in the case of property transferred in contemplation of death where the donee sells the property while the donor is living.

Accordingly, the committee has revised section 113 (a) (5) and certain related sections, so as to provide that in the case of a specific bequest of personalty or a general or specific devise of realty, or the transmission of realty by intestacy, the basis shall be the fair market value at the time of the death of the decedent. In these cases it may be said, as a matter of substance, that the property for all practical purposes vests in the beneficiary immediately upon the decedent's death, and therefore the value at the date of death is a proper basis for the determination of gain or loss to the beneficiary. The same rule is applied to real and personal property transmitted by the decedent, where the sale is made by the executor. In all other cases the basis is the fair market value of the property at the time of the distribution to the taxpayer. The latter rule would obtain, for example, in the case of personal property not transmitted to the beneficiary by specific bequest, but by general bequest or by intestacy. It would also apply in cases where the executor purchases property and distributes it to the beneficiary.

Section 113 (a) (4) is amended so as to provide that the basis in the case of property passing under power of appointment, regardless of the time of acquisition, shall be the fair market value on the date of acquisition, which is the rule of the present law and of the House bill.

Section 113 (a) (3) is amended by striking out the last sentence of the House bill, with the effect of including within the paragraph all classes of transfers in trust made after December 31, 1920 (even if made in contemplation of death or to take effect in possession or enjoyment at or after death). The basis thus provided is the basis the property would have in the hands of the grantor, adjusted for gain or loss recognized to the grantor when the transfer was made.

The effect of striking out the last sentence of section 113 (a) (3) is also to make the basis in the case of gifts in contemplation of death or to take effect in possession or enjoyment at or after death, if made after December 31, 1920, the same as the basis which the property would have in the hands of the donor or the last preceding owner by whom it was not acquired by gift.

This provision is intended to cover such a case as that.

Mr. WALSH of Massachusetts. Does the Treasury Department recommend it?

Mr. SMOOT. The Treasury Department recommends it. It is a Treasury amendment.

The PRESIDING OFFICER. The amendment will go over.

The reading of the bill was resumed.

The next amendment was, on page 80, line 7, after the word "such," to strike out "acquisition;" and insert "acquisition. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402(e) of the revenue act of 1921, or in section 302(f) of the revenue act of 1924 or the revenue act of 1926 (relating to property passing under power of appointment) regardless of the time of acquisition," so as to read:

(4) Gift or transfer in trust before January 1, 1921: If the property was acquired by gift or transfer in trust on or before December 31, 1920, the basis shall be the fair market value of such property at the time of such acquisition. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402(e) of the revenue act of 1921, or in section 302(f) of the revenue act of 1924, or the revenue act of 1926 (relating to property passing under power of appointment) regardless of the time of acquisition.

Mr. KING. Mr. President, the amendments found on page 80, commencing with line 3, and page 81, commencing on line 1 and ending with line 11, relate to the matter which it was just suggested should go over; and I ask that they go over.

Mr. SMOOT. I will say to my colleague that these amendments refer only to gifts in contemplation of death. Of course, if he wants them to go over, I am perfectly willing.

Mr. KING. They have some relation to the same subject.

The PRESIDING OFFICER. The amendments will go over.

Mr. WALSH of Massachusetts. All that appears to have been done there is to strike out part of section 3 on page 79, and attach it to section 4 on page 80. It is just a transposition; is it not?

Mr. SMOOT. No; I will say to the Senator that the effect of this is to change it to the highest market value of such property at the time of such acquisition. That is the substance of the amendment; but if the Senator will get the report, on page 26, it goes into detail. I did not read it all. The Senator asked that it go over.

Mr. WALSH of Massachusetts. Very well.

The PRESIDING OFFICER. The amendment will go over.

The following amendment, also passed over, was, on page 80, line 14, after the word "death," to strike out "If the property was acquired by bequest, devise, or inheritance, or by a decedent's estate from the decedent, the basis shall be the fair market value of such property at the time of the death of the decedent. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402 (c) or (e) of the revenue act of 1921, or in section 302 (c) or (f) of the revenue act of 1924 or the revenue act of 1926 (relating to transfers in contemplation of or intended to take effect at or after death, and to property passing under power of appointment)" and insert "If personal property was acquired by specific bequest, or if real property was acquired by general or specific devise or by intestacy, the basis shall be the fair market value of the property at the time of the death of the decedent. If the property was acquired by the decedent's estate from the decedent, the basis in the hands of the estate shall be the fair market value of the property at the time of the death of the decedent. In all other cases if the property was acquired either by will or by intestacy, the basis shall be the fair market value of the property at the time of the distribution to the taxpayer," so as to read:

(5) Property transmitted at death: If personal property was acquired by specific bequest, or if real property was acquired by general

or specific devise or by intestacy, the basis shall be the fair market value of the property at the time of the death of the decedent. If the property was acquired by the decedent's estate from the decedent, the basis in the hands of the estate shall be the fair market value of the property at the time of the death of the decedent. In all other cases if the property was acquired either by will or by intestacy, the basis shall be the fair market value of the property at the time of the distribution to the taxpayer;

The PRESIDING OFFICER. As requested, this amendment also will be passed over.

The next amendment was, on page 85, line 15, after the word "was," to strike out the word "made" and insert "made, nor any taxable year after the taxable year 1928. The basis in case of property acquired by a corporation during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under section 141 of this act, shall be determined in accordance with regulations prescribed under section 141(b)," so as to read:

(12) Property acquired during affiliation: In the case of property acquired by a corporation, during a period of affiliation, from a corporation with which it was affiliated, the basis of such property, after such period of affiliation, shall be determined, in accordance with regulations prescribed by the commissioner with the approval of the Secretary, without regard to inter-company transactions in respect of which gain or loss was not recognized. For the purposes of this paragraph, the term "period of affiliation" means the period during which such corporations were affiliated (determined in accordance with the law applicable thereto), but does not include any taxable year beginning on or after January 1, 1922, unless a consolidated return was made, nor any taxable year after the taxable year 1928. The basis in case of property acquired by a corporation during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under section 141 of this act, shall be determined in accordance with regulations prescribed under section 141(b).

The amendment was agreed to.

The next amendment was, on page 88, line 17, after the word "profits," to insert "accumulated after February 28, 1913," so as to read:

SEC. 115. DISTRIBUTIONS BY CORPORATIONS.

(a) Definition of dividend: The term "dividend" when used in this title (except in section 203 (a) (4) and section 208 (c) (1), relating to insurance companies) means any distribution made by a corporation to its shareholders, whether in money or in other property, out of its earnings or profits accumulated after February 28, 1913.

The amendment was agreed to.

The next amendment was, on page 88, line 21, after the word "profits," to insert "Any earnings or profits accumulated, or increase in value of property accrued, before March 1, 1913, may be distributed exempt from tax, after the earnings and profits accumulated after February 28, 1913, have been distributed, but any such tax-free distribution shall be applied against and reduce the basis of the stock provided in section 113," so as to read:

(b) Source of distributions: For the purposes of this act every distribution is made out of earnings or profits to the extent thereof, and from the most recently accumulated earnings or profits. Any earnings or profits accumulated, or increase in value of property accrued, before March 1, 1913, may be distributed exempt from tax, after the earnings and profits accumulated after February 28, 1913, have been distributed, but any such tax-free distribution shall be applied against and reduce the basis of the stock provided in section 113.

Mr. WALSH of Massachusetts. That is rather an important amendment, is it not?

Mr. SMOOT. I will say that that is restoring the present law in cases such as timberlands and other matters of that nature.

Mr. WALSH of Massachusetts. I understand now.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 89, line 21, after the word "shareholders," to insert "is not out of increase in value of property accrued before March 1, 1913, and," so as to read:

(d) Other distributions from capital: If any distribution (not in partial or complete liquidation) made by a corporation to its shareholders is not out of increase in value of property accrued before March 1, 1913, and is not out of earnings or profits, then the amount of such distribution shall be applied against and reduce the basis of the stock provided in section 113, and if in excess of such basis, such excess shall be taxable in the same manner as a gain from the sale or exchange of property. The provisions of this subsection shall also apply to distributions from depletion reserves based on the discovery value of mines.

Mr. SMOOT. That is the 1913 valuation.

The amendment was agreed to.

The next amendment was, on page 90, line 24, after the word "profits," to insert "accumulated after February 28, 1913," so as to read:

(g) Redemption of stock: If a corporation cancels or redeems its stock (whether or not such stock was issued as a stock dividend) at such time and in such manner as to make the distribution and cancellation or redemption in whole or in part essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock, to the extent that it represents a distribution of earnings or profits accumulated after February 28, 1913, shall be treated as a taxable dividend. In the case of the cancellation or redemption of stock not issued as a stock dividend this subsection shall apply only if the cancellation or redemption is made after January 1, 1926.

The amendment was agreed to.

The next amendment was, on page 91, line 24, after "(b)," to strike out "Teachers in" and insert "Officers and employees of"; and in line 25, after the word "an," to strike out "individual employed by Alaska or Hawaii or any political subdivision thereof as a teacher in any educational institution," and insert "officer or employee of Alaska or Hawaii or any political subdivision thereof," so as to read:

(b) Officers and employees of Alaska and Hawaii: In the case of an officer or employee of Alaska or Hawaii or any political subdivision thereof, the compensation received as such. This subsection shall not exempt compensation paid directly or indirectly by the Government of the United States.

The amendment was agreed to.

The next amendment was, on page 92, line 23, after the word "Territory," to strike out "prior to September 8, 1916," and insert "enters or has," so as to read:

(d) Income of States, municipalities, etc.: Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, or income accruing to the Government of any possession of the United States, or any political subdivision thereof.

Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory enters or has entered in good faith into a contract with any person, the object and purpose of which is to acquire, construct, operate, or maintain a public utility.

The amendment was agreed to.

The next amendment was, on page 97, line 18, after the word "for," to strike out "1925 or 1926" and insert "1926 or 1927"; and in line 19, after the word "year," to strike out "1925 or 1926" and insert "1926 or 1927," so as to read:

(e) Net loss for 1926 or 1927: If for the taxable year 1926 or 1927 a taxpayer sustained a net loss within the provisions of the revenue act of 1926, the amount of such net loss shall be allowed as a deduction in computing net income for the two succeeding taxable years to the same extent and in the same manner as a net loss sustained for one taxable year is, under this act, allowed as a deduction for the two succeeding taxable years.

Mr. SMOOT. Let that amendment go over.

Mr. KING. Let it go over.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, on page 111, line 4, after the words "beginning in," to strike out "1926" and insert "1927"; and in the same line, after the words "ending in," to strike out "1927" and insert "1928," so as to read:

SEC. 132. PAYMENTS UNDER 1926 ACT.

Any amount paid before or after the enactment of this act on account of the tax imposed for a fiscal year beginning in 1927 and ending in 1928 by Title II of the revenue act of 1926 shall be credited toward the payment of the tax imposed for such fiscal year by this act, and if the amount so paid exceeds the amount of such tax imposed by this act, the excess shall be credited or refunded in accordance with the provisions of section 322.

Mr. SMOOT and Mr. FLETCHER. Let that go over.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, under the subhead "Supplement D—Returns and payment of tax," on page 111, after line 11, to insert:

SEC. 141. CONSOLIDATED RETURNS OF CORPORATIONS—1929 AND SUBSEQUENT TAXABLE YEARS.

(a) Privilege to file consolidated returns: An affiliated group of corporations shall, subject to the provisions of this section, have the privi-

lege of making a consolidated return for the taxable year 1929 or any subsequent taxable year, in lieu of separate returns. The making of a consolidated return shall be upon the condition that all the corporations which have been members of the affiliated group at any time during the taxable year for which the return is made consent to all the regulations under subsection (b) prescribed prior to the making of such return; and the making of a consolidated return shall be considered as such consent. In the case of a corporation which is a member of the affiliated group for a fractional part of the year the consolidated return shall include the income of such corporation for such part of the year as it is a member of the affiliated group.

(b) Regulations: The commissioner, with the approval of the Secretary, shall prescribe such regulations as he may deem necessary in order that the tax liability of an affiliated group of corporations making a consolidated return and of each corporation in the group, both during and after the period of affiliation, may be determined, computed, assessed, collected, and adjusted in such manner as clearly to reflect the income and to prevent avoidance of tax liability.

(c) Computation and payment of tax: In any case in which a consolidated return is made the tax shall be determined, computed, assessed, collected, and adjusted in accordance with the regulations under subsection (b) prescribed prior to the date on which such return is made. Only one specific credit, computed as provided in section 26 (b), shall be allowed in computing the tax.

(d) Definition of "affiliated group": As used in this section an "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if—

(1) At least 95 per cent of the stock of each of the corporations—except the common parent corporation—is owned directly by one or more of the other corporations; and

(2) The common parent corporation owns directly at least 95 per cent of the stock of at least one of the other corporations.

As used in this subsection the term "stock" does not include nonvoting stock which is limited and preferred as to dividends.

(e) A consolidated return shall be made only for the domestic corporations within the affiliated group and only for corporations the net income of which is computed under the same provisions of law.

(f) China trade act corporations: A corporation organized under the China trade act, 1922, shall not be deemed to be affiliated with any other corporation within the meaning of this section.

(g) Corporations deriving income from possessions of United States: For the purposes of this section a corporation entitled to the benefits of section 251, by reason of receiving a large percentage of its income from possessions of the United States, shall be treated as a foreign corporation.

(h) Subsidiary formed to comply with foreign law: In the case of a domestic corporation owning or controlling, directly or indirectly, 100 per cent of the capital stock (exclusive of directors' qualifying shares) of a corporation organized under the laws of a contiguous foreign country and maintained solely for the purpose of complying with the laws of such country as to title and operation of property, such foreign corporation may, at the option of the domestic corporation, be treated for the purpose of this title as a domestic corporation.

(i) Suspension of running of statute of limitations: If a notice under section 272(a) in respect of a deficiency for any taxable year is mailed to a corporation, the suspension of the running of the statute of limitations provided in section 277 shall apply in the case of corporations with which such corporation made a consolidated return for such taxable year.

(j) Allocation of income and deductions: For allocation of income and deductions of related trades or businesses, see section 45.

Mr. KING. May I say to my colleague that I think some explanation will be sought of that amendment, and we will make no time by accepting it now. An explanation will have to come later.

Mr. SMOOT. I think it was unanimously favored by the committee. If my colleague will allow it to be agreed to at this time, if he wants to revert to it later we shall be glad to do so.

Mr. KING. There is no objection to that.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to on that basis.

The next amendment was, on page 114, line 16, to omit the heading "Sec. 141. Consolidated returns of corporations" and to insert in lieu thereof "Sec. 142. Consolidated returns of corporations—taxable year 1928."

The amendment was agreed to.

The next amendment was, on page 114, line 21, after the word "year," to strike out "1927 or."

The amendment was agreed to.

The next amendment was, on page 115, line 1, after the words "such return," to strike out "If return for the taxable year 1926 was made, or if return for the taxable year 1927 is made, on either of such bases, returns for the taxable years 1927 and 1928, or for the taxable year 1928, as the case may be, shall be upon the same basis unless permission to change the basis is granted by the commissioner" and insert "If return for the taxable year 1927 was made upon either of such bases, return for the taxable year 1928 shall be upon the same basis unless permission to change the basis is granted by the commissioner," so as to read:

SEC. 142. CONSOLIDATED RETURNS OF CORPORATIONS—TAXABLE YEAR 1928.

(a) Consolidated returns permitted: Corporations which are affiliated within the meaning of this section may, for the taxable year 1928, make separate returns or, under regulations prescribed by the commissioner with the approval of the Secretary, make a consolidated return of net income for the purpose of this title, in which case the taxes thereunder shall be computed and determined upon the basis of such return. If return for the taxable year 1927 was made upon either of such bases, return for the taxable year 1928 shall be upon the same basis unless permission to change the basis is granted by the commissioner.

Mr. KING. Mr. President, I presume that amendment should go over. It affects the question of retroactivity.

Mr. SMOOT. I will say to my colleague that that is exactly the same thing that we agreed to earlier in the bill. It is only carrying it out. We have to have this amendment in the bill if we are going to pass this legislation at all. It is only in conformity with what has been heretofore done.

Mr. KING. I agree with the Senator that this will be a necessary complement to the preceding section; but it may relate to the question of retroactivity.

Mr. SMOOT. We will go back to the whole subject, I will say to my colleague, if he desires, at any time. We will take up any part of the subject.

Mr. KING. I have no objection to agreeing to the amendment with that understanding.

The amendment was agreed to.

The next amendment was, on page 116, line 17, after the word "year," to strike out "1927 or," so as to read:

(f) Suspension of running of statute of limitations: If a notice under section 272(a) in respect of a deficiency for the taxable year 1928 is mailed to a corporation, the suspension of the running of the statute of limitations, provided in section 277, shall apply in the case of corporations with which such corporation made a consolidated return for such taxable year.

The amendment was agreed to.

The next amendment was, on page 118, line 14, after the word "of," to strike out "this title" and insert "law," so as to read:

(c) Law applicable to fiduciaries: Any fiduciary required to make a return under this title shall be subject to all the provisions of law which apply to individuals.

The amendment was agreed to.

The next amendment was, on page 119, line 18, after "(B)," to strike out "11½ per cent" and insert "12½ per cent," so as to read:

SEC. 144. WITHHOLDING OF TAX AT SOURCE.

(a) Tax-free covenant bonds: (1) Requirement of withholding: In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon, or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods, if payable to an individual, a partnership, or a foreign corporation not engaged in trade or business within the United States and not having any office or place of business therein: *Provided*, That if the liability assumed by the obligor does not exceed 2 per cent of the interest, then the deduction and withholding shall, after the date of the enactment of this act, be at the following rates: (A) 5 per cent in the case of a nonresident alien individual, or of any partnership not engaged in trade or business within the United States and not having any office or place of business therein and composed in whole or in part of nonresident aliens, (B) 12½ per cent in the case of such a foreign corporation, and (C) 2 per cent in the case of other individuals and partnerships:

Mr. SMOOT. That is a rate, Mr. President. Let it go over.

Mr. WALSH of Massachusetts. I ask to have it go over.

The PRESIDING OFFICER. The amendment will go over.

Mr. WALSH of Massachusetts. Mr. President, I desire to call attention to the fact that a great many of these administrative changes that have been made by the committee met with no opposition from the minority; and I want to compliment the chairman of the committee, and the experts who have advised the committee, upon giving us a bill which I think is very far superior to the House bill. I think the improvements that have

been made in the administrative features are, in the main, very satisfactory, and constitute a great improvement over the House bill.

The next amendment was, on page 123, line 8, after the word "section," to strike out "143" and insert "144," and in line 10, after the word "to," to strike out "11½ per cent" and insert "12½ per cent," so as to read:

SEC. 145. PAYMENT OF CORPORATION INCOME TAX AT SOURCE.

In the case of foreign corporations subject to taxation under this title not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 144 a tax equal to 13½ per cent thereof in respect of all payments of income made before the enactment of this act, and equal to 12½ per cent thereof in respect of all payments of income made after the enactment of this act, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subsection (a) of that section (relating to tax-free covenant bonds) the deduction and withholding shall be at the rate specified in such subsection.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, on page 127, line 17, after the word "section," to strike out "148 (a) or 149" and insert "149 (a) or 150," so as to read:

SEC. 148. INFORMATION AT SOURCE.

(a) Payments of $1,500 or more: All persons, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, and employers, making payment to another person of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments described in section 149 (a) or 150), of $1,500 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the commissioner, under such regulations and in such form and manner and to such extent as may be prescribed by him with the approval of the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

The amendment was agreed to.

The next amendment was, on page 131, line 16, after the word "section," to strike out "142" and insert "143," so as to read:

(b) Computation and payment: The tax shall be computed upon the net income of the estate or trust, and shall be paid by the fiduciary, except as provided in section 166 (relating to revocable trusts) and section 167 (relating to income for benefit of the grantor). For return made by beneficiary, see section 143.

The amendment was agreed to.

The next amendment was, on page 140, line 23, after the word "company," to strike out "11½ per cent" and insert "12½ per cent"; and in line 25, after the word "company," to strike out "11½ per cent" and insert "12½ per cent," so as to read:

SEC. 201. TAX ON LIFE INSURANCE COMPANIES.

(a) Definition: When used in this title the term "life insurance company" means an insurance company engaged in the business of issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance), the reserve funds of which held for the fulfillment of such contracts comprise more than 50 per cent of its total reserve funds.

(b) Rate of tax: In lieu of the tax imposed by section 13, there shall be levied, collected, and paid for each taxable year upon the net income of every life insurance company a tax as follows:

(1) In the case of a domestic life insurance company, 12½ per cent of its net income.

(2) In the case of a foreign life insurance company, 12½ per cent of its net income from sources within the United States.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment goes over.

The next amendment was, on page 146, line 2, after the word "company," to strike out "11½ per cent" and insert "12½ per cent"; and in line 5, after the word "company," to strike out "11½ per cent" and insert "12½ per cent," so as to read:

SEC. 204. INSURANCE COMPANIES OTHER THAN LIFE OR MUTUAL.

(a) Imposition of tax: In lieu of the tax imposed by section 13 of this title, there shall be levied, collected, and paid for each taxable year upon the net income of every insurance company (other than a life or mutual insurance company) a tax as follows:

(1) In the case of such a domestic insurance company, 12½ per cent of its net income;

(2) In the case of such a foreign insurance company, 12½ per cent of its net income from sources within the United States.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, on page 154, line 3, before the word "individual," to insert "alien," so as to read:

SEC. 212. GROSS INCOME.

(a) General rule: In the case of a nonresident alien individual gross income includes only the gross income from sources within the United States.

The amendment was agreed to.

The next amendment was, on page 157, at the end of line 17, to strike out "143" and insert "144," so as to read:

(b) Withholding at source: For withholding at source of tax on income of nonresident aliens, see section 144.

The amendment was agreed to.

The next amendment was, on page 159, at the end of line 25, to strike out "143" and insert "144," so as to read:

(b) Withholding at source: For withholding at source of tax on income of foreign corporations, see section 144.

The amendment was agreed to.

The next amendment was, on page 160, at the end of line 7, to insert "or 142," so as to read:

SEC. 238. AFFILIATION.

A foreign corporation shall not be deemed to be affiliated with any other corporation within the meaning of section 141 or 142.

The amendment was agree to.

The next amendment was, on page 163, at the end of line 4, to insert "or 142," so as to read:

(b) Affiliation: A corporation entitled to the benefits of this section shall not be deemed to be affiliated with any other corporation within the meaning of section 141 or 142.

The amendment was agreed to.

The next amendment was, on page 166, at the end of line 4, to insert "or 142," so as to read:

SEC. 263. AFFILIATION.

A corporation organized under the China trade act, 1922, shall not be deemed to be affiliated with any other corporation within the meaning of section 141 or 142.

The amendment was agreed to.

The next amendment was, on page 179, line 8, after the word "before," to strike out "or after"; and in line 9, after the word "before," to strike out "or after," so as to read:

(b) Waivers: Where before the expiration of the time prescribed in section 275 for the assessment of the tax, both the commissioner and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

The amendment was agreed to.

The next amendment was, on page 179, line 18, after the word "before," to strike out "or after"; and in line 21, after the word "before," to strike out "or after," so as to read:

(c) Collection after assessment: Where the assessment of any income tax imposed by this title has been made within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court, but only if begun (1) within six years after the assessment of the tax, or (2) prior to the expiration of any period for collection agreed upon in writing by the commissioner and the taxpayer before the expiration of such six-year period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

The amendment was agreed to.

The next amendment was, on page 186, at the end of line 5, to strike out "146" and insert "147," so as to read:

SEC. 299. REMOVAL OF PROPERTY OR DEPARTURE FROM UNITED STATES.

For additions to tax in case of leaving the United States or concealing property in such manner as to hinder collection of the tax, see section 147.

The amendment was agreed to.

The next amendment was, on page 187, line 13, after the word "preceding," to strike out "transferee" and insert "transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer," so as to read:

(b) Period of limitation: The period of limitation for assessment of any such liability of a transferee or fiduciary shall be as follows:

(1) In the case of the liability of an initial transferee of the property of the taxpayer—within one year after the expiration of the period of limitation for assessment against the taxpayer;

(2) In the case of the liability of a transferee of a transferee of the property of the taxpayer—within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer—

Mr. McKELLAR. Mr. President, may I ask the chairman of the committee why three years are given on page 187?

Mr. FLETCHER. Does that extend the time of the present law?

Mr. SMOOT. No; that is a limitation, Mr. President. We limit it to three years.

Mr. McKELLAR. What is it now?

Mr. SMOOT. It is an indefinite time now.

Mr. McKELLAR. I was wondering why this time should be so long as three years. It is a very bad practice to hold these things open.

Mr. SMOOT. As I stated before when the bill was up, if it is made any less than that, it will hurt the taxpayer. He will not have his chance. The Government would have every advantage in the world of him; and we certainly want to give him three years here in order at least to have his case presented. I will say to the Senator that it is all in the hands of the taxpayer.

The PRESIDING OFFICER. The question is on agreeing to the agreement.

The amendment was agreed to.

The next amendment was, on page 192, line 17, after the word "section," to strike out "143" and insert "144," so as to read:

(e) Tax withheld at source: For refund or credit in case of excessive withholding at the source, see section 144(f).

The amendment was agreed to.

The next amendment was, on page 194, after line 16, to insert the following:

SEC. 404. CREDIT OF GIFT TAX.

Section 322 of the revenue act of 1924 (relating to the credit of gift tax against estate tax where the amount of the gift is required to be included in the gross estate of the decedent) is revived as of January 1, 1926 (the effective date of its repeal by the revenue act of 1926). Such section shall also be applied in the case of the estate tax imposed by Title III of the revenue act of 1926, in the same manner and to the same extent as in the case of the estate tax imposed by Title III of the revenue act of 1924.

Mr. KING. Mr. President, it is my present intention to offer an amendment dealing with gift taxes.

The PRESIDING OFFICER. This amendment will go over.

Mr. KING. I believe that people who receive gifts ought to be taxed, and I am offering an amendment also to the estate taxes.

Mr. GEORGE. Mr. President, I was about to say to the Senator that this amendment would not interfere with that. This section merely permits a credit where a tax has been paid upon a gift.

Mr. SMOOT. The Senator is perfectly right. It has no connection whatever with the legislation that the Senator mentions.

Mr. KING. It is not intended in any way to prevent the imposition of a tax upon gifts?

Mr. GEORGE. Not at all.

Mr. HARRISON. It prevents the payment of the estate tax and the gift tax, too.

Mr. GEORGE. On the same item; that is all.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 195, line 11, after the word "is," to strike out "$1 or less" and insert "$3 or less"; and in line 23, after the word "is," to strike out "$1 or less" and insert "$3 or less," so as to read:

PART II. TAX ON ADMISSIONS AND DUES

SEC. 411. ADMISSIONS TAX.

(a) The first two paragraphs of section 500 of the revenue act of 1926 are amended to read as follows:

"SEC. 500 (a). There shall be levied, assessed, collected, and paid—

"(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, including admission by season ticket or subscription, to be paid by the person paying for such admission; except that in case the amount paid for admission is $3 or less no tax shall be imposed, and except that in case of admission to a prize fight, or boxing, sparring, or other pugilistic match or exhibition, for which the amount paid for admission is $5 or more, the tax shall be 25 per cent of such amount: *Provided*, That an equivalent tax shall be collected on all free or complimentary tickets or admissions to such prize fight, or boxing, sparring, or other pugilistic match or exhibition, and the tax shall be on the amount for which a similar seat or box is sold at the said match or exhibition. Amounts paid for admission by season ticket or subscription shall be exempt only if the amount which would be charged to the holder or subscriber for a single admission is $3 or less."

(b) Subsection (a) of this section shall take effect on the expiration of 30 days after the enactment of this act.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will go over.

Mr. SMOOT. The question asked by the Senator from Massachusetts is as to the committee's reason for agreeing to the amendment on page 195, line 11.

Mr. HARRISON. I understood that that was to go over.

Mr. SMOOT. It is to go over.

The PRESIDING OFFICER. The amendment on page 195 has gone over.

Mr. SMOOT. Shall I proceed with my explanation?

Mr. FLETCHER. I think it should be explained.

Mr. SMOOT. I will explain it, if the Senator wishes.

Mr. WALSH of Massachusetts. I thank the Senator.

Mr. SMOOT. The present law provides a tax of 10 per cent upon all admission dues of over 75 cents. The House increased that minimum to $1. The Finance Committee increased it to $3, and that will take out the spoken drama in every place except one or two of the cities in the United States, and all taxes, perhaps, with the exception of the tax on admissions to high-priced operas and prize fights.

Mr. HARRISON. Prize fights are provided for elsewhere.

Mr. SMOOT. There is a provision in the bill as it passed the House, as well as in the Senate committee bill, imposing a tax of 25 per cent on admissions to prize fights where the admission is over $5.

Mr. WALSH of Massachusetts. This provision does not touch prize fights?

Mr. SMOOT. No; but there is a provision in the bill which does impose a 25 per cent tax on admissions to prize fights.

Mr. WALSH of Massachusetts. I understand that.

Mr. SMOOT. So far as revenue is concerned, there is very little revenue left in this class; approximately about a million dollars is all.

Mr. WALSH of Massachusetts. How much revenue is lost by this change?

Mr. SMOOT. Seventeen million dollars.

Mr. HARRISON. I understand, then, that the Senator wants to retain the tax on admissions of over $3?

Mr. SMOOT. Yes.

Mr. HARRISON. And the Government will receive only a million dollars in return, but is losing some $17,000,000 that now comes in. Can the Senator give us any idea as to the cost of administration in collecting the million dollars which the Senator would have us retain on these admission taxes?

Mr. SMOOT. There is no cost to the Government whatever.

Mr. HARRISON. It costs something to administer the law.

Mr. SMOOT. It is merely the sending out of a receipt. I do not see that there is anything else.

Mr. HARRISON. Then I understand it costs the Government nothing to collect these taxes?

Mr. SMOOT. A very slight amount.

Mr. HARRISON. I was just wondering how much that very slight amount was.

Mr. SMOOT. Nobody can tell, but it is a very small amount.

Mr. WALSH of Massachusetts. I understand that the amendment will go over?

Mr. SMOOT. It goes over.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. FLETCHER. Under the bill as it passed the House admissions of $1 or less would be exempt?

Mr. SMOOT. Yes.

Mr. FLETCHER. And the Senate committee raised the minimum to $3?

Mr. SMOOT. Yes.

Mr. FLETCHER. That will reduce the revenues some $17,000,000?

Mr. SMOOT. In all, $17,000,000.

Mr. FLETCHER. Suppose we make it $2 instead of $3?

Mr. SMOOT. I have no estimate on that, but I can get one.

Mr. FLETCHER. I think it would be much wiser to eliminate the estate tax, reducing the revenues about $7,000,000

there, and make this $2, to make it up, if you want to, instead of $3. That would help make it up.

Mr. SIMMONS. Mr. President, the Senator will get into some complications if he tries to handle the matter in that way. The minority members of the committee were in favor of striking out the whole admission tax. The majority proposed simply to raise the minimum now exempted from 75 cents to $3. That is the difference. By raising the minimum to $3 the revenues would be reduced about $17,000,000.

Mr. SMOOT. That is correct.

Mr. SIMMONS. Under our proposition, eliminating the whole admissions schedule, we would make a reduction of about eighteen and one-half million dollars. That is the only difference, as I understand, between the minority and the majority view.

Mr. FLETCHER. Did the minority propose to eliminate admissions to prize fights?

Mr. SIMMONS. No; that was not included.

Mr. FLETCHER. I did not know what the position of the majority was as to that. I can not see why a man who is willing to pay $40 to see a prize fight should not pay something to the Government.

Mr. SIMMONS. Most of the majority and minority were agreed in retaining the tax on prize-fight admissions.

Mr. WALSH of Massachusetts. I understand the Senator from North Carolina is to offer an amendment wiping out all this tax?

Mr. SIMMONS. I shall do so at the proper time.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, under the subhead "Club dues tax," on page 196, line 5, after the word "to," to strike out "5 per cent" and insert "10 per cent," so as to read:

SEC. 501. (a) There shall be levied, assessed, collected, and paid a tax equivalent to 10 per cent of any amount paid——

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 198, line 3, after the word "importer," to strike out "an amount equal to 1½ per cent of the price for which such article was sold by him, or, if the tax has not been paid, an amount equal to such 1½ per cent shall be credited against the tax in respect of such article" and insert "the amount of the tax, or if the tax has not been paid, the tax shall be abated," so as to read:

SEC. 422. REFUND OF AUTOMOBILE TAX TO MANUFACTURER, PRODUCER, OR IMPORTER.

(a) Where prior to the date of the enactment of this act any article subject to the tax imposed by section 600 (1) of the revenue act of 1926 has been sold by the manufacturer, producer, or importer, and is on such date held by a dealer and intended for sale, there shall be refunded to the manufacturer, producer, or importer the amount of the tax, or if the tax has not been paid, the tax shall be abated.

Mr. SMOOT. I do not know that anyone wants to have the amendment go over. It is the tax on automobiles.

This is the situation: The House Ways and Means Committee reported the bill to the House carrying 1½ per cent. On the floor of the House that was stricken out, making automobiles free, but the House at the same time did not strike out the provision of 1½ per cent on the floor tax, and therefore, as the Senate committee decided to make automobiles free, of course we had then to strike out the provision for the floor tax as contained in the bill as it passed the House.

Mr. WALSH of Massachusetts. Was the action of the committee unanimous in regard to this matter?

Mr. SMOOT. I think the committee was unanimous as to the automobile tax. If anything should happen in the way of the Senate voting the 1½ per cent on automobiles, then we would ask for a reconsideration of this amendment.

Mr. WALSH of Massachusetts. I am in favor of the removal of the tax on automobiles.

Mr. SIMMONS. Mr. President, as the Senator from Utah has stated, the action of the committee was unanimous, but there may be some contest about it upon the floor. I thought we were probably going to take up to-day only those amendments on which there was no contest. If there is to be any contest on this amendment, I do not know anything about it.

Mr. SMOOT. If there shall be any, this amendment can be reconsidered.

Mr. FLETCHER. May I inquire of the Senator whether it exempts all sales taxes on automobiles? For instance, suppose I bought an automobile in 1927 and paid the tax. Is there any provision for a refund?

Mr. SMOOT. None whatever.

Mr. FLETCHER. I am using that simply as an illustration.

Mr. SMOOT. This is a tax that the manufacturer charged to the dealer, and where the dealer has the automobile on his floor unsold. Under the House provision he would have to pay 1½ per cent notwithstanding the machine may have been sold after the passage of the act under which there is no tax on sales of automobiles. So in that case the dealer would lose that 1½ per cent.

Mr. FLETCHER. It applies only to future transactions?

Mr. SMOOT. That is right.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. We have not yet reached section 423?

The PRESIDING OFFICER. No. The clerk will report the next amendment.

The next amendment was, on page 198, line 19, after the word "section," to strike out "(1) may be applied as a credit against the tax shown by subsequent returns of the manufacturer, producer, or importer, and (2)," so as to read:

(c) Under regulations prescribed by the commissioner, with the approval of the Secretary, the refund provided by this section may be made to the dealer instead of to the manufacturer, producer, or importer, if the manufacturer, producer, or importer waives any claim for the amount so to be refunded.

The amendment was agreed to.

The next amendment was, on page 199, line 1, before the word "provided," to strike out "credit" and insert "abatement"; in line 4, after the word "or," to strike out "credit" and insert "abatement"; and in line 6, after the word "or," to strike out "credits" and insert "abatement," so as to read:

(d) When the refund or abatement provided for in this section has been allowed to the manufacturer, producer, or importer, he shall remit to the dealer to whom was sold the article in respect of which the refund or abatement was allowed, so much of that amount of the tax corresponding to the refund or abatement, as was paid or agreed to be paid by the dealer. Upon the failure of the manufacturer, producer, or importer to make such remission he shall be liable to the dealer for damages in the amount of three times the amount thereof, and the court shall include in any judgment in favor of the dealer in any suit for the recovery of such damages, costs of the suit, and a reasonable attorney's fee to be fixed by the court.

The amendment was agreed to.

The next amendment was, on page 199, line 20, after the figures "1926," to strike out "as amended by this act, and in respect of which a corresponding but greater tax was imposed by such section before its amendment by this act, (2) the contract price includes the amount of the tax imposed by such section before its amendment by this act, and (3) such contract does not permit the deduction from the amount to be paid thereunder of the whole of the difference between the tax imposed by such section before its amendment by this act and the tax imposed by such section after its amendment by this act, then the vendor or lessor shall refund so much of the amount of such difference as is not so permitted to be deducted from the contract price," and insert "and (2) the contract price includes the amount of the tax imposed by such section, and (3) such contract does not permit the deduction from the amount to be paid thereunder of the whole of the tax imposed by such section, then the vendor or lessor shall refund so much of the amount of such tax as is not so permitted to be deducted from the contract price," so as to read:

SEC. 423. REFUND OF AUTOMOBILE TAX TO VENDEE.

(a) If (1) any person has, prior to January 1, 1928, made a bona fide contract with any other person for the sale or lease, after the enactment of this act, of any article in respect of which a tax is imposed by section 600 (1) of the revenue act of 1926, and (2) the contract price includes the amount of the tax imposed by such section, and (3) such contract does not permit the deduction from the amount to be paid thereunder of the whole of the tax imposed by such section, then the vendor or lessor shall refund so much of the amount of such tax as is not so permitted to be deducted from the contract price.

The amendment was agreed to.

The next amendment was, on page 200, after line 12, to strike out:

(b) If (1) any manufacturer, producer, or importer of automobile bodies has, prior to January 1, 1928, made a bona fide contract with a manufacturer or producer of automobiles for the sale or lease, after the enactment of this act, of an automobile body, (2) the contract price includes the amount of the tax imposed by section 600 (1) of the revenue act of 1926 before its amendment by this act, and (3) such contract does not permit the deduction from the amount to be paid thereunder of such tax, then the vendor or lessor shall refund

to the vendee or lessee so much of the amount of such tax as is not permitted to be deducted from the contract price.

The amendment was agreed to.

The next amendment was, on page 201, under section 424, to strike out:

No refund shall be made of any amount paid by or collected from any manufacturer, producer, or importer in respect of the tax imposed by subdivision (3) of section 600 of the revenue act of 1924, or subdivision (3) of section 900 of the revenue act of 1921 or of the revenue act of 1918—

(a) Except pursuant to a judgment of a court in an action duly begun prior to February 28, 1927; or

(b) Unless it is established to the satisfaction of the commissioner that such amount was in excess of the amount properly payable upon the sale or lease of an article subject to tax, or that such amount was not collected directly or indirectly from the purchaser or lessee, or that such amount, although collected from the purchaser or lessee, was returned to him prior to February 28, 1927; or

(c) Unless the commissioner certifies to the proper disbursing officer that such manufacturer, producer, or importer has filed with the commissioner, under regulations prescribed by the commissioner with the approval of the Secretary, a bond in such sum and with such sureties as the commissioner deems necessary, conditioned upon the immediate repayment to the United States of such portion of the amount refunded as is not distributed by such manufacturer, producer, or importer, within six months after the date of the payment of the refund, to the persons who purchased for purposes of consumption (whether from such manufacturer, producer, importer, or from any other person) the articles in respect of which the refund is made, as evidenced by the affidavits (in such form and containing such statements as the commissioner may prescribe) of such purchasers, and that such bond, in the case of a claim allowed after February 28, 1927, was filed before the allowance of the claim by the commissioner.

And to insert:

The second proviso under the heading "Internal Revenue," in section 1 of the first deficiency act, fiscal year 1928, is repealed.

Mr. SMOOT. Let the amendment in section 424 be passed over.

Mr. KING. Yes; I ask that it may go over.

The PRESIDING OFFICER. The amendment in that section will be passed over. The clerk will report the next amendment.

The next amendment was, on page 202, after line 21, to insert:

SEC. 425. CIGAR PACKAGES.

(a) Section 3392 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 3392. All cigars weighing more than 3 pounds per thousand shall be packed in boxes not before used for that purpose containing, respectively, 3, 5, 7, 10, 12, 13, 20, 25, 50, 100, 200, 250, or 500 cigars each; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of or less than the number provided by law to be put in each box, respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offense not more than $1,000 and be imprisoned not more than two years: *Provided,* That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers from boxes packed, stamped, and branded in the manner prescribed by law: *Provided further,* That each employee of a manufacturer of cigars shall be permitted to use, for personal consumption and for experimental purposes, not to exceed 21 cigars per week without the manufacturer of cigars being required to pack the same in boxes or to stamp or pay any internal-revenue tax thereon, such exemption to be allowed under such rules and regulations as the Secretary of the Treasury may prescribe."

(b) This section shall take effect on the expiration of 30 days after the enactment of this act.

Mr. SMOOT. The only change in existing law by this amendment is the allowing of 20 cigars in a box.

Mr. FLETCHER. Mr. President, that is an amendment affecting a rather important industry. I have not examined it.

Mr. SMOOT. It is asked for by the industry.

Mr. FLETCHER. The Senator is certain of his statement that it affects only what he has mentioned?

Mr. SMOOT. I am sure. If the Senator desires, I will show him the letters I have received in regard to the matter; and if he does not think the amendment should be in the bill, I will have the vote reconsidered.

Mr. FLETCHER. With the understanding we have had as to other amendments, that if I find a protest against it I may have the matter reopened, I will not object.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator from Florida, in view of the large number of telegrams and letters which we are receiving regarding our dealings with Cuba, and the bringing into the United States of Cuban cigarettes and the fact, as it is claimed, that we are cutting off our trade with Cuba, will the Senator be willing that we shall in this tax bill deal with the question of the importation of cigarettes and cigars and tobacco?

Mr. FLETCHER. I think not. We had better let that stand on its own merits.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 204, under "Part IV—Special taxes. Sec. 431. Tax on use of foreign-built boats," to strike out lines 3 to 17, as follows:

Section 702 of the revenue act of 1926 is amended by adding after the end of the first paragraph a new paragraph to read as follows: "On and after July 1, 1928, the rates shall be as follows: Yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, of over 5 net tons, length over 32 feet and not over 50 feet, $10 for each foot; length over 50 feet, and not over 100 feet, $20 for each foot; length over 100 feet, $40 for each foot; except that the increase in rates shall not apply to a yacht or other boat built, or for the building of which a contract was entered into, before December 1, 1927."

And insert:

Section 702 of the revenue act of 1926—imposing a tax on the use of certain foreign-built boats—is repealed, to take effect July 1, 1928.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, under the subhead "Tax on narcotics," on page 205, line 7, to strike out "$1 each year" and to insert "$3 each year," so as to read:

Importers, manufacturers, producers, or compounders, $24 a year; wholesale dealers, $12 a year; retail dealers, $6 a year; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay $3 each year or fraction thereof during which they engage in any of such activities.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 205, under "Part V—Stamp taxes," to strike out:

SEC. 441. TAX ON SALES OF PRODUCE ON EXCHANGE.

Subdivision 4 of Schedule A of Title VIII of the revenue act of 1926 is repealed, to take effect on the expiration of 30 days after the enactment of this act.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 205, after line 14, to strike out lines 15 to line 2, page 206, as follows:

SEC. 442. TAX ON SALES OR TRANSFERS OF CAPITAL STOCK.

Subdivision 3 of Schedule A of Title VIII of the revenue act of 1926 is amended, to take effect on the expiration of 30 days after the enactment of this act, by striking out "on each $100 of face value or fraction thereof, 2 cents, and where such shares are without par or face value, the tax shall be 2 cents on the transfer or sale or agreement to sell on each share" and inserting in lieu thereof "on each $100 of face value or fraction thereof, 1 cent, and where such shares are without par or face value, the tax shall be 1 cent on the transfer or sale or agreement to sell on each share."

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment goes over.

The next amendment was, on page 206, line 11, to strike out "50,000" and insert "25,000," so as to read:

SEC. 441. SALE OF STAMPS AT POST OFFICES.

Title VIII of the revenue act of 1926 is amended by adding after section 807 a new section to read as follows:

"SEC. 808. The commissioner shall furnish to the Postmaster General without prepayment a suitable quantity of adhesive stamps to be distributed to and kept on sale by the various postmasters in the United States in cities of over 25,000 inhabitants. The Postmaster General may require each such postmaster to give additional or increased bond as postmaster for the value of the stamps so furnished, and each such postmaster shall deposit the receipts from the sale of such stamps to the credit of and render accounts to the Postmaster General at such times and in such form as he may by regulations prescribe. The

Postmaster General shall at least once monthly transfer all collections from this source to the Treasury as internal-revenue collections."

The amendment was agreed to.

The next amendment was, on page 207, line 5, to strike out "gallon" and insert:

gallon;

On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, $1 per wine gallon.

So as to read:

On wines containing more than 14 per cent and not exceeding 21 per cent of absolute alcohol, 40 cents per wine gallon;

On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, $1 per wine gallon.

Mr. HARRISON. This amendment goes over, does it not?

Mr. SMOOT. The rates mentioned here are all in conformity with the general reduction, and I have no objection to agreeing to the amendment now. But it does refer to rates.

The amendment was agreed to.

The next amendment was, on page 207, line 16, to strike out "gallon" and to insert:

gallon;

On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, 25 cents per wine gallon.

So as to read:

On wines containing more than 14 per cent and not exceeding 21 per cent of absolute alcohol, 10 cents per wine gallon;

On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, 25 cents per wine gallon.

The amendment was agreed to.

The next amendment was, on page 209, line 10, to strike out "or 1926" and insert in lieu thereof "1926, or 1927," so as to make the paragraph read:

(h) (1) If a notice under subdivision (a) of section 274 in respect of a deficiency for the taxable year 1922, 1923, 1924, 1925, 1926, or 1927 has been mailed to a corporation, the suspension of the running of the statute of limitations, provided in subdivision (b) of section 277 and in subdivision (l) of section 283, shall apply in the case of corporations with which such corporation made a consolidated return for such taxable year.

Mr. KING. That should go over. It deals with the retroactive feature.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 212, line 24, after the word "before," to strike out the words "or after"; on page 213, in line 5, after the word "before," to strike out the words "or after"; on the same page, line 16, after the word "before," to strike out the words "or after"; and on the same page, line 19, after the word "before," to strike out the words "or after," so as to make the paragraphs read:

(a) Section 278 (c) and (d) of the revenue act of 1926 are amended to read as follows:

"(c) Where before the expiration of the time prescribed in section 277 for the assessment of the tax, both the commissioner and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

"(d) Where the assessment of any income, excess-profits, or war-profits taxes imposed by this title or by prior act of Congress has been made (whether before or after the enactment of this act) within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court (begun before or after the enactment of this act), but only if begun (1) within six years after the assessment of the tax, or (2) prior to the expiration of any period for collection agreed upon in writing by the commissioner and the taxpayer before the expiration of such six-year period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon."

The amendment was agreed to.

The next amendment was, on page 213, after line 20, to insert:

(b) Section 278 of the revenue act of 1926 is further amended by adding at the end thereof a new subdivision to read as follows:

"(f) Any agreement which would be within the provisions of subdivision (c) or (d) of this section but for the fact that it was executed after the expiration of the period of limitation extended by such agreement, shall be valid and effective according to its terms if entered into after the enactment of the revenue act of 1928 and before January 1, 1929."

(c) The amendments made by this section to the revenue act of 1926 shall not be construed as in any manner affecting the validity of waivers made prior to the enactment of this act, which shall be determined according to the law in existence at the time such waiver was filed.

The amendment was agreed to.

The next amendment was, on page 214, line 24, after "subdivision (g)," to insert "or (i)," so as to make the paragraph read:

SEC. 507. OVERPAYMENTS FOUND BY BOARD OF TAX APPEALS.

Section 284 (e) of the revenue act of 1926 is amended to read as follows:

"(e) If the board finds that there is no deficiency and further finds that the taxpayer has made an overpayment of tax in respect of the taxable year in respect of which the commissioner determined the deficiency, the board shall have jurisdiction to determine the amount of such overpayment, and such amount shall, when the decision of the board has become final, be credited or refunded to the taxpayer as provided in subdivision (a). Unless claim for credit or refund, or the petition, was filed within the time prescribed in subdivision (g) or (i) for filing claims, no such credit or refund shall be made of any portion of the tax paid more than four years (or, in the case of a tax imposed by this title, more than three years) before the filing of the claim or the filing of the petition, whichever is earlier."

The amendment was agreed to.

The next amendment was, on page 215, after line 3, to insert:

SEC. 508. CLAIMS FOR REFUND FOR 1917–1921.

Section 284 of the revenue act of 1926 is amended by adding at the end thereof a new subdivison to read as follows:

"(i) If the taxpayer has prior to January 1, 1928, filed a valid and enforceable waiver of his right to have the income, war-profits, or excess-profits taxes for the taxable years 1917, 1918, 1919, or 1920 determined and assessed within five years after the return was filed, or filed a valid and enforceable waiver of his right to have such taxes for the taxable year 1921 determined and assessed within four years after the return was filed, then such credit or refund relating to the taxes for the year in respect of which the waiver was filed shall be allowed or made if claim therefor is filed at any time prior to 90 days before the expiration of such waiver, or at any time before the expiration of one year after the waiver was filed, whichever date is earlier."

Mr. KING. Let that amendment go over, too.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 215, after line 20, to insert:

SEC. 509. SURTAX RATES FOR 1927.

(a) Section 211 of the revenue act of 1926 is amended, to take effect as of January 1, 1927, by adding at the end thereof a new subdivision to read as follows:

"(c) Notwithstanding the rates provided in subdivision (a) the rates of surtax for the calendar year 1927 shall be the same as the rates of surtax specified in section 12 of the revenue act of 1928."

(b) Any refund or credit to which a taxpayer may be entitled by reason of this section shall be made or allowed without interest.

Mr. KING. Let that go over also.

The PRESIDING OFFICER. The amendment goes over.

Mr. HARRISON. Mr. President, may I ask the chairman of the committee with reference to that amendment?

Mr. SMOOT. That is a retroactive feature of the bill on the surtax of an individual.

Mr. HARRISON. The amendment goes over?

Mr. SMOOT. Yes.

Mr. FLETCHER. The only retroactive feature I have found so far in the bill refers only to surtaxes and certain classes of taxpayers who pay surtaxes. What is the idea of the committee? It is made retroactive as to incomes of $18,000 and over, and only as to certain classes of taxpayers within the surtax provision.

Mr. SMOOT. The way the House had it, there was no change whatever in the surtax rates of individuals. They had a provision making it retroactive for corporations, but having made no change in the rate of surtaxes on individual incomes there was no need for a provision for making it retroactive, of course. The Senate committee made a reduction in the surtax rate, and we also provide that whatever reduction is made in the bill on individual taxes over and above 1927 shall be given credit upon this year's taxes or the taxes imposed for 1927. The individual gets the credit.

Mr. FLETCHER. Does it refer to all individuals or only to those within certain brackets?

Mr. SMOOT. It refers to the surtaxes of all individuals.

Mr. HARRISON. This provision was not necessary when the bill was considered in the House, because the bill was passed in December in the House, and it is now May of the following year.

Mr. SMOOT. I would not say that. The real reason for that, as I understand the House Members—and I have talked with a number of them—was that there was no change whatever in the surtax rate in the House.

Mr. HARRISON. That is quite true.

Mr. SMOOT. Therefore they did not believe it necessary to have a provision in the bill for a retroactive feature as to individual taxpayers on their surtaxes, but they did have it apply to corporations. The majority of the Senate committee decided that we would not provide the retroactive feature for corporations, but that we would make it retroactive for individuals, and now all individuals who pay a surtax will get this reduction.

Mr. HARRISON. The matter is going over, I understand?

Mr. SMOOT. Yes.

The PRESIDING OFFICER. The amendment goes over and the clerk will report the next amendment.

The next amendment of the Committee on Finance was, on page 216, lines 22 to 25, to strike out the following: "A division shall hear and make a report to the board upon any proceeding instituted before the board and any motion thereon, assigned to such division by the chairman," and to insert in lieu thereof:

A division shall hear, and make a determination upon, any proceeding instituted before the board and any motion in connection therewith, assigned to such division by the chairman, and shall make a report of any such determination which constitutes its final disposition of the proceeding.

The amendment was agreed to.

The next amendment was, on page 217, lines 6 to 9, to strike out the words "(b) The report of the division, and any findings of fact made or opinion or memorandum opinion rendered by the division in connection therewith, shall become the report and the findings of fact and opinion," and insert in lieu thereof the words "The report of the division shall become the report," and in line 17, after the word "division," to strike out the words "and any findings of fact made or opinion or memorandum opinion rendered by the division in connection therewith," so as to make the paragraph read:

(b) The report of the division shall become the report of the board within 30 days after such report by the division, unless within such period the chairman has directed that such report shall be reviewed by the board. Any preliminary action by a division which does not form the basis for the entry of the final decision shall not be subject to review by the board except in accordance with such rules as the board may prescribe. The report of a division shall not be a part of the record in any case in which the chairman directs that such report shall be reviewed by the board.

The amendment was agreed to.

The next amendment was, on page 219, line 16, after the word "contract," to insert the words "(by renewal of contract or otherwise)," so as to read:

Hearings before the board and its divisions shall be open to the public, and the testimony, and, if the board so requires, the argument shall be stenographically reported. The board is authorized to contract (by renewal of contract or otherwise) for the reporting of such hearings, and in such contract to fix the terms and conditions under which transcripts will be supplied by the contractor to the board and to other persons and agencies.

The amendment was agreed to.

The next amendment was, on page 219, in line 25, to strike out the words, "Such rules of practice and procedure shall have the same force and effect as Federal equity rules," and insert in lieu thereof the following:

In any proceeding involving the issue whether the petitioner has been guilty of fraud with intent to evade tax, where no hearing has been held before the enactment of the revenue act of 1928, the burden of proof in respect of such issue shall be upon the commissioner.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 220, to strike out lines 14 to 17, in the following words:

No decision of the board shall be modified or reversed because the board or any of its divisions has failed to consider evidence not adduced before the board or division.

The amendment was agreed to.

The next amendment was, on page 223, to strike out lines 19 to 25, and on page 224 to strike out lines 1 and 2, as follows:

Proceedings instituted after the enactment of this act under section 311 of this act or under section 280 or 316 of the revenue act of 1926 for the enforcement of the liability of a transferee or fiduciary, shall be in addition to and not in substitution for proceedings in court, at law or in equity, for the enforcement of such liability; and the commissioner may cause proceedings for the enforcement of such liability to be instituted either under such sections or in court, in his discretion.

Mr. KING. I ask that that amendment may go over.

The PRESIDING OFFICER. The amendment will go over.

Mr. SMOOT. I want to ask the Senator if he means the old section 605? There are separate amendments. Which one does he want to have passed over?

Mr. KING. Section 605 on page 223.

The PRESIDING OFFICER. The amendment will go over.

Mr. KING. I want to ask the Senator a question in regard to that. It is a legal question. It may be necessary to refer it to the experts. I approve of section 605 and subdivision (a), but I ask this question to see if I understand it correctly. Suppose that a regulation promulgated by the Treasury has been ratified by statute and has the effect of a statute in contradistinction to a regulation by the department. Would this repeal the regulation which has the effect of a statute? It occurred to me if there is any danger it might be well to add at the end of section 1108, subdivision (a) "*Provided*, That if any regulation has been approved by statute, then this provision shall not relate to such regulation."

Mr. SMOOT. I am quite sure that such an amendment is not required. The section itself covers everything the Senator has just mentioned.

Mr. KING. I will ask the experts to look into that, because I think some regulations have received the sanction of a statute and thus become law, and there is no intention of repealing such a regulation.

Mr. McKELLAR. Mr. President, may I ask the Senator a question? This has no reference to decisions of the Supreme Court where the retroactive provision of the law was included?

Mr. SMOOT. That is another provision entirely.

Mr. McKELLAR. May I ask the Senator if there is any such provision in the bill?

Mr. SMOOT. It was involved in section 611 and that was stricken out. It is at the bottom of page 228 and top of page 229.

Mr. McKELLAR. But that has been stricken out?

Mr. SMOOT. Yes.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). The clerk will state the next amendment.

The next amendment was, on page 224, line 3, to insert:

SEC. 605. RETROACTIVE REGULATIONS.

Section 1108(a) of the revenue act of 1926 is amended to read as follows:

"SEC. 1108. (a) In case a regulation or Treasury decision relating to the internal revenue laws is amended by a subsequent regulation or Treasury decision, made by the Secretary or by the commissioner with the approval of the Secretary, such subsequent regulation or Treasury decision may, with the approval of the Secretary, be applied without retroactive effect."

The amendment was agreed to.

The next amendment was, on page 224, in line 23, after the word "Secretary," to insert the words "the Undersecretary, or an Assistant Secretary," so as to read:

(b) Finality of agreements: If such agreement is approved by the Secretary, the Undersecretary, or an Assistant Secretary, within such time as may be stated in such agreement, or later agreed to, such agreement shall be final and conclusive, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact—

And so forth.

The amendment was agreed to.

The next amendment was, on page 225, to strike out lines 18 to 24, and on page 226 to strike out lines 1 to 11, inclusive, in the following words:

(a) Payment of barred taxes: The payment of any portion of an internal-revenue tax (or any interest, penalty, additional amount, or addition to such tax) shall be considered as an overpayment if made—

(1) after the expiration of the period of limitation on assessment, if no assessment thereof was made within such period, or

(2) after the expiration of the period of limitation for collection by distraint or proceeding in court, if no distrant or proceeding for the collection thereof was begun within such period.

(b) Same refund or credit: The provisions of subsection (a) shall apply to any payment made before or after the enactment of this act, and any such payment shall be refunded or credited (even though claim therefor was disallowed prior to the enactment of this act) if claim

therefor is filed within the period of limitation properly applicable thereto.

The amendment was agreed to.

The next amendment was, on page 226, after line 12, to insert:

SEC. 607. EXTINGUISHMENT OF LIABILITY BY BAR OF STATUTE OF LIMITATIONS AGAINST UNITED STATES.

Any tax (or any interest, penalty, additional amount, or addition to such tax) assessed or paid (whether before or after the enactment of this act) after the expiration of the period of limitation properly applicable thereto shall be considered an overpayment and shall be credited or refunded to the taxpayer if claim therefor is filed within the period of limitation for filing such claim.

The amendment was agreed to.

The next amendment was, on page 227, in lines 9 and 10, to strike out the words "unless within such period suit was begun by the taxpayer," and insert in lieu thereof the following: "unless—(1) within such period suit was begun by the taxpayer, or

(2) within such period, the taxpayer and the commissioner agreed in writing to suspend the running of the statute of limitations for filing suit from the date of the agreement to the date of final decision in one or more named cases then pending before the United States Board of Tax Appeals or the courts."

So as to make the paragraph read:

(b) in the case of a claim filed within the proper time and disallowed by the commissioner after the enactment of this act, if the refund was made after the expiration of the period of limitation for filing suit, unless—

(1) within such period suit was begun by the taxpayer, or

(2) within such period, the taxpayer and the commissioner agreed in writing to suspend the running of the statute of limitations for filing suit from the date of the agreement to the date of final decision in one or more named cases then pending before the United States Board of Tax Appeals or the courts.

Mr. KING. I ask that section 608, the provision on page 227, lines 9 to 18, inclusive, may go over.

The PRESIDING OFFICER. The amendment will be passed over at the request of the junior Senator from Utah. The clerk will state the next amendment.

The next amendment was, on page 228, after line 23, to strike out:

SEC. 611. Collections stayed by claim in abatement: If any internal-revenue tax (or any interest, penalty, additional amount, or addition to such tax) was, within the period of limitation properly applicable thereto, assessed prior to June 2, 1924, and if a claim in abatement was filed, with or without bond, and if the collection of any part thereof was stayed, then—

(a) the payment of such part (made before or within one year after the enactment of this act) shall not be considered as an overpayment under the provisions of section 607, relating to payments made after the expiration of the period of limitation on assessment and collection; and

(b) a distraint or proceeding in court for the collection of such part may be begun within one year after the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 232, line 2, after the word "this," to strike out "Section" and insert "section" and the following: "(f) Subsections (c), (d), and (e) of this section shall apply to a lien in respect of any internal-revenue tax, whether or not the lien is imposed by this section," so as to read:

(e) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation provide for the acceptance of a single bond complying both with the requirements of section 272 (j) of the revenue act of 1928 (relating to the extension of time for the payment of a deficiency), or of any similar provisions of any prior law, and the requirements of subsection (c) of this section.

(f) Subsections (c), (d), and (e) of this section shall apply to a lien in respect of any internal-revenue tax, whether or not the lien is imposed by this section.

(b) The second sentence of section 315 (a) of the revenue act of 1926 is repealed.

The amendment was agreed to.

The next amendment was, on page 239, after line 4, to strike out:

SEC. 702. LEGISLATIVE COUNSEL.

Section 1303(d) of the revenue act of 1918, as amended by section 1101 of the revenue act of 1924, is amended by adding at the end thereof a sentence to read as follows: "Notwithstanding the foregoing provisions, the compensation of each of the two legislative counsel in office upon the date of the enactment of the revenue act of 1928 shall, after such date, be at the rate of $10,000 a year."

The amendment was agreed to.

The next amendment was, on page 239, after line 12, to strike out:

SEC. 703. SPECIAL ASSISTANT TO SECRETARY OF TREASURY.

The salary of the Special Assistant to the Secretary of the Treasury in matters of legislation, so long as the position is held by the present incumbent, shall be at the rate of $10,000 a year.

The amendment was agreed to.

Mr. SMOOT. So that it may be referred to hereafter, I will explain that the reason the committee recommends striking those provisions out is that the proposed legislation was taken care of in one of the appropriation bills that passed early in March, and therefore it is not necessary to put the provisions in this bill.

Mr. FLETCHER. To what particular provision does the Senator refer?

Mr. SMOOT. To the provision as to the salary of the legislative counsel.

Mr. FLETCHER. On page 239?

Mr. SMOOT. On page 239. We propose to strike that out, because it is already the law.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 239, line 22, after the word "year," where it occurs the second time, to strike out "1927" and insert "1928"; on page 240, line 1, after the word "filed," to strike out "and if no claim for refund or credit in respect of such basis has been filed prior to the enactment of this act"; and in line 4, after the word "such," to strike out "basis" and insert "basis, unless claim for refund or credit in respect of such basis, or a written election not to come within the provisions of this subsection, has been filed by the estate before the expiration of the period of limitation for filing claims," so as to read:

SEC. 702. BASIS OF PROPERTY UPON SALE BY ESTATE—RETROACTIVE.

(a) If in the return of any decedent's estate for any taxable year preceding the taxable year 1928, the basis, upon which gain or loss realized upon the sale or other disposition of property acquired by the estate from the decedent was computed, was in accordance with the regulations in force at the time such return was filed, then the computation of such gain or loss shall be made upon such basis, unless claim for refund or credit in respect of such basis, or a written election not to come within the provisions of this subsection, has been filed by the estate before the expiration of the period of limitation for filing claims.

The amendment was agreed to.

The next amendment was, on page 240, line 11, after the word "year," to strike out "1927" and insert "1928," so as to read:

(b) In every other case the computation of the gain or loss realized by an estate in any taxable year preceding the taxable year 1928 from the sale or other disposition by it of property acquired by the estate from the decedent, shall be made on such basis as is in accordance with the law properly applicable thereto, without regard to any provision of this act.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in the next section, relating to the deduction of estate and inheritance taxes, there is a committee amendment that has not as yet been prepared. I will ask, therefore, that the section go over, and I will present the amendment as soon as the experts have prepared the wording.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 242, after line 17, to insert:

(b) For the purpose of the revenue act of 1926 and prior revenue acts, a trust shall, at the option of the trustee exercised within one year after the enactment of this act, be considered as a trust the income of which is taxable to the beneficiaries, and not as an association, if such trust (1) had a single trustee, and (2) was created and operated for the sole purpose of liquidating real property as a single venture (with such powers of administration as are incidental thereto, including the acquisition, improvement, conservation, division, and sale of such property), distributing the proceeds therefrom in due course to or for the benefit of the beneficiaries, and discharging indebtedness secured by the trust property, and (3) has not made a return for the taxable year as an association.

So as to read:

SEC. 704. TAXABILITY OF TRUSTS AS CORPORATIONS—RETROACTIVE.

(a) If a taxpayer filed a return as a trust for any taxable year prior to the taxable year 1925 such taxpayer shall be taxable as a trust for such year and not as a corporation, if such taxpayer was considered to be taxable as a trust and not as a corporation either (1) under the regulations in force at the time the return was made or at the time of the termination of its existence, or (2) under any ruling of the commissioner or any duly authorized officer of the Bureau of Internal Revenue applicable to any of such years, and interpretative of any

provision of the revenue act of 1918, 1921, or 1924, which had not been reversed or revoked prior to the time the return was made, or under any such ruling made after the return was filed which had not been reversed or revoked prior to the time of the termination of the taxpayer's existence.

(b) For the purpose of the revenue act of 1926 and prior revenue acts, a trust shall, at the option of the trustee exercised within one year after the enactment of this act, be considered as a trust the income of which is taxable to the beneficiaries, and not as an association, if such trust (1) had a single trustee, and (2) was created and operated for the sole purpose of liquidating real property as a single venture (with such powers of administration as are incidental thereto, including the acquisition, improvement, conservation, division, and sale of such property), distributing the proceeds therefrom in due course to or for the benefit of the beneficiaries, and discharging indebtedness secured by the trust property, and (3) has not made a return for the taxable year as an association.

Mr. KING. I will ask that section 704 (b), on page 242, go over.

The PRESIDING OFFICER. Under objection, the amendment will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 243, after line 5, to insert:

SEC. 705. INCOME TAX ON SALE OF VESSELS BUILT BEFORE 1914.

The second paragraph of section 23 of the merchant marine act, 1920, is amended, to take effect as of June 5, 1920, to read as follows:

"During the period of 10 years from June 5, 1920, any person, a citizen of the United States, who may sell a vessel documented under the laws of the United States and built prior to January 1, 1914, shall be exempt from all income taxes that would be payable upon any of the proceeds of such sale under the revenue act of 1918 or under any subsequent revenue act in force during such 10-year period, if the entire proceeds thereof shall be invested in the building of new ships in American shipyards, such ships to be documented under the laws of the United States and to be of a type approved by the board."

Mr. SMOOT. I have not as yet had time to discuss this subject with the Senator from Washington [Mr. JONES], but if the amendment shall be agreed to and the Senator from Washington shall not be perfectly satisfied with it, I shall ask for a reconsideration of it. The Senator from Florida [Mr. FLETCHER], who, of course, is deeply interested in the subject matter, is in favor of the provision, and more than likely the Senator from Washington will also be in favor of it. I repeat, however, that if the Senator from Washington desires a reconsideration of the amendment, and if no Senator asks that it go over, and it shall be agreed to, I shall ask that it be reconsidered.

Mr. FLETCHER. I think, Mr. President, the amendment is entirely satisfactory, and what the Senator from Utah suggests is also entirely satisfactory. We tried to accomplish the same result in the merchant marine act, but what the Senator from Utah suggests will, I am sure, meet with the approval of the Senator from Washington and will be entirely satisfactory.

The PRESIDING OFFICER. Subject to reconsideration, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment was, on page 243, after line 21, to strike out:

SEC. 707. BUREAU OF INTERNAL REVENUE—PERSONNEL.

(a) The Secretary of the Treasury is authorized to fix the compensation, without regard to the provisions of the classification act of 1923, of the following officers and employees of the Bureau of Internal Revenue, appointed (whether before or after the enactment of this act) in accordance with the civil service laws: Twenty-three assistants to the general counsel at a compensation not in excess of $7,500 a year each; 26 administrative or technical employees at a compensation not in excess of $7,500 a year each; and 50 administrative or technical employees at a compensation not in excess of $6,000 a year each.

(b) Section 1201 (b) (1) of the revenue act of 1926 is repealed.

Mr. KING. Mr. President, I agree very heartily to the striking out of section 707, paragraph (a), but perhaps the reasons which prompted the striking out may not be appealing. I am told that this provision, creating these new positions with these increased salaries, is stricken out upon the theory that in the new bill for reclassification of salaries these particular positions are to be re-created and the salaries fixed for all time. I want to give notice that when the bill comes up amending the classification act, if it contains the provisions which are stricken out here, I shall object to those provisions just the same as I should object to the provisions here increasing the salaries and multiplying the number of officials who come within the provisions of this section.

Mr. HARRISON. The amendment is going over, as I understand?

Mr. KING. Oh, no; I have no objection to its being adopted.

Mr. SMOOT. It will go over, of course, if the Senator from Mississippi so desires.

Mr. HARRISON. I want it to go over. I did not know the committee had taken that action. They shifted about two or three times in relation to it.

Mr. SMOOT. No; the Senator was not at the meeting at which the action was taken. I am perfectly willing to explain in detail the reason for it.

Mr. HARRISON. I think it had better go over, in order to save time. I thought that at one of the late meetings of the committee the Senator brought it up, but he was ruled out by the votes then present. It may be that when there were certain Senators there the Senator had his way.

Mr. SMOOT. I will say to the Senator that in the salary bill which is now before the House—and I introduced a similar bill in the Senate the other day—out of the 23 persons provided for there 20 of those will be taken care of, and out of the 99 employees whose salaries have been increased there are 80 who will be taken care of in the bill now pending, which no doubt will pass the House in a very few days and will then be before this body for consideration.

Mr. HARRISON. The Senator from North Carolina [Mr. SIMMONS] is interested in this matter, and so I suggest that it go over.

Mr. SMOOT. I am perfectly willing that it shall be passed over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 244, after line 18, to insert:

SEC. 707. SALARIES OF COLLECTORS OF INTERNAL REVENUE.

Section 1301 (b) of the revenue act of 1918 is amended to read as follows:

"(b) The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of $7,500 a year."

Mr. KING. Let that go over. I give notice that I shall oppose it.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. McKELLAR. Mr. President, I desire to have the attention of the Senator from Utah for a moment. Not being on the committee, and it being such a long bill, naturally I should like to keep up with the amendments a little better than I could do by referring to the bill or the RECORD itself. I want to know if the Senator from Utah will not have all of the amendments that have gone over printed, in order, either in the RECORD or in a separate printed slip, so that we may have them before us on Monday when we come to the consideration of them? I believe it would expedite the consideration of the bill.

Mr. SMOOT. I think it would be rather confusing, would it not?

Mr. McKELLAR. Would it?

Mr. SMOOT. Yes. If the Senator will take a few moments of time after we recess to-day, I will take my bill and I will mark his bill with all the amendments that have gone over, and then he can see exactly what they are.

Mr. McKELLAR. That will be entirely satisfactory.

Mr. SMOOT. I will ask the Senator to hand me the bill he wishes me to mark, and I will mark it for him.

Mr. McKELLAR. I thank the Senator.

Mr. FLETCHER. Mr. President, I understand that the consideration of all the amendments not objected to and that have not gone over has been completed.

Mr. SMOOT. Yes; but there are a few committee amendments to be offered, which will be offered when we take up the amendments which have been passed over. All the committee amendments have now been agreed to except those that have been requested to go over, and when they are acted upon the committee has two or three more amendments to offer which are not of very great importance, but we wish to make the bill as perfect as we can.

Mr. McNARY. I desire to submit a conference report.

Mr. FLETCHER. Let us dispose of the pending matter.

Mr. HARRISON. Does the Senator from Oregon desire to have the conference report acted upon?

Mr. McNARY. Yes.

Mr. HARRISON. May I ask the Senator from Utah if we have finished all the administrative provisions as to which there is no controversy?

Mr. SMOOT. That is true.

Mr. HARRISON. Does the Senator think, then, that the other matters will be taken up on Monday?

Mr. SMOOT. Yes; on Monday morning.

Mr. HARRISON. Then, the Senate will not proceed any further this afternoon with the revenue bill?

Mr. SMOOT. We will proceed no further this afternoon.

Mr. FLETCHER. I presume the Senator is going to ask that the bill may be passed over until Monday?

Mr. SMOOT. It will go over until Monday, because we are shortly going to adjourn.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11577) "making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 4, 5, 6, 14, 24, 41, 42, 44, 47, 48, 60, 62, 63, 64, 66, 74, 77, 83, 88, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 30, 31, 32, 33, 34, 35, 37, 38, 43, 45, 46, 49, 50, 51, 52, 53, 54, 55, 58, 68, 71, 72, 73, 75, 78, 79, 81, 82, 89, 90, 91, 95, 96, 97, and 101, and agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$515,200"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$105,650"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$277,140"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,945,135"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,147,895"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$775,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$245,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$210,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,870,105"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,145,105"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$52,743, of which sum $10,000 shall be immediately available"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,293,613"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,966,658"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$725,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,228,060"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,568,280"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 56, 59, 80, 84, 85, 86, 98, 99, 100, and 102.

CHAS. L. McNARY,
W. L. JONES,
HENRY W. KEYES,
LEE S. OVERMAN,
WM. J. HARRIS,
*Managers on the part of the Senate.*

L. J. DICKINSON,
E. H. WASON,
JOHN W. SUMMERS,
J. P. BUCHANAN,
JOHN N. SANDLIN,
*Managers on the part of the House.*

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

PRESIDENT'S PLAZA AND MEMORIAL, NASHVILLE, TENN.

Mr. McKELLAR. I ask unanimous consent for the immediate consideration of the bill (S. 3171) providing for a Presidents' plaza and memorial in the city of Nashville, State of Tennessee, to Andrew Jackson, James K. Polk, and Andrew Johnson, former Presidents of the United States.

Mr. CURTIS. Let the bill be read.

The VICE PRESIDENT. The bill will be read.

The bill was read, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $300,000 as a part contribution to the establishment of a Presidents' plaza in the city of Nashville, State of Tennessee, and for the erection thereon of a proper memorial, or monuments, or statues, in honor and to the memory of Andrew Jackson, James K. Polk, and Andrew Johnson, former Presidents of the United States: *Provided, however*, That said sums shall not be payable until there has been raised, by private subscription, and/or by public appropriations by the State of Tennessee, and/or Davidson County, and/or the city of Nashville, sums aggregating an additional $300,000: *And provided further*, That said moneys shall not be paid for the erection of any memorial, monuments, or statues, plans for which shall not have been approved by the Secretary of War of the United States and the Governor of the State of Tennessee; and the said money shall be expended under the supervision of a commission composed of the Secretary of War, as a member ex officio, and six members to be appointed by the Governor of the State of Tennessee.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

H. C. MAGOON

Mr. FLETCHER. I ask unanimous consent to take up for consideration Senate bill 444, Order of Business 1004.

This is a claim bill which partially takes care of damage to a boat done by the erroneous backing of a Coast Guard cutter into the boat. The damage to the boat amounted to some $3,400, and the report shows $3,478; but the committee reported $2,500, and rather than have it delayed I am willing to have the amendment agreed to.

Mr. CURTIS. Is it a unanimous report?

Mr. FLETCHER. It is a unanimous report. It is perfectly just. There is no dispute about the fault being entirely on the part of the Coast Guard boat.

The VICE PRESIDENT. The Senator from Florida asks unanimous consent for the present consideration of a bill the title of which will be read by the Secretary.

The CHIEF CLERK. A bill (S. 444) for the relief of H. C. Magoon.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of," to strike out "$3,478.39" and insert "$2,500," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to H. C. Magoon, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in full settlement for damages sustained on account of the Coast Guard cutter *AB–19* backing into his yacht *Ornway A–655* while tied up at Baylen Street Wharf, Pensacola, Fla., May 27, 1924.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR RECESS FROM TO-MORROW UNTIL MONDAY

Mr. CURTIS. I ask unanimous consent that at the conclusion of the service to-morrow the Senate shall take a recess until 12 o'clock noon on Monday, May 7.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened.

ADJOURNMENT

Mr. CURTIS. In accordance with the unanimous-consent agreement heretofore made, I move that the Senate take a recess until to-morrow at 3 o'clock p. m.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate took a recess until to-morrow, Sunday, May 6, 1928, at 3 o'clock p. m.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate May 5 (legislative day of May 3), 1928*

REGISTER OF THE LAND OFFICE

Arthur Wellington Doland to be register of land office at Spokane, Wash.

APPOINTMENT IN THE ARMY

COAST ARTILLERY CORPS

Chauncey Lee Fenton to be professor of chemistry, mineralogy, and geology, United States Military Academy.

PROMOTIONS IN THE ARMY

CAVALRY

Harry Newton Cootes to be colonel.
George Bowditch Hunter to be lieutenant colonel.
Leon Edward Ryder to be major.

INFANTRY

Charles Haskell Morrow to be colonel.
Charles Thomas Smart to be lieutenant colonel.
Harry Langdon Reeder to be major.
Jay Edward Gillfillan to be major.
Earl Shuman Gruver to be first lieutenant.

FIELD ARTILLERY

Charles School Blakely to be lieutenant colonel.
Warren Cole Stout to be first lieutenant.
Paul Russell Covey to be first lieutenant.

QUARTERMASTER CORPS

Richard Jaquelin Marshall to be major.

COAST ARTILLERY CORPS

Kenyon Putnam Flagg to be captain.
Joseph Burske Hafer to be captain.
Edward Lucien Supple to be captain.
Samuel McCullough to be captain.
Russell Emerson Bates to be first lieutenant.

SIGNAL CORPS

David Barbour Barton to be first lieutenant.

POSTMASTERS

ALASKA

Lillian H. White, Kodiak.

COLORADO

Walter P. Merrill, Brighton.

ILLINOIS

Louis C. Schultz, Chebanse.
Charles E. Hartman, Mount Carroll.
Willis D. Coffland, Seaton.
Burnham M. Martin, Watseka.
John F. Shimkus, Westville.

INDIANA

Harold P. Willoughby, Spencer.

KANSAS

Charles E. Schul, Grenola.
Alice M. McLavy, Morganville.
Edgar F. Brungardt, Victoria.

LOUISIANA

George W. Taylor, Franklin.
Elson A. Delaune, Lockport.
Melvin P. Palmer, Morgan City.

MICHIGAN

Laurence C. Snyder, Blanchard.

NEW YORK

Thomas C. Richardson, Auburn.
Adam Metzger, Callicoon.
Nellie Fredricson, Cornwall on the Hudson.
L. Frank Little, Endicott.
Ralph D. Sanford, Hammondsport.
Mary A. Blazina, Harrison.
Harry M. Lanpher, Lowville.
J. Frank Smith, Patterson.
Austin E. Hummel, Prattsville.
George A. Hager, Watertown.
Thomas Wheatcroft, Watervliet.
Charles J. Ryemiller, West Sand Lake.
Mabel Parker, Yulan.

NORTH DAKOTA

John W. Campbell, Ryder.

OHIO

Ralph B. Troyer, Continental.
Irvin F. Sherman, Deshler.

OREGON

George B. Bourhill, Moro.

TEXAS

Charles W. Ford, Gatesville.
Carroll T. Coolidge, Pasadena.

UTAH

Andrew Adamson, jr., North Salt Lake.

WYOMING

William G. Haas, Cheyenne.

## HOUSE OF REPRESENTATIVES

### SATURDAY, *May 5, 1928*

The House met at 12 o'clock noon.

The Right Rev. Monsignor P. C. Gavan, pastor of the Sacred Heart Church, Washington, D. C., offered the following prayer:

Almighty and everlasting Father, Spirit of truth and justice to every creature, from whom graciously comes every good and perfect gift, grant, we beseech Thee, that Thy servants, gathered here in this august assembly, may be inspired always with so great a love of this same truth and justice that all their deliberations and enactments may bring greater honor to Thy holy name, greater glory to our beloved country, and greater peace and contentment to every citizen throughout the land. We ask this favor of Thee, O Heavenly Father, through Jesus Christ, Thy Son, our Lord and Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed with an amend-

ment, in which the concurrence of the House of Representatives was requested, a bill of the House of the following title:

H. R. 10799. An act for the lease of land and the erection of a post office at Philippi, W. Va., and for other purposes.

The message also announced that the Senate agrees to the conference report and to the amendments of the House of Representatives to the amendments of the Senate Nos. 1, 10, and 11 to the bill (H. R. 9481) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1929, and for other purposes," and recedes from its amendments Nos. 7, 8, and 9 to said bill.

The message further announced that the Senate had passed bills and a joint resolution of the House of the following titles:

H. R. 4357. An act for the relief of William Childers;

H. R. 6492. An act to authorize the Secretary of War to donate to the city of Charleston, S. C., a certain bronze cannon; and

H. J. Res. 177. Joint resolution authorizing the erection of a flagstaff at Fort Sumter, Charleston, S. C., and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11577) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes."

ADDITIONAL CONFEREES ON AGRICULTURAL SURPLUS CONTROL BILL

Mr. HAUGEN. Mr. Speaker, the Senate appointed five conferees on the bill S. 3555, the agricultural surplus control bill. The House appointed only three. I ask unanimous consent that the number of the House conferees be increased to five.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the number of the House conferees on the agricultural surplus control bill be increased to five. Is there objection?

Mr. GARNER of Texas. Mr. Speaker, I reserve the right to object long enough to call attention to the fact that the suggestion made by the gentleman from Louisiana [Mr. O'CONNOR] must have carried very great weight overnight and have soaked into the noggin of the gentleman from Iowa [Mr. HAUGEN] sufficiently to prompt him to ask for five conferees on the part of the House.

Mr. HAUGEN. Oh, the gentleman from Iowa did not have any knowledge of the number of conferees appointed by the Senate at the time. Had I known there were to be five I would have asked for five on the part of the House.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. At the request of the chairman of the Committee on Agriculture the Chair appoints the following additional conferees.

The Clerk read as follows:

Mr. WILLIAMS of Illinois, Mr. KINCHELOE.

COMPENSATION OF WORLD WAR MOTHERS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a short resolution adopted by the American War Mothers of Indiana upon the subject of legislation affecting the compensation of World War veterans.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following short resolution adopted by the American War Mothers of Indiana upon the subject of legislation affecting the compensation of World War veterans:

Resolution

Whereas it has been our experience as American War Mothers engaged in taking care of the needs of the service men ever since the World War, that a large part of the suffering imposed upon the veterans is due to the fact that the compensation boards and Government officials arbitrarily change the ratings adjudicated in favor of said veterans, without notice, without hearing, and without an opportunity to oppose the reduction; and

Whereas we feel the veterans of the World War should be placed upon the same plane and given the same rights and privileges of the pensioners of the former wars; and

Whereas adjudication of compensation otherwise known as a pension can not be taken away from the veterans of former wars without an opportunity to be heard against the taking away of said pension or the reduction of said pension: Be it therefore

*Resolved by the American War Mothers of Marion County in meeting assembled this 28th day of February, 1928,* That we hereby petition both the United States Senators from the State of Indiana and all Congressmen from the State of Indiana to introduce a bill prohibiting the taking away of compensation or the reduction thereof until the service man has had reasonable notice and opportunity to oppose said taking away or said reduction.

Mrs. E. May Hahn, president; Mrs. C. E. Hostetler, secretary; Mrs. Ollie Barker, Mrs. Rose M. Teighte, Mrs. C. W. Jonior, Mrs. Ella Akir, Mrs. C. H. Regula, Mrs. R. L. Fitch, board; Mrs. Zella Ryan; Mrs. Emma Flick.

Indorsed by executive board of Indiana American War Mothers March 31, 1928.

Mrs. HENRY P. PEARSON,
*State President.*
Mrs. S. C. GIBSON,
*State Legislative Chairman.*
Mrs. J. F. KUTCHBACK,
*Chairman of Legislation.*

FLOOD CONTROL

Mr. WHITTINGTON. Mr. Speaker I ask unanimous consent to extend my remarks in the RECORD upon the subject of the cost of flood control on the Mississippi River under the Jones-Reid bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, the conference report on S. 3740, commonly known as the Jones-Reid flood control bill, is pending before the Senate and the House. Untruthful reports as to the costs of the flood-control project are being circulated. Unfounded and inaccurate statements by selfish and designing interests as to the costs of the project have been advanced. The evident purpose of some is to deceive, while the aim of others is to delay, hinder, and oppose adequate flood control. There is no difficulty about the estimated costs.

Careful surveys and examinations have been made and exhaustive hearings have been conducted. The committees of Congress were fully and accurately advised as to the costs of the various items embraced in the project. Congress and the country are entitled to know the estimated costs of flood-control work under the pending bill. The authorization is not based upon guesses, but is based upon careful estimates. Amendments covering surveys, maintenance, repair, and improvement of tributaries were added to the original bill. The authorization has been increased by the costs of these additional items. The unfounded attacks on the pending bill are not only deceptive, but are in reality stabs in the back. They are not supported by any semblance of fact. I therefore invite the attention of all to the estimated costs of the project as shown by the record. There is no foundation for the extravagant report that the project will cost a billion or a billion and a half dollars. The real truth is that the project will cost a little more than one-third of a billion dollars.

Two plans have been under consideration for the solution of the problem of flood control, one by the Mississippi River Commission called the commission plan, and one by the Chief of Engineers called the Jadwin plan. Both plans were based upon the accumulated surveys and studies of years. Both were based upon previous investigations in the light of all great floods. Careful studies have been made of all areas. The main engineering features of the two plans are substantially the same. Both provide for flood control and for navigation. Levees and revetment, or bank stabilization, essential for both flood control and navigation, are the backbone of each plan. Both plans provide for raising, strengthening, and enlarging the levees from Cape Girardeau, just above Cairo, to the Gulf. The Jadwin plan provides for raising the levees from 3 to 5 feet along the Mississippi River. Both plans provide for a diversion through the Cypress Creek or Boeuf Basin, for a flood way through the Atchafalaya Basin and a spillway at Bonnet Carre. The Jadwin plan provides for a maximum diversion of 900,000 cubic feet through Cypress Creek, while the commission plan provides for a diversion of 600,000 cubic feet. The Jadwin plan provides for a maximum diversion of 1,500,000 cubic feet through the Atchafalaya Basin, while the commission plan provides for approximately 900,000 cubic feet.

The Bonnet Carre spillway is the same in each plan. The Boeuf and Atchafalaya diversions are wider and cover more lands under the Jadwin plan than under the commission plan. The differences between the two plans are economic rather than engineering. The commission recommends, substantially, flood control at Federal expense, while the Jadwin plan contemplates that the local interests should provide for rights of way for all levees and for flowage rights along diversions and flood ways. Both provide that the local interests furnish rights of way for the levees along the main river. The commission recommends higher levees with smaller diversions than the Jadwin plan

south of the mouth of the Arkansas River. The Jadwin plan contemplates a flood way for the relief of Cairo, while the commission recommends higher levees in the vicinity of Cairo.

JADWIN PLAN

The Jones-Reid bill adopts the project in accordance with the engineering plans recommended by Gen. Edgar Jadwin, Chief of Engineers. A board is created by section 1 of the act, and the board is to consist of the Chief of Engineers and the president of the commission and a civilian engineer to be appointed by the President. The board is to consider the engineering differences between the commission plan and the adopted project. It makes recommendations to the President of the United States. The decision of the President is final and must be followed in carrying out the project. In other words, the Jadwin engineering plan, unless modified by the President, will be followed.

Misleading statements have been made about the authority of this board as created in section 1 to involve the Government in the expenditure of large sums of money. The language of the act is that the board has no power or authority except to pass on the engineering differences of the two plans. This is a fair sample of the misrepresentations circulated as to the provisions of the bill. The board, of which the civilian engineer is a member, has no authority to make contracts. All work and contracts will continue to be handled by the commission under the supervision of the Chief of Engineers and under the direction of the Secretary of War.

It is fair to say that the commission plan in some of its details was not final. The commission recommended further study to relieve the situation at Cairo. It is also fair to say that the Jadwin plan was definite and comprehensive. It provided for the maximum flood. The plan is capable of expansion. It was the only definite plan based upon careful studies and surveys that was submitted to the committees of Congress. I make this statement in justice to the Chief of Engineers, Gen. Edgar Jadwin, a great engineer, although I do not agree with some of his conclusions and some features of his plan.

FLOWAGE RIGHTS

The local interests are to furnish rights of way for levees on the main river and rights of way for levees on the tributaries in so far as they are affected by the backwater of the Mississippi River. The bill contemplates that the Government will provide the flowage rights through flood ways, diversions, and spillways, and the rights of way for levees along the diversions. Much has been said as to the value of lands and flowage rights that must be acquired for flood ways and diversions. The United States Treasury is carefully safeguarded in the bill by the enactment of condemnation statute that provides for the acquisition of any lands, easements, or rights of way, which in the opinion of the Secretary of War and the Chief of Engineers are necessary to carry out the project. These two governmental officials are to determine the flowage rights necessary. The measure of damages for property taken or destroyed is that which obtains under the general law. This measure has not been enlarged. The provision of the Constitution as to the measure of damages obtains. The provisions of the Constitution furnish the yardstick for compensation. Condemnation proceedings may be conducted only in Federal courts.

The compensation for any property taken is determined in the courts of the United States. Commissioners to determine values are appointed only by the Federal court. State courts and local juries are eliminated.

The Jadwin plan, with the modifications contained in the bill, is the basis of the legislation. I shall hereafter call attention to the modifications.

COSTS

The bill carries an authorization of $325,000,000. If the Jadwin plan had been adopted as the project without any provisions for changes, the estimated cost, as shown by paragraph 137, page 32, of the Jadwin report, would have been $296,400,000. The said estimate includes $110,000,000 for channel stabilization or navigation, in which the whole country is interested; it includes the Bonnet Carre spillway, the raising of the levees from 3 to 5 feet along the Mississippi River; it includes the building of auxiliary levees, rights of way for which are to be furnished by the local interests; it includes mapping; and it includes levees along spillways, flood ways, and diversions. There is no guesswork about the cost of the project. If there had been no change in the project the authorization would have been the said sum of $296,400,000. What changes are made in the bill as agreed to by the conferees that increase the costs?

The President recommended a local contribution of 20 per cent. The testimony shows that he did not insist upon this amount but merely the recognition of the principle. The 20 per cent of the cost of the project, as shown by section 41, page 11, of the Jadwin report, would have amounted to $37,440,000. The President, however, made it known to Congress that he had receded from this position. He was willing to eliminate the local contribution of 20 per cent.

The late Martin Madden, on April 23, as shown by the CONGRESSIONAL RECORD of that date (p. 7024), just four days before his death, stated substantially that the administration would assume the entire liability for flood control provided the local interests furnished rights of way for all levees. It was estimated that the rights of way for levees along the diversions would cost a million dollars. I quote from the speech made by Mr. Madden April 23 (p. 7024):

> Why do you want to take the chance of losing the whole thing by veto, when by the expenditure of a million dollars you can furnish the foundation for levees, etc.?

Mr. Madden stated, substantially, that the President desired the United States to furnish the floor, to use his language, for diversions. When asked if the United States was to furnish flowage rights through diversions, as shown by page 7025 of the RECORD, Mr. Madden replied:

> It includes the construction of these spillways, it includes the supplying of the flowage rights, or the taking of the chance of that cost being assumed by the Government of the United States, as it does of the Atchafalaya.

No definite or certain plan for the local interests to furnish the rights of way for levees along the diversions that would be legally binding was suggested, and since these levees are for the benefit of the entire lower valley it was argued that the burden should not be borne by the area along the diversions. Personally, I wish these rights of way might be provided by the valley. The President receded from the requirement of local contribution. The Jadwin plan was thus modified to meet this concession. The pending bill modifies the Jadwin plan in two other particulars. The views of the President were practically met. The difference resolved itself into a question of who should furnish the rights of way for levees along the diversions. Surely neither the Executive nor Congress would withhold flood control from the lower valley because of an estimated difference of a million dollars!

Again, the bill as agreed to by the conferees merely changes the Jadwin plan in a few particulars. I call attention to the changes. I take up the bill section by section.

RIPARIAN OWNERS

First, there is the so-called Garrett amendment, which is the concluding part of section 3. This amendment provides that if in carrying out the project it is found impracticable to construct levees, either because such construction is not economically justified or because it is unsound from an engineering standpoint, and if the lands in such stretches of the river are subject to overflow and damage by reason of the construction of levees on the opposite side of the river, then the Government may acquire the lands or the floodage rights over these lands. The conferees modified and changed the Garrett amendment very materially and restricted the scope of the amendment as adopted by the House and substantially reduced the costs under the amendment. The Garrett amendment was accepted on the floor of the House under the five-minute rule by the majority leaders through their spokesman, the late Mr. Madden, not only once but twice. Twice on the floor Mr. Madden agreed to the amendment. I understand that the language of the amendment as embraced in the conference report is satisfactory to the Chief Executive. This amendment has reference to the lands along the bluffs in Tennessee, Kentucky, Louisiana, and Mississippi. It involves, as shown by page 1739 of the hearings, a small area of approximately 260,000 acres in Tennessee, about 30 per cent of which is cultivated, and about 140,000 acres in Mississippi, of which approximately 10 per cent is in cultivation. These lands would be largely covered by the flood waters of the Mississippi River if there were no levees on the opposite banks. Only the floodage rights, because of the increased water levels, are embraced in the Garrett amendment. Certainly no complaint can be made against this amendment because of increased costs, for they are relatively small and will be confined to floodage rights. The language can have reference only to great floods. It does not cover ordinary flowage rights, but only increased floodage rights.

FLOWAGE RIGHTS

Secondly, the Government is to provide flowage rights from Cairo to New Madrid, hereinafter referred to as the New Madrid flood way; for the diversion at Cypress Creek through the Boeuf Basin, hereinafter called the Boeuf diversion; for the flood way through the Atchafalaya Basin, hereinafter called the Atchafalaya flood way; and for the flood way at Bonnet Carre. The administration was represented as being favorable to being

responsible for the flowage rights. The Jadwin plan is accordingly modified in the bill to add the estimated costs of the flowage rights through the spillways, flood ways, and diversions mentioned, and to provide that the United States shall furnish the rights of way for levees along the diversions.

It is admitted that these diversions are for the benefit of the entire valley; they are not alone for the protection of southeast Missouri, Arkansas, or Louisiana. Their cost should be a common charge against the Government. Mr. Madden, manifested a fine spirit of fairness and justice in treating this great national problem, conceded that the Government should be responsible for the flowage rights.

Much has been said about the costs of lands for these diversions. Inaccurate statements have been made both as to the value and the amount of the lands for flowage rights in the diversions. The unfounded statements as to the cost of the project center very largely around the misrepresentations as to the costs of the flowage rights in the diversions. The loose and wicked statement that the project will cost a billion or a billion and a half dollars is coupled with the cost of flowage rights through diversions. I answer once and for all that any such claims or statements relative to diversions are wholly unfounded. They are not supported by the hearings, they are not supported by any statements before the committee. I now proceed to give the facts and the figures and I shall refer to the records.

NEW MADRID FLOOD WAY

I speak first of the flowage rights through the New Madrid flood way. I call attention to the testimony of General Jadwin himself. I refer to page 4072 of the hearings before the House Flood Control Committee. General Jadwin stated that there are approximately 225 square miles, or 144,000 acres, in the New Madrid flood way, and that 70 square miles, or approximately 44,000 acres, of this territory is backwater now subject to overflow, leaving 156 square miles, or about 100,000 acres, not subject to backwater, of which 60 per cent is swamp and timberland. I put it another way: General Jadwin states that the area in the New Madrid flood way, not including backwater, is 99,840 acres, and that the backwater area in this flood way is 44,800 acres, or a total of 144,640 acres. It is estimated that this flood way would be overflowed once every four or five years. I respectfully submit that the fair testimony, the reasonable testimony, as to the value of these flowage rights would not be in excess of $25 per acre, aggregating $3,500,000. The outside figure for flowage rights in this area, according to the testimony of General Jadwin and other witnesses, would not be in excess of $50 per acre, or approximately $7,000,000.

BOEUF DIVERSION

The commission plan provides for diverting 600,000 cubic feet per second through Cypress Creek and the Boeuf Basin. Careful estimates were made as to the area to be embraced in the Boeuf flood way. The exact acreage was computed and values were ascertained to provide for the diversion. The commission plan adopted the report of the diversion board. As shown by the report of the diversion board, filed and printed as Committee Document No. 3, page 9, paragraph 23, and embraced in the commission plan as shown on page 55, paragraph 250, of the special report of the Mississippi River Commission, there are in the Boeuf diversion 1,020,000 acres of land, at an estimated cost of $30 per acre, or $30,600,000.

There are also included 90,000 acres, at $20 per acre, or $1,800,000, making a total of $32,400,000 for the actual value of the lands, 75 per cent of which are swamp lands, as shown by the testimony of Col. C. L. Potter, president of the commission, and as shown by the testimony of General Jadwin on page 4115 of the hearings. This includes the value of the lands in fee. Under the Jadwin plan it is estimated that it is not necessary to acquire the fee. They would be overflowed once in 10 or 12 years. A fair estimate of the flowage rights will not be in excess of 25 per cent of the value of the fee. It may be much less. If the figure is fixed at 25 per cent, inasmuch as the lands may be used 9 out of 10 years, the value of the flowage rights for the Cypress Creek or Boeuf diversion would be approximately $8,000,000 on the estimate under the commission plan, the average for flowage rights being about $8 per acre for both cleared and swamp lands. As a matter of fact, the hearings and the record disclosed that the flowage rights could be obtained for less than this amount.

The Jadwin plan did not contemplate that the United States should provide the flowage rights. The Chief of Engineers did not state accurately in the hearings the acreage involved in the diversion. He has this day furnished me with a statement showing that under the Jadwin plan the Boeuf diversion will contain 1,195,421 acres, which is not very much in excess of the estimate of the commission. General Jadwin advises that a backwater area of 1,239,458 acres is also included in the Boeuf diversion. It is not contemplated that the Government will acquire the flowage rights for the backwater area along the Boeuf Basin, for the project does not provide for the protection of backwater areas in the alluvial valley. Nor does the project contemplate acquiring flowage rights over navigable streams or other waters in the Boeuf or Atchafalaya Basins. The acreage under the Jadwin plan is larger than under the commission plan, but this acreage obtains largely in backwater areas where no compensation would have to be paid. At $8 per acre under the Jadwin plan the flowage rights over lands in the Boeuf diversion would aggregate $9,000,000, and certainly they should not exceed $15,000,000 at the outside limit.

The Government should pay for these flowage rights. The United States permitted and consented to the construction of a levee across the mouth of Cypress Creek. There was a natural outlet, and the Government closed it. At the time Cypress Creek was closed it was thought that levees only would provide complete flood control. The local interests relied upon the judgment of the commission. They have spent millions of dollars in constructing works and in draining and improving lands in the Boeuf area. There are natural streams in the area flowing toward the south. Wherever there are backwater areas or natural streams the flowage rights will not have to be acquired.

The Secretary of War and the Chief of Engineers represent the Government. If the waters are to be diverted the diversion will be approximately 12 miles wide, with levees 12 to 15 feet high and will be 165 miles long. It will cover lands that are being cultivated; it will destroy improvements that have been made. These lands are bonded for millions of dollars to construct drainage which the commission required to be constructed before the outlet at Cypress Creek was closed. Moreover, the local interests contributed one-third the cost of the construction of the levees on the main river.

I call attention to the fact that under the Jadwin plan it has been estimated that 1,952,666 acres, as shown by page 1810 of the hearings, would be required for the flood way. This evidently includes, according to the calculations of the Government engineers who prepared this estimate, large backwater areas. The value of the flowage rights, according to this estimate, made by Army engineers, and the calculation and investigations made by the diversion board, composed of Army engineers, should not exceed $15,000,000. The acreage in the Atchafalaya flood way on said page 1810 is given at 1,088,640 acres.

ATCHAFALAYA FLOOD WAY

Fortunately, the rights of way through the Atchafalaya flood way have been carefully investigated. We are not dependent upon the investigations made immediately after the flood. On April 17, 1926, Congress provided for an investigation for the Atchafalaya flood way and Bonnet Carre spillway, and the report is printed as Document No. 95. It recommends a diversion of approximately 900,000 cubic feet through the Atchafalaya Basin, and the construction of a spillway at Bonnet Carre to divert about 250,000 cubic feet.

Col. W. P. Wooten was chairman of the spillway board. He was one of the most careful and one of the most accurate witnesses who testified. He was one of the most satisfactory engineers who appeared before the committee. He submitted to the committee a detailed statement as to the estimated costs of the Atchafalaya flood way. It covered the yardage in the levees, the changes in railway construction, the changes in highway construction, the flowage rights and easements over lands. The number of acres is given, the assessed valuation is furnished, and the acreage in each parish is detailed. There were five other eminent Army engineers on the board with Colonel Wooten. They joined with him in the report. The report is included in the commission plan, as shown by page 58, section 269, of the report of the Mississippi River Commission, submitted on November 28, 1927, and printed as Committee Document No. 1.

Colonel Wooten, as shown by page 1945 of the hearings, estimated the area in the Atchafalaya flood way at 750,000 acres, 10 per cent of which is in cultivation, the remainder of which is swamp and overflow land. He ascertained the assessed valuation of the lands and they are set forth on pages 1999 and 2000 of the hearings. While under the laws of Louisiana lands acquired for rights of way for levee purposes can not be valued in condemnation proceedings in excess of the assessed valuation, yet Colonel Wooten estimated the actual value to be largely in excess of the assessed valuation. There is no guess as to the value. It was carefully ascertained. He gives the figures, as shown on page 2000, at $7,423,000.

But the Jadwin plan provides for a diversion of approximately 1,500,000 cubic feet per second through the Atchafalaya Basin. General Jadwin estimates that the acreage in the Atchafalaya flood way is 1,278,817 acres, which includes the

backwater. The spillway board spent many months in making investigations and accumulated accurate data. The flowage rights over cleared and uncleared land are estimated at $10 per acre. Under the Jadwin plan the flood way will be wider and the value of the flowage rights can not be in excess of $13,000,000, or about $5,500,000 in excess of the value of the spillway board.

The conference committee is to be congratulated upon the material amendment in section 4. This section has been called the railroad section. The conference committee has materially amended the section as it passed the Senate and as it passed the House. The Government is only liable for flowage rights. The provision only includes a declaration that the United States will furnish the flowage rights. If the United States is to furnish the floor for the diversions, then the conference committee has met the views of the President. Flowage rights mean nothing more nor less than the floor for the diversions.

But it was suggested during the debate that the Government pay damages after the flood had wrought the destruction. This would mean that the Government would pay after each succeeding flood. I submit that the Public Treasury would be safeguarded by the Government acquiring the flowage rights in advance. It would be better than subjecting the Government to interminable litigation following each flood. Moreover, it would be fairer and it would be more just. The waters may go through these diversions once in 10 years or they may go through oftener. Whether they go through seldom or often it is a mighty river, and with the Boeuf diversion constitutes a river some 275 miles long with an average width of 12 miles, and with levees 12 to 18 feet high, from the northern boundary line of Louisiana to the Gulf of Mexico.

Again, the Government has the power of eminent domain under the rivers and harbors acts, but the Mississippi River Commission, authorized to spend millions of dollars, has not the power of eminent domain. The condemnation statute now enacted for the execution of the project is for the protection of the interests of the United States, even though it may not be exercised.

I have had considerable legal experience in flood and drainage works. I have assisted in acquiring flowage rights. They are acquired in all reservoir projects. Flowage rights in both reservoirs and diversions are essential. I know of no case where a large diversion has been constructed without flowage rights having been secured. It is admitted that the Government would be liable in the event of floods.

The wise thing to do is to protect the Government against liability by acquiring flowage rights in advance. The fair thing for the citizens and residents is for the bill to contain a declaration that the Government will be responsible for flowage if the Government does not acquire the flowage rights and if the diversion is constructed. Then the citizen would have recourse but if the declaration is not made he might have no recourse unless his property was destroyed. I challenge those who advocate the program of committing the Government to the policy of paying for damages after the flood to show a case where diversions have been constructed under such a policy. The program adopted in the pending bill by a declaration for acquiring flowage rights is the usual and proper policy to be pursued in all diversion works.

Again, the bill as agreed to by the conferees is carefully drawn. The Chief of Engineers and the Secretary of War are the judges as to what flowage rights shall be acquired. If they acquire none—if they think that none should be acquired—the diversion will not be delayed, for the property owners will not be without remedy. They can sue, and the Constitution fixes the measure of their damages. It may be that the board created by section 1 of the act will recommend a controlled diversion. It would be in line with good engineering. It would eliminate the fuse-plug levee. It would be economical for the Government, and it would protect the adjacent country. If the controlled diversion is recommended by the board in passing upon the differences between the Jadwin plan and the commission plan, it will greatly reduce the cost of flowage rights. The crevasse by the fuse-plug levee route would be eliminated. Nothing save death itself is so much dreaded in the Mississippi Valley as a crevasse in the levee.

Moreover, the conferees have agreed upon an amendment to section 4 which provides that the benefits to property shall be taken into consideration by way of reducing the amount of compensation paid. This will safeguard the Government. It will safeguard the Government in any claims that may be propounded for highway and railway damages.

I have not included any damages to highways or railways. There will be general benefits to both. Personally, I think the alleged damages to railways and highways have been exaggerated. The probability is that the project can be so worked out, except at Bonnet Carre, that it will not be necessary to make any extensive changes in railways and highways. The bill as agreed to by the conferees has eliminated relocating highways and railways. The Government will respond in damages if the flowage rights are not acquired over railways and highways. The view of the administration has been met in this regard.

The change that will be necessary in railways and highways at Bonnet Carre will not exceed the estimated cost of about $2,000,000, as shown on page 2001 of the hearings. I may add in this connection that the estimated cost of the Bonnet Carre flowage rights and rights of way, as shown on page 2000 of the hearings, is $848,000. The highway and railway relocations as stated here would not exceed $2,000,000 additional. In other words, modifications in the bill as to Bonnet Carre would not involve an increased expense in excess of about $3,000,000.

RIGHTS OF WAY

Thirdly, the bill modified the Jadwin plan by requiring the Government to furnish the rights of way for levees along the diversions. They are for the general benefit. They may be acquired by purchase or by condemnation. There is no guesswork about the number of acres required. The Chief of Engineers informs me that the area for rights of way for levees in the New Madrid flood way is 2,700 acres, in the Boeuf diversion 9,500 acres, and in the Atchafalaya flood way 9,070 acres, or a total of 20,270 acres. Much of this land is cut over. The hearings disclosed that the average value, including both cleared and uncleared lands, would not exceed $50 per acre. The costs of these rights of way would not aggregate more than $1,000,000.

ADDITIONAL ESTIMATES

I have not included the flowage rights over the lands covered by the Garrett amendment. Only a comparatively small amount is involved. It may be years before the amount is ascertained. It may require additional legislation to ascertain the amount and it will certainly require appropriations to pay it.

Section 6 provides that not more than $10,000,000 shall be spent for levee work between Cape Girardeau and Rock Island on the Mississippi River and on the tributaries and outlets of the Mississippi River in so far as they are affected by the flood waters of the Mississippi. The local interests must pay one-third the cost of the levees and must furnish the rights of way for levees and maintain them when constructed.

Section 7 provides a fund of $5,000,000 for rescue work and for repair and maintenance on tributaries. This is a proper provision. Great damages were wrought on the tributaries of the Mississippi River.

Section 10 authorizes $5,000,000 to be used for immediate surveys for flood control, reclamation, navigation, and power on the tributaries of the Mississippi. The work is to proceed immediately. The matter of reservoirs is to be investigated promptly and these surveys must be reported to Congress. The majority leaders agreed to the amendment covering surveys.

If the bill had not been amended to provide for surveys and additional work on the tributaries, the probability is that the project could have been constructed for approximately the amount of the authorization in the bill. Subsequent authorizations would have been required in the event of claims being established because of damages to railways and highways in diversions.

The following is a summary of the cost of the project with the modifications embraced in the pending bill:

| | |
|---|---|
| 1. Jadwin project, Jadwin report (p. 32, sec. 137) | $296,400,000 |
| 2. Flowage rights in New Madrid flood way, Jadwin testimony, 144,640 acres | 7,000,000 |
| 3. Flowage rights in Cypress Creek diversion, Mississippi River Commission (p. 55, sec. 249), including estimate of diversion board report, at one-fourth of fee (p. 9, sec. 21), $8,000,000, but figuring Jadwin acreage, 1,195,421 acres, not including backwater areas | 15,000,000 |
| 4. Flowage rights in Atchafalaya flood way (p. 2,000 hearings), spillway board estimate, $7,423,000, figured at Jadwin acreage, 1,278,817 acres | 13,000,000 |
| 5. Rights of way for levees along diversions, 20,270 acres | 1,000,000 |
| 6. Rights of way and flowage rights through Bonnet Carre, $848,000, including highway and railway relocation $2,000,000, approximately | 3,000,000 |
| 7. Surveys for tributaries | 5,000,000 |
| 8. Repair and maintenance on tributaries | 5,000,000 |
| 9. Levee work on tributaries | 10,000,000 |
| Total estimated cost of Jadwin plan as modified by pending bill | 355,400,000 |

Errors as to costs have found their way into the public press, and if reports be true they have reached the ears of those in authority. The country is demanding flood-control legislation. The pending bill safeguards the Treasury. I have given the estimated costs and I have relied on the record. The

legislation is the most comprehensive flood control bill ever passed by a legislative body. Every word in the bill has been inserted carefully. Every section has been revised. The conferees have materially improved the bill. The legislation is not perfect. All provisions that would have made unnecessary and unjustifiable demands on the Treasury have been eliminated. The recommendations of the Executive have been respected and largely embodied in the bill. The report of the conferees should be adopted. The reliable, authentic estimated costs of flood control of the Mississippi River will not exceed $355,400,000.

Colonel Wooten, chairman of the spillway board, as shown by pages 1997 and 1998, has estimated that the costs of railway changes in the Atchafalaya flood way are $6,883,000. The costs of highway changes in the Atchafalaya are $2,992,000. These are not guesses. They are careful estimates. As shown by page 55, paragraph 250 of the commission report, the railway changes in the Boeuf flood way are estimated at $7,800,000, the highway changes at $3,900,000, and the drainage changes at $4,600,000, or an aggregate of $16,300,000 in the Boeuf flood way and an aggregate of $9,875,000 in the Atchafalaya flood way. There will be comparatively small items covering railway and highway changes in the New Madrid flood way, but the careful estimates of the Government covering railway and highway changes in the flood ways and diversions will not exceed an additional $25,000,000. Therefore the total estimate of the cost of the Jadwin project as modified by the pending bill will not exceed $380,000,000.

If additional or increased expenses are to be incurred, they will be incurred only after the President has approved the recommendations for any increased expenditures, as provided in section 1 of the bill. He would thus be responsible for any increases over and above the estimated cost of the project. It is not expected that the President will incur additional costs. The flood control and improvement of the Mississippi River under the Jones-Reid bill will not likely exceed the estimated cost of $355,400,000 and will in no event exceed the above sum of $380,000,000.

EXTENSION OF REMARKS

Mr. DOUGLASS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the recent conference report upon the independent offices appropriation bill. Also, I ask unanimous consent to extend in the RECORD a speech prepared by my colleague, the late Representative James A. Gallivan, of Massachusetts, which he intended to deliver on the merchant marine bill now pending.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD upon the independent offices appropriation bill conference report, and also to extend his remarks in the RECORD by printing therein a speech prepared by the late Representative James A. Gallivan. Is there objection?

There was no objection.

RECONDITIONING OF THE "MOUNT VERNON" AND "MONTICELLO"

Mr. DOUGLASS of Massachusetts. Mr. Speaker and Members of the House, I urge that the House do now recede from the position it took when the item contained in the independent offices appropriation bill for the reconditioning of the Shipping Board vessels *Mount Vernon* and *Monticello* was previously here, prior to the measure going to the Senate, and resulting in the disagreement between the Senate and House conferees on the matter of whether the money for the work should be taken from the construction loan fund or made as a straight appropriation. I feel that whether the money for the reconditioning of these ships comes from the construction loan fund, or otherwise, as previously insisted upon by the House, is comparatively immaterial. What is agreed by most everyone with the country's best interests at heart is that the project or refitting these boats is a very desirable thing, and will prove a very fine investment for the Government.

We are all aware of the general unemployment situation throughout the country, but which as it effects our navy yard employees at this time is altogether alarming if not shameful. It is a situation that might well be given greater consideration by all of us.

Now, the refitting of the *Monticello* and the *Mount Vernon* at a cost of $12,000,000 will provide a greater volume of work than all that now being done by this Nation put together for transoceanic service. If we, without delay, pass the item appropriating the funds to commence the work on these boats we will be doing something that will provide work for a great many people now out of employment and thus relieve untold hardship to many families. The navy yards will undoubtedly bid for the work on these ships in competition with the private shipbuilding industry and either or both, the navy yard or private yard employees, will benefit by the assignment of these jobs.

There are various sound and substantial reasons why the reconditioning of these big Shipping Board boats will prove both desirable and profitable to the Government, while as far as can be ascertained the only objections to the work being done comes from foreign shipping interests, which have been outspoken and vigorous in their opposition. This is natural enough, since if we allow these ships to rot, or sell them at ridiculously below value prices, we will be once again throwing the manufactures and merchants of this country to the mercy of foreign manufactures and adverse foreign freight-pooling agreements.

The number of years these boats have been built has been raised as an argument against their being reconditioned, but we have it from the American Bureau of Shipping, which corresponds to the British Lloyds, that the hulls of these ships are in perfect condition and good for many years' service. That the two vessels when refitted will prove to be the equals of the finest steamships in the North Atlantic trade, with a speed of 20 knots an hour, and with baths with every stateroom. The fares will be those charged at present by slower ships of foreign owners, such as the *Majestic*, *Berengaria*, the *Mauretania*, and others.

As a paying proposition the reconditioning will likewise prove sound and profitable business for Uncle Sam.

To begin with these ships will earn the $1,275,000 annually paid foreign ships for carrying mail, and in addition will make it possible to save $275,000 a year on the cost of oil for the *Leviathan*. This latter expenditure amounts to the difference in cost between what the *Leviathan* now pays for oil in England, to make its return trip, and what would be saved by the *Mount Vernon* and *Monticello* carrying the *Leviathan's* return supply of oil.

It can not be denied that with an immediate assured income of $1,550,000 a year, on the above-mentioned two items alone, that the proposition to recondition the *Mount Vernon* and *Monticello* is good business and will add two vessels to the Shipping Board fleet which we may all take pride in as flying our flag.

ADDRESS OF HON. JAMES A. GALLIVAN

Mr. DOUGLASS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech prepared by my colleague the late Representative James A. Gallivan:

AMERICAN MERCHANT MARINE

Mr. Speaker, there are some very practical matters which must be understood, considered, and acted upon if the commercial and industrial integrity of this country is to be preserved and expanded with its future growth. Let me state some of them plainly, so that their significance can be grasped.

The United States has become predominantly and preeminently an industrial country. In agriculture and livestock industry the increase in population and the occupation of the open lands by settlers has made the raising of sheep and cattle a decreasing and declining activity. We no longer raise sufficient meats for our multiplying population to feed it at reasonable rates. Supremacy in the production of foods, cereals, and meats is passing to other lands and these necessities must be imported, and wool and hides for textile and tanning enterprises must come from the outside world. In a strict sense we have ceased to be self-producing and self-sustaining in the economic terms suitable to a nation of workers.

American industry grows more dependent daily on the raw materials of its outside world, and those imported materials must be paid for in American money or American manufactured goods.

Through the aid of tariff laws American industry is practically in control of the American market—the best on earth—but American industry is now able to supply the American market for 12 months by the labor and product of 6 months.

Unless we are able to dispose of industry's six months' surplus product somewhere—and that somewhere is to be found only in foreign markets—American industry and American workers must face the terrifying problem of every year of idle mills and shops and unemployment for their workers, with the suffering and the discontent such a condition predicates.

Idleness of industry and workers, of invested capital and labor, means a condition that even the richest democracy on earth can not face without misgiving, for here, in a representative government, under which the millions of workers are sovereigns and voters, unless we, the representatives, prevent such catastrophe by reasonable legislation, the people will find representatives who will.

It is our duty to pass the needed laws if we are to avoid national calamity, industrial disaster, and social upheaval; it is our duty to supply the foreign markets for our growing surpluses and thus prevent preventable evils.

It is axiomatic that trade follows the flag. It is equally true that trade must carry that flag to the markets it seeks, and the American flag must fly on American ships carrying American products if we are to gain foreign markets.

The carrier of cargoes sits at the first table, and when American cargoes are carried by foreign ships, flying foreign flags, the American trader must sit at the second table and take the skimmed milk, from which the foreign trader has skimmed the cream.

This question of American trade and commerce is not a political or party question; it is an American, a national, question, one that concerns every man and woman in the country, regardless of any political preference, for all share measurably for good or evil in the prosperity and adversity of the country. An idle and hungry American is not an impossibility; he is a potential and impending possibility, and he will be idle, hungry, angry, discontented, and ready for trouble in the evil day, no matter what his political faith may be, and equally ready to strike down the men and parties who have by neglect, obstinacy, ignorance, misguided partisanship, or persistent prejudice brought to America the evils that press upon the North and South, East and West, with equal severity.

With all our prosperity we are only a few jumps ahead of evil days; our foreign competitors are growing stronger and keener daily; they must be met in foreign markets, and here in our own home markets, aided and abetted by the domestic enemies inside our gates; they are undermining and underselling American industry and putting American workmen out into the streets, unemployed, unpaid, and unhappy.

We must guard the home market and conquer the foreign market. There is no altruism in commerce; no sloppy, international sentimentalism. Self-preservation is the first law of nature and nations, and enlightened self-interest the creed of commerce.

I have sought to present facts, not fancies, to this House, for America is at the crossroads of the world and these things emerge:

American social safety and industrial security demand 300 working days a year for capital and labor.

The trade and commerce upon which these are based demand foreign markets for industry's surplus.

American commerce must be borne all round the world in American ships flying the American flag, and we must frame our laws so that this end may be accomplished.

To-day most of our cargoes for foreign markets are carried in foreign ships flying foreign flags, and these ships are enabled to underbid and undersell American ships, because they are subsidized by their foreign governments to keep American shipping off the seas. American commerce pays out enough in freight charges to foreigners to support a splendid commercial navy, and the creation, fosterage, and conservation of such a navy is the sacred duty of our Government. Let us make laws and establish policies that will make it possible for an American commercial marine to live and flourish and make our industry and commerce independent in war and peace of alien intrigue and hostility.

An American merchant marine will serve every American interest—the farmer, the miner, the merchant, the manufacturer, and the worker, who is the source and support of our social condition, the American Atlas—and we must build up and sustain such merchant marine if the American Republic is to endure in peace and prosperity; the aid and evangel of America on the seven seas in peace, the ally and supplement of our Navy in the days of war and stress.

Let us never forget our experience in the World War and the price we paid on the sea to save democracy, and the price those we saved exacted from us when we went forth to save them.

In time of peace let us prepare to preserve the peace and not forget the lessons taught in war; and not the least of those lessons taught us, even if now being forgotten, was this: Trade follows the flag; fly it on the ships of the nations; the carrier of cargoes is the conqueror of commerce. An American merchant marine will carry our cargoes in peace and make us conquerors in war.

### LEAVE TO DISTRICT OF COLUMBIA COMMITTEE TO SIT DURING SESSIONS OF THE HOUSE

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may sit during the sessions of the House for two days to hold hearings.

The SPEAKER. The gentleman from Maryland asks unanimous consent that the Committee on the District of Columbia may have permission to sit for two days during the sessions of the House. Is there objection?

There was no objection.

### FIVE CIVILIZED TRIBES

Mr. LEAVITT. Mr. Speaker, I call up from the Speaker's desk the bill S. 3594, to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes, and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from Montana calls up the bill S. 3594, and asks unanimous consent for its present consideration. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the restrictions against the alienation, lease, mortgage, or other encumbrance of the lands allotted to members of the Five Civilized Tribes in Oklahoma, enrolled as of one-half or more Indian blood, be, and they are hereby, extended for an additional period of 25 years commencing on April 26, 1931: *Provided*, That the Secretary of the Interior shall have the authority to remove the restrictions, upon the applications of the Indian owners of the land, and may remove such restrictions, wholly or in part, under such rules and regulations concerning terms of sale and disposal of the proceeds for the benefit of the respective Indians as he may prescribe.

SEC. 2. That the provisions of section 9 of the act of May 27, 1908 (35 Stat. L. 312), entitled "An act for the removal of restrictions from part of the lands of allottees of the Five Civilized Tribes, and for other purposes," as amended by section 1 of the act of April 12, 1926 (44 Stat. L. 239), entitled "An act to amend section 9 of the act of May 27, 1908 (35 Stat. L. 312), and for putting in force, in reference to suits involving Indian titles, the statutes of limitations of the State of Oklahoma, and providing for the United States to join in certain actions, and for making judgments binding on all parties, and for other purposes," be, and are hereby, extended and continued in force for a period of 25 years from and including April 26, 1931, except, however, the provisions thereof which read as follows:

"*Provided further*, That if any member of the Five Civilized Tribes of one-half or more Indian blood shall die leaving issue surviving, born since March 4, 1906, the homestead of such deceased allottee shall remain inalienable, unless restrictions against alienation are removed therefrom by the Secretary of the Interior for the use and support of such issue, during their life or lives, until April 26, 1931; but if no such issue survive, then such allottee, if an adult, may dispose of his homestead by will free from restrictions; if this be not done, or in the event the issue hereinabove provided for die before April 26, 1931, the lands shall then descend to the heirs, according to the laws of descent and distribution of the State of Oklahoma, free from all restrictions: *Provided*, That the word 'issue,' as used in this section, shall be construed to mean child or children: *Provided further*, That the provisions of section 23 of the act of April 26, 1906, as amended by this act, are hereby made applicable to all wills executed under this section:"

which quoted provisions be, and the same are, repealed, effective April 26, 1931: *Provided further*, That the provisions of section 23 of the act of Congress approved April 26, 1906 (34 Stat. L. 137), as amended by the provisions of section 8 of the act of Congress approved May 27, 1908 (35 Stat. L. 312), be, and the same are hereby, continued in force and effect until April 26, 1956.

SEC. 3. That all minerals, including oil and gas, produced on or after April 26, 1931, from restricted allotted lands of members of the Five Civilized Tribes in Oklahoma, or from inherited restricted lands of full-blood Indian heirs or devisees of such lands, shall be subject to all State and Federal taxes of every kind and character the same as those produced from lands owned by other citizens of the State of Oklahoma; and the Secretary of the Interior is hereby authorized and directed to cause to be paid, from the individual Indian funds held under his supervision and control and belonging to the Indian owners of the lands, the tax or taxes so assessed against the royalty interest of the respective Indian owners in such oil, gas, and other mineral production.

SEC. 4. That on and after April 26, 1931, the allotted, inherited, and devised restricted lands of each Indian of the Five Civilized Tribes in excess of 160 acres shall be subject to taxation by the State of Oklahoma under and in accordance with the laws of that State, and in all respects as unrestricted and other lands: *Provided*, That the Indian owner of restricted land, if an adult and not legally incompetent, shall select from his restricted land a tract or tracts, not exceeding in the aggregate 160 acres, to remain exempt from taxation and shall file with the superintendent for the Five Civilized Tribes a certificate designating and describing the tract or tracts so selected: *And provided further*, That in cases where such Indian fails, within two years from date hereof, to file such certificate, and in cases where the Indian owner is a minor or otherwise legally incompetent, the selection shall be made and certificate prepared by the superintendent for the Five Civilized Tribes; and such certificate, whether by the Indian or by the superintendent for the Five Civilized Tribes, shall be subject to approval by the Secretary of the Interior, and when approved by the Secretary of the Interior, shall be recorded in the office of the superintendent for the Five Civilized Tribes and in the county records of the county in which the land is situated; and said lands, designated and described in the approved certificates so recorded, shall remain exempt from taxation while the title remains in the Indian designated in such approved and recorded certificate, or in any full-blood Indian heir of devisee of the land: *Provided*, That the tax exemption shall not extend beyond the period of restrictions provided for in this act: *And provided further*, That the tax-exempt land of any such Indian allottee, heir, or devisee shall not at any time exceed 160 acres.

SEC. 5. That this act shall not be construed to reimpose restrictions heretofore or hereafter removed by the Secretary of the Interior or by operation of law, nor to exempt from taxation any lands which are subject to taxation under existing law.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

Mr. LEAVITT. Mr. Speaker, under unanimous consent, I insert at this point the report of the House committee on the similar House bill (H. R. 12000), which is as follows:

[H. R. No. 1193, 70th Cong., 1st sess.]

EXTEND PERIOD OF RESTRICTIONS ON LANDS OF CERTAIN MEMBERS OF THE FIVE CIVILIZED TRIBES

Mr. LEAVITT, from the Committee on Indian Affairs, submitted the following report (to accompany H. R. 12000):

The purpose of this bill is to extend the restrictions on the lands allotted to members of the Five Civilized Tribes for an additional period of 25 years commencing April 26, 1931. It is estimated that this bill will apply to approximately 11,000 members of the Five Civilized Tribes, about 9,000 of whom are full-blood Indians. These Indians now own approximately 1,743,974 acres of land and under the terms of H. R. 12000 approximately 1,000,000 acres will be nontaxable after April 26, 1931, and the acreage of exempt land will be reduced from year to year as restrictions are removed by the Secretary of the Interior and by death.

There are on the rolls of the Five Civilized Tribes 101,506 members. The enrolled members of the Five Civilized Tribes at one time owned approximately 19,000,000 acres of land in eastern Oklahoma, covering 40 counties of that State. There were allotted to the members of the Five Civilized Tribes 15,794,218 acres. The restrictions on 14,050,244 acres have been removed by order of the Secretary of the Interior or by act of Congress, but mostly by the act of May 27, 1908 (35 Stat. L. 312–3).

The Interior Department caused a detailed individual investigation to be made of the restricted allotted Indians of the Five Civilized Tribes. These reports are exhaustive and in detail and cover 9,849 Indians. The investigation was made through the field clerks and their assistants and interpreters under the Superintendent of the Five Civilized Tribes at Muskogee, Okla. This investigation extended over a period of about six months and is regarded by the Indian Office to be as thorough as can be made. The individual reports show as far as could be obtained the name of the Indian, his enrollment number, the land he owns, and other pertinent facts. From this investigation and the record as to the lands heretofore disposed of by the Indians the Interior Department regards it as unsafe that the restricted members of the Five Civilized Tribes should be turned loose, free from governmental supervision after April 26, 1931.

Exhaustive hearings were held by the committee on the bill, and it is believed that the best interests of the restricted members of the Five Civilized Tribes require the enactment of the proposed legislation in order that these Indians may be protected in the enjoyment of their homes on and after April 26, 1931.

The favorable report of the Secretary of the Interior covering the subject matter in detail is as follows:

DEPARTMENT OF THE INTERIOR,
*Washington, March 7, 1928.*

Hon. SCOTT LEAVITT,
*Chairman Committee on Indian Affairs,*
*House of Representatives.*

MY DEAR MR. LEAVITT: There is transmitted herewith a draft of a proposed bill to extend the period of restrictions on lands of certain members of the Five Civilized Tribes, and for other purposes.

It appears, from investigation made, that the period of restrictions on the lands of these Indians of certain classes should be extended and that legislation is necessary for the purpose.

Relative to the allotments of land to the enrolled members of the Five Civilized Tribes, reference is herein made to the agreement of the United States with the Seminole Nation, contained in the act of Congress approved July 1, 1898 (30 Stat. L. 567), and the agreement with the Seminole Nation set forth in the act of Congress approved June 2, 1900 (31 Stat. L. 250); the agreement with the Choctaw and Chickasaw Nations, contained in section 29 of the act of Congress approved June 28, 1898 (30 Stat. L. 495), and the supplemental agreement with the Choctaw and Chickasaw Nations contained in the act of Congress approved July 1, 1902 (32 Stat. L. 641); the agreement with the Cherokee Nation, contained in the act of Congress approved July 1, 1902 (32 Stat. L. 716); the agreement with the Creek Nation, contained in the act of Congress approved March 1, 1901 (31 Stat. L. 861), and the supplemental agreement with the Creek Nation, as set forth in the act of June 30, 1902 (30 Stat. L. 500); the act of Congress approved March 3, 1905 (33 Stat. L. 1048), and the act of Congress approved April 26, 1906 (34 Stat. L. 137). These agreements set forth in the above-mentioned acts of Congress, under which the tribal lands were allotted in severalty to the enrolled members of the Five Civilized Tribes, contained certain restrictions against alienation or encumbrance of the allotted lands. These agreements also contained provisions relating to the nontaxability, for certain periods of time, of the allotments or parts of allotments.

By the Choctaw-Chickasaw agreement, contained in section 29 of the act of Congress approved June 28, 1898 (30 Stat. L. 495–507), it was provided that all the lands allotted to the Choctaws and Chickasaws should be nontaxable "while the title remains in the original allottee but not to exceed 21 years from date of patent."

By the Seminole agreement, contained in the act of Congress approved July 1, 1898 (30 Stat. L. 567–568), it was provided that the 40-acre homestead of each allottee should be "nontaxable as a homestead in perpetuity."

By section 7 of the Creek agreement, contained in the act of Congress approved March 1, 1901 (31 Stat. L. 861–863), it was provided that the 40-acre homestead allotment of each citizen of the Creek Nation should be "nontaxable * * * for 21 years. * * *."

By section 13 of the Cherokee agreement, contained in the act of Congress approved July 1, 1902 (32 Stat. L. 716–717), it was provided, referring to the homestead allotment of each member of the Cherokee Tribe, that "During the time said homestead is held by the allottee the same shall be nontaxable * * *."

By certain provisions of the act of Congress approved April 21, 1904 (33 Stat. L. 189–204), the restrictions upon the alienation of lands of all allottees of the Five Civilized Tribes who were not of Indian blood, except minors and except as to homesteads, were removed, and it was further provided that the restrictions upon the alienation of the lands of the other allottees of the Five Civilized Tribes, except minors and except as to homesteads, might be removed by the Secretary of the Interior upon application of the allottee and under such rules and regulations as the Secretary of the Interior might prescribe.

Sections 19 to 23, inclusive, of the above-mentioned act of Congress approved April 26, 1906 (34 Stat. L. 137–144), contained certain restrictions in the matter of alienation and leasing of the allotted and inherited land. By section 19 of the act of April 26, 1906, it was also provided that all lands from which restrictions were removed should be subject to taxation and the other lands should be exempt from taxation so long as the title remained in the original allottee.

By section 4 of the act of May 27, 1908 (35 Stat. L. 312–313), it was provided that all lands from which restrictions were removed should be subject to taxation. These provisions, however, of section 19 of the act of April 26, 1906, and section 4 of the act of May 27, 1908, to the effect that the lands from which the restrictions were removed should be subject to taxation, were held by the Supreme Court of the United States, in the case of Choate *v.* Trapp (224 U. S. 665), to be without force and effect.

Relative to the nontaxability of the lands during the exempt period and during the restriction period, and of the income therefrom, reference is herein made to the opinion dated March 15, 1924, of the Attorney General (34 Op. Atty. Gen. 275).

By the provisions of section 1 of the act of Congress approved May 27, 1908 (35 Stat. L. 312), the restrictions against alienation or encumbrance were removed from all lands, including homesteads, of allottees, including minors, of the Five Civilized Tribes enrolled as intermarried whites, as freedmen, and as mixed-blood Indians having less than half Indian blood, and also from the lands, except homesteads, of the allottees enrolled as mixed-blood Indians having half or more than half and less than three-quarters Indian blood.

By section 1 of the above-mentioned act of May 27, 1908, it was further provided that all homesteads of allottees enrolled as mixed-blood Indians having half or more than half Indian blood, including minors, and all allotted lands of enrolled full-bloods, and enrolled mixed-bloods of three-quarters or more Indian blood, including minors, should not be subject to alienation, contract to sell, power of attorney, or any other encumbrance prior to April 26, 1931; except, however, that the Secretary of the Interior might remove such restrictions, wholly or in part, under such rules and regulations as he might prescribe concerning terms of sale and disposal of the proceeds for the benefit of the respective Indians.

By these provisions of section 1 of the act of May 27, 1908, the restrictions were removed from the lands of certain classes of allottees, and the restrictions on the lands of certain other classes of allottees were extended to April 26, 1931.

In connection with the matter of restrictions on the allotted and inherited lands of Indians of the Five Civilized Tribes, reference is herein made to the provisions of sections 2 to 6, inclusive, of the above-mentioned act of May 27, 1908, and to the provisions of section 9 of that act, as modified by the provisions of section 1 of the act of Congress approved April 12, 1926 (44 Stat. L. 239).

From reports received, it appears that in 1898 the Five Civilized Tribes' country aggregated 19,525,966 acres; that of this area there has been allotted, to June 30, 1927, to the 101,506 enrolled members of the Five Civilized Tribes, in the aggregate, 15,794,218 acres. It appears that to June 30, 1927, and by and under the above-mentioned acts of

April 21, 1904, and May 27, 1908, and certain other acts, the restrictions were removed from approximately 14,050,244 acres of allotted land.

The restricted land, as of June 30, 1927, is reported to aggregate 1,743,974 acres, of which 762,000 acres are described as homestead allotment, 861,131 acres as surplus allotment, and 120,843 acres as homestead land inherited by Indians born since March 4, 1906, and restricted under section 9 of the act of May 27, 1908. There are approximately 12,000 Indians whose lands, wholly or in part, are in the restricted class.

From the above, it therefore appears that out of the 15,794,218 acres allotted only 1,743,974 acres now remain under department supervision as restricted land; and of the 101,506 allottees there are now approximately only 12,000 whose lands, in whole or in part, are in the restricted class. Under existing law, the restrictions on these lands will expire at the close of April 25, 1931.

In 1926, at the request of the House Committee on Indian Affairs, a census of the living enrolled restricted members of the Five Civilized Tribes was taken and the report in the matter stated the number of such Indians to be 11,386. Of these, it was found that 9,100 were enrolled full-blood Indians and 2,286 were mixed bloods, having one-half or more of Indian blood.

Numerous petitions and requests have been received from the full-blood and other restricted Indians of the Five Civilized Tribes urging that legislation extending the restriction period be obtained. Others also have requested and urged that, in the best interests of these Indians, the legislation be obtained.

In view of the near approach of the date of the expiration, under existing law, of the restriction period and of the many petitions and requests from the Indians and others that a legislative extension of the restriction period be obtained, a field investigation was made relative to these full-blood Indians and other Indians having restricted lands as to their living conditions, education, occupation, health, business, and ability. A mass of information was obtained by the field employees of the department relative to these full-blood and other restricted Indians and their restricted lands.

Abstracts of the field reports upon 9,849 individual cases have been received and considered. The abstracts of the field reports clearly show that the restricted Indians, by reason of age, lack of education, and business experience, or for other reasons incompetent to properly handle their business affairs and protect their property interests, are in need of the continued protection of the Government in the supervising of their affairs relating to their restricted Indian property and income therefrom. It is believed that the restrictions on alienation, lease, or encumbrance of their allotted and inherited Indian lands should be extended for an additional period of 25 years commencing on April 26, 1931.

The proposed bill, draft of which is herewith, provides, by section 1 thereof, that the restrictions against the alienation, lease, mortgage, or other encumbrance of the lands allotted to members of the Five Civilized Tribes in Oklahoma, enrolled as of one-half or more Indian blood, shall be extended for an additional period of 25 years commencing on April 26, 1931. It is further provided, however, that the Secretary of the Interior may, upon application of the Indian owners of the land, remove such restrictions, wholly or in part, under such rules and regulations concerning terms of sale and disposal of the proceeds for the benefit of the respective Indians as he may prescribe.

The proposed bill, by section 2 thereof, provides that section 9 of the act of May 27, 1908 (35 Stat. L. 312), as amended by section 1 of the act of April 12, 1926 (44 Stat. L. 239), shall be extended and continued in force and effect for a period of 25 years from and including April 26, 1931, except, however, the provisions relating to certain temporary special interests inherited in the homesteads of deceased allottees by a certain class of their heirs born since March 4, 1906.

Under the existing law the temporary special interests referred to above of these heirs, born since March 4, 1906, in the homesteads of decedent allottees, will expire on April 26, 1931. It is understood that by reason of these temporary special interests or rights under the existing law, the final settlement and partition of estates of deceased allottees among the heirs were delayed and that many complications arose. It is believed that it will be to the best interest of the greater number of the heirs of deceased allottees to permit the temporary special interests or rights of the above-mentioned class of heirs born since March 4, 1906, to expire on April 26, 1931, as provided by existing law, and that such temporary special interests or rights should not be extended for an additional period of time. This will have the result of placing the allottee's heirs born since March 4, 1906, in the same position and with the same inheritance rights as the heirs born prior to that date.

Sections 3 and 4 of the proposed bill relate to the matter of taxation during the extension period. By section 3 it is provided that all minerals, including oil and gas, produced on or after April 26, 1931, from the restricted allotted lands of members of the Five Civilized Tribes, or from the inherited restricted lands of full-blood Indian heirs or devisees of such lands, shall be subject to all State and Federal taxes of every kind and character the same as those produced from lands owned by other citizens of the State of Oklahoma. Provision is made that the tax or taxes assessed against the royalty interests of the Indian owners of the lands shall be paid by the Secretary of the Interior from the restricted individual Indian funds of such Indians. By section 4 of the proposed bill, provision is made that on and after April 26, 1931, the allotted, inherited, and devised restricted lands of each Indian of the Five Civilized Tribes in excess of 160 acres shall be subject to taxation by the State of Oklahoma under and in accordance with the laws of that State, and in all respects as unrestricted and other lands. Provision is also made for the designation of the tract or tracts, not to exceed 160 acres in the case of each Indian, to remain exempt from taxation during the extended period of restrictions, and while the land remains restricted as to alienation, lease, or encumbrance.

While keeping in mind the interests of the restricted Indians of the Five Civilized Tribes, it is believed that if the period of restrictions on their lands be extended as contemplated in the proposed bill, they should not continue to be exempt from taxation, except as to a limited acreage of their land. It is further believed that the taxation provisions of sections 3 and 4 of the proposed bill are not only fair and just to the State of Oklahoma, but to the Indians as well.

In view of the above, and it appearing that in the cases of the full-blood and other restricted Indians of the Five Civilized Tribes there is need of the continued protection of the Government in relation to their restricted Indian property and income therefrom, it is believed that, as above indicated, the restrictions on their allotted and other restricted lands should be extended for an additional period of 25 years commencing on April 26, 1931, and legislation for that purpose should be enacted. I therefore request that the proposed bill, draft of which is herewith, be introduced in Congress and recommend and urge that it be enacted.

Very truly yours,

HUBERT WORK.

### OLIVER C. MACEY AND MARGUERITE MACEY

Mr. UNDERHILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1648, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to take from the Speaker's table the bill S. 1648, with House amendments, insist on the House amendments, and agree to the conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. UNDERHILL, Mr. SEARS of Nebraska, and Mr. BOX.

### AGRICULTURAL EXTENSION WORK

Mr. HAUGEN. Mr. Speaker, I call up the conference report upon the bill (H. R. 9495) to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefit of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture.

The SPEAKER. The gentleman from Iowa calls up a conference report, which the Clerk will report.

The Clerk read the conference report.

(For conference report, see House proceedings of May 4, 1928.)

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

### FORT M'HENRY

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to have the Clerk read an article from the Evening Sun, of Baltimore, of April 4, 1928, entitled "Odor of malt and hops permeates Fort McHenry," and ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. Without objection, the Clerk will read.

The Clerk read as follows:

[From the Evening Sun, Baltimore, April 4, 1928]

ODOR OF MALT AND HOPS PERMEATES FORT MCHENRY—FINE LINE SEPARATES INSPIRATION FOR ANTHEM OF LIBERTY AND SPOT WHERE BOTTLES OF BEER ARE SMASHED BY DRYS

Between the Fort McHenry reservation proper and that portion of it used by Federal prohibition agents is an iron fence. The line thus drawn is an acute one, for south of it is the serenity of a thing centuries old; north of it the smell of beer—recent beer, that is.

The odor of malt and hops emanates from a pile of broken bottles on which three men were seen holding an impromptu "target practice." Yesterday they had a truck backed up as close as possible and were hurling loaded beer bottles on the pile.

Some of the bottles did not break at the first fall, so they were peppered with other bottles. Those that broke did so with popping that sounded like the discharge of small-caliber firearms.

COLORFUL BINS

The beer was being thrown into three separate bins, each of which held a different-colored glass. Brown bottles were broken in one bin, green in another, and white in the other. As each bottle broke it sent a little geyser of foam into the air.

Along the water front beside the pier, back of the prohibition officers, a pile of smashed beer boxes rises to a height of 15 feet. Next to it are smashed kegs, and then a pile of barrel staves. Some have fallen into the water and rise and fall with each wave.

To the south of the line, however, spring has begun her work. Shrubs around the battlements of the old star fort which, in 1814, was under heavy bombardment and inspired Francis Scott Key to write the Star-Spangled Banner, are putting out a touch of green, and grass is taking on a verdant hue.

VISITORS TO SCENE

Visitors stroll about the reservation, stopping to read the inscriptions that tell the history of the fort. They read one that tells that this is the spot on which the flagpole stood that held the flag which Key wrote about, and a few cannon balls that "were fired by the British naval forces in the bombardment of Fort McHenry, 1814."

All about there is an air of serenity and peace, hedged nicely in with a historic flavor. But above the line, on the "north side," as it were, there is the undisturbed and peaceful air also, and the flavor is of beer—recent beer.

Mr. LINTHICUM. Mr. Speaker, the Congress of the United States has designated Fort McHenry, Baltimore, as a national military reservation because of its historic interest to the people and of the part it played in the final battle before the treaty was signed in the War of 1812.

There has been appropriated two sums: First, that received for the old buildings and equipment sold after the war, amounting to $28,522.35; second, a bill which passed Congress and was approved by the President authorizing a further appropriation of $81,678, making a total of $110,200.35.

At Fort McHenry and North Point the British under General Ross were defeated and retired after they had captured Washington and burned the White House and the Capitol. At this historic point Francis Scott Key wrote the national anthem which solidified and united our country and meant more to the American arms than 10,000 bayonets.

I quote this historic synopsis that I may lead on to what I have to say in regard to the present situation. Some years ago—about 12 or 14—Congress carved from one corner of the historic grounds of Fort McHenry a piece of land upon which to erect a modern immigration station. This was erected at an expense approximating $600,000. It was thought that this location was most advantageous because of its easy access both from water and land, and, secondly, because it was thought a fine sentiment to have the hundreds of people from foreign lands who were about to become American residents and finally citizens arrive here and view the Star-Spangled Banner waving from that point which inspired Key to write the national anthem.

It was a fine sentiment and a fine location for this immigration station. The war came on. The immigration station, with its large buildings and great capacity, was recognized as a very useful unit for a large hospital, and so it was taken over by the Government for hospital purposes and gradually temporary buildings covered the whole fort grounds.

Thousands of veterans were brought here for treatment, both from the camps of this country and from the battle fields of France. A second time the old fort demonstrated its usefulness in time of war and had emblazoned upon its escutcheon the noble deeds of physicians, surgeons, nurses, and others engaged in looking after the needs of humanity.

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. LINTHICUM. May I have two minutes more?

The SPEAKER. The gentleman from Maryland asks unanimous consent to proceed for two minutes more. Is there objection?

There was no objection.

Mr. LINTHICUM. The temporary buildings have now been removed, and the fort with the appropriations is being converted into the same condition and appearance as it was when the battle between the American forces and those of Great Britain was fought. But lo, the immigration station! How it has fared is certainly not in keeping with the plans of the fort. The Treasury Department established the Veterans' Bureau in a part of the buildings, and it has proved a most admirable location.

Recently, however, against the vigorous protest of the people of Baltimore, both the wet and dry element, the Treasury Department established the Federal prohibition quarters in the other buildings, where prohibition snoopers and agents have their headquarters, where the bootleggers, automobiles, and trucks are brought, where the seized beers and liquors are taken and destroyed, where bottles pile up and scent of beer and liquor permeate the surroundings.

I ask the driest of the drys politically on the floor of this House how they like this agency established upon the grounds of this historic spot at the very same headquarters of the Veterans' Bureau and where the Star-Spangled Banner waves over this historic fort which means so much to the history and sentiment of our national independence.

To me and to my people the situation is absolutely untenable and ungenerous to Baltimore and to the country.

I shall within a few days introduce a resolution into this House asking that this Prohibition Bureau be removed to some other location, and that the building be taken over by the Government for some purpose more in harmony with the aspirations of those who are endeavoring to make this shrine one of the sacred spots of America. [Applause.]

PENSIONS

Mr. KNUTSON. Mr. Speaker, I call up the conference report on the bill H. R. 10141.

The SPEAKER. The gentleman from Minnesota calls up the conference report on the bill H. R. 10141. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 10141) granting pensions and increase of pensions for certain soldiers and sailors of the Regular Army and Navy, etc.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. The Clerk will read the statement.

The statement was read.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10141) granting pensions and increase of pensions for certain soldiers and sailors of the Regular Army and Navy, etc., having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4 and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the figures proposed to be inserted by said amendment, insert "$60"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with amendments as follows:

Page 2 of the engrossed amendment, in the case of Arthur E. Wilcox, strike out the figures "12" and in lieu thereof insert the figures "20."

Page 7, in the case of Catarino Armijo, strike out the figures "12" and in lieu thereof insert the figure "6."

Page 7, strike out the language "The name of William L. Curry, late scout in the United States Army, Nez Perce Indian war, and pay him a pension at the rate of $30 per month."

Page 7, in the case of George W. Peck, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 8, in the case of Andrew J. Stewart, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 9, strike out the language "The name of Joseph Baker, who served as Indian scout, United States Army, and pay him a pension at the rate of $50 per month."

Page 10, in the case of Ella M. Beckett, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 10, in the case of Effie I. Disney, strike out the figures "30" and in lieu thereof insert the figures "12."

Page 10, in the case of Anna M. Sherman, strike out the figures "30" and in lieu thereof insert the figures "12."

Page 11, strike out the language "The name of John L. Baxter, late a scout with the United States Army, Bannock

Indian war, and pay him a pension at the rate of $20 per month, to commence March 4, 1927."

Page 11, in the case of Frank H. Wilson, strike out the figures "17" and in lieu thereof insert the figures "12."

Page 18, in the case of Wilbur B. Swafford, strike out the figures "30" and in lieu thereof insert the figures "20."

Page 18, strike out the language "The name of Bascom Prater, late of Company E, Second Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $8 per month."

And the House agree to the same.

Page 20, strike out the language "The name of Edward L. Schmiedemann, late of Company B, First Regiment Nebraska National Guard Infantry, and pay him a pension at the rate of $20 per month, in lieu of that he is now receiving."

Page 20, strike out the language "The name of Milous Day, late of Company D, First Regiment of Capital Guards Kentucky Infantry, and pay him a pension at the rate of $50 per month."

Page 20, strike out the language "The name of Samuel H. Anderson, late an employee of the Quartermaster Department in the Yellowstone Expedition, and pay him a pension at the rate of $20 per month."

Page 20, strike out the language "The name of George R. Odle, late of Capt. D. B. Randall's Company Idaho Volunteers Nez Perce Indian War, and pay him a pension at the rate of $20 per month."

Page 21, in the case of William Franklin De Spain, strike out the figures "20," and in lieu thereof insert the figures "12."

Page 22, in the case of James W. Allen, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of Francis H. Kearney, strike out the figures "20." and in lieu thereof insert the figures "12."

Page 22, in the case of Charles A. Packwood, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 22, in the case of Hubert L. Bassett, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 23, in the case of Sarah R. Bates, strike out the figures "20" and in lieu thereof insert the figures "12."

Page 23, in the case of Charles E. Finch, strike out the figures "20" and in lieu thereof insert the figures "12."

And the House agree to the same.

HAROLD KNUTSON,
J. M. ROBSION,
WM. C. HAMMER,
*Managers on the part of the House.*

ARTHUR R. ROBINSON,
PETER NORBECK,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House on H. R. 10141 show by way of explanation that 133 House bills were included in said bill.

The committee of conference carefully examined the merits of each individual case over which any difference of opinion existed and mutually agreed to restore all bills of meritorious character.

The Senate contained the names of 153 beneficiaries and the House disagreed with the Senate on 35 items and made 23 corrections as amendments. Of the 35 items disagreed to the Senate asked that 27 of them be restored, and the House conferees agreed thereto.

The Senate took exception to 16 of the 133 House bills and agreed to the retention of 3 of them.

HAROLD KNUTSON,
J. M. ROBSION,
WILLIAM C. HAMMER,
*Managers on the part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

DESIGNATION OF SPEAKER PRO TEMPORE FOR SUNDAY

The SPEAKER. The Chair designates the gentleman from Massachusetts [Mr. TREADWAY] to preside as Speaker pro tempore on to-morrow, Sunday.

MERCHANT MARINE

Mr. WHITE of Maine. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 744.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan [Mr. CRAMTON] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 744, with Mr. CRAMTON in the chair.

Mr. CRAMTON. The Committee of the Whole House on the state of the Union will be in order. The Clerk will report the pending bill by title.

The Clerk read as follows:

A bill (S. 744) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes.

The CHAIRMAN. The Clerk will proceed with the reading of the bill for amendment.

The Clerk read as follows:

TITLE III—CONSTRUCTION LOAN FUND

TERMS AND CONDITIONS OF LOANS

SEC. 301. (a) Section 11 of the merchant marine act, 1920, as amended (U. S. C., title 46, sec. 879; 44 Stat. L. pt. 2, 1451), is amended to read as follows:

"SEC. 11. (a) That the board may set aside, out of the revenues from sales, including proceeds of securities consisting of notes, letters of credit, or other evidences of debt, taken by it for deferred payments on purchase money from sales by the board, whether such securities are to the order of the United States, the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or the United States Shipping Board Merchant Fleet Corporation, either directly or by indorsement, until the amounts thus set aside from time to time aggregate $125,000,000. The amount thus set aside shall be known as the construction loan fund. The board may use such fund to the extent it thinks proper, upon such terms as the board may prescribe, in making loans to aid persons citizens of the United States in the construction by them in private shipyards or navy yards in the United States of vessels of the best and most efficient type for the establishment or maintenance of service on lines deemed desirable or necessary by the board, provided such vessels shall be fitted and equipped with the most modern, the most efficient, and the most economical engines, machinery, and commercial appliances; or in the outfitting and equipment by them in private shipyards or navy yards in the United States of vessels already built, with engines, machinery, and commercial appliances of the type and kind mentioned; or in the reconditioning, remodeling, or improvement by them in private shipyards or navy yards in the United States of vessels already built.

"(b) The term 'vessel' or 'vessels,' where used in this section, shall be construed to mean a vessel or vessels to aid in whose construction, equipment, reconditioning, remodeling, or improvement a loan is made from the construction loan fund of the board. All such vessels shall be documented under the laws of the United States and shall remain documented under such laws for not less than 20 years from the date the loan is made, and so long as there remains due the United States any principal or interest on account of such loan.

"(c) No loan shall be made for a longer time than 20 years. If it is not to be repaid within two years from the date when the first advance on the loan is made by the board, the principal shall be payable in equal annual installments to be definitely prescribed in the instruments. The loan may be paid at any time, on 30 days' written notice to the board, with interest computed to date of payment.

"(d) All such loans shall bear interest at rates as follows, payable not less frequently than annually: During any period in which the vessel is operated exclusively in coastwise trade, or is inactive, the rate of interest shall be as fixed by the board, but not less than 5¼ per cent per annum. During any period in which the vessel is operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request. The board may prescribe rules for determining the amount of interest payable under the provisions of this paragraph.

"(e) No loan shall be for a greater sum than three-fourths the cost of the vessel or vessels to be constructed or than three-fourths the cost of the reconditioning, remodeling, improving, or equipping hereinbefore authorized for a vessel already built.

"(f) The board shall require such security as it shall deem necessary to insure the completion of the construction, reconditioning, remodeling, improving, or equipping of the vessel within a reasonable time and the repayment of the loan with interest; when the construction, reconditioning, remodeling, improving, or equipping of the vessel is completed the security shall include a preferred mortgage on the vessel, complying with the provisions of the ship mortgage act, 1920 (U. S. S. Code title 46, ch. 25), which mortgage shall contain appropriate covenants and provisions to insure the proper physical maintenance of the vessel, and its protection against liens for taxes, penalties, claims, or liabilities of any kind whatever, which might impair the security for the debt. It shall also contain any other covenants and provisions the board may prescribe, including a provision for the summary maturing of the entire debt, for causes to be enumerated in the mortgage.

"(g) The board shall also require and the security furnished shall provide that the owner of the vessel shall keep the same insured against loss or damage by fire, and against marine risks and disasters, and against any and all other insurable risks the board specifies, with such insurance companies, associations, or underwriters, and under such forms of policies and to such amount as the board may prescribe or approve; such insurance shall be made payable to the board and/or to the parties, as interest may appear. The board is authorized to enter into any agreement that it deems wise in respect to the payment and for the guaranty of premiums of insurance."

(b) Section 11 of the merchant marine act, 1920, as in force immediately prior to the enactment of this act, shall remain in force in respect of all loans made before the enactment of this act.

Mr. WHITE of Maine. Mr. Chairman, I offer an amendment by authority of the Committee on the Merchant Marine and Fisheries.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maine.

The Clerk read as follows:

Committee amendment offered by Mr. WHITE of Maine: Page 7, at the end of line 18, insert after the word "obligation" the words "bearing a date of issue subsequent to April 6, 1917, except postal savings bonds and."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MONTAGUE. Mr. Chairman, I wish to ask the chairman of the committee one question. On page 6, line 12, you use the words "engines, machinery, and commercial appliances. I was a little curious to know what you meant by commercial appliances.

Mr. WHITE of Maine. I will say for the information of the gentleman that that is the language of existing law. It has been on the statute books now for something more than eight years. We left it as it was. The only change made by this section on this paragraph of the existing law is in the inclusion in lines 16 and 17 of the words "or in the reconditioning, remodeling, or improvement." We have somewhat expanded in that respect the scope of this paragraph. Otherwise it stands unchanged.

Mr. MONTAGUE. As to the words "commercial appliances," I confess my ignorance of the definition.

Mr. DAVIS. That has reference to hoisting apparatus for loading and unloading.

Mr. MONTAGUE. I should say that was mechanical.

Mr. WHITE of Maine. All these are appliances for handling of cargo and facilitating loading and unloading, and so forth.

Mr. WOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Page 6, after the word "built," insert "*Provided*, That the amount of the loan to any person or citizen of the United States in any calendar year shall not exceed the sum of $10,000,000."

Mr. WOOD. Mr. Chairman, I desire to say that the figure I have placed as the limitation here may be too small, but I feel that some limitation should be placed upon the amount that may be loaned to any one firm or corporation in any one year. My reason for thinking that this amendment should be made and that it would add strength to this bill is that I can conceive of a possibility where there might be half a dozen different concerns, maybe more, some of them desiring larger and some smaller amounts, and I could conceive a scheme whereby one or two concerns might borrow all this $125,000,000 in one year, to the deprivation and perhaps to the detriment of other bidders or people desiring loans, and to the detriment of the merchant marine.

I felt I should bring this to the attention of the committee, in order that it might be considered, for the purpose of avoiding any possibility or probability of injury being done to the loan fund.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. WAINWRIGHT. The gentleman's amendment fixes $10,000,000 as the amount which can be loaned in any one year?

Mr. WOOD. Ten million dollars; yes.

Mr. WAINWRIGHT. I call the gentleman's attention to the fact that that probably would not build one 15,000-ton ship.

Mr. WOOD. You can not build a 15,000-ton ship in one year, either. As I have said, I am not wedded to the figure of $10,000,000. I do not know whether the committee in considering this bill gave this proposition any consideration at all or considered whether a limitation should be placed upon it.

Mr. WAINWRIGHT. I will ask the gentleman, who I know is so devoted to the principles involved in this bill, whether he does not think, in view of the objects to be accomplished, that $10,000,000 is altogether too little.

Mr. WOOD. Possibly that may be true, but I wanted to fix some figure so I could get an expression from the committee, which has been given this measure great consideration.

Mr. DYER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. DYER. Would not the gentleman's amendment interfere with the reconditioning of some of the ships if the Shipping Board should desire to have some of them reconditioned, and, perhaps, install the most up-to-date machinery and engines as well as the Dieselization of some of them? Would not the gentleman's amendment interfere with that?

Mr. WOOD. The only possible way it might interfere would be because the amount to which it is limited is too small.

Mr. DYER. It might be possible that the amount suggested in the gentleman's amendment would not be sufficient to do that.

Mr. WOOD. As I say, if this figure is too small, it can be increased to a proper amount. I have introduced this amendment for the purpose of advising this committee of the possibilities of abuse, and it is for the committee to determine whether or not there should be a limitation and determine the amount of that limitation. I would like to hear from the chairman of the committee.

Mr. WHITE of Maine. Has the gentleman yielded the floor?

Mr. WOOD. Yes; I yield the floor.

Mr. WHITE of Maine. Mr. Chairman, I rise in opposition to the amendment. It seems to me there are two solid grounds of opposition. In the first place, we are embarking here, as we hope, upon a far-reaching program of the construction of new ships in American yards for the carriage of American goods. Necessarily we must impose in some governmental agency a large degree of authority and in them we must have a substantial degree of confidence, if you are to have the flexibility necessary to achieve the results which are sought. I am opposed to this amendment in the first instance because it ties the hands and circumscribes and limits the exercise of judgment and discretion of the very body to which we must look for the execution of this law. I am opposed to it in the second place because as a practical proposition I have hopes, and I think the other members of the Merchant Marine Committee have hopes, that there will be begun the construction of vessels which may call in a single year for loans in excess of $10,000,000. You can not build under that amendment a single ship costing $15,000,000 if the builder had to rely to the extent we authorize in this bill upon the Shipping Board for funds.

Mr. DYER. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. DYER. Would the language as contained in this section prevent the Shipping Board from reconditioning a ship if they wanted to do so?

Mr. WHITE of Maine. The gentleman means under the amendment?

Mr. DYER. No; under the section as written in the bill.

Mr. WHITE of Maine. Let me confine myself to the amendment.

Mr. DYER. In any event, this amendment would interfere with that.

Mr. WHITE of Maine. I think it would. I think it limits in all directions and in every way the authority which we must put somewhere, and in this case that authority is vested in the Shipping Board. Now, what is happening illustrates, as it has been illustrated over and over again, the weakness of our whole attitude toward the merchant marine. We are not willing to go ahead and allow anybody to work out a program and perfect a program for an American merchant marine, but we are trying in this legislative body to tie it down, circumscribe it, put handicaps in the way, and embarrass the free exercise of discretion and withhold that help which I conceive the American people want to render to the American merchant marine.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. WAINWRIGHT. Is it not a fact that under the law to-day the Shipping Board has had entire discretion with reference to the present loan construction fund, which now amounts to over $100,000,000?

Mr. WHITE of Maine. There is absolutely no limit of the character suggested here in the handling of the present construction loan fund. You are injecting an entirely new element of a restrictive nature, when every effort of ours ought to be for enlarging the authority and showing a degree of liberality toward this industry and toward our commerce.

Mr. BLACK of New York. The loans are not to be on a yearly basis, anyway, are they?

Mr. WHITE of Maine. We hope and we believe it essential that the loans shall be for long periods of time because it is inconceivable to us that you will find American ship operators and American shipbuilders start in on a program if it is to be from hand to mouth, from year to year. No one is going to invest $10,000,000 or $15,000,000 in a great and hazardous undertaking of this character unless the loan is for a long period of time and upon liberal terms.

I very much hope the amendment will be rejected in its entirety.

Mr. CARSS. May I ask the gentleman to tell the committee how much a ton it costs to construct a modern, up-to-date freighter?

Mr. WHITE of Maine. The figures differ, depending upon the type of ship—depending upon many factors—but I would say $140 a ton, possibly, in an American shipyard.

Mr. DAVIS. Mr. Chairman, I wish to join the chairman of the committee, the gentleman from Maine [Mr. WHITE], in opposing this amendment. I think it would be very unwise.

As suggested by the gentleman from Maine we very sincerely hope that the enactment of this legislation will result in an early and a substantial increase of the American merchant marine and an increase of speedier and larger ships in order that we can successfully compete with our foreign competitors in this respect.

We hope it will result that American concerns will want to build ships that will cost in excess of $10,000,000, and there are many ships on the sea now the present cost of construction of which would far exceed $10,000,000. In addition, it is entirely probable that the same concern might desire to build several ships and to start the construction of them, perhaps in different yards, at the same time.

It is also quite certain that none of these prospective shipbuilders or operators will enter upon a shipbuilding program unless they can make a loan contract with the Shipping Board under which they will have the assurance of a sufficient amount of money being loaned to them that they can complete their program.

If the Shipping Board is specifically restricted to $10,000,000 or any other like amount per year, they would say, "We have not the authority to enter into a contract to let you have any more money than that." This would spread the construction over a long period of years in a large construction program on the part of any one concern. I think we are all interested in having as speedy a construction program and as early an enlargement of our American merchant marine as possible and not defer it by any provision such as the one suggested by the gentleman from Indiana [Mr. WOOD].

So I think there are many reasons why a provision of this kind is not only unnecessary but would be unwise. I therefore think the amendment should be defeated.

Mr. WOOD. Mr. Chairman, I just want to add one word in further explanation of my reason for proposing the amendment. I trust there is no one here that doubts my desire to see the greatest possible success come from this measure.

We are about to enter upon what I hope to be the beginning of the success of a real American merchant marine. I think much depends upon the manner in which we start upon this highway. I would hate to feel that by reason of our lack of precaution at the very outset we would make it possible for any man or any set of men by manipulation, by conspiracy, or otherwise, to circumvent the purpose and the desire of the Congress in the establishment of a merchant marine. There might be collusion or there might be combination without collusion for the purpose of monopolizing this fund.

As I said at the outset, $10,000,000 may be too small an amount, but I believe out of extraordinary precaution and for fear the very thing which I have predicted might happen, there should be a limitation upon the amount that may be loaned in any one year.

Mr. ABERNETHY. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. ABERNETHY. Does not the gentleman have a sort of veto power, to some extent, over the actions of the Shipping Board, as chairman of the Appropriations Committee?

Mr. WOOD. No; we give them $125,000,000 to lend as they please or according to their own judgment.

Mr. ABERNETHY. Do you not go into all their transactions very carefully in the Committee on Appropriations?

Mr. WOOD. Yes; but it is pretty hard to gather up spilled milk.

Mr. ABERNETHY. I have always thought the gentleman had a sort of supervisory power over the whole board. That is the way I have always understood it.

Mr. WOOD. If I have, it has been a woeful failure.

Mr. WAINWRIGHT. Mr. Chairman and gentlemen of the committee, I rise to oppose the amendment.

It strikes me this amendment will have the effect of neutralizing and defeating the very purpose of the bill which is to liberalize the present construction-loan privilege. If adopted it will deprive the Shipping Board of the unlimited jurisdiction and the power they have to-day with regard to the loan-construction fund. In other words, we will be adopting a much less liberal policy with regard to loans than the provision of the present merchant marine act.

Mr. BLAND. Will the gentleman yield?

Mr. WAINWRIGHT. I prefer not to yield, as I have such a short time.

It seems to me, gentlemen, this bill which has had the universal approval of the press of the country and is so much in accordance with the sentiment of the country, as has been demonstrated in so many impressive ways, ought not to be amended in this manner, but that we should leave this discretion where it should be, with the Shipping Board. We should not be raising mare's nests of this kind and restricting the beneficial operation of the bill in this manner. This is a great bill, a great constructive measure. Every possible consideration involved has received the deliberate attention of the Committee on the Merchant Marine and Fisheries. This bill offers for the first time since the early days of the Republic the prospect that the American merchant marine may be again restored to the proud position it once held upon the sea. It offers the prospect, indeed the promise, that instead of carrying a mere 30 per cent of the overseas commerce of this country in American ships, instead of having but a beggarly 2 per cent of the tonnage of the world under construction in our shipyards, as is now the case, we shall have under construction in these shipyards a very substantial part of the tonnage of the world, and that before long the great majority of the ships that come from foreign ports into our ports, and that sail from our ports to foreign ports, will be flying the American flag.

Mr. Chairman, it seems to me that this bill offers such abundant hope for the realization of what the American people devoutly hope for that we should not undertake to tamper with it or modify it in any important particular. Personally, I hope to be permitted to vote for this bill just as it comes before us.

We know that we can not compete with foreign shipping in the costs of either ship construction or operation unless aid is furnished from some source to put our people in the position to equalize or neutralize those costs. And we know as well that the only source from which that aid or assistance to meet that competition can come is from the Government of the United States. If it is withheld or is not furnished in some practical and substantial manner, and that right soon, our languishing shipbuilding industry must expire and the constantly dwindling proportion of our foreign commerce carried in American ships must continue to grow less until our mercantile marine vanishes from the high seas. How can any American face that prospect with complacency or equanimity? We know how vitally important a merchant marine capable of carrying the greater part of our commerce is, not only to our prestige but to our security and prosperity. We know how vitally important it is that we should be independent of foreign shipping to carry our commerce and to serve as auxiliaries to our naval fleet and as transports in time of war, and to serve as carriers and promoters of our commerce in time of peace. Can there be any question of the expediency, of the wisdom, of the necessity—yes, of the economy—of this Government adopting proper and practicable means of fostering and developing so vital a national interest? Think of the Government aids we have extended in other directions and to other interests. Think what we have done for agriculture, the millions we have loaned to our farmers; the millions we have spent on the improvements of our rivers and harbors and upon our roads; think of what we have spent on reclamation projects, the aids we have extended to our industries, the assistance by way of land grants to the railroads, our carriers of commerce upon the land; of the fostering care and protection we have afforded our coastal and lake shipping; and then consider how long we have withheld any real aid to this primary, this basic interest—and by basic I mean original, because the development and protection of our shipping was one of the first that concerned the fathers of the Republic.

In the beginning and for more than the first century, the Government and the people stood by the merchant marine so that in the days just before the Civil War more than 80 per cent of our commerce was carried under the American flag. Then that assistance was withdrawn and latterly we have

accorded this interest practically no support. And now the time has arrived when, if ever, we must do something substantial and effective—and this bill furnishes the opportunity.

The provisions increasing the loan construction fund to $250,000,000 and authorizing loans by the Government up to 75 per cent of cost for 20 years at the lowest rate of interest paid by the Government on its own obligations, and providing for mail contracts or subventions more liberal for longer terms than ever before accorded, running up to $12 per voyage mile on ships capable of 24 knots speed, must prove attractive and serve as a great encouragement and inducement to our shipping interests. The provision that merchant officers and seamen by joining the merchant marine naval reserve may be put on a naval pay status with two months' base pay of their corresponding grades per annum can not fail to have a vastly beneficial effect upon the morale, the efficiency, and the quality of our merchant seamen, both in time of peace and in time of emergency.

Let us pass this bill, gentleman, with very little change. Then we shall have discharged our duty and ratified the act of a committee which, after weeks of deliberation, laying aside all partisan considerations, but rising to their high duty as patriotic and sensible representatives of the American people, have reported this bill to us. Then we shall be passing on to the shipping interests and the shippers and the travelers the responsibility for the development and the support of the American merchant marine. Without the loyal support of all those interests legislation alone will avail little. Afforded the facilities, it will then be up to the people whether they will sustain their merchant marine, and the merchant marine will never expand or flourish unless our shippers and voyagers are indoctrinated with the principle that it is their duty, where equal facilities are available, always to ship under the American flag, always to travel and sail under the American flag; and, may I add, that it will be at least bad form to patronize foreign shipping when American shipping is available on favorable terms for similar service.

I trust that this amendment will not prevail, gentlemen, but that the entire discretion as to loans under this bill will be left with the Shipping Board, and I devoutly hope that this bill will not only pass this House, but that it will finally be enacted into law. [Applause.]

Mr. BLAND. Mr. Chairman, I approve of everything that has been said by the gentleman from New York, and I suggest to him, in addition to what he has said, that before a man can secure his contract for three-quarters of the construction of a ship he has got to have in hand or make provision for one-quarter of the cost of the ship; he has to have the available funds. Furthermore, three-quarters of the cost of the ship is not turned over to him in cash, but, as my friend has suggested, is paid out as the work proceeds. The purpose is so that we are to get a merchant marine of modern ships that can be efficiently and economically operated as quickly as possible.

Mr. WAINWRIGHT. If the gentleman will yield, if we can trust the Shipping Board with the tremendous investment that we already have and with the responsibility they are already entrusted with, we can trust them in this particular.

Mr. BLAND. Certainly. And, further, they investigate the condition of the applicant when he files his application for the money. As I said a moment ago, the money can only be advanced as the work proceeds with the construction. In other words, the other party must first put up the one-quarter.

Mr. GIFFORD. Will the gentleman yield?

Mr. BLAND. Certainly.

Mr. GIFFORD. I would like to suggest also that they might overcome the difference of cost at home and abroad if they would build two or more ships at the same time.

Mr. BLAND. Yes; if we could get two at the same time it would materially reduce the cost.

Mr. ANDRESEN. Will the gentleman yield?

Mr. BLAND. I will.

Mr. ANDRESEN. Does the bill permit the construction of ships on the Great Lakes and rivers?

Mr. BLAND. Yes; that is, ships in foreign trade.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken, and the amendment was rejected.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to proceed out of order for one minute.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to proceed out of order for one minute. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I ask for this time to put into the RECORD some information which I think will be of interest to the Members of the House. On Monday the House will have for consideration the Welch increase salary bill. I have prepared and ask unanimous consent to extend my remarks in the RECORD by inserting some charts which show a comparison of the existing rates under the classification act and new rates as provided by the Welch bill.

Mr. LEHLBACH. Mr. Chairman, I have no objection to the gentleman extending his remarks, but that request may not be granted in committee. However, the gentleman having been recognized I have no objection to his extending his remarks.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD by including tables and charts which he has referred to. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following charts showing a comparison of the existing salary rates under the classification act and the new rates as provided by the Welch increase salary bill:

PROFESSIONAL AND SCIENTIFIC SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 2*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Grade 3*

| | |
|---|---|
| Existing law | $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, $3,600 |
| Welch bill | $3,200, $3,300, $3,400, $3,500, $3,600 |

*Grade 4*

| | |
|---|---|
| Existing law | $3,800, $4,000, $4,200, $4,400, $4,600, $4,800, $5,000 |
| Welch bill | $3,800, $4,000, $4,200, $4,400 |

*Grade 5*

| | |
|---|---|
| Existing law | $5,200, $5,400, $5,600, $5,800, $6,000 |
| Welch bill | $4,600, $4,800, $5,000, $5,200 |

*Grade 6*

| | |
|---|---|
| Existing law | $6,000, $6,500, $7,000, $7,500 |
| Welch bill | $5,600, $5,800, $6,000, $6,200, $6,400 |

*Grade 7*

| | |
|---|---|
| Existing law | $7,500 |
| Welch bill | $6,500, $7,000, $7,500 |

*Grade 8 (new grade)*

| | |
|---|---|
| Welch bill | $8,000, $8,500, $9,000 |

*Grade 9 (new grade)*

| | |
|---|---|
| Welch bill (positions specifically authorized) | $9,000 |

SUBPROFESSIONAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $900, $960, $1,020, $1,080, $1,140, $1,200, $1,260 |
| Welch bill | $1,020, $1,080, $1,140, $1,200, $1,260, $1,320 |

*Grade 2*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |
| Welch bill | $1,260, $1,320, $1,380, $1,440, $1,500, $1,560 |

*Grade 3*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680 |
| Welch bill | $1,440, $1,500, $1,560, $1,620, $1,680, $1,740 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860 |
| Welch bill | $1,620, $1,680, $1,740, $1,800, $1,860, $1,920 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040 |
| Welch bill | $1,800, $1,860, $1,920, $1,980, $2,040 |

*Grade 6*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 7*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 8*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500, |
| Welch bill | $1,260, $1,320, $1,380, $1,440, $1,500, $1,560 |

*Grade 2*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680, |
| Welch bill | $1,440, $1,500, $1,560, $1,620, $1,680, $1,740 |

*Grade 3*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860, |
| Welch bill | $1,620, $1,680, $1,740, $1,800, $1,860, $1,920 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040, |
| Welch bill | $1,800, $1,860, $1,920, $1,980, $2,040, $2,100 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 6*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 7*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Grade 8*

| | |
|---|---|
| Existing law | $2,700, $2,800, $2,900, $3,000, $3,100, $3,200, $3,300 |
| Welch bill | $2,900, $3,000, $3,100, $3,200, $3,300 |

*Grade 9*

| | |
|---|---|
| Existing law | $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, $3,600 |
| Welch bill | $3,200, $3,300, $3,400, $3,500, $3,600 |

*Grade 10*

| | |
|---|---|
| Existing law | $3,300, $3,400, $3,500, $3,600, $3,700, $3,800, $3,900 |
| Welch bill | $3,500, $3,600, $3,700, $3,800, $3,900 |

*Grade 11*

| | |
|---|---|
| Existing law | $3,800, $4,000, $4,200, $4,400, $4,600, $4,800, $5,000 |
| Welch bill | $3,800, $4,000, $4,200, $4,400 |

*Grade 12*

| | |
|---|---|
| Existing law | $5,200, $5,400, $5,600, $5,800, $6,000 |
| Welch bill | $4,600, $4,800, $5,000, $5,200 |

*Grade 13*

| | |
|---|---|
| Existing law | $6,000, $6,500, $7,000, $7,500 |
| Welch bill | $5,600, $5,800, $6,000, $6,200, $6.400 |

*Grade 14*

| | |
|---|---|
| Existing law | $7,500 |
| Welch bill | $6,500, $7,000, $7,500 |

*Grade 15 (new grade)*

| | |
|---|---|
| Welch bill | $8,000, $8,500, $9,000 |

*Grade 16 (new grade)*

Welch bill (executive positions to be specifically authorized in excess of $9,000) $9,000

CUSTODIAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $600, $630, $660, $690, $720, $750, $780 |
| Welch bill | $600, $660, $720, $780, $840 |

*Grade 2*

| | |
|---|---|
| Existing law | $780, $840, $900, $960, $1,020, $1,080, $1,140 |
| Welch bill | $1,080, $1,140, $1,200, $1,260, $1,320, $1,380 |

*Grade 3*

| | |
|---|---|
| Existing law | $960, $960, $1,020, $1,080, $1,140, $1,200, $1,260 |
| Welch bill | $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |
| Welch bill | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680 |
| Welch bill | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800 |

*Grade 6*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860 |
| Welch bill | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980 |

*Grade 7*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040 |
| Welch bill | $1,860, $1,920, $1,980, $2,040, $2,100, $2,200 |

*Grade 8*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400, |

*Grade 9*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 10*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Charwomen (working part time)*

| | |
|---|---|
| Existing law | 40 cents per hour |
| Welch bill | 45 cents per hour |

*Head charwomen*

| | |
|---|---|
| Existing law | 45 cents per hour |
| Welch bill | 50 cents per hour |

CLERICAL-MECHANICAL SERVICE

*Grade 1*

| | | |
|---|---|---|
| Existing law | per hour | 45 cents, 50 cents |
| Welch bill | do | 50 cents, 55 cents |

*Grade 2*

| | | |
|---|---|---|
| Existing law | per hour | 55 cents, 60 cents |
| Welch bill | do | 60 cents, 65 cents |

*Grade 3*

| | | |
|---|---|---|
| Existing law | per hour | 65 cents, 70 cents |
| Welch bill | do | 70 cents, 75 cents |

*Grade 4*

| | | |
|---|---|---|
| Existing law | per hour | 80 cents, 90 cents |
| Welch bill | do | 85 cents, 95 cents |

The Clerk read as follows:

INCREASE OF CONSTRUCTION LOAN FUND

SEC. 302. (a) There is authorized to be appropriated, to be credited to and for the purposes of the construction loan fund created by section 11 of the merchant marine act, 1920, as amended, such amounts as will, when added to the amounts credited to such fund by the United States Shipping Board under authority of law (exclusive of repayments on loans from the fund), make the aggregate of the amounts credited to such fund (exclusive of such repayments) equal to $250,000,000.

(b) When $250,000,000 has been credited to such fund (whether by the board under authority of law or from appropriations authorized by this section, but exclusive of repayments on loans from the fund) then no further sums (except such repayments) shall be credited by the board to such fund.

(c) The construction loan fund shall continue to be a revolving fund. Repayments on loans from the fund shall be credited to the fund, but interest on such loans shall be covered into the Treasury as miscellaneous receipts.

Mr. WOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WOOD: Page 10, after line 6, insert a new section, as follows:

"SEC. 303. The board is hereby authorized and directed to make loans from the construction loan fund for the total cost of construction of vessels for service in the foreign trade for citizens of the United States. Such vessels shall be constructed in American shipyards and according to designs approved by the board. Such sums as may be loaned for such construction shall be repaid to the construction loan fund by the purchaser of such newly constructed vessels within a period of 20 years: *Provided*, That the contract and preferred mortgage guaranteeing the service in the foreign trade shall provide for an initial payment of 5 per cent of the cost of the vessel on the making of the contract, and 5 per cent annually thereafter.

"The provisions of this section shall not apply to vessels entitled to the benefits of Title IV of this act relating to the transportation of foreign mails."

Mr. BLACK of New York. Mr. Chairman, I offer an amendment to the amendment by inserting the words "and Government navy yards" after the words "American shipyards."

The CHAIRMAN. The gentleman from Indiana has the floor. The gentleman from New York will have an opportunity to offer his amendment later.

Mr. WOOD. Mr. Chairman, yesterday I made a few remarks in which I attempted to point out to the committee the necessity for something being done for the cargo ships. I then stated, and I reiterate it now, that I am heartily in favor of everything there is in this bill and intend to support it. I do feel, however, that there has been great neglect of the cargo ships. We have about six or seven lines that carry the United States mails. They will be benefited, and perhaps made to prosper by reason of the mail subvention. The vast majority of our routes, however, are not mail routes; they are cargo routes, going to the farthermost parts of the earth. Unless something is done for them I am fearful that they can not long endure, or that when the vessels employed on the present routes become obsolete they will fade away, as our ships did fade away in the decline of the once mighty fleet that we had.

The amendment that I have offered provides a remedy whereby the cargo ships may be maintained. To my mind it is far more important to the United States to-day, far more important to the industries of the country, far more important to agriculture, which is suffering to-day, that we have some agency to expand our trade into European and South American nations.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LAGUARDIA. Does the gentleman's amendment provide for the loan of the total amount necessary to build the ships?

Mr. WOOD. Yes. It does provide for the total amount, but 5 per cent of that amount must be paid at the time the contract was entered into. In other words, it provides for a loan of 95 per cent.

Mr. LAGUARDIA. All the borrower would have to produce is 5 per cent of the value of the ship.

Mr. WOOD. That is what he would have to produce. The title of the ship would remain in the United States Government until the last payment has been made. If our trade relations are to be extended, if our merchant marine is to do the work that we would have it do, if it is to be an agency of good for the United States, and all of the industries of the United States, then we have to look to the cargo ships to do the major part of that work. In time of peace it will be the advance agent of peace, the advance agent of good will of the United States into these foreign countries, and in time of war it will be the right arm of the Navy.

Mr. KINDRED. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. KINDRED. Does the gentleman think that this amendment will suffer the handicaps that will still exist to the cargo carriers because of the La Follette law?

Mr. WOOD. Yes. I adverted to that yesterday. I do not think the La Follette law is as much of a handicap as some people would believe, and I spoke at some length on that yesterday. Now that it has been estimated, I do think, in fact, it is almost certain that the differential in cost of building in the United States as compared with the cost of building in foreign countries is a little more than 4 per cent. The amendment that I have offered would save to the buyer of the ships an amount equal to about 5 per cent, and that might cover all of the differences to which the gentleman has alluded.

Mr. LAGUARDIA. Is not the danger of the gentleman's amendment this: That with only 5 per cent of an investment in the ship the owner of the ship would operate the vessel for, say, four years, permitting his ship meanwhile to run down, without doing the necessary repairs, and then turn the ship back to the Government?

Mr. WOOD. That would be impossible for the reason that this is the property of the United States, with all of the supervisory power of the United States to protect it in every detail.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOOD. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. So that the Government of the United States would be protected to exercise its good judgment in the first place before it ever made a loan of this character. You are doing for these other ships; why not give the cargo ships something? It is admitted by all who have given this question study that the cargo ship that has no subvention whatever, that has no relief whatever, except the relief it may get by its own exertion in the carrying trade of the United States, can not survive without aid. I think there can be no dispute about that proposition.

If we would have a merchant marine that is composed entirely of those ships that are carrying mail or being helped in some part by the carrying of mail, it will not be long before we will not be a dot on the sea, and we will not be carrying near the proportion of the commerce of the United States that we are carrying to-day. So that it is worth while that you give this matter careful attention. This amendment no doubt will fail, as did the one I offered a while ago, but I may say I am more in earnest about this one than about that, because I feel, by reason of my information and study, that the cargo ships of this country are vastly more important than the passenger ships, and unless they have some help from somewhere they are not likely to succeed. I believe that what I am saying will bear fruit, and before Congress reassembles next session the facts of the situation will become manifest.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLACK of New York. Has the gentleman any amendment to suggest whereby the merchant ships may be built in the Government navy yards?

Mr. WOOD. If the building of a ship is provided for in a private shipyard, they must keep their contract or be liable on their bond; but a United States navy yard may undertake in good faith to build a ship within the time and at the price stipulated, but if it fails to do it there is no remedy and no recourse; so that if we are in earnest about this, we ought to give the builder every possible advantage. If a ship can be manufactured more cheaply in a navy yard than in a private shipyard, let it be built there. On the other hand, if it can be built more cheaply at a private shipyard than in a Government navy yard, let it be built there.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield there?

Mr. WOOD. Yes.

Mr. LAGUARDIA. If a ship is destroyed by fire while under construction, who is liable for the value of the ship? Who is responsible under the law?

Mr. WOOD. I should say the insurance company would sustain that loss.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. WAINWRIGHT. Where do you draw the line whereby they can go and borrow on a ship up to 75 per cent and up to 95 per cent?

Mr. WOOD. I have a provision attached to this amendment which provides:

The provisions of this section shall not apply to vessels entitled to the benefit of Title IV of this act relating to the transportation of foreign mail.

So that this would not necessarily involve a subsidy or any other character of help.

Mr. LAGUARDIA. Does the gentleman contend that if the ship is insured against accident and carries marine insurance the insurance company must cover all the losses?

Mr. WOOD. If it was a total loss, then there might be some loss to the Government.

Mr. BLACK of New York. I have an amendment which I wish to have read.

Mr. WHITE of Maine. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Maine is recognized.

Mr. WHITE of Maine. I have a very keen appreciation of the interest of the gentleman from Indiana [Mr. WOOD] in this subject of the merchant marine, and I know the study he has given to the problem and the extensive knowledge he possesses, and when I find myself in disagreement with him I somewhat doubt the wisdom of my own action. But I am constrained to say that in this particular instance I am in disagreement with him, and I hope the amendment will not prevail.

The members of the Committee on the Merchant Marine and Fisheries are vitally interested in the cargo ships as well as in the passenger and cargo-liner type of ships. I think myself as do others who have studied this question, that you are never going to obtain the results and you are never going to see an American merchant marine built of the right type and character and carrying cargoes as we desire unless there is an individual responsibility for that ship, the burden of financial interest which the man who owns and operates the ship must feel. He must be under the constant stress of exercising initiative, industry, ingenuity, and zeal in the task which the ship devolves upon him. On the other hand, when that man has no financial interest in that ship and the entire financial risk is borne by the Government, there is lacking the very urge that makes for success in operation; and under the amendment offered by the gentleman from Indiana the entire risk would be borne by the Government of the United States and there would be no responsibility on the man himself. I am against the gentleman's amendment on that ground.

Now, we have not neglected altogether the cargo ships. In this provision of the bill providing for ocean-mail pay we have provided that ships of as low a speed as 10 knots shall be entitled to mail compensation, and we have provided that ships of as low a tonnage as 2,500 gross tons can compete for mail contracts.

I venture the assertion that a large body of ships that will be eligible for mail contracts will fall within the class that may as appropriately be termed cargo carriers as passenger vessels. It seems to me we ought to place a premium—and this bill does it—upon the speedier ships. I do not believe it is wise at this time to go to the extent of the amendment of the gentleman from Indiana. I hope it will not prevail.

Mr. HUDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. HUDSON. Will the cargo vessel that can not achieve the greater speed receive a contract? Would such vessels get any contract?

Mr. WHITE of Maine. Many ships now having a speed of not much in excess of 10 knots are receiving mail contracts. We have written into this bill in express terms that a vessel under contract for the carriage of mail may also carry express and engage in general commercial business. I can illustrate what might happen in a particular line. Take the Export Line, running out of New York, 21 vessels running into the Mediterranean area, and none of them exceeding 10½ knots.

That line to-day enjoys the benefit of a mail contract, and there is every reason to believe that under the provisions of this bill it also will have that privilege and be under contract to carry the mails of the United States.

Mr. BLACK of New York. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK of New York to the amendment offered by Mr. WOOD: In line 5 of the proposed amendment, after the word "shipyards," insert "and United States Government navy yards."

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, I do not want the discussions of this bill to go off on a tangent and precipitate a fight between the navy yards and the shipyards, but the whole scheme of this bill calls for the general upbuilding of shipping conditions in this country, and the navy yards are specifically mentioned in the earlier parts of the bill. I think it was the intention that not only would private yards be used but navy yards. I do not want to go into any discussion with the gentleman from Indiana as to the relative costs of navy yards and private shipyards. I see my friend from Virginia waiting for me, too.

I only offer this amendment so that in case the amendment offered by the gentleman from Indiana is adopted the navy yards will be considered.

I do not agree with the amendment offered by the gentleman from Indiana, but it is welcome, though, to find that the new chairman of the Committee on Appropriations is going to be so liberal with Government funds. By this amendment he is perfectly agreeable to have any fly-by-night gentleman, whether he be the representative of a shipyard or not, come along and get from the Government 95 per cent of the money necessary to construct a cargo ship, and then in order to protect the Government a little bit more he insists that the navy yards have nothing to do with it.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Louisiana is recognized for five minutes.

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, I did not enjoy the privilege of any time under general debate to express my approval and approbation of the pending bill. Consequently I have availed myself of this pro forma motion to say a few words in behalf of it. I do not know that the committee will profit by anything I may have to say, because I believe the country is pretty well sold upon the bill as it has been presented to the House. If there be any defects in it, time will show those defects and I am quite sure proper legislation will remedy them.

We are all glad that the Congress has expressed legislatively to the people of this country the hope that it has entertained so long and has vindicated that hope that the American flag is on the seas to stay and that it is a monition to all the peoples across the Atlantic and the Pacific that the flag of our country will be seen in all the ports of the world from now on. I am glad of it not only for the commercial reasons involved, my friends, but for the patriotic reasons that are inseparably associated with this great enterprise.

I remember years ago when the American fleet made a journey around the world that it had to be accompanied with hired colliers and with vessels which are to-day regarded as absolutely essential to a perfect naval establishment and a fitting complement to it. Of course, that condition could not remain long without attracting the attention of the American people. Again in 1898 we felt the necessity of that auxiliary which would perfect our Naval Establishment, because we had to hire vessels in order to make effective our warships. Even in the World War we were at a sad disadvantage for the very evident reason that we were not supplied with those auxiliaries and with those indispensables that would make the Naval Establishment completely effective, and that is the only reason for a naval establishment—to be effective.

I am glad of it also for the reason, my friends, that under the operation of this act a strong tendency will be put into motion to continue the development of all our seaports. No one in our country is any more proud of the great metropolis of the United States of America than I am. I look at the great skyscrapers, the wonderful bridges and tunnels, and the magnificent enterprise of New York with an admiring eye, the same, I suppose, as all Americans cast upon that wonderful city that has been alluded to as Babylon and Rome combined and, as one of the great Louisiana writers, Lafcadio Hearn, has said:

> Miles of marble and tons of steel,
> Mountains of granite and peaks of steel.

We are all proud of that, but we can not forget the fact that during the World War there was a tremendous congestion in the harbor of that great city. Railroad cars were bringing freight in to be carried across the ocean to our armies, but as a result of that terrific congestion the vessels lying in the Bay of New York were unable to go out because they were unable to take on the cargoes that were destined for our armies. This condition could have become an appalling menace.

We want New York to prosper. We want it to grow great and magnificent and to be the attractive city of the world for many generations to come, but we can not be forgetful of the fact that the needs of the country require the development of other ports, because no one knows when the bugle may be again sounded and when, unfortunately for the world and for humanity and for our country, we may have to cross the seas again in order to maintain our honor, our dignity, and last but not least, our own material interests.

I want to see the harbors of the Atlantic coast developed. I want to see the harbors of the Gulf coast developed and those of the Pacific coast. I want the Great Lakes' cities to become seaports as a result of the development and completion of the proposal in regard to deepening the harbors of the Lakes and the regulation of the St. Lawrence River. I want to see the waterways of this great country developed so that the dream of Mr. Hoover—and I am not referring to him with any political purpose in view, my friends—I want his dream to become an actuality. I want to see the waterways of our country become such a great asset from the standpoint of navigation and power and irrigation and all of the other ancillary developments that go with these factors, so that they will become the greatest assets the Nation possesses. I do not want them to continue the tremendous liability that they are to-day.

I believe the Congress is in a position, by waving the congressional wand, more powerful than a magician's wand, to convert that terrific, that dreadful, that appalling liability—annual floods—into an asset of incalculable value to the whole country.

With our waterways developed, the Mississippi and its great tributaries and the other great rivers that are arteries of commerce, or should be arteries of commerce, to the United States of America, with well-developed harbors on the Gulf coast and the Atlantic coast, and the Pacific coast, I feel that that United States may become self-contained, and should the grim necessity ever require it, look across the seas and say to any threat, "I am the master of my fate."

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. GARBER. I hope no gentleman will object. The gentleman is making one of the most interesting speeches I have ever heard on this floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. O'CONNOR of Louisiana. The time is not far distant, my friends, when there will be no such thing as a surplus of agricultural products in the United States of America. The natural increase in our population will make for a consumption of all of the so-called surpluses we have to-day. Soon this country will have to look to other sources for raw material. I believe that all the economists of America agree that that field will lie in southern seas, that it is down in Mexico and the middle Americas and in South America that we will have to get our raw material, exchanging for that raw material our fabricated or our finished products. It is therefore essential that lines running out of the Gulf ports should be there to accommodate, promote, and stimulate the great trade that is to come to us within a quarter of a century from those beautiful countries that lie to the south of us.

Somebody said recently that our exports, after all, were but 7 or 8 per cent of the total commerce of the United States, and that if the internal commerce were stimulated to a proper extent, we would not have to care much about the export trade. Even though it superficially may appear statistically correct and satisfying to us should we have to live within our shell for a while. Of course, there is somewhat of a fallacy in this, my friends, for even though exports in percentage values to the entire trade, foreign and domestic, are small relatively, yet 50 per cent of our cotton is involved in that export trade.

I do not know, my friends, that I am going to take up the additional five minutes, but before I close I want to say this, because I believe it is an encomium that ought to be bestowed upon a gentleman who has played the part of a watchman upon the towers during many years here in the House. Though he is far from the seacoast, born and reared in Tennessee, he has given his great talent in this House for the promotion of the public welfare, it is true, as a general proposition, but we of the South could not help but feel that his splendid efforts were largely going to inure to the greater glory of the people of the Southland, among whom he was born and reared. Giving due credit to all the members of the committee, we of the South can never forget the services rendered by EWIN DAVIS, of the great Commonwealth of Tennessee, far from the seashore. With no other interest than a patriotic interest to serve, he has gone forward night and day preaching the doctrine of a merchant marine, knowing it would be for the best interests of the country from every imaginable standpoint.

Those that were born by the sea will die by the sea and those that were reared in the mountains will make their last home there, but EWIN DAVIS, coming from a mountain country, has sought the sea and has given his great service to the promotion of the vessels, the riders of the sea, that will go out from our country to all the ports of the world. I wish to congratulate

him and to thank this committee for the kind attention they have given to these few desultory remarks upon this great and important piece of legislation. [Applause.]

Let me close by saying that a paper prepared by Chairman O'Connor several years ago on the asset our merchant marine is, can not be read too often. That paper is more than an argument. It is convincing to the point of a demonstration. It is unanswerable. He shows that whatever apparent deficit there might show, it was not as real as the figures would indicate, because against that stated loss were the wages paid and spent among our merchants, the goods and foodstuffs for the provisioning of our vessels, the repairs made, the total amounts of which in dollars that tended to prevent unemployment, which, when it does occur becomes a national concern. It is a great paper and should be read frequently, lest we forget. Our flag is on the seas; who will dare haul it down?

The Clerk read as follows:

TITLE IV—OCEAN MAIL SERVICE

SCOPE OF TITLE

SEC. 401. All mails of the United States carried on vessels between ports (exclusive of ports in the Dominion of Canada) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise shall, if practicable, be carried on vessels in respect of which a contract is made under this title.

Mr. WHITE of Maine. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 10, line 11, insert after the word "Canada" and before the parenthesis the words "other than ports in Nova Scotia."

The CHAIRMAN. The question is on the amendment of the gentleman from Maine.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

REQUIREMENTS OF POSTAL SERVICE

SEC. 402. As soon as practicable after the enactment of this act, and from time to time thereafter, it shall be the duty of the Postmaster General to certify to the United States Shipping Board what ocean mail routes, in his opinion, should be established and/or operated for the carrying of mails of the United States between ports (exclusive of ports in the Dominion of Canada) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise, distributed so as equitably to serve the Atlantic, Mexican Gulf, and Pacific coast ports, the volume of mail then moving over such routes and the estimated volume thereof during the next five years, the times deemed by him advisable for the departure of the vessels carrying such mails, and other requirements necessary to provide an adequate postal service between such ports.

Mr. WHITE of Maine. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 10, line 23, after the word "Canada" and before the parenthesis insert the words "other than ports in Nova Scotia."

The amendment was agreed to.

The Clerk read as follows:

AUTHORITY TO MAKE CONTRACTS

SEC. 404. The Postmaster General is authorized to enter into contracts with citizens of the United States whose bids are accepted, for the carrying of mails between ports (exclusive of ports in the Dominion of Canada) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise. He shall include in such contracts such requirements and conditions as in his best judgment will insure the full and efficient performance thereof and the protection of the interests of the Government. Performance under any such contract shall begin not more than three years after the contract is let, and the term of the contract shall not exceed 10 years.

Mr. WHITE of Maine. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 11, line 25, after the word "Canada" and before the parenthesis, insert the words "other than ports in Nova Scotia."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

Mr. LAGUARDIA. Mr. Chairman, I do not exactly know the purpose of this amendment. It may be that under existing conditions it may not be advisable for the Government to make any contract as provided in section 402 at this time with any company running a line between American and Canadian ports. But there is great danger in writing into permanent law a limitation or exception of this kind. Permit me to suggest to the gentleman from Maine that by so doing you may be giving an exclusive monopoly in perpetuity to a particular company that now plies between Nova Scotia and the ports of the United States. If there is a company now operating, I do not think we should write into permanent law an exclusion of other lines between Nova Scotia and this country. I believe it is very dangerous. I would like some information from the gentleman from Maine.

Mr. WHITE of Maine. This provision is not as the gentleman suggests a limitation on the Postmaster General to contract, but rather is an express grant of authority to enter into contract with vessels plying between the United States and Nova Scotia.

Before I go on I want to state to the gentleman and to the committee—and this is simply a repetition of what I said yesterday—that this title of the bill is not an exclusive authority for the Postmaster General to provide for the carriage of mail. There are other provisions of law which are in no wise affected by this title of the bill under which the Postmaster General may enter into contracts. The fact, however, is—I do not want to withhold anything from the gentleman from New York or from the House—there is a steamship line running between the ports of the Atlantic coast, Boston and New York, to Yarmouth, Nova Scotia. As the bill stood before the amendment was offered, that line was excluded from an opportunity to contract under this title, and by the amendment it is made possible for the Postmaster General if he desires to do so to contract with the line for the carriage of the mail.

Mr. LAGUARDIA. But you exclude other ports of Canada?

Mr. WHITE of Maine. The reason for that or the fact is that is the situation under existing law. A similar provision was written in the 1891 ocean mail act and has been on the statute books for all the years. This has the approval of the Post Office Department and was expressly recommended by the Post Office Department in the discussion of the title of this bill.

Of course, speaking by and large the movement of mail to the Canadian points goes much faster by rail than by water. In this particular instance the mail will move by this steamship line from Boston to Nova Scotia in 16 hours, while it would take 36 hours to reach its destination by rail.

Mr. LAGUARDIA. Then, why could not you strike out the provision in parenthesis?

Mr. WHITE of Maine. If we struck it out it would accomplish the same thing, but the advice of the Post Office Department was against that. In other words, they did not want to be placed in the position of having to make mail contracts by water to Canadian ports, because, except in this almost single instance, mail will move faster and more frequently by rail.

Mr. LAGUARDIA. That answers fully. Therefore I do not see the purpose of the first exclusion and then an exception to the exclusion. I think it is bad legislation.

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The Clerk read as follows:

VESSELS

SEC. 405. (a) The vessels employed in ocean mail service under a contract made under this title shall be steel vessels, shall be steam or motor vessels, and shall be either (1) American-built and registered under the laws of the United States during the entire time of such employment, or (2) registered under the laws of the United States not later than February 1, 1928, and so registered during the entire time of such employment, or (3) actually ordered and under construction for the account of citizens of the United States prior to February 1, 1928, and registered under the laws of the United States during the entire time of such employment.

(b) A vessel for the services of which a contract is entered into under authority of this title, and the construction of which is hereafter begun, shall be either (1) a vessel constructed, according to plans and specifications approved by the Secretary of the Navy, with particular reference to economical conversion into an auxiliary naval vessel, or (2) a vessel which will be otherwise useful to the United States in time of national emergency.

(c) Upon each departure from the United States of a vessel employed in ocean mail service under this title, three-fourths of the crew, exclusive of licensed officers required by law, and exclusive of the steward's department, shall be citizens of the United States.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 13, line 8, strike out the words "and exclusive of the steward's department."

Mr. LAGUARDIA. Mr. Chariman, if the committee will give me their attention for a few moments I desire to point out the importance of this amendment. It will be urged that the adoption of this amendment will make the operation of American passenger vessels difficult if not impossible. With that position I take issue. The steward's department is perhaps one of the most important departments on a passenger ship. It is surely the most numerous. Under present conditions American ships plying between European and Atlantic ports have loaded their stewards' department with aliens, while we have American citizens walking the streets of New York seeking employment. It is a matter of record that American citizens are constantly applying to the United States Shipping Board for employment, and can not obtain work by reason of the fact that the stewards' departments are recruited in English, French, Italian, and other European ports. Besides the discrimination against the American citizens, we have this other problem, that under the immigration law now in effect, with its quota limitations, every time a vessel lands they have a large number of desertions. Many of these men take work at lower wages, having in mind the opportunity of leaving the ship at one of its calls at an American port. It will be suggested that it is impossible to get the kind of service these ships require if they have to recruit three-quarters of their men in the steward's department from American citizens. I submit that if you go to the Mayflower Hotel, to the New Willard Hotel, to the Carlton Hotel, or to any first-class hotel in this country, you will find very intelligent, courteous service, and the majority of the men employed in that service are American citizens. It is not true that you can not recruit sufficient men to do this work in the steward's department. The answer is this, that these companies do not want to pay American wages, and the reason for the preference given to foreign labor is the possibility of compelling the men to live under conditions to which the ships would not dare to submit American citizens, and under wages that no American would accept.

I have here a comparative table of wages paid on the steamship *California*, an English vessel, and the American steamer, *President Wilson*, of the Dollar Line. The wages paid an able-bodied seaman on the *California* are $43.80 a month, while the American ship of the Dollar Line pays $10.97 a month, and why? Because the seamen are Chinese coolie labor. That is the great attraction for Chinese labor. It seems to me that if we are here providing ways under direct subsidy and assistance to American shipping, if we are providing an enormous fund to make loans under favorable conditions, if we are assisting shipping in all these ways, it is only fair to insist that three-quarters of the crew, including the steward's department, should be taken from American citizens. If the men are not available, that matter can be easily ascertained, but there has been a discrimination in New York against American citizens in the steward's department, and I make that statement knowingly.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GARBER. Can the gentleman give the number of the personnel in the steward's department as compared with the personnel of the crew of the ship, approximately?

Mr. LAGUARDIA. Take a ship like the *Leviathan;* I would say that there are as many men in the steward's department as there are in the engineering and the deck department combined. The steward's department in a big ship, in a modern ocean vessel, to-day affords as many opportunities for a young man as the hotel business would. A young man can enter the service like an English boy does on English ships, as a bell boy, and work his way up to an assistant steward or a steward in the second class, and then to a cabin steward, and then into the first class. There are several supervisory positions and a man can have his future there. Such positions as deck steward, smoking-room steward, library steward, are only a few of the many lucrative positions in the steward's department. It is not fair to preclude these boys who are inclined to take up this kind of work from getting employment on an American ship. You will find no aliens in the steward's department of an English ship. The minute that you write into the law an exclusion of the steward's department from the three-quarters of the crew provision you make it impossible for an American citizen to go on a ship, because the ships will recruit their men in France, Italy, Germany, England, and China at less wages, and that is the end of it.

Mr. HUDSON. The gentleman made a statement that in the port of New York they could find sufficient help for this department. Does the gentleman think that same condition holds in other ports—like the ports on the Pacific coast?

Mr. LAGUARDIA. I will tell you what the test will be. I will say to the gentleman from Michigan [Mr. HUDSON] that if we should suggest here an amendment to the effect that Chinese stewards should be paid the same rate of wages as American stewards, you will find that they will equip their ships with American stewards at once. It is simply a question of getting men to work for $10 a month, and you can not get an American citizen to work for $10 a month and live under the conditions that Chinese coolie labor are given on these ships.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. SCHNEIDER. Is it not true that the sea service department of the Shipping Board maintains a blacklist?

Mr. LAGUARDIA. Oh, do not let us get this question confused with any other question.

You require here that three-quarters of the crew must be American citizens. It is considered all right for American citizens to go down into the hold and shovel coal, but in the steward's department you compel an American citizen to compete with the Chinaman and then the Chinaman will get the job. You shut the door to American citizens in the steward's department, where there is more of a future for the average young man and greater earnings than there is on deck or in the engine room, because for the boy who goes into the service on deck the best position he can hope to obtain is that of quartermaster. But the percentage of chances to such promotion is so small that he will probably remain a seaman. But in the steward's department, where under proper legislation he would have this chance of promotion, you shut the door.

When you provide that the owners of these ships shall receive these benefits from the people of the United States, citizens of the United States should not be excluded from the steward's department. If the purpose of this bill is to build up an American merchant marine and treat all alike we should at least give the American boy the same chance that you give to a Chinaman. Without my amendment it will not do it.

Mr. WHITE of Maine rose.

Mrs. KAHN. Mr. Chairman I rise in opposition to the amendment.

Mr. WHITE of Maine. I am glad to yield, Mr. Chairman, to the lady from California.

The CHAIRMAN. The lady from California is recognized.

Mrs. KAHN. Mr. Chairman, of course I am not acquainted with the conditions in the port of New York; I do not know anything about the conditions on the Atlantic seaboard, as described by the gentleman from New York. But I do know that on the Pacific seaboard the vessels plying between San Francisco and the Orient spend 75 per cent of the time in tropical waters. It has been found almost impossible to get white seamen, particularly in the steward's department, to stand the climatic conditions that prevail in the Orient. I do not believe they deny that they can get American citizens to fill the places. But the American generally becomes sick; he can not stand work in the Tropics. The ships find themselves undermanned through illness when they have taken on a number of American seamen.

The Dollar Steamship Co., to which the gentleman from New York [Mr. LAGUARDIA] referred, employs Chinese in the steward department, while most of the English steamships that are engaged in the oriental trade and all the oriental ships with which they must compete, employ Chinese and Lascar and oriental crews. I have not had time to obtain the figures or facts, but I think in the case of the Dollar Steamship Co. the principal reason for the employment of the oriental in the steward's department is on account of the climatic conditions.

Just to show what the Dollar Steamship Line is doing, I may say that three years ago they started an around-the-world service, and in that time it has brought new trade to this country from Penang, Singapore, and Ceylon amounting to $29,000,000 and increased the oriental trade, Chinese and Philippines, to $54,000,000. I know it is the ambition and the desire of the Dollar Steamship Co., and, indeed, all our steamship companies plying on the Pacific to the Orient, to render the best and highest service they can give, and they have found, after bitter experience, that on account of the climatic conditions it is almost impossible to employ Americans in their service in the Tropics and give the service they desire. The adoption of this amendment would seriously cripple our Pacific service, if it did not help drive our merchant marine off of the Pacific.

Mr. WHITE of Maine. Mr. Chairman, I do not think the objection to the amendment offered by the gentleman from New York [Mr. LAGUARDIA] can be overstated. To my mind the adoption of that amendment means the driving of the American flag from the Pacific Ocean. There is no general provision of law to-day requiring that the general crew on an American vessel shall be composed of American citizens. There is written in the law of 1891, the ocean mail act, a provision that there shall be in the first year one-fourth of the crew of

American citizens, and in the next two years the provision is that one-third of the crew shall be American citizens. Then, it provided that after three years one-half of the crew should be American citizens.

That provision was applicable, not generally to American ships, but to those ships under contract under that particular act. There is in the seamen's law a provision with respect to the ability of the crew to understand the language of the master, but that does not go at all to the question of citizenship. So I repeat that under the present law generally there is no provision at all requiring American citizenship of crews. It has been the law for many years that licensed officers shall be American citizens.

Now, what did your committee have in mind when it drafted this bill? There are certain positions that entail a great responsibility, such as those in the engineer department, and in the navigation department, and other positions having to do with the care and the safety of the ship.

We have taken the present provisions of law almost as they are, and we have moved that percentage up to three-fourths of the crew. In this section we are setting up a standard never before written into law in these United States. We are asking you to approve a provision that three-fourths of the men on board an American ship, outside of the steward's department, shall be of our citizenship. We think it is a provision for the betterment of standards on American ships; we believe it insures a greater degree of safety; that it works for skill and works for the dignity of the American sailor and the American master.

I hope, members of the committee, that this amendment will not prevail, because I join in the statement made by the lady from California that it means the doom of American shipping upon the Pacific Ocean, because of the conditions which are familiar to everyone who knows anything about the Oriental trade.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. HOWARD of Oklahoma. Did not the people of California tell us a few years ago that the bringing in of Chinese would mean the doom of California, and yet now they want to open it up?

Mr. WHITE of Maine. No; not at all.

Mrs. KAHN. I want to say to the gentleman from Oklahoma that no oriental is allowed to land from any ship coming into the Bay of San Francisco. Every oriental employed is under a bond, I think, of $5,000, and they are not allowed to leave the ship in any American harbor.

Mr. GREEN. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. GREEN. Why is it they can not obtain American labor?

Mr. WHITE of Maine. Out on the Pacific, because of the climatic conditions and physical conditions alluded to by the lady from California, and because, by and large, the American boy is not willing to wait on table on board a steamer and serve nationalities of all sorts and of all races. That is the practical situation which confronts us.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. LEAVITT. Mr. Chairman and members of the committee, I am in favor of this amendment for reasons that have not yet been completely discussed. Theoretically the law prevents an oriental from coming ashore in an American port and makes it practically impossible to substitute another oriental wishing to return to his country and leave a younger man who has come on the ship as a steward or otherwise to remain in this country. I have, however, gotten away from the theory of what the law is down to what is the practical situation, and this situation, as I learn it from the office of the Commissioner of Immigration, is that a very large number, a very considerable number, of orientals are coming continually into this country by that means. Just within the last week in New York City a taxicab was held and there were found to be five Chinamen who were being sent as substitutes to a ship in the place of five younger Chinamen who had come in the capacity of stewards and who were remaining in this country. It is true that we can require a $500 bond from the ship company, to prevent that sort of thing, but if a young Chinaman comes here two, three, or four times as a steward they must have some cause before they refuse him permission to go ashore. We do not have arbitrary power and they do from time to time, after having made a good record, come ashore, remain ashore, and their places are taken by older orientals who have paid for the privilege and who are returning again to the Orient.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. LAGUARDIA. On board the Dollar steamship *President Wilson* they carry 24 Chinamen on the ship's register as winchmen and they pay them 12 cents a month, and the purpose of that is to transfer them to other ships when Chinamen from the other ships desert.

Mr. LEAVITT. They pay all the way from a few hundred dollars up to $1,000 for the privilege of making that substitution.

Mr. GREEN. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. GREEN. If we do not pay sufficient wages to attract American labor, does not the gentleman think we ought to pay proper wages and get American labor for these ships?

Mr. LEAVITT. If we need that kind of labor on the ships, we can get our own Filipinos, to whom we have some sort of responsibility; and we should amend this bill to that end. They are not citizens but they are our Territorials.

Mr. ALLGOOD. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. ALLGOOD. If they make the exchanges suggested by the gentleman, it would seem that the officials of the ships are not diligent.

Mr. LEAVITT. They are diligent, but it is a matter of practical fact that in spite of diligence, just as in the case of the enforcement of other laws, a very considerable number of orientals are coming into this country. We have just as many Chinamen, for example, in the United States to-day as we had back in the days when we passed our exclusion act. And the average would be just as young as it was then, through these substitutions.

Mr. LAGUARDIA. Will the gentleman add that these Chinamen reimburse the company for the $1,000 fine that they must pay?

Mr. LEAVITT. Yes; they are very willing to do that, according to the records that have been made in cases that have been taken into court.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. HOWARD of Oklahoma. The question was raised about these people having to be used on account of being in a tropical country. Do we not send our soldiers into the Tropics, and do we not send other representatives of this country into the Tropics. We have the Filipinos, as the gentleman stated, for this service.

Mr. LEAVITT. Yes; we have the Filipinos on our own transports and on ships under our own flag to take care of this work.

Mr. SCHNEIDER. Is it not true that the large ships on the Atlantic go into the Tropics on practically every trip to South America and it is not necessary to employ Chinamen on those ships, and in many cases Americans do that work?

Mr. LEAVITT. I think that is true.

Now, Mr. Chairman, before I take my seat I wish to say that this measure is one of the most constructive which has been before this Congress, a measure to which I am giving my full support, but in respect of this matter and one or two others it seems to me we must have in mind there are other serious directions toward which action can lead. We have our immigration problem, and we must face that problem all the time, just as we must face this one of the merchant marine, and we can accomplish the same thing, in my opinion, with regard to rebuilding our merchant marine and cut out this provision, which would exclude the steward service from the provisions of this section.

Mr. TREADWAY. Mr. Chairman, I think the gentleman from New York has brought a very severe indictment against the merchant marine and against our Shipping Board, but I think the gentleman is also confusing two situations. He is talking about the Chinamen particularly traveling the Pacific, and then he tells us there are young Americans walking the streets of New York applying for jobs on board our ships who are turned down. I do not see exactly the relationship between a boy unemployed in New York City and a Chinaman on a ship in the Pacific Ocean.

Mr. LAGUARDIA. I did not expect the gentleman would.

Mr. TREADWAY. I know the gentleman would not expect that, and I admit I can not see it.

I think the gentleman from New York confuses the issue. We are trying to build up a merchant marine, we are appealing to our people to travel on our ships, and one of the things we must give them is service. The class of people who are traveling on our Atlantic ships, such as the great *Leviathan* and the other ships going out of New York, must be given proper service or these ships can not sell this class of accommodations, and one

way to give service is to have trained employees in the steward's department.

I stick up for the American boy every time, and I would like to see put in the bill a clause requiring that American-made goods only shall be used on the ships. But I do not think that because some boy may not get a job in New York City as a steward this is any reason to condemn the type of service that is being given in the Pacific Ocean, and that is all the gentleman from New York has done.

Mr. WAINWRIGHT. Will the gentleman yield for a question?

Mr. TREADWAY. Yes.

Mr. WAINWRIGHT. Is it not really the fact that you simply can not get American boys or American men with the skill and qualifications necessary to render this service at anything like the pay that the gentleman states is paid?

Mr. TREADWAY. That is exactly the point.

Mr. LAGUARDIA. The best proof of the contrary is that in the gentleman's hotel he has good, clean American boys in this service.

Mr. TREADWAY. I am not talking about my business, I am talking about the Government's business.

Mr. LAGUARDIA. So am I.

Mr. LEHLBACH. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. LEHLBACH. But the type of waiter the gentleman speaks of in the hotels in the city of Washington, for instance, is not required to wait on Chinese, Japanese, and negroes, as is a man on board ship.

Mr. SCHNEIDER. Would the gentleman expect a young American in bidding for a job with the United States Government to compete with a Chinaman who works for just a few cents a month?

Mr. TREADWAY. I would not, and I would agree with the gentleman from New York if he could prove his indictment against the Shipping Board, that it is not employing American citizens out of New York City on board its ships when they are available. If the gentleman could prove this, he would have a good case; otherwise he would not. Furthermore, the gentleman would have to show that they could provide sufficiently trained employees to give the type of service that you and the rest of us—the American people generally—want to have when we travel on these first-class liners.

Mr. WAINWRIGHT. The truth is that American boys will not take that kind of a job.

Mr. TREADWAY. The American boy does not want that kind of a job, and I defy the gentleman from New York to produce evidence that they are discriminated against in the port of New York. If they are, the Shipping Board ought to be called to account for it. I do not believe the gentleman can prove his statement any further than to repeat it on the floor here. That is all the gentleman has done.

Mr. LAGUARDIA. The Shipping Board has been called to account for it at various times during the last 10 years.

Mr. TREADWAY. No; the gentleman has not a case against the Shipping Board, and he knows it.

Mr. LAGUARDIA. Of course I have.

Mr. TREADWAY. And we are not here to talk politics or to play to the East Side of New York.

Mr. LAGUARDIA. And we are not here to talk about the hotel business of the gentleman from Massachusetts, and the gentleman does not know what he is talking about.

Mr. TREADWAY. Mr. Chairman, have I the floor at the present time or the gentleman from New York?

The CHAIRMAN. The gentleman from Massachusetts has the floor.

Mr. LAGUARDIA. Do not worry about the East Side of New York.

Mr. TREADWAY. We are talking about the service we need to demand of these ships in order to appeal to the patrons of the ships; and while I agree that we should employ American boys just as far as we can get them, I do not agree that they are discriminated against in the New York office of the Shipping Board.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WHITE of Maine. Mr. Chairman, I move that all debate on this section and all amendments thereto shall close in two minutes.

The motion was agreed to.

Mr. SCHAFER. Mr. Chairman, I did not expect to speak to-day on this legislation, but I can not allow the statements of preceding speakers to go by without making some comment.

Following the theory of the gentlemen from Massachusetts and New Jersey and the lady from California that it is necessary to have Chinamen on these boats to wait on Chinese and nationals of certain other countries, we would expect them to favor legislation repealing the oriental exclusion provisions of the immigration law. Those who are leading the opposition to this amendment which would limit the employment of non-Americans on merchant marine ships also led the fight for the provisions of the immigration law which excludes orientals.

This bill provides for a substantial subsidy to the shipping interests from the Federal Treasury, and its proponents strongly urge its enactment for the purpose of building up an American merchant marine. The adoption of the pending amendment providing for the employment of American citizens in the merchant marine as against orientals and other foreigners will truly make this an American merchant marine bill. [Applause.]

The CHAIRMAN. All time has expired on this section and all amendments thereto. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were 35 ayes and 38 noes.

Mr. LAGUARDIA. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. LAGUARDIA and Mr. WHITE of Maine.

The committee again divided; and the tellers reported that there were 44 ayes and 51 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 13, line 9, after the period, insert a colon and the following: "*Provided*, That aliens employed in the steward's department shall receive the same rate of wages paid to American citizens performing a similar service."

Mr. LEHLBACH. Mr. Chairman, I make a point of order to the amendment that it is not germane. There is nothing in the bill with reference to the payment of wages.

Mr. LAGUARDIA. Mr. Chairman, I want to be heard on the point of order. The section under consideration provides for the service of vessels employed in the ocean-mail service under contract. This section provides for the personnel, officers, crews, and stewards. It necessarily carries with it the implication that these men are to be paid. There is nothing in the section that precludes any understanding that these men are not to be paid. That being so and the consideration of the amendment which has been defeated developed the fact that it was contended that these vessels engaged in the Pacific service are obliged to employ alien labor on account of climatic and other conditions. That being so, Mr. Chairman, we do not expect the American merchant marine to thrive on the exploitation of foreign labor. I hope the gentleman from New Jersey will not press his point of order. This very provision carries with it an implication of payment to the employment of the aliens, and therefore the amendment is germane and in order.

Mr. LEHLBACH. Mr. Chairman, this bill has for its purpose the development of an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States. The first portion of the bill under consideration speaks of sales of vessels, remodeling, improving, and replacing them. Title III is for construction and for the creation of a fund for the construction of ships by private parties. Title IV, which is under consideration, provides for contracts by the Government with various steamship operators for carrying the mails. In that connection we simply describe the character of the crews on the ships carrying the mails in the interest of the safety of the mail transported. The subsequent sections deal merely with maintenance, and so forth. There is nothing in the title about the payment of seamen. The next title deals with insurance, and the next title is transportation, compelling Government officials when traveling to travel on American-flag ships. Then follows the authority for appropriations and the right of the Government in times of an emergency to requisition vessels which have received the benefits of the act.

There is nowhere anything in the act that remotely has to do with the amount of wages or the payment of wages.

The CHAIRMAN. The amendment admittedly would not be in order elsewhere than on this subdivision that has to do with persons employed on ships. This provision has to do with the personnel but not at all with their wages or other requirements than citizenship. The Chair holds that the amendment is not germane and sustains the point of order.

Mr. HOUSTON of Hawaii. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment by Mr. HOUSTON of Hawaii: Page 13, line 9, at the end of the line, add "or persons owing allegiance to the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii.

Mr. HOUSTON of Hawaii. Mr. Chairman, I would like to be heard.

The CHAIRMAN. Debate has been closed on the section and all amendments thereto.

The question is on the amendment offered by the gentleman from Hawaii.

The question was taken, and the amendment was rejected.

Mr. FOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Foss: Page 13, line 6, after the word "title," insert the words "not less than."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

AWARDING CONTRACTS

SEC. 407. Each contract for the carrying of ocean mails under this title shall be awarded to the lowest bidder who, in the judgment of the Postmaster General, possesses such qualifications as to insure proper performance of the mail service under the contract.

Mr. CARTWRIGHT. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order for three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Chairman, I take advantage of the opportunity to call attention to the American Poultry Association convention and the North American Poultry Show to be held at Ardmore, Okla., August 14 to 18, inclusive. In behalf of the good people of Ardmore—my district—and the State of Oklahoma, I desire to extend to the Members of Congress, the public, and especially the laymen of the poultry industry throughout North America a hearty invitation to visit this beautiful and progressive city when its glory is enhanced by the cackle of the hen. Highly improved roads pass through this section from every center of population. Splendid highways come into Ardmore like spokes into a hub. The railroad facilities are excellent and the people are the most generous and hospitable in the world. [Applause.]

The poultry business has developed into a tremendous industry, and we claim that no better breeds are grown than in our section. It has been said that if all the chickens of Oklahoma were one chicken, he could stand on the Rocky Mountains, flop his wings, and with one crow jar the bands off the planet Saturn. [Applause.] We are anxious for visitors to see this favored section at a time when its possibilities can be best appreciated.

Members of the poultry fraternity, particularly those from the Southwest who were in attendance at the World's Poultry Congress held at Ottawa, Canada, last July, and who worked energetically for the convention to be brought to Oklahoma, even though Omaha, Nebr., and Habana, Cuba, had much the lead on them in the beginning, had a vision of what could be presented by this ambitious young Southwest in the way of exhibiting prize show birds at any season of the year. Hence the program of holding a poultry show to which breeders of all varieties of birds from Canada, Cuba, and Mexico on the North American Continent, and, in fact, of all countries of the earth have been invited to exhibit.

"The Madison Square Garden Show of the Southwest" is the adopted slogan, and with the hearty cooperation that always exists between the poultrymen of the country, the matter of a large exhibit entry is thus early assured.

Lindbergh's flight to Paris or his good-will expedition to Central and South America has not been more revolutionary in execution or effect than the invasion of the cotton pests in this section. They have aroused our people to a realization of the possibilities of an industry that is changing the one-crop system, putting the farmer on a monthly pay roll, and inspiring him with hope for and confidence in a lasting, permanent prosperity. [Applause.]

Although Oklahoma is one of the youngest States in the Union, already 92 per cent of her farmers are raising poultry. It is estimated that the 13,000,000 hens on Oklahoma farms in 1927, laid 60,000,000 dozens of eggs, which, at 25 cents a dozen, were worth $15,000,000.

To arouse the keenest interest and competition, most extraordinary prizes will be offered. Among those most unusual will be "good will cups" from foreign countries and the States. Every governor in the United States has been respectfully asked to present a "good will cup" from his State and to attend the convention or send his personal representative. The very first cup up for this contest came from Gov. Henry S. Johnston, of Oklahoma, which was, indeed, fitting and proper. A number of foreign countries have signified their intention of bestowing "good will cups."

The program for the four days as tentatively suggested by the American Poultry Association committee promises to be one of the most constructive ever presented by the association. It will deal with poultry questions, issues, and problems common the world over and will be participated in by nationally and internationally known authorities on poultry breeding and all allied phases of the industry.

No convention is a perfect success where all work and no play fails to be planned, so Ardmore is making interesting and intensive plans for the entertainment of her guests. She is to be joined in this by her sister cities, each offering decidedly unique and individual forms of pleasure. Sulphur, known the country over for her wonderful medicinal waters, national park, and scenic beauty, will entertain with a swim in these wonderful waters, followed by a chicken picnic supper. Davis will entertain the convention delegates en route to Sulphur with a watermelon feast where the cutting will take place at one of the most beautiful and picturesque spots on the "Little Colorado" of Oklahoma.

In a few words, the advantage to be derived by all in attendance is the contact and information that will naturally result. For the Southwest, the poultrymen hope to sell the progress of this section to the older areas.

Ardmore is cleaning house from garrett to cellar in honor of the convention. She will offer one of the most delightful camp sites for the comfort of motorists. This will be equipped with lights, water, and all facilities for convenience and comfort. She offers in the matter of housing facilities, comfortable hotels and clean and attractive café accommodations. The location for the exhibition is all that could be desired, and the fine new convention hall, located in the heart of the city, will seat all delegates comfortably and take care of all special sessions.

I repeat a pressing invitation to take advantage of this occasion. Oklahoma will throw wide her gateways, and Ardmore will open her arms and extend to each and all who honor her with their presence a most cordial welcome. [Applause.]

The Clerk read as follows:

CLASSIFICATION OF VESSELS

SEC. 408. (a) The vessels employed in ocean mail service under this title shall be divided into classes as follows:

Class 7. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 2,500 tons.

Class 6. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 4,000 tons.

Class 5. Vessels capable of maintaining a speed of 13 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 8,000 tons.

Class 4. Vessels capable of maintaining a speed of 16 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 10,000 tons.

Class 3. Vessels capable of maintaining a speed of 18 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 12,000 tons.

Class 2. Vessels capable of maintaining a speed of 20 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 16,000 tons.

Class 1. Vessels capable of maintaining a speed of 24 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 20,000 tons.

(b) The classification of a vessel may be based upon its speed without regard to its tonnage if the Postmaster General is of opinion that speed is especially important on the particular route on which the vessel is to be employed, and that a suitable vessel of a higher classification is not available on reasonable terms and conditions, or, on account of the character of the ports served or for other reasons, can not be safely or economically employed on such route.

Mr. WHITE of Maine. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 15, line 11, insert after the word "vessel" the words "registered under the laws of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The Clerk read as follows:

COMPENSATION UNDER CONTRACTS

SEC. 409. (a) The rate of compensation to be paid under this title for ocean mail service shall be fixed in the contract. Such rate shall not exceed: For vessels of class 7, $1.50 per nautical mile; for vessels of class 6, $2.50 per nautical mile; for vessels of class 5, $4 per nautical mile; for vessels of class 4, $6 per nautical mile; for vessels of class 3, $8 per nautical mile; for vessels of class 2, $10 per nautical mile; and for vessels of class 1, $12 per nautical mile. As used in this section the term "nautical mile" means 6,080 feet.

(b) When the Postmaster General is of opinion that the interests of the Postal Service will be served thereby, he may, in the case of a vessel of class 1 capable of maintaining a speed in excess of 24 knots at sea in ordinary weather, contract for the payment of compensation in excess of the maximum compensation authorized in subsection (a), but the compensation per nautical mile authorized by this subsection shall not be greater than an amount which bears the same ratio to $12 as the speed which such vessel is capable of maintaining at sea in ordinary weather bears to 24 knots.

(c) If the Postmaster General is of opinion that to expedite and maintain satisfactory service under a contract made under this title, airplanes or airships are required to be used in conjunction with vessels, he may allow additional compensation, in amounts to be determined by him, on account of the use of such airplanes or airships. Such airplanes or airships shall be American built, and owned, officered, and manned by citizens of the United States.

(d) The Postmaster General shall determine the number of nautical miles by direct route between the ports involved and payments under any contract made under this title shall be made for such number of miles on each outward voyage regardless of the actual mileage traveled.

Mr. WHITE of Maine. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 16, line 20, strike out the word "direct" and insert in lieu thereof the words "the shortest practicable."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

Mr. ARNOLD. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. Does this competitive bidding prevent a bid by a foreign vessel, or is it confined entirely to American ships?

Mr. WHITE of Maine. Mr. Chairman, contracts under this mail title, so called, are confined exclusively to American ships.

Mr. ARNOLD. Can the gentleman give us any information as to the difference in the cost of having the mails transported in American bottoms and in foreign bottoms under present conditions?

Mr. WHITE of Maine. I can not answer that question with the definiteness that I would like to. It is largely a matter of contract now or arrangement. There is a general provision that on a poundage basis, I think they call it, the American ship is paid 80 cents and the foreign vessel is paid 26 cents. That is where the mail is carried on a poundage basis.

Mr. ARNOLD. Do I understand that the Postmaster General would now be precluded from entering into a contract with foreign ships for the transportation of American mails?

Mr. WHITE of Maine. Not at all. We recognize that there may be situations, there may be ports between which it is impossible to secure American service, which we would like to have, and we do not want to so frame the law that we can not arrange for the transportation of our mails, so that the Postmaster General does have authority under existing law to contract with foreign ships for the carriage of mails, but he may not contract under this title with a foreign ship.

Mr. ARNOLD. In other words, I understand that where foreign ships and American ships touch the same ports the Postmaster General is precluded from entering into a contract with any foreign ships?

Mr. WHITE of Maine. No; that is not so. He still might if he does not think the conditions warrant the employment of the American ships. He could still employ the foreign ship between ports on which American vessels are giving service, under those conditions.

Mr. ARNOLD. Then is this competitive bidding open to all?

Mr. WHITE of Maine. This competitive bidding is between American vessels.

Mr. ARNOLD. What would determine the rate paid to a foreign vessel touching the same ports that American vessels touch?

Mr. WHITE of Maine. That would be a matter of contract between the Post Office Department and the foreign shipowner.

Mr. ARNOLD. The reason I ask is this: I understand that the Postmaster General has been contracting with American ships to the exclusion of foreign ships, and in that matter alone has added an increased item of expense of something like $3,600,000 a year to the Post Office Department.

Mr. WHITE of Maine. I do not have those particular figures in mind, but I am perfectly willing to pay that and more if he will utilize the American ship in place of the foreign ship. May I add a further statement—and this is in response to a question asked me yesterday by the gentleman from Maryland [Mr. LINTHICUM]?

I told him I would put in the RECORD a statement of the percentage of mail carried by American ships and by foreign ships. I did not hold out my remarks for revision, but I am told by the Post Office Department this morning that the percentage of mail carried abroad on foreign ships from our home ports was 30 per cent and on American ships 70 per cent. But on mail moving from foreign ports here less than 10 per cent goes in American vessels and foreign ships are used almost to the exclusion of the American ships.

Mr. ARNOLD. What I am interested in particularly is to know what governs the Postmaster General in awarding these contracts between ports served by American ships and those served by foreign ships. The gentleman says the Postmaster General is not confined to American ships?

Mr. WHITE of Maine. We do not require in express terms the use of American ships, but we say that wherever practicable he shall use American ships.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. TREADWAY. Mr. Chairman, an incident occurred during the debate when the gentleman from New York [Mr. LAGUARDIA] offered an amendment a few moments ago—an incident that I think is worthy of record and worthy of knowledge on the part of the House. It shows the resourcefulness of a Member and also the quickness of communication to-day in this country.

The Members on the floor at that time will recall that the gentlewoman from California [Mrs. KAHN] made a very stirring speech in opposition to the amendment offered by the gentleman from New York, and the information which she furnished to the House at that time was secured by telephone to San Francisco at her own expense after the gentleman from New York had offered the amendment. I think such resourcefulness as that on the part of a fellow Member ought to be a matter of record. [Applause.]

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last three words of the paragraph, for the purpose of asking a question of the gentleman from Maine [Mr. WHITE]. He said "wherever it was practicable" the Postmaster General must give the preference to the American ship. Does that not mean that where an American ship is available for service he must give that American ship the preference?

Mr. WHITE of Maine. I think myself that, when an American ship of the proper size and speed and able to meet the conditions of these specifications presents itself and the department may let the contract on satisfactory terms, it is the duty of the Postmaster General to do it. We have endeavored to stop short of an absolute and mandatory provision to the effect that he must employ the American ship.

Mr. WAINWRIGHT. Take the suppositious case mentioned by the gentleman where the statute says "if practicable." In that case it would be the duty of the Postmaster General to award the contract to the American ship?

Mr. ARNOLD. The thing I was particularly interested in knowing what is the basis of the cost of operation between the two lines, the American and the foreign. How is the Postmaster General to be governed in the letting of this contract?

Mr. WHITE of Maine. It is not a question between an American or British or foreign ship. Under this provision or title a foreign ship is not eligible to a contract under any circumstances. The competition contemplated under this title is competition between American ships only.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] took his seat so quickly a moment ago that I now wish to ask unanimous consent that the gentleman from Massachusetts may revise and extend his remarks, so as to indicate the sources of the information given by the lady from California [Mrs. KAHN].

The CHAIRMAN. The Chair thinks it would be in order for the gentleman from Massachusetts to submit his own request.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ALLGOOD. For 50 years the question of immigration has claimed the attention of Congress. In 1879 President Hayes vetoed the first Chinese expulsion act. In 1882 President Arthur vetoed an act which had for its purpose the suspending of Chinese immigration for a period of 20 years. In 1887 President Cleveland vetoed an act excluding illiterates. A similar act was vetoed by President Taft in 1913. In 1917 President Wilson vetoed an act excluding illiterates; however, the act was passed over his veto by Congress and became a law. Thus, you can see that the executive department of this Government has in many instances favored immigration while, on the other hand, Congress has continually fought for the strengthening of our immigration laws. I am reliably informed that the State Department is opposed to applying the quota to Mexico and Canada at this time.

One of the outstanding advocates of immigration legislation was the late Representative John L. Burnett, who represented for 21 years the district that I now have the honor to represent—seventh district of Alabama. When the Democrats came in power in 1912 he was the ranking member on the Democratic side on the Immigration Committee. His services were of untold value to this Nation.

In 1916 we had trouble with foreigners (mostly Mexicans) on the Mexican border. During the World War we were brought face to face in many of our northern cities with anarchy and rebellion, which condition was fostered by aliens and foreigners who were not loyal to our Government. It was on account of so many of these violent uprisings and outbursts against our Nation that it was thought advisable to prevent a further influx of foreigners into this country. With prosperity running at high tide, with the business of this great Nation but little disturbed by the war, as in contrast with the desolation, want, and poverty that existed in Europe, it became manifest that unless greater restrictions were placed upon immigration that there would be an army of immigrants sweep over this land, the like of which had never been equaled in our history. To stop this tide of immigration Congress, in 1921, enacted a new immigration law embracing the principal of quotas. To further stop the tide of immigrants that were coming into this country Congress again in 1924 amended the 1921 act by placing a 2 per cent quota of entry on immigrants, based upon the number of people in the United States in 1890 from various countries; however the quota law was not applied to Mexico, Canada, and adjacent islands. The natives from these countries can come across the borders by simply paying a small amount, which is known as a head tax. The tide of immigration from Mexico has become so alarming that we of the South felt impelled to bring to Congress a measure to include Mexico, Canada, and adjacent countries in the quota laws.

I have introduced such a measure, as have several Congressmen from other States. I especially refer to the bill introduced by Representative Box, of Texas, who is the ranking Democratic member on the Immigration Committee.

There was a time in the history of our country when we needed immigrants, but that time has passed and gone, and to my way of thinking is gone forever. To-day we have a hundred and twenty millions of people. We have peoples from every race, clime, and nationality in the known world. We are making rapid strides in every known science, and from a financial standpoint we are the outstanding nation of the world. Railways and highways have been constructed which connect every town, city, and countryside within our vast domain. Our banking, manufacturing, and industrial agencies are equal, if not superior, to those of any other nation. Our commercial activities far surpass those of other nations. Our death rate is low, our birth rate is high; thus the population from native stock is rapidly increasing. Then why should we not further check the coming of foreigners to our country to the end that we may preserve our resources, our institutions, and possessions for the descendants of American citizens?

The basic industry of our country is agriculture. By far more people are engaged in agricultural pursuits than in any other activity. The States of the North and the West produce enormous crops of corn, wheat, and other grains. The South produces a monopoly of cotton for the world. Under present conditions of production there is and has been for several years a surplus of farm products. Farmers are producing more than the world has been able to consume at a fair price for the farmer, with the result that many who farm have not prospered.

Secretary Davis, of the Labor Department, on March 27, 1928, issued a statement to the effect that there were 1,874,000 people without jobs in the United States. An inspection of this statement indicates that there are this many more people without jobs than there were in 1925, therefore it is easily deduced that there must be 4,000,000 of people out of work at this time. He called attention to the fact that a quarter of a million of immigrants had come here in the past 12 months, most of whom were laborers. He estimated that in January of this year the manufacturing plants were working 650,000 less people than in 1925. The railroads were working 100,000 less people than in 1925. It can only be assumed, he explained, that the groups of agriculture, mining, clerical workers, domestic service, and trade have been affected in a similar degree.

The official organ of the American Federation of Labor has issued a statement that 18 per cent of the union men are jobless throughout the United States at this time; therefore it is my opinion that you can go from Maine to California or from Florida to the State of Washington, inquire of the bankers if they think we need additional foreign bankers to compete with them. Inquire of the railroad presidents and managers if this great enterprise needs foreign capital to build competing lines with theirs. Ask the merchants, the manufacturers, and industrial leaders if this country is in need of foreigners to open up competitive enterprises here. Their answer most undeniably will be "No." With 18 per cent of the men out of jobs in organized-labor forces, ask them if they think it is necessary for the good and prosperity of this country to admit more skilled laborers at this time, and they will tell you very emphatically "No."

Agriculture has been so unprofitable within the last few years on account of overproduction, which in turn had brought about low prices, that Alabama has had 19,000 farms abandoned; Georgia, 62,000 farms abandoned; Mississippi, 18,000 farms abandoned; South Carolina, 21,000 farms abandoned; Kentucky, 17,000 farms abandoned; Illinois, 12,000 farms abandoned; Indiana, 10,000 farms abandoned; Ohio, 12,000 farms abandoned; Missouri, 10,000 farms abandoned. These constitute some of the best agricultural States in the Union. With tens of thousands of native farmers driven from the farms, with hundreds of thousands of other farmers still holding on to the old farms by sheer force and grit, ask them if they need peon farmers from Mexico to compete with them in the production of crops. A protest of "No" that will reverberate to every nook and corner of this country will be your answer. From 1920 until 1925 Oklahoma has opened up 11,000 new farms and Texas has opened up 43,000 new farms. One farm often gives employment to 50 people, so you can see that in Texas with 43,000 new farms there has been a tremendous increase of farm population within the last five years in that State. A great majority of these new farms are located in the southwest and western section of Texas. They are in that section of the State nearest and most accessible to Mexico. For practically 10 long years the American settlers in Texas fought for freedom against the iron heel of Mexican rule. Texas finally won her independence and was admitted to our Union. After being admitted it became necessary to wage a war with Mexico to establish the boundary line. It is as essential that the rights of the citizens of the United States in this good year of our Lord 1928 be as well protected from Mexico as were the rights of Americans in 1845. I recently saw an estimate which placed the number of Mexicans who are now in the United States at more than 2,000,000 people.

I was born in a town in Alabama that was named for the citadel of Chapultepec at Mexico City. It was named by Alabama men who fought in the Mexican War to help establish the boundary between Mexico and Texas and thereby preserve and maintain the rights of Texas. Soldiers throughout this land, and especially from the South, volunteered for service in the Mexican War, and I think it comes with poor grace, when with conditions as they are in this country now, for a few selfish interests in southern and western Texas to attempt to work a hardship upon the descendants of those who formerly helped Texas, by now giving preference to Mexican laborers rather than to American laborers. It is estimated that 75,000 immigrants a year are coming from Mexico and the West Indies. Strict laws have been made to bar the immigrants of the Old World. The same yardstick should be applied to the immigrants of the New World entering the United States. I visited Mexico last September, but words fail to picture to you the poverty, the disease, the deplorable conditions that I saw. As a rule, when the Mexican immigrants come to this country they are willing to work for low wages. They are ignorant and are restricted in their freedom, thereby they practically become semislaves. They create distress wherever they go by under-

mining and taking the place of native American workers. They cause Americans to move away and help destroy schools, churches, and community life.

In the hearing before the Committee on Immigration a Congressman from New England made the statement that inasmuch as thousands of negroes had left the cotton farms did we not need the Mexicans to take their places to grow cotton. He also asked if the white people of the South worked in the cotton fields. My answer is this. There are 67 counties in Alabama. Three counties in the district that I represent produced 120,000 bales of cotton last year, which is one-tenth of the entire yield of the State. The 1920 census for these counties show that Dekalb County had 5,964 white farmers and only 74 negro farmers; Marshall County, 5,274 white farmers and only 89 negro farmers; Cullman County, 5,371 white farmers and 74 negro farmers. This shows that the white people do work and that we do not need the Mexicans to produce cotton.

With agriculture in the unstable condition that it is, tariff measures have been proposed at this session of Congress which seek to place a tariff around agricultural products. With some crops this may prove beneficial, and although I am a Democrat, yet I have supported Republican measures since I have been in Congress that had for their purpose the aid of the farmers. I favor a human tariff. I want a tariff that will stop the armies of peons from coming into the United States because they are helping increase and produce a surplus of products that are now grown by our own people, and they are thereby helping destroy the prosperity of American farmers. Tens of thousands of these Mexicans are being worked on the semiarid lands in southwest Texas.

These lands formerly grew grasses and hays for the production of livestock (by the way there is a shortage of livestock and especially cattle in our country to-day), but these great ranches are owned in many instances by absentee landlords and are now being commercialized for this Mexican labor in the production of cotton. Those lands do not require commercial fertilizers; improved machinery can also be used, and when worked by this cheap peon un-American labor there is constituted a competition that is not just and right or fair to the native American citizen in other sections who is attempting to rear and educate his sons and daughters, and teach them to love the flag and Government of our country.

Even if there were not a surplus of farm products, if there were no distress among our agricultural people, if there were a shortage of labor throughout the country, which most undeniably there is not, I would still favor stopping the great horde of Mexicans that are coming here, because they will eventually prove a menace and a detriment to our people. Little did the slave traders in the early history of our country dream of the tragedies that were to follow in the wake of the enterprise in which they were engaged and possibly, little did they care, because they were engaged in the business from a purely selfish standpoint of gain. To-day there are those organizations engaged in bringing Mexican laborers to this country whose activities are caused solely for the amount of money they can obtain in pursuing this nefarious business. They have no inherent love for the Mexican, neither are they interested in his welfare, nor are they interested in the welfare of those who become the beneficiaries of the labors of the Mexican peon. These agencies are simply trafficking in human beings and getting them out of Mexico across the border into the United States at so much per head. "They are as dumb driven cattle."

Seventy years ago the people of the South wanted slaves, slaves, and as a result the slave traders brought cargoes of slaves to this country, which were used in the production of cotton, to help bring prosperity to the southland. A strong protest arose against this custom and against slavery, with the result that in 1861 the nation was rent in twain, and for four years a sectional war was carried on which left a trail of death, desolation, debt, sorrow, and grief that saddens our hearts to this time.

After the surrender of General Lee at Appomattox the southern armies disbanded. The men, foot sore and weary, tattered and torn with shot and shell returned to their beloved southland, where $4,000,000,000 worth of slaves had been emancipated, where millions of dollars worth of city property had been destroyed, where farms had grown up and were turned out during the war; but to them it was home. Again they turned their hand to the plow, to the hammer, and to the saw to rebuild and reclaim their lost fortunes.

The question of slavery was settled, but to-day, my friends of the North, the East, and the West, we of the South do not want to see the possibility of another race problem arising in this country, and we ask patriotic citizens in every section of the country to assist us with this measure. I am not launching an attack against all the people of Mexico, because Mexico has many thousands of splendid people; but the class of Mexicans that migrate here, in the main are not becoming home owners or citizens, and if permitted to come in the future as they have in the past they will become a menace to those who toil throughout the land.

The following Associated Press dispatch gives a picture of conditions in Mexico:

MEXICO CITY, March 27, 1928.—Seven thousand quit miracle man's camp because of his refusal to attempt a wholesale cure of infirm, lame, and blind. The camp recently held 30,000 infirm, lame, and blind.

Can this class of people make good American citizens? Are they the kind of people you want as your neighbors and as your associates? Do you think that by admitting 75,000 peons to this country each year they will help leaven the loaf? Will they help raise our standards of living? Will they help us become a better home-loving, God-fearing people?

God built this Nation of glory and filled it with treasures untold. He carpeted it with soft-rolling prairies, pillowed it with thundering mountains studded with swift-flowing fountains, traced it with deep-shadowed forests, and filled them with song; then He called unto a thousand peoples and summoned the bravest from among them. They came from the ends of the earth, each bearing a gift and a hope; the glory of adventure was in their eyes and the glory of hope was in their souls. Out of the memory of ages and the hopes of world; out of the longing hearts and prayers of souls God founded a nation that you and I love; blest it with a purpose sublime, and we call it the United States of America. We, the descendants of these patriots, must guard well our portals; we must preserve the traditions, the institutions, and the resources of our Nation; therefore, if we do continue to admit foreigners to this country, I insist that they should represent the best class of citizens, whether from Mexico or Canada. To secure this result it is essential for Congress to apply the quota to these countries.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PASSENGERS, FREIGHT, AND EXPRESS

SEC. 411. Any vessel operating under a contract made under this title may carry passengers and their baggage, and freight and express, and may do all ordinary business done by similar vessels.

Mr. LINTHICUM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LINTHICUM: Page 17, line 18, after the word "vessels" strike out the period and insert "of other nations, including the sale of light wines and beer and other drinks not exceeding a 2¾ per cent alcohol content."

Mr. WHITE of Maine. Mr. Chairman, I make a point of order against the amendment.

Mr. LINTHICUM. Will the gentleman reserve his point of order?

Mr. HUDSON. I also will make a point of order.

Mr. KNUTSON. I suggest that the gentleman be given an opportunity to state what he has in mind.

Mr. LINTHICUM. Mr. Chairman, will the gentleman reserve his point of order for a moment—for five minutes?

Mr. HASTINGS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Oklahoma makes a point of order. Will the gentleman state his point of order?

Mr. HASTINGS. The gentleman will have an opportunity to make a speech on prohibition later.

Mr. LAGUARDIA. They will do it now, anyhow.

The CHAIRMAN. The Chair sustains the point of order.

Mr. KNUTSON. Mr. Chairman, I want to be heard on the point of order.

Mr. LINTHICUM. Mr. Chairman, I understand I was recognized by the Chair. I want to be heard.

The CHAIRMAN. The Chair feels there is little question about the point of order and there is no question whatever in the mind of the Chair.

Mr. LINTHICUM. There is certainly an amount of courtesy due to the gentleman from Maryland.

The CHAIRMAN. The Chair will recognize the gentleman from Maryland to make a statement on the point of order.

Mr. LINTHICUM. Mr. Chairman, this paragraph provides:

Any vessel operating under a contract made under this title may carry passengers and their baggage, and freight and express, and may do all ordinary business done by similar vessels.

My amendment includes similar vessels of other nations, and the purpose of it is that we may do those things which other

nations do, and that is that we may sell light wines and beer on these vessels.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. SCHNEIDER. It is true, is it not, that one of the things which stands in the way of our merchant marine being a success is that the vessels do not carry light wines and beer?

Mr. LINTHICUM. Absolutely. That is why we can not make a success of it. Here you are trying to pass a bill to put our merchant marine on the sea and you are opposing the very thing that will help it become a success. I think the point of order ought to be overruled, because the whole thing is for the benefit of the merchant marine, and all I am trying to do is to help it.

Mr. BLACK of New York. Mr. Chairman, I would like to be heard.

The CHAIRMAN. The Chair is prepared to rule, and with great regret is obliged to sustain the point of order.

Mr. HERSEY and Mr. BLACK of New York rose.

The CHAIRMAN. The Chair recognizes the gentleman from Maine.

Mr. BLACK of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Maine yield to the gentleman from New York for the purpose of propounding a parliamentary inquiry?

Mr. HERSEY. Yes.

Mr. BLACK of New York. Mr. Chairman, I want to know whether I understood the Chair correctly in saying that he sustained the point of order with great regret?

Mr. KNUTSON. Mr. Chairman, I make the point of order that the Chair has not an open mind on the subject under consideration.

The CHAIRMAN. That point of order comes too late.

Mr. HERSEY. Mr. Chairman and members of the committee, I have something of great interest to say to you at the present time in the matter of this bill. Maine holds among her greatest statesmen the late William P. Frye. For 10 years he served this House faithfully. Then for 30 years he occupied a seat, with great distinction, in the Senate of the United States. During the last 20 years of his service there he was its Presiding Officer.

It was the dream of William P. Frye while in the House and in the Senate that this Nation should have an American merchant marine that would carry our flag on every sea and under every sky, manned by American officers, owned by Americans, and carrying the American flag. [Applause.] It was his dream that this Nation should have a merchant marine which would carry all of our products and all of our manufactured goods to all parts of the world in ships carrying the American flag and that all the valuables, all the gems, and all the beautiful things from every other nation should come to this country under the American flag.

William P. Frye, while in the House and in the Senate, had in his office in Washington a little boy, a bright youngster who had been well schooled and well trained by his grandfather, whom he loved and looked up to with veneration. He was here many years serving in the House and the Senate, with his grandfather as his helper.

Then William P. Frye died in the Senate, in harness, with all the honors of his years of toil upon him. Yet he looked upon his life as a failure because he did not get his American merchant marine.

Now, the years have slipped by. William P. Frye stands among the immortals to-day. There is but a thin veil between the seen and the unseen, and if to-day he could look down upon this House where he served he would see that boy, his grandchild, in the person of WALLACE WHITE. [Applause.] William P. Frye was the chairman of the Committee on Commerce, which takes the place of the Committee on the Merchant Marine and Fisheries. WALLACE WHITE is occupying his grandfather's place to-day as the chairman of the Committee on the Merchant Marine. He has taken the torch out of the hands of his grandfather and is to-day bearing it to victory, because we are to have an American merchant marine. [Applause.] The dream of William P. Frye has come true. Maine has noted the fight which has been made to carry out the dream of her hero and her statesman. To-day his dream has come true. "Where the vanguard camps to-day the rear shall rest to-morrow." [Applause.]

The Clerk read as follows:

NAVAL OFFICERS

SEC. 412. Naval officers of the United States on the active list may volunteer for service on any vessel employed in mail service under a contract made under the provisions of this title, and when accepted by the owner or master thereof may be assigned to such duty by the Secretary of the Navy. While in such employment such officers shall receive from the Government half pay, exclusive of allowances, and such other compensation from the owner or master as may be agreed upon by the parties; but such officers while in such employment shall be required to perform only such duties as appertain to the merchant marine.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment which I have sent to the desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 18, line 6, strike out the period, insert a semicolon, and add the following:

"That when naval officers of the United States volunteer for such services as herein provided, the wages of other officers on said ships holding similar rating or doing similar work shall not be less than the wages paid by the owners or master of the ship plus the allowance which such naval officer receives from the Navy Department."

Mr. LAGUARDIA. Mr. Chairman, I desire to call the attention of the committee to this provision of the bill. It makes possible the volunteering of services by an officer of the Navy, and when the officer is accepted by the ship the Navy is required to pay one-half of his regular pay.

Now, gentlemen, the tendency, unless we adopt my amendment, will be to bring down the wages of the other officers to the one-half which the company pays the naval officer. This, I know, is not the intention of the committee and is not the intention, I believe, of the bill. If it is not the intention of the committee, then I do not believe the committee should resist my amendment.

The amendment simply provides that the standard of wages for the officers is to be kept uniform, whether the officer is paid one half by the owners of the vessel and the other half by the Navy Department or is paid entirely by the owners of the ship. I can see no serious objection unless, as I said before, it is the desire to bring down the wages to the one-half paid by the owners.

Mr. HUDSON. Will the gentleman yield?

Mr. LAGUARDIA. In just a moment.

We have just heard a most telling and impressive appeal made by the gentleman from Maine [Mr. HERSEY]. I was moved, as I am sure every member of the committee was, when he pictured the American merchant marine sailing the oceans of the world under the American flag and manned by American seamen, and yet just a few moments ago it was stated on the floor of the House that unless we employ Chinamen or other aliens in the steward's department, the American merchant marine will be swept off the sea. I do not believe that represents the desire of the American people.

Mr. Chairman, I appeal on behalf of the licensed officers of the merchant marine to protect them against the competition of the naval officers who would receive one-half of their pay from the Navy Department. All that my amendment does is to make sure that when the Navy officer does enter the merchant marine and does receive one-half of his pay from the Navy Department, there shall be no deduction from the regular established pay of the regular merchant-marine officer.

The chairman of the committee informs me this is the intention of the bill and is the intention of the committee. If this is so, my amendment will simply clarify that intention and make it certain. I urge the adoption of my amendment.

Mr. LEHLBACH. Mr. Chairman, the amendment of the gentleman from New York [Mr. LAGUARDIA] is based on an utter misconception and serves no useful purpose. It may, however, be mischievous and may bring about a situation which, without careful consideration by the committee, we may not appreciate at the present time; at any rate, the amendment is useless and can only do harm, if it can do anything at all. If it can not do harm, then it serves no purpose whatever and has no effect.

I want to say, Mr. Chairman, both the subcommittee that had charge of this legislation and the entire Committee on the Merchant Marine and Fisheries have painstakingly spent months on this bill, and gone over it word by word, section by section, phrase by phrase, and clause by clause and we have considered every possible phase of the question and have considered the effect of every possible word that could be put in or taken out of it.

I think for a Member who does not know anything about it, who does not belong to the committee, to come on the floor and offer an amendment that may be fraught with harm and damage to the bill and expect to have it accepted without an opportunity on the part of the Committee on the Merchant Marine and Fisheries to give it consideration is following a

practice which ought not to prevail, and in behalf of the committee, that unanimously reported this bill just as it is written, I hope this and all other amendments will be voted down. [Applause.]

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to speak out of order for two minutes.

The CHAIRMAN (Mr. TREADWAY). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER. I hope this amendment will be adopted. The gentleman who has just spoken ridiculed the amendment, but did not bring to the attention of the committee any valid or reasonable argument in support of his opposition. Does the gentleman who has just taken his seat mean to infer that the 435 Members of this House must vote for every bill unanimously reported by a committee, without the crossing of a t or the dotting of an i? The gentleman's address is an insult to the intelligence of the membership of the House. Thank goodness, the rules of this House do not permit czaristic domination by committees, as the gentleman would have it.

The CHAIRMAN (Mr. TREADWAY). The question is on the amendment of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were 11 ayes and 51 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 17, strike out section 412.

Mr. DAVIS. Mr. Chairman, I am sure my friend from New York [Mr. LAGUARDIA] took the suggestion of the gentleman from New Jersey too seriously. Speaking as one member of the committee, we welcome any constructive criticism or any suggestion or discussion of the bill in a reasonable way. But I do not care to pursue that matter further.

I do want to call attention of the gentleman from New York and other members of the committee to what would result if his present motion to strike out the section was adopted.

This section under discussion, section 412, page 17, is a redraft of a provision that has been in the law since 1891, and the redraft by the committee should be very much more acceptable to the gentleman from New York and others who may be of the same opinion as himself. For instance, the law as it now stands authorizes the transfer to the merchant marine of any naval officer, whether he be on the active or the inactive list or any reserve corps, and that when he is transferred to a merchant-marine ship he shall draw furlough pay, which, as I understand, is full pay.

The provision in this bill restricts the eligibility of naval officers for service in the merchant marine to those on the active list. Then it reduces the pay to half pay instead of full pay.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. Yes.

Mr. LAGUARDIA. Under the existing law, how many naval officers in active service have availed themselves of the present provisions?

Mr. DAVIS. I do not know of any, and my information is that it has not been taken advantage of, and perhaps may not be, but in redrafting the 1891 ocean mail pay act, this was one of the provisions that the committee deemed advisable to modify in the particulars indicated, so we are not writing a new law or a new provision, but we think we are improving the law as it exists.

Mr. LAGUARDIA. And may I state that the gentleman has presented a logical parliamentary opposition to my amendment, whether I agree with the gentleman or not.

Mr. DAVIS. I thank the gentleman.

Mr. LEHLBACH. And if the gentleman will yield, permit me to state that the gentleman from Tennessee was opposing an entirely different amendment than the amendment the gentleman from New Jersey was opposing.

Mr. HOUSTON of Hawaii. Mr. Chairman, I move to strike out the last two words. I hope the gentleman from New York [Mr. LAGUARDIA] will not oppose anything in this bill which will make it impossible to carry out the intention to improve the American merchant marine. As a matter of fact, the old Pacific Mail, for a long time one of the strongest merchant marine companies under the American flag, had old naval officers in the management, and for a long time their ships were, in part, captained by naval officers, and if at the present time there are no naval officers actually doing service in the merchant marine, it is because of the shortage of officers, and for no other particular reason. I may add, that if the gentleman from New York had so framed his amendment that the suggestion was that the total compensation paid to such naval officers should not exceed that which is granted to officers in similar positions throughout the companies it might not have been so objectionable, because, as I would like to point out, there are in the Panama Canal service both officers of the Navy and the Army, and there is a similar provision whereby a proportion of the pay is paid by the Army and the Navy, and the Panama Canal makes up the difference between what is paid an officer and what would be paid for the position.

Mr. WHITE of Maine. Mr. Chairman, I move that all debate upon this section and all amendments thereto now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

MAIL MESSENGERS

SEC. 413. Upon each vessel employed in ocean mail service under a contract made under this title, the Postmaster General shall be entitled to have transported a mail messenger for whom shall be provided a suitable stateroom, and suitable quarters for the care and assortment of the mail, all free of charge.

Mr. WHITE of Maine. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 18, line 10, beginning with the article "a," in line 10, strike out the balance of the section and insert in lieu thereof the following: "Such mail messengers as he may require, for whom shall be provided subsistence, suitable staterooms, and working quarters, all free of charge."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to speak out of order for five minutes.

The CHAIRMAN. Is there objection?

Mr. WHITE of Maine. On what subject?

Mr. LINTHICUM. I am going to speak in accord with the amendment that I offered.

Mr. WHITE of Maine. Mr. Chairman, I do not like to be narrow——

Mr. LINTHICUM. The gentleman has his rights, and I have mine. The gentleman may use his rights if he wants to.

Mr. WHITE of Maine. I know that many Members of the House want to conclude this bill this afternoon.

Mr. LINTHICUM. If I do not speak now, the bill will not be concluded this afternoon.

Mr. MURPHY. If that is the spirit of the gentleman, I object.

Mr. LINTHICUM. I have not taken up any time on this bill.

Mr. MURPHY. We do not want the gentleman to attempt to run the House.

Mr. WHITE of Maine. I hope the gentleman from Ohio will withdraw his objection and allow the gentleman to proceed.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. MURPHY. I withdraw my objection.

Mr. HUDSON. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AMENDMENTS AND REPEALS

SEC. 414. (a) Section 24 of the merchant marine act, 1920 (U. S. C., title 46, sec. 880), is amended to read as follows:

"SEC. 24. That all mails of the United States shipped or carried on vessels shall, if practicable, be shipped or carried on American-built vessels documented under the laws of the United States. No contract hereafter made with the Postmaster General for carrying mails on vessels so built and documented shall be assigned or sublet, and no mails covered by such contract shall be carried on any vessel not so built and documented. No money shall be paid out of the Treasury of the United States on or in relation to any such contract for carrying mails on vessels so built and documented when such contract has been assigned or sublet or when mails covered by such contract are in violation of the terms thereof carried on any vessel not so built and documented. This section shall not be applicable in the case of contracts made under Title IV of the merchant marine act, 1928."

(b) Section 7 of the merchant marine act, 1920 (U. S. C., title 46, sec. 866), is amended by striking out so much thereof as reads as follows: "The Postmaster General is authorized, notwithstanding the act entitled 'An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' approved March 3, 1891, to contract for the carrying of the mails over such

lines at such price as may be agreed upon by the board and the Postmaster General."

(c) The act entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," approved March 3, 1891 (U. S. C., title 39, secs. 657–665), is repealed.

(d) So much of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as provides for contracts for the carrying of mails between the United States and Great Britain (U. S. C., title 39, sec. 666) is repealed.

(e) Subdivision (b) of section 4009 of the Revised Statutes, as amended (44 Stat. L., pt. 2, 900), is amended to read as follows:

"(b) The provisions of subdivision (a) of this section shall not limit the compensation for transportation of mail which the Postmaster General may pay under contracts entered into in accordance with the provisions of section 4007 of the Revised Statutes (U. S. C., title 39, sec. 652), section 24 of the merchant marine act, 1920 (U. S. C., title 46, sec. 880), or Title IV of the merchant marine act, 1928."

(f) Any contract made prior to the enactment of this act shall remain in force and effect in the same manner and to the same extent as though this act had not been enacted. Any such contract which expires on June 30, 1928, may be extended for a period of not more than one year from such date.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to speak out of order for five minutes.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to speak out of order for five minutes. Is there objection?

There was no objection.

Mr. HUDSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Michigan?

Mr. LINTHICUM. I do.

Mr. HUDSON. I had no intention of objecting to the gentleman's speaking a moment ago until he threatened the House that he would either be granted the right to speak or would stop the business of the House. That was the ground upon which I based my objection.

Mr. LINTHICUM. Does the gentleman never make objections except upon that ground? He made a dozen at different times when I have wanted to speak on this subject.

Mr. HUDSON. I have never objected to the gentleman's speaking on the floor of this House.

Mr. LINTHICUM. I have never objected to the gentleman from Michigan speaking, no matter what he wanted to speak about.

Mr. BLACK of New York. That is where the gentleman from Maryland made a mistake.

Mr. LINTHICUM. Mr. Chairman, I do not purpose taking up much time on this subject. I am not out of humor as some gentlemen seem to think I am. I have a right to discuss my amendment, and in all courtesy I was entitled to have gentlemen reserve their objections until I have made a few remarks. Naturally when they did not do that I did not think very well of it.

I am in favor of this bill. I have always been in favor of a merchant marine and have always voted for bills when they have come before Congress. I wish to encourage the merchant marine. I look upon the merchant marine as our real second line of defence in war and a great adjunct in time of peace. I think if you wish to make the merchant marine a real success you have to allow a little something to drink on the passenger ships. I am not asking that you give them very strong drink. I am asking that you give them something to drink which is not intoxicating—2¾ per cent beer or light wine. You can realize that such would be very, very light wine, but a fairly palatable beer.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield there?

Mr. LINTHICUM. Yes.

Mr. COLE of Iowa. If it is not intoxicating, would it be satisfactory to the gentleman's constituents in Maryland?

Mr. LINTHICUM. Oh, my constituents in Maryland do not drink as much liquor as some people in other States of this Union. I can tell you that. My people got along very well on 2¾ per cent beer years ago. While other nations are selling intoxicating liquors on their ships, not for the purpose of intoxicating their passengers but for making the voyages a little more agreeable, we prohibit that on our vessels. If you want to make the service a success all the year round, you must conduct the service as the other nations do.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield? Under your amendment can foreign ambassadors and diplomats bring in intoxicating liquors?

Mr. LINTHICUM. Oh, on that point I have wondered frequently at the stacks of boxes I see piled up in the port of Baltimore that are unloaded there for the diplomats and those engaged in the consular service of foreign countries. I have wondered why we could not have the same opportunity. I was talking to a gentleman not long ago who went abroad on the *Leviathan*. I met him at a wedding held in Maryland, and I asked how he came back from abroad, and he said, "On a British boat." I asked him why he did so, and he said that on the *Leviathan* things were so uninteresting that he took a British ship in coming back. [Laughter.]

Mr. McKEOWN. Mr. Chairman, will the gentleman yield there?

Mr. LINTHICUM. Yes.

Mr. McKEOWN. Does the gentleman think that by a speech of that character he will help to upbuild the merchant marine?

Mr. LINTHICUM. I know it will help the merchant marine if you can give them this privilege on the ocean. Nothing you can do will help the service more.

Mr. McKEOWN. The gentleman is evidently advertising foreign wines.

Mr. LINTHICUM. No. What I am asking on my amendment is not intoxicating liquor, but only 2¾ per cent beer and light wine. If you want to make this service a success, gentlemen, you should be a little lenient with those on the ocean.

I am not trying to advertise any foreign lines. So long as we continue the enforcement of prohibition on the high seas on our passenger ships the foreign ships, who do not use such methods, will get the bulk of the business without advertising.

I wish to remove the liquor from the stateroom to the smoking room, to provide a nonintoxicating beverage which naturally creates better feeling and cheer among the passengers. What have we to-day? People providing their own liquors for consumption on the trip. Private parties in private staterooms, secrecy in drinking strong drinks, and I really believe more liquor consumed on a journey in secrecy than there would be in public.

When people go on a pleasure trip abroad they have little to occupy their time while on the ocean and naturally like to meet their friends, have a sociable drink, and talk and enjoy the voyage. If the American ships were allowed to sell light wines and beer, as I propose, we could have this same sociability on American ships as we now have on foreign ships, and you would not be doing anything to the injury of the merchant marine.

I repeat, if you will adopt my amendment providing for light wines and beer not exceeding an alcohol content of more than 2¾ per cent you will not be furnishing an intoxicating liquor, but you will be adding to the great success of the American merchant marine. [Applause.]

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to revise and extend my remarks

The CHAIRMAN Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial which appeared in the St. Louis Post-Dispatch of May 2. I feel that if the suggestion made in that editorial is adopted it will settle this entire question.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SCHAFER. Reserving the right to object, Mr. Chairman, on what subject is the editorial?

Mr. COCHRAN of Missouri. I will say to the gentleman from Wisconsin that it is not entirely wet or entirely dry, but about half and half. [Laughter.]

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, many suggestions have been advanced as to the best method of settling the prohibition question and removing it from politics. The St. Louis Post-Dispatch, in its issue of May 2, 1928, carried an editorial under the heading "Submit the issue of Federal prohibition to the people," which contains an abundance of sound logic, and under the leave to print I include this editorial as part of my remarks. The editorial follows:

SUBMIT THE ISSUE OF FEDERAL PROHIBITION TO THE PEOPLE

The only sound and satisfactory solution of the Federal prohibition problem is the repeal of the eighteenth amendment. Every other proposal touching the modification of the Volstead Act or the nullification of the amendment by repeal of all enforcing legislation is a makeshift. It would only postpone the final settlement of the question.

PUT THE QUESTION TO THE PEOPLE

The issue of Federal prohibition can not be taken out of politics until it is finally and conclusively settled by the complete abandonment of Federal prohibition. So long as the eighteenth amendment remains in the Constitution the issue will persist. It will be a red herring across the trail of all other national issues, diverting the public mind from them.

Federal prohibition is a paramount issue throughout the country. There is a reason for its predominance. It has had more effect on politics and on government, on legislation and on public sentiment, than any issue in American history since the slavery question and secession.

The eighteenth amendment changed the character and spirit of the Constitution. It changed the scope and power of the Federal Government. It broke down the constitutional restrictions on Federal powers and functions. It authorized the Federal Government to violate the rights of the States and usurp their police powers guaranteed by the Constitution. It authorized the Federal Government to destroy the inherent constitutional rights of the individual. It was a deadly assault upon the individual liberty of the citizen. It impaired local self-government.

Federal prohibition has never been submitted to the American people as a clear-cut issue.

It was adopted without consulting the people as a whole. It was adopted during the war, on the pretense of being a war measure, while millions of voters were disfranchised by absence abroad or by war activities. It was adopted by indirect political methods. The Anti-Saloon League, under cover, with a huge campaign fund, took advantage of the war to elect legislators, national and State, favorable or actually pledged to the support of the Federal prohibition program.

The Anti-Saloon League program for Federal prohibition was carried through, we believe, against the convictions of a majority of the people; against the convictions of a majority of the Congress which submitted it, and of many of the State legislatures which ratified it.

The Volstead Act, enforcing Federal prohibition, which violated fundamental American principles and guaranties embodied in the Constitution, was adopted not through the convictions of Members of Congress and their free conscientious approval of it, but through compulsion of threats and fear of defeat by a powerful political organization.

These are the fundamental reasons for the submission to the people of a clear issue of repeal. But there are other convincing reasons, based upon the experience of the Nation with Federal prohibition. The effects of Federal prohibition have not justified the avowed purposes and the predictions of those who organized and managed the prohibition campaign, nor the expectations of those who with honest motives were misled into supporting it.

Instead of destroying the saloon it has increased the number of saloons and drinking places, in cities at least, and of stills and brewing plants in country districts.

Instead of promoting temperance it has increased intemperance and its consequent disorders.

Instead of protecting the young from the evils of intemperance, it has induced many to drink to excess.

Instead of stopping the manufacture and sale of intoxicating beverages it has encouraged the illicit manufacture and sale. Bootleggers have multiplied.

Instead of checking crime and emptying the jails, it has increased crime and lawlessness and filled the jails to overflowing. It has caused lawlessness and widespread corruption among public officials. It has put a huge corruption fund in the hands of the underworld.

These conditions of increasing intemperance, lawlessness, and corruption have convinced many individuals and organizations who supported Federal prohibition as the solution of the problem of intemperance and as a great moral advance that the experiment is a failure. There is increasing evidence of a reaction against Federal prohibition among the people.

The only practical way in which to get a fair plebiscite is through action by the leading political parties.

Two forces, under strong leadership, are working within the Republican Party.

Senator BORAH insists that the Republican Party shall adopt an unequivocal plank in its platform declaring for Federal prohibition and the rigid enforcement of prohibition laws.

President Nicholas Murray Butler, of Columbia University, New York, a Republican leader, declares himself emphatically in favor of repeal, and insists that the political parties should take a decisive stand on this issue.

There is nothing in the avowed principles of the Republican Party which would prevent it from deciding either way, on the ground of general public welfare or of expediency. It inclines to paternalism and centralization of power in the Federal Government, but a large element of Republicans favors repeal of the eighteenth amendment.

On the other hand, the Democratic Party, by avowed principle and tradition, is the logical guardian of the original Constitution. It was founded on the fundamental principle of the constitutional restriction of Federal powers and functions. It avows the Jeffersonian principles of the preservation of the rights and powers of the State and the guaranties of individual rights and liberties. It is the avowed defender of the principle of local self-government. It is the avowed opponent of Federal usurpation.

The Democratic Party is divided on the issue of Federal prohibition. There are leaders on both sides of the question, but the opposition to Federal prohibition within the Democratic Party is very strong in both leadership and numbers. Its two leading presidential candidates, Governor Smith, of New York, and Senator Reed, of Missouri, are against Federal prohibition on principle.

We believe the balance of strength, in leadership and in the rank and file of both parties combined, is against Federal prohibition.

If the Democratic Party were true and faithful to its principles and traditions, it would adopt a platform unequivocally favoring the repeal of the eighteenth amendment and nominate a candidate in accord with this platform.

In our insistence on the submission to the people of a clear issue of the repeal of the eighteenth amendment there is not a shadow of intention to advocate a reestablishment of the old licensed saloons. That problem can be met when the vital problem of Federal prohibition is settled.

The besetting sins of political parties, political leaders, and public officials in this country are cowardice and hypocrisy. They are deadly sins. Cowardly evasion is blighting both political and governmental action.

It is high time that cowardice, hypocrisy, and evasion should be abandoned in dealing with Federal prohibition, which so seriously affects our Government and the social and political life of the people.

The Post-Dispatch appeals to political leaders and to the people to put an end to political evasion on the question of Federal prohibition. We demand that the political parties and every candidate for an office which is concerned with Federal prohibition shall make a clear declaration on this question.

The issue of repeal of the eighteenth amendment should be submitted to the voters in the presidential campaign.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V—MERCHANT MARINE NAVAL RESERVE

SEC. 501. In addition to the pay prescribed by existing law for officers and enlisted men of the merchant marine naval reserve when not employed on active duty with the regular Navy, such officers and enlisted men of the merchant marine naval reserve as are employed on merchant vessels of United States registry regularly engaged in foreign trade shall be paid per annum by the Navy Department under such regulations as the Secretary of the Navy may prescribe an amount equal to two months' base pay of their corresponding grades, ranks, or ratings in the regular Navy, such payments so made by the Navy to be considered, in all laws or agreements referring to the officers and crew of the merchant marine, as an integral part of the total pay prescribed for such officers and crew in accordance with such laws and agreements.

Mr. FRENCH. Mr. Chairman, I have two or three amendments to offer, and I think that the House would receive a better impression of them all if I should make a short statement first and then offer the amendments. I shall send them to the Clerk's desk. With that thought I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. FRENCH. Mr. Chairman, I think that all the Members of the House and the people of the country generally are in sympathy with the building up of a merchant marine. I want to be helpful in carrying forward such a program.

The particular section of the bill that is now under consideration provides for covering into the merchant marine naval reserve certain personnel that will be upon the ships flying the American flag and the payment of these men of three months' pay of their respective grades. No one can read this section without recognizing three things:

First, that it provides indirectly a subsidy for the encouragement of the merchant marine to the extent that those who are in that service may be included in the merchant marine naval reserve. There is no question whatever about that being the effect and the intent of the language of the section as it is now framed.

Second, under the provisions of the section that subsidy will be placed upon the Navy Department. The report of the committee indicates that possibly during the early years the amount that will be added in costs to the Navy Department will be around $666,000; but I want to tell the Members of the House that that amount will increase. The figure mentioned is the thin edge of the wedge. The amount that is going to be neces-

sary to meet the subsidy under this section will increase year by year until it will reach several million dollars.

Third, we can not be oblivious to the fact that the language of the section is calculated to remove from the control of Congress the amount of money that will be required to be appropriated annually for the purpose of paying the subsidy that is provided in the bill.

And how is that done? It is done by referring back to the act of 1925, in which the merchant marine naval reserve is defined; and there, in section 30 of that act, we find the persons defined who shall be members of the merchant marine naval reserve.

The section of the pending bill, read in connection with the section to which I have referred of the act of 1925, seems to take away from Congress and from the Secretary of the Navy and the Navy Department and from the administration the power to fix the size of the merchant marine naval reserve and seeks to place that power in the hands of the shipping concerns of the country that will be flying the American flag. And how is that done? By omitting two lines that are in the act of 1925. What are those two lines? They are these:

*Provided*, That funds equal to the amount required for the purposes of this section shall first have been made available by the Congress for this specific purpose.

In other words, when Congress seeks to provide an air service for the Post Office Department it does so through consideration upon appropriation bills.

When Congress seeks to develop a policy in connection with the national forests it does not give carte blanche authority to the Forester of the United States to spend money or to engage willy-nilly whom he pleases, but it provides the funds, fixes fairly closely the number of employees, and the ones who will engage in that service.

Here you come in with a proposition that is fundamentally revolutionary. You turn that which ought to be a Government policy over to the owners of ships that are flying the American flag.

What I propose in my amendment would be as follows: First, I would transfer the cost from the Navy Department to the Shipping Board, where it ought to be. We do not intend this merchant marine primarily as a part of our Navy. Of course, it will fit into it, and it ought to; but this part of the expense ought to be borne by the Shipping Board, and not by the Navy Department, to be heralded to the country as so much more of a military burden upon our people. Second, the amendment which I shall propose would provide that the amount required for the purposes of the section shall first have been made available by the Congress for the specific purpose of the section for which the appropriation shall be made. With that explanation, then, I offer the amendments which I have sent to the Clerk's desk.

Mr. ABERNETHY. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. ABERNETHY. We had Admiral Leigh, the head of the Bureau of Navigation, before our committee, and my understanding was that he favored this law as written.

Mr. FRENCH. I have no doubt that he does favor it, not the slightest. More than that, I have no doubt that practically any department in the Government would be glad to have us turn over to that department the fixing of the size of the amount of money it may expend. I have great admiration of Admiral Leigh, one of the greatest officers in the Navy, but on that point I must differ from him. There is a policy involved here that ought to be controlled by the Congress, by the administration, and not by those who are sailing ships, even if they be flying the flag of the United States.

Mr. Chairman, I now offer the amendments.

The CHAIRMAN. The gentleman from Idaho offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: On page 20, in line 25, insert a comma after the word "annum" and strike out the remainder of the line.

Mr. FRENCH. The remaining words of the line, Mr. Chairman, are the words "by the Navy Department." They are the words that place the expense upon the Navy Department. If that amendment shall be adopted then I would seek to follow it in the proper place by an amendment which would transfer the cost from the Navy Department to the Shipping Board, where it properly belongs.

Mr. WHITE of Maine. Mr. Chairman, I rise in opposition to the amendment. I am disposed to judge a man's attitude toward a public question not so much by his words as by his acts. The gentleman says he is for a merchant marine, but in this amendment and in the statement just made he is proposing to strike from this bill a vital provision in behalf of an American merchant marine.

Mr. Chairman, we have undertaken in this section to make effective a provision which has been in the statutes for three years that has been wholly ineffective in the form in which it is written. The act of February 28, 1925, provided for a merchant marine naval reserve, but under the provision as it stands there has been no development of this merchant marine naval reserve. The men have not enlisted in the reserve and the law as it now stands is utterly worthless.

What did that law provide? There is nothing here to be alarmed about. There is nobody going to be dragged into the naval reserve against his wish or against his will. The 1925 act provided that there must be three essential steps before any man becomes a part of this merchant marine naval reserve and assigned to duty upon a merchant marine vessel. First, he has the option of enlisting; that option is purely a voluntary right and nothing more. No man in the merchant marine is under the least compulsion to go into this merchant marine naval reserve unless he believes it to be in his interest to do so. He may enlist. Then that enlistment and his presence upon a merchant vessel is subject to the check and approval of the master of the vessel, because no master of a merchant vessel under that 1925 act or under this act is compelled to take on board his ship a single one of these officers.

There you have two checks, the exercise of the option by the man himself and the approval of the officer of the merchant ships. Then in the third instance no officer gets on board one of these merchant vessels except with the approval of the Secretary of the Navy. There you have a third check placed around any undue expansion of this service.

I say that with these checks there is no threat to the personnel of the merchant marine. There is no harm done to the Navy, but there is this opportunity—not as great an opportunity as I would like—for officers of the naval establishment to serve upon our merchant ships for temporary periods of time and under this provision of pay.

Why is it we want these men permitted, under proper circumstances, to go upon our vessels? Gentlemen of the committee, this bill not only looks to the development of a merchant marine but it looks to the security of America. We must have, to be adequately protected, to have that security which the American people would have us possess, not only naval vessels as such, but we must have an auxiliary of cruisers and scout ships and other vessels of this type.

Do you know that of the vessels of more than 4,000 tons and with a speed of more than 15 knots, capable of conversion into scouts and cruisers, Great Britain has more than 227 while the United States has less than 70. There is this disparity between the United States and Great Britain of more than 3 to 1.

We hope by this bill there will be developed under our flag a fleet of fast vessels, built in accordance with plans and specifications of the Navy Department which may be useful to us in times of emergency. If there is reason for this hope, why is it not the part of sanity, why is it not sound judgment to make sure that the men of our merchant fleet may have an opportunity to learn the things which will be so essential in times of distress.

Why, my friends, this bill contemplates that under the limitations and with the restrictions to which I have alluded, there may be put on these merchant vessels of ours, of this particular and limited type, naval officers who may instruct those of the crew who have seen fit voluntarily to go into this reserve, in gunnery, seamanship, and all the other things that are so essential.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. WHITE of Maine. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. WHITE of Maine. Mr. Chairman, it seemed to the members of the Merchant Marine and Fisheries Committee if we were to have ships available for the defense of this Nation in its time of need it was just as vital we should have a reserve of trained officers and trained men, because these ships without men are as idle and as useless as a painted ship upon a painted ocean.

These are naval officers. They should be paid by the Naval Establishment, to which they are subject at all times.

Mr. Chairman, I hope this particular amendment and any other amendments emasculating this provision and robbing the

American merchant marine and the Nation of this means of defense may be defeated. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. FRENCH].

The amendment was rejected.

Mr. FRENCH. Mr. Chairman, I shall take it that the vote of the committee on this particular amendment determines the policy as to transferring the expense from the Navy Department to the Shipping Board, where I had indicated I thought it belonged. I offer, however, an amendment to page 21, at line 8, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Idaho offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: Page 21, line 8, after the word "agreements," strike out the period, insert a colon and the following proviso: *"Provided,* That funds equal to the amount required for the purposes of this section shall first have been made available by the Congress for this specific purpose."

Mr. FRENCH. Mr. Chairman, just one word with regard to this amendment. This is the amendment that carries into the section the language of the present law under which the Congress and the administration have the authority and right to determine the amount of money that shall be expended for this purpose.

The present section in the absence of the amendment is ambiguous. You do not know whether it will be determined upon the language in the section or whether the comptroller would hold that this language is wrapped up with the law of 1925 and the words that I offer in my amendment be construed as being carried over and as pertinent to the language of the section. I hope the comptroller would so hold.

In the first place, the words I have offered ought to be added in order to remove any ambiguity; and, in the second place, they ought to be included because, as I said a bit ago, you do not know how much money will be required every year to meet this particular subsidy. The committee report indicates that it will begin with about $666,000 per year. I want to tell you it will increase, and when you shall have assumed the almost contract form of relationship between the Government and the members of the merchant marine reserve, you will be charged with bad faith if you attempt to slacken up on the amounts of money appropriated.

Mr. BLACK of New York. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BLACK of New York. What appropriations have the Committee on Appropriations made for the merchant marine naval reserve?

Mr. FRENCH. Not necessarily the Committee on Appropriations, but Congress has appropriated a very small amount of money—I think between 70 and 80 are carried on the rolls.

Mr. BLACK of New York. Is the gentleman aware that the British appropriates for that purpose $2,000,000 a year?

Mr. FRENCH. I know they appropriated something, I do not know how much. Gentlemen must not construe from what I have said antagonism to a naval reserve. We need a naval reserve, but its size and cost ought to be controlled by the administration and Congress and not by the shipowners of ships under American registry.

Mr. CHINDBLOM. Are the other items for the merchant marine naval reserve itemized in the appropriation law?

Mr. FRENCH. Yes; and the Congress has control over them. Congress has control over practically everything in this bill, except that. You are turning over to the shipping concerns the privilege of building up a merchant marine reserve, and we are giving them a blank check with which to pay the bill.

Mr. CHINDBLOM. The estimates are furnished the Appropriations Committee, and they as a matter of good faith presume that the fund will be used for that purpose. Here you are putting this into a different form; you are requiring a specific appropriation for this particular purpose. That is out of the ordinary.

Mr. FRENCH. That is existing law. That is what I want here for estimates to come through the regular channels to Congress so that Congress may provide from year to year what it chooses to provide to maintain a merchant marine naval reserve.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. LAGUARDIA. Where else will the funds be provided in these specific appropriations here made for this purpose?

Mr. FRENCH. They will be provided under the plea that we have made contracts and we will be charged with bad faith not to appropriate under such contracts—just as to-day we are called upon to appropriate for the payment of pensions, and we would be charged with bad faith if we did not do so.

Mr. LAGUARDIA. And unless the gentleman's amendment is adopted there would be no limit.

Mr. FRENCH. I am afraid not short of some millions of dollars.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. FRENCH) there were 25 ayes and 58 noes.

So the amendment was rejected.

Mr. FRENCH. Mr. Chairman, I think with the membership here nothing would be gained by going further, yet I offer one more amendment to show what I would like to do.

The Clerk read as follows:

Page 21, line 2, after the word "amount," strike out the words "equal to" and insert "not exceeding."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken, and the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 21, in line 8, strike out the period, insert a colon and the following: "*Provided,* That when officers and men of the merchant marine naval reserve are employed on any ship the wages of officers and men not members of the said merchant marine naval reserve holding similar rating or grade or doing similar work, shall not be less than the wages paid by the owners or master of the ship, plus the allowance which such reserve officers and men receive from the Navy Department as herein provided."

Mr. LEHLBACH. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair would suggest to the gentleman from New York for his consideration that this amendment is on a par with the amendment that the Chair passed upon some time ago.

Mr. LAGUARDIA. No, Mr. Chairman. Here you have the allowance made for pay. The Chair ruled on the amendment I offered to that section of the bill which excluded the stewards department from the requirements of the law and when I sought by my amendment the Chair in his wisdom—I say it with all due respect and deference—erroneously held that it was not germane for the reason that there was no pay provision in the section. But here you have a provision that the naval reserve officers and men are to receive two months' pay. That certainly makes my amendment germane. I did offer an amendment a few moments ago as to naval officers in active service. No point of order was made against that, and no point of order could have been made against it. This is surely germane when the section provides that these naval officers and men shall receive two months' pay for joining the merchant marine.

Mr. LEHLBACH. Mr. Chairman, this section deals solely with the pay of the officers and the merchant marine naval reserves by the Navy Department. It provides that members of the merchant marine naval reserves who are employed under certain circumstances shall receive under such regulations as the Secretary of the Navy may prescribe an amount equal to two months' base pay for their corresponding grades, ranks, or ratings in the regular Navy, and then it goes on and provides how such payments shall be considered. That is all that the rest of the paragraph is. The direction, the enactment into law of the provision, is directing certain pay be made by the Navy to enlisted men in the Navy, and does not deal with the wages of the crew on ships, and is not germane.

The CHAIRMAN. The section before us constitutes all of Title V of the bill. Title V of the bill and, of course, this section has to do with the merchant marine naval reserves, and does prescribe something with reference to their pay. The amendment of the gentleman from New York has to do with the pay of others than the naval reserve. It is not germane to the section to which it is offered, and, therefore, the point of order is sustained.

The Clerk read as follows:

TITLE VI—INSURANCE FUND

SEC. 601. Section 10 of the merchant marine act, 1920 (U. S. C., title 46, sec. 869), is amended to read as follows:

"SEC. 10. That the board may create out of insurance premiums, and revenue from operations and sales, and maintain and administer a separate insurance fund which it may use to insure in whole or in part against all hazards commonly covered by insurance policies in such cases, any legal or equitable interest of the United States (1) in any vessel constructed or in process of construction; and (2) in any plants or property in the possession or under the authority of the board. The United States shall be held to have such an interest in any vessel

toward the construction, reconditioning, remodeling, improving, or equipping of which a loan has been made under the authority of this act, in any vessel upon which it holds a mortgage or lien of any character, or in any vessel which is obligated by contract with the owner to perform any service in behalf of the United States, to the extent of the Government's interest therein."

Mr. GRIFFIN. Mr. Chairman, our commendation is owing to this great committee on having come to a unanimous agreement upon a bill involving a problem of such complexity. The achievement is a compliment to their good fellowship, but looking at the problem wholly from the standpoint of a Democrat, fundamentally opposed to special privileges in any form, I can not welcome a bill which partakes so much of the character of a subsidy.

After all, stripping it of apologies and generalities, this is a subsidy bill. It is an attempt to correct the inequalities in the economic structure whereby this country has been isolated. We stand alone. We can not trade with other nations, because they can not reasonably trade with us. How can we expect to sell if we will not buy? If we erect a barrier around our country so high as to constitute a commercial embargo we impair or destroy all of the traditions of comity, good will, and friendly intercourse with other nations.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I regret I can not yield at this time.

COMMERCE AS A FACTOR IN PROGRESS

Commerce has been one of the most important factors in the growth of civilization and in bringing the nations of the world into harmony and good will. It has also had a salutary influence as a stimulus to invention, spurring the genius of man in the construction of labor-saving devices, improving business methods, encouraging mutual confidence, and in the establishment of credit relations among nations. It places at the disposal of the consumers of the world those comforts and conveniences of modern life which are the mark of civilization. In the process of exchange the highly cultured nations secure coffee, tea, cocoa, ivory, and tropical fruits, spices, and medicaments, while the denizens of the jungle obtain, in return, shoes, silk shirts, clocks, phonographs, tools, and weapons.

International commercial rivalry is nothing more than tradesmanship conducted on a big scale. When carried to excess it becomes a dangerous factor in the relations of nations and is often provocative of war.

Our economic policy as a nation for some years past has been to hamper and restrict our foreign commerce. Yet, strange as it may seem, we have never abandoned the hope that the world will buy from us without our doing our part in buying from them. We seem to forget that trade is not a one-sided proposition. If we put what practically amounts to an embargo on foreign commodities, we can not expect the world to buy ours.

Having embarked on a career of artificial stimulation of industry by special tariff rates aiming to exclude foreign imports, we find ourselves the victim of high prices everywhere.

HOW THE VICIOUS CIRCLE EXPANDS

It ought to be apparent to even the most gullible that we can not give an industry a protective tariff to protect it against foreign competition without enhancing the cost of its products to the consumer. Now, when this practice is extended from one industry to another until it is practically crystallized into a system, and the whole circle of home industries is protected by these artificial restraints on trade, it is obvious that the favors shown to each is bound to be reflected in the prices of everything, including labor. In other words, we are ever enlarging the vicious circle of artificial stimulation and inflation of prices.

The inauguration of artificial restraints on international trade leads inevitably to the building up of an artificial economic structure, with ramifications extending widely into every branch of activity. The farmers complain that while they buy in a protected market they must sell in an open market in competition with the world. Now they are clamoring for special legislation putting the Government in business for their benefit. In other words, they want their share of the booty. Now come the shipping interests. They want an artificial structure created for their benefit—and this bill is the result.

On our entrance into the World War we had to make a merchant marine to order. We spent $3,000,000,000 on the job. We built ships and when the war was over we could not use them. They are rotting in our ports. What is the sense of subsidizing private individuals to build more ships? Why not use what we have?

If we are unwilling to abandon our preposterous restraints on international commerce, there is only one thing to do; that is to have the Government operate them.

We have tried that with the war-built ships, but without success. Only 30 per cent of the ships we have in operation are employed to carry American products. In other words, the very interests that derive most help through tariff favors ship their products in foreign bottoms.

Rather than give up these special tariff privileges the ruling powers in our Nation now submit this bill to complete the circle of artificial stimulation of industry to which we have been committed. The result of our one-sided policy is that the price of everything has been so inflated in this country that it is impossible for us to build ships or to produce or to sell in competition with the markets of the world.

My colleague from West Virginia, Mr. BOWMAN, introduced a table in the course of his speech the other day showing that on the 31st day of December England was building 1,500,000 tons of ships, and that on the same day we had on the ways 56,000 tons.

OUR DEPLORABLE SITUATION

Let us glance at our deplorable situation. For every ship of 2,000 tons or more which we have built since the war Great Britain has built 40, Germany 12, France 5, and Japan 4.

That is the problem that confronts us. Why is it that we can not build? Because we do not put it within the bounds of possibility under our false, awkward, artificial system. What I wish to bring home is that we can not eat our cake and still have it. If we lay an embargo against the purchase of foreign-built ships we may artificially stimulate home shipbuilding, but the increased price we have to pay for them is reflected in the handicaps attending their ownership and operation. But that is only half the story.

Having built them and sold them, the operators have then to meet the enhanced cost of operating them in competition with foreign carriers. We can not operate our merchant marine to advantage in such a competition where our costs of operation, due to the general inflation of prices, is double that of our rivals.

This is an appeal to get down to the fundamentals. Reduce the barrier of the tariff and extend the hand of fellowship to the nations of the world. Enter into friendly intercourse and commerce with them, give them an opportunity to sell, and we will have an opportunity to sell in return. Thus will our problem settle itself according to the laws of nature. Our commerce will thrive, we will be able to build our own ships, and we will be able to operate them under the American flag.

Mr. DAVIS. Mr. Chairman and gentlemen, I rise to say a word in reply to my distinguished friend from New York [Mr. GRIFFIN]. I agree with the gentleman that the party of which he and I are members has always been opposed to subsidies of all kinds, including ship subsidies. Our party has repeatedly expressed itself upon that subject. The platform on the merchant marine adopted by the Democratic National Convention in 1924 expressly declared against ship subsidies. I helped prepare the merchant marine plank in the platform, and personally wrote that particular provision. However, in reply to the gentleman, as I stated in my speech under general debate, there is no provision in this bill that can properly or correctly be classified as a subsidy. I do not think there is anything that is economically unsound from the standpoint of the Democratic Party or any other party. It is true that this bill contains some very substantial aids. It contains provisions which we hope will materially encourage and promote the construction and operation of an American merchant marine, but in my opinion none of these provisions is unsound. For instance, take the loan provision. It is no different in principle from existing law, which was enacted without division along party lines, without any suggestion of its being a subsidy, and was signed by President Woodrow Wilson, who was generally regarded as a pretty good Democrat. We propose to loan for ship construction money of the Government at a rate of interest at which the Government could borrow it if it were necessary for it to borrow it, and up to three-fourths of the value of the cost of the ship, taking a first mortgage on the ship and such additional security as the board deems advisable, and with numerous safeguards thrown around it for the protection of the Government and the loan. One very important provision is that ships constructed with such loans must be constructed in accordance with plans and specifications approved by the Navy and for use as naval auxiliaries in time of national emergency. And the authority is expressly reserved for the United States to commandeer those ships in case of a national emergency and——

Mr. GRIFFIN. We can commandeer any ship, can we not?

Mr. DAVIS. Yes; but under the provisions of this bill we are only obligated to pay for them according to the fair actual

value, not counting any enhancement because of the emergency, and not paying any consequential damages arising from such taking. Under the general law, if the Government commandeered a ship as we did during the World War, we were required to pay the market value at the time of taking, which in numerous instances was many fold what the ship was worth in peace times. So that it is valuable from a national-defense standpoint.

Now, on the question of mail pay, the provisions in this bill are no more liberal, and can not be construed as a subsidy, any more than can the 1891 mail pay act, which has been the law for 37 years. The Democrats have been in complete control on two different occasions since and did not disturb the 1891 mail pay act.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DAVIS. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS. There is no change whatever in principle, but the old rates are increased under this bill. In other words, the rates in the present law range from $1 to $8 per nautical mile. We increase that to a range of not exceeding $1.50 to $12 per mile, according to speed and tonnage. I am sure that the gentleman from New York will agree that these increased rates are not commensurate with the increased expense of fuel, wages, and other elements that enter into ship operation. These contracts can only be awarded to the lowest responsible American bidder after due advertisement.

Furthermore, the merchant marine act of 1920, in section 7, provides:

> The Postmaster General is authorized, notwithstanding the act entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," approved March 3, 1891, to contract for the carrying of the mails over such lines at such price as may be agreed upon by the board and the Postmaster General.

In other words, under the said 1920 act the Postmaster General can disregard the rates in the 1891 act and grant as high pay as he deems proper for the carriage of ocean mail. Our attention has been called to one case where contract made under the 1920 act by the Postmaster General with one ship line in the Pacific would be reduced under the rates provided in the pending bill.

The provision in the 1920 act just quoted is expressly repealed in this bill.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. Yes.

Mr. JACOBSTEIN. Is it your idea that this difference is justified for military and naval reasons rather than for commercial reasons?

Mr. DAVIS. Yes; I think that is true, as I said, from a national standpoint.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. Yes.

Mr. GRIFFIN. And that is the reason why you refuse to call these benefits "subsidies"?

Mr. DAVIS. They are not subsidies. For instance, the gentleman from Idaho [Mr. FRENCH] referred to the merchant marine naval reserve as a subsidy. If that is a subsidy, all that we appropriate annually for the Navy is a subsidy. It is not a subsidy in any true sense of the word.

Reverting to the mail pay, to show the gentleman from New York that there has been no change in this position so far as I am concerned, the gentleman and others perhaps remember when we had a fight in 1922 over the Lasker bill which did embrace ship subsidies. I was one of those who fought the bill and spoke against it on several occasions. But in my speeches against that bill I made a distinction between subsidies and mail pay, and that is my position now, and my present attitude is not a whit different from what it was then. In discussing the Lasker bill on this floor November 24, 1922, I stated:

> I think it is entirely proper, just as we have been doing all along, to pay for the carriage of our ocean mails. It is just as legitimate to have good ocean mail service as it is to have good land mail service. But that is not a subsidy.

Among the recommendations I made at that time and in that speech was to employ a liberal policy in the payment of compensation for the carriage of our ocean mail, the employing of American ships as far as possible, all of which is fully authorized by the act of 1891, now in force.

In other words, if we employ the services of speedier vessels and they make more frequent sailings, we can well afford to pay more. We pay more now for the carriage of mails on fast express trains than on slow trains. We pay more for the carriage of mail by airplane than on railroad trains, and we pay more for the transit of mail by means of tube service than for its transport on trucks. But all that is in keeping with American progress. We think that we should have efficient service for the carriage of the mails between this country and other countries, just as we are establishing more efficient services in this country. Furthermore, the representatives of the Post Office Department stated that under the provisions of this bill they would keep the payments within the revenues from ocean mail, and that is more than they are doing with respect to our domestic mail. For instance, they are now carrying—and the gentleman from New York and others recently voted for a liberalization of the provision under which we are carrying in this country—newspapers and magazines at a heavy loss to the Government. Summing it all up, there is not a single provision in this bill that is not already the law in principle. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VII—TRANSPORTATION OF GOVERNMENT OFFICIALS

SEC. 701. Any officer or employee of the United States traveling on official business overseas to foreign countries, or to any of the possessions of the United States, shall travel and transport his personal effects on ships registered under the laws of the United States when such ships are available, unless the necessity of his mission requires the use of a ship under a foreign flag: *Provided*, That the Comptroller General of the United States shall not credit any allowance for travel or shipping expenses incurred on a foreign ship in the absence of satisfactory proof of the necessity therefor.

Mr. NEWTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota moves to strike out the last word.

Mr. NEWTON. I want to ask a question of the distinguished gentleman who so ably presides over this committee. Just what is the occasion for this proviso?

Mr. WHITE of Maine. Mr. Chairman, one of the regrettable facts is that over and over again we read of American officials of high authority traveling, when they go abroad on official missions, upon foreign ships. We think that it is proper that it shall be written in the law that when an American official goes abroad to represent the United States he shall travel on an American ship under the American flag if that is available and practicable. [Applause.]

Mr. NEWTON. I agree with the gentleman on that, but does the gentleman feel that in order to accomplish that it is necessary to have the Comptroller General pass upon the question as to whether there should be two affidavits or one? It says "satisfactory proof of the necessity."

We all know of difficulties with the office of the Comptroller General from time to time because of highly technical constructions of statutory provisions. No administrative officer will know where he is at when proof of this character is required. As the section is now drawn it provides that the proof must be "satisfactory" to the Comptroller General. In practice that does not mean Mr. McCarl but some subordinate way down in the department some place. After the subordinate once renders a decision you have got to move everything under the sun before you can obtain a reversal. I think this provision is too drastic.

Mr. LaGUARDIA. Will the gentleman yield for a question?

Mr. NEWTON. Yes.

Mr. LaGUARDIA. I agree with this section, but has the chairman of the committee provided for interpreters, oriental and otherwise, so that these officers can speak to their steward's department?

Mr. WHITE of Maine. The gentleman has a capacity for nagging almost beyond limit; but the situation is just this: It was the view of the committee that there had been altogether too much laxity in times past by various departments of the Government in permitting men in those departments to utilize foreign ships, and we felt that some one other than the immediate superior of the men who travel should be the one to pass on the necessity of traveling in a foreign ship. The provision is drastic; I agree to that; but we were clear in our view that it ought to be drastic.

Mr. NEWTON. I merely want to say to the gentleman that if the word "satisfactory" were stricken out and the language permitted to read, "in the absence of proof of the necessity therefor," you could accomplish any reasonable purpose; but by having it read this way you leave it in the control of some subordinate in the office of the Comptroller General.

Mr. Chairman, I move to strike out the word "satisfactory" in line 15, page 22.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON: Page 22, line 15, strike out the word "satisfactory."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

The Clerk read as follows:

REQUISITION OF VESSELS

SEC. 802. (a) The following vessels may be taken and purchased or used by the United States for national defense or during any national emergency declared by proclamation of the President:

(1) Any vessel in respect of which, under a contract hereafter entered into, a loan is made from the construction loan fund created by section 11 of the merchant marine act, 1920, as amended—at any time until the principal and interest of the loan has been paid; and

(2) Any vessel in respect of which an ocean mail contract is made under Title IV of this act—at any time during the period for which the contract is made.

(b) In such event the owner shall be paid the fair actual value of the vessel at the time of taking, or paid the fair compensation for her use based upon such fair actual value; but in neither case shall such fair actual value be enhanced by the causes necessitating the taking. In the case of a vessel taken and used, but not purchased, the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition. The owner shall not be paid for any consequential damages arising from such taking and purchase or use.

(c) The President shall ascertain the fair compensation for such taking and purchase or use and shall certify to Congress the amount so found by him to be due, for appropriation and payment to the person entitled thereto. If the amount found by the President to be due is unsatisfactory to the person entitled thereto, such person shall be entitled to sue the United States for the amount of such fair compensation and such suit shall be brought in the manner provided by paragraph 20 of section 24 or by section 145 of the Judicial Code, as amended (U. S. C., title 28, secs. 41, 250).

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word simply for the purpose of asking a question. On page 22, line 24, the term "national emergency" is used. That means, of course, nothing short of hostilities with a foreign nation, does it not, in the opinion of the chairman of the committee?

Mr. WHITE of Maine. I think it means actual hostilities or the impending of hostilities or something of a nature equally grave, found and declared by the President to exist.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

DEFINITIONS

SEC. 803. (a) When used in this act, and for the purposes of this act only, the words "foreign trade" mean trade between the United States, its Territories or possessions, or the District of Columbia and a foreign country: *Provided, however,* That the loading or the unloading of cargo, mail, or passengers at any port in any Territory or possession of the United States shall be construed to be foreign trade if the stop at such Territory or possession is an intermediate stop on what would otherwise be a voyage in foreign trade.

(b) When used in this act the term "citizen of the United States" includes a corporation, partnership, or association only if it is a citizen of the United States within the meaning of section 2 of the shipping act, 1916, as amended (U. S. C., title 46, sec. 802).

Mr. HOUSTON of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Delegate from Hawaii offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOUSTON of Hawaii: On page 24, line 18, after the word "includes," add "a person owing allegiance to the United States and."

Mr. HOUSTON of Hawaii. Mr. Chairman and members of the committee, we have under the American flag and owing allegiance thereto some 12,000,000 Filipinos. They have no other flag under which they can serve. There are many of them, thousands of them, seaworthy and sea-minded people. They are clean and industrious; they are able, and they make splendid, brave seamen. I have seen some of their acts myself in my service in the Navy. There are none who are braver than they under emergencies. I have seen them jump overboard in typhoon weather, regardless of personal safety, and endeavor to save other people. Now, should they be included in that portion of the crew who are entitled by this act to be called aliens, or is it not fair to them, as long as our flag floats over their land, that they shall be classed with the citizens of the United States for the purposes of this bill?

Mr. Chairman and members of the committee, I hope you will consider this amendment of sufficient value, so that they may in the merchant marine, as they do in the Navy, serve the flag which floats at the present time over their land. [Applause.]

Mr. CHALMERS. Will the gentleman yield?

Mr. HOUSTON of Hawaii. I yield.

Mr. CHALMERS. I think the gentleman is correct and this amendment should go in this law. I hope the committee will accept it.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last two words. I shall vote against the present bill because certain amendments have not been incorporated. In view of the lateness of the hour and in view of the fact that it would be mainfestly unfair to bring absent Members here I shall not force the parliamentary situation, which would require a roll call on the bill. I ask unanimous consent to extend and revise my remarks on this bill, and include the statement of Andrew Furuseth, president of the International Seamen's Union of America.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to revise and extend his remarks and include therein the statement to which he has referred. Is there objection?

There was no objection.

The statement referred to is as follows:

PETITION AND MEMORIAL TO THE CONGRESS OF THE UNITED STATES

(In re shipping bill as reported from Committee on Merchant Marine and Fisheries)

On behalf of the International Seamen's Union of America (an American organization in everything but name) whose persistent effort for some 40 years has been to get Americans to sea and whose declared purpose was then and is now "To use our influence individually and collectively for the purpose of maintaining and developing skill in seamanship and effecting a change in the maritime law of the United States, so as to render it more equitable and to make it an aid instead of a hindrance to the development of a merchant marine and a body of American seamen," and further in the name of substantially all men employed at sea under the American flag in any capacity, the undersigned most respectfully petition the House of Representatives and its Members, and the Senate and its Members, to give earnest and friendly consideration to the following amendments to S. 744, as reported to the House of Representatives from the Committee on Merchant Marine and Fisheries. We respectfully beg that the bill be amended in the following particulars:

1. On page 13, in line 8, strike out the words "and exclusive of the steward's department."

2. On page 20, strike out "Title V—Merchant marine naval reserve."

3. On page 17, strike out everything in lines 19, 20, 21, 22, 23, and 24; and on page 18, in lines 1, 2, 3, 4, 5, and 6.

As the reasons for this, our petition, we respectfully submit the following memorial:

On amendment No. 1, we respectfully beg to submit that sea power is skilled man power; that the experience of all the past proves that vessels are the tools of seamen; that the most powerful and best-equipped naval vessels are no match for vessels inferior in power and equipment if the latter be manned by men superior in skill and seamanship; that the best built and equipped merchant vessels are in safety and other usefulness less effective than inferior vessels if the latter be manned by men of greater experience and skill; that merchant vessels and average freight vessels have a steward's department equal to about

one-sixth of the total crew; that in combination passenger and freight vessels the steward's department represents from one-third to one-half, according to their tonnage and passenger accommodation; that in first-class passenger vessels (built to carry passengers, mail, and express freight) the steward's department is usually about two-thirds of the crew, except on coal burners; that while the steward's department has not the all-around experience of the men in the deck department or the mechanical skill of the men in the engineer's department, they are, with the exception of a few who are there to learn, accustomed to the sea; that is, they have acquired by experience the ability to use their hands and their faculties while they are unconsciously balancing their body on a constantly moving platform—the vessel's deck; that they are of the military age or age subject to draft; that they are able bodied; and for these several reasons, they are for the purpose of national defense at sea infinitely superior to landsmen without any sea experience. This was proven beyond any question by the experience of the Russian fleet which left the Baltic during the Russian-Japanese war and which ceased to exist within an hour after they came within the range of the Japanese guns.

Practically the whole history of the maritime struggle between England and France testifies to the supreme importance of skilled men. The same question is touched upon by Captain Mahan, quoting the expression of Admiral Nelson after his visit to Cadiz, when Admiral Nelson is reported to have said: "The ships are splendid; the Dons can build ships but they have no seamen, and when we meet them I will go alongside and take them." This actually happened, according to Captain Mahan.

For these reasons we respectfully maintain that vessels which are to receive mail pay and under the bill, as it now reads, will continue to carry Chinese in the trade with the Orient, Italians and Greeks in the trade with the Mediterranean, Germans in the trade with Germany, and English in the trade with England in their steward's department will be developing valuable men for the sea power of a new China, also for Japan, Italy, Germany, and England.

We respectfully submit that a bill, one of the main purposes of which is to develop a merchant marine and a sea power for the United States, ought not to contain a provision which historically and in present fact would work distinctly against the main purpose of the bill.

But there are other reasons which, while not of equal weight from a national point of view, ought to be given serious consideration from a social and racial point of view. Under the bill as it reads, there is no doubt that in the oriental trade the steward's department will be made up of Chinese, Japanese, or Malays.

This means that the smuggling of excluded orientals is to continue and increase. We have had what has been considered a perfect Chinese-exclusion act since 1891. There have been very few Chinese women in the United States. Notwithstanding this fact, there are more Chinese in this country to-day than there were in 1891, and on an average they are as young as they were then. The explanation of this mystery is to be found in the fact that the young Chinese come ashore and their places on the vessels are taken by the old ones who are returning home, and it is further illustrated by the following quotations from the Seattle Post-Intelligencer, quoted in the Senate by Senator KING, of Utah, on Saturday, February 14, 1925:

[From the Seattle Post-Intelligencer of February 22, 1923]

CHINESE BID HIGH STAKES FOR SHIP JOB—MONEY OFFERED FOR POSITIONS ON ORIENT-SEATTLE VESSELS REVEALED IN FIGHT AGAINST DOPE

High stakes offered for minor positions on American steamships plying between the Orient and Seattle are revealed in correspondence between Chinese and ships' officers disclosed yesterday by investigators uncovering the dope traffic here.

A letter to the purser of one trans-Pacific liner, believed to have been written at Hong Kong and dated November 9, 1922, reads:

"I went up your office this afternoon for applying the job of interpreter.

"I beg to say that I will hand over of $1,000 for the job if you can fix up for me.

"I will come to see you immediately when your ship return from Manila and I hope you will combine with the chief steward and also I will do him good when the job succeeds.

"Yours truly,

"LO WING PO."

LETTER AT MANILA

Another letter, written to the master of one of the big passenger liners, was received by him at Manila and was written on stationery of his ship. It bears the signature of H. Hong, and reads:

"Hoping that you are open to any proposition within reason and not entailing too much risk that will benefit you financially, I take the liberty of advancing my business aspirations.

"Representing the largest Chinese business club of Hong Kong, I would bid for the position of No. 1 man in the steward's department. The sum to be paid you on our arrival in Hong Kong in case you accept this bid will be $500 gold. An arrangement will be made with the chief steward separately.

"In case you care to entertain this proposition an answer as to whatever agreement you could arrive at would be very much appreciated not later than Sunday afternoon.

"We wish to know in order to have the money ready in case you desire.

"Besides the initial payment there will be more money at the other end of the voyage.

"Perhaps this may not be feasible to make a change this trip, and I hope you will consider this enough to keep me in mind for the next trip as No. 1 man.

"These trips can be very profitable to you if you are farsighted."

Reports in the possession of the Federal investigators show that the smuggling of opium, morphine, and cocaine is not confined exclusively to the Admiral Line steamers. To the contrary, it is generally admitted that narcotic drugs, in varying quantities, reach Seattle and other Puget Sound points on practically all vessels which load cargoes in the Orient.

GOOD PAY FOR CHINESE

That these ship's jobs were lucrative to Chinamen who condescended to engage in the dope trade is made clear in the confession of David J. Taylor, held on narcotic charges here. The Chinaman known as No. 1 boy, according to Taylor, usually was trusted and paid by the dope ring to secrete the narcotics aboard ship at Hong Kong and guard the stuff safely until it reached the dock here.

Customs agents have been informed in writing by narcotic agents that there are 147 tins of smoking opium that were thrown off a ship last December, according to Taylor's confession, still in the bay at Smith Cove.

It has been reported several days ago that some one was dredging for this opium, and narcotics agents supposed the searchers to be customs men. Check of Federal officers yesterday, however, disclosed that no agents of the Government were engaged in the work, and the conclusion was reached that "hi-jackers" must be attempting to salvage the stuff.

Mr. KING. A letter from one of the captains employed by the Shipping Board shows that Chinese are being employed, and that the percentage of Americans is small. I ask that it may be inserted in the RECORD without reading.

There being no objections, the letter was ordered to be printed in the RECORD, as follows:

CHINESE FIREROOM CREW—STEAMSHIP "PRESIDENT MADISON"

SEATTLE, WASH., *October 10, 1922.*

Mr. A. F. HAINES,
*Vice President.*

It appears that through some error the Chinese fireroom crew for the above-named vessel was brought over on the steamship *President McKinley*. It is my understanding that when this crew was ordered you were under the impression that the *President Madison* carried a white fireroom crew, but, as you undoubtedly know by this time, she carries a Filipino fireroom crew signed on at Manila for a round trip. We now have 34 firemen on our hands that we do not know exactly what to do with. It has been suggested that we keep these men here and transfer them to the various freighters as they arrive, but in view of the fact that this would necessitate the keeping of these Chinese here on pay for a long time I can not see how we can consistently carry out this plan.

After considering this matter from all angles my recommendation is that we retain 12 men to fill the complement in the engine room of the steamship *Hanley*, and that we transfer the other 22 men over to the *President Madison* to relieve the Filipinos at Hong Kong, where the *Madison* can ship 12 additional Chinese to replace those held over for the *Hanley*.

"I understand Mr. Horsman suggested to Mr. Wright that we retain the entire 34 men here and place them on the different freighters in various capacities; that is to say, both in the deck and engine departments. In view of the fact that these men were shipped as firemen I do not consider it practicable to put them on deck, because when employing Chinese seamen not speaking English, or speaking very little English, it is imperative that they know their business, and you can not expect a fireman to handle cargo gear and steer the vessel.

I do not see how we are going to explain this matter to the Shipping Board, but it seems to be a question of choosing the lesser evil; and, therefore, I have made the above recommendation.

ERIK G. FROBERG,
*Port Captain Foreign Department.*

The number of Chinese then carried is shown by the following table put into the CONGRESSIONAL RECORD by the same Senator at the same time.

*Shipping Board vessels—Sailings for month of January, 1924, port of San Francisco*

| Vessel | Operator | Total crew | American | Alien | Percentage American |
|---|---|---|---|---|---|
| President Cleveland | Pacific Mail | 237 | 44 | 193 | 18.5 |
| President Taft | do | 240 | 52 | 188 | 21.7 |
| Las Vegas | Swayne & Hoyt | 35 | 10 | 25 | 28.6 |
| West Jappa | do | 33 | 14 | 19 | 42.4 |
| West Ivan | Struthers & Barry | 34 | 15 | 19 | 44.2 |
| Stockton | do | 36 | 12 | 24 | 33.4 |
| Hagen | do | 35 | 31 | 4 | 88.9 |
| West Cajoot | do | 37 | 21 | 16 | 56.8 |
| Average per cent for month. | | | | | 41.8 |

NOTE.—*President Cleveland*, 134 Chinese, 56 Filipinos; *President Taft*, 134 Chinese, 52 Filipinos; *Las Vegas*, 22 Filipinos; *West Jappa*, 19 Filipinos; *West Ivan*, 16 Filipinos; *Stockton*, 24 Filipinos; *West Cajoot*, 8 Filipnos; *Hagen*, full white crew.

The last reported payment of a Chinese for being smuggled into the United States in such a way as to mingle with the Chinese population already here, is eleven hundred dollars for each person. It is necessarily the steward's department that carries on the smuggling, because all they have to do to make them look like the crew is to dress them in the same kind of clothes that the crew wear; and it is necessarily from the steward's department that they must be fed. They are only hidden when leaving port and when coming into port; at other times they are mingling with the crew. Sometimes they are apprehended, as more than 80 of them were taken out of one vessel in Seattle.

The scale for bringing excluded Europeans into the United States varies, according to the ports of departure and the eagerness of the persons to go, from two hundred to four hundred dollars; and, of course, this amount of money is not paid by men who could possibly get within the quota and obtain a visa. The records of the Immigration Service, as quoted before the Committees on Immigration and Naturalization in the House and Senate, are the warrant for this statement.

The argument used in favor of aliens in the steward's department, to the effect that Americans will not serve there, has no basis whatever in fact. They do not refuse to serve in the steward's department, but they do refuse to serve there or elsewhere together with and on an equality with the orientals. Aside from this, the Americans are working in the kitchens, hotels, and restaurants throughout this entire country, except where Chinese or Japanese are employed.

It is, therefore, most respectfully submitted that both from a national defense point of view and from a social and immigration point of view the amendment No. 1 should be adopted.

AMENDMENT NO. 2

Our second amendment to strike out "Title V—Merchant marine naval reserve" is submitted because here the Naval Reserve is lugged into this bill by the heels for the purpose of equalizing the differential in wages, which it is claimed does exist between American vessels, English and other flag vessels. In order to save the reader looking up the bill, Title V—Merchant marine naval reserve, and the reasons for the committee's recommendation that it be passed are hereby submitted as follows (p. 20, Title V, of the bill):

TITLE V—MERCHANT MARINE NAVAL RESERVE

"SEC. 501. In addition to the pay prescribed by existing law for officers and enlisted men of the merchant marine naval reserve when not employed on active duty with the regular Navy, such officers and enlisted men of the merchant marine naval reserve as are employed on merchant vessels of the United States registry regularly engaged in foreign trade shall be paid per annum by the Navy Department under such regulation as the Secretary of the Navy may prescribe an amount equal to two months' base pay to their corresponding grades, ranks, or rating in the regular Navy, such payments so made by the Navy to be considered, in all laws or agreements referring to the officers and crew of the merchant marine, as an integral part of the total pay prescribed for such officers and crew in accordance with such laws and agreements."

The following is from page 8 of the report:

"This title of the pending bill provides that in addition to this one month's base pay these officers and men who enlist in the merchant reserve shall be paid by the Navy Department an amount equal to two months' base pay of their Navy grades, this payment by the Navy to be considered an integral part of the total pay of such officers and crew. There are two purposes in this provision: First, and a purpose of the greatest national concern, is the aid it will give in building up a trained reserve of American sailors. Other maritime nations, and, in particular, Great Britain, have long realized that in addition to ships there must be trained men, and it has long maintained a merchant marine reserve of this type. Of secondary significance and importance is the fact that to the extent of the payment and in proportion to the number of officers and men on board ship who enlist in this reserve, the owner of the vessel is relieved of a portion of the wage scale."

The purpose of bringing the Naval Reserve into this bill is twofold, as follows:

"First, and a purpose of the greatest national concern, is the aid it will give in building up a trained reserve of American sailors. Other maritime nations, and, in particular Great Britain, have long realized that in addition to ships there must be trained men, and it has long maintained a merchant marine reserve of this type."

It should not be overlooked that the merchant marine reserve of Great Britain is made up in large part of fishermen, manning the fishing smacks that are operating on the banks off the coasts of Great Britain, on the banks of the North Sea, on the banks off the coasts of Norway and of Iceland, and then of merchant seamen who are of the rating of able seamen or better, or marine firemen or better ratings; that they are receiving specfic sums yearly; that they are generally called in to serve on some naval vessel for one month each year, when they are receiving the naval pay according to their rating. They are not called into active service except in case of war. These men are thoroughly accustomed to the sea and their yearly training is for the purpose of developing their skill and usefulness for naval purposes.

As the situation now stands, we have very few such men here in the United States. The yearly turnover amongst the able seamen is so great that the development in real skill and seamanship is a practical impossibility, except in comparatively few instances. According to D. N. Hoover, supervising inspector general of Steamboat Inspection Service, there have been issued since November 1, 1915, 155,635 able seamen's certificates—that is, 12,969.5 per year. The number needed to fill the rating of able seamen on inspected vessels was, in November, 1927, 16,633 men; that is to say, 12,969.5 are certificated each year to fill the required number of 16,633. In other words, there was a turnover per year of about 75 per cent in the rating of able seamen. The turnover of the men serving in the engine department can not be very easily ascertained, but there is no doubt at all that it is greater and that it reaches more than 100 per cent.

The testimony of Mr. Charles R. Page, president of the Firemen's Fund Insurance Co., found on pages 507 to 574, part 2, of the merchant marine hearings of this Congress, dealing with the question of accidents as reason for differentials in insurance premiums, is an evidence of our inefficiency of operation, both on shore and at sea and ought to be read with care by all men interested in the causes that work against the development of a merchantile marine and an efficient sea power for the United States.

It, therefore, seems plain that under our system as it is now operating, men do not remain long enough at sea to become real seamen. The reformation must begin at the base, in order that the Navy and the country may get the kind of men that will be needed in some coming period of stress and strife. So the first purpose as stated in the report, is impossible of accomplishment. The bulk of the white men employed are native born, but the condition does not afford the opportunity for them to remain in the merchant service long enough to become really useful.

Another aspect of this should not be overlooked. The bill deals with, at the most, 15 per cent of the men employed under the American flag. It will not include the men in the lake, coastwise, and intercoastal trade. And when it is maintained that this is for purposes of defense, it is difficult to understand why 85 per cent of the men employed are overlooked. The men themselves look upon it as a subsidy given to the shipowners without any justification in national welfare. The second reason for giving the shipowner this bonus is in order that they may use their industrial power to drive the men into the Naval Reserve.

As Title V and the report thereon read, the members of the merchant marine naval reserve who serve on vessels of American registry in the foreign trade for one year, will be paid two months' base pay by the Navy Department, under such rules as the Secretary of the Navy may prescribe. This two months' pay is "an integral part of" not in addition to the wages specified on the articles. The report says:

"Of secondary significance and importance is the fact that * * * the owner of the vessel is relieved of a portion of the wage scale."

The only way the owner can be relieved of the equivalent of two months' pay is by dividing the money paid by the Navy Department into 12 equal parts and subtracting the monthly part of the yearly sum from the wages specified on the articles.

That the owner will use his power to compel the members of the crew, officers, and men, to become members of the Naval Reserve, needs no argument, because for each Naval Reserve man that he has he will save the equivalent of two months' wages that the men are to receive from the Navy Department. A question might well be raised as to whether a pro rata of the money paid by the Navy for the whole year could be so apportioned as to give the man the proportionate pay for such months as he may have served during the year. The bill as it now reads, indicates the opposite.

If the Navy is really in favor of compelling the men to become members of the Naval Reserve, it can only be because they are more interested in numbers than in actual usefulness, disregarding the fact, which they can not help knowing, that the men of the merchant service, as a general proposition, are opposed to becoming Naval Reserve men to be called into service whenever the President proclaims a national emergency, while they would have no objection at all if they could only be called in in case of war. A national emergency might well be proclaimed if there was for some reason or another, such as in 1921, a general maritime lockout or strike, and the men feel perfectly satisfied that if they were to be locked out or strike, as merchant men they could be ordered to work again as Naval Reserve men. Under circumstances of a similar nature, those steps have been taken in European countries with reference to railroad men, telegraphers, and others, who were promptly called in and ordered back to work because they were in the reserve of the army. Such a condition as this would give to the shipowners an absolute control over the wages and working conditions and would inevitably result in driving from the sea men who could and would give excellent service in case of need and then drawing to the sea men, who for one reason or another, have been a failure on shore and, therefore, come to the sea as a very large number of men are now coming to escape starvation on shore.

This description does, of course, not apply to licensed officers, but they may and very likely will see the inevitable tendency and, therefore, they will seek employment on shore wherever the can obtain it. This would leave the merchant marine short of the necessary officers, even where there is no definite lockout or strike, and it is partly for this reason as we see it, that the naval officers are brought into the bill. Hence the third amendment, in which we respectfully request that the section dealing with naval officers be striken out.

AMENDMENT NO. 3

While it is true that substantially the same provision of law is in the ocean mail act of 1891, the condition between the two periods is entirely changed. At that time there was no Naval Reserve. At that time a licensed officer could not refuse to serve under his license. Unless he could give in writing an explanation satisfactory to the owner and to the department, his license was, according to law, revoked.

At the present time he may refuse to continue in service after he has completed his contract and when he is confronted with a condition in which the shipowner will determine wages and working conditions, he will seek employment on shore. We have the actual experience of some years to prove the fact that he will. The officers may thus become so scarce that the naval officers will be appealed to to fill up the gaps and is case of a lockout or strike to serve as strikebreakers.

We have no hesitation in maintaining that the owner, in the heat of passion, would demand the assistance of the Navy Department. Naval officers would be appealed to to offer their services and it would in many instances be difficult for them to refuse, no matter how degrading they would consider such service. In such a position certainly no naval officer ought ever to be placed. Whether men be in the merchant service or in the Navy, the real appeal is to their patriotism, to their pride of calling or profession, and men who are not capable of responding to that call are not the kind of men that the country can depend upon for defense in time of war.

For the reasons above stated, we earnestly and respectfully appeal to every legislator to insist that these three amendments be adopted.

Most respectfully submitted.

ANDREW FURUSETH,
*President International Seamen's Union of America.*

APRIL 30, 1928.

The CHAIRMAN. Without objection, the pro forma amendment offered by the gentleman from Wisconsin will be withdrawn.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Hawaii.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The question is on agreeing to the committee substitute for the Senate bill as amended.

The committee substitute as amended was agreed to.

Mr. WHITE of Maine. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill (S. 744) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. WHITE of Maine, a motion to reconsider the vote by which the bill was passed was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent that on Tuesday, after the reading of the Journal and the disposition of matters on the Speaker's table, I may have 15 minutes to discuss the recent assumption of jurisdiction by the Interstate Commerce Commission over interurban railroads.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to address the House for 15 minutes, after the reading of the Journal and the disposition of matters on the Speaker's table, on Tuesday. Is there objection?

There was no objection.

THE MINING AND MINERAL INDUSTRY OF THE UNITED STATES

Mr. ENGLEBRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of mining and the mineral industry of the United States.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLEBRIGHT. Mr. Speaker and Members of the House, as a member of the Committee on Mines and Mining of this House, I feel that it is my duty to bring to the attention of Congress and the American people the fact that our Government is giving but little support to the vital mining and mineral industry of the United States.

Mining, next to agriculture, is the greatest industry of our country. It ranks second only to the agricultural industry in its contributions to our raw materials. The value of the raw materials produced by the mining industry of this Nation amounts to over $6,000,000,000 annually and provides direct support to over 10,000,000 of our people.

Mineral development and production is no less fundamental than is agriculture. It is the use of minerals in quantity that sets off the present civilization from the primitive peoples who lived on the products of their fields and flocks. Mining is essential to the advancement of mankind and to the progress of civilization.

The wealth of the mines from the dawn of time is the epic of the song and story of human advancement, of man's march along the paths of progress. Show me a people without mines and I will show you a people deep in the mire of poverty and a thousand years behind the procession of civilization. It was the mines that made the greatness of the past; that made the ancient civilizations; that made Egypt great; that made Greece great; that made Rome great; and in modern times the mines have made England and the United States great beyond the dreams of avarice.

The very existence of present-day economic life among the more highly industralized nations rests upon the continued production and consumption of the energy-producing minerals used as fuels and of metals and nonmetals. It is because the free use of fuels and metals permits the highest known production of useful goods per unit of human energy that there is in the United States and parts of Europe to-day the largest amount of distributable goods per capita ever known over any considerable period or area. Abandon mining and the value of every commodity would be insignificant, humanity would sink back to the barter and exchange age. It would be the greatest calamity that ever befell the human race.

This Nation's business of mining, treating, and using minerals must be jealously protected. Our age is dominantly a mineral age. Our future national security and prosperity are largely dependent upon the future of our mineral production.

The records of mining on the American continent form by no means the least interesting chapter in its history. The expectation of finding a land possessing greater treasures of gold and silver than existed elsewhere largely led to the discovery of the New World and was the predominating motive in the first settlements of most of it. This is especially true of South America. These golden dreams were not destined to be a disappointment, for a land had been reached whose realities of metallic wealth were capable of satisfying an almost boundless desire. Under Spanish rule the mines of Mexico and South America poured forth their treasure of silver and gold and deluged Europe with an amount of these metals far beyond anything ever before dreamed of.

The mines of South America had been worked for nearly a century before the first settlements took place upon the shores of the north Atlantic coast in what is now the United States. The early colonists of this country, it would appear, did not direct their attention to its vast mineral wealth. They confined themselves chiefly to agricultural and mechanical pursuits.

The first to turn attention to the mineral resources of the Colonies seems to have been Governor Winthrop, of Connecticut, who, from 1650 to 1660 was engaged at intervals in examining and prospecting various metalliferous deposits of the Connecticut Valley in the vicinity of Haddam and Middletown. In 1657 he obtained from the Government a license conferring on him unlimited powers for working any mines of—

lead, copper, or tin, or any minerals: As antimony, vitriol, black lead, alum, salt, salt-springs, or any other the like.

In 1661 he obtained another special grant for any mines he might further discover at or near Middletown. It was from the researches of his grandson, John Winthrop, and among the specimens he collected that the mineral columbite was found, as also the new metal, columbium. About the same period an argentiferous lead mine was being worked. In 1852 this mine was again opened, when it was found that the shaft had been sunk to a depth of 125 feet, and that the entire excavation had extended to a length of 1,500 feet, and showed extraordinary mining ability.

In 1660 it was discovered that the region about Lake Superior possessed considerable mineral wealth, as it appears from the reports of the Jesuits settled thereabouts that some attempts were made to mine copper.

In 1700 Le Sueur started to explore the Mississippi River, expressly with the view of making discoveries of the metals, and found the lead deposits in the vicinity of Dubuque, Iowa.

In 1702 the first blast furnace in the Colonies was built near the mouth of Mattakeeset Pond, in Plymouth County, Mass., by an English immigrant named Lambert Despart. Other furnaces were soon afterwards erected to work the bog ores which were abundant in the locality. About the same period ore of similar character was discovered in Rhode Island and blast furnaces erected. In 1715 Maryland, Virginia, and Pennsylvania followed with similar plants. These enterprises were looked upon with disfavor by the mother country, and in 1719 the erection of rolling or slitting mills was forbidden by act of Parliament, which became a law in 1750.

In 1709 the first chartered mining company in the United States came into existence. The charter was issued to a company formed for the purpose of working copper ores at Simsbury, Conn. A prosperous business for several years was conducted in shipping ores to England. The success of the company seems to have led to the discovery of the same type of ore in a similar geological condition at Belleville, N. J., where the Schyler mine was developed in 1719.

In 1732 the first mine was opened in Pennsylvania, the Gap copper mine, in Lancaster County. In 1754 a successful lead mine was in operation in Wythe County, western Virginia.

Between 1750 and 1760 the New Jersey copper mines attracted considerable attention. In 1762 the cobalt mine in Chatham, Conn., was worked, and about the same time the lead mine at Southampton, Mass., was developed. None of these enterprises seem to have been conducted with much success.

In 1774 Dubuque commenced operations in the upper Mississippi lead mines. During the early part of the nineteenth century nuggets of gold were occasionally found in North Carolina, and from 1824 on the search for this metal was carried on there to some extent. In 1829 and 1830, however, it became quite general through the Southern States, and considerable excitement was raised on the subject. Up to this time the attempts at regular mining had been few and far between. It is true that developments had been made in various localities, but no extensive, permanent, and productive metal mines had been opened. The lead region of the West was indeed producing largely, but such was the nature of the occurrence of the ores that systematic working and large developments were not brought about.

But in the meantime the importance of our coal and iron had begun to be appreciated and their production was increasing with rapidity. In 1820 the first cargo of anthracite was sent to Philadelphia, and in 1847 our annual consumption had nearly reached 3,000,000 tons, while our production of iron was over 500,000 tons, placing us on a level with France and only inferior to Great Britain as an iron-manufacturing country.

In 1844 a new region was opened to the miner around Lake Superior. Thither miners and speculators bent their steps, and after a few years of wild excitement and haphazard investments the business of copper mining became firmly established.

In 1849 the United States was electrified over the news of the discovery of gold in California. The production of gold in California in 1849, one year after Marshall's discovery, was $10,000,000; the output annually increased rapidly, and for the year 1852 the production was over $81,000,000. California's wealth of gold surpasses anything yet known to have been discovered, and in its influence on the march of the world is to be ranked among the great events of modern times. The discovery of gold in California gave an impetus not only to searching for this metal but to mining enterprises of all kinds throughout the whole United States, and laid the foundation for the systematic and economic development of our mineral resources.

Since 1880, the beginning of complete record, the total value of the annual output of minerals in the United States has risen from about one-third of a billion dollars to over $6,000,000,000 and totals nearly $100,000,000,000.

The total mineral products of the United States for the year 1926 was as follows:

*Mineral products of the United States: Quantities and values, 1926*

| Product | Quantity | Value |
|---|---|---|
| **METALLIC** | | |
| Aluminum | | $37,583,000 |
| Antimonial lead [1] short tons | 22,524 | 3,917,000 |
| Antimony [2] do | 2,693 | [2] 856,000 |
| Bauxite long tons | 392,250 | 2,415,000 |
| Cadmium pounds | 810,428 | 430,000 |
| Chromite long tons | 141 | 2,000 |
| Copper, [3] sales value 1,000 pounds | 1,739,622 | 243,547,000 |
| Ferro-alloys long tons | 689,258 | 61,368,000 |
| Gold 1,000 troy ounces | 2,335 | 48,270,000 |
| Iron: | | |
| Ore [4] 1,000 long tons | 69,293 | 174,016,000 |
| Pig do | 38,181 | 749,633,000 |
| Lead (refined), [3] sales value short tons | 680,685 | 108,910,000 |
| Manganese ore (35 per cent or more Mn.) [6] long tons | 46,258 | 1,229,000 |
| Manganiferous ore (3 to 35 per cent Mn.) [6] do | 1,235,431 | 3,138,000 |
| Mercury flasks 75 pounds net | 7,642 | 702,000 |
| Mercury ore short tons | 51,000 | (7) |
| Nickel (value at New York City) | 306 | 224,000 |
| Ores (crude), tailings, etc.: | | |
| Copper 1,000 short tons | (7) | (7) |
| Copper-lead and copper-lead-zinc do | (7) | (7) |
| Dry and siliceous (gold and silver) do | (7) | (7) |
| Lead do | (7) | (7) |
| Lead-zinc do | (7) | (7) |
| Zinc do | (7) | (7) |
| Platinum and allied metals (value at New York City) troy ounces | 84,981 | 9,211,000 |
| Silver 1,000 troy ounces | 62,719 | 39,136,000 |
| Tin (metallic equivalent) short tons | 8 | 10,000 |
| Titanium ore (rutile) do | (8) | (8) |
| Tungsten ore (60 per cent concentrate) short tons | 1,382 | 920,000 |
| Uranium and vanadium ores do | 31,624 | 329,000 |
| Zinc, [3] sales value | 611,991 | 91,799,000 |
| Total metallic products (approximate) | | 1,402,920,000 |
| **NONMETALLIC** | | |
| Arsenious oxide short tons | 11,805 | 674,000 |
| Asbestos do | 1,358 | 135,000 |
| Asphalt do | 1,960,340 | 19,938,000 |
| Barite (crude) do | 232,875 | 1,743,000 |
| Borates do | 115,970 | 3,128,000 |
| Bromine 1,000 pounds | 1,246 | 427,000 |
| Calcium-magnesium chloride short tons | 82,340 | 1,710,000 |
| Cement, 1,000 barrels (376 pounds net) | 164,219 | 280,784,000 |
| Clay: | | |
| Products | | (9) (10) |
| Raw 1,000 short tons | 3,852 | [5] 13,540,000 |
| Coal: | | |
| Bituminous [11] do | 578,290 | 1,272,000 |
| Pennsylvania anthracite 1,000 long tons | 75,391 | 474,164,000 |
| Coke [5] 1,000 short tons | 55,863 | (5) (7) |
| Diatomaceous (infusorial) earth and tripoli short tons | 106,242 | 1,482,000 |
| Emery do | 386 | 4,000 |
| Feldspar (crude) long tons | 209,989 | 1,607,000 |
| Fluorspar short tons | 128,657 | 2,341,000 |
| Fuller's earth do | 234,152 | 3,356,000 |
| Garnet for abrasive purposes do | 6,397 | 524,000 |
| Gems and precious stones | | (14) |
| Graphite: | | |
| Amorphous short tons | 2,975 | 41,000 |
| Crystalline 1,000 pounds | 4,989 | 179,000 |
| Grindstones and pulpstones short tons | 38,339 | 1,873,000 |
| Gypsum 1,000 short tons | 5,635 | 46,721,000 |
| Lime do | 4,580 | 40,800,000 |
| Magnesite (crude) short tons | 133,500 | 1,201,000 |
| Mica: | | |
| Scrap do | 7,667 | 131,000 |
| Sheet 1,000 pounds | 2,135 | 394,000 |
| Millstones | | $46,000 |
| Mineral paints: | | |
| Natural pigments [12] short tons | (12) | (12) |
| Zinc and lead pigments [13] do | 184,289 | 25,896,000 |
| Mineral waters 1,000 gallons | (14) | (14) |
| Natural gas 1,000,000 cubic feet | 1,320,000 | 294,000,000 |
| Natural-gas gasoline 1,000 gallons | | 136,000,000 |
| Oilstones, etc short tons | 1,640 | 218,000 |
| Peat do | 61,935 | 364,000 |
| Petroleum 1,000 barrels (42 gallons) | 766,504 | 1,440,000,000 |
| Phosphate rock 1,000 long tons | 3,210 | 10,894,000 |

*Mineral products of the United States: Quantities and values, 1926*—Continued

| Product | Quantity | Value |
|---|---|---|
| NONMETALLIC—continued | | |
| Potash ($K_2O$)—short tons | 25,000 | $1,083,000 |
| Pumice—do | 53,887 | 209,000 |
| Pyrites—long tons | 166,559 | 617,000 |
| Salt—1,000 short tons | 7,372 | 25,055,000 |
| Sand: | | |
| Glass—do | 2,000 | 3,200,000 |
| Molding, building, etc., and gravel—do | 166,000 | 103,300,000 |
| Sand-lime brick—thousands | [8] 330,586 | [8] 3,981,000 |
| Silica (quartz)—short tons | 27,743 | 274,000 |
| Slate—do | 718,000 | 12,353,000 |
| Stone—1,000 short tons | 124,000 | 184,800,000 |
| Sulphur—1,000 long tons | 2,073 | 37,300,000 |
| Sulphur acid (60° Baumé) copper and zinc smelters—1,000 short tons | 1,068 | 8,274,000 |
| Talc and soapstone—short tons | [17] 181,568 | [17] 2,111,000 |
| Total nonmetallic products (approximate) | | 4,852,000,000 |
| SUMMARY OF VALUES | | |
| Metallic products | | 1,402,920,000 |
| Nonmetallic products (exclusive of fuels) | | 1,231,800,000 |
| Mineral fuels | | 3,620,200,000 |
| "Unspecified" (metallic and nonmetallic) products partly estimated | | 7,080,000 |
| Grand total (approximate) | | 6,262,000,000 |

[1] From both domestic and foreign ores.
[2] Content of antimonial lead. Values excluded from metallic totals, as the values of the antimony are included in the antimonial lead values.
[3] Product from ores only
[4] Value not included in total value, since value of product derived therefrom, or of raw material used, is accounted for under other items.
[6] Including ore used for fluxing.
[7] Figures not available. Value of products derived from these included elsewhere.
[8] Value included in total value of metallic products. Bureau of Mines not at liberty to publish figures.
[9] Figures obtained through cooperation with Bureau of the Census.
[10] Figures not yet available. Estimate of value included in total value of nonmetallic products.
[11] Includes brown coal and lignite, and anthracite mined eleswhere than in Pennsylvania.
[12] Canvass discontinued after 1915. Value of iron ore sold for paint included under "Unspecified."
[13] Sublimed blue lead, sublimed white lead, leaded zinc oxide, and zinc oxide.
[14] No canvass. Estimate of value included in total value of nonmetallic products.
[17] Talc only.

Source: Bureau of Mines, Department of Commerce.

The mineral industry of the United States employs approximately 2,200,000 workers, distributed through its different branches as follows:

| | |
|---|---|
| Metal mining | 126,000 |
| Metallurgical plants | 75,000 |
| Coal mining | 750,000 |
| Coke ovens | 22,000 |
| Quarry industry | 92,000 |
| Oil industry | 735,000 |
| Blast furnace and mills | 400,000 |
| Total | 2,200,000 |

With the usual assumption of a family of five for each worker, the total number of people directly dependent on the mining industry is approximately 11,000,000.

The industry has a greater importance than even these figures indicate. It is understood, of course, that the raw mineral products are rarely in a form which suits the needs of final consumers. In short, they must pass through a series of stages of production.

When the raw materials of our mines emerge from manufacture with the added expenditure of labor and capital upon them, they have a wholesale value of over $22,000,000,000, as indicated by the following:

| Manufacturers, by groups of industries | Census year | Wage earners, average number | Value of products |
|---|---|---|---|
| Metals and metal products other than iron and steel | 1925 | 275,292 | $2,833,770,000 |
| Iron and steel and their products, not including machinery | 1925 | 861,270 | 6,461,688,000 |
| Chemicals and allied products | 1925 | 381,075 | 6,438,027,000 |
| Stone, clay, and glass products | 1925 | 353,036 | 1,640,652,000 |
| Machinery, not including transportation equipment | 1925 | 858,843 | 5,020,281,000 |
| Total | | 2,719,516 | 22,394,481,000 |

In this, the second stage of application, the mineral products give employment to an additional two and a half million workers and support to about twelve and a half million more people.

A large portion of these manufactured commodities must filter through the retail trade; and from this distribution arises the support of many more millions of our population.

The raw materials from the mines supply 52 per cent of the freight carried by the class A railroads of the United States, and with the products of first stages of manufacture, 68 per cent.

It is estimated that the products of the mineral industry when they reach the consumer with transportation, manufacturing, and distribution costs added have about the same value as the products of agriculture—each, then, thus contributing about one-quarter of the total value of all of our national products.

The United States is more nearly self-sustaining in regard to mineral commodities as a whole than any other country on the globe. The following statement summarizes qualitatively our position:

Minerals of which our exportable surplus dominates the world situation: Copper and petroleum.

Minerals of which our exportable surplus constitutes an important but not a dominant factor in the world trade: Sulphur, phosphates, silver, iron and steel, coal, cement, uranium and radium.

Minerals of which our exportable surplus is not an important factor in world trade—small amounts of most of these minerals have been imported because of special grades, or cheaper sources of foreign supply, but these imports are for the most part incidental: Lead, zinc, aluminum and bauxite, gold, tungsten, molybdenum, asphalt and bitumen, pyrite, fluorspar, building stone (except Italian marble), cadmium, gypsum, lime, tripoli and diatomaceous earth, mineral paints (except umber, sienna, and ocher from France and Spain), pumice, granite, salt (except special classes), talc, arsenic, bismuth, bromine, artificial abrasives, corundum and emery (except Naxos emery), fuller's earth, mercury.

Minerals for which the United States must depend almost entirely on other countries: Tin, nickel, platinum, and metals of the platinum group.

Minerals for which the United States will depend on foreign sources for a considerable fraction of the supply: Antimony, vanadium, zirconium, mica, monazite, graphite, asbestos, ball clay and kaolin, chalk, cobalt, Naxos emery, grinding pebbles.

Minerals normally imported into the United States which in the future can be largely produced from domestic sources if it seems desirable: Nitrates (except potassium nitrates), potash, manganese, chromite, magnesite.

The classes named overlap to some extent, and it is to be expected that some of the commodities placed in one class may in the near future be transferred to another. Any judgment as to future demands or available surpluses must take into account several factors which can not be accurately measured, such as financial conditions in foreign countries, possible tariffs, and foreign competition. For this reason the foregoing statement should be regarded as only tentative.

That the mining industry might have adequate scientific aid, this Government founded in 1879 the United States Geological Survey and in 1910 the Bureau of Mines. These departments have repaid manyfold the funds expended in their support. They have performed valuable pioneer work, which has returned millions and millions of dollars to Government and industry. No branch of Federal activity has yielded more direct beneficial results than the Geological Survey and the Bureau of Mines.

The basic subjects of the Geological Survey's investigations and the material upon which the mining industry is founded are one and the same thing—the earth and the minerals that come out of it.

The investigations of the geologic branch touch directly the heart of the mining industry. Mining, which has to deal with geologic formations, deposits, and structures, is obviously dependent on geologic study for the solution of some of its fundamental problems. These problems extend far beyond the limits of a single mine and can be solved only by the study of an entire district, or even of a region including several districts. The topographic branch has charge of the making of the topographic map of the United States. The activities of the conservation branch are directed toward the wise development and use of the vast, but still imperfectly known, mineral resources of the public domain. The water-resources branch studies the ground waters, and conducts the measurement of stream flow. The section of nonmetals and of fuels conducts investigations that contribute to the discovery and mining of such deposits as phosphate, potash, cement materials, gypsum, asbestos, coal, petroleum, and oil shale. The sections of petrology and of paleontology and the division of chemistry and

physics make studies and analyses that are of basic importance and assistance.

The purposes of the Bureau of Mines as set forth by Director Scott Turner are as follows:

The service rendered by the Bureau of Mines to the Nation's great mineral industry lies within the broad fields of endeavor; conservation of the life and health of the million miners and quarrymen and the million or so workers in the metallurgical and petroleum industries; and the efficient production and utilization of the minerals which these millions of men labor to exploit for the comfort and welfare of mankind.

The Bureau of Mines was established to investigate the technology of the mining, treatment, and utilization of mineral substances; also to improve health conditions and increase safety amongst the workers; to increase efficiency and economic development and reduce the element of waste in the mining and metallurgical industries. The bureau's work of testing machinery, fuels, and explosives; on betterment of working conditions in mines and training in first-aid mine rescue work; and on improving metallurgical and mining methods has been of great fundamental importance to the industry.

To sum up briefly the activities of the two departments, with their relation to the mineral industry, it might be stated that the Geological Survey is charged with the discovery, development, and conservation of our mineral resources, while the Bureau of Mines is charged with effecting the maximum recovery of value.

As heretofore stated, since 1880 the value of the annual production of minerals in this country has increased from about one-third of a billion dollars to over $6,000,000,000, and totals almost $100,000,000,000. This eighteenfold increase is divided unevenly as between the metallic and nonmetallic products. The value of the metallic products increased about sevenfold and of the nonmetallic products about thirty-five fold. The individual mineral industries disclose wide differences of growth and some have and are rapidly declining.

A large percentage of the metal-mining industry in the United States has reached a somewhat critical and baffling stage. The pioneer period has passed. In a country before the virgin mineral resources are developed simple methods of prospecting often reveal large mineral deposits in rapid succession, many of them exposed on the surface and only awaiting the prospector's pick. Many of the deposits of this country were thus discovered and developed into large and productive mines, which have passed through the successive stages of cheap mining of rich oxidized ores at the surface to the mining of primary ores at depth where the cost of recovery, even with the best of modern methods, may soon exceed the market value of the product. As time has passed, fewer and fewer new deposits have been found. By far the greater number of the big metal mines of the United States were in operation within two generations after the discovery of gold in California. The finding of new ore bodies, on the whole, is becoming more difficult and the difficulty may be expected to increase. The problem of maintaining production involves increasing skill in ore finding and increasing skill in the use of lower-grade material. The leaders in the mineral industry are acutely aware of this necessity, even though the rest of the country may be resting in contented oblivion of the facts. The present problems of metal mining are great. Mr. Speaker, I challenge anyone here present to name half a dozen great mines that have been developed in the last decade. The industry is rapidly changing. To sustain production now, large mines, low costs, and big outputs are essential. The exhaustion of bonanzas, the depletion of those resources and conditions that readily attract the prospector and pioneer, have brought about a condition that introduces great organic, financial, mechanical, and scientific problems.

The mining industry vitally needs every assistance that can be rendered to it by the United States Geological Survey and the Bureau of Mines. These two governmental agencies, within the means of their comparatively very limited annual appropriations, are doing their utmost to meet the demands made upon them, for it is realized that the maintenance of metal mining is not merely an ambitious local project; it is part of a necessary national program to safeguard the continuance of national prosperity.

The best protection for the future apparently lies in the development of technology. There are two ways to add to the available mineral resources. The first is to discover additional bodies of material of the grade now being worked. This requires the development of new methods of prospecting and the accumulation, coordination, and analysis of additional geological data. The second method of adding to our resources is to improve methods of mining, milling, treatment, management, and financing so as to make available ore that is now considered waste rock. This has been done and can be done. Millions of tons of "ore" was added to the reserves of the Homestake Mine when cyanidation was made applicable there as effectively as though a new ore body had been found. With changes in mining methods which resulted in lower costs at the Miami Mine other millions of tons of ore came into being. The whole success of the so-called porphyry coppers, now the main reliance of the world for copper, was obtained by adapting methods so as to make available as ore that was of no value before because of the cost of production. Even so, 30 per cent of the copper now coming out is produced from material of such low grade that it was not taken into account when the first great porphyry mine was put into operation. New applications of selective flotation have added greatly to the available tonnage of lead and zinc within the last three years, and many other instances might be sighted to prove that research actually does result in greater and more economical production.

National promotion of the collection and dissemination of scientific knowledge has long been a fundamental policy of our Government. Research in order to apply the result of scientific study to industry has likewise been accepted as a responsibility of general government.

As has been demonstrated, the products of the mineral industry, when they reach the consumer, contribute about one-quarter of the total value of all our national products, and the agricultural products likewise about one-quarter. At the present time the raw products of agriculture are valued at about $12,000,000,000 annually. The Federal Government provides for the Department of Agriculture annual appropriations of about $128,000,000, yet the mineral industry with its annual production of raw materials valued at $6,000,000,000 and directly supporting 11,000,000 people, with its manufactured products valued at $22,000,000,000 and supporting an additional 12,500,000 people, only received for its advancement from the Federal Government annual appropriations of about $4,000,000. The importance of mining and the problems confronting the industry surely demands that appropriations for development and research in its behalf should be more than one thirty-seventh of the amount appropriated for agriculture. Gentlemen of the House, by this statement I do not in any manner intend to reflect upon the necessity of the amounts appropriated for the advancement of the agriculture industry.

The appropriations made for agriculture are wisely made and necessary for the proper protection and development of that great industry. I am only endeavoring to impress upon you by direct comparison, and rightly so, the fact that the mining and mineral industry of this Nation is not receiving from Congress the recognition and support that as a great basic industry it deserves and should receive. The difference between $128,000,000 and $4,000,000 is too obvious for comment. The importance of both agriculture and mining are equally obvious.

From a national standpoint there are a vast number of problems affecting the mining and mineral industry which await study and solution. In the United States, we now have the largest per capita consumption of coal, iron, copper, lead, zinc, and a long list of other minerals. This per capita consumption increases yearly so that, aside from any production for export and as a basis for foreign trade, our mines must be prepared to produce larger and larger amounts of all the common minerals, increasing not only in direct proportion to population, but at a substantially higher ratio. Between a fixed limited supply and a steadily growing demand there is an irreconcilable discrepancy. It matters little whether the known supply in reserve can be measured in terms of 5 or 10 years, although for many of the important minerals the known reserves of ore would fall somewhere within that period. Whatever the period, it remains true that within the lifetime of those now living it will be necessary to find large supplies now undiscovered and to make major changes in technology to permit production from grades now far below the economic limit.

Large amounts of iron ore, too low grade to profitably work under present practice, await the discovery of economical methods of concentration.

The future development of a profitable iron and steel industry on the Pacific coast depends largely on the efforts of the technical investigator.

In northern Minnesota immense tonnages of manganese are being marketed as a part of the iron ore in which they occur. This mineral is essential in the manufacture of steel. Proper research should be able to economically recover and make this indispensable mineral an asset.

In 1915 the gold production of this country was $101,035,700. Since the said year our annual gold production has rapidly and steadily declined. In 1926 the gold production of the

country was $48,270,000, representing a decline of over 50 per cent in 10 years. At the present rate of decline within a comparatively short period of years, the United States will become practically a nongold producing Nation. The present decrease of gold production demands serious consideration, as the maintenance of a sufficient gold reserve is essential to the security of our national finance and credit. The United States is at present the most favored nation in regard to gold reserves, holding over $3,000,000,000, or more than one-third of the gold stock of the world, but it has contracted debts on a gold basis of many times that existing before the war.

Since the outbreak of the World War prices of all commodities have increased greatly except that of gold, which as the standard of value is fixed at $20.67 per ounce. Thus the purchasing power of gold has diminished as the price of other commodities has risen. The great increase in the cost of gold mining has discouraged new enterprises and curtailed existing operations. Many mines have been compelled to close. Most of the mines that have continued operations have been able to do so only by practicing the most rigid economy and by the curtailment of development work. Every possible assistance in the way of legislation, both Federal and State, must be given to the gold-mining industry. The Government, through the Bureau of Mines, should also assist in improving the methods of mining and metallurgy of gold ore, particularly in the treatment of complex and low-grade ore. A wide field of work is presented here. It is time that a really serious effort should be made to solve the gold-production problem.

The United States still lacks in the development of adequate supplies of a number of highly essential minerals, such as tin, platinum, nickel, chromium, quicksilver, antimony, potash, and nitrates. The discovery of reserves of these highly important minerals, or the devising of methods of substitution, furnishes important fields of investigation.

The possibilities of substitution of abundant minerals for rare minerals is one of which we know little. The competition of mineral with mineral is of large, but little understood, importance. How the properties of metals can be changed by alloying with others and other similar problems demand solution.

The United States produces approximately two-thirds of the world's supply of petroleum, yet under present production methods something like 75 per cent of the oil is left unrecovered in the ground. Here is a most important subject for investigation.

In the Lake Superior country, both on the iron ranges and in the copper district, there is a definite and known limit of the tonnage that can be shipped, unless we have new methods of finding ore and new processes of treatment of material too lean to come at present within economic limits.

Nearly one-third of the Nation's enormous coal reserves are in the form of lignite, which underlies vast areas in the Northwest, in Texas, and other regions. Much is yet to be done to devise methods for making available this enormous deposit for commercial use.

Extensive research work is yet necessary to commercially make available the oil contained in mountains of oil shale that extend through our Western States.

The Bureau of Mines has many problems pending before it for solution, on which it has been unable through lack of appropriations to make a start—some of the typical problems being as follows:

Study of hydrometallurgy of low-grade manganese ores.
Studies of permissible or desirable explosives for use in metal mines (at present the study being confined to coal mining).
Geophysical methods of prospecting.
Studies of mining methods and costs.
Methods of mine sampling and valuation.
Various problems of more effective fuels utilization.
Beneficiation of fuels, notably washing of coal.
Methods of beneficiation of low-grade iron ores.
Improvements in blast furnaces and blast-furnace practice.
Experiments along the lines of selective flotation.
Problems of support of roof and underground workings, including ground subsidence, as affecting mining.
Recovery of elemental sulphur from smelter fumes.
Recovery of potash from the great salt beds of the Southwest.
Studies of American coals from the point of view of gas and by-product production.
Increased study of physical chemistry of steel making.

In the marketing of minerals and mineral products, there is a marked lack of well-selected records and sifted data.

Many important projects are pending before the United States Geological Survey for study and field investigation. As an illustration, the following list of projects have been considered from time to time, but in spite of their recognized merit and importance, through lack of appropriations, no work has been possible:

AREAL GEOLOGY

Geology of Death Valley, Calif.
Geologic map of Utah.
Geologic guide to Grand Canyon region.
Geologic guide to Yellowstone National Park.
Areal geology, Lowry Peak quadrangle, Nevada.
Correlation of Jura-Trias in Rocky Mountain region.
Correlation of Permian beds of Rocky Mountain region.
Physiography of the lower Mississippi River basin.
Areal geology of northwestern Connecticut.
Relations of geology and gravity anomalies.

GEOLOGY OF THE METALLIFEROUS MINERALS

Mining districts of Montana.
Mining districts of Idaho.
Mining districts of California.
Mining districts of Arizona.
Mining districts of Utah.
Geology and geophysical methods of prospecting.

IRON AND STEEL METALS

Iron ores of Lake Superior region.
Western iron ores.
War minerals (chrome, manganese, flourspar, tungsten, molybdenum, etc.).

NONMETALS

Building stones.
Concrete materials.
Salines.
Abrasives, diatomaceous earth, etc.
Gems and semiprecious minerals.

FUELS

Appalachian coals.
Fundamentals of coal classification and microstructure of coals.
Western coal field (additional).
Western oil and gas distribution.
Regional structures in relation to oil and gas.
Studies of source rocks of oil and gas.
Oil, gas, and water relations and characters.

All of the problems that have been mentioned and hundreds of others that could be mentioned, Mr. Speaker, if time would permit, which affect the mineral industries are of the utmost national importance.

There is an urgent need for Congress to recognize more seriously the outstanding importance of our mineral resources in maintaining our position in world affairs, and to appreciate that it is due to their wide exploitation that our great national development is to be attributed.

The support now afforded the United States Geological Survey and the Bureau of Mines, in proportion to their responsibilities, and in proportion to the value of the industry which they represent is so small as to constitute evidence of a thorough lack of understanding of the subject. Public opinion will assert itself when it has been sufficiently informed as to the real facts.

In most of the highly developed nations the mineral industry is advanced by every governmental means, and a secretary of mines or the equivalent in rank, occupies in the Cabinet a responsible and important position in the Government. If the American mineral industry is to maintain its position, it must have the benefit of continuous research of the widest and most fundamental character, and in this program the Federal Government must carry its part of the load.

The annual appropriations of the Bureau of Mines and the United States Geological Survey should be materially increased so as to enable them to properly undertake the important work with which they are confronted.

CONSTRUCTION OF RURAL POST ROADS

Mr. COLTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3674) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, and consider the same in the House as in Committee of the Whole. If this consent is granted, I shall then ask unanimous consent to amend by striking out all after the enacting clause and substituting the bill H. R. 7343. The bill that passed the Senate is similar, but there are one or two matters in the Senate bill that may be objectionable to the House, and I feel sure there is no objection to the House bill. It has a unanimous report from the Committee on Roads.

The SPEAKER. The gentleman from Utah asks unanimous consent to take from the Speaker's table the bill S. 3674 and consider the same in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the title of the Senate bill.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that the Senate bill may be considered as read, inasmuch as the House bill will be a complete substitute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLTON. Mr. Speaker, I now offer the amendment.

The SPEAKER. The gentleman from Utah offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COLTON: Strike out all after the enacting clause and insert:

That for the purposes of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the construction, by the Bureau of Public Roads, of the main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations—

The sum of $3,500,000 for the fiscal year ending June 30, 1929.

The sum of $3,500,000 for the fiscal year ending June 30, 1930.

The sum of $3,500,000 for the fiscal year ending June 30, 1931: *Provided*, That the sums hereby authorized shall be allocated to the States having more than 5 per cent of their area in lands hereinabove referred to, and said sums shall be apportioned among said States in the proportion that said lands in each of said States is to the total area of said lands in the States eligible under the provisions of this act.

SEC. 2. All acts or parts of acts in anyway inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. COLTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

### DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. DICKINSON of Iowa. Mr. Speaker, I present, for printing under the rule, conference report on the bill (H. R. 11577) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1929, and for other purposes.

### POSTMASTERS' SALARIES

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill (H. R. 5837) to increase salaries of the first-class postmasters, and to include therein a report of the Postmaster General on that subject.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, I sincerely hope the bill introduced by Mr. SPROUL of Illinois (H. R. 5837) to increase the salaries of a number of postmasters of the larger post offices, which recently received the approval of the House Post Office Committee, as well as the approval of the House itself, will merit the favorable consideration of those whose duty it now is to pass judgment thereon.

The meager compensation of the group of postmasters this bill is intended to increase has for years been a reproach upon our Federal Government. As an illustration of the justice of this bill, let us consider the case of the postmaster of New York City.

The salary of the postmaster at New York was fixed by a special act of Congress more than 50 years ago. By comparing the office of 50 years ago with the office of to-day we find:

| | 1875 | 1927 |
|---|---|---|
| Postal receipts: | | |
| Receipts | $3,166,946.19 | $75,552,970.91 |
| Expenditures | 839,445.82 | 36,240,998.13 |
| Surplus | 2,327,500.37 | 39,303,062.78 |

Personnel assigned, number of employees, 1880, approximately 1,500; 1928, over 18,000.

Stations operated, 1880, 19; 1928, 55.

Receipts for the calendar year 1927 approximated the total appropriations made for conducting the entire Postal Service of the United States at the time the last adjustment of the salary of the postmaster was made, viz, 1875 to 1876.

The volume of business of the New York post office exceeds that of the entire Dominion of Canada.

The volume of business transacted in one month at the present time approximates more than twice the business transacted for the entire year when the salary was first fixed at $8,000 per annum.

The responsibilities of the postmaster increased corresponding to the increase of the volume of business and the personnel, and was also increased by the introduction of the following additional new activities of the Postal Service:

Postal savings established January 1, 1912.

Parcel post inaugurated January 1, 1913.

Government-owned motor-vehicle service added to the postmaster's responsibilities in December, 1917.

Central accounting system in 1920.

Distribution of supplies.

All of these added activities and the growth of the business increase the responsibilities, but no adjustment in salary has been made.

The New York post office has 55 classified stations and 265 contract stations. Over 18,000 employees are required to man the service. That which is true of the New York City post office with regard to the ever-increasing responsibility of the postmaster and the inadequacy of his salary is likewise true concerning the other offices affected by the provisions of this bill.

The following post offices are included in H. R. 5837:

New York, N. Y.; Chicago, Ill.; Philadelphia, Pa.; Boston, Mass.; St. Louis, Mo.; Kansas City, Mo.; Detroit, Mich.; Cleveland, Ohio; Washington, D. C.; Los Angeles, Calif.; San Francisco, Calif.; Brooklyn, N. Y.; Cincinnati, Ohio; Pittsburgh, Pa.; Minneapolis, Minn.; Baltimore, Md.; Milwaukee, Wis.; Buffalo, N. Y.; Indianapolis, Ind.; St. Paul, Minn.; Newark, N. J.; Atlanta, Ga.; Dallas, Tex.; Denver, Colo.; Seattle, Wash.; Des Moines, Iowa; Portland, Oreg.; New Orleans, La.; Omaha, Nebr.; Columbus, Ohio; Rochester, N. Y.; Louisville, Ky.; Springfield, Ohio; Toledo, Ohio; Richmond, Va.; Memphis, Tenn.; Dayton, Ohio; Providence, R. I.; Hartford, Conn.; Nashville, Tenn.; Oakland, Calif.; Houston, Tex.; Syracuse, N. Y.; New Haven, Conn.; Grand Rapids, Mich.; Albany, N. Y.; Fort Worth, Tex.; Birmingham, Ala.; Akron, Ohio; Harrisburg, Pa.; Oklahoma City, Okla.; and Jersey City, N. J.

The Postmaster General sent the following letter to the committee when this measure was considered in the Sixty-ninth Congress:

POST OFFICE DEPARTMENT,
*Washington, D. C., February 17, 1927.*

To the CHAIRMAN COMMITTEE ON POST OFFICES AND ROADS:

Supplementing my letter of February 14, 1927, with reference to the bill (S. 5314) amending the act of February 28, 1925, reclassifying the salaries of postmasters so as to increase the salaries at a number of the larger post offices I have to submit the following:

The basis of fixing the salaries of postmasters at the offices affected had not been changed since the act of March 3, 1883, which fixes the salary of the postmaster of New York at $8,000, until the act of June 5, 1920. In the meantime by special laws the salaries of the postmasters at Chicago, Boston, Philadelphia, and St. Louis were fixed at $8,000. The act of June 5, 1920, modified the act of March 3, 1883, so as to provide that at post offices having gross receipts of $7,000,000 or more the salary of the postmaster shall be $8,000.

The receipts of the New York post office for the year ended December 31, 1926, were $72,670,000, more than sixteen times what they were when the salary was fixed at $8,000. At the time the salary of the postmaster of New York was fixed at $8,000 the revenues of the entire postal service were only $42,818,000. At that time the number of stations or branch post offices was 16. To-day it is 50. Comparatively the same may be said of all other offices affected by the proposed legislation except those which through increasing receipts have been benefited by the act of June 5, 1920. In short, of the 48 offices affected by the proposed legislation based upon the receipts for the year ended December 31, 1925, all except 11 are fixed on the same basis as was provided in the act of March 3, 1883.

It should also be borne in mind that the money-order business has increased enormously in the period since the basis for fixing these salaries was fixed and the postal-savings bank has been established, both of which features are not reflected in the postal receipts.

In my judgment the legislation proposed is conservative in view of the vastly greater responsibility imposed on these postmasters.

Sincerely yours,

HARRY S. NEW, *Postmaster General.*

From the frank statement of the Postmaster General we can readily appreciate the unanimity of action which characterized the consideration of the bill by our committee.

In a more recent letter, addressed to the Director of the Bureau of the Budget, the Postmaster General explains the provisions of the bill in greater detail and concludes by saying its passage is fully justified:

MARCH 14, 1928.

Hon. HERBERT M. LORD,
*Director Bureau of the Budget.*

SIR: Pursuant to Budget regulations I am submitting a copy of a bill (H. R. 5837) to increase the salaries of postmasters at a number of the larger post offices, with request for information as to whether the legislation proposed is in conflict with the financial program of the President.

The basis of fixing the salaries of postmasters at the offices affected had not been changed since the act of March 7, 1883, which fixed the salary of the postmaster of New York at $8,000 until the act of June 5, 1920. In the meantime by special laws the salaries of the postmasters at Chicago, Boston, Philadelphia, and St. Louis were fixed at $8,000. The act of June 5, 1920, modified the act of March 3, 1883, so as to provide that at post offices having gross receipts of $7,000,000 or more the salary of the postmaster shall be $8,000. It provides also that the salaries of postmasters at post offices where the gross receipts amount to $600,000, but are less than $7,000,000, shall be $6,000. Thus the salaries of the postmasters of Pittsburgh, Pa., and New York, N. Y., are $8,000 and the receipts for the calendar year ended December 31, 1927, were $7,683,839 and $75,549,362, respectively. The salaries of the postmasters of Erie, Pa., and Minneapolis, Minn., are $6,000, whereas the receipts for the calendar year ended December 31, 1927, were $646,341 and $6,313,402, respectively, and the number of employees 128 and 1,042, respectively.

Under the provisions of the proposed legislation there is no change in grades and salaries except at offices where the receipts are $600,000 or more. The changes proposed correct the inequitable adjustment described above and are as follows:

| | |
|---|---|
| $600,000, but less than $1,500,000 | $6,000 |
| $1,500,000, but less than $3,000,000 | 7,000 |
| $3,000,000, but less than $7,000,000 | 8,000 |
| $7,000,000, but less than $10,000,000 | 9,000 |
| $10,000,000, but less than $20,000,000 | 10,000 |
| $20,000,000, but less than $40,000,000 | 11,000 |
| $40,000,000 and upward | 12,000 |

The receipts of the New York post office for the year ended December 31, 1927, were more than sixteen times what they were when the salary was fixed at $8,000, and at that time the revenues of the entire Postal Service were only $42,818,000. At that time the number of stations or branch post offices was 16. To-day it is 54. Comparatively the same may be said of all other offices affected by the proposed legislation, except those which through increasing receipts have been benefited by the act of June 5, 1920.

Of the 107 post offices having receipts of $600,000 or more for the calendar year ended December 31, 1927, the salaries of the postmasters will be increased at 52 offices, involving an additional cost of $82,000, as follows:

| | |
|---|---|
| 2 from $8,000 to $12,000 | $8,000 |
| 1 from $8,000 to $11,000 | 3,000 |
| 5 from $8,000 to $10,000 | 10,000 |
| 6 from $8,000 to $9,000 | 6,000 |
| 17 from $6,000 to $8,000 | 34,000 |
| 21 from $6,000 to $7,000 | 21,000 |
| | 82,000 |

It should be borne in mind that the increased revenues of these officers are affected not only by the expansion of the service conducted in 1883 but by the addition of the parcel-post system, which has greatly added to the responsibility of conducting the business of these large offices. Furthermore, the money-order business has increased enormously in the period since the basis for adjusting these salaries was fixed and the postal-savings bank has been established, both of which features are not reflected in the postal receipts.

In my judgment the legislation proposed is conservative in view of the vastly greater responsibility imposed on these postmasters and its enactment is fully justified.

Very truly yours,

HARRY S. NEW, *Postmaster General.*

In closing, Mr. Speaker, I sincerely trust in view of the fact that this legislation has the support of the Postmaster General as well as the unanimous approval of the committee that no unnecessary delay or parlimentary obstacle will prevent its becoming a law before the adjournment of the present session of Congress.

### LEAVE TO ADDRESS THE HOUSE

Mr. JACOBSTEIN. Mr. Speaker, I ask unanimous consent that on Tuesday next, after disposition of matters on the Speaker's table, I may be permitted to address the House for 20 minutes.

The SPEAKER. The gentleman from New York asks unanimous consent that on Tuesday next, after disposition of matters on the Speaker's table, he may be permitted to address the House for 20 minutes. Is there objection?

Mr. SCHAFER. Reserving the right to object, on what subject?

Mr. JACOBSTEIN. Reapportionment.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to insert at the point of the consideration of the bill S. 3594 an argument setting forth in writing the report of the Committee on Indian Affairs on the bill.

The SPEAKER. The gentleman from Montana asks unanimous consent to insert a report of the committee on the bill which has just passed. Is there objection?

There was no objection.

### GRAND ARMY OF THE REPUBLIC—MEMORIAL DAY SERVICES

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3791) to aid the Grand Army of the Republic in its Memorial Day services May 30, 1928.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of Senate Resolution 3791, which the Clerk will report by title.

The Clerk read as follows:

An act (S. 3791) to aid the Grand Army of the Republic in its Memorial Day services May 30, 1928.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the sum of $2,000 be, and the same hereby is, appropriated to aid the Grand Army of the Republic (Inc.) in its Memorial Day services, May 30, 1928, and in the decoration of the graves of the Union soldiers, sailors, and marines with flags and flowers in the national cemeteries in the District of Columbia and in the Arlington National Cemetery, in Virginia.

SEC. 2. That said fund shall be paid to the quartermaster of the Grand Army of the Republic, Department of the Potomac, for disbursement.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. WOOD, a motion to reconsider the vote was laid on the table.

Mr. CONNERY. Mr. Speaker, I want to ask the gentleman from Indiana a question. The bill just passed provides for the Grand Army, and I want to ask if anything has been done about providing flags on all of the graves at Arlington.

Mr. WOOD. This is to aid the Grand Army of the Republic, which is becoming small in numbers, and the few that are living are very feeble in their services on Memorial Day.

Mr. CONNERY. I understand, and we are all in favor of that; but what I wanted to inquire was if provision has been made for a flag on every soldier's grave on Memorial Day. There ought to be one.

### ORDER OF BUSINESS

Mr. GARRETT of Tennessee. Mr. Speaker, I would like to make an inquiry of the gentleman from Connecticut about a matter that I have been asked about. I have not looked at the order which was made two or three days ago. I believe that really the day was not mentioned, but it provided that the first open day should be Calendar Wednesday.

Mr. TILSON. Yes; and to be utilized by the Committee on the Merchant Marine for three bills which the committee has ready.

Mr. GARRETT of Tennessee. And that means next Tuesday. The matter that I have been inquired about is the conference report on the flood control bill. The idea of quite a number of Members is that it would come up on that day. I suppose the gentleman can not tell on which day it will come up?

Mr. TILSON. I do not think that anyone can tell at this time what day it will come up, except that the chairman said he would not bring it up on Monday.

Mr. LINTHICUM. Is it proposed to take up the Welch salary bill on Monday?

Mr. TILSON. That is a matter of suspension of the rules, and the Speaker will finally decide the question, as is his practice, on Monday morning.

Mr. HASTINGS. Is it understood that the Merchant Marine Committee will have the right on Tuesday under the special order?

Mr. TILSON. Yes.

LEAVE TO ADDRESS THE HOUSE

Mr. LAGUARDIA. Mr. Speaker, I have a speech in my system which I shall feel much relieved to get out. I will ask unanimous consent that I may address the House for 15 minutes after the orders heretofore granted.

The SPEAKER. The gentleman from New York asks unanimous consent that he may address the House for 15 minutes after the remarks of the gentleman from New York [Mr. JACOBSTEIN]. Is there objection?

Mr. CRAMTON. Reserving the right to object, and I shall not object, this will make 50 minutes for Tuesday and possibly one or more conference reports will come up. The Committee on the Merchant Marine and Fisheries have three bills ready, one of which will require some time unless it is modified. I shall not object to this request, but I shall feel obliged to object to any further request that will take time Tuesday.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title, when the Speaker signed the same:

H. R. 8229. An act for the appointment of an additional circuit judge for the sixth judicial circuit.

The SPEAKER also announced his signature to an enrolled bill of the Senate of the following title:

S. 3438. An act authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval bills of the House of the following titles:

H. R. 8229. An act for the appointment of an additional circuit judge for the sixth judicial circuit;

H. R. 10536. An act granting six months' pay to Anita W. Dyer; and

H. R. 12733. An act to authorize the refund of certain taxes on distilled spirits.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.) the House adjourned until to-morrow, Sunday, May 6, 1928, at 2 o'clock p. m.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, May 7, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON FOREIGN AFFAIRS

(10.30 a. m.)

To provide for the reorganization of the Department of State (H. R. 13179).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

COMMITTEE ON AGRICULTURE

(10 a. m.)

For the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton-futures exchanges (H. R. 11017).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to proceed with the construction of certain public works (H. R. 13319).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

486. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes; to the Committee on Military Affairs.

487. A communication from the President of the United States, transmitting supplemental estimate of appropriation the fiscal year 1928, in the sum of $60,000 (H. Doc. No. 264); to the Committee on Appropriations and ordered to be printed. under the legislature establishment, United States Senate, for

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MORROW: Committee on the Public Lands. H. R. 12113. A bill providing for the acquirement by the United States of privately owned lands situated within certain townships in the Lincoln National Forest, in the State of New Mexico, by exchanging therefor lands on the public domain also within such State; without amendment (Rept. No. 1526). Referred to the House Calendar.

Mr. HILL of Washington: Committee on the Public Lands. H. R. 10657. A bill to authorize the assessment of levee, road, drainage, and other improvement-district benefits against public lands and lands heretofore owned by the United States; without amendment (Rept. No. 1527). Referred to the House Calendar.

Mr. HOUSTON of Hawaii: Committee on the Public Lands. H. R. 10157. A bill making an additional grant of lands for the support and maintenance of the Agricultural College and School of Mines of the Territory of Alaska, and for other purposes; without amendment (Rept. No. 1528). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPEAKS: Committee on Military Affairs. H. R. 13446. A bill to amend the national defense act; without amendment (Rept. No. 1531). Referred to the Committee of the Whole House on the state of the Union.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 13512. A bill to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress, as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924; with amendment (Rept. No. 1537). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 10162. A bill for the relief of the land-grant railroad operated between the station formerly known as East Portland, in the State of Oregon, and Roseville, in the State of California; without amendment (Rept. No. 1538). Referred to the House Calendar.

Mr. JENKINS: Committee on Immigration and Naturalization. S. J. Res. 5. A joint resolution to grant a preference to the wives and minor children of alien declarants in the issuance of immigration visas; with amendment (Rept. No. 1539). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KNUTSON: Committee on Pensions. H. R. 13563. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; without amendment (Rept. No. 1525). Referred to the Committee of the Whole House.

Mr. WARE: Committee on Claims. H. R. 4776. A bill for the relief of Dr. Stanley R. Teachout; with amendment (Rept. No. 1529). Referred to the Committee of the Whole House.

Mr. HALE: Committee on Naval Affairs. H. R. 5995. A bill for the relief of John F. O'Neil; without amendment (Rept. No. 1530). Referred to the Committee of the Whole House.

Mr. RATHBONE: Committee on Claims. H. R. 10125. A bill for the relief of Leo Scheuren; with amendment (Rept. No. 1532). Referred to the Committee of the Whole House.

Mr. RATHBONE: Committee on Claims. H. R. 10126. A bill for the relief of Loretta Pepper; with amendment (Rept. No. 1533). Referred to the Committee of the Whole House.

Mr. JENKINS: Committee on War Claims. H. R. 12638. A bill for the relief of David A. Wright; with amendment (Rept. No. 1534). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. S. 162. An act for the relief of William M. Sherman; without amendment (Rept. No. 1535). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KNUTSON: A bill (H. R. 13563) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; committed to the Committee of the Whole House.

By Mr. BANKHEAD: A bill (H. R. 13564) to provide that the United States shall cooperate with the States in promoting the health of the rural population of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: A bill (H. R. 13565) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved July 3, 1926; to the Committee on the Civil Service.

By Mr. GRAHAM: A bill (H. R. 13566) to provide for the appointment of an additional district judge for the northern district of Illinois; to the Committee on the Judiciary.

By Mr. NEWTON: A bill (H. R. 13567) to amend sections 116, 118, and 126 of the Judicial Code; to the Committee on the Judiciary.

By Mr. RATHBONE: A bill (H. R. 13568) to create a prosperity reserve and to stabilize industry and employment by the expansion of public works during periods of unemployment and industrial depression; to the Committee on the Judiciary.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 296) to authorize the erection on the home site of the All American Legion Post, No. 12, just north of the Kiowa Hospital near Lawton, Okla., of a monument to I-See-O; to the Committee on the Library.

Also, joint resolution (H. J. Res. 297) to authorize the erection on the home site of the All-American Indian American Legion Post, No. 12, near the Kiowa Hospital, near Lawton, Okla., of a monument to Chief Quanah Parker; to the Committee on the Library.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 13569) granting an increase of pension to Martha Lamb; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 13570) granting an increase of pension to Frances M. Lynch; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 13571) for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 13572) granting an increase of pension to Martha E. Read; to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 13573) for the relief of Pedro P. Alvares; to the Committee on Naval Affairs.

By Mr. HAWLEY: A bill (H. R. 13574) granting an increase of pension to Sarah A. Stephens; to the Committee on Invalid Pensions.

By Mr. HUDSON: A bill (H. R. 13575) granting a pension to Laura A. Eldred; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 13576) granting a pension to Buck Roberts; to the Committee on Pensions.

By Mr. WILLIAM E. HULL: A bill (H. R. 13577) granting an increase of pension to Katie M. Vandyke; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 13578) granting a pension to Sarah J. Jones; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 13579) granting an increase of pension to Jane Fortney; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 13580) for the relief of Barzilla William Bramble; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 13581) granting an increase of pension to Emma L. Bruce; to the Committee on Invalid Pensions.

By Mr. MORROW: A bill (H. R. 13582) authorizing and directing the Secretary of the Interior to issue a patent to Lucile Scarborough; to the Committee on the Public Lands.

By Mr. MURPHY: A bill (H. R. 13583) granting an increase of pension to Isabelle Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13584) granting an increase of pension to Emma Teagarden; to the Committee on Pensions.

By Mr. SCHNEIDER: A bill (H. R. 13585) granting an increase of pension to Dolly Matoxen; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 13586) granting a pension to Adalida Austin; to the Committee on Invalid Pensions.

By Mr. TATGENHORST: A bill (H. R. 13587) granting a pension to Joseph Emminger; to the Committee on Pensions.

By Mr. TREADWAY: A bill (H. R. 13588) granting a pension to Jessie L. Clark; to the Committee on Invalid Pensions.

By Mr. WELSH of Pennsylvania: A bill (H. R. 13589) for the relief of Atlantic Refining Co., a corporation of the State of Pennsylvania, owner of the American steamship *H. C. Folger*, against U. S. S. *Connecticut*; to the Committee on Claims.

By Mr. W. T. FITZGERALD: Resolution (H. Res. 186) for the payment of additional compensation to the clerk and Norman E. Ives, expert examiner of the Committee on Invalid Pensions; to the Committee on Accounts.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7433. By Mr. ESTEP: Resolution of the Uhlman-Horne Post, No. 456, Veterans of Foreign Wars, through their secretary, Henry J. Nies, 148 Penn Avenue, Pittsburgh, Pa., indorsing House bill 25, the Dale-Lehlbach bill; to the Committee on the Civil Service.

7434. By Mr. FITZPATRICK: Petition from the Mailers' Union No. 6, International Typographical Union, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7435. Also, petition from Paper Cutters, Binding Machine Operators, and Embossers Protective Union, No. 119, favoring the passage of the Griest postal bill; to the Committee on the Post Office and Post Roads.

7436. By Mr. GARBER: Petition of W. A. Hoover, commander Disabled Veterans of the World War, and H. Haenel, commander Post No. 169, American Legion, of Outwood, Ky., in support of Senate bill 4041 and House bill 5477; to the Committee on World War Veterans' Legislation.

7437. Also, petition of Colorado River Commission of Arizona, Phoenix, Ariz., in opposition to House bill 5773; to the Committee on Invalid Pensions.

7438. Also, petition of the United Veterans of the Republic, by Charles D. Ray, national commander, Los Angeles, Calif., in support of Senate bill 777 without amendment; to the Committee on World War Veterans' Legislation.

7439. Also, petition of Roy W. Cox, Blackwell, Okla., in opposition to Senate bill 1752; to the Committee on the Post Office and Post Roads.

7440. Also, petition of postmaster, Harry S. Magill, and rural carriers out of Garber, Okla., in opposition to the Oddie bill (S. 1752); to the Committee on the Post Office and Post Roads.

7441. By Mr. KADING: Petition of master butchers, residing at Watertown and other southern Wisconsin cities, requesting that the contemplated fish hatchery and culture station be located at Lake Mills, Wis.; to the Committee on the Merchant Marine and Fisheries.

7442. By Mr. MICHENER: Petition of sundry citizens of Jackson County, Mich., favoring the passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

7443. By Mr. O'CONNELL: Petition of the Disabled American Veterans of the World War, Department of California (Inc.), favoring the passage of the Tyson bill (S. 777); to the Committee on World War Veterans' Legislation.

7444. By Mr. STEDMAN: Petition signed by Mrs. J. H. Fulton and eight residents of Surrey County, N. C., favoring the Sproul bill (H. R. 11410), to amend the national prohibition act; to the Committee on the Judiciary.

7445. By Mr. TAYLOR of Colorado: Petition from citizens of Rifle, Colo., urging legislation for increase of pensions of Civil War soldiers and widows of soldiers; to the Committee on Invalid Pensions.

## SENATE

SUNDAY, *May 6, 1928*

The Senate met at 3 o'clock p. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

When the anxious hearts say, "Where?"
God doth answer, "In My care."
Were they frightened at the last?
No; the fear of death was past.
Do they need our tenderness?
"Where is love like Mine to bless?"
Father, tell us, where are they?
"In My keeping, night and day."

*Now is Christ risen from the dead and become the first fruits of them that slept.*

*For since by man came death, by man came also the resurrection of the dead.*

* * * * * * *

*Behold, I show you a mystery; we shall not all sleep, but we shall all be changed,*

*In a moment, in the twinkling of an eye, at the last trump; for the trumpet shall sound, and the dead shall be raised incorruptible, and we shall be changed.*

*For this corruptible must put on incorruption, and this mortal must put on immortality,*

*So when this corruptible shall have put on incorruption, and this mortal shall have put on immortality, then shall be brought to pass the saying that is written, Death is swallowed up in victory.*

*O death, where is thy sting? O grave, where is thy victory? The sting of death is sin; and the strength of sin is the law.*

*But thanks be to God, which giveth us the victory through our Lord Jesus Christ.*

*Therefore, my beloved brethren, be ye steadfast, unmovable, always abounding in the work of the Lord, forasmuch as ye know that your labor is not in vain in the Lord.*

O Almighty God, who hast knit together Thine elect in one communion and fellowship, in the mystical body of Thy Son, Christ our Lord: Grant us grace so to follow Thy blessed saints in all virtuous and godly living, that we may come to those unspeakable joys which Thou hast prepared for those who unfeignedly love Thee, through Jesus Christ our Lord. Amen.

The grace of our Lord Jesus Christ, and the love of God, and the fellowship of the Holy Ghost, be with us all, evermore. Amen.

### MEMORIAL ADDRESSES ON THE LATE SENATOR FERRIS

Mr. COUZENS. Mr. President, I offer the resolutions which I send to the desk and ask for their adoption.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 227) were read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. WOODBRIDGE N. FERRIS, late a Senator from the State of Michigan.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public service.

*Resolved*, That as a further mark of respect to his memory the Senate, at the conclusion of these exercises, shall stand in recess.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. COUZENS. Mr. President, it seems appropriate when we gather together to-day to pay honor to my late colleague WOODBRIDGE N. FERRIS, of Michigan, to read into the RECORD the biographical sketch which the Senator himself put into the Congressional Directory:

WOODBRIDGE N. FERRIS, Democrat of Big Rapids, was born in Spencer, Tioga County, N. Y., January 6, 1853, the son of John, jr., and Estella (Reed); early education acquired in the academies of Spencer, Candor, and Oswego, N. Y.; later attended the Oswego (N. Y.) Normal and Training School, 1870–1873; was a student in the medical department, University of Michigan, 1873–74; principal of Spencer Academy (N. Y.) 1874–75; principal of Business College and Academy, Freeport, Ill., 1875–76; professor in Rock River University, Dixon, Ill., 1876–77; principal Dixon Business College and Academy, 1877–1879; superintendent of schools, Pittsfield, Ill., 1879–1884; in 1884 founded the Ferris Institute, Big Rapids, and has since been president of that institution; president of Big Rapids Savings Bank; Democratic candidate for Congress, 1892, but defeated; candidate for governor, 1904; elected Governor of Michigan for terms 1913–14 and 1915–16; married Helen F. Gillespie of Fulton, N. Y., 1875; to this union three sons were born; Mrs. Ferris passed away March 23, 1917; married Mary Ethel McCloud of Indianapolis, Ind., August 14, 1921; received the degree of master of pedagogy from the Michigan State Normal College and the degree of doctor of laws from Olivet College, the University of Michigan; and the University of Notre Dame; was elected to the United States Senate for the term beginning March 4, 1923, receiving 294,932 votes as against 281,843 for his Republican opponent, the Hon. Charles E. Townsend.

While this is a sad occasion it is yet a beautiful custom the Senate observes in coming together to pay tribute to one of our former colleagues whose services on this earth have been ended. I am thankful for this opportunity to say just a few words concerning my former colleague and friend.

On March 7 of this year, when Senator FERRIS announced he would not be a candidate for election, he said in part:

> I feel it is time I had a vacation and really took time to live. I want it distinctly understood that I do not decline to run because of any fear of the result. It is only in great emergencies that a Democrat can be elected in Michigan, but even if I felt sure of being defeated, that would not deter me from running if I thought I owed that duty to those who have supported me.

To a great extent this short statement reveals the character that the people of Michigan love so well. Not until he had reached the age of 75 did his thoughts turn to a vacation. Throughout most of his 75 years he labored in the service of his fellowmen and that he labored well and successfully will be shown by speakers to follow me which in itself demonstrates the honor that we desire to pay him.

There was spontaneous expression of sorrow and regret from everywhere the moment it was announced that he had passed on.

The statement that I just quoted expresses the courage he showed on all occasions. We all knew that he was not afraid to run, not afraid to be defeated. He was willing to make the race again even in the face of insurmountable difficulties had he not felt that after 75 years he should turn the task over to others.

While Senator FERRIS was a representative of a minority political party in Michigan, he knew that its representatives could only be elected in the time of great emergency. Yet he did not fear to face the great majority. He had the courage to fight on as one of the minority and after all there is no greater evidence of sublime courage than the willingness to accept and to continue to accept the burdens of the minority, and to voice their desires.

This is a sublime evidence of his loyalty to his friends and supporters and which continued until the ripe age of 75. He was still willing to be their standard bearer.

As boy and as man, as son and as father, as citizen and as public servant, as pupil and as teacher, as the chief executive of his State and as the ambassador from his State to the United States Senate, the life of Senator FERRIS ran its true course unto the end.

Despite the greatness of the official tributes paid him in his election as governor and as Senator, I think perhaps the greatest mark of appreciation of his worth is shown in the unofficial title by which his people knew him, the title "The Good Gray Governor." Probably that simple phrase tells a better story than anything that can be said here.

It requires a man of the finer qualities to meet the test that Senator FERRIS met and endured and to emerge from that test with the highest regard of the people of his State, with the greatest devotion from the people of his State, and with the fondest affection of the people of his State.

This was the man my State knew. This was the man I knew in Michigan and the man I knew in Washington. This was the man to whom we pay tribute to-day. We can but hope that when our records are written forever we shall deserve a place beside him in the annals of time.

Mr. GLASS. Mr. President, while in time of grief and lament words always seem unavailing, I could well wish that for this memorial occasion I had the facility of speech which is so essential when one would pay a fitting tribute to a worthy man who has departed this life. Then I might adequately express the genuineness of my own distress at the death of WOODBRIDGE N. FERRIS, and for the record appropriately appraise the loss which the Senate and the country have sustained.

There can be no mistake concerning the esteem in which the people of his adopted State held Mr. FERRIS. In social pursuits as in his business activities, as teacher and banker, as citizen and

friend, in every walk of life, he was respected and trusted by all who came within the range of his acquaintance or who were aware of his fine reputation. Twice he was elected to the highest executive office within the gift of the people of Michigan, notwithstanding the fact that in political faith he was an adversary of the overwhelming majority of the electorate. This phenomenon rarely occurs in public life, and then only when the man selected for so signal an honor is universally regarded as honest to the core, with courage and common sense comparable to his integrity. And when six years ago Michigan reacted to a period of political disturbance which was thought to involve the good name of the State the people, without regard to previous divisions, turned with confidence and affection to WOODBRIDGE N. FERRIS to represent the sovereignty of the Commonwealth in the Senate of the United States.

How well and with what discernment he performed his service here all of us fully understand. With an exceptionally clear comprehension of national problems, he applied to their solution an amount of good sense and a degree of liberal thinking which constituted an effective complement to his firmness of conviction, his steadfastness and poise on all occasions. He was dependable; there was never a question of his complete sincerity or his fidelity to his conception of duty. Reserved in manner, but with great warmth of feeling; quiet for most of the time, but outspoken when circumstances seemed to require, his counsel was sought by his associates and his opinions were greatly respected in this forum. Personally beloved for his human traits and admired for his accomplishments, those of us who knew him best can readily appreciate and share the grief of those who shall miss him most.

Mr. FESS. Mr. President, my acquaintance with WOODBRIDGE N. FERRIS extended over more than 30 years. My first contact with him was when I was associated with him on the occasion of some educational conventions which were held in the State of Pennsylvania. I very keenly recall the strong and deep impression the educator made upon that great aggregation of men and women. In those days Pennsylvania observed the custom of the annual teachers' institute, which was the largest aggregation of men and women during the year in any of the county seats outside of the great cities. I met him first in the town of Greensburg, Westmoreland County. There were 12,000 teachers present and a large group of citizens, the audience being limited only by the capacity of the hall.

Mr. FERRIS made one of the most remarkable addresses on educational philosophy that I had heard up to that time, and produced a very profound impression. From that time on I followed him in his carrer educationally, being thrown in contact with him very often. Later, I met him in his home in the town of Big Rapids. I saw him in his daily activity, where his chief forte seemed to be, at the head of the famous institution which still bears his name.

Mr. FERRIS was a man who had the ability to see the needs of the day, to organize and to manage an institution to meet those needs; and the institute that bears his name in his home town is the finest example I know of the consummation of an achievement of that sort. When I saw him standing upon the platform, looking into the faces of the young men and women that gathered by the thousand, and listened to his clarion voice as he spoke to those people on the meaning of life, I could understand something of the tremendous hold that he had upon the young life of Michigan and other States.

His work as an educator in that institution is outstanding. I understand that there are Representatives in numbers in the Chamber now that are the products of that famous institution. I speak with some personal knowledge, for I have visited Mr. FERRIS in his home and at his work more than once.

If you knew the character of the man, and could estimate the limitless influence through the young life that had come and gone in the institute, it is easy to understand why he became so popular in the State.

To know Mr. FERRIS was to love him. There was no guile in his make-up. He hated sham. He was pitiless in his criticism of anything that was not genuine; and he built himself into the generation in which he lived until there is a Ferris attitude of mind through the young life all over the great State which he honored.

When he sought the governorship, a good many people thought he could not be elected in a Republican State like Michigan; but he was elected, and passed from the office of executive of a great educational institution to the office of executive of a great State. Then he found his problem. It was under the administration of Mr. FERRIS that the unfortunate labor and capital outbreak in the iron country took place. I was a Member of the other House of Congress at the time. A serious situation developed. A resolution was introduced in the other House to make an investigation. The governor of the State wrote to his old friend and said:

> If we can only keep down socialism, and if we can only curb the demagogue, the Governor of the State of Michigan will be able to settle this problem.

Then, as now, and probably as it always will be, there was an agitation that tended to interfere with orderly processes; but the manner in which that great problem was handled was the manner of FERRIS, and the achievement that was made was his under circumstances of great emergency; and what was done reflected great honor to the State of Michigan under the leadership of this man. There is not any question, then, that when he announced himself as a candidate for the Senate, the people of the State, believing in him, sent him to this body.

Mr. President, the Senate never knew Mr. FERRIS. As a personal friend of his for 30 years, knowing his remarkable ability, often having been stirred by his clarion voice, I have sat here and wished that the opportunity would offer when FERRIS of the days when I knew him would be heard in this chamber. But he chose rather the silent course. He did his work in the committee rooms and in his counsel. Very rarely did we hear the voice that was so militant and so effective as I had heard it many, many times in the years gone by.

It is a difficult thing for one who wants to speak on an intimate friend to say just the right thing. Measured by every standard of real Americanism, he is one of the finest flowers of American democracy. Taken from every standard from which you wish to view him, whether a boy without opportunity in the beginning reaching a high plane of achievement, whether measured by the standard of success in business, he was a really great success, not only as an educator but as a business man; measured by the love of those who knew him, he was successful in the greatest degree. Measured from the standpoint of true manhood, from every standpoint, Mr. FERRIS was one of the finest examples of what a man ought to be of my entire acquaintance.

Words are inadequate when we want to express our appreciation of our departed colleague. "To live in hearts we leave behind is not to die" is certainly true of this man if it be true of anyone.

Mr. GEORGE. Mr. President, I would not attempt to give the biography of Senator FERRIS; nor would I attempt to speak of his elevation to the office of chief executive of his adopted State, though it was while chief executive of Michigan that Senator FERRIS attracted national attention, especially in his handling of a great industrial question that arose during his administration. His campaign for the Senate likewise attracted national attention; and his election to the Senate marked him as a man of unusual parts, coming, as he did, from the State of his adoption, and being, as he was, a member of the minority party within that State.

I knew Senator FERRIS first in the Senate, and I learned here to appreciate somewhat his habits of thought and of action. He was faithful in attending committees; and in one of the earliest public utterances he made after coming to the Senate, speaking upon a farm measure, he expressed very great confidence in the work of the committee, and made the statment—true of him to the end of his life—that he had attended all of the hearings, and had listened with patience to all of the facts developed at the hearings.

He did not speak often in this body. He spoke once upon the subject of agriculture, briefly, to which I have just referred. He spoke again when the Senate had under consideration the adherence of the United States to the World Court. He spoke also, and at some length, upon the question that had agitated the country, and still agitates it, the great moral question of prohibition. I well recall that Senator FERRIS began that address by reference to his life as a boy in the State of New York, more than 60 years before, as he expressed it; and then, when he stated his own convictions upon the great question so often the center of controversy, he was at pains to say that his convictions were not the result of any Sunday School emotions. That, I think, was a key to his character.

Senator FERRIS was a man of the most exacting sense of justice. He was quite as rigid with himself as with others; in fact, more so. He fully appreciated his own limitations. He took full account of his own faults, whatever those faults were.

I have said that his chief attribute and charactertistic, as it impressed itself upon me, was his sense of justice, his exacting sense of justice. It will be recalled that during his term he cast his vote on two matters well calculated to test the courage and the conviction of any Senator. On one occasion he was called upon to express his views with reference to a high

Cabinet officer. He did so without hesitation. When another distinguished gentleman of his State was named to a high office in the Government, he took occasion to state briefly that he knew the appointee as a man, that he knew him well as a man, and that as men know men, he entertained great admiration for him; but that in view of the facts brought to the attention of the Senate, he felt it to be his duty, both to the State of Michigan and to the United States, to vote against confirmation.

Senator FERRIS was actuated by a sense of duty that sprang from his love of justice. He did not think of justice in the ordinary sense which occurs to us when the word is used, but he thought of justice as absolute fidelity to his own faculties, enlightened by the lessons of history and his life's experience, and absolute trust in their conclusions and convictions. That, I think, he esteemed to be his duty to himself, unfaltering obedience to his convictions and conclusions, I think, he esteemed to be his duty to his fellow man.

He did not think of justice in the personal sense only, though he carried his concept of justice into all the relations of life. His sense of justice controlled him in his personal relations, even his most intimate personal relations, but in public affairs he thought of justice in the sense indicated in the preamble to the Constitution, where the establishment of justice is mentioned as being among the purposes of our Government. I think he thought of justice somewhat in the same sense that Edmund Burke spoke of it, as being the "standing policy of all civilized States."

In his brief address upon agriculture, Senator FERRIS referred to his experience and his confidence in the experience of others, and his reliance upon the opinion of others who had special opportunities to investigate the subject, and to furnish to those in public life information upon which they could confidently rely.

In his discussion of the World Court in this body he referred to his faith in the lessons of history, and one would infer that he based his faith upon the lessons of human history, because he took occasion to say that one could not be without faith in men who had watched the progress of man from the plane of primitive man to the plane of savagery and from the plane of savagery to the plane of barbarism and from the plane of barbarism to our present civilization.

He spoke of that distrust which not only dismembers the home and every unit of society, but which likewise paralyzes national action. In a large sense he looked upon life as being so short, the responsibilities of life so great, and the powers of the individuals to meet life and its responsibilities so limited and circumscribed that one who did not know him well might think that he felt the futility of it all. Though he did not speak much in this body, he gave to every question coming before him careful and conscientious consideration, both in his seat in the body, in his chair in the committee room, and in his investigation as time afforded opportunity to study the problems with which he had to deal. In the study of all public questions he made his appeal to his own experience and the lessons of history.

Those of us who knew him intimately knew that while he had achieved marked success as we measure success, even in financial affairs, particularly for one who had devoted his life to teaching, his real interest was in the institution of learning which he founded and over which he presided until his death.

The problems with which he had to deal while chief executive of his State and the problems before the Senate and the country did not impress him as being more important than the problem of human education. In the notable speech which he made in this body on the question of prohibition he took occasion to say that those who believed as he did upon that great question were remiss and were not free from severe criticism in failing to continue the program of education upon which he based his ultimate hope for the triumph of the cause which he held dear.

He was true to his exacting sense of duty until the last. In meeting the obligations upon him he did not hesitate to sacrifice his personal convenience and his personal strength. He remained in this body, as all his colleagues know, many days after he should have been at his home.

The last picture but one that I have of Senator FERRIS is the picture of a man more than threescore years and ten, with the snows of more than 75 winters whitening his brow, with his eyes looking into the not too distant shadowland, answering the anxious entreaties and advice of his colleagues here with the statement that his place was in the Senate. So he remained at his post until, through sheer exhaustion, the ravages of the disease which shortly was to take him off made it absolutely necessary for him to go to his home.

As an educator, as a citizen of his local community and of his State, as a public servant, as a father, as a husband, as a man, he met every obligation. This Republic would be much enriched if all its sons should measure up to the standard furnished by our distinguished friend and colaborer in whose memory these ceremonies are held.

Mr. SHEPPARD. Mr. President, the approbation of God ought to be the culminating goal of every human being. To seek, to find, and to establish the will of God in mortal affairs, such is the course which merits divine approval. To follow that will means to restore, in the proportion in which the effort is made, God's Kingdom in the world.

In his last discourse Christ emphasized the fact that all who seek and carry out the Maker's will are one with God, one with Christ, and one with each other. He further taught that the dominion of the Creator may be restored upon this sphere by love and service; that love and service are within the powers and functions of every individual; that therefore the Kingdom of Heaven is always at hand, open to all who choose to enter.

I saw the new Jerusalem
Its gates were open wide,
And all who would might enter,
And no one be denied.

The conclusion can not be avoided that the individual who qualifies others for love and service is an ideal messenger from God to humanity. Such a messenger was WOODBRIDGE N. FERRIS.

As a foundation for that messengership he was from youth to death a sympathetic and hopeful student of human nature and the human mind. He was aflame with the desire to convey to as many as he could reach, especially the young, the truth that every life has an essential and laudable part in the maintenance and advancement of civilization and to aid them in finding and performing that part.

He embodied that messengership in its most effective, secular form, the profession of teacher—a profession he began actively to follow at the age of 17 and which claimed him, with periods of absence during which he was Governor of Michigan and a Senator of the United States, until his demise nearly six decades afterwards. He awakened in his students the passion and the ability to serve. His love for humanity left its impress on their lives and made them agents of its magic power. Thus for nearly 60 years he was a true missionary of the Kingdom of God—a crusader for the will divine. The chief need of the world is for more personalities and more careers like his.

His childhood was divided between study in school and hard, incessant labor on the farm. In early youth he continued his collegiate preparation at intervals with funds he had earned while teaching. He knew what toil and struggle meant. Steadily he rose in the profession of teacher, founding two substantial private schools and piloting them to success. In 1884 he established at Big Rapids, Mich., the Ferris Institute, beginning with 15 students in two second-story rooms, witnessing its expansion within less than a generation into a group of commodious, modern buildings with an annual enrollment of more than a thousand, an enrollment approaching 2,000 in recent years. His soul became the soul of that institution and will remain its soul as long as the principles for which he stood shall be preserved and proclaimed within its walls. Through a series of lectures and addresses and through numerous personal interviews he communicated to those who sought his tutelage his inspiring philosophy. To help each student to ascertain the work in life to which he was best adapted and to shape the student's mental training with that objective in view was the distinctive, practical feature of his system. He taught that all useful callings are praiseworthy, all necessary to society. He taught that in each life the capacity for some form of valuable service existed. He combined with these teachings an expression of interest, solicitude, and affection that gave every student a new and abiding sense of dignity and worth. His gospel was the gospel of love and work for all. The period which marks love and work for all will mark the return of God's kingdom to this globe, the accomplishment of His will on earth.

I found a golden key one day
Upon the path I trod,
And it unlocked a golden door,
A door that led to God.
And as I looked inside I saw
These words upon the wall:
Your God is Love, and Love is God,
There's love and work for all.

The affection of WOODBRIDGE N. FERRIS for those whose education he supervised was returned in a most impressive degree. The dynamic power of human love is infinitely greater than that of any mechanical engine yet devised. After the Ferris Institute had been in operation a number of years the funds had been earned and set aside for the enlarged housing facilities its

growth had made imperative. When the time for reconstruction arrived, the bank in which those funds were deposited became insolvent. The outlook was apparently hopeless. Within a short time, however, the former students of Ferris Institute advanced the needed amount from their personal savings. This action was a grander tribute to WOODBRIDGE N. FERRIS than the governorship or the United States Senatorship, both of which came to him in subsequent years.

Turning to these political honors, it may properly be said that they represented triumphs as remarkable as have ever occurred in American history. The Democratic Party, of which he was a loyal and earnest member, was in the minority in his State. The dominant party there, the Republican Party, had a normal majority of several hundred thousand. He had taken nominations for Congress and governor, campaigning in the face of inevitable defeat with gallantry, determination, eloquence, and courage. He had spoken for the national tickets of his party, always attracting especial interest and commendation. He was one of the main supporters of that party with voice and pen and financial contributions through the hopeless years, solely from devotion to its principles and with no prospect of political reward.

When he won as its nominee the positions of governor and United States Senator, his success was similar to that which had been his in other lines—the incident to duty done without regard to results. Emerson evidently had men like FERRIS in mind when he said, in effect, that many of the temporarily great go fretting and fuming into nameless graves, while a few unselfish souls forget themselves into immortality.

He soon occupied a position of commanding influence in the United States Senate. He spoke rarely, because speeches rarely affect the actions of this body. He delivered in the Senate on one occasion an argument of some length for prohibition which was one of the best presentations that cause has ever had. In Senate committees and in party councils his opinion was eagerly sought and universally respected.

During most of his active life he was one of the outstanding figures on the lecture platforms of this country. One of his addresses on how to make the world better was a summary of his views of life, and won instant favor with the public.

He planted the kingdom of God in the hearts of the thousands who gathered through more than four decades in the institution he created at Big Rapids. Through their contact with others and with posterity, through the continued application of his doctrines in that institution, which is destined to expand indefinitely as the exponent of his moral power, his influence will live and grow as an inseparable part of the spiritual, intellectual, and material development of humankind. His work was the Master's work. His business was the Father's business. No mortal ever earned a sublimer epitaph.

Mr. VANDENBERG. Mr. President, from the first poignant hour when I humbly entered this high parliament to complete the interrupted term of the late United States Senator WOODBRIDGE N. FERRIS I have felt a responsibility not only to the governor whose trust I bear; not only to the great Commonwealth of Michigan, in whose name I am commissioned; not only to the precious Republic, whose immortal Constitution I am sworn to support and defend; but also and particularly to the stewardship of a great memory, in whose lengthened shadow I serve this interlude.

If it be the Nation's need that men of lofty purpose should direct its destiny, here was one who answered in maximum degree. He dreamed great rich dreams and then labored that these dreams should become reality.

If it be the Nation's need that men of clean hands and hearts should guard our heritage, here was one superlatively eligible. He counted a good name rather to be chosen than great riches. His integrity was as certain as time. His morality was as eternal as the hills. His dependability in these respects was the fabric of his very soul.

If it be the Nation's need that men of courage should stand in the trenches of unsurrendering ideals, here was one who was the perfect soldier. He never compromised with principle. He gave relentless battle for his faith.

Mr. President, these are not the mere artificial platitudes of expedient eulogy. They are my indelible measure of the stalwart life which Michigan's late patriarchal Senator gave devotedly to American democracy—himself an exemplar of this democracy in terms of personality and philosophy which it is not inappropriate to describe as Lincolnesque. I speak not alone my personal apostrophe to a cherished friend. I speak also the sentiment of Michigan, a State which, despite formidable political odds that were an almost insurmountable barrier, twice chose him as its chief executive, affectionately called him "the Good Gray Governor," and then sent him as its ambassador to Washington. Such confidence is something more than accident. It is the tribute of a trusting people to a trustworthy life. It is the crown of faith bestowed by citizenship upon a leader who understood that public office is a public trust.

May I repeat, Mr. President, that there is incalculable responsibility—to be met in humility and prayer—resting upon the successor who is sent to serve for Michigan in the forum of this late Senator's unhappily interrupted tasks. May I confess that the burden even of attempting assessment of his great dedications is heavy beyond words. Already the solemn record of this memorial session of the Senate is freighted with eloquent and significant eulogy which might seem to leave no need for the testimony with which I close this hour. And yet the rôle he played in the humanities of two epic generations still will not have been adequately portrayed—no matter who might be the orator—when the gavel falls upon our adjournment this afternoon.

You who were his colleagues in the Senate knew him largely in his political capacity and in the sunset of his useful years. He was a rugged Democrat—the greatest Democrat from Michigan since the days of Lewis Cass, who stands yonder in the Nation's hall of fame. I did not share the particular party allegiance which he chose to personify, but I did share his ideas of party loyalty and I shall hope always to share his ideals of probity and honor in political pursuits. In whatever degree this emulation becomes contagious the country will sustain a benediction in his name.

You, Senators, knew him largely in this political capacity, although these contacts inevitably disclosed the sterling character which this day's ceremony so heartfully reveres. But our Michigan knew him in other estimates and other loves. We knew him as the tireless citizen whose life was jeweled with unassuming, unremitting devotion to duty and conscience and the common weal. We knew him as the neighbor who was welcomed at unnumbered hearthstones up and down the countryside. We knew him as an oracle with the gift of tongues, an oracle whose homely yet terribly earnest words have inspired uncounted auditors not only in our own great State but also throughout America.

We knew him, Mr. President, above all else as the inimitable schoolmaster whose passion was effectual education within reach of the common throng and whose reward for a courageous lifetime in this great pursuit was the unswerving devotion of every student who passed the portals of the unique temple of learning which bears his name. He built this school on faith. Into it he poured his genius, his courage, his philosophy, his love of humankind. He pioneered in a new country. He persevered in a new and intellectual Samaritanism. His success was monumental and his monument is imperishable because it stands not alone in brick and mortar but in thousands of human lives that have been touched by the presence of his influence.

Michigan is justly famous for its educational sufficiencies. We have great colleges and universities, but no saga of Michigan's educational achievement will ever be complete without an incandescent chapter which recites that WOODBRIDGE N. FERRIS here wrought his triumphant experiment.

He was simple and kindly. He was stern, yet merciful. He uplifted truth and crushed deception. He exalted the weak and humbled the strong. He lived for his ideals. He died upon an unsullied shield. He verified—as is given to few men—the philosophy of the poetess in these lines of living grace:

I know we are building our heaven
Each day as we go on our way.
Each thought is a nail that is driven
In mansions that can not decay;
And heaven at last shall be given
To us as we build it to-day.

Mr. President, the Republic illy spares such souls. Human society is poorer when they cross the great divide. There is a sermon in such living. There is a challenge in such death. The Senate does well to memorialize such character and to keep itself in tune with such ideals. With my distinguished colleague, the senior Senator from Michigan, I bring this wreath of veneration and affection from a Commonwealth which joins us on its knees before an honored tomb.

And now, Mr. President, in the final moment of this ceremony I offer for the RECORD the late Senator's last legislative will and testament. I hold in my hand the completed manuscript of an undelivered speech which Senator FERRIS had expected to utter in this forum as his final admonition to his colleagues. It deals with the subject of public education. This is neither the time nor the place to analyze his views. Whether one agrees with their detail or whether one does not, one must respect their source and read attentively, because here was one in whom life and truth and education were inseverable synonyms.

The VICE PRESIDENT. The address sent to the desk by the junior Senator from Michigan will be printed in the RECORD as a part of the memorial proceedings.

The address referred to, which had been prepared by the late Senator FERRIS for delivery in the Senate is as follows:

UNDELIVERED ADDRESS BY THE LATE SENATOR WOODBRIDGE N. FERRIS

Mr. President, it is taken for granted by everybody that education must occupy a prominent place in the affairs of a democracy. Notwithstanding this fact, I am not at all sure that the American people and even some of its lawmakers, fully realize the absolute necessity of universal education in a democracy.

I recognize the fact that tremendous progress has been made in our attempt to educate all of the people. I have had the good fortune to stand in the classroom, as an instructor, not simply as a supervisor, for half a century. Little else than a revolution has taken place in the efforts of educators to plan and arrange courses of study that are in harmony with the needs of American children. Within the last 25 years great progress has been made in methods of teaching. However, no well informed man could maintain for a moment that we have, as yet, arrived at a science of education. The science of education is in the making.

Everybody is familiar with the fact that vast sums of money are being expended in the construction and maintenance of educational plants. Notwithstanding these evidences of progress, the World War revealed a condition that was pathetic. Thousands and tens of thousands of our soldiers could not even read or write We have not yet recovered from this shock. It would be unfair to charge this lamentable condition to the public schools. This condition simply proves conclusively that the American people have not yet awakened to an appreciation of the value of education.

When I use the term education I do not use it as an equivalent of schooling. The two terms "education" and "schooling" are not synonymous. A village or city or State may offer an immense amount of schooling; this does not mean that the educational advantages are at all commensurate with the amount of schooling. In the minds of many the expression, "I have no education," means "I have no schooling." Abraham Lincoln did not have to exceed three months of schooling, but he was one of the best educated men that America has ever produced. Schooling at its best in the United States frequently has a tendency to make the acquisition of knowledge its chief objective. Such a view is paralyzing—is unsatisfactory. Education has to do with the enrichment of life, and the enrichment of life depends upon productive thinking. Prof. Henry F. Osborne says: "To think, to act, to create, these are our great impulses inherited from far prehistoric past; these are the three objectives in the intellectual education of American youth." The wonderful accomplishments of a Franklin, an Edison, a Burbank hinge not upon schooling but upon education.

Within the last 20 or 25 years our high schools have multiplied above the rate of increase in population. Likewise our colleges and universities have commanded the attention of thousands of American youth whereas prior to that time they commanded the attention of comparatively few. Dean Raymond Walters of Swarthmore College says in an article entitled "Getting into College":

"The American secondary schools since 1900 have increased in enrollment nine times as fast as the population of the country. There are now some 12,000 public high schools offering four-year courses, with 2,500,000 pupils, of whom nearly 400,000 are graduated each year. There are more than 2,100 private high schools and academies offering four-year courses, with total enrollments of 225,000 and some 35,000 graduates yearly.

"These figures explain the source of the college expansion in the past quarter of a century—the increase from 104,000 liberal arts students in 1900 to approximately 500,000 this year. They explain the improved average preparation of college applicants—and likewise the present stricter enforcement of college entrance requirements and selective procedure.

"As for the reasons which impel three students proportionally to go to college to-day for one in the days of their fathers, there is the proverbial mixture of motives. One likes to believe that there is at least a corresponding increase in those who go because they love learning."

At first glance this might seem to constitute further evidence of educational progress. Beyond a doubt it does indicate progress to some degree. Granting, however, that it means much, that it is conclusive evidence of great progress, there remains in this country the problem of educating the masses. In other words, the very life blood of American democracy lies in the educational advantages which should be offered by the public schools.

The "hewers of wood" and "carriers of water" have never received a square deal. Millions and millions of dollars have been given to educational foundations; millions and millions of dollars have been given to colleges and universities, but very little effort has been made to take care of the great majority who can never hope to enroll in a high school. The real educational problem for America to solve is the problem of enabling the rural schools to provide a practical education through satisfactory courses of study, through adequate equipment, through the best methods of instruction, through the employment of well-trained teachers.

The correct thinking of a child is along lines precisely the same as is the correct thinking of a Newton or a Huxley. In the rural schools the fundamentals must be employed for developing in the child productive thinking. I concede that great progress has been made along certain lines in the rural schools. But broadly speaking, one great problem in American education consists in revolutionizing our rural schools for a larger degree of efficiency. Objectors will point to the "little red schoolhouse" as the place where this great scientist, this great statesman, and that great inventor received his early training as if there were some magic in the "little red schoolhouse." The truth of the matter is, Abraham Lincoln, like many other great men, made progress in spite of the "little red schoolhouse."

In lines of industry and agriculture and commerce we have discarded some of the old ways and adopted methods which are in harmony with present civilization. I am not going to worry the Senate with concrete illustrations of the special weaknesses of present rural education.

Another feature of education that has been neglected is adult education. Not infrequently, when I have had occasion to suggest education to an inquirer, he says, "I am too old." The notion widely prevails that education is for human beings from 5 to 21 years of age—that education is simply a preparation for life, whereas real education is life. Education, as I have defined it, begins with the first breath of life and ends with the last breath. When a human being ceases to do constructive thinking, ceases to find new and better ways of living, he is as dead as any corpse in a cemetery. In America our slogan ought to be "Education for all of the people all of the time." Notwithstanding the frequent failure of the schools to educate, I offer as a collateral slogan, "Schools for all of the people all of the time."

Adult education is not to be brought about by agencies of coercion or agencies of control. When the educational philosophy of America is as broad as I have outlined, there will be a demand for facilities whereby every man can secure the necessary advantages through his own ambition and efforts. True in our larger cities provision has been made to conduct night schools whereby heads of families and members of families who are past the legal school age can secure training in the arts of civilization and in the fine art of making a living. There are skeptics who claim that adults care little or nothing for these advantages. For 43 years I have conducted a unique school. Not infrequently fathers and mothers and sons and daughters have attended the school at the same time. In order to do this they have been obliged to make real sacrifices. They have had to suppress their desire to own more acres of land, their desire to have larger savings account; they have done this in order to pay their carfare, the cost of living, and the cost of tuition at the Ferris Institute. I mention this concrete example to show that when humans know that educational advantages are within their reach, they improve them. Adults in their eagerness to acquire an education and because of ruthless educational advertisers are robbed annually of more than $2,000,000. Dr. George B. Strayer, professor of educational administration, Teachers College, Columbia University, has this to say:

"Hundreds of thousands of people, adults, in the United States have been exploited by private enterprises which have taken their money without an adequate appreciation of what the job of teaching them was."

This indicates that adult education is a problem, and at present the necessary information is not at the command of the thousands of adults who are hungry for the advantages of an education.

When these reforms are suggested, taxpayers emit extra howls about the cost. The truth of the matter is the method for America to pursue, or any other country that wants to possess even material riches is to furnish opportunities for real education. Very few patriotic citizens find fault with the cost of enlightenment. It should be remembered that in the last 25 years civilization has undergone a tremendous change. We have annihilated time and distance. The automobile, wireless, radio, movie, and the uses of electricity have revolutionized the old environment.

Our education problem instead of being simplified has become more complex and difficult.

Thus far I have chiefly referred to problems of rural and adult education. This is only a beginning of an outline of educational needs. I am not going to discuss other problems in education. Many of them that I might discuss are recognized by educators and laymen alike. It is only natural that the great army of teachers should take the initiative with reference to discovering a means of solving some of the great educational problems that confront us. They are in daily touch with American youth. It may be that they are not statesmen; it may be that they overestimate what the Federal Government should do and can do in the way of solving some of their problems.

PROPONENTS OF A DEPARTMENT OF EDUCATION

I am going to quote from a few of the great men and women who appeared at the joint hearings of the Committee on Education during

the Sixty-ninth Congress and give in part their arguments for a department of education. I make these quotations because these men and women have offered what seems to me to be convincing arguments for a department of education.

Dr. George D. Strayer, professor of educational administration, Teachers College, Columbia University, said:

"It provides—and here is the real significance of the measure—that the department of education shall collect statistics and facts, and shall conduct researches and investigations, and that the results of the evidence so collected shall be made available to the people of the several States."

Dr. Charles H. Judd, director of the School of Education of the University of Chicago, said:

"I believe that if we had some central agency that could make us aware of our virtues and that could point out with perfect fairness and accuracy the results of some of our local experiments, that we could bring about exactly what we want, and certainly it would be a step in the direction of making our schools the best institutions."

Dr. S. P. Capen, chancellor of the University of Buffalo, Buffalo, N. Y., said:

"It is also patent that these several divisions of the Government that deal with education have no relation whatsoever with one another and are, for the most part, each ignorant of the other's business. We want to see the enterprises brought together so that what the Government does in education will at least represent a unified point of view and a unified policy. I think that is the first thing we want."

Dr. John H. MacCracken, president of Lafayette College, Easton, Pa., said:

"Education as we now have it in the United States is the chief occupation of more than a quarter of our population. There are 26,000,000 of our population in schools. There are over 800,000 teachers in the United States. We are spending over $2,000,000,000 a year on education. It is one of the leading industries, if not our leading industry."

Miss Selma Borchardt, legislative secretary of the American Federation of Teachers, said:

"One gentleman told me last summer that the reason he opposed a Federal department of education was because we have no national educational policy, and that therefore he would oppose the establishment of a Federal department. I asked him if we had a national agricultural policy. He said, 'Certainly we have; the wiping out of plant and animal diseases.' Well, it seems to me that the wiping out of illiteracy, the wiping out of lower educational standards, is as much a national policy as the wiping out of plant and animal diseases, because we think that our children are as deserving of attention as plants and animals."

Dr. Randall J. Condon, superintendent of schools, Cincinnati, Ohio, said:

"The thing I want to ask you men to do is this: To think of education as the finest and the biggest and the best thing in our national life and to complete the job by crowning it with a national dome that shall give us a leadership and a system of American education that shall comprehend the development of the lowest, simplest hamlet, village, town, State, and Nation—not to dominate but to lead; and we ask you as a step in that direction to give this bill a chance."

Dr. J. L. McBrien, director of rural education, State teachers college, Edmond, Okla., quoting from President Coates, of the Kentucky State Teachers College, Richmond, said:

"The trouble about this rural school problem is that the farmer and the average teacher look upon the country school as a little house on a little ground where a little teacher at a little salary for a little while teaches little children little things in a little way."

Doctor McBrien continues:

"That is severe, but the trouble with it is that it is so true. For example, take the great State of New York; in it there are 3,000 one-teacher schools with an average daily attendance of 10 or less; and I think there are 1,500 with an average daily attendance of five or less. I speak of New York just because it is a great State. I do not want to take you out into the wild and woolly West where we have not had the time to develop yet out of some things that are not so desirable."

B. M. N. Marrs, State superintendent of public instruction, Austin, Tex., said:

"We have a Secretary of Agriculture, and I believe in that department. It is promotional; but the Secretary of Agriculture has never attempted to standardize the method of raising cotton in the South; he has never undertaken to standardize the method of raising wheat in the West; but through that great department information has been disseminated in the agricultural sections, and the localities have been stimulated until the country is more prosperous on account of the workings of that department. And so I may say of Commerce and Labor. What is the department of the Government recognized by the world as standing for the cultural and the spiritual among our people? I submit this, gentlemen, as one thought that has not been developed by any other person that I have heard discuss this question."

John H. Cowles, grand commander of the Supreme Council Scottish Rite of Freemasonry, Southern Jurisdiction of the United States, says:

"Finally, I have no fear of federalization, for the provisions of the bill give no more authority to the department of education than is given to the Department of Agriculture or Commerce—in fact, not so much—and so far there has been no charge of federalizing the crops, the stock, the mines, the roads, or any industry, while the helpfulness rendered is unquestionable."

Dr. Payson Smith, commissioner of education, Commonwealth of Massachusetts, said:

"With reference to the field of research, I want to point out, Mr. Chairman and members of the Committee, that there is no possibility that this particular field will be entered into effectively by any State. I say that because I have never seen any indication that any State is undertaking that particular work for the State. Even our wealthier States, our States that have the larger State organizations, have not established departments or divisions of research in education. Even if they were to do so, it would be very extravagant for the country as a whole, because the field of research of which I speak is a field of professional research, a field of technical research; and whatever is done, for one State is likewise necessary to have done for another State. We must grant, of course, that there are very marked differences among the States with reference to administrative procedure, with reference to the ways in which they will desire to organize their schools, with reference to the extent to which they will care to carry forward education and support it. Those things are matters entirely to be determined by the several States, and I am very certain always will be so determined. But when you come to the technical practices of the schools, there is not one method of teaching reading that is better for the children of Massachusetts, and another method of teaching reading that is better for the children of Illinois, and still another that is better for teaching that subject in California. The teaching profession has come into that scientific stage where studies are greatly desired in these fields; and it is because I believe that a Federal department of education can so greatly help in these ways that I believe it is a good thing that this department should be established."

Mr. BLACK of New York, in questioning Dr. C. R. Mann, director of the American Council on Education, asked:

"In case this bill does not become a law, do you think it might be advisable to have a provision to the effect that the money used in the Bureau of Education should be used for the rural school systems of the country?"

"Doctor MANN. It is not necessary because the things that are the subjects of distinct investigation at the present time are, what are the processes of learning reading, writing, arithmetic, and geography, the fundamental things that are specified."

I now quote from the 1925 report of the Commissioner of Education. This is not quoted as a direct indorsement of the bill for a department of education. It is simply to indicate what some of the present educational needs are. The report says:

"Those responsible for schools administration in the United States are in great need of assistance in certain important fields. At the present time (1925) adequate provision is direly needed for study in the fields of curriculum organization, school finance, buildings and construction, teacher training, and secondary education."

President Coolidge, in his recent message (1927), said:

"For many years it has been the policy of the Federal Government to encourage and foster the cause of education. Large sums of money are annually appropriated to carry on vocational training. Many millions go into agricultural schools. The general subject is under the immediate direction of a Commissioner of Education. While this subject is strictly a State and local function, it should continue to have the encouragement of the National Government. I am still of the opinion that much good could be accomplished through the establishment of a department of education and relief, into which would be gathered all of these functions under one directing member of the Cabinet."

OPPONENTS OF A DEPARTMENT OF EDUCATION

In the foregoing quotations I have tried to deal with different aspects of the bill under consideration. I now make quotations from those who are opposed to the bill.

Dr. Frank J. Goodnow, president of Johns Hopkins University, made the following statement:

"The tendency will be stagnation, standardization, the termination of this process of experimentation as it is going on at the present time, because then everything will be uniform. Now, one State has one idea with regard to education; other States have other ideas; and we find out, through a process of experimentation with these various ideas, whether or not we can make advances. But what I fear will come from what, as I see it, will be the result of the passage of this bill is a standardization, a stagnation, which is going to be extremely bad for our educational system. The period of experimentation is apt to cease, and that is what we need and what we always will need, as I see it."

Valmore Gaucher, president of Assumption College, Worcester, Mass., said:

"It would be a first step, and a very important one, toward complete centralization, and thus open the way to socialism, and who can tell, to dictatorship and tyranny. Centralization is like a gear. Once enforced on one point, it will gradually extend to and corrupt all

our social organizations. This is the target at which the Socialists aim. But this centralization must be fought by every true American with all possible energy because it is utterly unpatriotic."

I am not sure that Senator BORAH was present at the hearings; however, he has said:

"The principle once admitted, the agency once established, the Federal power will ultimately direct, guide, dictate, and control the whole educational system, from the mother's knee to the final departure from the campus. Indeed, that was the original conception of the Federal plan. The original plan and arguments contemplated exactly that, to wit, that the National Government should be omnipotent in educational affairs."

Again I quote from Senator BORAH:

"The Government depends at last upon the intelligence and character of the average citizen. His constant, vigilant interest in public matters is indispensable to the success of this great experiment. The idea that the Government should be a universal provider and guarantor against all risks and wants of human existence is at war with our whole theory of government. The theory that there is a wisdom at Washington with reference to purely personal and local concerns superior to the wisdom found at home and in the communities or the States is not the theory upon which our Government was organized."

Harry Pratt Judson, president emeritus of the University of Chicago, said:

"I am strongly opposed to the pending education bill. Education belongs to the States. The Federal Government can be useful, no doubt, by gathering information as to educational procedure and disseminating this information among the States. But this can best be done through a properly supported bureau of the Interior Department. This bureau should be organized on a strictly scientific basis, like the Bureau of Standards. In the last-named bureau there have been but two heads since its organization some quarter of a century since, and the single change was made because the head resigned in order to accept the presidency of an important educational institution. Should the Bureau of Education be converted into a department with its head in the Cabinet there is the certainty of a change with every change of administration. What should be a scientific bureau becomes a political department. I deprecate turning over Federal educational agencies to partisan politics, which is the essence of this bill."

J. Gresham Machen, Princeton Theological Seminary, Princeton, N. J., has said:

"I believe that in the sphere of the mind we should have absolutely unlimited competition. There are certain spheres where competition may have to be checked, but not when it comes to the sphere of the mind; and it seems to me that we ought to have this state of affairs; that every State should be faced by the unlimited competition in this sphere of other States; that each one should try to provide the best for its children that it possibly can; and, above all, that all public education should be kept healthy at every moment by the absolutely free competition of private schools and church schools."

A. Lawrence Lowell, president of Harvard University, said:

"I am opposed to the creation of a Federal secretary of education, because I believe it would almost inevitably bring education into politics; or, in other words, make the appointment to that office a political one, whereas it seems to me that it is important to keep the educational as well as the scientific work of the Federal Government in the hands of experts. Moreover, I much doubt the wisdom of increasing the power of activity of the Federal Government in questions of education, which depend, I think, very much on sectional conditions. In the third place, action by the Federal Government is almost sure to mean a certain bureaucratic uniformity, whereas it seems to me that we need in this country a wide diversity in educational experimentation, for about education we talk much and know little."

James H. Ryan, representing the National Catholic Educational Association, said:

"There is no reason to appeal to Washington for assistance in school matters as there is no need to appeal in matters of public health, public morality, or police and fire protection. To do so is to hand over to a central bureaucracy control over local matters. A central bureau may do some things better than local agencies.

"In the long run the effects of bureaucracy are uniformly vicious. With the loss of local control goes inevitably loss of interest in local problems. Dependence on Washington will certainly result in a series of so-called national standards of education, national courses of study, national educational methods, national inspection—in a word, in a series of interference with the school which would paralyze local initiative and impose upon the community methods and standards wholly out of harmony with local needs and demands."

In questioning Edward S. Dore, president of the National Catholic Alumni Federation, Senator FERRIS had the following to say:

"But that tendency [to create a stereotyped mentality by standardization] is not peculiar to the State nor to the Nation. I am in very close touch with that set of conditions. Why is the drive that way? Why is it that as soon as a man becomes a secretary of education in the Cabinet he should do these damnable things? What in human nature obsesses him? I have heard so much about what will happen if this bill is enacted that I ask: What is the matter with human nature? You do not wish to say that the other members of the Cabinet have blossomed out into archenemies of the National Government. Why should a secretary of education be so much more likely to go wrong?"

The leading opponents of this bill are not from the army of public-school teachers. This fact is indeed significant.

POLITICAL INFLUENCE

The opponents of this bill seem to be very much alarmed over the prospect of endangering the cause of education through political influence. It is true that the heads of the different departments are appointed by the President. If we have a Democratic President, of course the appointees for the Cabinet will be Democrats. If we have a Republican President, the appointees will be Republicans.

The only possible basis for prophecy rests on what has happened in years gone by. So far as I am able to learn, the departments have not suffered seriously because of political bias. When a department has suffered it has been because of moral turpitude. To be perfectly frank about the matter, when you get down to "brass tacks," there isn't enough difference between the two great parties to permit any special worry over politics. If there are well-defined differences between the two great parties, they are not generally known to the public. It is difficult to imagine that a President of the United States, whether Republican or Democrat, would appoint a mere politician to the position of secretary of education. This would indicate that the office of President is losing its old-time importance. We hear the cry, "Keep the schools out of politics." The schools have always been in politics and always will be in politics. Sometimes this works injury to the schools, sometimes benefit. Much depends upon the quality of politics. The great army of teachers are American citizens and have a right to be in politics.

Public opinion is sufficient to ward off every danger that can arise from having the head of a department a Republican or a Democrat. The personnel of the department would not be seriously modified by a change in the secretary of education. There is no more occasion for alarm over the political attitude of a secretary of education than over a Commissioner of Education or a Secretary of Agriculture. It is true that with every administration there would be a change in the secretary of education. This cry of political influence is nothing more nor less than a scarecrow.

STANDARDIZATION

Another objection that is raised by the opponents of this bill is the anticipated malicious influence of the standardization of education. Organization, specialization, and standardization constitute the order of the day. The most serious consequences of standardization in education has been brought about by other than governmental influences.

I am not going to cite concrete instances. The matter of standardization is a matter of emphasis. It is difficult to imagine that educators are to abandon all hope of a science of education. Human nature is essentially the same in Maine, in California, in Minnesota, in Louisiana. It is difficult to imagine that there is one best method of teaching reading, arithmetic, the English language, history, geography, and civics in one State and an entirely different method for teaching these subjects in another State. If there is a science of education, there is one best method. When this best method is discovered and adopted by the 48 States, then we have efficient standardization. This form of standardization benefits the entire school population of 26,000,000 children. To fight scientific standardization is to fight progress. It is far better for the success of education to carry on research work and find out what methods and what equipment are best for the education of American youth. It is exceedingly difficult to estimate the saving in time and money that follows efficient, scientific methods.

STATE RIGHTS

In present decades there has been a revival of the State-rights doctrine. The individual State seems to be jealous of the functions of the Federal Government.

The opponents of this bill almost invariably declare that the secretary of education would control education in the 48 States. The Departments of Commerce, Labor, and Agriculture have rendered invaluable service to the 48 States, and the element of control has not been a dominating factor. There isn't any more reason for supposing that the secretary of education will exercise control in any other sense that the three departments mentioned above exercise it. The advocates of this bill deplore vicious control as enthusiastically as do the opponents of the bill.

The future progress of the world depends to no small degree upon research, and it is through research that science and invention have made marvelous progress; in fact, more progress in the last 75 years than in all previous centuries.

The opponents of the bill, with but few exceptions, pay tribute to the Bureau of Education. I am not going to take the time to argue the inability of a bureau hidden away in the Department of the Interior to do the great work that is demanded by our educational agencies. The larger part of the evidence has one trend. Many of the opponents say that if necessary funds could be provided for the Bureau of Education

the work of a department of education would be uncalled for. The fact that the bureau never has had adequate funds is sufficient argument to prove that there isn't any immediate prospect of its ever having sufficient funds.

PRIVATE SCHOOLS

The opponents of the bill are fearful that the independence of private schools will be disturbed by establishing a department of education. I have been engaged in private-school work for half a century. I realize that the testimony of a single representative is of little value. I have observed legislation in several of the States in relation to private schools. I am positive, however, that so far as my own experience in handling a great private secondary school is concerned, the supervision of private schools by the State has been beneficial.

It is impossible for me to see how the Federal Government would fail to conserve the best interests of all private schools whether they are secular or religious. Public opinion points in one direction and that is in permitting all private schools that degree of freedom which is conducive to the welfare of the State and the welfare of the Federal Government.

In the arguments of the opponents of this bill the factor of fear seems to dominate. The dynamics of the opposition is primarily emotional. For some unaccountable reason the opponents of the bill seem to be "scared stiff" over the prospect of giving the Federal Government an opportunity to better the educational opportunities for American youth.

RESEARCH, THE MAINSPRING OF PROGRESS

This applies to our commercial development, to our agricultural advance, and to educational progress. There isn't anything mysterious about research. For example, in industry it means nothing more nor less than "intelligent investigation into how to do practical things; if they are new, how they can be done in the best way; if they are old, how in a better way. In a word, it is invention. It is the most practical thing in the world."

The United States Chamber of Commerce says that "the amount expended annually by American manufacturers in conducting laboratory research alone is $35,000,000." Unquestionably this figure is well on the conservative side. This same authority places the annual saving to American industry by research at a half a billion dollars.

In the field of medical science we must appeal to the imagination in order to appreciate the tremendous change in the last 50 years. The name of Pasteur is familiar to every physician. He wrought little less than a revolution in the field of scientific research. He was not a physician, but his researches have contributed more to medical science than the researches of any other one man.

In the last 25 years agriculture has undergone a revolution. That does not mean that there isn't a farm problem. It simply means that research is of tremendous value in every form of human activity. It has recently been estimated that the aggregate producing power of persons engaged in agriculture has been increased 25 per cent since 1900. Secretary Jardine says that these changes are attributable chiefly to the results of scientific discovery. Whatever view a Congressman may take of the value of research in education, he must admit that in the lines I have already mentioned it has been of gigantic importance. I hold that the value of research would be even more valuable in education than in the fields already mentioned.

In what I have already said about research, the element of governmental control has not been an important factor. There is no reason that I can discover why educational research should lead to the dire results that the opponents of this bill outline.

The marked weakness of this age lies in the handling of our distinctive human interests. We handle the material things of this world almost as if by magic. The human mind, however, has received comparatively little consideration. Mental resources have never been adequately explored; mental possibilities are at this hour undiscovered.

If there was no other argument in favor of this bill than the one that I offer with reference to research, there would be sufficient reason for passing it. It is clearly evident to me that as a question of economy, it is a thousand times better that this lack of research should be corrected by the Federal Government than by the individual States working separately. It has been quite clearly indicated that the States work at cross purposes, so to speak. It is important that in this field of research there be unification.

After the experience we have had with the Bureau of Education, a magnificent institution, we can see plainly that if education is to have the attention it deserves, it must be through the agency of a department of education. I have been personally acquainted with two of the Commissioners of Education, William T. Harris, and Philander Priestley Claxton. No man can pay higher tribute to these two men than I. Very likely I could pay as high a tribute to some of the others if I had had the honor and good fortune of knowing them as I have known these two men. It seems to me that if it is a waste of argument to say that if the Bureau of Education had the money, it would be able to do the work that this bill provides for. The Bureau of Education never has had the money and it is reasonable to say that it will never get the necessary funds.



RECESS

The VICE PRESIDENT. Under the order made yesterday, the exercises of the day having been concluded, the Senate will stand in recess until to-morrow at 12 o'clock.

The Senate thereupon (at 4 o'clock and 5 minutes p. m.), pursuant to the order previously entered, took a recess until to-morrow, Monday, May 7, 1928, at 12 o'clock meridian.

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## HOUSE OF REPRESENTATIVES

### SUNDAY, *May 6, 1928*

The House met at 2 o'clock p. m. and was called to order by Mr. TREADWAY as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art at the right hand of the Father, be with us; root and ground us in unchangeable truth. Lighten the burdens of the heavy laden and lift the loads of the overburdened and sooth all hearts that feel the hurts of life. Let us be patient in the presence of sorrow, because oftentimes the divinest benedictions assume the darkest disguise. O God, again death has entered the Chamber and beclouded our way. Make us aware of Thy consoling presence. Reveal Thyself unto us and hallow all our experiences. Be Thou the light in darkness, an assurance in affliction and an inspiration in every condition. Providence has laid a heavy hand upon us; to the realms of love one has taken his departure. A faithful servant of the people and a sincere councillor was he. Sweet peace to his ashes and heavenly rest to his soul. Give us courage to close the gap and to move forward at Thy call, through Jesus Christ our Lord. Amen.

The SPEAKER pro tempore. Without objection the reading of the Journal will be deferred.

There was no objection.

MEMORIAL ADDRESSES ON THE LATE REPRESENTATIVE GALLIVAN

The SPEAKER pro tempore. The Clerk will read the special order for the day.

The Clerk read as follows:

By unanimous consent,

*Ordered*, That Sunday, May 6, 1928, at 2 o'clock p. m., be set apart for memorial exercises in commemoration of the life, services, and character of the late Hon. JAMES A. GALLIVAN, former Representative from the twelfth district of Massachusetts.

Mr. CONNERY. Mr. Speaker, I offer the following resolutions.

The Clerk read as follows:

House Resolution 187

*Resolved*, That the business of the House be now suspended, that opportunity may be given for tributes to the Hon. JAMES A. GALLIVAN late a Member of this House from the State of Massachusets.

*Resolved*, That as a particular mark of respect to the memory of the deceased and in recognition of his distinguished public career the House at the conclusion of these exercises shall stand adjourned.

*Resolved*, That the Clerk communicate these resolutions to the Senate.

*Resolved*, That the Clerk send a copy of these resolutions to the family of the deceased.

The SPEAKER pro tempore. The question is on agreeing to the resolutions.

The resolutions were agreed to.

Mr. TILSON. Mr. Speaker, when I came to the Capitol this morning there was no intention on my part of attempting to add anything to the exercises of to-day. I have known the deceased, in whose honor this service is being held, since he first came to Congress and have long numbered him among my personal friends; but it has never happened that we served on the same committee of the House or were otherwise thrown together in a closer or more intimate relationship than that which comes from long service together on the floor of the House. This, however, in the case of our departed colleague, was sufficient to attract friends and cement friendships, for his was an attractive as well as a unique personality.

When anyone rises to a position of prominence, it is natural to look about for the reasons why this has occurred, and when such prominence, which may be in some instances the result of accident or special good fortune, becomes fixed and recognized as well-earned distinction, then the study of such a career becomes not only interesting, but instructive and profitable to those who make it. It is so in the case of the distinguished

colleague, whose loss we mourn and whose memory we honor to-day.

JAMES A. GALLIVAN would have been an outstanding figure in any group into which he might have been thrown. In school and in college he always played his part, whatever it might be, in such a manner as to distinguish himself and to make himself notable among his fellows. It was ever so throughout his life in whatever activity he might engage.

Mr. GALLIVAN'S rise to place and distinction in this House may be credited specially to two outstanding characteristics, each of these being the result of certain conspicuous qualities of mind and heart innate in his character.

I have spoken, as others will speak, of his attractive, pleasing personality. This inevitably brought and kept him many friends. The spirit of comradeship was his to a remarkable degree. His personal hold upon his friends added greatly to his effectiveness as a public servant.

Few who have heard him on this floor will deny him a place among the effective debaters of our day in this House. In attack his tongue like a sharp rapier clashed and cut whereever it struck. He was not given to frequent speakng during his service here. He sought opportunity to speak only when particularly interested in a subject, but when he spoke he never had to ask for an audience, and rarely did anyone who heard the beginning of his speech fail to listen until the last sentence was completed. A goodly attendance of the House alway greeted him, and if known outside in advance that he was to speak a full gallery was always on hand.

He was an artist in the use of figures of speech, which he used freely to enforce his argument as well as to hold the attention of his hearers. The effective use of alliteration in his speeches was probably never excelled. When he thought it necessary in order to destroy the force of his opponents' contention he could use the weapon of ridicule with most telling effect. In short, his powers of debate were so unusual as to make him an ally to be counted and a foe to be dreaded in the arena of debate.

Others will address themselves at greater length to the life, character, and public career of a notable public servant. I simply take advantage of this occasion to bring a brief word as a tribute of respect to the memory of a fellow worker who has passed on. The death of Mr. GALLIVAN brings sadness to us all. He will be greatly missed here and mourned wherever there are those who knew him as friend.

Mr. O'CONNOR of Louisiana. Mr. Speaker, ladies, and gentlemen, we have assembled here to-day for the purpose of paying a tribute to the life and character of the late JAMES GALLIVAN. He was one of us but is now no more. We shall never see him again, for he has sailed beyond the sunset and the path of all the western stars. He has gone to meet the great choice classic spirits of all the ages. Consoled with that belief, we can not, however, refrain from the sigh that comes with the thought that we shall never see him again. He was my friend. My tears mingled with those who loved him best when we heard that he had received the final summons "to follow knowledge like a sinking star far beyond the utmost bounds of human thought." He lived a great life. He brings to those in the land that is fairer and more beautiful than this the rich and wonderful experiences that he gathered while sojourning on this sphere. "I am a part of all that I have met" was a thought that he loved to dwell upon. Life was a great romance to this advocate of liberal thought and individual freedom. As great as was his knowledge of life in its most beautiful aspects, he would often say "and yet all experience is an arch wherethrough gleams that untraveled world whose margin fades forever and forever as I move." He was a bold thinker and possessed to a remarkable degree the courage of his convictions. He unflinchingly met every great issue that presented itself to him as a national legislator and fearlessly expressed his views in behalf of individual liberty. He loved his country as a whole, but his affection was more particularly centered upon New England. He loved the literature of that great historic section and would quote to me frequently the many gems of thought that have been imperishably translated into the English tongue by the great men and great women that came from the State in which he was born and reared. He was particularly affected by the strain and pain and the hope of Thanatopsis. He knew it by heart, and I know that if he had ever dreamed that he was to pass away and that I was to be one of the speakers at the memorial exercises that would be held in his memory that he would have asked me to recite the immortal lines. He often said that they should be set to organ music, so that their notes would roll out sonorously, carrying their great consolation unto the hearts of all that have to play their parts in the grand drama of life until out beyond the Pleiades and far beyond the sun we all meet to dwell by the great white throne of God forevermore.

To him who in the love of nature holds
Communion with her visible forms, she speaks
A various language; for his gayer hours
She has a voice of gladness, and a smile
And eloquence of beauty, and she glides
Into his darker musings, with a mild
And healing sympathy, that steals away
Their sharpness, ere he is aware. When thoughts
Of the last bitter hour come like a blight
Over thy spirit, and sad images
Of the stern agony, and shroud, and pall,
And breathless darkness, and the narrow house,
Make thee to shudder, and grow sick at heart;
Go forth, under the open sky, and list
To nature's teachings, while from all around—
Earth and her waters, and the depths of air—
Comes a still voice.

Yet a few days, and thee
The all-beholding sun shall see no more
In all his course; nor yet in the cold ground,
Where thy pale form was laid, with many tears,
Nor in the embrace of ocean, shall exist
Thy image. Earth, that nourished thee, shall claim
Thy growth, to be resolved to earth again,
And, lost each human trace, surrendering up
Thine individual being, shalt thou go
To mix forever with the elements,
To be a brother to the insensible rock
And to the sluggish clod, which the rude swain
Turns with his share, and treads upon. The oak
Shall send his roots abroad, and pierce thy mold.

Yet not to thine eternal resting-place
Shalt thou retire alone, nor couldst thou wish
Couch more magnificent. Thou shalt lie down
With patriarchs of the infant world—with kings,
The powerful of the earth—the wise, the good,
Fair forms, and hoary seers of ages past,
All in one mighty sepulcher. The hills
Rock-ribbed and ancient as the sun,—the vales
Stretching in pensive quietness between;
The venerable woods—rivers that move
In majesty, and the complaining brooks
That make the meadows green; and, poured round all,
Old ocean's gray and melancholy waste,—
Are but the solemn decorations all
Of the great tomb of man. The golden sun,
The planets, all the infinite host of heaven,
Are shining on the sad abodes of death,
Through the still lapse of ages. All that tread
The globe are but a handful to the tribes
That slumber in its bosom.—Take the wings
Of morning, pierce the Barcan wilderness,
Or lose thyself in the continuous woods
Where rolls the Oregon, and hears no sound,
Save his own dashings—yet the dead are there:
And millions in those solitudes, since first
The flight of years began, have laid them down
In their last sleep—the dead reign there alone.
So shalt thou rest, and what if thou withdraw
In silence from the living, and no friend
Take note of thy departure? All that breathe
Will share thy destiny. The gay will laugh
When thou art gone, the solemn brood of care
Plod on, and each one as before will chase
His favorite phantom; yet all these shall leave
Their mirth and their employments, and shall come
And make their bed with thee. As the long train
Of ages glides away, the sons of men,
The youth in life's fresh spring, and he who goes
In the full strength of years, matron and maid,
The speechless babe, and the gray-headed man—
Shall one by one be gathered to thy side,
By those, who in their turn shall follow them.

So live that when thy summons comes to join
The innumerable caravan, which moves
To that mysterious realm, where each shall take
His chamber in the silent halls of death,
Thou go not, like the quarry-slave at night,
Scourged to his dungeon, but, sustained and soothed
By an unfaltering trust, approach thy grave,
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams.

Mr. ANDREW. Mr. Speaker and Members of the House, our beloved colleague, JAMES A. GALLIVAN, whose loss we lament to-day, will long live in the memory not only of all who knew him but of all who had ever seen him or heard him speak. He was a marked personality, not like anyone else. In appearance and in manner, as in his mode of expression and way of thinking, he was strikingly individual, and even when in feeble health all that he did or said was charged with such vivacity and emphasis that it is particularly hard to realize that he has now succumbed to man's inexorable destiny, and that we shall never again see him moving about this Hall.

He was one of the most widely known members of this House, one of its most brilliant and entertaining speakers, one of those who held the most pronounced opinions, and one who voiced them with a vigor and clarity all too rare. Yet I think it safe to say that our distinguished colleague will be more remembered for the great-hearted human being that he was than for anything that he did or said of an official nature.

To be sure, he was one of the few whose speeches in the House always commanded attention, for whom the benches filled when it was known that he was about to take the floor. His speeches glittered and sparkled like fireworks on a summer night. They glowed with irony, satire, and surprising words. They left no one in doubt as to where he stood upon the mooted problems that he discussed, or whom his playful wit was intended to touch. Yet his shafts glistened without burning or causing pain. After all it is not so much as JAMES A. GALLIVAN, Member of Congress, that we will remember our colleague. It is as JIMMY GALLIVAN, the keen-witted companion, everybody's friend, one of the most popular figures in the House. Everybody knew him. Everybody liked him. Everybody enjoyed his humor. Even those who were victims of his raillery were fond of him, because his pointed arrows were free from venom.

The regard in which he was held was not bounded geographically or limited to party lines. He had friends in all parts of the country and in all walks of life, as he had them in all corners of this House. There are many, I am sure, among Republicans as well as Democrats, who cherish the recollection of some occasion when JIMMY GALLIVAN went out of his way to do a friendly act. I recall the first time when I had spoken on the floor of the House. I had not said very much but he knew that it was my first appearance, and it was JIMMY GALLIVAN, the Democrat, who quickly stepped across the aisle and gave me the first reassuring handclasp. There are doubtless many others who recall a similar experience on their first appearance before the House, and who will always cherish an intimate personal remembrance of that same warm sympathy which such an act betokened.

It was JAMES GALLIVAN'S intuition and thoughtfulness of others, his innate generosity, that link him tenderly to us in memory. He was always thinking of what he could do to make life easier for others, how he could help them, how he could act as their friend. He was the idol of countless men, women, and children in the part of Boston where he lived. He was a helpful comrade to numberless veterans, a good Samaritan for the disabled and unfortunate of every sort and kind.

They will miss him, as we shall miss him, that friend of a multitude of friends, our brilliant colleague who has gone from us, JIMMY GALLIVAN.

Mr. BOYLAN. Mr. Speaker and gentlemen of the House, we come here to-day to pay tribute to the memory of our colleague who has passed on. While I did not have an opportunity of being associated with him as many years, perhaps, as others here present, yet long before I met him I had heard of him. He was no stranger to our city. I might say in passing that our Mayor Walker was a very dear personal friend of his, and he regrets exceedingly that he is unable to be present at these services to-day.

Upon meeting Representative GALLIVAN I was much impressed with him. After association with him I soon learned of the many splendid and sterling qualities he possessed. Coming, as he did, from a State noted for able men, noted for men who had made their mark in the Congress of the United States, he ever revered its traditions and carried on in a manner befitting the honor of that glorious State.

I can recall one of his outstanding attributes, that of gratitude. In my conversations with him he often spoke of the sacrifices of the dear father who, at great personal effort, gave him an opportunity to secure an education, and all during the years he said that the greatest thought he had was of the untiring zeal and devotion of that father who had sacrificed everything to give him his chance. And, let it be to his credit, he embraced it. During his service as a member of the House of Representatives of Massachusetts, as a member of the State senate, and as a city official in the city of Boston he discharged every service that was his in a highly creditable and satisfactory manner.

When the greater field of endeavor opened its doors to him as he came to this House he realized the opportunities that were his. He realized its responsibilities and its duties. Every effort made by him while sitting as a Member was to help his beloved city and State, together with working for the general welfare of our country.

That was never more fully exemplified than in an incident that occurred only yesterday, when his colleague [Mr. DOUGLASS] requested and secured permission to insert in the RECORD a speech which Mr. GALLIVAN had prepared before his passing to make on the merchant marine of our country. He ever thought of the interests of the people and the policies of our Government. Through his life every day he manifested rare strains of character—strains impelling him to perform devotedly the duties of the hour, strains giving him a high appreciation of the value of duties well done, and all woven into a beautiful pattern. And suddenly the pattern was completed, and he folded up his loom and passed on. But yet in that passing the many beautiful strains of loyalty, devotion, and duty stand out conspicuously; and while we to-day say "Farewell" to the memory of our distinguished colleague, yet we do not really say "Farewell" in the sense that we shall forget him, because the words he uttered and the duties that he accomplished here will ever live with us. And while no great memorial may be raised to his name or mark his last resting place in his beloved State, yet a far greater monument will be raised to him. A monument will be raised to him in the hearts of the men, women, and children of the great city of Boston, of the people of the great State of Massachusetts, and of hosts of friends throughout this country. In their hearts will be erected a monument more enduring perhaps than that of a material character—a monument that will ever live in their memory, founded on the respect and appreciation they held for the man who did so much for them individually, for humanity, and for his country.

Mr. REED of Arkansas. Mr. Speaker, and ladies and gentlemen of the House, again the death angel has come among us and taken from our midst a stalwart Member of this House, Hon. JAMES A. GALLIVAN, from the State of Massachusetts. Mr. GALLIVAN had been a Member of Congress for a long time, being elected to the Sixty-third and succeeding Congresses. During my four years of service, of course, I had the pleasure of knowing and to some extent, I trust, appreciating the character of this distinguished man. I will endeavor to speak of the deceased as he impressed me. Our deceased friend was an affirmative character, a trait many of us probably do not too strongly possess. He had or took early advantages in order to acquire qualifications to combat the battles of life, being an A. B. from Harvard, one of the great universities of the world.

I said that the deceased was an affirmative character. He took a decided stand for policies and measures that he deemed to be right and for the best interest of his country and advocated them forcibly and uncompromisingly. He was courteous and affable in debate though never flinching from the ideas formulated in his mind and by him reasoned to be to the best interest of his Republic. Indeed, it could be said of him that myriads of cannons could not drive him, yet a silken cord in the hands of a child could lead him. This is so often true of strong-minded individuals.

Just a few days prior to the passing of our friend I saw him in this Hall, apparently in the best of health, smiling and greeting all those with whom he came in contact. Little did we know that for the last time he heard the bells in this corridor and for the last time answered to the roll call in this Hall. Little did we think that he would be so quickly summoned to answer the final roll call in the life beyond. Should not the sudden demise of this venerable statesman serve to remind us of the certainty of death applying to each individual, irrespective of apparent physical strength or the ambition to live? I sometimes think as we move along down the hum and hustle of this life that we sometimes think and act as if death only applied to those who have lived in the past and not to those of us who yet live. It does seem that we hang on to this life with a very narrow thread, not knowing the time or the occasion when and how we shall go, with only an ambition to live and a want of appreciation of the certainty of going.

To those who were near and dear to him by the ties of blood I feel that I can speak with some degree of appreciation, being one who is acquainted with grief and not unknown to sorrow along this line.

Notwithstanding we shall miss our friend in this Hall, and notwithstanding his loved ones will miss him much, all of us should be benefited by having been associated with and gained much from the contributions he made toward the solving of questions of legislation and of the example he set as a son, husband, and father in the private life he loved so well.

To those of you who are familiar with the life's work of this great man no encomium from me would seem necessary. The tens of thousands who followed his remains to their last resting place in the world-renowned city of Boston fully attested the very high regard with which his own people held him. I was forcibly impressed with this observation at the grave, that notwithstanding the many thousands I observed who bore evidences of possessing the luxuries of this life there were many there who doubtless occupied an humble station in life; they were there to shed their tears, and I was reminded of the passage that "the common people heard him gladly."

Indeed, the ever-ready tongue of the statesman is stilled, the eloquent voice is silent, but have we not the right to expect and presume that the faculties which served him here have greater opportunity for usefulness in the bright life Elysian?

Mr. MEAD. Mr. Speaker, we gather here to-day to pay tribute to the memory of a departed colleague, Hon. JAMES A. GALLIVAN, who during his membership in this House of Representatives rendered distinguished service to the Nation.

It was my happy pleasure to have made his acquaintance at the beginning of the Sixty-sixth Congress, when I first became a member of this body.

During the intervening years I grew to know him, to admire him, and to appreciate his courage, his ability, and his character.

He was a determined fighter for the principles of government as he interpreted these principles.

He was a relentless foe when battling for a righteous cause. His fearlessness, courage, eloquence, and magnetic personality made him the leader that he was and left a lasting impression upon us all.

Everybody seemed to know JIMMY GALLIVAN, as he was affectionately called, and while Boston and Massachusetts may claim him as their own, his name, as well as his fame, is known throughout these United States. He belongs to the Nation, to the Nation he served so well during all the years of his membership in Congress. He was a staunch advocate of American rights and liberty in that terrible conflict, the World War. That was the period that tried men's souls, tried their patriotism, their endurance. Mr. GALLIVAN had patriotism, devotion, endurance. He was ever ready to meet the issue, whatever it turned out to be.

He was honest in his convictions, and he had the will to fight for them. He loved the people who sent him to Congress, and his every act and word was governed by the desire to serve them as well as the Nation. He was in turn beloved by every man, woman, and child in his district, which was proven by his being returned to Congress by immense majorities.

I personally deeply mourn the passing of our colleague and friend, and in all sorrow and reverence we commend his spirit to our Heavenly Father from whom it drew. May his soul rest in peace.

Mr. DOUGLASS of Massachusetts. Mr. Speaker and Members of the House, when our colleague, the late Hon. JAMES A. GALLIVAN, of Massachusetts, crossed the dark river, a rare and radiant personality passed on, leaving a distinct void in this legislative body. The most vital attribute of that shining personality was his capacity for friendship. He made friends rapidly and retained them. The sad news of his sudden and untimely taking off came as a shock to a host of friends who had learned to love and admire him with deep affection. In his death every one of his colleagues in this House and thousands of friends in every part of the Nation experienced a sense of personal loss. This was because to JAMES A. GALLIVAN friendship was something more than a name. It was a passion and a virtue. It was a part of his very being. His last trip from Washington to his congressional district was undertaken that he might be present in Boston to attend a testimonial banquet to a lifelong friend, a brother Elk. It was but shortly after this pilgrimage for friendship's sake that our colleague was suddenly summoned to that "undiscovered country from whose bourne no traveler returns."

JAMES A. GALLIVAN was a Bostonian born and bred. He always lived in his beloved South Boston, to whose generous people he owed all his political honors. He was born in humble circumstances and was the architect of his own fortune. He died a poor man, which was the outstanding proof of his political integrity. Had he continued in his profession of journalism, to which he devoted the earliest years of his manhood, I have always felt that, with his rare command of language and his other scholarly attainments, he would have reached the heights of fame and fortune.

He loved his native Boston and Massachusetts with more than filial devotion. To the welfare of both he gave his manifold talents unstintedly and unsparingly. He cherished the lofty traditions and high ideals of Boston and Massachusetts, and lived up to them worthily. He was a product of Boston's public schools and a graduate of Harvard College, where he distinguished himself both as an athlete and as a scholar.

In politics he was a Democrat by inheritance and by choice. As a Democrat he was staunch, unflinching, and always forceful; but he never put partisanship above principle or State or country. Socially he was the personification of good-fellowship and enlivened every gathering that he entered. Wherever he sat was the head of the table. As a man he was upright, direct, straightforward, generous and charitable to a fault, a loyal and faithful friend, ever ready and willing to help or accommodate a suitor for favor. He was an Irishman in every nerve and fiber of his being, passionately proud of his ancestry and his religion, but withal he was strenuously American to the core. As a legislator he was active and unafraid, industrious and enthusiastic. As a debator on a chosen subject he had few equals and no superiors. In legislative combat his sword knew no brother; off the floor he was the soul of contagious congeniality.

He served two years in the House and two years in the Senate of Massachusetts with honor and distinction, gaining in the legislature of that historic Commonwealth the invaluable training and experience that were to fit him for his subsequent preeminent career in the National House of Representatives. Later, for 14 years, he served his native city as street commissioner. In that capacity, out of his broad, artistic mind, he devised plans to widen and beautify the streets and avenues of Boston. By vote of the City Council of Boston, passed since his death, one of those great highways, connecting the city of Boston with the beautiful South Shore of Massachusetts Bay, will carry his name on to future generations as Gallivan Boulevard.

He was first elected to Congress in April, 1914, to fill an unexpired term in the Sixty-third Congress. From that time on he served continuously in this honorable body until his death. This 14 years of continuous service here in Washington was the longest term ever given, I believe, to a Democratic Congressman from Massachusetts. It was proverbial in Boston that JIMMY GALLIVAN, as he was affectionately called, plain, honest JIMMY GALLIVAN, friend of the veteran, benefactor of the poor and lowly, defender of every just cause, fighting, typical, brilliant representative of his race and his party, could go to Congress as long as he wished. This consensus of opinion among the belligerent Democracy of the Athens of America was indeed the acme of praise and the consummate proof of the high esteem in which our late colleague was held by his immediate neighbors and constituents.

At any time within the past decade he might have been mayor of the great city of Boston had he desired to run for that exalted office, but, as he often told me in private conversation, he preferred the life of a Congressman, exacting though he found it, because he felt that Congress offered greater opportunities for real, self-sacrificing public service. The material monument at home to his congressional service will be the new Boston post office, which was the darling project of his heart and for which, as an influential member of the powerful Appropriations Committee of this House, he labored long and successfully.

What more need I say in memory of my departed friend and yours? Eulogy, however eloquent or prolonged, the sigh, the tear, fond recollection, can not resurrect our late colleague's charming, unique personality. His eloquent voice is forever stilled. Gentlemanly, dramatic JAMES A. GALLIVAN has gone forever from this arena of his legislative labors and triumphs. "He is gone and we shall miss him." That is his best and fittest eulogy; the memory of him survives fragrant. If his gentle spirit be hovering over us in this commemorative pause—and who shall say that it hovers not?—if that hovering spirit of our departed brother could speak to us now across the ethereal, invisible bridge that separates time from eternity, it would, I feel, as his intimate friend, voice this message:

Commend not my virtues. I was but human. Pray for me.

So, friends, remembering that, as the Scripture sayeth, "It is a holy and a wholesome thought to pray for the dead," let us now, in unison, humbly and devoutly, with full Christian confidence in the infinite mercy of the Almighty, send to the foot of His throne this our supplication for our departed brother:

Eternal rest give unto him, oh, Lord, and let perpetual light shine upon him! May he rest in peace!

Mr. LUCE. Mr. Speaker, these just appreciations, so admirably phrased, leave little opportunity to make additions that are not repetitions. With these judgments I agree. To them I would contribute only that recollection of our friend which will stay in my own mind.

I never met him but I was happier for that meeting; always a word of cheer; always the embodiment in his language and in his attitude of good will and human interest; ever the avowed desire to help. He remembered the words of the Master—

He that would be greatest of all, let him be the servant of all.

Reference has been made to his long membership here. Reelection repeated so many times, from a community that has not been accustomed to give its Representatives such long opportunity, is the best proof possible that he was the servant of all. When I came to Congress it was with the expectation that I should find occasion for individual and personal service which might not be altogether pleasant; but, like all of you, I quickly found that the chance of service is one of the real compensations for such sacrifices of ease and comfort as membership in the House entails. He recognized this, that he was called to be the servant of his neighbors and friends. He gave to them his strength and his personal attention. He gave to them his time and his effort. They appreciated it, and they sent him back here because he had been their faithful servant. And after all, a tribute thus given by a man's neighbors is the most precious and the most honorable.

I would also emphasize the radiance of his life, to which reference has been made by those who have preceded me. He took life gaily; he took it happily and joyously. He might have spoken of himself the beautiful lines of Henry Van Dyke, lines that express my own judgment of the man and my own belief as to the characteristics by which he will longest be remembered:

Let me but live my life from year to year
With forward face and unreluctant soul,
Not hastening to nor turning from the goal;
Not mourning for the things that disappear
In the dim past, nor holding back in fear
From what the future veils; but with a whole
And happy heart, that pays its toll
To Youth and Age, and travels on with cheer.
So let the way wind up the hill or down,
Though rough or smooth, the journey will be joy;
Still seeking what I sought when but a boy,
New friendship, high adventure, and a crown.
I shall grow old, but never lose life's zest,
Because the road's last turn will be the best.

Mr. DALLINGER. Mr. Speaker, that grim reaper, Death, has certainly wrought havoc in the ranks of the membership of the Seventieth Congress. Three Members of the Senate and eight of our colleagues in the House of Representatives have been taken from our midst and have passed to the great beyond.

On the 3d of last month we heard with profound sorrow of the passing of our dear friend and colleague, Hon. JAMES A. GALLIVAN, a Representative from the twelfth district of the old historic Commonwealth of Massachusetts who for the past 14 years had given to his district, his State, and to the Nation able, faithful, and distinguished service.

My first recollection of JIM GALLIVAN was when, as a Cambridge school boy, I witnessed his brilliant work as second baseman of the Harvard baseball team. Then in the full vigor of his young manhood, he put his whole heart and soul into the task before him with the same energy and enthusiasm that characterized his whole private and public career in after life.

Ten years later it fell to my lot to serve with him in the Massachusetts Legislature where, although belonging to a different political party, I worked shoulder to shoulder with him in securing the enactment of legislation in the interest of the people of our own State. As a result of this work in a common cause, strengthened by the fact that his younger brother was a classmate of mine at Harvard, there grew up between us a warm friendship that increased with the passing of the years.

Even in those earlier years of his political career, he possessed the confidence and affection of the people of his district and I well remember the button which the voters of South Boston wore during the campaign with the inscription, "Our Senator."

After his retirement from the legislature he gave to the city of Boston long and honorable service as street commissioner, and early in 1914 he was elected to fill a vacancy in the Sixty-third Congress. In November of the same year it was my good fortune to be chosen a Member of the Sixty-fourth Congress, and in December, 1915, we again became colleagues in the work of legislation.

With his work in this body, my colleagues, you are as familiar as I am. No Member of the House was more devoted to the interests of his district and State than JIM GALLIVAN. The veterans of all wars, particularly of the World War, had no better friend than he. He was the fearless champion of the wage earners and the friend and comforter of the fatherless children and widows and of all who were desolate and oppressed. Above all, he was a loyal American in ever fiber of his being, proud of his city, his State, and his country. Whenever he addressed the House he was listened to with respect and attention because of the sincerity and eloquence with which he pleaded the cause which he had at heart.

Although we belonged to different political faiths and did not always agree on public measures, he was my friend and I was his friend and I loved him. In his taking away I have suffered a great personal loss. I therefore count it a privilege to pay this tribute of respect and affection to his memory and to express to his widow and family my most heartfelt sympathy in their bereavement.

For their consolation, as well as for my own, I like to think of those words of that grand old man, Victor Hugo:

When I go down to the grave, I can say, like so many others, "I have finished my day's work," but I can not say, "I have finished my life." My day's work will begin the next morning. The tomb is not a blind alley; it is a thoroughfare. It closes at the twilight to open at the dawn.

And so it is with our dear friend and colleague, JIM GALLIVAN. He has fought a good fight, he has finished his day's work here only to commence it again to-morrow on the other side of the river which we call Death.

My colleagues, the best and most enduring thing about our service here is the friendships that we make. In the words of that old familiar hymn:

Blest be the tie that binds
Our hearts in Christian love;
The fellowship of kindred minds
Is like to that above.

And that tie is not broken by the change that we call Death. The earthly bodies of our friends and colleagues may be buried in the grave, but the real selves whom we have known and loved still live and are in fellowship with us—

When for a while we part
This thought will soothe our pain;
That we shall still be joined in heart
And one day meet again.

Mr. MARTIN of Massachusetts. Mr. Speaker, we assemble to-day to pay tribute to an esteemed friend and colleague, a distinguished son of Massachusetts, who has departed from this world for the realm to which all are eventually summoned.

JAMES A. GALLIVAN is dead. A brave man has gone to receive the reward he justly earned. It was always inspiring to observe the courage with which our colleague fought for the principles he cherished. No man in public life had stronger convictions and no man was ever more steadfast in the support of those convictions. He was a stalwart Democrat, but his partisanship was not of the character which prevented him from joining in any movement for the advancement of Massachusetts, New England, and the country. Neither did his partisanship prevent his lending a helping hand to the Republican colleagues from his native State.

JIM GALLIVAN was a kindly man. He loved to help the unfortunate. No charitable cause ever failed to enlist his ready sympathy. No one in trouble ever appealed to him in vain. It was this great spirit of helpfulness so characteristic of our dead colleague which united him with grips of steel to the people of his district regardless of party affiliation.

His service in the National House of Representatives was brilliant. His ability won for him a place on the all-powerful Committee on Appropriations, where he rendered conspicuous service. He was a forceful, ready debater, and fortunate, indeed, was the cause which found in him an advocate.

With the departure of Representative GALLIVAN, Massachusetts has lost a beloved son, the Nation a splendid public servant.

Mrs. ROGERS. Mr. Speaker, Congressman GALLIVAN's campaign folder was headed "Congressman GALLIVAN Talks to His People." It might well have read "Congressman GALLIVAN Talks for His Friends." I know of no one who has been in Congress more ready to talk for his friends or more ready to perform acts for his friends. No matter with whom or how many he was talking, he always stopped to give a friendly

greeting. He personified the big warm heart of the Irish. In my own case, a beginner in the school of politics, and of the opposite party, he always gave me kindly and encouraging counsel, and I know in so many instances that he had little idea would be brought to my attention, of words of commendation that would prove helpful to me in my district. My colleagues can testify that he treated them in the same spirit. One can never forget such friendliness.

The hundreds of men, women, and children who stood with bowed heads as his funeral procession passed bore mute testimony to the love and respect in which his constituents held him.

He was always thinking of the comfort of others. It was he, while a member of the Massachusetts State Legislature, who passed the bill that street cars should be heated during the winter months. It was he that secured legislation that authorized free transfers on street cars. And it was his great heart and brain that conceived the idea and secured the enactment of the bill that authorized the erection at Rutland of a State tuberculosis hospital. This was the first State hospital of its kind to be erected in this country and is a great monument to his memory, as hundreds of lives have been saved by the care given in that hospital. His fight for the veterans' bonus was a notable one and he never stopped fighting for any cause that he considered just.

In 1923 the New York World described him as "the best fighting man Massachusetts politics had produced since the days of Ben Butler." He fought hard and he never gave quarter, but he always fought fair, and his fights on the floor of Congress were never personal fights. I doubt if he ever had a personal enemy during his entire service in the House of Representatives. He was beloved even by his political antagonists. He was one of the greatest baseball players that Harvard College ever had, and his political home runs were as effective as those on the diamond. JAMES GALLIVAN was essentially one of the people. He was not born with a silver spoon in his mouth, and everything that he accomplished he acquired by himself by persistent, hard work. He had a brilliant mind, and when the Members knew that he was to speak in the House there was a large and rapt audience. The Members recognized his great intelligence and ready wit and knew that they would have a feast of reason.

He portrayed his subject in a fascinating way. While he was in the Massachusetts House of Representatives he was appointed by the speaker of the house to write the history of a gilded codfish which has hung for generations behind the speaker's chair. The men on Beacon Hill had little idea that anyone could write an interesting literary book on this seemingly dull subject. Mr. GALLIVAN wrote the story of the emblem so interestingly that it was copied in every part of the United States and is now on the book shelves of every public library in America.

While one may remember him for one quality and another for another, the one that we all shall cherish in our hearts is the memory of his loyal friendship. Our gallant, lovable, able, patriotic American legislator and friend has died. In life he proved that "it is not life that matters but the courage that we bring into it." He has not really died, just gone on before, and the good that he did will live after him.

Mr. STOBBS. Mr. Speaker, I am very glad to have this opportunity of adding a brief word of tribute to the memory of our late colleague, Hon. JAMES A. GALLIVAN.

Coming to Congress as I did comparatively recently—a new member from his own State—I can speak only in the most grateful terms of acknowledgement of the many and gracious courtesies extended and above all, of the friendly spirit and interest displayed at all times by him toward me as a new Representative, although a member of a political party other than his own.

JIM GALLIVAN, as he was affectionately called, abounded in lovable and admirable qualities and characteristics. He had a wonderful capacity for friendship and his friends meant everything to him. There was nothing within reason he wouldn't do for his friends, and they came from all walks of life—social and financial prominence meant nothing—it was the man himself and what he stood for that appealed to JIM GALLIVAN.

He was a most effective speaker on the floor of this House and elsewhere. His speeches sparkled with wit and clear phrasing and remarkable use of alliteration.

His stand on all public questions was broad gauged and free from narrow partizanship and intolerant view point. He was absolutely fearless in his espousal of causes which appealed to his sense of justice and of fairness irrespective of party affiliation and alignment.

But his outstanding characteristic to my mind was his loyalty—loyalty to his friends, loyalty to his college, loyalty to his city and State, and loyalty to his country.

He radiated the very atmosphere of loyalty. There was no more loyal Harvard man ever lived than Congressman GALLIVAN, and no man was more proud than he of his Harvard "H" which he won playing on a Harvard baseball team.

To him Boston was literally the Hub of the Universe and anything pertaining to its welfare lay very close to his heart. How proud he always was of the old Bay State and how quickly he rallied to its defense, and how ready he was at all times to champion its cause.

But above all he loved his country—no one loved her better—no one could do more for the men who fought in its behalf than he. No one thrilled more at the gallant achievements numbered in her glorious history.

But the last bell for adjournment has rung for our colleague and he is with us no more. To those of us who were his associates here, and to everyone else who knew him, his memory will remain unchanged forever as one who was a true comrade, a gallant fighter, the most lovable and loyal of friends, and an American through and through.

The SPEAKER pro tempore. The Chair will ask the gentleman from Massachusetts [Mr. LUCE] to take the chair.

Mr. TREADWAY. Mr. Speaker, the privilege of participating in memorial services gives two distinct and opposite feelings. We all sorrow at the departure of a friend of many years' standing and a colleague with whom our relations were intimate. On the other hand, it is a source of gratification to be able to assist in chronicling the career of a man who leaves behind him such a record as that of our departed Massachusetts Member, JAMES A. GALLIVAN. Personally, I was greatly impressed by the remarks made by his pastor at the funeral services in St. Augustine's Church in South Boston on April 5. Father Coppinger emphasized the statement that, knowing Mr. GALLIVAN as well as he did, he was sure that his one request would be that he be not eulogized. The great crowds in and about St. Augustine's Church, ranging from leading citizens of the State to the humblest boy and girl in the vicinity, were in themselves a silent but complete eulogy and evidence of the respect and love in which Mr. GALLIVAN was held by his lifetime neighbors and associates.

Carrying out Father Coppinger's suggestion, I, too, will not try to eulogize Congressman GALLIVAN, but simply for the sake of the records briefly chronicle his life and give my own opinion of him as a man, citizen, and legislator.

He was born, reared, and received his elementary education in South Boston. From the Boston Latin School, where he graduated in 1884, he entered Harvard University and was a prominent member of the class of 1888. His skill as an athlete brought him into prominence, he gaining the coveted "H" of a varsity baseball player as the second baseman of the team that year. It is an interesting coincidence that one of the men assisting in his baseball training was later his colleague here in the person of Hon. Samuel E. Winslow, formerly Representative from Worcester.

Mr. GALLIVAN'S political training was started soon after his graduation when he became a member of the staff of the Boston Herald and later the Boston Globe where he followed the political activities of the city government.

He served in the State house of representatives in 1895–96 and in the State senate in 1897–98. Later he was twice an unsuccessful candidate for Congress. His principal connection with city affairs in Boston was during the years 1901 to 1914, when he was commissioner of streets. It was during this period that I first had the privilege of his acquaintance, as he was a familiar figure and a very welcome one about the corridors of the State house during the legislative sessions in those years.

Although Mr. GALLIVAN did not become a Member of the Sixty-third Congress for more than a year after that Congress convened, he being elected at a special session, he was one of a group of 25 who served continuously from that time until his death during this session of the Seventieth Congress. It may be of interest to note that when the Sixty-third Congress was called in special session in April, 1913, by the late President Wilson, there were 156 new Members. Gradually this number has been depleted until, when the Seventieth Congress convened, only 25 remained.

No one has been more actively engaged in his congressional work than JAMES A. GALLIVAN. He was a forceful, eloquent, and often a spectacular speaker. He was one of the few Members able to command the attention of his colleagues and interest the public. This was not necessarily because his audience agreed with his views, but on account of his powerful and unique methods of expressing his sentiments. No one en-

joyed a rough and tumble debate (if I may use the term) more than he did, and very few Members were his equal in repartee.

Following the war he proved his interest in the welfare of the doughboy by his active support of all legislation beneficial to the interest of the veterans. He was known as a particular friend of the Yankee Division and defended its officers from the criticisms some of the Regular Army officers made against them.

He was one of the best-known opponents in Congress of the eighteenth amendment and he rarely missed an opportunity to voice his opposition to that amendment. As a Member of the great Committee on Appropriations he was diligent in the preparation of bills submitted by the subcommittees and often participated in support of the measures reported from the committee on the floor of the House. He was a great admirer of the chairman of that committee who soon followed him into the Great Beyond.

No one knew his constituents better or was more respected by them than Congressman GALLIVAN. His familiarity with all civil affairs in the city of Boston, his intimate association with the city leaders, and his close touch with the district he represented made him both a power here and a most popular man in his district and city.

I knew Mr. GALLIVAN intimately nearly as long as any man in the Massachusetts delegation and I, like my colleagues, realize that we have lost a sincere friend and that the State we represent has lost an honored citizen and a fearless legislator.

Thus ended a career filled with usefulness, sincerity, and integrity; a man among men. We are not eulogizing him to-day, but testifying to his worth, ability, and honored citizenship.

Mr. CONNERY. Mr. Speaker, ladies and gentlemen of the House, in the passing of the Hon. JAMES A. GALLIVAN, late Representative in Congress from the twelfth Massachusetts district, the House of Representatives has lost a great Congressman. Every Member of this body well remembers his vivid personality, his laughing good humor, his fighting Irish spirit, his wonderful gift of repartee, and his whole-souled humanity. He will be sadly missed, for JIM GALLIVAN is dead!

His ability was recognized throughout the entire length and breadth of the land. His speeches were known from Maine to California, from the Great Lakes to the Gulf of Mexico.

It is futile for me to attempt to eulogize him in the manner which he deserved. The effect of the news of his death upon the membership of this House manifested most strikingly the esteem and affection in which he was held by his colleagues.

To me his death means a personal loss. JIMMY GALLIVAN was my friend. As a small boy in Lynn, Mass., the name of Gallivan on my dear father's lips was a great name to me. In the Connery home many times I heard the story of JIMMY GALLIVAN, a son of hard-working Irish immigrant stock; to use his own words, of one of the early Cunard families in contradistinction to those who boast of *Mayflower* blood; of the boy who made his start on the sandlots of South Boston, and who, when he entered the famous Boston Latin School, had already made a local reputation as a baseball player.

I heard the story of his being awarded the Franklin medal, an honor that in Boston means more to the young fellows in Boston schools that the Ph. D. grown-up men work for over a period of years.

So it was but natural that after completing his course at Boston Latin School, with his scholastic and athletic abilities already proven, he should desire to obtain a higher education. Accordingly, he entered Harvard University. This meant great financial sacrifice for the family, but these good Irish parents, true to the traditions of their race, were only too glad to make any sacrifice which would help their boy attain the heights which he sought.

Among his classmates were men who have since made great names for themselves in diplomacy, letters, arts and sciences, law, church, and public affairs.

Fate plays strange tricks. In the late eighties, when JIMMY GALLIVAN was at Harvard, the coach of the Harvard baseball team was Samuel E. Winslow. He it was who discovered the real baseball ability of GALLIVAN, took him from the substitutes, and placed him as regular second baseman on the varsity team. Is it not a coincidence that the teamwork developed by GALLIVAN and Winslow in Harvard athletics paved the way for such wonderful intellectual teamwork by these two great men in the Halls of Congress some 25 years later, when JIMMY GALLIVAN became the Hon. JAMES A. GALLIVAN, representing the twelfth Massachusetts district, and Sam Winslow became the Hon. Samuel E. Winslow, representing the fourth Massachusetts district?

Young GALLIVAN distinguished himself at Harvard not only as an athlete but as a student, for upon completion of his course he was awarded his A. B. degree, magna cum laude.

In my father's office in Lynn, from the lips of the Hon. John P. Feeney, who was probably JIM GALLIVAN'S closest friend and who is likewise an intimate friend of my father, one of Boston's foremost citizens, I heard the intensely interesting story of the days when JIMMY GALLIVAN was a newspaper man, with politics as a side line. He was born in South Boston, and it follows as a matter of course that anybody born in South Boston must have a real love for politics. South Boston is a section where politics are taken seriously 365 days in the year, and where a man who seeks public office must have the courage of his convictions. No one ever doubted the courage of JIMMY GALLIVAN.

Having established himself as a real fighter for the interests of the people, he had very little trouble in being elected to the Massachusetts State Legislature. There he served as representative in the years 1895 and 1896. He made such a fine record as a legislator that the people of his district sent him to the Massachusetts State Senate, where he served in 1897 and 1898.

In 1900 he was elected by the people of Boston as street commissioner, which office he held continuously for 14 years.

In April, 1914, he was chosen at a special election to fill an unexpired term in the Sixty-third Congress, to represent the twelfth Massachusetts district. He served as a Member of Congress until his death on April 3d last, having been reelected to the Sixty-fourth, Sixty-fifth, Sixty-sixth, Sixty-seventh, Sixty-eighth, Sixty-ninth, and Seventieth Congresses.

What shall we say of him as a Congressman?

He was intensely patriotic. He was interested in all legislation which came before the House. He liked to feel that he was not provincial, and nothing pleased him more than to be called the All-American Congressman.

Veteran legislation was close to his heart. All during the late war he fought hard in Congress for legislation which would provide for the proper equipment of the boys called to the colors so that they would be under no handicap in facing the enemy.

After the armistice the Twenty-sixth, or Yankee Division, which had made such an enviable record and, facing tremendous odds had been literally cut to pieces in the Argonne Forest was left in a stranded condition up in the mountains in France, with divisional headquarters at Montigny le Roi. No one in Congress could find out from the War Department whether this division was to be sent into Germany as part of the Army of Occupation, or whether it was to be sent home. It was my privilege to be a member of the One hundred and first Infantry of that division, and I know that all my buddies of that division, at that time, felt very keenly that we were being discriminated against in not being allowed to go into Germany in the Army of Occupation after the wonderful record of fighting which the division had made during the war.

On February 1, 1919, JIMMY GALLIVAN, in what has been called one of the finest speeches ever delivered on the floor of this House, called the attention of his colleagues and the country to the many injustices which had been inflicted on that division, as well as on other National Guard organizations in France. It took great courage for a Member of Congress, in war times, to criticize the conduct of the War Department. However, Congressman GALLIVAN, in that speech, demonstrated his fearlessness by raking the General Staff from stem to stern, sparing no one in his startling exposé of the methods then in vogue.

His speech was so effective that orders were issued shortly thereafter which brought the Twenty-sixth Division back to New England.

He was always an advocate of organized labor. On numerous occasions he went out of his way to aid in the passage of labor legislation that otherwise might have been defeated. He freely gave his time before committees and on the floor of the House in the interest of labor.

He was ever the friend of the poor and the unfortunate; his heart was big, and he gave, not only of his time, but of his purse to the needy and distressed; and JIMMY GALLIVAN was a poor man.

JIMMY GALLIVAN is dead!

Is there any Member of this House who can not visualize him, standing here before the Speaker and addressing the Members of the House? Is there anyone who will not remember his flashing eye, his perfect command of English, his expressive gestures, his ready repartee, his fine gift of oratory, his remarkable memory and his all-embracing GALLIVAN smile, whether it be after a speech of felicitation, or after a glorious battle just ended?

We will surely miss him!

He was my friend! He had been my father's friend for 50 years. When I came to Congress he acted as a father to me. I was in his office every day and he always had a cheery word or some helpful suggestion to offer. He called me his pal. I will miss him!

Like Mark Antony, gazing on the dead face of Brutus, I can but say:

His life was gentle and the elements so mixed in him that nature might stand up and say to all the world, this was a man!

May his soul rest in peace!

Mr. O'CONNELL. Mr. Speaker, my service in this House now nearing the completion of eight fruitful and delightful years of companionship and friendship has been signalized by an opportunity for the greatest education that our country now affords to any American citizen.

When we assemble in this historic Hall to pay tribute to the memories of our departed colleagues we fully realize the responsibilities and the duties that bring us here and the value of their association and services. At such a time we stand in the presence of a great mystery in which we are all eventually equal. High or low, rich or poor, millionaire or mendicant, king or subject, all must answer the same call to march through that grim and ghostly cordon beyond which we may well all meet when the sun goes down and the final day is done.

The grim reaper during the past few months has been active in our ranks, and to-day we assemble to honor the life, the achievements, and the memory of JAMES A. GALLIVAN, a Representative from the great State of Massachusetts.

I shall find it difficult to enter this sanctuary during the remainder of my tenure of this great office without thinking of my friend who is gone.

When I came here in those early days he was among the first to extend to me the hand of friendship and fellowship, and his keen experience and ripe judgment guided me aright through many a doubtful and difficult situation. He was my friend, my tutor, from the beginning. He was never too busy to lend an ear to my supplications for information and knowledge on the many great problems which confront us from time to time, and his unerring judgment and recommendations were the means of keeping me from the path of error and steering me clear in many a legislative storm.

He was a forceful and eloquent speaker, and stood up manfully for those principles in which he inherently believed. Many of his colleagues did not always agree with his logic, but every Member respected and admired his rugged honesty. At times he was an aggressive, intense antagonist, but always as generous and forgiving in the aftermath of bitter debate as he was brave and fearless in the conflict. He was a man of studious habits and of tremendous energy.

We that are spared shall miss him in our daily activities, but he will live long in our affection. As they said of the martyred Lincoln, "He now belongs to the ages."

We do not ask to forget; we do not want the so-called consolation which time brings; we would rather that the wound should ever be fresh than that the image of a friend like him should fade. He has simply joined the choir invisible.

Mr. COCHRAN of Missouri. Mr. Speaker, I have been very much impressed by the many beautiful tributes that have been paid to the memory of my friend and colleague, JAMES A. GALLIVAN.

I first made his acquaintance in 1914, when he was elected to Congress at a special election to fill an unexpired term. At that time it was my privilege to be secretary to Hon. William L. Igoe, of Missouri, whose office was on the fifth floor of the House Office Building. Mr. GALLIVAN was assigned to an office a few doors from ours. I was attracted to him from the first, and our friendship increased as the years passed on. He would often speak to me of the days of his youth and of his education in the public and private schools. He entered Harvard University at an early age, and after a brilliant career as a student secured his A. B. degree, 1888.

He first became identified with public affairs by his election to the House of Representatives of Massachusetts, and several years later became a member of the Massachusetts Senate. He was elected street commissioner of Boston in 1900 and held that office until his district sent him to Congress in April, 1914. He had the unusual honor of being elected to each succeeding Congress without practically any opposition from any other political party.

In my opinion no man ever served his district more faithfully nor more intelligently. He found real pleasure in doing the small things for his friends and constituents. No detail was too small for his personal attention. His sympathy for those in distress brought to him many pathetic appeals and made it necessary for him to give his undivided attention to the needs of his district and State, which he did willingly.

Because of his wide experience and fine education he was able to handle the very difficult national problems which confronted him, not only in the House but in the committee of which he was a member—the important Committee on Appropriations. I have heard him say that he preferred the work of his committee to work on the floor of the House, although it necessitated his being in Washington sometimes a month before and after the session. He referred with pride to the part he had taken in drafting the many difficult measures reported out of that committee and to the gigantic problems referred to it.

His ability to do things made him soon recognized as one of the strong men of the House, and his presence was always felt when he was on the floor. He was a fine orator, strong in debate, gracious in manner. He possessed a carrying as well as pleasant voice, an abundance of common sense, and a keen sense of Irish wit and humor. He possessed also that rare faculty of making and retaining intimate friendships. He had the habit of remaining in his office for hours after Congress had adjourned, and, being a near neighbor, I took advantage of the opportunity to visit with him and get his viewpoint and advice on political and legislative problems. This he willingly gave. He loved to see others rise, and it was his willingness to assist others to realize their ambitions that attracted people to him and caused them to stand by him so loyally and to honor him for so many years, as his constituents had done.

I have been told that he never went home that he did not find a group of people awaiting him at the station, many of whom had never met him, but all there—just waiting to grasp the hand of their friend and beloved Congressman.

Massachusetts has sent many brilliant men to Congress, but I know of none who served more unselfishly, honestly, and devotedly than JAMES A. GALLIVAN.

Mr. BYRNS. Mr. Speaker, in the passing of the Hon. JAMES A. GALLIVAN the House of Representatives lost one of its most brilliant and beloved Members. His death came as a great shock to his colleagues, and it is difficult for us to realize that his voice will be heard no more in this Chamber where he served for so many years.

I wish that I had the facility of speech with which I might adequately express the genuineness of my own grief at his death and my great appreciation of the friendship which existed between us from the time he became a Member of Congress in 1914. From that time until his death we served together on the Committee on Appropriations and as members of the same subcommittees. There soon sprang up a friendship between us which was only severed by his death, and which will be to me so long as I may live a pleasant memory.

JIMMY GALLIVAN was a loyal friend. Nothing pleased him more than to be able to render a service to a friend. Indeed, Mr. Speaker, a generous, kindly spirit was his chief characteristic. It was this lovable trait in his character, his friendly sympathy for his fellows, and his earnest desire to help and to serve others which made him the most popular and highly beloved citizen of South Boston, which he represented for so many years in this Chamber.

This was clearly evidenced at his funeral service in St. Augustine's Church, in Boston, on April 5, 1928, and which I had the sad privilege to attend. The church was filled with sorrowing friends from all walks of life. An even greater crowd of people were assembled on the street without, and for many city blocks people, old and young, stood with uncovered heads while the funeral cortege slowly passed, bearing all that was mortal of JIMMY GALLIVAN to his last earthly resting place in a beautiful cemetery beyond the confines of that great and historic old city of Boston. There were leading citizens of his State and city. There were prosperous and successful business men. There were the honest and hard-working laboring men who had left the workshop and factory, for JIM GALLIVAN did not number his friends among any one class. He was a friend to the poor and the humble, as well as to the rich and the proud. All these were assembled, with their wives, sons, and daughters, to pay a last loving tribute to their dead friend. And as I looked into their sad faces and read thereon the full depths of their sorrow, I thought that no greater or more eloquent tribute could be paid to the kindly and generous nature of this man who had gone in and out among them all the years of his life.

And after all, Mr. Speaker, that is the best compensation one can have for sacrifices made and services rendered in this life. We all share in the hope that we may be remembered after death for some good deed, some unselfish service rendered in life. There are thousands in Boston to-day who will revere and cherish the memory of JIM GALLIVAN as long as they live.

I will not dwell on the service rendered by him in the various public offices with which he was honored. That has been done by those who knew him for a longer time than I did. He always served with ability. He had a keen and incisive mind and a power of ridicule and sarcasm which made him a dangerous adversary in debate. Easily one of the most effective debaters in the House, he did not often speak, and when he did so it was only on some subject in which he was deeply interested and on which he had strong convictions. But on such occasions his fluent and elcquent tongue was as keen as a shining rapier in the hands of a trained swordsman. He never failed to arouse and interest his audience.

He has passed on, Mr. Speaker, to that bourne toward which we are all rapidly traveling. In time of grief and lament words are unavailing, but we are comforted by an abiding and unshakable faith that the soul is immortal and that it leaves the mortal body only to find a better and higher existence in some higher sphere of life.

Mr. TREADWAY resumed the Chair as Speaker pro tempore.

ADJOURNMENT

The SPEAKER pro tempore (Mr. TREADWAY). In accordance with the resolution previously adopted and as a particular mark of respect to the memory of the deceased the House stands adjourned until to-morrow at 12 o'clock.

Accordingly (at 3 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Monday, May 7, 1928, at 12 o'clock noon.

## SENATE

MONDAY, *May 7, 1928*

(*Legislative day of Thursday, May 3, 1928*)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3791) to aid the Grand Army of the Republic in its Memorial Day services, May 30, 1928.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 744. An act to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes; and

S. 3674. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fess | La Follette | Sheppard |
| Barkley | Fletcher | Locher | Shipstead |
| Bingham | Frazier | McKellar | Shortridge |
| Black | George | McLean | Simmons |
| Blaine | Gerry | McMaster | Smith |
| Blease | Glass | McNary | Smoot |
| Borah | Goff | Mayfield | Steck |
| Bratton | Gooding | Metcalf | Steiwer |
| Brookhart | Gould | Moses | Stephens |
| Broussard | Greene | Neely | Swanson |
| Bruce | Hale | Norbeck | Thomas |
| Capper | Harris | Norris | Tydings |
| Caraway | Harrison | Nye | Tyson |
| Copeland | Hawes | Oddie | Vandenberg |
| Couzens | Hayden | Overman | Walsh, Mass. |
| Curtis | Heflin | Phipps | Walsh, Mont. |
| Cutting | Howell | Pine | Warren |
| Dale | Johnson | Pittman | Waterman |
| Deneen | Jones | Ransdell | Wheeler |
| Dill | Kendrick | Reed, Pa. | |
| Edge | Keyes | Sackett | |
| Edwards | King | Schall | |

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

ORDER FOR EVENING SESSION ON TUESDAY

Mr. CURTIS. Mr. President, I ask unanimous consent for the adoption of the following order.

The VICE PRESIDENT. The order will be read.

The Chief Clerk read the order, as follows:

*Ordered* (*by unanimous consent*), That on Tuesday, May 8, 1928, at not later than 6 o'clock p. m., the Senate take a recess until 8 o'clock p. m., and that at the evening session, which shall not continue later than 11 o'clock p. m., the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. HEFLIN. Mr. President, may I inquire on what day it is proposed to have the evening session?

Mr. CURTIS. To-morrow evening. I wish to say also that one evening later this week I shall ask for the consideration of bills under Rule VIII.

Mr. HEFLIN. Under Rule VIII a Senator can move the consideration of a bill when objection is made.

Mr. CURTIS. Not to-morrow night, but at the next evening session.

Mr. KING. Mr. President, I suggest to the Senator that he modify the unanimous-consent request and have the evening session conclude at not later than 10.30 o'clock, or that we recess not later than 5 o'clock.

Mr. CURTIS. I am willing to make it 10.30.

Mr. KING. We are busy with the tax bill and shall have to devote a great deal of time to that measure.

Mr. CURTIS. It will be satisfactory to make it 10.30.

Mr. NORRIS. Does that mean that we shall take a recess at not later than 5.30 o'clock?

Mr. CURTIS. No; not later than 6 o'clock.

The VICE PRESIDENT. The clerk will read the unanimous-consent request as modified.

The Chief Clerk read the modified unanimous-consent request, as follows:

*Ordered* (*by unanimous consent*), That on Tuesday, May 8, 1928, at not later than 6 o'clock p. m., the Senate take a recess until 8 o'clock p. m., and that at the evening session, which shall not continue later than 10.30 o'clock p. m., the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Mr. WARREN presented resolutions adopted by the Big Horn County Farm Bureau, of Greybull, and the Natrona County Poultry Association, of Casper, in the State of Wyoming, favoring the passage of legislation to provide for aided and directed settlement on Federal reclamation projects, which were referred to the Committee on Irrigation and Reclamation.

Mr. VANDENBERG presented resolutions adopted by the councils of the villages of Riverview and Sibley, in the State of Michigan, favoring the passage of the bill (H. R. 13065) authorizing the Detroit River Canadian Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Detroit River at or near the township limits of Grosse Isle, Wayne County, State of Michigan, which were referred to the Committee on Commerce.

Mr. LOCHER presented a resolution adopted by the convention of the Ohio district, International Association of Y's Men's Clubs, at Youngstown, Ohio, favoring the adoption of the so-called Gillett resolution (S. Res. 139) suggesting a further exchange of views relative to the World Court, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented resolutions adopted by the Seneca Falls (N. Y.) Historical Society, favoring the making of a special postage stamp to commemorate the sesquicentennial of the military expedition of Maj. Gen. John Sullivan in 1779, whereby aggression on the western frontier was checked and central New York was opened for colonization, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of New York State, praying for the passage of legislation requiring the taking of finger and foot prints of mother and child at birth on joined cards, the identification of persons injured, lost, or otherwise unmarked, and also requiring that every alien and traveler carry an identification card with his own proper fingerprints thereon, etc., which was referred to the Committee on Education and Labor.

Mr. BINGHAM presented a letter in the nature of a petition from Sarah Williams Danielson Chapter, Daughters of the American Revolution, of Danielson, Conn., favoring the retention

of the so-called national-origins quota provision in the immigration law, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Department of Connecticut, Veterans of Foreign Wars of the United States, favoring the passage of the so-called Gold Star Mothers bill, which was referred to the Committee on Military Affairs.

He also presented a resolution of the Connecticut Chamber of Commerce, expressing its opposition to the principle of the entry of the Federal Government into the field of private industry as proposed in the Boulder Dam bill and the Muscle Shoals resolution, which was ordered to lie on the table.

Mr. WALSH of Massachusetts presented numerous telegrams and letters in the nature of petitions from business firms of the State of Massachusetts, praying for the passage of Senate bill 3890, to amend section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes," which were referred to the Committee on Post Offices and Post Roads.

He also presented a letter signed by Rev. Ralph A. Baker, South Acton, Mass., scribe of the Middlesex Union Association of Congregational Churches, expressing the support of the association of the Government's efforts to put into effect the multilateral treaties having for their purpose the elimination of war, which was referred to the Committee on Foreign Relations.

He also presented petitions from officers and members of the Young Women's Christian Association, of Sprinfield, Mass., New Haven, Conn., Akron, Ohio, and Detroit, Mich.; the United Polish Societies, Jersey City, N. J.; Plymouth Church, Brooklyn, N. Y.; Yale University Christian Association, New Haven, Conn.; the Erie section of the Council of Jewish Women, Erie, Pa.; Epiphany Church, Niagara Falls, N. Y.; Kiwanis Club, and Beta Missionary Society of Westminster Church, Milwaukee, Wis.; and sundry citizens of Yonkers, N. Y., Manchester, N. H., Milwaukee, Wis., and Los Angeles, Hollywood, and Long Beach, Calif., all praying for the passage of Senate Joint Resolution 122, providing for the reunion of families of alien declarants, which were referred to the Committee on Immigration.

### POSTAL RATES ON CERTAIN MATTER

Mr. WALSH of Massachusetts. Mr. President, I present a communication from one of my constituents which strikingly calls attention to the excessive and almost prohibitive postal rates imposed upon newspapers, periodicals, and magazines when sent through the mails by other than publishers or registered news agents.

The writer also, for the purpose of emphasizing the harm that results in denying reading matter to many poor people located in some remote parts of the country, attaches a leaflet from a periodical called the Cheerful Letter, in which evidence is to be seen of the pleasure and help that result to many from receiving remailed magazines and periodicals.

I took this matter up with the Post Office Department and find that the department has made several recommendations to the Congress and that there is a bill now pending before Congress, which meets with the approval of the department, providing for substantial reductions in the postal rates for mail matter of this description.

I ask that the communication, with accompanying leaflet, be published in the RECORD and treated in the nature of a petition and referred to the Committee on Post Offices and Post Roads.

There being no objection, the letter and accompanying matter was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

BILLERICA, MASS., *May 2, 1928.*

Hon. DAVID I. WALSH,
*United States Senate, Washington, D. C.*

DEAR SENATOR: In my mission of sending reading matter to families (especially in the South) who are in great want of this in educational and stimulating lines, I have realized for the past year or two the greatly increased cost of this service from increased postal charges on this class of mail—miscellaneous magazines, etc. On Monday I mailed two packages to North Carolina section, of weight together to equal three Literary Digests, and the postage called for was 16 cents.

This rate is practically prohibitive of this service, which certainly is one of appeal to us, and I write to ask if you will present to the Post Office Department or to the congressional committee whose authority is over these rates the fact of these excessive and prohibitive charges and ask if relief can not be had?

You will, I feel, perform a needed service in this direction if you can do this.

Respectfully yours,

EDWARD F. DICKINSON.

Will you please note these requests for reading matter on leaf inclosed? It is such as these I supply as I am able.

Requests

* * * * * * *

2. I am an 18-year-old school girl. I would be glad of any kind of good books to read, also some quilt scraps or any sort. Yours truly, Ossie Carpenter, Grassy Creek, N. C.

* * * * * * *

4. I am a mother of five children and would be glad to receive any books or magazines, and I would be more than glad to receive any kind of quilt scraps for patchwork. For my reference write to Rev. Avery Powers, Grassy Creek, N. C. (Mrs.) Claud Wallace, Grassy Creek, N. C.

5. I am a poor woman and have three little children, and would appreciate some good reading or anything, as I am badly in need. Mrs. Zenn Blevins, Silas Creek, N. C.

6. Miss Thelma Jones, of Copeland, Ark., writes: "I am a young girl, age 18 years, and will teach my first term of school this summer. And it is so far to get help of any kind here. For primary work, such as busy work, books, or pictures, I am writing to see if you will help me, and surely will appreciate your help. I would also like a correspondent. I live in a very remote district, 45 miles from the railroad, and we usually have so short a term of school I want to do all the good I can in the length of time (two months)." (This appeal came too late to be published in our summer magazine. Can we not remember Miss Jones and her needs when she teaches her second term of school? B. W. A.)

7. Am writing to thank dear Cheerful Letter friends for the help they have been to the school in helping us get a library, for it has surely been a great benefit to the school, one that certainly is appreciated. We would also like books, cards, or pictures. Help of any kind from first to third grade is needed so badly and will surely be appreciated by the school. Mrs. Hazel Watson, Copeland, Ark.

8. I have just undergone a serious operation, and it will be some time before I can get around or do any work much, and I would be so glad of something to read and would appreciate so much some reeds or raffia for basketing work. I thank all the Cheerful Letter friends for past favors. Your friend, (Mrs.) Bessie McFarland, Manchester, N. C.

9. Mrs. Lelah Mabe, of Lawsonville, N. C., would enjoy receiving the Cheerful Letter magazine each month after some one has finished reading it.

10. I am a girl and live in the mountains. There are not many girls around. I get very lonesome sometimes and would appreciate any kind of books or magazines to read. For reference I refer you to Rev. I. J. Freeman, Tellico Plains, Tenn., route 1. Miss Sarah B. Jones, Tellico Plains, Tenn., star route.

11. Mrs. Carbit Wallace, of Lansing, N. C., would appreciate very much some good reading matter for herself, also some A, B, C books and cards for her little 3-year-old daughter.

12. Miss Viola Bredwell, of Decatur, Tenn., route 1, writes: "I live with my grandparents, my mother being dead. My grandparents are both old and not able to work much. Grandmother would appreciate some quilt scraps and I would like some good books or magazines suitable for my age, which is 18 years."

13. A request has been received in behalf of Miss Alice Haynes, of Bassett, Va., saying she is a very poor and afflicted little girl; her father is a cripple. She would appreciate a little cheer from some good lady. She is destitute of the advantages that other children enjoy.

* * * * * * *

15. Bessie Smith, of Polkton, N. C., route 1, is an adopted child 15 years old. She lives in the country, 3 miles from school, and attends church and Sunday school regularly. She would like books or magazines, bits of lace or ribbon, also cards for her little 3-year-old brother.

16. I am a little boy just 11 years old. I have four little brothers and one little sister younger than I. I help mother care for them. I would appreciate the Beacon paper or a small Testament to read, if any of the Cheerful Letter ladies have them to spare. I will send a reply to every paper or book I may get. Hope to see my letter in print soon. My address is Benjy Philpott, Roanoke, Va., box 224, route 5.

17. I wish to thank you all for your good cheer and kindness. I haven't words to express my heartfelt thanks. I am a poor mother and hope you all will still remember me in my distress and lonely moments. My husband is at work several miles from home most of the time, so I am left here with the children, so sad and lonely. Will enjoy any kind of cheer. May God bless you all and aid you all in your good work. Yours, Mrs. E. F. Adams, Brandan, N. C.

* * * * * * *

20. As it has been a long time since I have written to the Cheerful Letter, I thought I would write again, as I have changed my name. I used to be Miss Grace Saunders, now I am Mrs. Grace Plemons. I married a man with four small children and my husband works away from home all the time, so we get lonesome while he is away and wish some one would send me some reading matter and bits of embroidery thread. Now, I hope I have not asked too much, and may God bless every one of you. (Mrs.) Grace Plemons, Tellico Plains, Tenn.

21. Dear Cheerful Letter: We are twin girls in high school. Our mother is a widow with seven children, two sets of twins. We live in the country. Next year we will study parts of Shakespeare and would like to have "Tales of Shakespeare" by Lamb, as our time is limited

and we have to work part of the time. Refer to Rev. Mrs. W. F. Galloway, Burlington, N. C. Thanking you all in advance. Sincerely yours, Mary and Madge Murray, Burlington, N. C., R. F. D. 7.

22. In 1923–24 your society sent me magazines and books; they were such a great help to me and to my school children.

I am going to teach at Chase City this coming session and assure all of your dear, kind people that any books or magazines would certainly be appreciated.

I am going to teach the fifth grade. I am also interested in all histories, English and American novels, and poetry. Hoping to keep in touch with you and again thanking you for the help you have given me in the past, I am, yours most truly, Clara M. Willis, Chase City, Va.

* * * * * * *

24. I am a girl 15 years old. My father is dead. I live with my stepfather and mother. Mother and I get lonesome and we would like to have good novels and short stories to read. We live 45 miles from the railroad and 10 miles from a little town. I have two little brothers that would enjoy funny papers and books for boys. My mother's name is Mrs. D. A. Dean, Rex, Ark. I will give you Rev. Elmer Waddell for reference. Beatrice Jones, Rex, Van Buren County, Ark., box 57.

25. I wish to thank all the Cheerful Letter friends for their kindness and for the things they have sent me for the past year. I have answered all that had addresses, but some didn't give any address. I surely have enjoyed the books and magazines and would appreciate any good books, literature (especially Good Housekeeping), and would pass them on to my friends; also anything suitable for my children, one girl, age 9 years, and three boys, 7, 5, 3. I have not heard from any of the dear friends for quite a while, but hope they will remember me in the coming year. I would be glad to correspond with anyone that would care to write, as I am in poor health this summer and am by myself quite a lot. Mrs. Lee M. Kilby, Rugby, Va., route 1.

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## REPORTS OF COMMITTEES

Mr. NORBECK, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 1511) for the exchange of lands adjacent to national forests in Montana (Rept. No. 1044);

A bill (S. 4022) authorizing the Secretary of the Interior to lease land in Stanley County, S. Dak., to Henry A. O'Neil for a buffalo pasture (Rept. No. 1014);

A bill (H. R. 9789) for the relief of Sallie E. McQueen and Janie McQueen Parker (Rept. No. 1015); and

A bill (H. R. 12049) to authorize the Secretary of the Interior to sell to W. H. Walker, Ruth T. Walker, and Queen E. Walker, upon the payment of $1.25 per acre, the southeast quarter section 34, township 2 north, range 14 east, Choctaw meridian, Clarke County, Miss. (Rept. No. 1016).

Mr. GOODING, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment and submitted a report thereon.

A bill (S. 1577) to add certain lands to the Boise National Forest, Idaho (Rept. No. 1045); and

A bill (S. 1578) to add certain lands to the Idaho National Forest, Idaho (Rept. No. 1046).

Mr. CUTTING, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 332) validating homestead entry of Englehard Sperstad for certain public land in Alaska (Rept. No. 1017);

A bill (H. R. 11716) authorizing and directing the Secretary of the Interior to issue patents to Ethel L. Saunders, and for other purposes (Rept. No. 1018);

A bill (S. 2572) granting certain land in the town of Hot Springs, N. Mex., to the State of New Mexico (Rept. No. 1019); and

A bill (S. 3136) creating the Roswell land district, establishing a land office at Roswell, N. Mex., and for other purposes (Rept. No. 1020).

Mr. CUTTING also, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 11990) to authorize the leasing of public lands for use as public aviation fields, and for other purposes, reported it with amendments and submitted a report (No. 1021) thereon.

Mr. DALE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 2107) to provide for steel cars in the railway post-office service, reported it with amendments.

He also, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 4253) authorizing H. L. McKee, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Sabine at or near Port Arthur, Tex. (Rept. No. 1022); and

A bill (S. 4254) authorizing the State of Texas and the State of Louisiana to construct, maintain, and operate a free highway bridge across the Sabine River at or near Pendleton's Ferry (Rept. No. 1023).

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (H. R. 4927) for the relief of Francis Sweeney, reported it without amendment and submitted a report (No. 1024) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 4173) to transfer jurisdiction over certain national military parks and national monuments from the War Department to the Department of the Interior, and for other purposes (Rept. No. 1026);

A bill (H. R. 15) authorizing an appropriation to enable the Secretary of the Interior to carry out the provisions of the act of May 26, 1926 (44 Stat. L. 655), to make additions to the Absaroka and Gallatin National Forests, and to improve and extend the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land (Rept. No. 1025); and

A bill (H. R. 9612) authorizing and directing the Secretary of the Interior to allow Norman P. Ives, jr., credit on other lands for compliances made in homestead entry, Gainesville, 021032 (Rept. No. 1027).

Mr. NYE also, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 3954) to quiet title in the heirs of Norbert Boudousquie to certain lands in Louisiana (Rept. No. 1028); and

A bill (H. R. 5695) authorizing the Secretary of the Interior to equitably adjust disputes and claims of settlers and others against the United States and between each other arising from incomplete or faulty surveys in township 19 south, range 26 east, and in sections 7, 8, 17, 18, 19, 30, 31, township 19 south, range 27 east, Tallahassee meridian, Lake County, in the State of Florida (Rept. No. 1029).

Mr. NYE also, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with amendment and submitted reports thereon:

A bill (S. 3537) providing for the confirmation of grant of lands formerly the United States barracks at Baton Rouge, La., to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College (Rept. No. 1050); and

A bill (S. 3620) granting certain land to the Roman Catholic congregation of St. Joseph's Roman Catholic Church of the city of Baton Rouge, La. (Rept. No. 1051).

Mr. NYE also, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3452) for the relief of George W. Abberger (Rept. No. 1030); and

A bill (H. R. 8474) for the relief of Elmer J. Nead (Rept. No. 1031).

Mr. NYE also, from the Committee on Claims, to which was referred the bill (S. 443) for the relief of Larry M. Temple, reported it with an amendment and submitted a report (No. 1032) thereon.

Mr. McNARY, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 158) to amend chapter 137 of volume 39 of the United States Statutes at Large, Sixty-fourth Congress, first session (Rept. No. 1033);

A bill (H. R. 8307) amending section 5 of the act approved June 9, 1916 (39 Stat. L. 218), so as to authorize the sale of timber on class 3 of the Oregon & California Railroad and Coos Bay Wagon Road grant lands (Rept. No. 1034); and

A bill (H. R. 9568) to authorize the purchase at private sale of a tract of land in Louisiana, and for other purposes (Rept. No. 1035).

Mr. GOODING, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7946) to repeal an act entitled "An act to extend the provisions of the homestead laws to certain lands in the Yellowstone forest reserve," approved March 15, 1906, reported it without amendment and submitted a report (No. 1036) thereon.

Mr. KING, from the Committee on Immigration, to which was referred the bill (S. 717) to provide for the deportation of certain alien seamen, and for other purposes, reported it without amendment and submitted a report (No. 1037) thereon.

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (S. 584) for the relief of Frederick D. Swank, reported it with an amendment and submitted a report (No. 1038) thereon.

Mr. DENEEN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 4303) for the relief of the Smith Tablet Co., of Holyoke, Mass. (Rept. No. 1039); and

A bill (H. R. 5935) for the relief of the McAteer Shipbuilding Co. (Inc.) (Rept. No. 1040).

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 116) for the relief of R. S. Howard Co., reported it with an amendment and submitted a report (No. 1041) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3743) for the relief of C. N. Markle (Rept. No. 1042); and

A bill (H. R. 5894) for the relief of the State Bank & Trust Co., of Fayetteville, Tenn. (Rept. No. 1043).

Mr. CARAWAY, from the Committee on Claims, to which was referred the bill (S. 382) for the relief of Joseph F. Thorpe, reported it without amendment and submitted a report (No. 1047) thereon.

Mr. PITTMAN, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 4257) to authorize the payment of certain salaries or compensation to Federal officials and employees by the treasurer of the Territory of Alaska, reported it without amendment and submitted a report (No. 1048) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 4338) to authorize the President to award, in the name of Congress, gold medals of appropriate design to Albert C. Read, Elmer F. Stone, Walter Hinton, H. C. Rodd, J. L. Breese, and Eugene Rhodes, reported it without amendment and submitted a report (No. 1049) thereon.

ENROLLED BILL PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the enrolled bill (S. 3438) authorizing a per capita payment to the Rosebud Sioux Indians, South Dakota.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES:

A bill (S. 4369) to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended, in respect of mechanical reproduction of musical compositions, and for other purposes; to the Committee on Patents.

By Mr. WALSH of Massachusetts:

A bill (S. 4370) granting an increase of pension to Elizabeth A. Smith; to the Committee on Pensions.

By Mr. VANDENBERG:

A bill (S. 4371) granting a pension to Wesley H. Crockett; to the Committee on Pensions.

A bill (S. 4372) granting an annuity to Aleta Wheeler; to the Committee on Civil Service.

By Mr. PINE (for Mr. ROBINSON of Indiana):

A bill (S. 4373) to amend section 17 of the act of June 10, 1922, entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," as amended (with accompanying papers); to the Committee on Military Affairs.

By Mr. HAWES:

A bill (S. 4374) granting a pension to Amanda Kinder (with accompanying papers); and

A bill (S. 4375) granting a pension to William B. Haring (with accompanying papers); to the Committee on Pensions.

By Mr. STEPHENS:

A bill (S. 4376) for the relief of Harry M. King; to the Committee on Claims.

By Mr. FESS:

A bill (S. 4377) granting an increase of pension to Malissa Wilson; to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 4378) granting an increase of pension to Katie P. B. Farver (with accompanying papers); to the Committee on Pensions.

By Mr. GOODING:

A bill (S. 4379) granting an increase of pension to Belle Greenslate; to the Committee on Pensions.

A bill (S. 4380) authorizing the Secretary of the Interior to execute an agreement or agreements with drainage district or districts providing for drainage and reclamation of Kootenai Indian allotments in Idaho within the exterior boundaries of such district or districts that may be benefited by the drainage and reclamation work, and for other purposes; to the Committee on Indian Affairs.

By Mr. HOWELL:

A bill (S. 4381) authorizing H. A. Rinder, his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Commerce.

AMENDMENTS TO TAX REDUCTION BILL

Mr. COUZENS submitted an amendment, Mr. COPELAND submitted three amendments, and Mr. SIMMONS submitted five amendments intended to be proposed by them to House bill 1, the tax reduction bill, which were separately ordered to lie on the table and to be printed.

ESTABLISHMENT OF ADDITIONAL LAND OFFICES

Mr. CUTTING submitted an amendment intended to be proposed by him to the bill (S. 1794) establishing additional land offices in the States of Montana, Oregon, Idaho, and South Dakota, which was ordered to lie on the table and to be printed.

POSITION OF THE UNITED STATES FLAG

Mr. HEFLIN. Mr. President, I send to the Clerk's desk a concurrent resolution, which I ask may be read.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read the concurrent resolution, as follows:

Whereas it is alleged that the Roman Catholic flag, the same design as the flag flown at the Vatican at Rome, has been recently hoisted above and flown above the United States flag on the U. S. battleship *Cincinnati* and the U. S. battleship *Florida;* and

Whereas it is the solemn duty of Congress to see to it that no flag of a foreign power or potentate shall fly above the United States flag on any foot of American soil or on any American battleship or on any other American ship or in any foreign American possession; and

Whereas the act of placing the flag in question or any other flag above the United States flag has the appearance of questioning its right to be first and of challenging its supreme authority and sovereign power: Therefore be it

*Resolved by the Senate (the House of Representatives concurring),* That it is hereby declared to be the fixed principle and policy of the United States that hereafter, nowhere on land within her jurisdiction or on her battleships or on her merchant ships, shall any other flag be placed above and flown above the United States flag.

*Resolved,* That it shall be the duty of Government officials in civil authority and in the Army and Navy to see to it that the principle and policy here set forth is strictly observed.

Mr. HEFLIN. Mr. President, I have here a picture of the battleship *Florida* with the Catholic flag flying above the Stars and Stripes. I have also a picture cut from the Washington Post within the last two months showing the Roman Catholic flag flying above the United States flag on the battleship *Cincinnati.*

I ask for the present consideration of the resolution.

Mr. CURTIS. Mr. President, this being a joint resolution, it ought to go to a committee. I suggest that it be referred to the Committee on Commerce, which has charge of shipping matters.

Mr. BRUCE. Mr. President, I object to the present consideration of the resolution.

Mr. HEFLIN. The Senator from Maryland objects?

Mr. CURTIS. It ought to go to a committee, it being a joint resolution.

The VICE PRESIDENT. The resolution is a concurrent resolution.

Mr. NORRIS. Mr. President, I would like to suggest to the Senator from Alabama that he make it a joint resolution instead of a concurrent resolution, so that if it should be passed it would become a law.

Mr. HEFLIN. It would become a law anyway.

Mr. NORRIS. Oh, no; a concurrent resolution would not receive the signature of the President. If the Senator makes it a joint resolution and it should be passed by the Senate and House and signed by the President, it would then be the same as a statute.

Mr. HEFLIN. I ask permission to do that. I thought they had the same effect.

The VICE PRESIDENT. The Senator has the right to modify his resolution.

Mr. HEFLIN. I move to strike out the words making it a Senate concurrent resolution and to insert the ordinary words which are affixed to a joint resolution.

The VICE PRESIDENT. That change will be made if there be no objection.

The concurrent resolution was changed to a joint resolution (S. J. Res. 143) to prevent the flying of a foreign flag above the United States flag, which was read twice by its title.

Mr. HEFLIN. Mr. President, I want to say that when I prepared this resolution I said to myself, "If the resolution is objected to, the Senator from Maryland [Mr. BRUCE] will be the man to make the objection."

Mr. BRUCE. The Senator was dead right for once in his life.

The VICE PRESIDENT. The joint resolution will lie on the table.

Mr. HALE subsequently said: Mr. President, this morning when I was absent from the Chamber the senior Senator from Alabama [Mr. HEFLIN] introduced a resolution to prevent the flying of a foreign flag above the United States flag. The flag to which he alluded was the usual church pennant, I understand, which is always flown above the ensign during divine service.

I took the matter up with the Navy Department, and I have from them an article on the church pennant by Evan W. Scott, Chief of Chaplains, United States Navy. I ask that it be inserted in the RECORD immediately after the introduction of the resolution by the Senator from Alabama.

The PRESIDING OFFICER (Mr. SACKETT in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
BUREAU OF NAVIGATION,
*Washington, D. C., May 7, 1928.*

Hon. FREDERICK HALE,
*Naval Affairs Committee, Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: Complying with your telephone request this noon, I am inclosing herewith an article on the "Church Pennant," which I hope will answer your inquiry.

If there is any further information you desire, I shall be glad to furnish same.

C. H. DICKINS,
*Captain, Chaplain Corps, United States Navy.*

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[From the Century Church Bulletin]

CHURCH PENNANT

By Evan W. Scott, Chief of Chaplains, U. S. Navy

It may be of interest to learn that when divine service is being held on any Navy vessel in commission, the church pennant is hoisted above the Stars and Stripes. As Preble states in his history of the American flag, "It is the only flag to which the national ensign shows submission."

The church pennant is a triangular white pennant charged with a blue Latin cross. The records of the Navy Department clearly show that this pennant has been in use since about 1850, as a French book on the flags of all nations, edited in 1858, shows a United States church pennant similar to that now in use. In fact, it is believed to date back to the organization of the Navy, and is supposed to have been taken over from the British Navy, along with many other customs, the uniform regulations, armament, etc., and to have been in force from the beginning.

The following is quoted from a letter from Engineer Commander, Royal Navy, H. S. Brown, acting naval attaché to the British Embassy, dated October 12, 1922, based on information received from the British Admiralty, and which would seem to bear out statements made in paragraph above:

"The present church pennant is a survival of the old 'common pennant' which went out of general use in 1864.

"The use of a pennant to signify that the ship's company was at prayers appears to have been instituted by Rodney during the American war, circa 1780. Article X of his Additional Sailing Instructions provided:

"'In order that the performance of divine service may meet with as little interruption as possible, the ships are to hoist a common pennant at the mizzen peak before they begin the same, and to keep it flying until they have finished.'

"This was adopted by Admiral Arbuthnot when commander in chief on the North American station in 1781, by Kempenfelt in 1782, and by Howe in his signal book of 1790, and became the established practice."

The earliest official recognition of such a practice in our Navy, so far as I have been able to learn, is found in the United States Navy Signal Code, 1867, approved by Hon. Gideon Welles, then Secretary of the Navy. Article 45 of this code reads: "Church pennant will be hoisted immediately above the ensign at the peak or flagstaff at the time of commencing and kept hoisted during the continuance of divine service on board all vessels of the Navy." All succeeding editions of the Signal Code have had the same provision, although a slight change in the wording (for the better) occurs in the instructions now in force, which reads: "The church pennant is to be hoisted at the same hoist and over the ensign during the performance of divine service on board vessels of the Navy."

The use of the Latin cross has no sectarian significance, though it was probably selected for historical reasons and because its shape was easily adapted to such a pennant. It is a Navy pennant, and not the pennant of any church or denomination, as some have surmised. It is absolutely nondenominational and nonsectarian. It flies only during divine service to indicate to the ship's company and to other vessels near at hand, that religious worship is being conducted on board, and that all persons should conduct themselves accordingly, to the end that the service be not interrupted. It serves a practical purpose similar to that of the powder flag, which warns that ammunition is being taken aboard, and the meal pennant, which indicates that men are at their "mess" and are not to be disturbed except in case of necessity.

Although the church pennant has no sectarian significance, it does have a distinctly religious significance. The place of honor given it clearly indicates the importance attached to religious worship by a people having neither a State church, nor a State religion, and shows that the sovereignty of Almighty God is duly acknowledged by those in authority and that the highest honor is accorded Him.

Mr. HEFLIN. Mr. President, I have been in attendance on a meeting of a subcommittee of the Committee on Agriculture and Forestry investigating the New York Cotton Exchange and its relation to the Agriculture Department regarding price predictions on cotton. A page came and told me a moment ago that some amendment to my flag resolution was being offered. I would like to have it reported.

The PRESIDING OFFICER. No amendment was offered; it was simply an article, which was ordered to be printed in the RECORD.

Mr. HEFLIN. Having reference to my flag resolution?

The PRESIDING OFFICER. Yes; but no amendment was offered.

Mr. HEFLIN. What is the source of it? Who is the author?

Mr. HALE. Mr. President, I will state to the Senator that I called up the Navy Department after I heard about his resolution this morning, and they have sent me an article written by the Chief of Chaplains of the Navy explaining the use of the church pennant. I think that explains the matter. I asked that it be put in the RECORD, and leave was granted.

Mr. HEFLIN. I have asked the Navy Department and the War Department also to give me a copy of the instructions they have issued and what their rules and regulations are regarding the uses and abuses of the flag. I want to know just what system of rules they have permitted to be worked up, and I want the Senate to go on record, and I am going to have it go on record, as to whether any flag can be flown above the United States flag. I do not want to see that done; I do not want to see anybody's church flag fly above the Stars and Stripes. I do not think the Government ought to permit it. That flag represents the sovereign power of the greatest nation in all the world, and it is entitled to be first by its position in the air and as being uppermost in everything. We are guaranteed religious freedom in the United States. It ought to be on the housetop that shelters our religious freedom. It is only by that flag and what it represents that we have religious freedom at all in the United States. I do not want any system to grow up on any battleship or in the Army or in civil life that will lead to the flying of any flag above the Stars and Stripes. Why should it be done? On to-morrow I am going to ask for some action on my resolution.

Mr. HALE. Mr. President, I think when the Senator reads this article his mind will be clarified on this matter. The pennant to which he alludes is not a sectarian pennant in any way. It is the regular church pennant that is always flown when any religious services are held on a ship.

Mr. HEFLIN. Why do they have to fly it above the American flag?

Mr. HALE. If the Senator will read the article he will see.

Mr. HEFLIN. They can not show me why they should fly that above our flag. I have my views about where it ought to fly. I would fly it below the Stars and Stripes.

Mr. HALE. Mr. President, I will read the last paragraph of the article:

Although the church pennant has no sectarian significance, it does have a distinctly religious significance. The place of honor given it clearly indicates the importance attached to religious worship by a people having neither a state church nor a state religion and shows that the sovereignty of Almighty God is duly acknowledged by those in authority and that the highest honor is accorded Him.

Mr. HEFLIN. Mr. President, there is no religion recognized in this Government that requires the pulling down of our flag when a man wants to pray to God. We carried that flag in God's name. We fled from religious persecution in the Old

World in order to create a banner like that which would represent human liberty here in the Western World.

I know what pennants represent and the significance of them. Why is the Senate thinking about permitting this thing to go by without action? They permit them to pull the flag down 2 feet or more and fly this other flag above it. I am not going to consent to it myself. I do not care whether they are church pennants, ensigns, banners, or flags, or whatever they may be called. They have no business flying above the United States flag.

That flag was born in a crusade for liberty. The ragged Continentals prayed to their God for liberty, and for success in achieving that liberty; and to tell me we have to haul the flag down when we want to have religious worship on a battleship is ridiculous. It does not have to be done. If anyone wants to put a card out announcing religious services on a ship, let him do it. But why have we got to draw that flag down in order to give space above it for another flag to fly? Its right to first place is questioned when that is done. Its supreme authority and sovereign power is challenged. I want every Senator in this body on a roll call to say whether or not he wants anybody's flag to fly above it on battleships, in the Army, or in civil life anywhere.

I cut out of the Washington Post a picture of the U. S. S. *Cincinnati* flying the cross flag above the United States flag, and just under it the simple words: "It is Sunday." The flag of the United States is good enough, thank God, to fly first all the time—Sunday, Monday, and every day in the week. I think we owe it to the flag to proclaim it first and foremost in all our dealings. Talk to me about hauling it down when we go to worship God! The God of nations blessed that flag at its birth time, and I am going to insist that the Senate and the Congress take action in the face of any regulation made by any chaplains on the battleships as to what they desire to do when they go to worship. I am going to insist that the Congress declare it as its fixed policy that no flag, here or upon the sea, shall fly above the Stars and Stripes, Old Glory.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GRIEST, Mr. RAMSEYER, and Mr. BELL were appointed managers on the part of the House at the conference.

POSTAL RATES

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MOSES. I move that the Senate insist on its amendments and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MOSES, Mr. PHIPPS, and Mr. MCKELLAR conferees on the part of the Senate.

RAILROAD VALUATION

Mr. NORRIS. I ask unanimous consent to take from the table Senate Resolution 222, which I introduced on Saturday, and I ask to have it read.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I understood it was virtually agreed that the resolution might be taken up this morning.

Mr. NORRIS. I had an understanding before the Senate took a recess that there would be no objection made this morning to taking up the resolution.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 222) submitted by Mr. NORRIS on the 5th instant was read, as follows:

Whereas in May, 1923, the National Conference on Valuation of American Railroads was organized for the purpose of securing a fair valuation of the railroads of the United States and for the purpose, in behalf of the public interest of the people of the United States, of appearing by counsel before the Interstate Commerce Commission and the courts, with a view of preventing an overvaluation of railroads. Said National Conference on Valuation was organized through the participation and cooperation of Senators, Representatives, governors of various States, mayors of some of the principal cities of the United States, several farm, agricultural, and labor organizations, traveling salesmen's associations, and national organizations of railway employees, and many similar organizations and individuals of national importance; and

Whereas by order of the Interstate Commerce Commission the National Conference on Valuation has been since 1923 a party to all valuation proceedings, has participated in said proceedings, has received notice of all hearings and copies of all the valuation reports, and has been recognized by the commission as a representative of substantial public interests and of a large percentage of travelers, shippers, and consumers dependent upon the railroads for transportation, and of organizations of employees engaged in such transportation, all of which persons have a vital and continuous interest in transportation rates which are and will be established by the commission on the basis of its valuation of the properties of the carriers; and

Whereas the National Conference on Valuation has selected Donald R. Richberg as its counsel, who, as representing said national conference, has advocated principles and methods of valuation which have been opposed by the railroads, but have been widely accepted by lawyers and economists of the highest standing, many of which principles and methods of valuation have been met with the approval of the commission; and

Whereas when the commission considered in public hearing the report upon which its order was based determining the value of the property of the St. Louis & O'Fallon Railway Co., the said Donald R. Richberg, as counsel for the National Conference on Valuation, was the only representative of a party to the proceedings who argued orally and by briefs in favor of the proposed report of the commission, while the official counsel for the commission made no argument for or against said report; and

Whereas suit has been brought by the St. Louis & O'Fallon Railway Co. to set aside the order of the Interstate Commerce Commission fixing the value of its property, which suit is generally accepted as a test case to determine the principles of railroad valuation for rate-making and recapture purposes and has already been heard by a three-judge statutory court, which refused to set aside the order of the commission, and which suit is to be heard on the appeal of the railroads which has been taken to the Supreme Court of the United States; and

Whereas under the circumstances set forth it would seem that the National Conference on Valuation, represented by the said Donald R. Richberg, having advocated the action taken by the commission in said case, should be heard on the appeal of the railroad to the courts to set aside the order of the commission; and it would seem to be in the public interest consistent with the intent of the law that the said national conference, through its counsel, the said Donald R. Richberg, should be heard as a matter of right, and provided in Thirty-eighth Statutes at Large, page 219, and Thirty-sixth Statutes at Large, page 539; and

Whereas the said Donald R. Richberg, as counsel for the National Conference on Valuation, was permitted to present an argument to the statutory three-judge court which heard the O'Fallon case, but the National Conference on Valuation not being permitted to intervene as a party to the proceedings, its counsel must make application to the Supreme Court for leave to be heard in the appeal now pending, which application, being addressed to the discretion of the court, involves primarily consideration of what is in the public interest; and

Whereas, depending upon the valuation principles and methods which may be determined by the O'Fallon case, the aggregate valuation placed on railroad properties may differ to the extent of many billions of dollars, with a consequent difference in the aggregate of transportation rates amounting to hundreds of millions of dollars, so that the O'Fallon case as a test case involved issues of wide and exceptional public interest and of immense consequence to all the people of the United States: Therefore be it

*Resolved*, That the Senate expresses its approval of the application of counsel for the National Conference on Valuation for leave to participate in the hearing of the O'Fallon case in the Supreme Court without thereby expressing its approval or disapproval of the arguments of counsel and without thereby intimating any opinion regarding the issues in the case; and be it further

*Resolved*, That the Senate hereby most respectfully requests the Supreme Court to permit the said Donald R. Richberg, as counsel for the said National Conference on Valuation, to intervene in said O'Fallon case for the purpose of making oral argument and filing a brief therein.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. REED of Pennsylvania. Mr. President, I should like to ask the Senator from Nebraska [Mr. NORRIS] if there is any previous instance in which the Senate has made such a request of the Supreme Court as is contained in the resolution?

Mr. NORRIS. I do not know of any, but so far as I am aware, this is the only time that any situation such as this has ever arisen in the history of the country.

Mr. REED of Pennsylvania. It seems to me, Mr. President, that we must assume that the Supreme Court is just as anxious to secure the protection of the public interest as are we, and that a request from us that the Supreme Court should make

an order of any kind in a pending case is just as dubious in propriety as would be a formal request from the Supreme Court to us that we should enact a certain law. For that reason, with all respect to the Senator from Nebraska, and with all respect to his motives in submitting the resolution, I think I shall have to ask that the resolution go over.

Mr. NORRIS. I understand that the resolution has gone over, under the rule.

The VICE PRESIDENT. No; we are in the legislative day of May 3, and that was the day on which the Senator submitted the resolution.

Mr. NORRIS. I should like, however, to call the attention of the Senator to the fact that I might not have had my way, but in consultation with the leader on this side of the Chamber, the Senator from Kansas [Mr. CURTIS] and with the agreement of the Senator from Utah [Mr. SMOOT], who has charge of the revenue bill, I consented to a recess instead of an adjournment. If the Senate had taken an adjournment the resolution would have come up regularly.

Let me say to the Senator that it is far from my purpose—and I do not believe the Senator can put such a construction on the resolution—even to suggest to the Supreme Court or to any other court by any action of the Senate what action the court should take in any matter pending before it. There is pending before the Supreme Court a case having to do with the valuation of American railroads, a case involving more money and greater values than any other litigation that has ever been commenced in the history of the world, and one in which the amounts, whatever they may be, must be paid by all the people of the United States, almost regardless of their wealth, but dependent mostly in proportion to the food they eat and the clothes they wear. This organization, of which incidentally I happen to be the president at the present time, is national in its scope; it has participated in this case from the very beginning; and I think I can say, without casting any reflections upon anyone connected with the case in any way, that the representative of the organization presented to the Interstate Commerce Commission an argument and a brief which were more closely followed in the deliberations and decision of the Interstate Commerce Commission than any other brief or any other argument that was there made. The decision reached might have come, anyway; but the National Conference on Valuation of American Railroads, which is not organized for profit, and is composed of Senators, Representatives, governors, and the representatives of the leading organizations of a social and civic nature all over the United States, has only one thing in mind, and that is to have a full and complete argument under the law before the Supreme Court. It is confronted, however, with the condition that under the rules of the Supreme Court, without the consent of both of the parties, the organization through its attorney will not be allowed to be heard. The attorney has undertaken to get the consent of the railroads in this matter, but has failed to get it. I say that even without criticizing the railroad attorneys for their action in declining to give consent. The object of the resolution is to permit this attorney to make an argument and file a brief in the Supreme Court in that case.

Mr. BORAH. As a friend of the court?

Mr. NORRIS. Yes; as a friend of the court or otherwise——

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. NORRIS. In just a moment—in a case in which every man, woman, and child in the country has a direct and a vital interest and in which as a matter of fact they are not directly represented. As the Senator will notice in the first resolving clause it is specifically stated that the Senate does not approve the arguments or disapprove the arguments made either by the attorney for this organization or any other attorney in the case, and does not express in any way its opinion as to the merits of the case.

Mr. REED of Pennsylvania. Mr. President, I am perfectly certain that it does not require the consent of the railways for the Supreme Court to make an order permitting this gentleman to appear and file a brief and make an oral argument as amicus curiæ. I am perfectly certain that that is the law, because I know of several cases in which they have done it. I hope very much that they will hear Mr. Richberg, and I think his connection with the case, the connection which he has with this association, should move the court to hear him as amicus curiæ. I am perfectly confident—as confident as anyone can be of the future action of some one else—that they will hear him. They ought to do so, and the reasons that lead to saying that will lead them to hear him. There can be no doubt about it. But the thing to which I call attention is what seems to me to be the impropriety of telling the Supreme Court what, in the opinion of the Senate, is the sort of order that they ought to make concerning Mr. Richberg.

Mr. BORAH. Mr. President——

Mr. NORRIS. Will the Senator from Idaho permit me to answer the Senator from Pennsylvania?

Mr. BORAH. Certainly.

Mr. NORRIS. Of course, I may be wrong; if I am and the Senator from Pennsylvania is right, there would not be any doubt about Mr. Richberg being heard. I am confident, however, that the Senator from Pennsylvania is wrong when he says that Mr. Richberg can be heard as a matter of right.

Mr. REED of Pennsylvania. I did not say he could be heard as a matter of right. I said that the Supreme Court has the power, in its discretion, to permit any counsel to file a brief or make an argument.

Mr. NORRIS. Oh, yes; but on this point I talked with Mr. Richberg himself last week and I know what he attempted to do in order to be heard there. He said the railroad attorneys had refused to grant consent for his appearance and that, under the rules of the Supreme Court, it was necessary to get the consent of both sides.

Mr. SHORTRIDGE. Mr. President, if the Senator will yield for a question, has Mr. Richberg filed a petition asking leave to intervene for the purpose of filing a brief?

Mr. NORRIS. I do not think he has, but is making preparations to do that. I do not want anyone to derive the impression that anyone here is trying to indicate to the Supreme Court what they should do.

Mr. REED of Pennsylvania. That is what the resolution says.

Mr. NORRIS. That is true only so far as Mr. Richberg being heard in the case is concerned; that is all. In this resolution we have not even suggested anything further than that; and the only object I have is to take the necessary action that I believe would enable this man to make his argument and file his brief in the Supreme Court.

Mr. REED of Pennsylvania. Let us not have any disagreement about what we mean. I hope the Supreme Court will hear Mr. Richberg. I think, under all the circumstances of this case, it is proper that he should be heard; but I do not believe it is proper that the Senate should be telling the Supreme Court how to conduct its business.

Mr. NORRIS. Oh, we are not trying to do that.

Mr. REED of Pennsylvania. We must assume that the Supreme Court is moved by motives as high as our own.

Mr. NORRIS. And I do not want the Senator to intimate that I have said anything to the contrary. We are not telling the Supreme Court or trying to tell the Supreme Court what they should do.

Mr. REED of Pennsylvania. Just to conclude, I am not going to interpose the technical objection and require this matter to lie over for a day, in view of the Senator's agreement with the Senator from Kansas [Mr. CURTIS] that we shall take a recess. I will not interpose the technical objection; but I am not going to let the resolution pass without having raised my voice in dissent, and without having shown the Supreme Court that there is one Member of the Senate who disapproves of this course of procedure.

Mr. BORAH. Mr. President, as I understand the Senator from Pennsylvania, his objection lies in the fact that he thinks it is improper for the Senate to make the request.

Mr. REED of Pennsylvania. Precisely.

Mr. BORAH. As I understand, the object of the resolution is to secure the appearance of the counsel as what may be called a friend of the court. I recall, when the Oregon case was up for consideration, that the Chief Justice, representing the Supreme Court, came to the Judiciary Committee of the Senate and requested that the Senate provide an attorney to argue the case as a friend of the court; and the colleague of the able Senator from Pennsylvania [Mr. Pepper] argued the case, and with exceptional ability.

I do not see the impropriety of the Senate requesting an opportunity to be heard as a friend of the court as compared with the propriety of the Supreme Court requesting the Senate to present a counsel as a friend of the court. The resolution does nothing more than to request the court for an opportunity to be heard. It is precisely the same nature of request as might come from a corporation or an individual or parties who were interested. If it took the form of anything like a command or a direction, of course the Senate would not approve of it; but it is in the form of a request, and it seems to me that the request has a precedent in principle in the precedent established by the Supreme Court itself.

Mr. REED of Pennsylvania. I do not think that is a precedent at all. If the court wants suggestions from us that is another matter; but for us to volunteer suggestions in particular lawsuits I think is indefensible, and has no precedent.

Mr. BORAH. It has no precedent, perhaps, coming from the Senate; but can it be said to be an impropriety for the Senate

to request an opportunity to be heard upon a matter of litigation before the Supreme Court in which the entire public is concerned, especially in view of the fact that the court has indicated by its own act that it is desirous of having cases presented in that way where the public is interested?

Mr. WHEELER. Mr. President——

Mr. SHORTRIDGE. Mr. President, may I ask the senator a question? Is not this resolution premature? I understood the Senator from Nebraska to say that no application had been made to the Supreme Court for leave to file a brief or to argue the case. Who shall say that the Supreme Court will refuse any such respectful request?

I quite agree with the Senator from Pennsylvania. I know of no written rule, and I am not at this moment familiar with any unwritten practice of the Supreme Court which would require the consent of parties litigant to an order permitting a friend of the court to present an argument; and, for reasons indicated, I have no doubt at all but that if reputable counsel, representing large interests, should, in a respectful manner, request permission to file a brief or to make an oral argument the Supreme Court would grant such a request.

Mr. REED of Pennsylvania. If the Senator will permit a further suggestion, I should like to say that this National Conference on Valuation is not the only association that is interested in this case. Take the Association of Railway Shippers, whose interest is exactly the same as that of this association, presumably, or the Association of Traveling Men. All of them want to see these valuations held down to what they consider reasonable. Are we going to undertake to say here which of these associations representing the public that uses the railroads is to be represented and which not?

Mr. NORRIS. In this national conference, Mr. President, are included, I think, the very organizations that the Senator mentions. They are part and pracel of this national organization.

Mr. REED of Pennsylvania. Very well; then we will take the other organizations. There must be many that are not represented if the body is a wieldy one.

Mr. NORRIS. It may be that there are some that are not represented. I have on my desk a copy of the petition that went to the Interstate Commerce Commission. It contains a list by name of quite a number of United States Senators, quite a number of Representatives, quite a number of governors, and quite a number of organizations. There are a great many of them. I do not think there is any question whatever but that they are national in their scope, and represent as nearly as possible in one organization of this kind all of these organizations. The travelers' associations are part of those associations that are included. There are a great many unions and quite a number of farmers' organizations. I understand, for instance, that the State Grange of the State of Michigan had circulated to all its members documents pertaining to this organization.

Mr. REED of Pennsylvania. That is all right; and that is a cogent reason why the Supreme Court should grant the petition when it is made.

Mr. NORRIS. I think so.

Mr. REED of Pennsylvania. But the Senator must remember that although this case is of tremendous importance to the public, there never passes a term of the Supreme Court but that dozens of cases of importance to the public come before that court. Constitutional questions of the utmost importance come before them every year. Is the Senate to start the precedent of advising the court to hear an amicus curiæ every time an important case comes in there?

Mr. NORRIS. No, Mr. President, I would not say that; and yet the Senator may be justified in making that kind of an argument.

Here, in the first place, is the most important litigation that has ever appeared in the Supreme Court of the United States.

Mr. REED of Pennsylvania. I do not agree with the Senator on that.

Mr. NORRIS. There may be a disagreement about it. Here is an organization that was in the hearings from the beginning, starting with the Interstate Commerce Commission, and up to the Supreme Court; but in the three-judge court that tried this case after it was commenced, when the Interstate Commerce Commission had finished with it, the order of the court did not admit this conference on valuation as a party to the suit, although it did permit the attorney to file a brief and make an argument there. So that, as a matter of fact, as the case comes to the Supreme Court this party is not, as it was before the Interstate Commerce Commission, technically a party to the litigation.

Mr. REED of Pennsylvania. I quite understand that; but the Supreme Court has the same power that the supreme courts of all our States have to send out and draw in an amicus curiæ whenever it wishes, in its complete discretion.

Mr. NORRIS. There is not any question about that. I am not disputing that; but the Senator is afraid of a precedent being established here for all things that might come in the future. In the first place, as I look at it, this is the most important case, as affecting all the people of the United States, that the Supreme Court have ever had before them. In the next place, this organization is not local in its scope. These people comprising it represent all kinds of business—farmers' organizations, laboring organizations, traveling men's organizations, governors, and Senators, and Members of the House of Representatives—and it can be said in their behalf that up to this time they have been in the case. Their attorney has been heard; and it presents a question, therefore, in which it is not an ordinary organization jumping up here or there and asking to get in or asking the Senate to get them in. Something must be done, in my judgment, not withstanding the opinion of the Senator from Pennsylvania, in order to make the proper foundation for this request to be made. While, of course, the Supreme Court have the power to do it, I am satisfied that they would have to make an exception to their practice as it is usually understood to enable this man to appear there without the consent of both parties to the suit to argue the case and to file a brief.

Mr. REED of Pennsylvania. I think we have made the difference in view clear——

Mr. NORRIS. I think so.

Mr. REED of Pennsylvania. And I hope the Senate will express its judgment.

Mr. WALSH of Montana. Mr. President, I do not share the view expressed by the Senator from Pennsylvania [Mr. REED] that there is any impropriety at all in the course proposed by this resolution. It is not at all unknown. It is a very frequent thing that a case is pending in the Supreme Court and some individual walks into the Supreme Court and says: "I am particularly interested in the question that is now before the court. I have a lawsuit pending, or one which I anticipate will be pending, and the decision of the court in this matter will be important in the determination of my own case; and I should like very much, if the court please, to have my counsel heard in this matter."

Mr. REED of Pennsylvania. That is just what I suggest be done here.

Mr. WALSH of Montana. So likewise, Mr. President, an association interested in some public question that is before the court might walk into court in exactly the same way and say: "This is a matter of very great concern to the particular branch of industry which we represent. We should like to have our counsel heard in the matter." The court might say: "We feel that this case is very well represented by counsel now. We can scarcely grant any more counsel leave to be heard in the matter," and deny the application; or they might say, "We shall be glad to hear counsel," and allot them half an hour or an hour in which to be heard.

Here is a case of tremendous importance to all the people of the United States, and certainly in some sense we represent them. What is the impropriety of the Senate sending a respectful notice to the court that they regard this case of particular importance, and that they have in mind a gentleman who has given special study to the particular question, and asking that he might be heard as amicus curiæ?

Mr. REED of Pennsylvania. Does the Senator mean to imply that we represent only the parties on one side of the controversy?

Mr. WALSH of Montana. No; but the other side, everybody recognizes, will be well taken care of.

Mr. REED of Pennsylvania. The Senator implies that the other side will not be properly taken care of.

Mr. WALSH of Montana. No; I undertake to say that they will be. Undoubtedly their selfish interest, altogether commendable, will permit them to command the very best talent that the American bar can afford.

Mr. REED of Pennsylvania. If that is clear to the Senator, why does the Senator presume that it will not be equally clear to the United States Supreme Court?

Mr. WALSH of Montana. I have no doubt that the Supreme Court will recognize that; but that is no reason why we should not respectfully ask the Supreme Court to designate an attorney who we think will well represent the interests of the people.

Mr. REED of Pennsylvania. The Senator has just outlined the procedure by which any interested individual or interested association can make his or its appeal to that court. Does not the Senator think they had better try that first before they come to the Senate to ask its interposition?

Mr. WALSH of Montana. The Senate will proceed upon its own initiative without any suggestion from anybody.

Mr. REED of Pennsylvania. Precisely.

Mr. WALSH of Montana. The Senate merely respectfully requests that this attorney be heard upon the question.

Mr. REED of Pennsylvania. It seems proper to the Senator to do that, but to me it seems an impertinence. Therefore we will have to take the judgment of the Senate upon it.

Mr. WALSH of Montana. I might say, in answer to another suggestion made by the Senator from Pennsylvania, that I do not understand that this is a request that this gentleman exclusively be heard as amicus curiæ.

Mr. REED of Pennsylvania. No; I presume that if the association of railway executives can think of an amicus curiæ that they would like to suggest Congress would then pass a resolution for that; but I should resist that just as I am resisting this.

Mr. WALSH of Montana. That is not the point I was speaking about. The Senator suggested that some other national association would have just exactly the same right to be heard as this particular association. I do not know whether that would be just exactly the same, but there is no impropriety in any general association walking in there and asking that they be represented.

I wanted to ask the Senator from Nebraska about the reference to the two statutes on page 3, where it says:

> should be heard as a matter of right, as provided in Thirty-eighth Statutes at Large, page 219, and Thirty-sixth Statutes at Large, page 539.

Mr. NORRIS. Mr. President, I have a copy of the statutes referred to before me. I did not look the matter up, but I have been told that in the United States Code these statutes were not incorporated.

Mr. WALSH of Montana. I have sent for the statutes, but I can find nothing in them which would seem to justify that statement.

Mr. NORRIS. If the Senator desires, I can read the whole thing. There is only a small part of it that has direct application here. It says:

> The procedure in the district courts in respect to cases of which jurisdiction is conferred upon them by this act shall be the same as that heretofore prevailing in the Commerce Court.

That is Thirty-eighth Statutes at Large, 219. The section referring to the Commerce Court is a long section. It is Thirty-sixth Statutes at Large, 539, section 5. That, it would seem to me, gives almost to this particular organization the right to be heard there.

Mr. WALSH of Montana. Will the Senator call my attention to the language?

Mr. NORRIS. I was trying to pick it out. I do not want to read it all. Section 5 reads, in part, "*Provided further*, That communities, associations"——

Mr. WALSH of Montana. I should say that it was a matter which we should not express any opinion about at all.

Mr. NORRIS. It is doubtful whether that statute did give it as a matter of right. The Customs Court act is probably repealed now by implication, perhaps. This was the section that applied to the Commerce Court:

> *Provided further*, That communities, associations, corporations, firms, and individuals who are interested in the controversy or question before the Interstate Commerce Commission, or in any suit which may be brought by anyone under the terms of this act, or the acts of which it is amendatory or which are amendatory of it, relating to action of the Interstate Commerce Commission, may intervene in said suit or proceedings at any time after the institution thereof, and the Attorney General shall not dispose of or discontinue said suit over the objection of such party or intervenor aforesaid, but said intervenor or intervenors may prosecute, defend, or continue said suit or proceeding unaffected by the action or nonaction of the Attorney General of the United States therein.

Mr. WALSH of Montana. My opinion is that we ought not to express an opinion as to whether one is entitled as a matter of right to appear in the Supreme Court in such a case.

Mr. NORRIS. Of course, I do not want to take any action that is in any way disrespectful.

Mr. WALSH of Montana. It would not be disrespectful at all, but it is for the Supreme Court to say whether one as a matter of right can appear in that court or not.

Mr. NORRIS. That is no doubt true.

Mr. SHORTRIDGE. Mr. President, may I ask a question?

Mr. NORRIS. Let me dispose of this. That is on page 3, the second whereas.

Mr. WALSH of Montana. I suggest that the Senator take out the second whereas on page 3.

Mr. NORRIS. I am wondering whether part of that should not be left in.

Mr. WALSH of Montana. I think it is only a repetition.

Mr. NORRIS. It reads:

> Whereas under the circumstances set forth, it would seem that the National Conference on Valuation, represented by the said Donald R. Richberg, having advocated the action taken by the commission in such case, should be heard on the appeal of the railroad to the courts to set aside the order of the commission.

Mr. WALSH of Montana. Let it stand that way.

Mr. NORRIS. And strike out from there on?

Mr. WALSH of Montana. Yes.

Mr. NORRIS. Mr. President, on page 3, after the word "commission," in line 6 of the second whereas, I will strike out the balance of that whereas.

Mr. WALSH of Montana. In line 6 of the second whereas on page 3, after the word "commission."

Mr. NORRIS. Yes.

Mr. WALSH of Montana. Then I suggest to the Senator to strike out the word "intervene" in line 11, on page 4, that word having a technical significance at law, and substitute in lieu thereof the words "appear as amicus curiæ."

Mr. NORRIS. I have no objection to that.

Mr. WALSH of Montana. So that it will read: "To appear as amicus curiæ," and so forth.

Mr. NORRIS. Very well.

Mr. BRATTON. Mr. President, the action just taken by the Senator from Nebraska in striking certain parts from the resolution relieves it of what I had conceived to be an inconsistency in its terms. If the national conference has that right, namely to intervene, obviously it could exercise it without any action on the part of the Senate.

In other parts the resolution proceeds upon the theory that the conference did not have the right; that it could intervene in the case only as a matter of grace to be extended by the court. That is my concept of the legal situation; that whether this association appears in the case as a friend of the court, and has its views argued by Mr. Richburg, is a matter of grace on the part of the court, to be extended or withheld as the court may determine.

The conference has no right as a matter of law to intervene and present its contentions. That right is confined to the parties to the litigation, those who have some property rights involved in the litigation. If this conference has some indirect interest in the subject matter of the litigation which it desires to present, it has the right, under well recognized rules of procedure, to appear by motion or application addressed to the Supreme Court praying that it be allowed to come in as amicus curiæ. That involves the extension or the withholding of an act of grace under the control of the court exclusively.

My concept of this resolution is that it amounts to nothing more than an expression of opinion on the part of the Senate that the Supreme Court should extend that act of grace to Mr. Richberg. I am unwilling for the Senate to go that far. I think we should proceed on the presumption that the court will act properly in the premises. I think we should assume that the court will grant or extend that act of grace if it should be extended, and that the court will withhold it if it should be withheld. If we assume that, I can see no reason for any action on the part of the Senate.

The illustration given by the Senator from Idaho as a precedent strikes me as being clearly distinguishable from this situation, because there the Supreme Court indicated its desire to have certain phases of the litigation then pending presented and argued by some one acting for the Senate.

Mr. BORAH. Mr. President, is it any more a breach of propriety for the Senate to indicate its desire to the court to have a certain matter argued by counsel as a friend of the court?

Mr. BRATTON. Yes; I think so, because the subject matter is pending before the court. The power to extend the act of grace and hear the attorney is exclusively within the power of the court.

Mr. BORAH. Certainly, and we only request it; we do not undertake to direct it, or order it, or anything of that kind.

Mr. BRATTON. If the court desires to hear from Mr. Richberg, as it desired to hear from some one representing the Senate, undoubtedly it will permit him to argue the case. On the other hand, if the court does not permit Mr. Richberg to appear, it will indicate conclusively that the court does not want to hear him, exactly the contrary situation to what existed in the Oregon case.

Mr. CARAWAY. Mr. President, if it is an impertinence for the Senate to request it now, why should it not be held an impertinence on the part of anybody to file a petition in the Supreme Court and ask to be heard?

Mr. BRATTON. If the Senate had some interest in the matter——

Mr. CARAWAY. It has the most vital interest in that it affects every man, woman, and child now living, and those who will come after us.

Mr. BRATTON. The Senate is concerned with legislative matters—that is, matters having a direct or indirect relation to subjects of legislation—but the Senate has no direct interest in the judicial determination of the subject matter of the litigation now pending before the courts.

Mr. CARAWAY. Let me ask the Senator another question. The Senate has undertaken to say what the rules of procedure shall be in the Supreme Court of the United States. That, according to the Senator's contention, certainly was an impertinence.

Mr. BRATTON. Oh, no; Mr. President.

Mr. CARAWAY. If everything pending before that court shall be settled according to their own views, without any reference to the views that might be entertained by somebody else—I am now talking about the mere matter of procedure—I can not see why we should have ever undertaken to impose our views with reference to what the procedure should be, and who should be parties and who not, and what their rights should be. Why not pass that up to the court and let them make the rules?

Mr. BRATTON. It should be passed on to the courts to interpret and administer existing law.

Mr. CARAWAY. This is not a question of law at all; this is a question of petitioning the Supreme Court, as a petitioner, to have the interests of certain people represented by certain counsel if the court should feel inclined to do so. I am at a loss to follow the reasoning of the Senator. I do not see where the impertinence comes in, if it is not an impertinence for anybody to request that the Supreme Court shall hear every side of a contention. I just do not follow the Senator.

Mr. BRATTON. Mr. President, the Senate is not proceeding here as an amicus curiæ. The Senate is not endeavoring to do that, either directly or through counsel.

Mr. CARAWAY. What is it trying to do, then?

Mr. BRATTON. It is asked to recommend that the court hear somebody in a given case.

Mr. CARAWAY. In which the public is interested. It is not undertaking to say to the court "You shall do it." It stands like a petitioner addressing a request to the court. It is an expression upon the part of the Senate that this case is of vital importance, and there is an association with counsel who has been so intimately connected with it that we feel that he ought to be heard when the court shall have that case under consideration.

Mr. KING. Mr. President, will the Senator from New Mexico permit a suggestion?

Mr. BRATTON. I yield.

Mr. KING. Apropos of the suggestion made by the Senator from Idaho, the Senator from New Mexico will recall that in the case which went up from Oregon there were some Senators who believed that the construction placed upon the law and the Constitution by the President was improper, and gave to the Executive authority not found in the Constitution. The Senate was interested in the case, as it directly related to its functions and powers. It is quite likely that some Senators did not perceive any impropriety upon the part of the Chief Justice of the United States in suggesting that the Judiciary Committee have some one appointed to present to the court the legal questions involved. The issues were very important and involved the authority of the President in matters in which both the Executive and the Senate were concerned.

It seems to me that there is no analogy between that case and the present one, and if there be such relation between them that the action of the Chief Justice constitutes a precedent, it should not determine our course, or justify the passage of the resolution. My view is in accord with that of the Senator from Pennsylvania and the views just expressed by my friend from New Mexico.

Mr. BORAH. Mr. President, the Chief Justice conceived that it was a question which was being discussed before the court which involved a correct construction of the Constitution and, therefore, they solicited the assistance of the Senate in presenting it through counsel who should appear as a friend of the court. That is precisely what we are doing except that we are reversing the program. If the Senate had an interest in the former question, so has it in the same general way an interest in this question.

Mr. BRATTON. Mr. President, as I recall the Oregon case, it involved the right of the President to remove an officer who had been appointed by and with the advice and consent of the Senate. The Senate had an interest there. We may call it direct or indirect, immediate or remote, as we will, but the Senate had that interest in the subject matter in litigation there. It has no such direct interest in the subject matter of litigation in the present case.

The subject matter of the litigation is pending in the Supreme Court. That tribunal alone has jurisdiction of it. We are dealing now with the extension or the withholding of an act of grace by that court in connection therewith. It is a matter that falls directly, primarily, and exclusively within the power and prerogative of that court. It occurs to me that we can not adopt this resolution without assuming in advance that the court will withhold a right when it should grant it. If we indulge the presumption that the court will grant the right because we believe it should be granted, there is no occasion for the adoption of the resolution. I think to ask the court to extend an act of grace because we think it should be extended is going entirely beyond the functions or proprieties of the Senate.

Mr. REED of Pennsylvania. Mr. President, I demand the yeas and nays.

Mr. SHORTRIDGE. Mr. President, I was a member of the Committee on the Judiciary and present when the Chief Justice appeared and made the request or suggestion that counsel be selected to assist the court in a certain case then pending. I remember his statement that the power of the Senate was thought to be involved. The President had seen fit to remove a certain Federal officer to whose appointment the Senate had given its approval. The question arose as to the President's power under the Constitution to remove such an officer and, therefore, inasmuch as the power of the Senate was in a sense indirectly involved, the request or suggestion was made that we assist the court.

If Senators will be patient for a moment, I may say that it is agreed upon all hands that the association named in the resolution should be heard by the Supreme Court, and for reasons which have been stated by the Senator from Nebraska [Mr. NORRIS] and others. It is admitted that no request has been made of the Supreme Court for permission to be heard. I said a moment ago that the resolution is premature, for, if it be proper for them to be heard, I have such confidence in that great tribunal as to feel assured that any respectful request of the kind in mind will be granted. I do not doubt it for one moment. But the resolution proceeds upon the notion that the request might be denied, and disguise as we may attempt to, it is a manifest attempt to bring about an order granting such a request, and in that sense I think the resolution highly improper. I repeat the words, to my mind it is a manifest attempt to bring to bear the influence of the Senate on the Supreme Court.

I regret that it seems necessary for me to express even that thought. I have heretofore believed that this was a legislative body. True, it has almost become a grand jury, and we have almost abandoned our function as a legislative body. But I shall not sit here silent without respectfully entering my protest against this attempt to influence the action of the Supreme Court.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Montana?

Mr. SHORTRIDGE. I yield.

Mr. WALSH of Montana. Will the Senator from California kindly advise us what particular act of the nature of a grand jury he objects to?

Mr. SHORTRIDGE. I have in mind a great many.

Mr. WALSH of Montana. Would the Senator specify?

Mr. SHORTRIDGE. I do not wish to bring up a subject which has engaged the attention of the Senator from Montana so long and has yielded so little. I could name a great many resolutions which I think never ought to have appeared here or claimed a moment's attention of the Senate.

Mr. WALSH of Montana. I suppose the Senator could, and I asked him if he would.

Mr. SHORTRIDGE. I may take the time to furnish a bill of particulars or bill of items of from one to a dozen or fifteen, twenty-five, or even a hundred resolutions calling for investigations of the nature of grand-jury investigations. Let not the Senator from Montana think for one moment that I am dissenting from any of his efforts in respect to the Teapot Dome or any other dome.

Mr. WALSH of Montana. Or my colleague's investigation of the Department of Justice?

Mr. SHORTRIDGE. Not at all.

Mr. WALSH of Montana. It was not those to which the Senator was referring?

Mr. SHORTRIDGE. Not at all; but better results could have been achieved, the same results could have been achieved by the ordinary legal processes of our Government. I am not saying but that the Senator's resolution originally introduced has borne good fruit. It has resulted in the cancellation of certain contracts, and very likely to the benefit of the Government; but nobody is in jail yet as a result of the Senator's efforts.

Mr. BORAH. That is the result of the action of the courts and not of the Senate.

Mr. SHORTRIDGE. That is the result of the action of the courts, and I am not ready to abandon the courts of our country. Moreover, while I am on the subject let me say that I have a reverent regard for the jury system. I believe in it and have defended it on many occasions. I am not now dissenting from any verdicts that have been rendered here or elsewhere. I bow to them, I respect them unless, of course, there is charge of fraud, corruption, bribery, or undue influence brought to bear upon jurors or upon judge. I have respect for the judges on the bench in America and I still believe in our jury system.

And now, to make an end, I have not an affected respect but a genuine respect for the intellect and the motives of the Senator from Nebraska [Mr. NORRIS], but I say to him and others that here is a case pending in our Supreme Court of far-reaching importance. Its importance can not be exaggerated or overstated. As remarked again and again, it affects the welfare of the people of the United States and clearly it affects the welfare of my people, if I may call them so, of California. We are remote from the great markets. Freight rates are vital to our prosperity. Therefore, I am in hearty accord with the Senator that any reputable association which has devoted time and thought to this problem should be heard by the Supreme Court. I have not the least doubt in the world. I repeat myself again and again, that any such reputable association appearing in that court, and making the request we have in mind, would be heard. I am deeply interested in the problem, but I am thinking of other things. I am thinking of our form of government. I am thinking of that great tribunal. I am grateful for its existence. I do not think it falls within the scope of our duty or within propriety for us at this stage in the matter to bring to bear the pressure of a resolution upon that body. Let an application be made respectfully, and if it is denied and we then feel that the case will not be presented fairly, elaborately, and capably, I may reluctantly join with others in making the request which this resolution embodies.

Mr. REED of Pennsylvania. Mr. President, I demand the yeas and nays.

Mr. FESS. Mr. President, I do not wish to detain the Senate, but I desire to say that I think the pending resolution involves more than a mere incident in legislation. It involves the relationship between coordinate departments of this Government, which I think is very important. Mr. Bryce, who, I think, wrote the greatest work on the American Government that has been written by a foreigner, called special attention to the distinguishing feature of our Government that differentiates it from all other governments in history. That particular distinction is the independence of the coordinate departments of the Government. Mr. Bryce points out that all governments are alike in that they all have legislative, executive and judicial functions, but that they differ in the power given to the individual departments. A monarchy includes in the executive department largely the legislative and judicial functions; that is especially true as to a despotism; while a pure democracy very largely ignores the executive as well as the judicial departments. There is not any such thing as an unconstitutional law in England. The body that passes the law in that country repeals it if it so desires, or it remains a law until it is repealed. There is not any such thing as a judiciary separate from the legislative that may set aside an act of parliament.

Mr. BORAH. Mr. President, the Senator from Ohio certainly does not mean to indicate that this resolution, which merely requests that some one be permitted to appear before the Supreme Court to argue amicus curiæ a particular question, it being wholly within the power of the court to refuse that request, would be an infringement upon the judicial power of the Supreme Court of the United States?

Mr. FESS. I will say to the Senator that I rather think it would be. It is a case of one branch of the legislative department suggesting to another branch of the Government that is coordinate with it what it should do.

Mr. BORAH. I desire the Senator to notice the language of the resolution, which reads:

> That the Senate hereby most respectfully requests the Supreme Court—

It is wholly within the power of the Supreme Court to reject the request. It is a mere presentation of a request upon the part of a body which represents a part of the public interest that a particular question be argued by one who has been associated with its presentation heretofore.

Mr. FESS. I am of the opinion that the Senator from Idaho is one of the Senators who insist upon each coordinate branch of the Government being left independent in the function for the performance of which it exists.

Mr. BORAH. Yes, I am; and if this were an attempt to adopt a resolution directing the court or authorizing it or bringing any pressure to bear upon it, I should not favor it; but it is simply the presentation of the request that an attorney be allowed to appear before the court. No one need get the idea that the Supreme Court is going to be overawed by an ordinary request of this kind on the part of the Senate.

Mr. FESS. Mr. President, if it is sufficiently important for the Senate to set aside time to discuss and act on a resolution expressing to the Supreme Sourt of the United States what we want it to do, then it is of sufficient importance that we ought to halt before we undertake to make such a suggestion to the Supreme Court.

As I stated a moment ago the one distinguishing feature of this Government that makes it different from any other government in history is that each of the three departments of government is not only independent in its organization but it is also wholly independent in the performance of its functions. It is true that the Supreme Court has power over the Executive under certain circumstances; it is true that this body, in conjunction with the other body, has certain control over the Supreme Court; it is true that this body has a restrictive power on the Executive in the case of treaties and appointments; it is true that the Executive is sometimes overruled by this and the other body in the exercise of the veto power; but when it comes to the exercise of the functions of either or each, neither ever attempts to interfere with the other.

In the exercise of the functions of legislation the President never goes further than to give his opinion under the requirements of the Constitution; and in the exercise of the judicial function by the Supreme Court neither the Executive nor the legislative ever undertakes to interfere. The Supreme Court never undertakes to interfere with the exercise of the function of legislation or of the enforcement of law. When the Senate, acting as a branch of the legislative body, adopts a resolution, sends it to the Supreme Court and asks that court to do what it has not requested, I insist it is an interference not only with the function of the Supreme Court but is against the very genius of our Government.

I very much deplore a tendency that might lead to legislation interfering with the judicial function or legislation permitting the Executive to interfere with the judicial function or the judiciary to interfere with either the legislative or the Executive.

The genius of American institutions calls for the preservation of the independence of the exercise of the functions of each of these departments, and I can not look with any degree of complacency upon the adoption of a resolution such as this, although it is said that it is perfectly harmless, because, if it means anything, it is an interference with the judiciary.

I admit all that has been said as to Mr. Richberg; I know him very well; he is a very capable man, and whenever he presents a case on any occasion his presentation is worth listening to. I also admit the tremendous importance of the valuation of railroads, which it was once stated would not cost over $2,000,000 and would be completed in two years. It has, however, cost considerably over $100,000,000, and as yet we are nowhere in sight of the end of such valuation. I recognize the importance of the work, but I think it is of still greater importance that, under the genius of our Government, the legislative branch, either this body acting alone or the other body acting alone or the Congress acting as a whole, should not undertake to interfere with the Executive in the performance of his functions or, especially, with the judiciary in the performance of its function. The greatest bulwark to our institutions is an independent judiciary, and any encroachment upon it from any source, especially by a coordinate branch of the Government, is, to my mind, seriously important. While I have great sympathy with what the Senator who is the author of the resolution wants to do, it seems to me the price proposed to be paid is too great; and for that reason I can not support the resolution.

Mr. PITTMAN. Mr. President, the court proceeding, as I understand, is to restrain the Interstate Commerce Commission with regard to some of its functions. The Interstate Commerce Commission in an agency of Congress. The Constitution of the United States did not grant to the executive department

nor to the Federal Government control over interstate commerce; it granted to the Congress control over interstate commerce. In the performance of that function we have delegated that authority to the Interstate Commerce Commission. The Interstate Commerce Commission has been interfered with in the performance of what it believes its function to be under that delegated authority. It would be perfectly proper, I should think, for the Congress of the United States to pass an act directing that special counsel appear for the Interstate Commerce Commission before the Supreme Court of the United States.

The Congress of the United States interfered with the Attorney General's office, another branch of the Government, by passing an act requiring the President of the United States to appoint special counsel to conduct the oil suits. The Congress of the United States are more deeply interested in this case than any other case that has recently come before the Supreme Court. The question of the constitutional authority of Congress to regulate commerce, while not directly involved, must be effected if the functions of the commission shall be circumscribed.

All that this resolution indicates is that the Senate of the United States desires additional counsel to be heard in support of the position taken by its agency, the Interstate Commerce Commission. The case involves the whole question of interstate commerce; it involves every railroad in the United States in the long run. It involves the welfare of every producer, every shipper, and every consumer.

Mr. SHORTRIDGE and Mr. LA FOLLETTE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nevada yield; and if so, to whom?

Mr. PITTMAN. I yield first to the Senator from California.

Mr. SHORTRIDGE. Does the Senator from Nevada think for one moment, in view of what has gone on here to-day, that the Supreme Court will deny an application permitting the argument to be made and the brief to be filed? Does anybody think the court would deny such an application?

Mr. PITTMAN. I do not think so. I do not think the Supreme Court would deny it.

Mr. SHORTRIDGE. No such application has been made as yet, as I understand.

Mr. PITTMAN. No; and I do not think the Supreme Court would deny it for the very reason that they will think it is a very reasonable, natural, and proper request. Now I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I merely wish to direct the attention of the Senator from Nevada to the fact that when this case was argued before the Interstate Commerce Commission Mr. Richberg, representing the National Conference on Valuation of American Railroads, was the only attorney who appeared and argued in behalf of the tentative report of the commission. The chief counsel of the commission did not appear in the case at all.

Mr. PITTMAN. That is another reason why the Senate of the United States may express a desire for such special counsel to be heard on behalf of its agent, the Interstate Commerce Commission.

Mr. KING and Mr. FESS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nevada yield; and, if so, to whom?

Mr. PITTMAN. I yield first to the Senator from Utah.

Mr. KING. If I understand the Senator from Nevada correctly, his position is that the Interstate Commerce Commission have taken a certain position respecting an important question. We support that position, and therefore desire to have that position argued before the Supreme Court. Speaking for myself, I am not willing to adopt that view. I am not willing to say that I approve or disapprove of the action of the Interstate Commerce Commission. I have not had time to investigate it; and it does seem to me, if the Senator will pardon me, that that is one of the vices incident to the adoption of this resolution. It projects into the Senate questions which are controversial in character and compels us to diverge from our labors as a legislative body to consider controverted questions before the court, as to which we would be compelled to express an opinion and make investigations before we can act.

Mr. NORRIS. Mr. President——

Mr. PITTMAN. Let me first answer the question of the Senator from Utah.

Whether we know anything about the position of the Interstate Commerce Commission or not, we desire the law as we intended it upheld. There are some of us who may know something about it, and some of us who may know nothing about it, and others who may know more or less about it. We do know what the intent of the act was; and if we are not satisfied with the ability of the counsel of the Interstate Commerce Commission to present our intent with regard to that law, it is perfectly proper for us to represent that to the Supreme Court of the United States, as any other association or citizen or group might do.

Mr. FESS. Mr. President——

Mr. PITTMAN. If there were any coercion, if the Senate were doing anything other than is done throughout this whole country before courts by individuals, by citizens, by corporations, by associations, then I should say it might be considered an imposition upon the court, or an act of discourtesy. But is there any reason why this body should not be interested in this matter like any other body, whether it be corporate or an association? And if it is interested in the matter, and pursues exactly the same practice as every individual or corporation, is such a respectful request of this body for additional counsel on behalf of one of its agents to be considered as an improper interference with the functions of the court?

Mr. FESS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield now to the Senator from Ohio.

Mr. FESS. If it is the desire of the Interstate Commerce Commission to have Mr. Richberg appear in its behalf, it would be perfectly in order, if it did not have the authority to engage him, for Congress to give that authority. It would not be sufficient for the Senate to do it, but it would be proper for Congress to do it. That, however, is entirely different from making a request of this kind of a coordinate body like the Supreme Court.

Mr. PITTMAN. Not at all.

Mr. FESS. I think it is.

Mr. PITTMAN. If your agent were conducting a suit of vital importance to you and that agent had a counsel employed, you say it would be all right if your agent asked for additional counsel, but you deny your authority as principal to ask for additional counsel. What is the Interstate Commerce Commission but an agency of this body? It is nothing but an agency of Congress; and yet, because the Interstate Commerce Commission is satisfied with its counsel, you think that this body, which created it, should stand silent forever.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. I should like to call the attention of the Senator from Utah to the first "*Resolved.*" It seems to me it meets his objection entirely. In that resolution we say:

> Without thereby expressing its approval or disapproval of the arguments of counsel and without thereby intimating any opinion regarding the issues in the case.

Mr. REED of Pennsylvania. Then the Senator does not agree with the Senator from Nevada, who thinks the Senate should take one side of this case?

Mr. NORRIS. No; I do not think there is any disagreement with the Senator. The Senator from Nevada argues that we have created the Interstate Commerce Commission. An attorney has argued before them on the tentative report made before the Interstate Commerce Commission sustaining it. He argued again before the court, when he got into court, sustaining the position of the Interstate Commerce Commission. So far it has been sustained. Now, we are asking if the Supreme Court will not permit this man to make an argument before them in his attempt to sustain the action of the Interstate Commerce Commission, an organization that has been created by law.

Mr. REED of Pennsylvania. But the Senator from Nevada says that Mr. Richberg represents the Senate's view of the proper interpretation of the interstate commerce act, as I understand him.

Mr. PITTMAN. I beg the Senator's pardon; the Senator from Nevada made no such assertion.

Mr. REED of Pennsylvania. Then the Senator does not believe that?

Mr. PITTMAN. I have no knowledge as to whether he does or not.

Mr. REED of Pennsylvania. But I understood the Senator to say that the Senate had a right, as a legislative body, to have its interpretation of the interstate commerce act presented to the Supreme Court.

Mr. PITTMAN. That is what the Senator from Nevada said.

Mr. REED of Pennsylvania. Is not that what I said?

Mr. PITTMAN. No, Mr. President.

Mr. REED of Pennsylvania. What is the difference between what I said and what the Senator said?

Mr. PITTMAN. What I say is that if the Senate agree that Mr. Richberg is an able lawyer and can present the intent of

this body with regard to that act, they have an absolute right, without any reflection on the Supreme Court of the United States, to request the Supreme Court, as other institutions do, to permit him to make the argument.

Mr. REED of Pennsylvania. Is it the Senator's idea that that is what we would be doing if we passed this resolution?

Mr. PITTMAN. Exactly.

Mr. REED of Pennsylvania. Then it is the Senator's idea that Mr. Richberg represents our view of the proper outcome of this controversy, and therefore we want him to be before the court to express our view?

Mr. PITTMAN. I feel that he does; yes. That is my view. I do not know about the Senator's view. If he appeals to my view, I will vote for him. If he does not, I will not.

Mr. REED of Pennsylvania. Then the Senator does not agree with the recital in the resolution that this action is taken without expressing any view as to the merits of the controversy?

Mr. PITTMAN. Undoubtedly we are not expressing any views. Those will be expressed by our counsel in the proper, legitimate way. It would be entirely improper for us to attempt to influence the court by resolutions as to what we believe should be the outcome. We simply desire to inform the court now that we will abide by any decision of the matter that they may make; we will not criticize any decision they may make; we will not attempt to prejudge that matter; we ask only that a counsel in whom we have confidence, if we have confidence in him—and those who have will vote for him—be allowed to present the case to the Supreme Court.

Mr. REED of Pennsylvania. I doubt whether the Senator's view of this resolution corresponds to that expressed by the Senator from Nevada. The Senator from Nevada bases our supposed right to pass this resolution upon our right to legislate on the subject of interstate commerce. This is a Senate resolution; it is not a joint or a concurrent resolution; and the Senate has not any more power to legislate by itself than one leg has power to walk by itself.

Mr. PITTMAN. I do not base the right on the Constitution at all. The right exists inherently in any citizen of the United States to-day to petition a court for the privilege to have a counsel appointed as amicus curiæ. That is the basis of our right. I am stating the Senator's interest in it as one of the congressional bodies. The Senate's interest is the control of interstate commerce. While we, as a separate body, can not pass an act with regard to interstate commerce, we are just as much interested in legislation as the other body or as both of the bodies; and we have a right, as a separate body, to act with regard to the protection of interstate commerce by resolution or other procedure within our separate jurisdiction. Our jurisdiction is not separate with regard to legislation, because the other House must join; but our jurisdiction is separate with regard to resolutions, and we are within our jurisdiction when we petition the Supreme Court of the United States for the hearing of extra counsel with regard to a matter in which we are deeply interested.

Mr. REED of Pennsylvania. We have a right to legislate. The litigation that follows our legislation is a matter for the judicial branch of the Government, and is none of our business.

Mr. KING. Mr. President, will the Senator from Nevada permit me to ask him a question?

Mr. PITTMAN. Certainly.

Mr. KING. Suppose that the view of the Senator from Nevada with respect to a proper interpretation of the interstate commerce act runs along certain lines—say the lines represented by Mr. Richberg, and voiced by him in his brief. Suppose that the views of myself and some other Senators should be quite different from those of my able friend.

Mr. PITTMAN. Then I would vote against him.

Mr. KING. Then, if a resolution comes here asking the court to hear Mr. Richberg, why might not those who took the other view from the Senator from Nevada submit a counter resolution asking for the appointment of somebody else who would be more in harmony with their views? Would not that result in projecting into the Senate all controversies which were before the court which involve legislation by Congress? And, finally, would we not be dividing upon controversial matters that come before the court; and might not some Senator deeply interested in some matter before the court submit a resolution recommending the court to hear A or B or C who represented his view; and might not some other Senator, having a different view, submit a counter resolution asking that some other attorney be appointed to represent his view?

Mr. PITTMAN. Mr. President, will the Senator yield there?

Mr. KING. Certainly.

Mr. PITTMAN. I do not believe that it would be a good practice for the Senate of the United States to pursue this course often. I think it should be utilized only in an extreme case, just as the Congress of the United States directed the President of the United States to employ special counsel in an extreme case.

We have done a great many things in extreme cases that we do not make a practice of doing. As I say, when the Congress of the United States passed an act practically instructing the President of the United States to take certain litigation out of the hands of the Attorney General of the United States, it did an extreme act, but it was justified. I do not believe this body should on little occasions or many occasions make a request of the Supreme Court of the United States that an amicus curiæ be heard. It should very rarely be done, and I should not vote for it unless it was an extreme matter. I do not, however, recognize at the present time any matter of greater importance before the whole country than the matter of interstate commerce. I do not know of any legislation on the statute books to-day that more vitally and directly affects every human being in this country than interstate-commerce legislation and particularly the transportation act.

I recognize this as a peculiar case. When one of our agents, the Interstate Commerce Commission, to whom was delegated our authority, is attempting to make this fight, and to make it, I believe, against the united power of all the great transportation companies of this country, I do not think we should stand back and say, "That agency has attorneys. No doubt it has good counsel." I would rather have additional counsel. If necessary, I would rather have several additional counsel. If there are other counsel abler to represent this great question that Senators know of, let them put in a resolution requesting that they be employed.

It is not a question as to whether this is the best man or not. I have confidence in this man. Others may not have. I have more confidence in him than I have in the general counsel of the Interstate Commerce Commission. To my mind, he has proven his ability, his knowledge of this subject, his capabilities; and I think this is a respectful request of the Supreme Court of the United States, the propriety of which they will readily see. They will not interpret it as coercion or interference. They will look on it as we look on it, as an effort of the Senate of the United States to have the matter ably presented to the Supreme Court.

Mr. BRATTON. Mr. President, I can not let the statements just made by the Senator from Nevada pass without question. As I understood him, he said that those of us who have confidence in Mr. Richberg will support this resolution and that those of us who lack confidence in him will oppose it.

Mr. PITTMAN. I did not mean to say that, if I did. I meant that those who did not have confidence in him would undoubtedly vote against him. They might vote against the resolution for other reasons.

Mr. BRATTON. Very well. I think I am in accord with the views Mr. Richberg has advocated in the litigation up to this time. Whether I agree with him or disagree from him is entirely aside from the question with which we are properly concerned. Whether we think he is maintaining a correct interpretation of the act involved in the litigation is foreign to the question we are considering here.

I can not concur in the view that anyone should be affected or persuaded to vote either way in regard to this resolution by whether his views are in accord or in discord with the views of Mr. Richberg. That question is entirely aside. The question with which we are concerned now is whether the Senate should go so far as to express itself in advance of the matter even being presented to the Supreme Court as to whether it should hear Mr. Richberg.

The Senator from Nevada says he is endeavoring to uphold the Interstate Commerce Commission. But we are asked to appear from an entirely different angle to the litigation; to inject ourselves into the situation and advise the Supreme Court what we think it should do respecting purely a matter of procedure in a given case.

I have no doubt that the Supreme Court will hear Mr. Richberg fully; I have not the slightest doubt that when it is made apparent to the court that this is an important case, one of unusual importance, in which the public is peculiarly interested, the court will give Mr. Richberg every opportunity to present his views in a written brief and by oral argument. I express the hope that that will be done. My observation has been that seldom in the judiciary is a reputable attorney denied the right to appear as amicus curiæ in regard to a case of public nature or concern.

I am unwilling, regardless of whether I agree or disagree with the views entertained by Mr. Richberg, to vote for a resolution that is purely advisory to the Supreme Court, advising

it that, in our opinion, it should extend an act of grace to a given attorney representing certain interests who are concerned in the subject matter of litigation pending in that tribunal.

I simply want to make clear that, regardless of the fact that I agree with Mr. Richberg, I can not give my consent to favor the resolution for the reasons indicated.

Mr. BRUCE. Mr. President, I simply desire to put myself on record in relation to this matter. I have no intention of making it the subject of anything but the briefest comment.

From the time of Montesquieu it has been considered a thing of supreme concern that the three great departments of government—the executive, the judicial, and the legislative—should be kept absolutely independent of each other. It seems to me that one of the most interesting trains of reflection that it is possible for the mind to pursue is that each of these departments performs its own functions on the whole with an extraordinary degree of success, and yet each one of them is a most inefficient instrument for the performance of the functions of the other. As I have had occasion to say more than once, I do not know a poorer executive or a poorer judge in the world than a legislative assembly, and yet, with all its infirmities and limitations, a legislative assembly is one of the most exquisite agencies, if I may use such an expression, for the preservation of human liberty; indeed, the most effective that the mind can conceive of.

This resolution is an attempt on the part of the Senate to influence the action of the Supreme Court in a manner that calls distinctly for disapproval. It is true that it is careful to say that it is not to be taken as expressing either approval or disapproval of the arguments of counsel in the case to which it relates, and does not intimate any opinion regarding the issues involved in that case; but, all the same, it does nothing less than request the Supreme Court to permit Donald R. Richberg, as counsel for the National Conference on Valuation, to intervene in the case.

The first thing that the Supreme Court has to consider is whether a proper foundation has been laid by Mr. Richberg for intervention at all. That is a judicial question; that is just as much a judicial question as is the question as to whether the valuation of the railroads of the country has been carried on in a proper manner. So, to that extent at any rate—that is, to the extent of expressing the unqualified hope that the Supreme Court will permit Mr. Richberg to intervene—this body undertakes to usurp—no other term is appropriate to the situation—one of the powers, one of the functions, of the Supreme Court of the United States.

Some years ago I stood upon this floor and insisted that the Senate had no constitutional right to ask the President to call for the resignation of Edwin Denby, or to remove him. Notwithstanding the lapse of time that has taken place since then, I have never in all my life felt more certain of the correctness of a conclusion than of that which I reached at that time. That was an unwarranted thing for the Senate to do, and what we are now considering would also be an unwarranted thing for it to do.

I have nothing but the highest degree of respect for Mr. Richberg. I know him, and have heard him quite often before the Senate Committee on Interstate Commerce since I have been a member of that committee. He is a truly able lawyer, highly qualified to look after a legal controversy of any kind, whatever its importance. But in this matter he should be allowed to rely upon the strength of his own application, and upon nothing else whatsoever, and that is just what he is not relying on.

If he is not soliciting the influence of this body in behalf of his application to the Supreme Court, if he is not seeking to affect, through the agency of this body, the decision of the Supreme Court in relation to his desire to intervene, pray what is he trying to do; pray what is his object in coming here?

If his petition is a meritorious one, there is no need for him to enlist our help. Meritorious or not, what he is seeking is to secure the very thing that it is the intent of our Constitution and laws that no man should seek, that is to say, the intervention of the legislative branch of the Government in a matter which appertains exclusively to the jurisdiction and authority of another and a distinct department of the Government.

Therefore I trust that this resolution will not receive the approval of the Senate. It is clearly an encroachment upon the domain of another independent branch of the Federal Government.

Mr. WHEELER. Mr. President, the Senator from Maryland seems to think that if we pass this resolution we will be usurping the power of the Supreme Court. I am entirely at a loss to understand how anyone can come to that conclusion with reference to this resolution.

Mr. BRUCE. Mr. President, I did not state my proposition just that way. What we are seeking to do is to bring to bear upon a conclusion of the Supreme Court, it seems to me, the force of our conclusion, whatever its force may be, that, in our judgment, whatever the Supreme Court may think, Richberg should be allowed to intervene.

Mr. WHEELER. If I understood the Senator correctly, he not only said once, but he repeated it several times, that we were attempting to usurp the power of the Supreme Court. I do not think there is anybody in the Senate who would deny the right of this body to employ counsel in this particular matter, and to ask to have counsel appear in the Supreme Court and argue and present our views to the Supreme Court of the United States.

As the Senator from Nevada [Mr. PITTMAN] pointed out a moment ago, this is a matter in which the Senate of the United States is particularly interested. It is a matter in which the Congress of the United States is interested, and it is a matter in which all the people are interested, because it has to do with the rate-making power of Congress which we have delegated to the Interstate Commerce Commission. The question involved here is the question that is constantly coming up before this body, and constantly coming up before the Committee on Interstate Commerce. We have had the question up before that committee when appointments to places on the Interstate Commerce Commission have come before us. Members of the commission and others who have been appointed have pointed out time and time again that they were not quite sure what the Supreme Court meant by some of their decisions.

In this particular case, the Interstate Commerce Commission has made a certain ruling. That went to the district court, and Mr. Richberg was permitted to intervene. My understanding of the matter is that there is a certain practice of the Supreme Court which does not permit him to appear and argue the case before the Supreme Court unless both the railroad and the Interstate Commerce Commission agree to it.

This resolution is merely a request of the Senate of the United States that Mr. Richberg be permitted to appear before the Supreme Court and argue certain phases of the case. We are doing what the Constitution prescribes we or any citizen may do; namely, petition any branch of the Government.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Maryland?

Mr. WHEELER. I yield.

Mr. BRUCE. Is it not a little more than that? Is it not necessarily an expression of an opinion by the Senate?

Mr. WHEELER. No.

Mr. BRUCE. Does it not follow, as a matter of course, from the fact that it requests the Supreme Court of the United States to do something that it is the opinion of the Senate that the Supreme Court of the United States ought to do it? What is that but an attempt to influence the judicial action of the Supreme Court?

Mr. WHEELER. I do not think the Supreme Court will so take it, and I do not think that they should so take it.

The request from this body would not, in my judgment, have very much more effect than the request from any other body. But the resolution also says that—

> the Senate expresses its approval of the application of counsel for the National Conference on Valuation * * * without thereby expressing its approval or disapproval of the argument of counsel and without thereby intimating any opinion regarding the issues in the case.

In view of that statement I do not see how it can be contended by the Senator from Maryland or by anybody else that this is an interference or any attempt to interfere with the Supreme Court in their ruling.

Mr. BRATTON. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Montana yield to the Senator from Arizona?

Mr. WHEELER. I yield.

Mr. BRATTON. I have already said that I am in accord with the views Mr. Richberg has advocated and presented before, and I hope the court will hear him fully, because I think it will serve a useful purpose if it will. I want the Senate to understand that my opposition to the resolution does not grow out of any disagreement with Mr. Richberg or any belief that he should not be heard. I think he should be heard, and I think he will be. My opposition to the resolution is that I think it does constitute an interference to this extent, that it undertakes to advise another branch of the Government

what it should do with reference to procedure in a given case. To that extent, and to that extent only, I am not in accord with the resolution.

Mr. WHEELER. I think the interference is so slight, if it could be termed any interference at all, that we should not hesitate about it when the matter is so important, and when any citizen would have the same right. Everybody concedes that it is extremely important to everybody in this country that this case should be presented to the Supreme Court, and that all of the views of the different groups in the country should be presented.

Let me say further to the Senator from New Mexico that I know something of the history of the case. I know the railroads' argument and something of their briefs. I know some of the arguments that will be made on behalf of the Interstate Commerce Commission. I know that Mr. Richberg holds views that are not entirely in accord with the views of either of those two groups. It is the idea of the organization which Mr. Richberg represents that certain economic views ought to be presented to the Supreme Court. I am not saying that I would fully agree with all the arguments he may present, but at least I think that he should be heard.

Mr. BRATTON obtained the floor.

Mr. SMOOT. Mr. President, may I ask that the revenue bill be laid before the Senate at this time?

Mr. CURTIS. Mr. President, I wonder if we can not get a vote on the resolution? It has been debated now for two hours.

Mr. KING. There will probably be some more debate on it.

Mr. REED of Pennsylvania. Oh, no; we are ready to vote.

Mr. WHEELER. Yes; let us vote.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator from New Mexico has the floor.

Mr. BRATTON. Mr. President, in view of the statement just made by the junior Senator from Montana [Mr. WHEELER], I think it is perfectly obvious that this is a proper case in which Mr. Richberg should be heard by the court. I reaffirm what I have already said that I believe he will be heard. But I think that should be brought about through the orderly procedure of the Supreme Court without any outside expression on behalf of the Senate. Let Mr. Richberg present his outside and different views from those entertained by either party to the controversy. I believe that should be done. I do not think, however, that we would be justified in going to the extent of advising the Supreme Court to transgress one of their rules, as the Senator from Montana has indicated it would be necessary for them to do. Let the Supreme Court do it of their own volition. If the case is an unusual one, justifying that course, I expect that it will be done. I hope that it may be done. I do not want my position in opposition to the resolution misunderstood. It is upon the grounds previously expressed.

Mr. REED of Pennsylvania. Let us have the yeas and nays.

The PRESIDING OFFICER. The question is on the adoption of the resolution as modified, on which the yeas and nays have been demanded and sufficiently seconded. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CURTIS (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. Not knowing how he would vote on this question, I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. REED of Pennsylvania (when his name was called). I have a pair with the Senator from Delaware [Mr. BAYARD]. I transfer that pair to the Senator from Massachusetts [Mr. GILLETT] and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce that the Senator from Delaware [Mr. DU PONT] has a general pair with the Senator from Florida [Mr. TRAMMELL].

Mr. BRATTON (after having voted in the negative). I have a pair with the junior Senator from Indiana [Mr. ROBINSON]. Not knowing how he would vote, I withdraw my vote.

Mr. SMITH. I have a pair with the senior Senator from Indiana [Mr. WATSON]. I transfer that pair to the junior Senator from New York [Mr. WAGNER], and vote "yea."

Mr. WALSH of Montana. The senior Senator from Arkansas [Mr. ROBINSON] is unavoidably absent. If he were present, he would vote "yea."

Mr. CURTIS. In view of the announcement just made by the Senator from Montana with reference to the senior Senator from Arkansas [Mr. ROBINSON], with whom I have a general pair, I am at liberty to vote. I vote "yea."

Mr. ASHURST. Mr. President, has the junior Senator from Arizona [Mr. HAYDEN] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. ASHURST. The junior Senator from Arizona [Mr. HAYDEN] has been called from the Chamber by an important matter of official business. If he were present, he would vote "yea."

The result was announced—yeas 46, nays 31, as follows:

YEAS—46

| | | | |
|---|---|---|---|
| Ashurst | Cutting | La Follette | Sheppard |
| Barkley | Dill | Locher | Shipstead |
| Black | Fletcher | McKellar | Simmons |
| Blaine | Frazier | McMaster | Smith |
| Blease | Gooding | McNary | Stephens |
| Borah | Harris | Mayfield | Swanson |
| Brookhart | Harrison | Neely | Thomas |
| Broussard | Heflin | Norbeck | Walsh, Mass. |
| Capper | Howell | Norris | Walsh, Mont. |
| Caraway | Johnson | Nye | Wheeler |
| Couzens | Jones | Pine | |
| Curtis | Kendrick | Pittman | |

NAYS—31

| | | | |
|---|---|---|---|
| Bingham | Glass | Metcalf | Shortridge |
| Bruce | Goff | Moses | Smoot |
| Copeland | Greene | Oddie | Steck |
| Dale | Hale | Overman | Steiwer |
| Deneen | Hawes | Phipps | Tydings |
| Edge | Keyes | Reed, Pa. | Warren |
| Edwards | King | Sackett | Waterman |
| Fess | McLean | Schall | |

NOT VOTING—17

| | | | |
|---|---|---|---|
| Bayard | Gillett | Robinson, Ark. | Wagner |
| Bratton | Gould | Robinson, Ind. | Watson |
| du Pont | Hayden | Trammell | |
| George | Ransdell | Tyson | |
| Gerry | Reed, Mo. | Vandenberg | |

So Mr. NORRIS's resolution as amended was agreed to.

The VICE PRESIDENT. Without objection, the preamble as amended is agreed to.

PORTRAIT OF CHIEF JUSTICE MARSHALL

During the consideration of Mr. NORRIS's resolution—

Mr. BRUCE. Mr. President, as I was proceeding to say the other day when I was interrupted, or as perhaps I had already said when I was interrupted, on December 13, 1927, I introduced into the Senate a joint resolution authorizing the Joint Committee on the Library to purchase a portrait of Chief Justice John Marshall.

Mr. NORRIS. Mr. President, will not the Senator let us have a vote on my resolution?

Mr. BRUCE. I am just going to make an announcement. I shall occupy only a moment. I have been trying and trying to have an opportunity to say what I desire to say, and I assure the Senator I shall take but a moment.

That resolution was introduced as far back as December 13, 1927. I have made every effort in my power to have the subject matter of the resolution acted on and to have the resolution reported to this body either adversely or favorably. Now, I simply want to say that I hope the committee will report the resolution either favorably or adversely. I certainly am entitled to that, and it seems to me the Senate is entitled to that much. I wish now merely to say that if it does not do so within a week from this time I shall feel constrained to ask the Senate to discharge the committee from the further consideration of the resolution. I do not want to do that. That is never a very agreeable thing to do; I had almost said it is a painful thing to do; but it is a thing we have to do at times. I trust that the committee, for the members of which I have a very high degree of respect, as they well know, may certainly, within the next week anyhow, report the resolution either favorably or adversely.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had recommitted to the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, its report on that bill.

The message also announced that the House had adopted a concurrent resolution (H. Con. Res. 34) authorizing the conference committee on Senate bill 3740, the flood control bill, to include in its report a recommendation amending section 10 thereof, and providing that no point of order shall be made against the report by reason of such action, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 3594. An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes;

H. R. 4357. An act for the relief of William Childers;

H. R. 6492. An act to authorize the Secretary of War to donate to the city of Charleston, S. C., a certain bronze cannon; and

H. J. Res. 177. Joint resolution authorizing the erection of a flagstaff at Fort Sumter, Charleston, S. C., and for other purposes.

FLOOD CONTROL

The VICE PRESIDENT laid before the Senate a concurrent resolution (H. Con. Res. 34) from the House of Representatives, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," be authorized to include in its report on said bill a recommendation amending the proviso to the first paragraph of section 10 by striking out the words in said paragraph "board created in section 1 of this act," and inserting in lieu thereof the words "Mississippi River Commission," and no point of order shall be made against the report by reason of such action.

Mr. JONES. Mr. President, I ask unanimous consent for permission to withdraw the conference report on the flood control bill which I filed and had laid on the table two or three days ago.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES. I now ask that the concurrent resolution of the House be adopted.

Mr. LA FOLLETTE. Mr. President, let the concurrent resolution be read.

The Chief Clerk again read the concurrent resolution.

Mr. JONES. I may say that the provision referred to here relates to the surveys of the tributaries. The main text of the bill provides that reports as to such surveys shall be submitted to the engineering board created in section 1, and then transmitted to the Secretary of War. This simply permits us to change the language so as to require that such reports shall be referred to the Mississippi River Commission and then that their report shall be sent by the Secretary of War to Congress.

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. JONES. Yes.

Mr. FESS. I do not understand the statement that "no point of order shall be made."

Mr. JONES. This part of the section was passed by both the House and the Senate and it is desired to change it; but the conferees could not do that without making their report subject to a point of order.

Mr. FESS. Because the matter was not in disagreement?

Mr. JONES. Yes; because it was not in disagreement.

Mr. KING. Mr. President, will the Senator from Washington yield to me?

Mr. JONES. Yes.

Mr. KING. This does not commit the Senate to the amendment that is included in the provision just read?

Mr. JONES. It does not commit the Senate to the adoption of the conference report.

Mr. KING. When will that be brought up for consideration?

Mr. JONES. It has first to be acted on by the House of Representatives, but it will be up for consideration in possibly two or three days.

Mr. LA FOLLETTE. Mr. President, has the Senator from Washington considered whether or not the mere adoption of the resolution will preclude the making of the point of order?

Mr. JONES. It would preclude the making of the point of order on this ground: The two Houses can make such an arrangement as that. Of course, if the conferees have incorporated other matters that are not germane and were not in conference, a point of order could be made. Such action as this, however, has been taken in several instances heretofore.

Mr. KING. Mr. President, may I again ask the Senator——

Mr. LA FOLLETTE. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. Would the adoption of this resolution by the Senate preclude any Senator from making a point of order which will lie under the rules?

Mr. JONES. It would not; except as stated.

The VICE PRESIDENT. Without this provision, a point of order would lie against this particular item.

Mr. KING. Then the adoption of the resolution means that we can not raise a point of order against this particular provision?

Mr. JONES. The point of order can not be raised as to this particular provision; that is, a point of order can not be made against the conference report, because the conferees dealt with this particular matter.

Mr. KING. Why does not the Senator give us an opportunity to appreciate the significance of this proposed amendment?

Mr. JONES. This is the explanation of the proposed change: Under the bill as passed by the House and the Senate surveys are made on tributaries and the report of such surveys must be submitted to the engineering board created in the first section and then referred by the Secretary of War to Congress. Instead of referring these reports to the engineering board, we changed the provision so that they will be referred to the Mississippi River Commission. That is for the purpose of avoiding continuing the existence of the engineering board in effect indefinitely. It is not really necessary; the Mississippi River Commission is the proper body.

Mr. FLETCHER. May I say to the Senator from Utah that I think the conferees of both bodies, the House and the Senate, unanimously agreed to this change? The conferees, however, were unable to make the change because this particular provision was not in conference. Now we are asking unanimous consent to allow this change to be made without making the whole report subject to a point of order on that account.

Mr. KING. Mr. President, I desire to ask the chairman of the committee if this change does not remove one agency which was set up under the original bill for the protection of the Government and make it easier to get money out of the Treasury for carrying out the project contemplated by a good many people?

Mr. JONES. Not at all. The board to which the Senator refers is not affected at all as to the purposes for which it was really created.

Mr. KING. If this is to remove an agency designed to protect the Government, I should be very much opposed to it.

Mr. JONES. Not at all.

Mr. KING. Because the bill is too wide open, any way, and does not give sufficient protection to the Government. If there is any agency removed, thereby making it more easy to accomplish the objects of those who are the proponents of the bill, I should dislike very much to vote for it.

Mr. JONES. The reports referred to here all come to Congress.

Mr. SMOOT. Mr. President, there is a rumor around that the conferees on this bill met with the President to-day and have come to an understanding in relation to the bill. I wish to ask the Senator from Washington if the provision as to which he desires no point of order made is for the purpose of carrying out that understanding?

Mr. JONES. It is for the purpose of carrying out one of the desires of the President.

Mr. SMOOT. And that is why the Senator from Washington is asking it?

Mr. JONES. Yes.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution of the House.

The concurrent resolution was agreed to.

CONSTRUCTION OF POST ROADS ON PUBLIC LANDS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3674) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, which was to strike out all after the enacting clause and insert:

That for the purposes of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated for the construction, by the Bureau of Public Roads, of the main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations—

The sum of $3,500,000 for the fiscal year ending June 30, 1929.

The sum of $3,500,000 for the fiscal year ending June 30, 1930.

The sum of $3,500,000 for the fiscal year ending June 30, 1931: *Provided*, That the sums hereby authorized shall be allocated to the States having more than 5 per cent of their area in lands hereinabove referred to, and said sums shall be apportioned among said States in the proportion that said lands in each of said States is to the total area of said lands in the States eligible under the provisions of this act.

SEC. 2. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage.

Mr. ODDIE. I move that the Senate concur in the House amendment.

Mr. REED of Pennsylvania. Mr. President, may we know what the amendment is?

Mr. ODDIE. Mr. President, this is a bill providing an authorization for an appropriation for the construction of roads on the unappropriated public domain, on Indian reservations, and forest reserves. It is in addition to the regular Federal aid road appropriation bill, but the amount in addition is small. A similar bill passed the Senate this session. This bill now corresponds to the bill introduced by Representative COLTON, of Utah, in the House. The House struck out all after the enacting clause of the Senate bill and inserted the language of the so-called Colton bill. It is approved in effect by the Bureau of Public Roads, and is substantially in the form in which it passed the Senate.

Mr. BINGHAM. Let the amendment be read, Mr. President.

The VICE PRESIDENT. The amendment will be read.

The Chief Clerk read the amendment of the House of Representatives.

Mr. WARREN. Mr. President, I should like to ask the Senator what amount of money, if any, is immediately appropriated by this bill?

Mr. ODDIE. Three and a half million dollars.

Mr. WARREN. Is it an authorization or an appropriation?

Mr. ODDIE. It is an authorization for an appropriation.

Mr. WARREN. It is an authorization, but makes no appropriation?

Mr. ODDIE. That is correct.

Mr. DILL. Mr. President, I should like to ask the Senafor from Nevada whether or not it is necessary to have additional legislation authorizing appropriations for specific roads across reservations and across unappropriated public lands referred to in the bill, or whether it would be possible to have the Appropriations Committee make appropriations without further legislation?

Mr. ODDIE. It has been decided by the Bureau of Public Roads that this proposed legislation is necessary because of the enormous area of unappropriated public lands in the various Western States and the large areas of lands within forest reserves and Indian reservations. It will take care of some of the roads in those areas which can not be taken care of under present legislation and appropriations of the Federal-aid appropriation bills.

Mr. DILL. Does this become a part of the State highway programs?

Mr. ODDIE. Not necessarily. The construction of the roads is left to the Bureau of Public Roads.

Mr. DILL. The information I am trying to get from the Senator is this: I have a bill pending at the present time authorizing the appropriation of a certain amount of money for a certain road across an Indian reservation in which there are some allotments and in which there is land not taxed. Under this bill as passed will it be possible to obtain an appropriation for that road, or must I press that bill in order to secure such an appropriation?

Mr. ODDIE. I think that this bill covers the point the Senator from Washington has in mind.

Mr. DILL. That was my understanding, but I wanted to get the Senator's view of it.

Mr. ODDIE. I am not familiar with the wording of the bill to which the Senator refers, but from what I understand of it I think this bill will cover the subject.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ODDIE. Yes.

Mr. McKELLAR. In what way does the House bill differ from the Senate bill?

Mr. ODDIE. The Senate bill provided for maintenance, while the House bill eliminates the item of maintenance in connection with public roads on the public domain and other Government reservations. The Senate bill provided that the work on these roads on the unappropriated domain should be done by the State highway departments. That provision is eliminated in the House bill, and the work provided for in this bill on the unappropriated public-domain lands will be done by the Bureau of Public Roads.

Mr. BINGHAM. Mr. President, there was so much confusion in the Chamber that I could not quite hear what the Senator said. Did he say that under the original Senate bill the work would be done by the States, while in this bill none of it is to be done by the States?

Mr. ODDIE. The original bill which was passed by the Senate provided that the work to be done on the roads across the unappropriated public domain should be done by the State highway departments, as it is done to-day. This bill eliminates that provision, so that the work can be done by the Bureau of Public Roads on these Federal lands.

Mr. BINGHAM. Is it the Senator's desire, then, that the States should give up whatever jurisdiction they may have over the construction of roads within their own boundaries?

Mr. ODDIE. It was not my intention, Mr. President, because the bill that I introduced in the Senate and which was passed by the Senate provided that the work of construction of the main roads through unappropriated or unreserved public lands be done by the respective State highway departments, under agreement with the Secretary of Agriculture, if on any other part of the Federal-aid highway system. The House bill which has been substituted for the Senate bill eliminates that provision, and the Bureau of Public Roads can build these roads on the unappropriated public domain, in the forest reserves, and on Indian reservations.

Mr. BINGHAM. What States would this bill apply to chiefly?

Mr. ODDIE. It applies to the 11 public-land States of the West, including the States of Washington, Oregon, California, Nevada, Idaho, Montana, Colorado, Utah, Arizona, New Mexico, and Wyoming.

Mr. BINGHAM. My recollection is that the Senator at a previous session of Congress stated that in his State and a number of the adjoining States the larger percentage of the area within the boundaries of the States was unappropriated public land.

Mr. ODDIE. Yes; I said in Nevada nearly 90 per cent of the land is Federal land.

Mr. BINGHAM. Nearly 90 per cent?

Mr. ODDIE. Yes.

Mr. BINGHAM. This bill provides that in the construction of roads in 90 per cent of the Senator's State the State highway commission shall have nothing to say about it, but that it shall all be done by the department in Washington.

Mr. ODDIE. Mr. President, this bill is in addition to the regular Federal aid road appropriation bill. Under the regular Federal aid appropriation bill the States initiate the road projects, build the roads, and supervise them. It is the province of the Federal Government to see that the money is expended economically and that there is no waste, as far as they can see to it. This bill, however, provides for some additional necessary road building. The public-land States of the West are all very anxious for this legislation. The American Association of State Highway Officials, which comprises the road officials of practically all of these States, is in favor of this legislation.

Mr. BINGHAM. Is it a correct assumption, then, that these States are so anxious to get this money that they are quite willing to surrender any authority that they may have over where the roads are to go or what roads are to be built within their own boundaries?

Mr. ODDIE. I do not look at it in that way. I believe the States feel that it is an additional and necessary help. It is a small amount of money provided for building some additional necessary roads, and they are not surrendering any of their rights on the main system of highways.

Mr. HARRIS. Mr. President, do I understand that the Senator from Nevada asks unanimous consent to take up this bill?

The VICE PRESIDENT. The Senator from Nevada moves that the Senate concur in the amendment of the House.

Mr. McMASTER. Mr. President, will the Senator explain whether his amendment covers Indian lands?

Mr. ODDIE. Yes; roads on Indian reservations.

Mr. McMASTER. How does it happen, then, that the bill covers only the States enumerated?

Mr. ODDIE. I refer to the States which have Indian lands.

Mr. McMASTER. North and South Dakota have Indian lands.

Mr. ODDIE. Then it would refer to those States. I may have been in error in referring only to the 11 public-land States of the West. I mention those because they are what are known as the public-land States.

Mr. McMASTER. Will the Senator explain the 5 per cent clause?

Mr. ODDIE. The 5 per cent clause has been in existence for a number of years. It is called the graduated-scale provision of the Federal aid highway act. It was passed in 1921. It provides that the States having more than 5 per cent of their area in public lands——

Mr. SMOOT. Mr. President, is this going to take long?

Mr. ODDIE. No; it will take only a few minutes.

Mr. SMOOT. If it is, I should like to get back to the tax bill. There are two hours and a half of the day gone.

Mr. ODDIE. I want to read the provision of the law of 1921 regarding the graduated scale, as it is called. This is the provision, Mr. President:

> In States containing unappropriated public lands exceeding 5 per cent of the total area of all lands in the State, the share of the United

States payable under this act on account of such projects shall not exceed 50 per cent of the total estimated cost thereof, plus a percentage of such estimated cost equal to one-half the percentage which the area of the unappropriated public lands in such State bears to the total area of such State.

It is a provision relieving the Western States of small population, and containing large areas of public lands, from the burdens which other States do not have to carry.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada [Mr. ODDIE].

The motion was agreed to.

FLOOD CONTROL (S. DOC. NO. 96)

Mr. JONES submitted the following amended report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 13, 17, 18, 19, and 20.

That the Senate recede from its disagreements to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, and 33, and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "but nothing herein shall prevent, postpone, delay, or in any wise interfere with the execution of that part of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"; (C) provide without cost to the United States, all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place: *Provided, however*, That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct levees, either because such construction is not economically justified or because such construction would unreasonably restrict the flood channel, and lands in such stretch of the river are subjected to overflow and damage which are not now overflowed or damaged by reason of the construction of levees on the opposite banks of the river it shall be the duty of the Secretary of War and the Chief of Engineers to institute proceedings on behalf of the United States Government to acquire either the absolute ownership of the lands so subjected to overflow and damage or floodage rights over such lands."

And the House agree to the same.

Amendment numbered 15: That the Senate recede from its disagreement to the amendment of the House numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. 4. The United States shall provide flowage rights for additional destructive flood waters that will pass by reason of diversions from the main channel of the Mississippi River: *Provided*, That in all cases where the execution of the flood-control plan herein adopted results in benefits to property such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid."

And the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "which, in the opinion of the Secretary of War and the Chief of Engineers, are"; and the House agree to the same.

Amendment numbered 23: That the Senate recede from its disagreement to the amendment of the House numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"Including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on such tributaries the States or levee districts shall provide rights of way without cost to the United States, contribute 33⅓ per cent of the costs of the works, and maintain them after completion: *And provided further*, That not more than $10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section.

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "The sum of $5,000,000 is hereby authorized to be used out of the appropriation herein authorized in section 1 of this act, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized to be submitted to Congress under this section: *Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act: *And provided further*, That the President shall proceed to ascertain through the Secretary of Agriculture and such other agencies as he may deem proper, the extent to and manner in which the floods in the Mississippi Valley may be controlled by proper forestry practice"; and the House agree to the same.

Pursuant to House Concurrent Resolution 34, it is recommended that in the first proviso to section 10 the words "board created in section 1 of this act" be stricken out, and in lieu thereof the words "Mississippi River Commission" be inserted.

W. L. JONES,
DUNCAN U. FLETCHER,
CHAS. L. MCNARY,
JOS. E. RANSDELL,
HIRAM W. JOHNSON,
*Managers on the part of the Senate.*

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,
*Managers on the part of the House.*

GOLD STAR MOTHERS

Mr. COPELAND. Mr. President, may I have the attention of the chairman of the Military Affairs Committee?

Mr. SMOOT. Mr. President, is it not possible now to go along with the revenue bill?

Mr. COPELAND. If the Senator from Utah will be patient for a moment, I think we will go on with the revenue bill.

I desire to ask the chairman of the Military Affairs Committee what has become of the Gold Star Mothers' bill?

Mr. REED of Pennsylvania. That bill has been referred to a subcommittee of which the Senator from Connecticut [Mr. BINGHAM] is chairman.

Mr. COPELAND. Mr. President, the bill was passed in the House on the 20th of February. It came here on the 21st of February. It has been in the hands of the committee for about 11 weeks, about 70 or 80 days. I think it is only just and fair that we should have the bill on the calendar in order that it may be dealt with.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Connecticut.

Mr. BINGHAM. Notice has been sent to those interested, members of the committee, to ask whether it will be convenient for them to have a hearing on Thursday morning at 10 o'clock. Notice was sent out some hours ago. No reply has been received; but I assume that there will be a hearing on Thursday morning at 10 o'clock.

Mr. COPELAND. Does the Senator from Connecticut mean Thursday morning of this week?

Mr. BINGHAM. Of this week.

Mr. COPELAND. I think it is time that we took some action, Mr. President. When we wanted the sons of these mothers there was no delay. The Government reached out and took them at that time; but now, when we have this matter before us, week after week, week after week, the matter is delayed.

I hope, and I appeal to the chairman of the committee and the chairman of the subcommittee, that there shall be no further delay, but that on Thursday of this week the matter may be taken up, and then brought to the attention of the Senate.

SENATOR BURTON K. WHEELER, OF MONTANA

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Evening World commenting upon the public services of the junior Senator from Montana [Mr. WHEELER].

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

[Copyright Press Publishing Co. (New York World), 1928]

DESPERATE TACTICS RESORTED TO BY "INTERESTS" TO BLOCK REELECTION OF SENATOR WHEELER, WHOSE "OHIO GANG" EXPOSURE DROVE DAUGHERTY FROM CABINET

WASHINGTON, MAY 5.—Few men in public life have had a tougher road to travel than Senator BURTON K. WHEELER of Montana. His troubles with powerful foes began long before he came to the Senate. His political antagonists have been unrelenting in their efforts to discredit him. Repeated failures seem to offer no discouragement to them.

BURTON WHEELER was a United States attorney out in Montana during the Wilson administration. Every possible influence was brought to bear against him at Washington.

He was the Democratic nominee for governor in 1920. He was catalogued with the "radicals" of the Dakotas and Minnesota among political pariahs with whom no decent Republican or Democrat could associate.

I recall that his presence on the Cox presidential train kicked up a lively row, especially after Governor Cox was cordial to the head of the State ticket.

After he had started his exposé of the "Ohio gang" iniquities of the Daugherty régime in the Department of Justice, every effort was made to discredit Senator WHEELER, and the method was of slight consequence. Political hirelings were engaged to frame him. The trumped-up charges resulted in an indictment against the Senator. He emerged with a clean bill of health after a disgraceful spectacle. There is no blacker mark on the record of the present Republican administration than the attempt to punish WHEELER for his having had the courage to bring the "Ohio gang" to an accounting before the American public for the political atrocities which they committed in the name of and behind the back of Warren G. Harding.

No one ever has explained how men of the personal decency of Herbert Hoover, Harry New, Hubert Work, and Charles E. Hughes countenanced such things without uttering public protest. The only thing Washington has before it is that they did not.

Moreover, George B. Lockwood, who had a lot to do with the indictment against Senator WHEELER, now is holding forth in grand style in an expensive Willard Hotel suite as head of a Hoover-for-President club.

The effort is being made to split the progressive forces in Montana so as to retire Senator WHEELER to private life. It has slight chance of succeeding. Washington is amazed that it can have any respectable standing among decent-minded persons.

As Washington gets the story, friends of Harry Daugherty are seeking revenge against WHEELER for his having driven from the Coolidge Cabinet a Harry Daugherty, whom Mr. Coolidge regarded as a "very much misunderstood man," a Harry Daugherty whose "Hello, Andy," charmed and captivated Secretary Mellon.

The copper companies are represented as leading Montana "big business" in the program to "get" Senator WHEELER, who is a candidate for reelection this year.

If the leaders of the financial cabal can defeat WHEELER, they will go after Senator THOMAS F. WALSH in 1930. They are determined to drive from public life the two great progressive Senators who have done so much to expose corruption in Washington, the Capital is told.

Sam V. Stewart, a former governor and now attorney for Standard Oil, is the man picked to beat WHEELER in the Democratic primary.

In a fight between WHEELER and Stewart the latter would not have a show. The copper crowd is endeavoring to split the Progressive vote which would go to WHEELER. Washington hears they are endeavoring to induce young George Bourquin, district judge of Butte, to enter the race. Bourquin always has been credited with progressive tendencies, and his father, a noted Federal judge, is respected by everyone.

* * * * * * *

Former Gov. Joseph M. Dixon was persuaded some time ago to become a candidate for the Republican nomination for Senator. Many of his friends had urged him to seek the gubernatorial nomination.

It is alleged Joe Dixon, a Bull Moose leader in 1912, decided to run for the Senate because the copper group, which has opposed him heretofore, gave him to understand that they would not fight him for that position.

Charles Williams, a wealthy sheepman, has been entered against Dixon, with the understanding that he will get the backing of "big business."

The hope is said to be that many Progressives will go into the Republican primary in an effort to save Dixon, and thus draw more votes from WHEELER.

MULTILATERAL PEACE TREATY

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the London Saturday Review of April 21, 1928, on the present negotiations with reference to what is known as the multilateral peace treaty.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is here printed, as follows:

AMERICA AND PEACE

The American note on a world peace pact enlarges a draft bilateral agreement between America and France into a multilateral agreement between all the great powers. The operative clauses of the draft treaty are two. By the first the contracting powers condemn recourse to war for the settlement of international controversies and renounce it as an instrument of policy in their relations one with the other. By the second the powers agree that the settlement of all and any disputes that may arise shall never be sought except by pacific means. Opinions will differ about the practical value of propositions in terms so general. The American view is that the moral effect of a general subscription to these principles will amount to what is called an outlawry of war. France, with whom America has been negotiating, is understood to make great reservations. She points out that the Locarno treaty makes it obligatory in certain circumstances to employ the sanction of war which is formally renounced by the new-draft treaty; how, it is asked, is it possible to reconcile loyalty to the new treaty, which outlaws war, with loyalty to the old treaty, which seeks to maintain peace by providing that in certain circumstances recourse shall be had to war in order to restrain an aggressor? The essence of all European plans for preserving the peace has been the creation of sanctions against its violation. The essence of the American plan is that there shall be none but the moral sanction. The European school of thought seeks to preserve the peace by forming holy alliances to punish the aggressor; the American school rejects the idea of warlike sanctions and relies purely on the moral sanction. The one school seeks to create in a new form the old system of alliances to restrain an international criminal; the other is content to pronounce the sentence of outlawry against war and to trust to the conscience of nations to make it operative. Clearly there is a difference of principle, and it has delayed the signature of an agreement between America and France.

But it is ridiculous to argue, as some are doing, that the conflict is irreconcilable or that the Geneva and the Washington schools of international peace are mutually exclusive, and that you can only adhere to the one by renouncing the other. For think of the history that is behind both. President Wilson, who was a Democrat, had definitely come to the conclusion that America could no more isolate herself from the quarrels of Europe than could England, and on the theory that America and Europe were members of the same family was built up the whole settlement after the war. Had President Wilson, when he came to Europe, brought a few Republican Senators with him and associated the Republican Party with his policy, it might have been accepted without question. But it was repudiated on party grounds, and when the Republican Party was returned to power America once more reverted to her old isolation and refused to join the League of Nations. If there had been no coupon election in England after the war and the left-wing Liberals, traditionally opposed to European entanglements, had come into power, we should have had an exact parallel, so far as our foreign policy was concerned, to what happened in America. We should never have signed the Covenant of the League, and certainly not the pact of Locarno. But that would not have meant that we had lost all interest in European peace. Nor, in fact, has America. American foreign policy is often most easily comprehended by reference to the ideas of the mid-Victorian Liberals in England. John Bright denounced the conception of the balance of power in Europe much as Senator BORAH has attacked the League of Nations; but the motive in both cases was a keen desire to see the peace preserved.

The American policy in the new proposals that it has just put forward is one that might well recommend itself to a Morleyite English Liberal. It holds that the moral sanctions of peace are the strongest and renounces war as an instrument of policy in international relations. But if war breaks out the proposals do not necessarily commit the signatory powers to mere passive isolation from the struggle. On the contrary, the powers who have signed the American treaty may proceed to do what America did in the late war and use their influence for justice and peace in the way they think best. The difference between the American

and the Geneva school of thought is that whereas under the American plan there is freedom of choice, when the crisis comes under the covenant and Locarno the powers are committed to definite lines of action which may lead to war. The greater includes the less, and, therefore, while America may sign her new treaty without becoming a member of the league or signing any binding contract like that of Locarno, every member of the league can quite honestly sign the American treaty. They are two arches of a bridge across a river of uncertain width and rate of flow. The American treaty is the first arch, and it may suffice. If it does not, those who are free to do so may turn back, whereas others will be committed to go further; but everyone may use the first span of the bridge. We hope, therefore, that no more will be heard of the argument that because a country may be committed to go further it may not promise with America to go halfway.

It is impossible to overestimate the loss to the world of America's abstention from the league or the consequent gain if she can be induced to make, from outside the league, the same contribution to peace that she would have made if she had been a member. We regret to notice from time to time among the advocates of the league a certain theological intolerance which denounces as heretics all who prefer alternative ways to the ideal of permanent peace. But the dissenter in these matters is not necessarily damned. It was too much to expect of the United States, with her tradition bred in the bone of isolation from European quarrels, that she should commit herself in advance to specific action in certain eventualities. The wonder, indeed, is that this country has been willing to go so far as it has done. Contrast the hesitation of 1914, only resolved by the invasion of Belgium and the solemn obligation which we undertook at Locarno to throw our whole weight on the side of France or Germany if one is attacked by the other, and the distance we have traveled seems almost incredible in the time. Even now one sometimes wonders whether the conversion is as complete as it seems, and whether the masses of the people would honor the contract as generously as they did in the late war, in which there was no specific contract to bind them. It is easy, if we search our own hearts, to understand and respect the form which American service to international peace proposes to take. It may, indeed, be the form which hundreds of thousands of Englishmen would have preferred for their own country.

But however that may be, it would be madness for any European power to reject America's cooperation, however limited, because it did not go to the full length of the covenant or of Locarno. Why even this country has definitely restricted its promise of armed intervention against the aggressor to western Europe, and the broad Atlantic may well commend a further limitation to America. It is not by the actual legal promises that the value of such assistance as America now offers is to be measured, but by the spirit of sympathy and cooperation which any promise implies. This country, at any rate, will hasten to welcome American cooperation, for friends who have once committed themselves to a great principle will not as a rule part company because its execution promises to exact more sacrifices than they would have been willing to promise each other at the outset.

## TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, the first amendment will be found on page 8. I will say that the amendment applies only to the retroactive feature of the corporation tax. The individual feature will be found on page 215, in section 509.

I will say to my colleague [Mr. KING] that the first section refers simply to the retroactive feature of the corporation tax. I do not know that there is any objection at all to it.

Mr. KING. I am not sure that I understood my colleague, because of the noise in the Chamber. I think his statement, if I interpret it correctly, is accurate; namely, that the amendment to which he invited attention deals primarily with corporations.

M. SMOOT. Entirely so.

Mr. KING. But incidentally it is related to section 509, on page 215.

Mr. SMOOT. Yes; but that refers only to the surtaxes of individuals.

Mr. KING. I understand. I am willing to have the amendment considered now; but perhaps it would save time to defer its consideration until we reach page 215, section 509.

Mr. SMOOT. As I understood, there was no objection to the first amendment, applying to corporations.

Mr. KING. No. It was passed over, though, upon the theory that perhaps it related indirectly to the surtax provision and to the retroactive application of the same.

Mr. SMOOT. I will say to my colleague that if that transpires, and he desires to return to this amendment, it will be done without question.

Mr. KING. I have no objection. In order that Senators who are not members of the committee may be advised as to the nature of the provisions referred to, I desire to submit a few observations.

This bill, as it comes from the Finance Committee, contains provisions which discriminate against corporations and in favor of individuals who pay surtaxes and who are found in the brackets or classifications above $21,000. The bill reduces the surtaxes approximately $25,000,000, and applies the reduction retroactively to the calendar year 1927, so that the taxpayers concerned secure a reduction of this amount for a year which has passed.

Mr. President, unless there are appealing reasons retroactive legislation is unwise and often dangerous. There is no substantial reason, in my opinion, why individuals who have been taxed, and all of whom have paid a portion of the same and some all of it, should receive a credit or a refund of $25,000,000. And this benefit does not extend to all individual taxpayers but only to those whose incomes are in excess of $21,000. During the calendar year of 1927 these individuals carried on their business, adjusting their expenditures and their incomes upon the basis of the present revenue laws. They knew what normal taxes and what surtaxes would be required. They made their tax returns under the provisions of existing statute. Those engaged in business passed onto consumers certain costs and burdens, or conformed their procedure to the obligations imposed upon them by the revenue laws then and now in force. It is now proposed to grant them a concession of $25,000,000 for the calendar year 1927. But to corporations no such benefaction or favor is granted. Indeed, the majority party proposes to add to their burdens.

Mr. WALSH of Massachusetts. Mr. President, will the Senator allow an interruption?

Mr. KING. Yes.

Mr. WALSH of Massachusetts. In other words, the bill provides for a reduction of the surtax payers to approximately 125,000 taxpayers, and gives no retroactive benefits to 4,000,000 taxpayers.

Mr. KING. I think that is substantially correct. If I understand the Senator, he means that there are 4,000,000 persons, many of them are stockholders in corporations who will receive no benefit from the retroactive provisions as applied to the surtaxes for the year 1927. It is true that there are a large number of persons who receive dividends from corporations who are not within the surtax brackets, and hence are not benefited by this retroactive proposal. They pay the corporate tax upon the dividends distributed; that is, the corporations are taxed and pay the 13½ per cent upon their incomes, and reduce the dividend paid to stockholders pro tanto. These individuals are discriminated against in favor of those who are in the surtax brackets and who are within the retroactive amendment.

Mr. WALSH of Massachusetts. In other words, we are giving to 125,000 taxpayers, whose worth is probably more than a quarter of a million dollars each, the benefits of the retroactive features of this bill, but no other taxpayer, no other corporation, is getting any benefit?

Mr. KING. I think the Senator's statement is correct.

Mr. WALSH of Massachusetts. And there are all together about 4,000,000 individuals who make tax returns. Therefore, 125,000 out of 4,000,000 are to have the benefit of the retroactive features of this bill.

Mr. SMOOT. The rest of the 4,000,000, however, all fall within the lower brackets, and pay hardly any tax at all to-day. There are only 207 taxpayers paying over a million dollars a year.

Mr. WALSH of Massachusetts. It is true, as the Senator says, that the rest of these 4,000,000 pay no surtax at all; but they are the people in this country whose property assets are less than a quarter of a million dollars each, while the 125,000 who get the benefits of this surtax reduction have property assets of more than a quarter of a million dollars each.

Mr. HARRISON. Mr. President, as I understand, the pending amendment is merely to prevent the retroactive features applying to the corporation tax.

Mr. SMOOT. The Senator is right.

Mr. HARRISON. And both this side of the Chamber and the other side are in accord that it should not apply retroactively?

Mr. SMOOT. That is as I understand.

Mr. HARRISON. Let us vote on it then.

Mr. SMOOT. That is this amendment. I am perfectly willing to vote on it.

Mr. COPELAND. Mr. President, why was the limitation placed at 1928? Why does it not say "1928 and thereafter"?

Mr. SMOOT. It will apply thereafter. This is the revenue act of 1928, and it will stay there until an amended bill is passed which changes the year.

Mr. COPELAND. If we were to change this, and, instead of saying "1928," if we should say "1928 and thereafter"——

Mr. SMOOT. Mr. President, if the Senator will look on page 5, he will see that it says "and succeeding taxable years." The Senator has the wrong page.

Mr. COPELAND. Page 115?

Mr. SMOOT. No; we are talking about page 8. It says specifically "and succeeding taxable years" in line 5.

Mr. COPELAND. I understand that now.

The PRESIDING OFFICER (Mr. SACKETT in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in this connection there are about eight other amendments applying to corporations exactly as this does. I ask unanimous consent that they be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request asked for? The Chair hears none, and it is so ordered.

Mr. SMOOT. The next amendment passed over was, in section 12, surtax on individuals, on page 10, after line 17, to strike out all the items to line 3, page 13, and insert the items from line 4, page 13, to line 3, page 15. I understand the Senator from North Carolina has an amendment he desires to propose to that amendment.

Mr. SIMMONS. Mr. President, I had intended to offer this amendment on Saturday, but I did not get it ready in time and failed to do so. I am going to ask the chairman of the committee, after I have introduced this amendment, to agree that it shall go over at least until to-morrow so that when it is discussed the Senate will have before it the printed amendment.

Mr. SMOOT. That is a very proper request, and I want the Senator to have the amendment printed.

Mr. SIMMONS. I offer the amendment in the nature of a substitute for the surtax amendments provided in the majority report of the committee, and ask that it be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMMONS. I would like to have it printed in the RECORD and also printed as a separate amendment.

Mr. WALSH of Massachusetts. Has the Senator any objection to the amendment being reported?

Mr. SIMMONS. None whatever, but it is a form of amendment that would not be understood unless it was printed and was before a Senator.

Mr. HARRISON. I suggest that this schedule be printed in the RECORD under the remarks of the Senator from North Carolina.

Mr. SIMMONS. I have just asked that the amendment be printed in the RECORD.

The PRESIDING OFFICER. It will be printed in the RECORD as if read.

The amendment is as follows:

(In lieu of the committee amendment)

Strike out page 13, beginning with line 4, all of page 14, and page 15, including line 3, and insert:

"(a) Rates of surtax: There shall be levied, collected, and paid, for each taxable year, upon the net income of every individual, a surtax as follows:

"Upon a net income of $12,000 there shall be no surtax; upon net income in excess of $12,000, and not in excess of $14,000, 1 per cent in addition of such excess.

"Twenty dollars upon a net income of $14,000, and upon net income in excess of $14,000 and not in excess of $18,000, 2 per cent in addition of such excess.

"One hundred dollars upon a net income of $18,000, and upon net income in excess of $18,000 and not in excess of $22,000, 3 per cent in addition of such excess.

"Two hundred and twenty dollars upon a net income of $22,000, and upon a net income in excess of $22,000 and not in excess of $26,000, 4 per cent in addition of such excess.

"Three hundred and eighty dollars upon a net income of $26,000, and upon net income in excess of $26,000 and not in excess of $30,000, 5 per cent in addition of such excess.

"Five hundred and eighty dollars upon a net income of $30,000, and upon net income in excess of $30,000 and not in excess of $34,000, 6 per cent in addition of such excess.

"Eight hundred and twenty dollars upon a net income of $34,000, and upon net income in excess of $34,000 and not in excess of $38,000, 7 per cent in addition of such excess.

"One thousand one hundred dollars upon a net income of $38,000, and upon net income in excess of $38,000 and not in excess of $42,000, 9 per cent in addition of such excess.

"One thousand four hundred and sixty dollars upon a net income of $42,000, and upon net income in excess of $42,000 and not in excess of $46,000, 12 per cent in addition of such excess.

"One thousand nine hundred and forty dollars upon net income of $46,000, and upon net income in excess of $46,000 and not in excess of $52,000, 16 per cent in addition of such excess.

"Two thousand nine hundred dollars upon net income of $52,000, and upon net income in excess of $52,000 and not in excess of $60,000, 17 per cent in addition of such excess.

"Four thousand two hundred and sixty dollars upon net income of $60,000, and upon net income in excess of $60,000 and not in excess of $80,000, 18 per cent in addition of such excess.

"Seven thousand eight hundred and sixty dollars upon net income of $80,000, and upon net income in excess of $80,000 and not in excess of $100,000, 19 per cent in addition of such excess.

"Eleven thousand six hundred and sixty dollars upon net income of $100,000, and upon net income in excess of $100,000, 20 per cent in addition of such excess."

Mr. SIMMONS. Before we leave that, I have several other amendments which I shall offer to this bill, and I might as well introduce them now and have them printed. I send to the desk five other amendments and ask that they all be printed.

The PRESIDING OFFICER. Does the Senator ask that they be printed in the RECORD as well?

Mr. SIMMONS. No; just printed as separate amendments.

Mr. WALSH of Massachusetts. Will the Senator briefly explain his amendments?

Mr. SIMMONS. They are amendments which the minority members of the committee have agreed upon. I will ask that the amendments be sent back to me, if the Senator desires to have them explained.

Mr. WALSH of Massachusetts. I wish the Senator would explain them.

Mr. SIMMONS. Does the Senator want me to explain the surtax amendment?

Mr. WALSH of Massachusetts. No; that is not necessary. I understand that amendment simply changes the brackets from the amendment offered by the majority of the committee.

Mr. SIMMONS. The amendment I now have in my hand relates to the repeal of the admissions tax. It provides for the complete repeal of all admission taxes except that upon prize fights. It retains that. It also retains the provision with reference to sales by brokers of tickets to the theater and similar places of amusement.

The PRESIDING OFFICER. Does the Senator ask that these amendments be printed in the RECORD?

Mr. SIMMONS. I do not. I stated a little while ago that I did not ask that any of these amendments, except the one relating to the surtax, be printed in the RECORD; but the Senator from Massachusetts has asked me to indicate, in brief terms, what these various other amendments I have proposed relate to.

The amendment which I now have in mind relates to the graduated tax proposed by the House.

Mr. WALSH of Massachusetts. The corporation tax?

Mr. SIMMONS. Yes; the tax upon the incomes of corporations. It is to preserve the provision as it passed the House.

Mr. WALSH of Massachusetts. Which the Finance Committee does not favor?

Mr. SIMMONS. Which it did not favor. The one I now have in my hand is to carry out the attitude of the minority with reference to what is known as club dues; that is, the minority propose to cut that tax in half and the majority insist that the tax should not be reduced. This is to accomplish the purpose of the minority.

Mr. WALSH of Massachusetts. The minority provision is in accord with the House provision?

Mr. SIMMONS. Yes. It means simply that we oppose the majority action. The amendment I now have in my hand is one that relates to original issues of bonds and stocks. It provides that the taxes provided in the present law with reference to these issues shall be cut in half. The Finance Committee opposed any cut, and this is to carry out the views of the minority with respect to that matter. The next amendment is also a part of the one I have just referred to. That is the scope of the several amendments I have proposed.

Mr. WALSH of Massachusetts. I thank the Senator for his explanation.

Mr. SMOOT. Noting that the Senator is just offering an amendment providing for a graduated income tax on corporations, I might say that the next amendment we have to take up is the amendment to the corporation-tax provision. Does he desire that that go over to-day, until he can have his amendment printed?

Mr. WALSH of Massachusetts. I should like to have that go over for to-day.

Mr. SMOOT. I want to ask the Senator from North Carolina another question. I understood the Senator to say that

his proposed amendment is exactly the same as the House provision on the graduated tax.

Mr. SIMMONS. Yes.

Mr. SMOOT. Then I will ask that this go over until to-morrow, when the Senator desires to speak upon all of these provisions.

Mr. SIMMONS. Mr. President, to-morrow I shall make a very brief statement.

The next amendment passed over was on page 15, line 19, to strike out "11½ per cent" and insert "12½ per cent."

Mr. FLETCHER. Mr. President, I ask that an article prepared by Mr. Arthur W. Machen, jr., of the Baltimore bar, entitled "The strange case of Florida against Mellon," which I regard as the ablest and clearest discussion of the Federal estate tax question that I have seen anywhere, be printed in the CONGRESSIONAL RECORD. It ought to be enlightening both to Congress and to the States and to the public generally. I can not see how anyone who feels any concern about the rights of the States should favor the Federal estate tax as it now stands.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE STRANGE CASE OF FLORIDA V. MELLON[1]

Arthur W. Machen, jr.[2]

The Supreme Court of the United States throughout its history has set an example to other courts of last resort by resolutely refusing to express its opinion on questions not before it or not necessary for the decision of the case in hand. No small part of the respect in which that tribunal is held by the bar is due to its adherence to this rule, even in cases where laymen would be apt to think a settlement of some important question on the merits would be a more patriotic course than a decision on some technical point of jurisdiction or the like. In no class of cases has this self-imposed rule of judicial ethics been more scrupulously observed than in those involving the construction or application of the Constitution of the United States. For example, the court has repeatedly gone to great lengths to construe a statute in such a way as to avoid deciding a constitutional question. (U. S. *v.* Delaware & Hudson Co., 213 U. S. 366, 29 Sup. Ct. 527 (1909); U. S. *v.* Standard Brewery, 251 U. S. 210, 219, 40 Sup. Ct. 139 (1920); Missouri Pac. R. R. *v.* Boone, 270 U. S. 466, 471–472, 46 Sup. Ct. 341 (1926); Fox *v.* Washington, 236 U. S. 273, 277, 35 Sup. Ct. 383 (1915); U. S. *v.* Jin Fuey Moy, 241 U. S. 394, 401, 36 Sup. Ct. 658 (1915).) So far as the writer recalls, only once—prior to 1927—has the court after holding a case to be not properly before it either for lack of jurisdiction, defect of parties, or any similar cause, proceeded to announce its decision on a constitutional question sought to be raised on the merits; and the results in that single exceptional case—Dred Scott *v.* Sanford (19 How. 393, U. S. 1856)—were not such as to encourage a repetition of the experiment.

But in 1926 the State of Florida asked the Supreme Court for leave to file a bill against the Secretary of the Treasury to restrain him from enforcing in Florida the Federal estate tax law of that year, on the ground that the provision for "credit" of State inheritance taxes up to 80 per cent of what the Federal estate tax would otherwise be—a provision almost identical, except as to the amount of the allowable credit, with the corresponding section of the revenue act of 1924—rendered the act unconstitutional. The application was opposed on the ground that the State as such had no interest in the question and was therefore not entitled to file the bill. The interest of the State, according to the allegations of the bill as interpreted by the Supreme Court, was sought to be vindicated on two grounds:

"(a) That the State is directly injured because the imposition of the Federal tax, in the absence of a State tax which may be credited, will cause the withdrawal of property from the State, with the consequent loss to the State of subjects of taxation; and (b) that the citizens of the State are injured in such a way that the State may sue in their behalf as parens patriæ." (Florida *v.* Mellon, 273 U. S. 12, 16, 47 Sup. Ct. 265 (1927).)

It may be remarked in passing that this analysis of the grounds on which the jurisdiction was invoked is a misstatement, or at least an inadequate statement, of the position of the complainant. Even the Government's brief outlines the plaintiff's position in a fairer way. The court itself in its statement of facts admitted that the complainant alleged that "the provisions of said section constitute an invasion of the sovereign rights of the State and a direct effort on the part of Congress to coerce the State into imposing an inheritance tax to penalize it and its property and citizens for failure so to do" (ibid.)—an admission which might well have apprised the court of the insufficiency of its statement of the grounds on which Florida based her claim of an interest in the subject matter of the suit.

[1] Read before the Lawyers' Round Table of Baltimore, Nov. 5, 1927.

[2] Of the Baltimore bar.

The Solicitor General on behalf of the Government naturally assumed that the constitutionality of the credit provision was not at this stage before the court, the only question being whether the court had jurisdiction. Accordingly, his brief contains not one word in support of the constitutionality of the act. He contended merely (1) that the suit was forbidden by section 3224 of the Revised Statutes, providing that no suit to restrain the collection of a Federal tax shall be maintained in any court; (2) that the State of Florida had no direct pecuniary interest in the question of the constitutionality of the act; and (3) that the State as parens patriæ was not entitled to raise the question.

The Supreme Court, on January 3, 1927, in an opinion delivered by Mr. Justice Sutherland and concurred in by all the other members of the court, passing sub silentio the first of these three objections, sustained both the other two, and overruled both grounds on which the complainant, as its position was apprehended by the Supreme Court, sought to sustain the jurisdiction. (Supra, note 3.) "Neither ground," said the court, "is tenable."

But, mirabile dictu, having thus declared that the court had no jurisdiction to pass upon the constitutional question sought to be raised by the bill, the opinion proceeded to attempt to decide that question.

As to the contention that the tax was not geographically uniform throughout the United States, the opinion states (supra, note 3, at 17):

"The contention that the Federal tax is not uniform because other States impose inheritance taxes while Florida does not, is without merit. Congress can not accommodate its legislation to the conflicting or dissimilar laws of the several States nor control the diverse conditions to be found in the various States which necessarily work unlike results from the enforcement of the same tax. All that the Constitution (Art. I, sec. 8, cl. 1) requires is that the law shall be uniform in the sense that by its provisions the rule of liability shall be the same in all parts of the United States."

As to the contention that the credit provisions of the act are in effect not a tax upon a constitutional subject, but an effort to coerce the States into levying inheritance or estate taxes equal at least to 80 per cent of the Federal rates, the opinion declares (ibid.):

"The act is a law of the United States made in pursuance of the Constitution and, therefore, the supreme law of the land, the constitution or laws of the States to the contrary notwithstanding. Whenever the constitutional powers of the Federal Government and those of the State come into conflict, the latter must yield."

Of course, this is a manifest begging of the question. If the act is "a law of the United States made in pursuance of the Constitution," the fact that it is in conflict with State policy on purely local matters is no objection to its validity. But the very question at issue, if the court had jurisdiction, was whether the law was made in pursuance of the Constitution. With the merits of the ruling, there is, however, at this point, no quarrel. Amazement is concentrated upon the expression of any opinion on a constitutional question which the court declared it has no jurisdiction to decide. The criticism would have been the same if the court, instead of expressing approval of the controverted provisions of the revenue act of 1926, had declared it unconstitutional.

The judicial pronouncement is the more remarkable because not only did the Government's brief contain no argument in support of the constitutionality of the act, but also the briefs for the plaintiff contained little or no direct argument against its validity. The only real argument against the statute was found in briefs filed by amici curiæ, which set forth in a sketchy way some arguments against the constitutionality of the challenged provision of the revenue act of 1926, but only by way of inducement, as it were, and as a step in the process of showing that the State had an interest in the question. Moreover, only half an hour a side was allowed by the court for oral argument, on the express ground (as the writer is informed by one who was present in court at the time) that the constitutionality of the act would not be considered but only the question of jurisdiction.

At all events, it is clear that the opinion expressed by Mr. Justice Sutherland in favor of the constitutionality of the act of 1926 was quite unnecessary to the decision—which was that the Court had no jurisdiction to pass on the question, and therefore should not allow a bill to be filed to raise that question; and consequently the opinion expressed upon that question was obiter dictum, extrajudicial, and not binding either upon the Supreme Court itself or upon any inferior tribunal.

To the constitutional question upon which the Supreme Court, thus "with a light heart" expressed its obiter opinion, this article is directed.

The expedient of "crediting" taxes paid the several States against taxes due the Federal Government had its origin in section 301 of the revenue act of 1924, which after levying an excise tax upon the transfer of the net estate of every decedent subsequently dying, and after providing a graduated scale of rates up to a maximum of 40 per cent of the amount by which the net estate exceeds $5,000,000, declares that "the tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory, or the District of Columbia, in respect of any

property included in the gross estate," subject, however, to the proviso that "the credit allowed by this subsection shall not exceed 25 per cent of the tax imposed by this section." The act of 1926 repeats the provision, almost verbatim, but increases the limit of the credit from 25 per cent to 80 per cent of what the tax would otherwise be.

The remarkable effects of this provision for "credit" are perhaps not at first apparent, and certainly have not always been recognized. A moment's thought will show, however, that one result is to produce as between the several States an inequality in rate of tax which is mitigated in degree, but not altered in kind, by the limitation of the "credit" to 25 per cent or 80 per cent of what the tax would otherwise be.

For instance, the State of Maryland, although one of the first of the States to adopt inheritance taxation, has never imposed any tax upon transmission of property to a lineal descendant of the decedent; and the State of Florida, which has never had an inheritance tax, has recently, by constitutional amendment, expressly prohibited estate, legacy, inheritance, or succession taxes. On the other hand, most of the other States impose a tax of varying amounts on both lineal and collateral descents. Now, if a resident of Maryland or a resident of Florida should die, leaving a "net estate" of $1,000,000 (computed according to sections 302 and 303 of the revenue act of 1926 after deduction of the exemption of $100,000) descending to his only son, as sole heir at law, no State inheritance or succession taxes would be payable. A Federal estate tax of $48,500 would be payable. On the other hand, if the same decedent had lived, or the property which he owned had been situated in, say, Connecticut, a tax of $40,262 would be payable to the State, and although the net amount received by the heir would be almost the same, the identical estate would have paid a Federal estate tax of only $9,700. In fact, in any State imposing on such an estate inheritance or estate taxes of an amount equal to or greater than $38,000, the Federal tax would be only $9,700.

Appended is a table showing in the case of eight States the amount of State and Federal taxes on a "net estate" of $1,000,000, and the ratio of the Federal tax (1) to the amount of the taxable "net estate" computed, under sections 301 and 302 of the Federal act, without deduction for any inheritance or estate taxes, (2) to the amount of the estate before deducting the Federal exemption of $100,000, (3) to the net amount passing to the enjoyment of the heir or legatee after payment of all taxes, both State and Federal, (4) to the amount of the estate after deducting the State inheritance or estate taxes but without deducting the Federal estate tax itself, and (5) to the amount of the estate after deducting the Federal estate tax, but without deducting the State inheritance or estate taxes.

*Table in case of "net estate" of $1,000,000 (or $1,100,000 without deducting the Federal exemption of $100,000) descending to an only son*
(Under revenue act of 1926)

| Location of estate | State succession tax | Federal estate tax | Net taxable estate under secs. 302 and 303 of Federal act | Net amount passing to heir after deducting both State and Federal taxes | Amount after deducting State tax but without deducting Federal tax | Amount after deducting Federal tax but without deducting State tax | To net taxable estate under sec. 303 of Federal act | Ratio of Federal tax | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | To amount before deducting Federal exemption of $100,000 or any taxes | To net amount passing to heir after deducting both State and Federal taxes | To amount after deducting State tax but without deducting Federal taxes | To amount after deducting Federal tax but without deducting State tax |
| | | | | | | | | *Per cent* | *Per cent* | *Per cent* | *Per cent* | *Per cent* |
| Maryland | None. | $48,500 | $1,000,000 | $1,051,500 | $1,100,000 | $1,051,500 | 4.85 | 4.41 | 4.61 | 4.41 | 4.61 |
| New York | $40,750 | 9,700 | 1,000,000 | 1,049,550 | 1,059,250 | 1,090,300 | .97 | .88 | .92 | .88 | .89 |
| North Carolina | 46,548 | 9,700 | 1,000,000 | 1,043,752 | 1,053,452 | 1,090,300 | .97 | .88 | .94 | .93 | .89 |
| Illinois | 115,842 | 9,700 | 1,000,000 | 974,458 | 984,158 | 1,090,300 | .97 | 88 | 1.00 | .99 | .89 |
| Wisconsin | 98,460 | 9,700 | 1,000,000 | 991,840 | 1,001,540 | 1,090,300 | .97 | .88 | .98 | .97 | .89 |
| Connecticut | 40,262 | 9,700 | 1,000,000 | 1,050,038 | 1,059,738 | 1,090,300 | .97 | .88 | .92 | .92 | .89 |
| Idaho | 29,585 | 18,915 | 1,000,000 | 1,051,500 | 1,070,415 | 1,081,085 | 1.89 | 1.72 | 1.80 | 1.77 | 1.75 |
| Kansas | 21,557 | 26,923 | 1,000,000 | 1,051,500 | 1,078,423 | 1,073,077 | 2.69 | 2.45 | 2.56 | 2.50 | 2.50 |

The inevitable result and, indeed, the avowed purpose, of such a system of Federal taxation, if it be valid and persisted in, is to force the States to impose in all cases inheritance or estate taxes at least equal to the "credit" allowed by the Federal law. By doing so, they add nothing to the burden borne by their own citizens, and secure to themselves a considerable revenue which would otherwise go to the Federal Government. The States, in the exercise of powers expressly reserved to them by the tenth amendment, are thus to be made mere instrumentalities for executing the policy of progressive inheritance taxation, approved by Congress for the purely State purpose of reducing "swollen fortunes."

Already the great and once sovereign State of New York—it is noteworthy that the Supreme Court in Florida *v.* Mellon, for almost the first time in its history, speaks of the States not as "sovereign," but as "quasi sovereign," (the only earlier instances recalled by the writer in which the Supreme Court has applied the term "quasi sovereign" to States of the American Union are: Georgia *v.* Tennessee Copper Co. (206 U. S. 230, 237, 27 Sup. Ct. 618 (1907), per Holmes, J.; Missouri *v.* Holland, 252 U. S. 416, 431, 40 Sup. Ct. 382 (1920), per Holmes, J.; Massachusetts *v.* Mellon, 262 U. S. 447, 482, 485, 43 Sup. Ct. 597 (1928), per Sutherland, J.)—the great and once sovereign State of New York, hearing its master's voice, has imposed an estate tax equal to the excess of four-fifths of the Federal rates over the preexisting State taxes, to continue in force only so long as the Federal law allows a "credit" for State estate taxes up to four-fifths of what the Federal tax would otherwise be. Georgia, the State of Alexander Stephens, has likewise meekly obeyed the Federal command. California, Colorado, Delaware, Maine, Massachusetts, Missouri, Montana, North Carolina, Pennsylvania, Ohio, and Vermont have done the same. Doubtless other States, if the law be continued in force, will be driven to follow their example.

It has even been proposed to raise the credit to 100 per cent of what the Federal tax would otherwise be, or, in other words, to repeal the Federal estate tax in these States imposing inheritance or estate taxes equal to or greater than the Federal rates, but to leave it in force, to a varying extent, in the remaining States.

Now, there are at least three restrictions upon, or limitations of, the power of Congress to levy an estate tax or other excise: (1) The tax must be "uniform throughout the United States"; (2) the tax must not be so laid as to obstruct the exercise by the States of the governmental powers inherent in the structure of the Union and reserved to them by the Constitution; and (3) the tax must be a real tax, and not appear on its face to be an attempt under the guise of a tax to legislate upon matters reserved by the Constitution exclusively to the States.

Since the very recent case of Nichols *v.* Coolidge (274 U. S. 531, 47 Sup. Ct. 710 (1927)), we are justified in adding a fourth restriction; namely, that the tax must not be arbitrary and whimsical in its operation. But this restriction, notable though it be, has perhaps little bearing on our present subject.

All three of the other restrictions or limitations above mentioned may, however, perhaps be claimed as invalidating the estate tax of 1924, with rates varying as we have seen in different parts of the country, and, still more, the estate tax of 1926, both of which are avowedly levied for the purpose of coercing the States into adopting higher rates of inheritance taxation than some of them have seen fit voluntarily to impose. It behooves us, therefore, to examine in all three of these aspects the system of "crediting" State taxes upon a Federal tax.

I

As every law student knows, the constitutional provision that "all duties, imposts, and excises shall be uniform throughout the United States" requires only "geographical" or "territorial" uniformity, and does not, like the equal-protection clause of the fourteenth amendment (which is applicable only to the States), require the taxes be laid according to any rule of reason either in the selection of the subjects of the tax or in fixing the rates of tax. (United States *v.* Singer, 15 Wall. 111, 121 U. S. (1872); Head Money Cases, 112 U. S. 580, 594, 5 Sup. Ct. 247 (1884); Knowlton *v.* Moore, 178 U. S. 41, 20 Sup. Ct. 747 (1900); Patton *v.* Brady, 184 U. S. 608, 622–623, 22 Sup. Ct. 493 (1902); Flint *v.* Stone Tracy Co., 220 U. S. 107, 158, 31 Sup. Ct. 342 (1911); Billings *v.* United States, 232 U. S. 261, 282, 34 Sup. Ct. 421 (1914); Brushaber *v.* Union Pacific Railroad, 240 U. S. 1, 24, 36 Sup. Ct. 236 (1916); La Belle Iron Works *v.* United States, 256 U. S. 377, 392, 41 Sup. Ct. 528 (1921).)

It is also settled that Congress in levying an excise tax is not obliged, by the requirement of geographical uniformity, to select subjects which are found, even with approximate uniformity, throughout the several States. For example, a tax on sleighs would produce considerable revenue in Maine, and none at all in Florida; but it would be none the less uniform "throughout the United States." So a tax on the production of oysters or tobacco would produce considerable

revenue in Maryland and none at all in Montana; but it would be none the less uniform in the constitutional sense. All that is necessary is that the law should say, with the White Knight in Through the Looking Glass when reproached with the unlikelihood of a mousetrap catching any mice on the back of a horse. "Not very likely, perhaps; but if they do come, I don't choose to have them running about" free of tax.

Not only is this true, but subjects of Federal excise taxation may be selected, even though their nonexistence in some States is due to the laws of those States. For instance, in the days of American liberty, an excise tax on the sale of liquor produced large revenues in the free States and none at all—if the State prohibition laws were enforced—in the prohibition States; but Federal liquor excises were nevertheless quite constitutional. As said by the Supreme Court (Flint *v.* Stone Tracy Co., supra note 11, at 174. See also License Cases, 5 Wall. 462 (U. S. 1866); Knowlton *v.* Moore, supra note 11, at 106):

"A liquor tax is not rendered unlawful as a revenue measure because it may yield nothing in those States which have prohibited the liquor traffic."

But, on the other hand, the very cases which establish this principle also outline what is meant by geographical uniformity. For example, in the leading case the Supreme Court said (Knowlton *v.* Moore, ibid. 84. Cf. Fairbank *v.* U. S., 181 U. S. 283, 298, 21 Sup. Ct. 648 (1901):

"Wherever a subject is taxed anywhere, the same must be taxed everywhere throughout the United States, and at the same rate."

And again:

"The tax is uniform when it operates with the same force and effect in every place where the subject of it is found." (Head Money cases, supra, note 11.)

And, still again, with reference to a tax on distillers levied in proportion to 80 per cent of the capacity of the distillery, whether produced or not:

"The tax is uniform in its operation; that is, it is assessed equally upon all distilleries wherever they are." (U. S. *v.* Singer, supra, note 11.)

Mr. Justice Miller, in his Lectures on the Constitution, gives a similar definition (Miller, the Constitution (1891), 240. Italics the writer's):

"They"—i. e., duties, imposts, and excises—"are not required to be uniform as between the different articles that are taxed, but uniform as between the different places and different States. Whisky, for instance, shall not be taxed any higher in the State of Illinois or Kentucky, where so much of that article is produced, than it is in New York or Pennsylvania. The tax must be uniform on the *particular article;* and it is uniform within the meaning of the constitutional requirement if it is made to bear *the same percentage* all over the United States."

How is it possible to reconcile with the principle that "if a subject is taxed anywhere, it must be taxed everywhere, and at the same rate," a law which taxes the transmission of a net estate of $1,000,000 in Maryland or Florida to a lineal descendant at 4.85 per cent, and the transmission of an estate of the same amount to a lineal descendant in New York at 0.97 per cent, and in Kansas at 2.69 per cent, as is done by the estate tax law of 1926?

Congress in taxing net income may, indeed, allow deduction of taxes paid to the State pursuant to the laws thereof in calculating the taxable subject, as has been done not only in the corporation excise tax of 1909 but also in the various revenue acts, beginning with that of 1913, passed pursuant to the sixteenth amendment. The amount of the taxable net income is thus affected by State laws, but the same tax is levied upon the same net income in one State as in another. For instance, A, residing in one State, may have an income of $100,000 over and above all exemptions and deductions other than State taxes. If his State taxes amount of $10,000, he is taxed upon a net income of $90,000, and his Federal income tax under the act of 1924 would amount to $18,600. On the other hand, B, residing in some more fortunate or more parsimonious State, may have exactly the same amount of property and the same income; but if his State taxes amount to only $2,000, his net taxable income is $98,000, and his Federal income tax under the act of 1924 is $21,940. But this is no unconstitutional discrimination against B, for both A and B are subject to the same tax on the same net income. Or, again, C, residing in the second State, may have an income of $91,836 over and above all deductions other than State taxes, and may pay State taxes of $1,836, so that his net taxable income is $90,000, upon which, like A in the first State, a Federal tax of $18,600 will be payable. He and A are treated exactly alike on the same net income, so that there is no violation of the constitutional requirement of territorial uniformity.

But suppose Congress, in order to make up to A the disadvantage of living in some State which, by reason of unfortunate circumstances or bad government, is obliged to levy comparatively high taxes, should enact that A on his net income of $90,000 should pay a tax of $12,680, or 12.68 per cent, while B on his net income of $98,000 should pay a tax of $19,940, or 20.35 per cent, and C on his net income of $90,000 should pay a tax of $16,600, or 18.44 per cent—what then? Would anybody deny that such a law would not be "uniform throughout the United States"? Yet that is what would be done by laying the tax on the income without deducting State taxes while "crediting" the State taxes in reduction of the Federal tax.

To come still closer to the subject in hand, Congress, in levying an estate tax, might impose the tax on the net estate after deducting all State estate or "inheritance" taxes levied upon the estate before distribution as distinguished from taxes levied upon the distributee and payable by him, as was in fact done by the act of 1916. Such a tax was uniform throughout the United States, although the burden was more heavily felt in those States which levied, instead of a tax on the estate in respect of the right to transmit the property to the various legatees or distributees, a tax on the several legatees or distributees after distribution in respect of their rights to receive the property from the decedent's estate. The difference between those two classes of State taxes may be almost as fine in substance—though not in theory—as that between tweedledum and tweedledee; but at any rate it is not a "geographical" or "territorial" distinction. The same taxable subject paid the same Federal tax in one State as in another.

So, too, Congress might have levied its tax on the net estate passing to the ultimate beneficiaries, after deduction of all taxes levied by State law, whether levied, technically, in respect to the right to transmit or of the right to receive; and such taxes, too, would have been "uniform throughout the United States," because, although the taxable subject, and therefore the amount of the tax, would to some extent depend on State law, yet the same subject would be taxed everywhere in the United States and at the same rate.

Yet, again, Congress might levy a tax upon the "net estate" but without permitting, in calculating the taxable estate, the deduction of any State inheritance or estate taxes, whether the latter be levied, technically, upon the estate before distribution, or on the respective distributees. This was, in fact, done by the revenue acts of 1918 and 1921, and, of course, such taxes were uniform throughout the United States.

But in the act of 1924 for the first time Congress undertook to depart from these constitutional paths and, while nominally selecting as the taxable subject the decedent's estate without deduction for State inheritance or estate taxes, yet to vary the rate of tax in different parts of the country.

Defenders of this system of State coercion insist that the method of allowing "credits" upon Federal taxes is not new but has its antetype in several provisions of the income tax laws. It is, indeed, true that the income tax laws contain several provisions for regulating the amount of Federal tax collectible by allowing certain "credits"; but none of these provisions is such as in any way to affect the geographical or territorial uniformity required by the Constitution. Thus, the revenue act of 1918 provided that the income tax as computed under other provisions of the act should in certain cases be credited with the amount of income tax paid during the taxable year to foreign countries or to any possession of the United States. (Revenue act of 1918, secs. 224(a), 238.) But as the requirement of uniformity does not extend to foreign countries or to possessions of the United States, and as the citizens or residents of all the States have precisely the same privilege with respect to crediting foreign taxes, the tax levied by Congress is none the less "uniform through the United States." Congress has power to levy certain extraterritorial taxes, such as taxes upon income from foreign real estate owned by an American citizen, or upon income earned in a foreign country by a citizen of the United States residing therein; and in levying such taxes there can be no violation of the requirement of geographical uniformity throughout the United States, provided citizens or residents of all the States are treated alike. Excises levied by Congress upon, or in respect of, property in one State—say, New York—are not required to be uniform with those levied by Congress in Porto Rico or the Philippines, in Canada, or any other foreign country; but they are required to be uniform—that is, levied at the same rate upon the same property—with taxes levied by Congress in Pennsylvania or any other State.

But, some objector may say, the discrimination in the act of 1924 and in the act of 1926 is not against certain States or parts of States "geographically" or "territorially," but is against the residents of certain places or against the estates of persons owning property in those places, because of the laws thereof. According to this view, Congress can not discriminate by name against Maryland or Florida, but it can discriminate against all residents of places where such laws prevail as those in force in Maryland or Florida, as distinguished from those in force in New York or other States.

Now, the Supreme Court has never had occasion to define the constitutional requirements of uniformity of excise taxation throughout the United States—if we except the extraordinary dictum in Florida *v.* Mellon—except to say that it contemplates nothing more than "geographical" or "territorial" uniformity and that it means that "whenever a subject is taxed anywhere" in the United States "it must be taxed everywhere" in the United States "and at the same rate." No case exists in which the Supreme Court has held an excise tax invalid because not "uniform throughout the United States." We

are, therefore, compelled to resort to a consideration of the question on principle.

Surely, however, the constitutional requirement of uniformity can not be evaded by designating the favored States by description rather than by name. For instance, an excise tax applicable only in the States where the laws prohibited slavery would, prior to the Civil War, have been clearly unconstitutional. So, too, prior to the eighteenth amendment, an excise applicable only in the free or license States would equally clearly have been invalid. Even to-day if Congress should pass an excise law applicable only, or at an increased rate, in those States whose laws permit child labor would anyone be so bold as to maintain its constitutionality?

The truth is, of course, that law—at least Anglo-American law—is local or territorial, and any discrimination based on the law prevailing in any State is necessarily a geographical or territorial discrimination, and as such prohibited by the Constitution.

Of course, Federal taxation must be superimposed upon the background of a system of rights of property and contract created and regulated by State laws, and therefore must take cognizance of and may properly be to some extent affected by variation in those State laws. For instance, in determining whether money lost in betting on a horse race can be deducted in calculating the net income subject to the Federal tax the Commissioner of Internal Revenue rules that the question depends upon whether betting be legal or illegal according to State law. Therefore, in Maryland, where betting on horse races, under certain regulations, is permitted, money lost at the races may be deducted in calculating the taxable income; but money lost in precisely the same way at precisely similar races in States where all betting is illegal may not be deducted. At first sight this may seem to be a discrimination against the latter class of States because of their laws, very similar to the discrimination against States levying low inheritance taxes, which characterizes the estate tax law of 1924. But a moment's thought and analysis will show the wide difference. Gambling losses in transactions illegal under State law can not be deducted because they are really not losses at all. It is a case where the "subject of the tax" does not exist or exists to a lesser extent in States having certain laws. Gambling losses, where gambling is illegal, are merely voluntary payments.

Another case of the fitting of the system of Federal taxation upon a system of diverse State laws, with a consequent variation in the amount of tax according to the laws of the State, is found in the provision that insurance companies in calculating their taxable income may deduct "the net addition required by law to be made within the year to reserve funds." At first blush this provision may seem to bear unequally in those States having lax insurance laws, for an addition to a reserve fund required to be made by conservative business methods can not be deducted unless it be required by the law of the State. Consequently an insurance company operating in one State may deduct an addition to a certain reserve fund made within the taxable year, while a rival company operating in another State can not deduct a precisely similar addition to a precisely similar reserve fund—and all on account of the diversity in the laws of the two States. But in all this there is no inequality within the United States, because the same income, deducting only compulsory additions to reserve funds, is taxed. The law everywhere taxes the same subject, namely, the income after deduction of compulsory additions to reserve funds.

Numerous other illustrations might be given. For example, take the case of a stamp tax on contracts. A paper which is not a contract according to the laws of one State may be a binding contract according to the laws of another. Such a paper under such a law would be taxable in the latter State but not in the former. In all this there is no violation of the constitutional requirement of uniformity throughout the United States, for the same subject—namely, an enforceable contract—is taxed everywhere and at the same rate throughout the United States.

But it may be claimed that the estate-tax provisions of the acts of 1924 and 1926 can be justified on the same principles. If it be permissible to tax only such contracts as are legally binding by the laws of the several States, why is it not permissible to tax only such inheritances as pass free of tax under the laws of the several States? To this question several answers may be given. In the first place, this is not what the acts of 1924 and 1926 do. They expressly levy the tax on the estate without deduction for any State inheritance taxes. A Federal tax on inheritances which pass free of State tax would be less objectionable than a tax on estates without deduction for State taxes, with a provision that the amount of the State tax may be "credited" on the Federal levy. A Federal tax on inheritances passing free of State tax would indeed tend to induce the States to impose some State inheritance tax; but it would have no such coercive force as the acts of 1924 and 1926, which not merely induce the States to pass inheritance taxes, but actually fix the rates of the taxes which they are required to impose. In the second place, it is one thing to lay a tax on legally binding contracts and quite a different thing to levy a tax on inheritances which the States do not tax. In the one case the thing taxed is something which State laws contributed to produce and which can not exist without the concurrence of State laws; in the other case the thing taxed exists quite independently of State laws—at least of the State tax laws—and the State laws the existence or nonexistence of which determine the imposition of the Federal tax are purely collateral. It is one thing to select for taxation objects which must have various characteristics, among which is conformity or lack of conformity to State laws, and a very different thing to select the taxable objects without reference to State laws, and then to say that they shall be taxed or not or that the rates of tax shall be fixed according to State laws on some collateral subject.

This distinction deserves to be emphasized. For example, a tax on contracts is, of course, "uniform throughout the United States," although what constitutes a contract depends upon State laws and although what would be a contract in one State may not be a contract in another. But on the other hand, a tax on contracts collectible only in States which refuse to prohibit child labor, pass State Volstead Acts, or otherwise to comply with the demands of Congress would be, it is submitted, clearly in conflict with geographical uniformity, and therefore unconstitutional.

It is one thing to select for Federal taxation objects which have certain characteristics among which is conformity or nonconformity with State laws; and quite a different thing after you have selected the objects of Federal taxation to gauge the amount or rate of Federal tax by State legislation on some collateral subject—whether such State legislation relates to taxation or any other subject.

It is claimed, however, that the effect of the provision for crediting State inheritance taxes on the Federal estate tax is to promote and not to destroy uniformity of taxation throughout the United States. Indeed, the evil against which the advocates of such measures are clamoring is the present lack of uniformity in inheritance taxation in the different States. What they consider the unsisterly action of Florida in bidding for immigration of multimillionaires by prohibiting all inheritance taxes has made them see red. They apparently fear that all the rich men of other States will leave them for the torrid—or shall we say salubrious?—climate of Florida, and that it will be necessary for other States to meet the competition of Florida by reducing their rates of inheritance taxation. How far this fear is justified or how far the present lack of uniformity in State inheritance taxation is an unmixed evil we need not pause to inquire, for, however great that evil may be, it can not be remedied by imposing an unconstitutional Federal tax. What the Constitution requires is not uniformity of all excise taxation, State and Federal, but only of Federal excise taxation. It is not permissible, in order to counteract a diversity in rates of State taxation in different parts of the country—a diversity which the Constitution permits—to create a countervailing diversity of rates in Federal taxation in different parts of the United States, a diversity which the Constitution prohibits. In order to bring about a kind of uniformity which the Constitution does not require, it can not be right to destroy the kind of uniformity which the Constitution commands.

As said by the Supreme Court in another case in which an attempt was made to justify unconstitutional legislation by the desirability of promoting uniform State laws: "There is no power vested in Congress to require the States to exercise their police power so as to prevent possible unfair competition. * * * It may be desirable that such laws be uniform, but our Federal Government is one of enumerated powers." (Hammer *v.* Dagenhart, 247 U. S. 251, 273, 275, 38 Sup. Ct. 529 (1918). Cf. Nichols *v.* Coolidge, 274 U. S. 531, 540 ("The mere desire to equalize taxation can not justify a burden on something not within congressional power").)

The question has been asked whether, if all the States imposed inheritance or State taxes to an extent equal to or greater than the Federal rates, the Federal tax would not be "uniform" even though it allowed a credit for State taxes; and, upon the assumption that this question would be answered in the affirmative, it is argued that the only valid objection to the constitutionality of the credit provision is that the purpose of the portion of the rates of taxation against which the tax credit is allowed is not the collection of revenue but coercion of the States. But even if all the States imposed taxes up to the amount of the Federal credit, it would seem that the allowance of the credit would destroy uniformity in the constitutional sense. A Federal excise is uniform if on its face it applies throughout the United States, although in fact the subjects of the tax are not found at all in some of the States; and, conversely, a tax is not uniform if it is so laid that it may not always apply uniformly throughout the country, even though for the time being, through extraneous circumstances, it operates uniformly. But even if the Federal law would be uniform and valid, if all the States had uniform State inheritance tax laws, it would cease to be uniform, and therefore become unconstitutional, as soon as one State should change its tax law. A statute which is valid when passed may by change of circumstances become unconstitutional, or vice versa. (Smyth *v.* Ames, 169 U. S. 466, 549–550, 18 Sup. Ct. 418 (1898).)

Some light may perhaps be thrown upon the meaning of geographical uniformity by decisions relating to the power to pass "uniform laws on the subject of bankruptcies throughout the United States." These

"uniform laws" must be engrafted upon a system of diverse State laws as to contracts and property. The Federal law could not give creditors in all parts of the country precisely the same rights without recasting the laws of the States on the subjects of contracts and property in one uniform mold. That, of course, is not required, and possibly would not even be permitted by the constitutional power to establish uniform laws on the subject of bankruptcies. The validity of the various claims against the bankrupt estate must be determined according to diverse State laws, and what would be a valid claim in one State might not be in another. So the extent of the bankrupt's property rights must be judged by diverse State laws, and what would be in one State a fee simple might be an estate for life in another, and wholly void in a third. In recognizing such diversities of State laws a Federal bankrupt law does not cease to be uniform.

Similarly, a Federal bankrupt act may recognize and enforce homestead and other exemptions existing by the laws of the several States without any infringement of the requirement of uniformity. (Hanover Nat. Bank v. Moyses, 186 U. S. 181, 22 Sup. Ct. 857 (1902).) Moreover, a bankrupt act may properly recognize and enforce the laws of the State respecting dower, validity of mortgages, priorities of payment, conveyances in fraud of creditors, and the like. (Stellwagen v. Clum, 245 U. S. 605, 614–5, 38 Sup. Ct. 215 (1918); Thomas v. Woods, 173 Fed. 585, (C. C. A. 8th 1909).) All these cases related to the bankruptcy act of 1898, which recognizes, in the particulars above referred to, the State law existing at the time of the bankruptcy.

A more debatable question arose under some of the earlier bankrupt acts. For example, the bankrupt act of 1867 undertook to adopt the exemptions prevailing in the several States, not at the time of the bankruptcy, but at a fixed date in the past. This provision was sustained by the circuit court for Missouri in an opinion concurred in by Mr. Justice Miller, of the supreme court. (In re Beckerford, Fed. Cas. No. 1, 209 (1870).) In 1873, by an amendatory act, Congress went still further and—as the amendment was generally, though not universally, construed—attempted to adopt the exemption laws as they existed on the statute books of the several States on a given date in the year 1871, even though some of those statutes were unconstitutional, null, and void. The validity of this amendment was sustained by a number of decisions. (In re Everitt, Fed. Cas. No. 4579 (S. D. Ga. 1873); In re Kean. Fed. Cas. No. 7630 (W. D. Va. 1873); In re Smith, Fed. Cas. No. 12986 (N. D. Ga. 1873); In re Jordan, Fed. Cas. No. 7514 (W. D. N. C. 1873); In re Jordan, Fed. Cas. No. 7515 (N. D. Ga. 1874); In re Smith, Fed. Cas. No. 12996 (N. D. Ga. 1876); Darling v. Berry, 13 Fed. 649 (C. C. Iowa, 1882).) On the other hand, the amendment was held unconstitutional in cases which, though somewhat fewer in number, are yet perhaps greater in weight by reason of the fact that in one of them the opinion was delivered by Chief Justice Waite. (In re Dillard, 7 Fed. Cas. No. 3912 (E. D. Va. 1873); In re Deckert, 7 Fed. Cas. No. 3728 (E. D. Va. 1874) (opinion by Waite, C. J.); In re Shipman, 21 Fed. Cas. No. 12791 (W. D. N. C. 1875); In re Duerson, 7 Fed. Cas. No. 4117 (D. C. Ky. 1876).)

Our present subject justifies an elaborate attempt to make a choice between these two opposing lines of authorities. Both admit that while in some cases Congress may, in enacting a bankrupt law, fail to correct a diversity due to divergent State laws, yet whenever it undertakes to legislate for itself, the regulations it prescribes must be uniform throughout the whole country. It is not very material to our present inquiry whether the State laws which Congress may suffer to continue in force must be the valid and constitutional laws of the States or whether they may be whatever for the time being is recognized and de facto enforced as law in the States. Our present inquiry does not involve the question how far Congress in enacting bankrupt laws or tax laws may allow diverse State laws to continue to operate, without impairing the constitutionally required uniformity, but rather the question whether Congress in fixing its own tax rates may allow them to be gauged according to laws of the States upon what is and must be a collateral subject. Congress may, of course, in matters of taxation, as in matters of bankruptcy, recognize State laws, and levy its taxes only on so much as remains after State laws have had their operation; but the present question is whether the tax upon whatever Congress selects for the subject of its taxation must be uniform in all the States, or whether it may vary according to the varying laws of the States upon a collateral subject.

It is also noteworthy that the Supreme Court has held that while Congress in regulating interstate commerce may prescribe different rules for different parts of the country (Clark Distillery Co. v. Western Md. Ry., 242 U. S. 311, 326–7, 37 Sup. Ct. 180 (1917)), yet when it undertakes to regulate matters of admiralty or maritime law, its regulations must be uniform throughout the States, and therefore can not give a remedy to maritime employees under the diverse workmen's compensation acts of the several States. (Knickerbocker Ice Co. v. Stewart, 253 U. S. 149, 40 Sup. Ct. 438 (1920). Accord: Washington v. Dawson, 264 U. S. 219, 44 Sup. Ct. 302 (1924).) In such a case Congress is not, as in the bankruptcy cases above referred to, merely allowing State laws to continue to operate upon matters with which the States are competent to deal in the absence of Federal legislation on the subject, but is by force of its own act attempting to extend the operation of diverse State laws to matters confided by the Constitution to the exclusive and uniform legislative jurisdiction of the United States.

This decision has a real bearing upon our present subject, because Congress in attempting to allow State taxes to be credited upon Federal taxes is not merely permitting the State laws to continue to operate—as in the bankruptcy cases—but is attempting to extend the operation of the State laws to matters confided to the exclusive control of Congress. Of course, nothing is more exclusively within the power of Congress, and more completely beyond the power of the States, than to fix the amount of Federal tax collected from a given subject; and when Congress attempts to declare that State taxes may be credited in reduction of the Federal tax collectible from a given subject, it is giving those State laws an operation and effect which proprio vigore they could never have.

Mr. Justice Sutherland's dictum in Florida v. Mellon strangely misapprehends both the effects of the acts of 1924 and 1926 and the basis of the objection thereto. In answer to the contention of lack of geographical uniformity in the Federal tax, he says (273 U. S. 12, 17):

"Congress can not accommodate its legislation to the conflicting or dissimilar laws of the several States nor control the divers conditions to be found in the various States which necessarily work unlike results from the enforcement of the same tax."

Of course, it can not; and nobody ever contended that it should. But it can, and, it is submitted, must refrain from allowing the several States to fix by their changing laws the rate of a Federal tax on any given subjeect which has been selected without reference to State laws.

The learned justice proceeds:

"All that the Constitution (Art. I, sec. 8, C. 1) requires is that the law shall be uniform in the sense that by its provisions the rule of liability shall be the same in all parts of the United States."

In this the learned judge has departed from the rule laid down by earlier cases. That "the rule of liability" shall be the same in all parts of the United States is not all that the Constitution requires. In addition, it requires that the rate of tax upon the same subject shall be the same in all parts of the United States; and it is in that particular, among others, that the acts of 1924 and 1926 depart from the constitutional standard.

Congress has fixed as the subject of the tax the net estate passing without deduction for State inheritance or estate taxes. Having done so, the constitutional mandate is that the tax must be levied at the same rate everywhere in the Union upon that subject. The State tax laws do not relate to the subject of the tax, but are purely collateral. You might as well allow a credit of fines collected by the States for violations of the prohibition laws, or the amount paid the governor of the State as a salary.

Let us recur to the definition of geographical uniformity given by the Supreme Court in Knowlton v. Moore (Supra note 11, at 84), or by Mr. Justice Miller in his Lectures on the Constitution—in order that a tax may be uniform, the "same subject," if taxed anywhere in the United States, "must be taxed everywhere, and at the same rate," or, in the words of Mr. Justice Miller, must "bear the same percentage all over the United States"—and let us try to apply it to the subject in hand. First, then, what is the "subject" of the tax, or "article taxed"? It is, according to the terms of the act itself, "the transfer of the net estate"—which by force of the definition clauses in section 300 means "the net estate as determined under the provisions of section 303"—"of every decedent dying after the passage of this act" (Sec. 301 (a)) and section 303 expressly provides that in calculating the net estate no "estate, succession, legacy, or inheritance taxes" shall be deducted. If that be the "subject" of the tax, or "article taxed," the tax is certainly not imposed everywhere in the United States "at the same rate" or "at the same percentage"; for upon a "net estate" of $1,000,000, calculated without deducting any estate, succession, legacy, or inheritance taxes and passing to a lineal descendant, the "rate" or "percentage" of Federal tax is 4.85 per cent in Maryland or Florida, and only 0.97 per cent in New York, North Carolina, Illinois, or Wisconsin.

But it may be said this is a mere matter of words. In substance, the tax is levied, not upon the net estate computed according to section 303, but upon the estate free of State inheritance, legacy, succession, or estate taxes, but before deducting the Federal tax. For the sake of argument, so be it; and what is the result? The "rate" or "percentage" of the Federal tax to the estate remaining after deduction of the State inheritance, legacy, succession, or estate taxes is 4.41 per cent in Maryland or Florida, 0.99 per cent in Illinois, 2.50 per cent in Kansas, and only 0.88 per cent in New York.

The same inequality of rate or percentage will be found to exist if we assume that the "subject" of the tax or "article taxed" is the transfer of the net estate after deduction of all taxes, State and Federal, or the net estate after deduction of the Federal estate tax, but without deduction of State inheritance, succession, legacy, or estate taxes. On the former hypothesis, the rate varies upon a "net estate" of $1,000,000 from 4.61 per cent in Maryland or Florida to 0.91 per cent in New York; and on the latter hypothesis the rate varies from

4.61 per cent in Maryland or Florida to 0.89 per cent in North Carolina, New York, Illinois, or Wisconsin.

The truth is that the tax computed according to the system of "credits" established by section 301 of the revenue acts of 1924 and 1926 is levied throughout the country at "the same rate" or "same percentage" with respect to no conceivable "subject" or "article" under the sun, and is therefore not "uniform throughout the United States."

The object of the constitutional requirement of geographical uniformity was, of course, to prevent discrimination against or in favor of any State or section, and particularly any discrimination against or in favor of any State because of its laws or institutions. The States took the risk of Congress selecting as objects of the tax commodities which are found in some only of the States, even though their nonexistence should be due not to natural circumstances but to State laws. But the States were jealous, and properly so, lest the power of Federal taxation should be so exercised as to penalize one State for failing in respect of its reserved powers to do what Congress might deem wise; hence the uniformity clause was inserted.

If such a provision as the credit clause of the estate tax law can be sustained, then the whole object of the requirement of uniformity might be frustrated.

Suppose, for example, Congress should conclude that the salaries paid the judges in some of the States are inadequate—as they undoubtedly are—and suppose Congress, in order to remedy the inequality of judicial salaries in different States, should exact that there should be credited on the amount of estate taxes collected from the estates of decedents a sum equal to the lowest salary paid a judge of a court of record in the State of the taxpayer's residence up to what Congress may fix as the minimum respectable salary, would anybody doubt that the tax levied by such a law would not be "uniform throughout the United States"? Yet how would it be possible to distinguish such a case from the "credit" provision of the estate tax law?

Suppose Congress should determine that the caliber of the probate judges—for example, in Maryland, where such judges are not required to be lawyers—does not come up to the standard, and in order to improve the quality of these courts should allow as a credit on estate taxes collected from deceased residents of the several States an amount equal to the annual salary paid the judges of the court in which the estate is administered? Justice Sutherland's reasoning would sustain such a provision. Yet who would hold it valid?

Suppose, for example, Congress should determine that the State ought to be "encouraged" to expend additional amounts on the public schools and should exact that income taxes due from residents of any State should be "credited" with their respective pro rata share of amounts expended by the State upon education. Would it be possible to sustain such a provision? Yet if it be invalid, how can the "credit" allowed by the estate tax of 1924 or 1926 be distinguished?

Yet, again, suppose that Congress should conclude, as many tax theorists now do, that the States ought to substitute income taxes for the property taxes now in force, and under the influence of that theory should enact that State income taxes paid by any taxpayer should be credited upon the Federal tax to the extent of 25, 50, or 80 per cent thereof. The States would be forced in defense of their citizens to adopt a scheme of income taxation as a substitute for the existing property taxes. Yet if the estate tax of 1924 or 1926 be valid there could be no possible constitutional objection to such a law.

Unless the uniformity clause is to become a dead letter, shorn of all vitality and efficacy, the Federal estate tax of 1924, and still more clearly the estate tax of 1926, can not be reconciled with the Constitution.

II

The second restriction upon the congressional power of excise taxation is that the tax must not be so laid as to burden the exercise by the States of governmental functions reserved to them by the Constitution.

Unlike the requirement of uniformity, this is not express but implied. It is not found in the letter of the Constitution, but is a deduction from its general spirit, purpose, and scope. It is purely judge made, and is therefore both more elastic and more uncertain in its application than the literal restriction as to uniformity.

The instances to which it has been applied include, (1) a tax on the salary of a State officer (Collector *v.* Day, 11 Wall. 113, U. S. 1870), (2) a tax on the dividends or interest paid to a municipal corporation on its investments in railway securities acquired in order to aid in construction of railways serving its people (U. S. *v.* The R. R., 17 Wall. 322, U. S. 1872; Stockdale *v.* The Ins. Co., 20 Wall. 323, 330, U. S. 1873), (3) a tax on the interest or profit received by persons contracting with a State or a municipal corporation by lending it money (Mercantile Bank *v.* N. Y., 121 U. S. 138, 162, 7 Sup. Ct. 826 (1887); Pollock *v.* Farmers' L. & T. Co., 157 U. S. 429, 583–586, 601–604, 652; 15 Sup. Ct. 673 (1895), and (4) a tax on the bond required of a State officer as a condition precedent to qualifying (Bettman *v.* Warwick, 108 Fed. 46, C. C. A. 6th, 1901, composed of Lurton, Day, and Severens, J. J.).

There is no reason to suppose, however, that such instances by any means exhaust the list of taxes prohibited by this principle. As the prohibition is implied from the objects and purposes of the Constitution, and from the dual nature of the sovereignty which it sets up or recognizes, certainly the prohibition must be coextensive with the reason for its existence.

Now, the Federal tax which we are here considering does not burden the operation of the State governments in the same way as a tax on the salaries of State officers or a tax on the income or profits derived from contracts made by the State in its governmental capacity. But, on the other hand, such a tax as the estate tax of 1924, and still more so the tax of 1926, does in fact much more seriously burden and obstruct the operation and independency of the States than an income tax levied at the same rate upon the salaries of State officers or interest on State or municipal bonds, and upon all other income "from whatever source derived." As then the latter is held to violate the general purpose and scope of the Constitution in providing for a Union of States, each independent within its proper sphere, should not the former, a fortiori, be held subject to the same constitutional objection?

The effect of such a Federal statute as the estate tax law of 1924 is to force the hands of the States, and make them in the exercise of their reserved rights mere puppets, not autonomously acting upon their own will and initiative but moving according to the congressional beck and nod. In effect, the tax is levied upon the action of the States in refraining from the passage of inheritance tax laws of sufficiently onerous character to meet the congressional approval. In Veazie Bank *v.* Fenno (8 Wall. 533, 547 (U. S. 1869)) Chief Justice Chase, speaking for the Supreme Court, said:

"It may be admitted that the reserved rights of the States, such as the right to pass laws, to give effect to laws through executive action, to administer justice through the courts, and to employ all necessary agencies for legitimate purposes of State government, are not proper subjects of the taxing power of Congress."

And again on the first hearing of the Income Tax case, the Supreme Court said, the court being unanimous on this point:

"The Constitution contemplates the *independent exercise* by the Nation and the States severally of their constitutional powers." (Pollock *v.* Farmers' L. & T. Co., supra, note 32, at 583–584. Italics the writer's.)

The same principle, if regard be had to actual results rather to names, would invalidate the credit provisions of the estate tax law of 1924 or 1926, even without regard to the lack of uniformity which it produces.

If this objection to the "credit" provision of section 301 of the acts of 1924 and 1926 be sound, it might be thought that the State of Florida should have been allowed to file its bill to enjoin the enforcement of those acts—unless, indeed, the maintenance of the suit was barred by the Revised Statutes, section 3224, prohibiting any suit to enjoin the collection of a Federal tax—and that therefore Florida *v.* Mellon is on this particular point an actual decision and not a mere dictum. But although the State of Florida did undoubtedly assign this invasion of her sovereign—or, according to Mr. Justice Sutherland, quasi-sovereign—prerogative as a ground for invoking the original jurisdiction of the Supreme Court, yet that tribunal did not so understand her contention. As already stated, Mr. Justice Sutherland seems to have grasped as the only two grounds on which jurisdiction was invoked—(1) the fear that wealthy men would be induced by the operation of the Federal tax to remove from Florida and thus reduce the State's revenues, and (2) the status of the State as parens patriae toward her citizens. The far more arguable position that the State had a right to complain of the Federal tax because it amounts in effect to an ill-disguised effort to coerce the State into legislating in a particular way on matters expressly reserved to her uncontrolled discretion by the tenth amendment, was overlooked or purposely ignored by the court. It is very provoking to counsel to have his position misrepresented by a court; but at least such misrepresentation has the advantage that the decision is a precedent, even by way of dictum, only upon the case as stated by the court and not upon the case as made by the record or as the court ought to have stated it.

Moreover, strange as it may seem, it is very doubtful whether the fact that the act in question thus operates in terrorem upon the States in the exercise of their reserved rights is sufficient to give the States as such any locus standi to challenge its validity. Before Florida *v.* Mellon, the case of Massachusetts *v.* Mellon (supra, note 9) was an authority against the right of the State to interfere on such a ground; and if the State of Florida had had the right to question the constitutionality of the credit provision on this ground, the proper course would have been to allow the bill to be filed and then decide against her on the merits. The question, therefore, would be still open, notwithstanding Florida *v.* Mellon at the suit of an individual interested.

III

A third restriction upon the Federal power of levying excise taxes is that the so-called tax must be levied, at least in part, for the purpose of raising revenues for the Federal Government, and must not appear on its face to be a mere attempt under the guise of taxation to legislate upon matters reserved exclusively to the States.

Upon this ground the act of Congress levying a tax of 10 per cent on the earnings of persons employing child labor was held unconstitutional (Child Labor Tax case, 259 U. S. 20, 42 Sup. Ct. 449 (1922), and on the same principle the act imposing a tax of 20 cents a bushel on contracts for the sale of grain for future delivery except sales on boards of trade complying with certain conditions and regulations, was held invalid. (Hill *v.* Wallace, 259 U. S. 44, 42 Sup. Ct. 453 (1922). See also Trusler *v.* Crooks, 269 U. S. 475, 46 Sup. Ct. 175 (1926).)

No critic can justly charge the Supreme Court with excess of zeal for State rights in the application of this principle, as witness the decision upholding the clearly prohibitive tax on oleomargarine artificially colored so as to resemble butter (McCray *v.* United States, 195 U. S. 27, 24 Sup. Ct. 769 (1904)), and the decision sustaining, with a blindness worthy of Justitia herself, the obvious constitutional fraud of the Harrison Drug Act. (United States *v.* Doremus, 249 U. S. 86, 39 Sup. Ct. 214 (1919).

That the estate tax laws of 1924 and 1926 are intended to effect some other purpose as well as the raising of revenue is not, under these decisions, sufficient to bring them as a whole within the ban. As said by the Supreme Court in sustaining the Harrison Drug Act:

"The act may not be declared unconstitutional because its effect may be to accomplish another purpose as well as the raising of revenue." (Ibid., 94.)

And, again, in the same case:

"* * * From an early day the court has held that the fact that other motives may impel the exercise of Federal taxing power does not authorize the courts to inquire into that subject. If the legislation has some reasonable relation to the exercise of the taxing authority conferred by the Constitution, it can not be invalidated because of the supposed motives which induced it." (Ibid., 93.)

So long as the "credit" for State taxes is limited to 25 per cent or even 80 per cent of the Federal levy, it may be difficult to maintain that the sole motive or purpose of the estate tax law as a whole appears on its face to be something other than the raising of revenue. If, indeed, the credit should be raised to 100 per cent, as some enthusiasts have proposed, then the law would seem to pass beyond the pale of the constitutionally permissible. But so long as the "credit" is appreciably less than 100 per cent, so that the act will produce some revenue, even after accomplishing its purpose of compelling the States to impose inheritance or estate taxes with rates at least as high as the Federal rates, the constitutional objection to the act as a whole must be, not the fact that it is intended to produce some other result as well as the raising of revenue, but the fact that the other purpose is to influence the legislative action of the States in the exercise of their reserved powers.

In a word, the objection to the Federal estate tax of 1924 or 1926, as a whole, is not that its purpose is something other than the raising of revenue for the United States, but that this something is the influencing of State legislation. Decisions of the Supreme Court establish that a Federal excise may be laid in part, though not exclusively, with a view to influencing the action of individuals—for example, to discourage them from selling oleomargarine colored so as to imitate butter; but no case has yet held—if Florida *v.* Mellon be excepted—that a Federal excise tax is valid which shows on its face that even one of its purposes is to influence the action of the States in the exercise of powers reserved to them as independent sovereignties by the Constitution.

Unquestionably, the estate tax law of 1924, and still more clearly the act of 1926, shows on its face that one of its purposes, in addition to the raising of revenue, is to induce the States to levy higher inheritance or estate taxes; and unless the Supreme Court is willing to hold, not merely that a Federal tax law may have as one of its professed objects something other than the raising of Federal revenue, but that this nonfiscal object may be to induce, and virtually to compel, the State legislatures to exercise one of their reserved powers according to the wishes of Congress rather than according to the wishes of their own people, then it must hold the credit provision of the estate tax law of 1924, and a fortiori the credit provision of the act of 1926, to be unconstitutional, even apart from the lack of uniformity.

This argument, however, is merely a reinforcing of the contention set forth in the former part of this article.

But while the estate tax as a whole can not be said to be invalid because its object is in part something other than the raising of revenue, yet it is certainly true that the estate tax consists of two clearly separable parts, one of which is intended to raise revenue and the other of which is intended for the sole purpose of coercing the States into levying progressive inheritance taxes. One-fourth of the estate tax of 1924 and four-fifths of the estate tax of 1926 have no revenue object whatsoever. Their sole object—and that, too, an object apparent on the face of the act—is to force, or, if you choose, to tempt, the States, to levy at least equivalent inheritance or estate taxes in every case.

This object is apparent enough on the face of the acts. It becomes if possible clearer on inspecting the committee reports on the bill which finally became the revenue act of 1926. The chairman of the Ways and Means Committee of the House reporting the revenue bill of 1926 naively admitted that the object of 80 per cent of the Federal estate tax was not to produce revenue but to induce the States to pass inheritance or estate tax laws in accordance with the congressional will:

"The loss during the calendar year 1927 will probably be from ten to twenty million dollars. Thereafter the annual loss will continue to increase, as advantage is taken of the 80 per cent credit, and in a few more years it is probable that the annual return to the Government under the estate tax will not exceed $50,000,000. The returns may even be less than this amount."

The hearings before the Ways and Means Committee which preceded the introduction of the bill of 1926 set forth its purpose with equal or greater clearness. Even if such evidence is not directly material upon the question of constitutionality, at least it is useful in illustrating the danger of abuse of any such power in Congress. Take, for example, the following colloquy between members of the committee and Governor McLeod, of South Carolina, appearing as spokesman for the State on whose behalf Calhoun once thundered and Wade Hampton fought:

"Mr. RAINEY. If something can be done which would compel the States to occupy this field and occupy it by imposing taxes, would you not favor some arrangement of that kind, if it can be done?

"Governor MCLEOD. I think I would, if it was fair in its distribution of this inheritance tax.

"Mr. RAINEY. If we compelled every State to levy the same minimum?

"Governor MCLEOD. If it was fair and equitable in its distribution to the States.

"Mr. RAINEY. And let the States occupy the field entirely and apply the revenue entirely to the liquidation of their own expenses, provided we devised some means of compelling the States to do it; would you not favor it?

"Governor MCLEOD. I think so.

"Mr. GARNER. If there was an arrangement by the Federal Government under which, when a citizen of the United States died, there could be deducted the amount due the State of South Carolina of taxes he had to pay in the State, sending the balance to the Federal Government, it would not injure your exchequer?

"Governor MCLEOD. No, sir; except that I would——

"Mr. GARNER (interposing). He would have no occasion to flee from your State to Florida, or even to a warmer climate to avoid the inheritance tax due your State?

"Governor MCLEOD. That is true, but speaking——

"Mr. GARNER (interposing). You will agree that the plan suggested that the Federal Government devise some scheme whereby we could have the inheritance taxes uniform as far as possible throughout the Republic is desirable, will you not?

"Governor MCLEOD. In that case the Federal Government would be established as a disbursing agency for the State governments.

"Mr. GARNER. Not at all. Your citizens would have deductions allowed under certain conditions. Now, there are deductions both for the estate and income taxes, and a great many deductions are made. But he would simply deduct from the amount that he would owe the Federal Government whatever he would pay your State.

"Governor MCLEOD. How would you justify the Federal Government levying taxes merely for that purpose unless those taxes are needed for the expenses of the Government?

"Mr. HULL. But there would be uniformity.

"Mr. CAREW. We are going to use this power to effect a great reform." (Hearings on revenue revision before the Committee on Ways and Means, October 19 to November 3, 1925, 370, 371.)

Dr. Thomas S. Adams, of Yale, perhaps the most influential of the expert advisers of the committee, with the assurance of the expert who would regulate the orbits of the planets and the courses of the stars, was not content with compelling the States to impose some sort of taxes, but wished to go further and dictate the particular kind of taxes they should impose:

"I would do this: I would reduce the maximum rate of the Federal tax to 15 or 20 per cent, and I would give an 80 per cent or 100 per cent credit. I would put the credit in that case on the basis of estate taxation rather than inheritance taxation by the States; putting the operation of that limitation into effect two years after, so that the States might take advantage of it.

"I believe that the State tax would be much better if it were in the form of an estate tax rather than an inheritance tax." (Hearings on revenue revision before the Committee on Ways and Means, October 19 to November 3, 1925, 463.)

The tax imposed by the act of 1926 consists of two separable parts, (1) a tax equal to 20 per cent of the rates mentioned in section 301 (a), which is imposed ostensibly for the purpose of raising revenue, and (2) a tax equal to 80 per cent of those rates which is on its face imposed not for any such purpose but solely for the purpose of inducing the States to impose estate or inheritance taxes of at least an equal amount. This portion of the so-called tax will from the outset raise no revenue at all in States whose laws conform to the congressional will, and if it becomes permanently a part of our system of Federal jurisprudence will ultimately raise no revenue anywhere.

May it not, therefore, be contended that the estate tax of 1926 consists of two clearly separable parts—20 per cent for the purpose of raising revenue and 80 per cent for the purpose, not at all of raising revenue but of inducing the States to impose inheritance or estate

taxes at least equivalent in amount, and that this latter portion is not properly a tax at all, any more than the tax on articles produced by child labor, and is therefore null and void?

The wide difference between a tax which is laid in such a way as while producing revenue yet also to accomplish some other purpose—a tax laid "with a political view," to borrow a phrase from our Maryland declaration of rights—and a so-called tax which is not imposed in any degree for the raising of revenue but solely for some other purpose, and is therefore void, may be emphasized by an illustration. The estate tax laws from the beginning, and the income tax laws since 1916, have allowed charitable or religious bequests or gifts, with certain qualifications, to be deducted in determining the taxable estate or income, as the case may be. Now, this practice undoubtedly tends to encourage charitable or religious contributions. The taxpayer knows that every dollar he gives to charity goes net, and that he does not have to pay anything to the Government by way of tax on the money so given. But, on the other hand, he does not save anything in tax on his other estate or other income and therefore is under no pressure or inducement to make a gift unless his inclinations prompt him to do so. But suppose Congress instead of declaring that charitable or religious contributions shall be deducted in ascertaining the taxable estate or the taxable income, should enact that they should be credited on the tax. As a result, everybody would be virtually forced to contribute to charity. He would have the option between giving the money to the Federal Government and giving it to God; and most persons, for the good of their souls, would choose the latter alternative.

Indeed, if this system of "credits" be once firmly established, there is absolutely no limit to the powers of Congress.

For instance, suppose Congress should determine that fathers should be prevented from disinheriting their children. The purpose could be accomplished by the simple expedient of providing that a certain proportion of every estate bequeathed or descending to a child shall be credited on the estate tax.

Or, again, suppose Congress decides that wages paid day laborers should be increased. All it need do is to provide that the income tax of every corporation or other employer of labor shall be credited with amounts paid laborers up to, say, $10 per day apiece.

Is it not clear that the only alternative to allowing virtually unlimited powers to be concentrated in Congress is to hold that wherever Congress attempts to allow as a credit against a Federal tax any payment that depends upon the volition of the taxpayer or of the State, the statute, at least to the extent that the credit is allowed, ceases to be a revenue measure and becomes an unconstitutional attempt on the part of Congress to legislate on matters which are beyond its powers?

IV

After Florida *v.* Mellon it would, perhaps, require some legal boldness to ask a reexamination—or more properly, in view of the casual nature of the opinion of Mr. Justice Sutherland—an examination of the constitutionality of the credit provision of the estate tax laws of 1924 and 1926. Nevertheless, to acquiesce in the validity of those provisions is fraught with such momentous consequences, and would be a precedent of so pernicious a character, that this paper can not be concluded without briefly considering what would be the effect of holding the provisions unconstitutional, and what methods may be available for contesting their constitutionality.

If the credit provisions of the acts of 1924 and 1926 are invalid, one of three consequences must follow. Either—

(1) Section 301(b), which contains the provision for a credit should be eliminated from the act, leaving the rates based by section 301(a) in force without any provision for credit, or—

(2) The tax must be severed and held valid to the extent of 75 per cent in the case of the act of 1924 and 20 per cent in the case of the act of 1926 and invalid only as to so much thereof as the credit can apply to.

(3) The whole of the estate-tax provisions of the acts of 1924 and 1926 must fall.

The first of these three possible views is absolutely untenable. The legislative history of the enactments, the reports of congressional committees, and the like, as well as the text of the acts themselves, show beyond peradventure that Congress never intended to impose the high rates of section 301(a) unless the credit provided for by subsection (b) should be allowed. It is superfluous further to elaborate this point. Any competent lawyer can readily convince himself, if the text of the acts leaves him in any doubt, by examining the CONGRESSIONAL RECORD and the committee reports.

The second of the three possible views—namely, that 75 per cent of the tax imposed by the act of 1924 and 20 per cent of that imposed by the act of 1926 should be held valid, and only the portion against which the credit is provided stricken down—has more to be said in its favor.

If it be tenable, the constitutionality of the credit provisions can be raised easily and in a very satisfactory way. All that is necessary is in any case where there is no State inheritance tax—for example, in any case in Maryland where the entire estate passes to lineal descendants—to pay the Federal tax and, after filing a claim for refund, sue the collector to recover back 80 per cent of the amount paid.

Thus to split up what was intended as one entire tax would certainly seem a novel exercise of judicial power. Yet the result would be equitable and probably in accord with what Congress would have wished. It is certainly possible to segregate in this way the clearly constitutional portion of the tax from the portion which, if the views above expressed be sound, is unconstitutional. It would carry out, too, the spirit of the following section of each act:

"If any provision of this act or the application thereof to any person or *circumstance*, is held invalid, the remainder of the act and the application of such provision to other persons *or circumstances* shall not be affected thereby." (Act of 1924, 43 Stat. 231, sec. 1103 (1924); act of 1926, 44 Stat. 130, sec. 1213 (1926). Italics the writer's.)

The remaining view—namely, that if the credit provisions of section 301 (b) are invalid, the whole of the estate tax must fall with it—may seem to many lawyers easiest of the three to sustain. On this hypothesis, either (a) there has been no constitutional Federal estate tax in force since 1924, and all such taxes collected on estates of decedents dying since that time should be refunded, or else (b) the estate tax of 1921 continues in effect.

Section 1200 of the act of 1924 (a) repeals the estate-tax provisions of the act of 1921; but subsection (b) provides that those provisions shall nevertheless continue in force "until the corresponding tax takes effect under the provisions of this act." If this means the date which under the terms of the act of 1924 its estate-tax provisions were to take effect—i. e. [under section 1100(a)] "upon the enactment of this act," or in other words, on June 2, 1924—then the act of 1921, in so far as it levied an estate tax, expired on that date, whether or not it was replaced by another valid tax.

If, on the other hand, section 1200(b) means that the act of 1921 shall continue in force until its place is taken by another valid estate tax, then the estate-tax provisions of the act of 1921 have never been repealed.

The act of 1924, as originally passed, in section 300(a) levied rates which were approximately 25 per cent higher than those imposed by the act of 1921, and while the law was in this state it would have been a simple matter, on the hypothesis we are now considering, to raise the question of the constitutionality of the act of 1924. Where the tax under the act of 1924 would be higher than the tax under the act of 1921—and in Maryland whenever the whole estate passed to a widow or children, this was bound to be the case—the excess could be paid under protest; and a suit brought to recover it back would raise the question of the constitutionality of the act of 1924.

But the act of 1926 retroactively reduced the tax imposed by section 301(a) of the act of 1924 to the level of the rates imposed by the act of 1921. After this was done, few cases could arise in which it would be more beneficial to an estate to be taxed under the act of 1921 than under the act of 1924 as retroactively amended. The ordinary taxpayer, therefore, had no longer any interest in contending that he should be taxed under the act of 1921 instead of under the act of 1924.

The act of 1926 for the future increases the exemption and, in some cases, still further reduces the rates, while increasing the credit from 25 per cent to 80 per cent. If the whole of the estate-tax sections of the act of 1924 are invalid, a fortiori the same thing is true of the corresponding provisions of the act of 1926; but the taxpayer would, in most cases, be out of the frying pan into the fire. There may indeed be some exceptional case in which it would be less burdensome to an estate to be subject to the act of 1921 than to that of 1926. For instance, the prima facie presumption raised by the act of 1921 that any transfer of a material part of a decedent's estate, without fair consideration, within two years prior to his death, shall be taken to have been made in contemplation of death, is made conclusive by the act of 1926. Now, if we suppose a case in which a gratuitous transfer of a large part of the estate was made within two years before the decedent's death, but in which the motive of the transfer can be proved to have been something other than contemplation of death, then (if it be constitutional to create in such a case a conclusive presumption—which, after Schlesinger *v.* Wisconsin (270 U. S. 230, 46 Sup. Ct. 260 (1926)) and Nichols *v.* Coolidge (supra note 10), must be regarded as very doubtful) it might be better to be subject to the act of 1921 than to that of 1926. But, save in some such very exceptional circumstance, any estate would be better off under the act of 1926 than under the act of 1921, and nobody would have any standing to contend that the act of 1921 continues in force.

Even upon this hypothesis there is one way in which the constitutionality of the credit provision can be raised. As already mentioned, a number of States—such as New York—have passed laws levying estates taxes equal to 80 per cent of the Federal levy to continue in force only so long as the Federal law allows a credit of at least 80 per cent for State taxes. Now, if this provision in the Federal statute purporting to allow the credit is unconstitutional, null and void, there is no Federal law in force allowing the credit, and the State tax is un-

collectible. In any such case, any estate can by contesting the imposition of the State tax, raise the question of the constitutionality of the credit provisions of the Federal act. From a decision of the highest court in the State, the question could be carried to the Supreme Court of the United States. But it would take a very patriotic taxpayer to raise the question in this way; for even if successful, any money he might save in State taxes would, if the act of 1921 is still in force, have to be paid to the Federal Government in increased Federal tax; and he might even be worse off than if he had accepted the Federal statute as valid to its full extent.

Therefore unless the estate tax provisions of the acts of 1924 and 1926 are wholly void, and unless the act of 1921 is not thereby continued in force, it would seem that the most practicable way of attacking the validity of the credit provision of the Federal law is to contend that the effect is to invalidate the Federal tax of 1924 to the extent of 25 per cent, and that of 1926 to the extent of 80 per cent, confining the Federal tax legally collectible to 75 per cent and 20 per cent, respectively, of the nominal rates. Any careful lawyer would hesitate to assert that the chances of success in any such contest would be worth to any estate of ordinary size the expense of the litigation. And yet as a matter of patriotic duty the dictum in Florida *v.* Mellon surely ought not to be accepted as the final word. The power of the purse is throughout Anglo-American history the only means by which liberty and independence have been achieved or preserved. In an attempt to snatch it from the people Charles I lost his head; and, rather than surrender it, the American Colonies reluctantly severed connection with a mother country which they loved. If our States have yielded it up, in respect to their internal affairs—if Congress can by a cunning device dictate to them what taxes they shall levy for local purposes—then they are no longer States but satrapies. The Supreme Court has not hesitated more than once to overrule prior decisions if convinced of their error. Is it too much to expect of the patriotism and fair-mindedness of a great court to disregard the hasty dictum of Florida *v.* mellon?

Mr. SIMMONS. Mr. President, I will say to the Senator from Utah that there are two additional amendments which I have not yet had prepared which I will have prepared to-day. I will state to the Senator from Massachusetts that these additional amendments relate to transfers of stock on exchanges.

Mr. SMOOT. Produce and stock?

Mr. SIMMONS. Yes.

Mr. SMOOT. I ask unanimous consent now that when the Senator introduces his amendments, even though the Senate shall have adjourned, they may be printed and lie on the table.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SIMMONS. The amendments were not prepared, because it may be that upon further reflection it will be decided that it is not necessary to offer them, but merely to oppose the committee amendments.

Mr. SMOOT. There is no need of offering them, but I was not going to say that to the Senator.

Mr. SIMMONS. I would rather have my statement in the RECORD, because there has been some misconception in the country as to the attitude of the minority with reference to the tax upon transfers of stock, and I would like to have it known that my attitude is the same with reference to that as it is with reference to original issues of stock; that is, that it should be, for business reasons, reduced one-half.

Mr. SMOOT. In other words, the minority agree with the House provisions in both cases?

Mr. SIMMONS. Yes.

Mr. SMOOT. The next amendment is on page 31, line 1.

The next amendment passed over was, at the top of page 31, to insert:

(r) Expenses of tax adjustment: All expenses paid or incurred in contesting any liability for any tax, including fees and compensation for personal services, but exclusive of expenses allowable under subsection (a).

Mr. KING. Mr. President, when this amendment was up for consideration, I asked that it go over, and noted at that time my objection to the amendment. I want very briefly to state now that I am opposed to this proposed amendment. The object of it is to allow a deduction to taxpayers of all the expenses incurred by them in contesting any tax, whether it be a Federal, State, or municipal tax. I understand that the contention has been made that the object of it is merely to allow a deduction for expenses incurred in contesting the validity of a Federal tax, but the report of the committee goes further than that declaration.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. Do I understand that these large fees that are paid to corporations which have disputes with the Treasury Department about adjusting their taxes would be allowed and deducted under the provisions of this amendment?

Mr. KING. Not only large fees paid by corporations but by individuals, and also all expenses incident to litigation. For instance, if the Senator had an assessment levied against him by the State of Massachusetts, or the city of Boston, or by the Federal Government, and he employed lawyers, paying them a contingent fee or a direct fee, he would be permitted to deduct that fee as an item in determining the amount of the tax, and also all expenses incurred in connection with the litigation.

Mr. WALSH of Massachusetts. Would it not invite collusion in the matter of fees and expenses?

Mr. KING. I think so.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. KING. I yield.

Mr. HARRISON. As I understand it—and I want to ask the Senator if this is his understanding—under the law a corporation which is forced to employ an attorney and go to expense with the Government in a case is allowed to deduct those expenses; but an individual who might be put upon the same footing with that corporation and have the same kind of a case would not be permitted to deduct his attorney's fees and expenses. Is not that the Senator's understanding?

Mr. KING. I am inclined to think that under existing law if an attorney were regularly employed by a corporation the fees which he received for his employment would be included in the corporate expenses for which deductions would be allowed. I am not sure that if the corporation employs an attorney outside of its regular legal staff to contest the validity of a tax levied by the Federal Government or a State or municipal government that that would be allowed as a deduction and a credit; but——

Mr. HARRISON. My impression is that in the hearings before the Finance Committee it was stated that the fees and expenses would be deductible if it were a corporation, even though they had gone outside of their regular retinue of attorneys and had employed accountants, and so forth. It seems to me, if that is true with reference to a corporation, and it ought to be true—they ought to be permitted to get an attorney to defend their cause if the Government files suit against them—it certainly ought to apply also to the individual.

Mr. SMOOT. That is exactly what the provision does.

Mr. HARRISON. That is the way I understood it.

Mr. SMOOT. As my colleague has said, it not only applies to Federal cases in which there is a dispute but to State cases and municipal cases or any division of Government. The amendment is as broad as that.

Mr. KING. The report of the chairman of the committee reads as follows, relating to this amendment:

This is an entirely new deduction. It embraces all expenses paid or incurred in contesting liability for any tax, whether Federal, State, municipal, or otherwise, which are not deductible under section 23 (a) as a business expense. The purpose of the new deduction is to place individuals on a parity with corporations so far as this item of expense is concerned. Though payment of taxes is not, strictly speaking, a business expense to individuals in all cases, the committee believes it is more like a business expense than a living or personal expense and that it should be so treated.

Mr. President, it does seem to me, as suggested by the Senator from Massachusetts [Mr. WALSH] that this invites collusion. I do not see why the expenses incurred by an individual in the State of Massachusetts or in the State of Texas, in contesting the validity of some local assessment, irrigation assessment, or municipal assessment of some State or city tax, should be allowed as a deduction in determining the amount due as a Federal tax.

We know with respect to Federal taxes that there are hundreds of lawyers and experts and accountants, and many who are neither, who are profiting to the extent of enormous amounts each year—and I am not criticizing—in contesting the validity of tax levies by the Federal Government. I am told that in most of the tax cases the attorneys or agents representing the taxpayers have contingent-fee contracts. The contingent fee in some instances is 50 per cent. Under this provision of the bill that amount, plus all expenses incurred, including expenses of the individual himself, expenses incurred in hiring accountants and what not, would be allowable as a deduction.

It seems to me that is going entirely too far. Certainly if we are to allow deductions at all they ought to relate only to Federal taxes, and not to contests related to State of munici-

pal taxes. In the committee there was a good deal of dubiety expressed in regard to the wisdom of the amendment. It was there stated that in many of these cases 20 or 30, 40 or 50 per cent was allowed. The first suggestion was made that where it was a contingent fee it should not be allowed as a deduction, but that finally was abandoned because of various objections which were urged.

Mr. WALSH of Massachusetts. And difficulties.

Mr. KING. And difficulties were urged, too. As it was conceded that in most of these cases the legal expenses were contingent—that is to say, attorneys and agents and those who had the cases had them upon a contingent basis of from 10 to 50 per cent. It seems to me it is an improper deduction. If we allow credit for attorneys' fees in contested cases, I do not know where the end might be. Of course, there should be no discrimination and if attorney fees and other expenses connected with the contesting of a tax are to be allowed corporations, they should be allowed to individuals.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Montana?

Mr. KING. I yield.

Mr. WALSH of Montana. In the case of a corporation conducting any ordinary business such as the mercantile business, the expenses of litigation go in as a part of the expenses of the conduct of the business, do they not?

Mr. KING. Yes.

Mr. WALSH of Montana. And the net income becomes a basis for the assessment of the income tax. Does not the ordinary business man now, in figuring the profits of his business as the basis for the assessment of taxes, take credit for attorneys' fees and other expenses?

Mr. KING. I am told that in many cases that has not been done, particularly the large contingent fees.

Mr. WALSH of Montana. Take such a firm as Woodward & Lothrop, who are conducting a large department store here in Washington. Someone sues them for injury, because of being run over by one of their trucks. The cost of that suit goes into the ordinary expenses of the business. Someone sues them for failure to carry out a contract of sale that they made, and secures judgment for damages against them, and, of course, that comes out, as well as the attorneys' fees and other expenses of the litigation.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to explain the situation?

Mr. KING. Certainly.

Mr. REED of Pennsylvania. Under the first paragraph of this section the expenses deductible by any taxpayer are those necessarily incurred in any trade or business. Therefore the bureau has held, and I think unfairly, that when a corporation engages counsel to fight a tax case, that expense is necessarily incurred in carrying on its trade or business; but when an individual does the same thing he can not make the same deduction, because it is a tax on his personal income and is not a part of his business of making a livelihood.

Mr. WALSH of Montana. The amendment is intended to correct that?

Mr. REED of Pennsylvania. The amendment is intended to put the individual on the same basis as is the corporation to-day.

Mr. KING. I am in favor of that, but my contention is that neither should be permitted the deduction, or at least that there should be some limitation upon the credit to be given the taxpayer as a deduction.

Mr. WALSH of Montana. How would the Senator differentiate? Here is a corporation doing business and they have absolutely no profit at all by reason of the fact that they have been compelled during the current year to carry on a very expensive litigation possibly involving the title to all their property, and they have paid out that money.

Mr. KING. That would be a permissible deduction because it is in their business.

Mr. WALSH of Montana. Yes; of course. That would include, of course, all expenses they incurred in the conduct of the business in protecting themselves, as they think, against an unlawful tax exaction or some other unlawful exaction, as they claim, and that all comes out of the profits of the business. The balance becomes the basis for the assessment. How could we tax that corporation without taking out expenses of that kind incurred in the conduct of the business?

Mr. KING. Because of the opportunities for abuse I felt that to allow either to a corporation or an individual the expenses incurred in contesting the validity of a tax would be improper, or at least that there should be some reasonable restrictions imposed upon the credits allowed. If the amendment is rejected, then at the appropriate place in the bill I intend to offer an amendment denying to the corporation a deduction for the expenses incurred by it in contesting the validity of a tax.

Mr. HARRISON. I agree with the Senator that if the individual is deprived of that right, certainly the corporation ought to be deprived of the right, but I think both the corporation and the individual should have the right. For instance, may I call the Senator's attention to the fact with which we are familiar that the other day the Board of Tax Appeals rendered a very important decision, a decision in which the Ford Motor Co. or one of its corporations could put in as a deduction the attorneys' fees and expenses incurred in contesting with the Government that particular piece of litigation, while one of the individuals, one of our colleagues, not being a corporation but having gone to enormous expense of the same nature, would not be permitted to deduct it in his income-tax return. It seems to me that shows the fallacy of the proposition.

Mr. SMOOT. I could call attention to a number of cases of which my colleague is well aware. The Grand Central Mining Co., for instance, was engaged in a law suit which covered about five years. I think about four years out of the five the attorney's fees alone were more than was actually made. Without the provision here proposed the company would have to pay taxes upon money that was earned and paid out immediately, and so far as the company is concerned it never made anything at all. There was no profit, but really a loss.

Mr. KING. I was not referring to the fees which are paid in the ordinary business of the individual or corporation. I was only referring to fees which are paid in contesting the validity of a tax. I am sure Senators will take cognizance of the fact, because it is a matter of common knowledge that there are tens of thousands of dollars paid out annually to attorneys in contingent fees which they are receiving and for which, under the proposed amendment, the taxpayers will be allowed deductions.

Mr. WALSH of Montana. Let me inquire of the Senator whether the attorney is not compelled to pay a tax upon his fees?

Mr. KING. He does in his income tax if he is within the taxable brackets.

Mr. WALSH of Montana. Then we get it just the same. We are simply transferring the tax from the client to the attorney.

Mr. KING. Of course, it would be in a different bracket, probably.

Mr. HARRISON. Of course a gentleman in a contest with the Government would not pay 25 per cent to an attorney in order to pay the other 75 per cent to the Government.

Mr. KING. The Senator knows that many of the fees are paid on a contingent basis and amount to as much as I have indicated.

Mr. WALSH of Montana. I dislike to place any obstacle in the transfer to the law practice of a small amount of profits made from industrial operations.

Mr. KING. I presume the Senator and I, of course, being lawyers, are rather interested in attorneys, and yet in this matter I have a greater interest in the Government and in having it protected.

Mr. SIMMONS. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. SIMMONS. I think, probably, the majority and the minority members of the Finance Committee agreed to this provision; but I am interested in the discussion by the Senator from Utah. There is only one phase of the question that gives me any trouble at all. It has occurred to me since our action. There was not much discussion about it in the committee. I think it was rather hurriedly agreed to, but I am not recanting at all. But I should like to have the views of both Senators from Utah upon the question of whether it is wise public policy to allow deductions for the entire expense when the contesting taxpayer loses, when he fails to make good his contention in any respect whatever.

Mr. SMOOT. Such a taxpayer is more unfortunate than the one who wins his case.

Mr. SIMMONS. I understand; but is that a misfortune which should cause the United States Government to lose a part of its income tax?

Mr. SMOOT. The taxpayer is allowed to deduct whatever expense there may be, no matter whether he loses or wins his case.

Mr. SIMMONS. I am afraid that will encourage persons who have very slim and feeble cases to contest the payment of their taxes.

Mr. SMOOT. The Government gets the tax anyway. If it does not get it from the corporation it will get it from the

individual. The individual may not fall in a bracket that would bring 12½ per cent under the surtax, but he would fall under whatever bracket his income would reach. The Government may lose a little if he falls under a bracket lower than the 12½ per cent bracket.

Mr. SIMMONS. Whatever bracket the income falls under, the Government does lose the entire expense of the litigation instituted by the particular taxpayer which the court may say was without justification.

Mr. SMOOT. I think if the Government starts suit against a taxpayer and there is no basis for the suit, the Government ought to lose it.

Mr. SIMMONS. Take the ordinary case in court. If the plaintiff prevails in some jurisdictions he is entitled to have his expenses reimbursed by the defendant; but if the defendant succeeds then a different rule might obtain. I do not know of any municipal jurisdiction where a litigant who fails has the tax levied against the defendant who wins; but in this particular case, where the Government is the complainant and the taxpayer is the contestant or defendant, if the taxpayer loses the Government has to pay the expenses of the suit.

Mr. SMOOT. That is, it loses the tax on the expenses.

Mr. SIMMONS. It loses that much of the tax, which is just the same thing.

Mr. SIMMONS. Mr. President, I desire to say that I am not doing more than calling the attention of the junior Senator from Utah [Mr. KING] to this point as the one thing about which I have a question. If the junior Senator from Utah wishes to offer an amendment to the provision, he may do so; otherwise I shall support the action of the committee, because I feel bound to pursue that course.

Mr. KING. Mr. President, I do not know that I care to offer an amendment in respect to this matter, but I did intend to offer an amendment, as I indicated a moment ago, so as to make the rule uniform as between corporations and individuals. I certainly feel that such expenses ought not to be allowed as a deduction for litigating controversies between individuals and the States or between individuals and municipalities, whether cities or school districts or other political subdivisions within a State.

I believe, Mr. President, that if this amendment shall be adopted it will mean a considerable loss of revenue; that it will lead to an increase in the number of contingent agreements which will be entered into by taxpayers who are contesting the validity of taxes. I am told that in many cases where corporations are involved and have their own attorneys the attorneys do not get a contingent fee; that they are paid under their usual retainers and the fees which are paid them annually; but there are many cases where the fees of the attorneys are provided for upon a contingent basis. This will induce contingent agreements and, of course, will multiply the amounts which will be paid to the attorneys and increase the aggregate amount to be allowed as deductions. I feel sure that it will considerably reduce the amount of taxes which are paid. Whether or not the Government will recoup in part from the income tax of the attorneys, is a question to be determined. I feel quite sure that the recoupment will not be equal to the amount which the Government will lose by reason of permitting deductions of this kind.

Mr. SIMMONS. The Senator will realize that in such a case I put a little while ago there would be no such thing as recoupment.

Mr. KING. I think the Senator is right.

Mr. SIMMONS. The Government would simply lose the tax upon the entire expense of an unsuccessful litigation.

Mr. KING. Yes; there is no doubt about that.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next committee amendment passed over is on page 63, sections 104 and 105. I perhaps should briefly state what those two amendments propose. Section 104 has relation to the accumulation of surpluses to evade taxes for 1928 or subsequent taxable years.

Mr. GERRY. Mr. President, may I interrupt the Senator from Utah to inquire to what amendment he is referring?

Mr. SMOOT. I am referring to the amendment striking out section 104, on page 63, and to section 105, on page 68. Section 104 was adopted by the House for the purpose of providing against accumulation of surpluses in order to evade taxes for 1928 or subsequent taxable years. Section 105 is the old section 220 of the present law, with some modifications, which had in view the same purpose. I have had a number of House Members tell me that section 104 was put in there without very serious consideration. The Finance Committee decided to strike out section 104, and then make section 105 correspond to section 220 as it is in the law to-day. That is all there is to the amendment on striking out section 104, on page 63, and the amendment to section 105, on page 68.

Mr. SIMMONS. That means, as I understand the Senator, that we revert to the present law?

Mr. SMOOT. Word for word we incorporate section 220 of the present law.

Mr. SIMMONS. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment striking out section 104.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I think there is an amendment on page 68 which was passed over.

Mr. SIMMONS. Before we leave the amendment just agreed to, let me say that I think the feeling of the committee was that that particular section had never been very vigorously enforced, if enforced at all.

Mr. SMOOT. That was true up until about two years ago.

Mr. SIMMONS. I was going to say that it had never been enforced until very recently, when probably there have been 1 or 2 or 3 cases brought under it; at any rate, but a very few cases.

Mr. SMOOT. There are 252 cases under it now pending.

Mr. SIMMONS. Under the old law?

Mr. SMOOT. Yes; under the old law; but they have been brought forward and begun perhaps within the last two years.

Mr. SIMMONS. Only recently the department has begun to give any consideration to that section. I think the committee was persuaded to adhere to the present law very largely from consideration of the fact that taxes have been very much reduced and the incentive to accumulate surpluses for the purpose of evading taxation has grown very materially less.

Mr. SMOOT. That is correct.

Mr. SIMMONS. As they have grown less, the department seems to have become more active, and as they grow still less the department probably will become more active. However, while the temptation was very great, and while the practice was very general, I think it may be said without contradiction that the administration did not make much of an effort, if any, to enforce this section of the law.

Mr. SMOOT. I wish to say to the Senator, however, that the section has been enforced, so that there are now 252 cases pending applying to back years. The Senator I presume is about correct, however, in what he says.

Mr. KING. Mr. President, I think the provision adopted by the House had a meritorious object. Senators will recall that the late Senator from New Mexico, Mr. Jones, contended that many corporations were accumulating inordinately large reserves and surpluses, and, for the purpose of evading taxation, were not distributing them as dividends. It is true that as taxes have been reduced, excess profits tax abolished, and surtaxes materially diminished, the reasons for their existence are not so powerful. Nevertheless, some corporations still persist in the policy of accumulating very large reserves—larger than are warranted by sound business procedure. Stock dividends are not infrequently declared—based upon their unnecessarily large reserves.

I am not certain that the limitations found in section 105, pages 68 and 69, of the pending bill are a sufficient curb or guide to the Secretary of the Treasury in exercising the great discretion allowed him in dealing with this question of reserves. The Secretary alone is to determine, if I interrupt the section correctly, what would be a proper reserve or accumulation, before the penalty of 50 per cent is applied. One Secretary of the Treasury or one Federal official connected with the revenue branch of the Government might regard a certain amount of reserve or surplus as proper. A different rule might be prescribed by his successor. In dealing with questions of this character, as well as many others in revenue measures, the legislative branch of the Government has difficulty in steering between Charybdis and Scylla. If there are too many limitations in statutes, difficulties arise. It is impossible to foresee all the complications and conditions that will arise. I have sometimes thought we have too many revenue laws, too many provisions attempting to deal with every conceivable situation that may arise, and a burdensome lot of Treasury regulations which bewilder and mystify officials, courts, and taxpayers. It may be that we shall be driven to enact a new revenue law which will be simple and short, and which will confer greater authority upon the administrative branch. Great Britain has certainly achieved results which we might profitably strive to attain. Great Britain writes her revenue law in a few pages, and allows a wide discretion to be exercised by those who administer the law. We take scores of pages to write our law. Great Britain

collects substantially $4,000,000,000 of revenue, largely death dues, corporation taxes, and income taxes, with but a limited number of employees.

We have more than 10,000 employees engaged in collecting approximately $2,000,000,000 of revenue. In this amount I do not include customs collections. In that division of the Treasury Department there is an army of Federal employees.

Great Britain's revenue laws are less complicated than those enacted by Congress. They announce, so to speak, fundamental principles. The administrative features are simple and, as I have indicated, confer more latitude and authority upon those who execute the law. The discretion granted the officials is wisely exercised. The personnel, generally speaking, are men of ability and character familiar with the law and with procedural matters. It is said that the British taxpayer does not seek to evade the payment of taxes, though they are onerous and oppressive. An examination of the revenue laws enacted by Congress during and since the war will reveal how far short of clarity and certainty we have fallen in our revenue legislation. Our revenue laws have been complicated, oftentimes filled with contradictions and uncertainties. Those charged with their enforcement differ in their interpretations of statutory provisions. Decisions rendered by officials in the department to-day are changed upon the morrow. Not infrequently taxpayers have followed certain interpreted regulations of the revenue laws, only to find several years later contrary rulings to their disadvantage. Not only the officials of the Treasury Department fail to agree upon the meaning of various provisions of the statutes but eminent lawyers differ, as well as the Board of Tax Appeals and the courts.

I am told that a volume has recently been published by the Treasury Department containing 10,000 pages of recent rulings and regulations. The charge has often been made that our revenue laws and the regulations of the Treasury Department, based upon the same, can not be understood and seem to be designed to encourage litigation. Certain it is that controversies in regard to taxes are not diminishing. Cases are being daily brought to the Board of Tax Appeals for adjudication and its decisions are insufficient to keep pace with the multiplied appeals. Tens of thousands of cases are now pending for settlement, and there seems to be nothing in sight indicating that the mountain of tax controversies and lawsuits will be removed. I sometimes wish that we could burn our tax laws and all our regulations and start afresh. We might be able to write a simplified bill, one that could be understood by those who enacted it and those who administer it, and by the taxpayers who are more interested in simple, just, and equitable revenue laws than are Congress and the officials of the Treasury Department. Recurring to the provision now before us: How much shall be allowed as a surplus before the penalty shall be applied? I do not know. Should we attempt to circumscribe those engaged in business and limit the amount of reserves and accumulations before the penalty of 50 per cent is applied, or should the entire matter be committed to the discretion of those administering the law?

I am not satisfied with this section, and yet I am not in position to offer an amendment to supersede it. The Finance Committee considered the House amendment, which was intended to clarify the situation; and I think that after due consideration the committee reached the conclusion that instead of clarification it would add to the uncertainty and dubiety if attempts were made to prescribe the limitation upon the amount allowed as reserves and the circumstances under which such reserves should be set up.

Mr. SIMMONS. Mr. President, I think Senators on this side agree with the general propositions laid down by the Senator from Utah. We have criticised this provision in the present law ever since it was enacted. We have recognized the fact that it lodged almost unlimited discretion in the Secretary of the Treasury; and we have complained bitterly that for many years after its original enactment the Secretary of the Treasury did not exercise that discretion at all, but permitted these surpluses to be accumulated in gigantic sums, without taking any action to force their distribution.

In all of our discussions about this question, however, we have all realized the fact that sound economy in the conduct of a business by a corporation made it necessary that they should set aside a certain part of their annual earnings for purposes of enlargement, for purposes of improvement of their methods and their equipment, and that the requirements of one class of corporations in this respect were different from those of another class of corporations; that it was almost impossible to lay down any fixed rule to regulate the distribution of these accumulated surpluses which would not be to the disadvantage of some and to the advantage of other corporations. In that state of inability to adjust what the several corporations of the country might legitimately and reasonably require in order to be upon a safe footing in the conduct of their business, and to enlarge and develop their business and improve their methods, we felt that we were hopeless unless the Secretary of the Treasury would enforce this provision of the law.

I know that both sides of the Finance Committee have sought to devise some method that might place safeguards around an unwise exercise of discretion on the part of the Secretary of the Treasury, or might coerce him to enforce the law; but I confess that neither side of the committee up to this time has been able to suggest any satisfactory solution of that problem. To my mind, the House provision is not a satisfactory solution of it; and the exigencies created in the present condition of things with respect to this matter are nothing like so urgent, nothing like so great and important, as they were when taxes were higher than they are now.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 68, line 13, after the word "for," to strike out "the taxable year 1927" and insert "each taxable year," so as to read:

(a) If any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders through the medium of permitting its gains and profits to accumulate instead of being divided or distributed, there shall be levied, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 50 per cent of the amount thereof, which shall be in addition to the tax imposed by section 13, and shall be computed, collected, and paid upon the same basis and in the same manner and subject to the same provisions of law, including penalties, as that tax.

Mr. SIMMONS. What is that amendment?

Mr. SMOOT. That is just a verbal amendment.

The amendment was agreed to.

The next amendment passed over was, on page 79, line 19, after the word "made," to strike out the period and "The provisions of this paragraph and of paragraph (2) shall not apply to the acquisition of such property interests as are specified in section (402) (c) or (e) of the revenue act of 1921, or in section 302 (c) or (f) of the revenue act of 1924 or the revenue act of 1926 (relating to transfers in contemplation of or intended to take effect at or after death, and to property passing under power of appointment)," so as to read:

(3) Transfer in trust after December 31, 1920: If the property was acquired after December 31, 1920, by a transfer in trust (other than by a transfer in trust by a bequest or devise) the basis shall be the same as it would be in the hands of the grantor, increased in the amount of gain or decreased in the amount of loss recognized to the grantor upon such transfer under the law applicable to the year in which the transfer was made.

The amendment was agreed to.

The next amendment passed over was, on page 89, line 7, after the word "such," to strike out "acquisition;" and insert "acquisition. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402(e) of the revenue act of 1921 or in section 302(f) of the revenue act of 1924 or the revenue act of 1926 (relating to property passing under power of appointment) regardless of the time of acquisition," so as to read:

(4) Gift or transfer in trust before January 1, 1921: If the property was acquired by gift or transfer in trust on or before December 31, 1920, the basis shall be the fair market value of such property at the time of such acquisition. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402(e) of the revenue act of 1921, or in section 302(f) of the revenue act of 1924 or the revenue act of 1926 (relating to property passing under power of appointment) regardless of the time of acquisition.

The amendment was agreed to.

The next amendment passed over was, on page 80, line 14, after the word "death," to strike out "If the property was acquired by bequest, devise, or inheritance, or by a decedent's estate from the decedent, the basis shall be the fair market value of such property at the time of the death of the decedent. The provisions of this paragraph shall apply to the acquisition of such property interests as are specified in section 402 (c) or (e) of the revenue act of 1921, or in section 302 (c) or (f) of the revenue act of 1924 or the revenue act of 1926 (relating to transfers in contemplation of or intended to take effect at or after death, and to property passing under power of appointment)" and insert "If personal property was acquired by specific bequest, or if real property was acquired by general or specific devise or by intestacy, the basis shall be the fair market value of the property at the time of the death of the decedent.

If the property was acquired by the decedent's estate from the decedent, the basis in the hands of the estate shall be the fair market value of the property at the time of the death of the decedent. In all other cases if the property was acquired either by will or by intestacy, the basis shall be the fair market value of the property at the time of the distribution to the taxpayer," so as to read:

(5) Property transmitted at death: If personal property was acquired by specific bequest, or if real property was acquired by general or specific devise or by intestacy, the basis shall be the fair market value of the property at the time of the death of the decedent. If the property was acquired by the decedent's estate from the decedent, the basis in the hands of the estate shall be the fair market value of the property at the time of the death of the decedent. In all other cases if the property was acquired either by will or intestacy, the basis shall be the fair market value of the property at the time of the distribution to the taxpayer.

Mr. KING. Mr. President, I should like to inquire whether this amendment will apply retroactively to meet some of those decisions of the court, one of which was contrary to the decision of another court?

Mr. SMOOT. This just covers this year; and this is one of three amendments, the Senator will remember, upon this subject. This is the second one. They all fit in as one, and we agreed to the whole amendment as a unit. They are in different places, but this is the second one.

Mr. REED of Pennsylvania. This has nothing to do with the gift tax?

Mr. SMOOT. Not at all.

Mr. REED of Pennsylvania. It merely has to do with capital gains resulting from the sale of property acquired from the estate of a decedent, and will apply to transactions in the current calendar year 1928 and subsequently, but is not retroactive before the first of this year.

Mr. KING. That is what I was inquiring—whether by any construction it could be applied retroactively.

Mr. BINGHAM. Mr. President, I desire to make a parliamentary inquiry. I should like the attention of the Senator from Pennsylvania. Will the adoption of this amendment at this time affect in any way the possibility of voting later on the amendment which the Senator knows I presented for the repeal of the estate tax?

Mr. REED of Pennsylvania. It has nothing to do with the estate tax. This deals only with capital gains of living taxpayers. I might say to the Senator from Utah, further, that later on in the bill there is a retroactive amendment that affects this same question to some extent, but this is not retroactive.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment passed over was, on page 97, line 18, after the word "for," to strike out "1925 or 1926" and insert "1926 or 1927"; and in line 19, after the word "year," to strike out "1925 or 1926" and insert "1926 or 1927," so as to read:

(e) Net loss for 1926 or 1927: If for the taxable year 1926 or 1927 a taxpayer sustained a net loss within the provisions of the revenue act of 1926, the amount of such net loss shall be allowed as a deduction in computing net income for the two succeeding taxable years to the same extent and in the same manner as a net loss sustained for one taxable year is, under this act, allowed as a deduction for the two succeeding taxable years.

Mr. SMOOT. That is just changing the years in accordance with the amendments we have already adopted.

The PRESIDING OFFICER. Is that included in the Senator's unanimous-consent agreement of some time ago?

Mr. SMOOT. It is just to carry out the year that we changed in the first amendment.

The PRESIDING OFFICER. That is included in the previous unanimous-consent agreement, then?

Mr. SMOOT. It is.

The amendment was agreed to.

The next amendment passed over was, on page 111, line 4, after the words "beginning in," to strike out "1926" and insert "1927"; and in the same line, after the words "ending in," to strike out "1927" and insert "1928," so as to read:

SEC. 132. PAYMENTS UNDER 1926 ACT.

Any amount paid before or after the enactment of this act on account of the tax imposed for a fiscal year beginning in 1927 and ending in 1928 by Title II of the revenue act of 1926 shall be credited toward the payment of the tax imposed for such fiscal year by this act, and if the amount so paid exceeds the amount of such tax imposed by this act, the excess shall be credited or refunded in accordance with the provisions of section 322.

Mr. SMOOT. That is the same thing. It merely refers to the years.

The PRESIDING OFFICER. That has already been adopted.

The next amendment passed over was, on page 119, line 18, after "(B)," to strike out "11½ per cent" and insert "12½ per cent," so as to read:

SEC. 144. WITHHOLDING OF TAX AT SOURCE.

(a) Tax-free covenant bonds: (1) Requirement of withholding: In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon, or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods, if payable to an individual, a partnership, or a foreign corporation not engaged in trade or business within the United States and not having any office or place of business therein: *Provided*, That if the liability assumed by the obligor does not exceed 2 per cent of the interest, then the deduction and withholding shall, after the date of the enactment of this act, be at the following rates: (A) 5 per cent in the case of a nonresident alien individual, or of any partnership not engaged in trade or business within the United States and not having any office or place of business therein and composed in whole or in part of nonresident aliens, (B) 12½ per cent in the case of such a foreign corporation, and (C) 2 per cent in the case of other individuals and partnerships:

Mr. HARRISON. That goes over.

Mr. SMOOT. Let that go over, because it is a rate.

Mr. COPELAND. What about the amendment on page 115?

The PRESIDING OFFICER. That was agreed to.

Mr. COPELAND. With regard to that, among other letters I have is one from the president of the Delaware & Hudson Railroad, in which he says:

Section 141 of the pending revenue measure provides for consolidated returns in respect of the taxable years 1927 and 1928, but, at the end of that period, without further legislation, the privilege of rendering such returns would expire.

I wish earnestly to urge upon you the desirability of modifying this section to the extent of omitting the proposed limitation, leaving the provisions for consolidated returns in the bill and in such form that it will continue in effect as long as other provisions of the revised measure.

Mr. SMOOT. That is exactly what the amended provision does, just what the letter says.

Mr. COPELAND. So that is taken care of?

Mr. SMOOT. That is taken care of in the amendment agreed to.

Mr. COPELAND. This amendment meets the objection raised by Mr. Loree?

Mr. SMOOT. I do not know who the writer is, but the objection has been met.

Mr. COPELAND. Very well.

Mr. KING. Mr. President, I would like to inquire whether the amendment in subdivision (b), page 112, was agreed to?

Mr. SMOOT. That was agreed to the other day.

The PRESIDING OFFICER. The clerk will state the next amendment passed over.

The next amendment passed over was, on page 123, line 10, to strike out "11½ per cent" and insert "12½ per cent."

Mr. SMOOT. That involves a rate.

The PRESIDING OFFICER. That will go over, under the agreement.

The next amendment passed over was, on page 140, line 23, after the word "company," to strike out "11½ per cent" and insert "12½ per cent"; and in line 25, after the word "company," to strike out "11½ per cent" and insert "12½ per cent."

Mr. SMOOT. That involves a rate.

The PRESIDING OFFICER. That goes over, under the agreement.

The next amendment passed over was, on page 146, line 2, after the word "company," to strike out "11½ per cent" and insert "12½ per cent"; and in line 5, after the word "company," to strike out "11½ per cent" and insert "12½ per cent."

Mr. SMOOT. That goes over, being in relation to a rate.

The PRESIDING OFFICER. The amendment will go over, under the agreement.

Mr. SMOOT. The next amendment passed over, outside of those involving rates, is on page 215. There are some of the

rate amendments that we can take up later, and I will call attention to them after we get through with the administrative features.

The next amendment passed over was, on page 215, after line 3, to insert:

SEC. 508. CLAIMS FOR REFUND FOD 1917–1921.

Section 284 of the revenue act of 1926 is amended by adding at the end thereof a new subdivision to read as follows:

"(i) If the taxpayer has prior to January 1, 1928, filed a valid and enforceable waiver of his right to have the income, war-profits, or excess-profits taxes for the taxable years 1917, 1918, 1919, or 1920 determined and assessed within five years after the return was filed, or filed a valid and enforceable waiver of his right to have such taxes for the taxable year 1921 determined and assessed within four years after the return was filed, then such credit or refund relating to the taxes for the year in respect of which the waiver was filed shall be allowed or made if claim therefor is filed at any time prior to 90 days before the expiration of such waiver, or at any time before the expiration of one year after the waiver was filed, whichever date is earlier."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment passed over was, on page 215, after line 20, to insert:

SEC. 509. SURTAX RATES FOR 1927.

(a) Section 211 of the revenue act of 1926 is amended, to take effect as of January 1, 1927, by adding at the end thereof a new subdivision to read as follows:

"(c) Notwithstanding the rates provided in subdivision (a) the rate of surtax for the calendar year 1927 shall be the same as the rates of surtax specified in section 12 of the revenue act of 1928."

(b) Any refund or credit to which a taxpayer may be entitled by reason of this section shall be made or allowed without interest.

Mr. KING. Mr. President, this amendment was briefly called to the attention of the Senate when we began the discussion of the bill this afternoon. I stated then that the object of the amendment was to give to a limited number of individuals who were paying surtaxes the benefit of a reduction upon their 1927 taxes of $25,000,000. Instead of the bill applying in future in its entirety, so far as this provision is concerned it has a retroactive effect, and gives to individuals who are within certain surtax brackets a credit or refund of $25,000,000 for the year 1927.

This means a loss to the Government of this large amount. It seems to me that there is no justification for denying to the millions of small taxpayers who are not within those brackets the benefit of this retroactive provision. I have not heard any reasons, either in the committee or outside, to justify the application of this retroactive provision.

Mr. SMOOT. May I call the attention of my colleague to one of the bases for taking this action? The House did not change any of the rates whatever. It left the inconsistencies in rates on individuals as they were in the 1926 law. The chart on the wall shows how inconsistent and how unfair certain taxpayers were treated, particularly as the incomes run from $18,000 up to $90,000. In other words, some of them are paying a higher rate to-day than they were paying back in 1917. The income-tax rates as we provided them by an amendment to the House provision take care of those intermediate-bracket taxpayers, and we reduced those rates.

Those taxpayers have been the ones who have suffered in the past. They have not been taken care of, and therefore we provide here that they shall have a retroactive provision, trying to equalize what they have been forced to pay in the past under the taxes that were imposed unequally, at least. That is the reason we want the provision in the bill. That is one of the principal reasons.

Another thing is this, whatever tax was imposed was put in as an expense of the corporation paying it. But the individual is yet to receive the relief that he ought to have. He never ought to have paid it in the first place, and therefore we provide this bill shall be retroactive for the year 1927. So, if an individual has paid his first quarter tax for 1927 the next quarter, which will end on June 15, he will take whatever credit is due him under this provision out of that payment. If he has paid his taxes in full, then he makes a claim, and the Treasury Department will know immediately what it is and remit him the amount provided for in this provision.

That, substantially, is why the action was taken; and I think that the action of the committee was really a wise provision to right a wrong as far as we could by law.

Mr. KING. Mr. President, the report of the majority submits persuasive arguments for reducing the taxes upon corporations. I do not think the argument submitted by my colleague just now is sufficiently persuasive to justify us in favoring the individuals of large incomes and in so doing dealing unjustly with corporations and a large number of taxpayers. The corporations and their stockholders are the ones who have suffered most by failing to secure equitable and nondiscriminating tax reductions. The last revenue law increased the corporate tax to 13½ per cent. I felt then that there was no justification for the increase, and voted against it. We made substantial reductions in the income taxes that were imposed upon individuals, but increased the corporate taxes. It is apparent that we acted unwisely and unfairly. The fact that a large surplus has resulted justifies the position taken by Senators at that time when they insisted upon greater reductions in the tax bill, and opposed the increase of corporate taxes.

It is now proposed to reduce the income taxes of certain taxpayers, but to grant no relief to corporations. I am in favor of giving the corporations the reduction of $25,000,000 proposed to be applied retroactively to certain groups of individuals who pay surtaxes, and at the same time reducing the present tax laid upon corporations.

Mr. COPELAND. Mr. President, did the committee give any consideration to the question raised by the junior Senator from Utah?

Mr. SMOOT. As far as the committee was concerned, yes; and I think the committee was nearly unanimous.

Mr. KING. If the Senator will pardon me——

Mr. SMOOT. Nearly so, I say.

Mr. KING. If the Senator from New York means to ask whether the committee gave consideration to the question of reducing taxes upon corporations, yes; but it was not unanimous, because the minority were in favor of materially reducing the taxes upon corporations, whereas the majority are demanding a 13½ per cent corporate tax.

Mr. SMOOT. I understood the Senator to refer to reductions to individuals.

Mr. COPELAND. What I had in mind was this: The Senator has raised a question about the return in certain brackets to individuals. Was consideration given to the return to corporations under this new rate?

Mr. SMOOT. Certainly it was given consideration.

Mr. COPELAND. I mean with a retroactive provision in mind?

Mr. SMOOT. The House provided that it should be retroactive, but the Senate committee decided not to allow it as to corporations, but to allow it to individuals, for this reason: The individual can not pass the tax on, but has to pay it, whereas it is contended by a great many that the corporations knew what the facts were and therefore provided for the tax and passed it on. That was the position taken by the majority of the members of the committee.

Mr. KING. I have stated that I regard retroactive legislation, generally speaking, as unwise. I opposed in the committee applying retroactively any reductions carried in the measures which we were to report, either to individuals or to corporations. I favored reducing the surtax within certain brackets and also favored a material reduction in the corporate taxes. Though I believed that the tax upon corporations was too high and should be reduced, I was unwilling to apply it retroactively. The corporations have adjusted their business activities in the calendar year 1927 to the tax rates provided in existing law. Many corporations have passed on to the consumer the taxes which they knew would have to be paid. Manifestly, it would be unfair to remit a part of the tax for 1927 in view of the fact that many of the corporations collected the same from those with whom they were doing business.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. GERRY. Is not the reason for this the fact that the Finance Committee in the last revenue bill underestimated the revenues?

Mr. KING. Undoubtedly.

Mr. GERRY. They increased the corporation tax to 13½ per cent. They have this surplus and now they want to make the law retroactive, but I should like to ask the chairman of the committee how we can very well come to a vote on this section until we know what the surtax rate is going to be? I understand there is an amendment to be introduced by the Senator from North Carolina [Mr. SIMMONS], or perhaps it has been introduced and passed over.

Mr. SMOOT. That would make no difference.

Mr. GERRY. But until that is voted on how can we tell what we are voting to pay back, except on the very general principle that we are going to vote whatever the amendment calls for?

Mr. SMOOT. Whatever retroactive provision may be made in the bill, the money has already been collected and is in the Treasury now.

Mr. GERRY. I understand that perfectly.

Mr. SMOOT. So even if it were more than this it would not come out of the revenues for the coming year. The retroactive feature covers what has already been collected. The Treasury is perfectly willing to have the retroactive feature applied to corporations as well, which would make $82,000,000 more; that is, it would mean a 1 per cent reduction. Therefore the committee decided that the retroactive feature was proper for the individual, but would not agree to the retroactive feature as applied to corporations.

Mr. GERRY. Admitting that the Treasury say, "We made a mistake and now we want to pay this money back," nevertheless what we are doing now is to ask the Senate to vote to make a retroactive provision in the surtax rates when we have not yet decided what those surtax rates shall be.

Mr. SMOOT. Every member of the committee knows that it will make no difference, as a matter of principle, whether we take the minority rate or the majority rate.

Mr. GERRY. That is a matter of theory, but we can not tell what the surtax rate is going to be until after we vote on it, certainly. The minority amendment might be amended on the floor of the Senate.

Mr. SMOOT. It would make just a few dollars difference, no matter which rate is taken.

Mr. GERRY. But suppose another amendment is introduced on the floor of the Senate and is agreed to?

Mr. SMOOT. Then we have ample money to take care of it in the Treasury of the United States, already collected.

Mr. GERRY. It seems to me a very queer procedure.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. SIMMONS. I think the situation is about this: We have not up to this time passed a single tax reduction bill in which we have not given the individual taxpayers the benefit of retroactivity as to the previous year. The House did not reduce surtaxes at all, and therefore the House bill had in it no provision similar to this one. But the House bill did provide for a retroactive provision in the case of corporation income taxes. The Senate Committee on Finance did not agree to the House provision with respect to corporations, and therefore the matter will be thrown into conference. But I think both sides of the committee did agree—I think the junior Senator from Utah probably objected, but I am not sure about it—that the deductions made in behalf of individuals should be retroactive.

Mr. KING. No; I agreed to what might be denominated the minority reductions in the surtaxes of individuals, but I was opposed to making them retroactive.

Mr. SIMMONS. That is what I said. I thought the Senator took that position.

Mr. KING. My position was that if we were to make any reductions, as we call them, we should take them off of the corporations. We should take the $25,000,000 that was to be given back to individuals by reason of the retroactive provision, and give that benefit to the corporations by reducing the amount that we would impose upon them from 13½ per cent, which our Republican friends insisted upon, to 13 per cent or 12½ per cent. At any rate, we would give the corporations the benefit of a reduction of $25,000,000.

Mr. SIMMONS. I think the Senator did take that position with reference to corporate taxes.

Mr. SMOOT. The junior Senator from Utah made the broad statement, and has made it on the floor to-day consistent with the statement he made before the committee, that he was opposed to any of the retroactive features of the bill.

Mr. KING. I was opposed to making the tax retroactive, whether benefits or disadvantages.

Mr. SIMMONS. That is what I said. I said I thought the junior Senator from Utah disagreed to the provisions with reference to the retroactivity of the surtaxes upon individuals.

Mr. KING. I apologize. I did not understand the Senator's statement.

Mr. SIMMONS. I simply stated that in every bill we had passed up to this time reducing taxes we had always given the individual taxpayer the benefit of the reduction upon his surtaxes. As to the retroactivity of the bill with reference to corporations, the Senate Committee on Finance did not approve. The House, however, had approved it, and therefore that matter goes into conference. That is about the situation as I understand it. But in that situation, whether the amendment proposed by the majority to the House bill with reference to surtaxes is agreed to or whether that proposed by the minority through myself is agreed to, I think the vote was unanimous in the committee, with the exception of the junior Senator from Utah [Mr. KING], that it should be retroactive.

Mr. KING. I am inclined to think that is correct.

Mr. SMOOT. Yes; that is correct.

Mr. SIMMONS. Now, the Senator from Connecticut [Mr. BINGHAM] made a very pertinent point, which I think will be disposed later, but I think probably it is not pertinent at this time, and that is as to the difference in the effect of the retroactive provision as to surtaxes in the amendment which I propose for the minority as compared with the amendment proposed by the Senator from Utah [Mr. SMOOT] for the majority. The amendment of the Senator from Utah proposes a reduction of surtaxes all along the line up to millions of dollars, while the amendment which I offer only proposes a reduction within certain brackets. That is the only difference between the two propositions.

Mr. SMOOT. I would like to qualify that in this way, that the majority proposition is to have the reduction all along the line down to the $80,000 point, or up, as the case may be.

Mr. SIMMONS. Both up and down. In the Senator's amendment it is both down and up. In my amendment it is only down.

Mr. SMOOT. No; it is not down and up. It is all down from the very beginning where there is a decrease. The only difference between the minority proposition and the majority proposition is this: The minority have arranged their schedule so that when the taxpayer reaches $100,000 he does not get any reduction whatever, whereas the majority amendment gives him whatever the deductions in the brackets down to $100,000 amount to. In other words, under the majority amendment a taxpayer whose income is $100,000 receives a reduction of $440. The taxpayer whose income is $1,000,000 receives only $440. But the minority amendment does not allow him anything from his present tax if he gets above $100,000.

Mr. SIMMONS. I think the Senator has pretty nearly accurately stated it.

Mr. SMOOT. I have accurately stated it.

Mr. SIMMONS. The amendment which I have offered confines the reduction to incomes between $10,000 and $70,000. It does not give the taxpayer above that the benefit of any reduction at all.

Mr. SMOOT. That is exactly what I said.

Mr. SIMMONS. The amendment which the Senator from Utah has offered gives everybody from $20,000 up as high as the income of the taxpayer may go the benefit of the reduction.

Mr. SMOOT. Yes; but over $100,000 he pays straight 20 per cent. The man who pays on $90,000 gets a reduction of $440. The man who pays $5,000,000, if there were any such, would only get a credit of $440; whereas the Senator's amendment provides that he should not get a cent of credit.

Mr. REED of Pennsylvania. Mr. President, will the Senator from North Carolina permit me to ask a question?

Mr. SIMMONS. I have not started to discuss the amendment. I had hoped we would postpone the discussion of the amendment until to-morrow. I was simply referring to a certain statement made by the junior Senator from Utah [Mr. KING] in an attempt to clarify the situation. I do not desire now to enter into a discussion of the amendment itself.

Mr. REED of Pennsylvania. We will let it go over until to-morrow then.

Mr. SIMMONS. I do not think there is any reason why we should not act upon the matter now before the Senate, but as to the proposition as presented by the majority members of the Finance Committee and the minority members of the Finance Committee, I desire to postpone action until the amendment is printed. But the question of whatever surtax scheme of reduction may be provided, whether it should be retroactive or not, I think is an entirely different question and may be acted upon now.

Mr. GERRY. Mr. President, I hope the chairman of the committee will let this matter go over.

Mr. SMOOT. Certainly, if the Senator requests it. I have done that whenever a Senator made such a request.

Mr. GERRY. There are some other Senators who desire to consider it and possibly to discuss it.

The PRESIDING OFFICER. The amendment will go over. The clerk will state the next amendment passed over.

The CHIEF CLERK. The next amendment of the Committee on Finance passed over is on page 219, line 25, where the committee proposes to strike out the words "Such rules of practice and procedure shall have the same force and effect as Federal equity rules" and to insert in lieu thereof the following:

In any proceeding involving the issue whether the petitioner has been guilty of fraud with intent to evade tax, where no hearing has been held before the enactment of the revenue act of 1928, the burden of proof in respect of such issue shall be upon the commissioner.

Mr. SMOOT. I think that was agreed to. However, to be perfectly secure, let us now vote upon it again.

The PRESIDING OFFICER. The question is upon agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance passed over was on page 223, line 17, where the committee proposes to strike out the following provision:

Proceedings instituted after the enactment of this act under section 311 of this act or under section 280 or 316 of the revenue act of 1926 for the enforcement of the liability of a transferee or fiduciary, shall be in addition to and not in substitution for proceedings in court, at law or in equity, for the enforcement of such liability; and the commissioner may cause proceedings for the enforcement of such liability to be instituted either under such sections or in court, in his discretion.

The amendment was agreed to.

The next amendment passed over was on page 227, lines 9 and 10, where the committee proposes to strike out the words "unless within such period suit was begun by the taxpayer," and insert in lieu thereof the following:

unless—(1) within such period suit was begun by the taxpayer, or

(2) within such period the taxpayer and the commissioner agreed in writing to suspend the running of the statute of limitations for filing suit from the date of the agreement to the date of final decision in one or more named cases then pending before the United States Board of Tax Appeals or the courts.

So as to make the paragraph read:

(b) in the case of a claim filed within the proper time and disallowed by the commissioner after the enactment of this act, if the refund was made after the expiration of the period of limitation for filing suit, unless—

(1) within such period suit was begun by the taxpayer, or

(2) within such period the taxpayer and the commissioner agreed in writing to suspend the running of the statute of limitations for filing suit from the date of the agreement to the date of final decision in one or more named cases then pending before the United States Board of Tax Appeals or the courts.

The amendment was agreed to.

The next amendment passed over was, on page 242, after line 17, to insert:

(b) For the purpose of the revenue act of 1926 and prior revenue acts, a trust shall, at the option of the trustee exercised within one year after the enactment of this act, be considered as a trust the income of which is taxable to the beneficiaries, and not as an association, if such trust (1) had a single trustee, and (2) was created and operated for the sole purpose of liquidating real property as a single venture (with such powers of administration as are incidental thereto, including the acquisition, improvement, conservation, division, and sale of such property), distributing the proceeds therefrom in due course to or for the benefit of the beneficiaries, and discharging indebtedness secured by the trust property, and (3) has not made a return for the taxable year as an association.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

Mr. KING. Mr. President, I ask the chairman of the Committee on Finance, or any other Senator, if this provision is not too broad? I call attention to the provision under subdivision 2 of paragraph (b), and particularly on page 243. I shall have to read back in order to get the context. If an individual is selected for the purpose of acquiring, improving, conserving, dividing, and selling a property, and distributing the proceeds thereof "in due course to or for the benefit of the beneficiaries, and discharging indebtedness secured by the trust property," then such individual would be regarded as a trustee?

Mr. SMOOT. I think the Senator would be perfectly correct in the statement he has just made if this applied other than retroactively. Let me read the report of the committee to the Senator, and I think he will understand the matter in a minute.

Mr. KING. This is not intended to be prospective, but merely retroactive?

Mr. SMOOT. It is intended to be retroactive.

Mr. KING. Whether it deals with the future or only with the past there is danger of its being so construed as to cover transactions not contemplated by the Senate. There are many real-estate transactions not yet completed where I am inclined to believe the language of the bill may be so construed as to render immune from taxation enterprises or trusts from which large profits will be received. That the bill will relieve associations or trusts there can be no doubt. How it will operate as to trusts or associations not yet completed it is difficult to predict.

Take a case of a tract of land purchased several years ago for division and sale, the title being in a trustee authorized to handle and subdivide into lots and sell and pay off a mortgage to secure the purchase price. It may require several years yet before he sells a sufficient number of lots to discharge the mortgage. When this is done, then further sales will yield large profits. Is it intended to relieve the beneficiaries of the enterprise from all taxation upon such profits? It will be observed that in this supposed case—and there are hundreds of a similar character—the transaction or scheme covers several years and is projected into the future. How is the matter to be dealt with? What taxes will be paid? Where is the dividing line between the retroactive and prospective features of the business?

Mr. SMOOT. This is a retroactive provision, and if the Senator will notice, he will see that such a situation as he has referred to is taken care of later in this bill so far as that is concerned; and I think there will be no question from now on as to what is going to happen in all such cases.

Mr. KING. I want to be perfectly sure that the trustee who dates the source and limitation of his power to an anterior period shall come within the provisions of this bill for future taxation; that is, will be taxed upon profits made after the bill becomes law.

Mr. REED of Pennsylvania. He will in the future.

Mr. KING. Mr. President, let me ask my colleague and the tax experts on this subject whether in the case which I shall present the profits in the enterprise would be immune from taxation. Suppose that five years ago a tract of land was purchased for a million dollars and conveyed to A to hold in trust, to divide and to sell and pay off an incumbrance placed upon the property, and prior to the passage of this bill he is able to dispose of sufficient land to discharge the incumbrance, and there is still a large amount of property available from which profits will be derived, would that trust, which was created five years ago, be subject to taxation in the future upon the profits hereafter realized?

Mr. SMOOT. Such a property would not be subject to taxation in the past but it would be subject to taxation in the future, I will say to my colleague.

Mr. KING. The question is where are we going to draw the line? Is that a trust in the future, or is it a trust in the past?

Mr. SMOOT. The bill refers to "the taxable year as an association"; in other words, from now on its profits would be taxable as an association or as a corporation.

Mr. KING. I am not sure, Mr. President. I have no objection to giving some retroactive benefits in cases of certain trusts, because of the uncertainty and dubiety which heretofore has existed; but in the case which I have just put, if the profits are in futuro, and will be realized by those who formed the trust, I think they ought to be subject to taxation.

Mr. REED of Pennsylvania. Mr. President, under the bill as it now stands they will be. This language refers only to taxes which were due under the 1926 law and its predecessors. Under this proposed law taxes will be assessed against the trustee as if the individual were a corporation, so that there will be no doubt for the future.

Mr. COUZENS. Mr. President, I should like to suggest to the junior Senator from Utah that if the corporation which he has described was organized five years ago the trustee will have a year during which time he may exercise the option of having the income taxed to the beneficiaries of the trust or as an association. Having once exercised the option, he remains under that classification until the property shall have been liquidated.

Mr. REED of Pennsylvania. No, Mr. President; he has a year to exercise his option as to which method of taxation shall be adopted for the earnings during the year 1927 and prior years, but he has no option for any length of time as to the method of accounting to be adopted for 1928 and subsequent years.

Mr. COUZENS. Even though the corporation had been organized five years ago?

Mr. REED of Pennsylvania. No matter when the corporation was organized.

Mr. KING. I should want to be certain that the costs and expenses in the preceding years would not be a charge against the profits which would be made in the future. I would want the trustee to stand in the same situation as if an association or trust were formed after the passage of the act, and pay the same tax on the profits of the enterprise as if the organization to take over a scheme of this kind were formed after the passage of the act.

Mr. REED of Pennsylvania. There can be no doubt about that, Mr. President.

Mr. KING. If there can be no question I shall be satisfied.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment passed over was, on page 243, after line 21, to strike out:

SEC. 707. BUREAU OF INTERNAL REVENUE—PERSONNEL.

(a) The Secretary of the Treasury is authorized to fix the compensation, without regard to the provisions of the classification act of 1923, of the following officers and employees of the Bureau of Internal Revenue appointed (whether before or after the enactment of this act) in accordance with the civil service laws: Twenty-three assistants to the general counsel at a compensation not in excess of $7,500 a year each; 26 administrative or technical employees at a compensation not in excess of $7,500 a year each; and 50 administrative or technical employees at a compensation not in excess of $6,000 a year each.

(b) Section 1201 (b) (1) of the revenue act of 1926 is repealed.

Mr. SMOOT. Mr. President, I understand the Senator from Mississippi [Mr. HARRISON] desires that amendment as well as the amendment covering section 707 relating to the salaries of collectors of internal revenue to go over. I will ask the Senator from Mississippi if I am correctly informed?

Mr. HARRISON. Yes; for the present I think it would probably be better to have them go over. Is the Senator going to insist on the amendment striking out the House provision?

Mr. SMOOT. I think that I can explain it to the Senator, so that he will be perfectly satisfied with the action of the committee.

Mr. HARRISON. I think it had better go over.

Mr. SMOOT. I can explain it at this time or I can do so to-morrow; I do not care which.

Mr. COUZENS. Mr. President, I think before we strike out that section we ought to have some action on the bill which the Senator described to the committee under which the personnel is to be taken care of. I should not feel disposed to vote to strike out that provision and then have fail the bill which the Senator has introduced and which has not as yet been acted on.

Mr. SMOOT. The House is going to act on that bill.

Mr. COUZENS. We do not know what the House may do or what the Senate may do. I have no assurance that this body is going to take action on the bill, because of the late hour we have reached in the session.

Mr. SMOOT. I do not think there is any question in the world about action being taken on the bill to which I have referred. If I did, I would not stand here and say that the provision in this bill should be stricken out.

Mr. COUZENS. I am not questioning the Senator's sincerity; but I should like to see some action on the bill to which he has referred, and the committee has not acted on it as yet.

Mr. SMOOT. The reason the committee has not acted on it I will state frankly is this: The chairman of the committee came to me day before yesterday, on Saturday, and asked me whether the committee should report the bill out. I said to the chairman, "I do not think the committee had better do so because the House has before it a bill which is identical, word for word, with three additional provisions, and it would be better for us to allow the House bill to come here and not report my bill, but report the House bill." That is why the committee has not acted, as I understand.

Mr. COUZENS. May I ask the Senator when, in his judgment, that bill will come before the Senate?

Mr. SMOOT. Within the next couple of days, I assume.

Mr. COUZENS. I should like to suggest, before the Senate agrees to the elimination of this provision, that we see what the House does with that bill. We have time enough to consider the matter after the Senate shall have passed on the question of rates.

Mr. SMOOT. I know what the House is going to do, because they have a rule for the consideration of that bill, but I do not know just what day it is coming up. If the Senator desires, however, I will give him a copy of the bill that the House is going to pass.

Mr. COUZENS. I see no necessity of haste in agreeing to the elimination of this section of the pending bill until after we shall have fixed the rates.

Mr. SMOOT. The bill referred to is satisfactory to the President, it is satisfactory to the Secretary of the Treasury, and I might add that it is satisfactory to the representatives of the employees of the Government. I do not know of any objection to it.

Mr. COUZENS. It will be satisfactory to me when it is an accomplished fact.

Mr. SMOOT. It will be an accomplished fact.

Mr. HARRISON. Does the bill to which the Senator refers provide for taking care of the employees named here?

Mr. SMOOT. It provides for 80 of them out of the 99, and the Treasury Department says that they can get along with that number.

Mr. HARRISON. The bill referred to then merely provides for those in the classified service?

Mr. SMOOT. That is all.

Mr. HARRISON. Then the unfortunates working with the Court of Claims, who are getting $5,000 a year, can not be taken care of in that bill?

Mr. SMOOT. That is true.

Mr. HARRISON. Then I shall insist that they be taken care of in this bill.

Mr. SMOOT. That is all right. Such an amendment can be offered to-morrow.

Mr. HARRISON. I know the Senator is in entire sympathy with me.

Mr. SMOOT. Absolutely; there is not any question about that; but they are not in the classified service.

Mr. GEORGE. I should like to have section 707 considered and acted on this afternoon.

Mr. SMOOT. If the Senator from Mississippi [Mr. HARRISON] wishes that done, I have no objection.

Mr. GEORGE. I understand the position of the Senator from Mississippi is that certain officials of the Court of Claims are not taken care of. This has nothing to do with them.

Mr. SMOOT. Nothing whatever.

Mr. GEORGE. The position of the Senator from Michigan is that the preceding section ought not to be stricken out unless the bill which the Senator from Utah has introduced or the amendment he has suggested to the Welsh bill shall be finally enacted. Section 707 relates entirely to the salaries of collectors of internal revenue.

Mr. SMOOT. I have no objection to the provisions of section 707.

Mr. GEORGE. That section has no bearing upon the contention made by the Senator from Mississippi.

Mr. SMOOT. I understood the Senator from Mississippi asked that that amendment go over.

Mr. COUZENS. The Senator from Mississippi, I think, does not object to section 707 being adopted because his amendment would not apply to that section.

Mr. GEORGE. It would have no application to it.

Mr. SMOOT. I should be glad to have it taken up if there is no objection.

Mr. KING. I am opposed to that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 244, after line 18, it is proposed to insert:

SEC. 707. SALARIES OF COLLECTORS OF INTERNAL REVENUE.

Section 1301 (b) of the revenue act of 1918 is amended to read as follows:

"(b) The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of $7,500 a year."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GEORGE. Mr. President, section 707, which has just been read by the clerk, simply authorizes the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to readjust and to increase the salaries of the internal-revenue collectors in the several districts throughout the United States, but to a sum not exceeding $7,500 per year.

These collectors now are limited in salary to a sum not exceeding $6,000 per year. Many of them, of course, have whole States, large territory. In most instances they render a very valuable service to the taxpayers of the States, and a salary of $6,000 is not adequate for the man who collects the internal revenue of a whole internal-revenue district in the country. He ought at least to be entitled to have, if the Commissioner of Internal Revenue and the Secretary of the Treasury approve, a salary equal to the highest salary paid under the classified service, which is $7,500 per year.

This section merely authorizes a readjustment and an increase of salary for these field internal-revenue agents up to $7,500, and not in excess thereof. At the present time they are limited to a salary not exceeding $6,000. The section does not mean that the internal-revenue collector's salary in every instance would be increased to $7,500, but the maximum salary

may be fixed at $7,500, in the discretion of both the Commissioner of Internal Revenue and the Secretary of the Treasury.

Mr. KING. Mr. President, I know it is an ungracious task to oppose increases in salaries. The other day the Senate considered the so-called retirement bill. It has frequently been claimed that under the retirement system now in force the Government would not be called upon to pay any part of the annuities.

The Government has already paid millions of dollars into the retirement fund, and figures submitted by actuaries indicate that at the end of 30 years the Government will be called upon to pay hundreds of millions of dollars into the retirement fund and, of course, will be required to pay several millions of dollars annually during that period. My colleague just stated that a bill will be reported in a day or two increasing the salaries of Federal employees. The pay roll of the employees covered by the retirement act amounted on July 1, 1927, to $798,000,000. That huge sum did not meet all the salaries and the compensations of all persons employed by the Government. There are many individuals receiving compensation from the Government who are not within the provisions of the retirement act. It is safe to say that the Government will pay during the next fiscal year considerably more than eight hundred millions of dollars in salaries and compensations to its employees.

The estimated receipts for the Government for the next fiscal year—1929—are $3,854,700,000. It will be perceived that a very large part of the entire revenue from all sources will be consumed in paying the employees of the Government. It has been said that the cost of running the Federal Government is greater than that of any government in the world. We are constantly increasing the number of bureaus and Federal agencies and multiplying personnel. Appeals are constantly made for increases in salaries, and these appeals are not denied. Only a few years ago the reclassification act was passed, increasing very largely the salaries of Federal employees. But with each demand responded to, other demands quickly follow. Scarcely any opposition is encountered and we spend much of the time of Congress in dealing with the compensation of Federal employees.

The Senator from South Dakota [Mr. NORBECK], when the retirement bill was under consideration a few days ago, suggested that before fixing the amount of retirement to be paid employees there should be some relation between the amount of the earnings of the farmers of the country. It is known that the wages of the farmers, the clerks in the stores throughout the country and in the banks, and the millions of wage earners are much less than many of the Federal employees. I am not challenging attention to these matters for the purpose of expressing disapproval of the retirement bill or opposing reasonable compensation to employees of the Government, but I do feel that Congress in providing revenue should take into account the enormous demands which are made upon the Public Treasury. I believe that this is not the time for a general increase in salaries in all branches of the Government. In my opinion there are many salaries which are too high and in various grades the compensation is too low.

But, Mr. President, we are attempting by this bill to provide revenue for the future. We must consider what demands are made upon the Government and provide revenue adequately to meet the same. During the past few weeks I have had some doubts as to the wisdom of passing any tax bill because of the increasing demands for appropriations, some of these demands aggregating hundreds of millions of dollars. Before Congress met in December I believed that taxes could be reduced to the amount of $400,000,000. If Congress had acted prudently and economically, instead of a tax bill calling for $200,000,000 reduction, we could have safely enacted a revenue law reducing the tax burdens at least $400,000,000. However, there are now before the Congress a number of bills which, if enacted into law, will justify Congress in pausing before passing any tax bill. We may, however, perceive the impropriety of acceding to these enormous demands and adjourn Congress without stripping the Treasury or producing a situation precluding a tax reduction bill which will prove of some advantage to the country.

The Senator from Georgia [Mr. GEORGE] desires to increase the salaries of the collectors. Mr. President, I venture the assertion that for every collector appointed the Senators or Congressmen from their respective districts had many applicants for the same position. If every collector should resign tomorrow, Senators and Congressmen would be flooded with petitions and telegrams from hundreds of applicants for the vacated positions. It is not necessary to increase Federal salaries to secure competent men.

The Federal employees in the main are getting larger compensation than individuals in the private activities of life throughout the country. I think that the salaries now paid to collectors are ample. There is no reason for increasing the salaries at this time. If we continue increasing the salaries, next year we shall be paying in salaries to Federal employees $1,000,000,000, and in a few years the amount will be, of course, very much greater. That means increased taxes.

If Congress continues its present policy of creating new Federal agencies with their necessary personnel and extending the activities of the General Government into various fields of business and into the domain which belongs to the States, there will be no hope of future tax reductions. Indeed, the taxes for the fiscal year 1930 will be increased.

And where will the revenue come from? Shall we impose a sales tax? That is desired by some. They would tax consumption instead of wealth. To me that is reprehensible. I do not believe in consumption taxes if it is possible to avoid them. In case of war they are justifiable. Our future revenues will be derived largely from income taxes upon individuals, corporate taxes, and death dues or estate taxes.

There is a determination to abolish death dues and inheritance taxes and estate taxes; and if we abolish the Federal inheritance tax, and the great propaganda in favor of so doing may be successful, there will be an insistent demand for the abolition of any form of death dues in the States. Florida imposes no estate taxes, nor does Alabama or the District of Columbia or Nevada. There is tremendous propaganda in favor of an abolition of all Federal inheritance taxes or estate taxes; and, as I state, when that is accomplished there will be tremendous pressure to abolish all forms of State inheritance taxes. The Federal Government will have to rely principally upon the income taxes and taxes upon corporations.

If we investigate the matter, the figures will demonstrate that more and more there is a diffusion of corporate stock. In many of the great corporations from 30 to 40 or 60 per cent of the stock is held by persons having small holdings. Many employees of corporations are the owners of no small portion of the aggregate corporate stock of their employing company. An examination of the record shows the dividends paid by corporations will prove surprising, as it will reveal a large number of persons of small incomes who are paying taxes out of dividends which they have received from corporations. When we increase corporate taxes we are imposing taxes not upon persons of great wealth, but upon hundreds of thousands of people of limited means.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. COPELAND. Does the Senator think that we would be justified this year in reducing the tax on corporations to about 10 per cent?

Mr. KING. Mr. President, in October, when I came to Washington, I prepared a bill reducing the tax upon corporations to 10 per cent, and in interviews which I gave at that time I stated that we ought to reduce the corporate tax to 10 per cent; but the situation has changed, and I fear that it would be unsafe to make so great a reduction. The enormous appropriation bills which we are passing, the demands which are being made upon the Federal Treasury, seem to forbid a reduction of corporate taxes to 10 per cent, much as many of us would like to see done. No one—and I say it with the utmost good will—seems disposed to challenge any of the appropriation bills. They come here, carrying hundreds of millions of dollars, and pass with scarcely a word of debate and with but slight opposition.

Mr. COPELAND. I hope the Senator will not follow the Senators on the other side and propose a rate as high as 12½ per cent.

Mr. KING. Indeed I shall not.

Mr. COPELAND. Because I fully agree with the Senator that nothing can do the country more good than to reduce the corporation tax.

Mr. KING. I agree with my friend.

Mr. COPELAND. I should like to see it brought down to 10 per cent.

Mr. KING. I share the Senator's views; and if we had practiced economy we could have reduced the corporation tax to 10 per cent and then would have had something in the Treasury at the end of the year and would have had no deficit.

Mr. COPELAND. If the Senator will bear with me again.

Mr. KING. Yes.

Mr. COPELAND. Many of the expenditures that we are talking about or proposing are not immediate. Does not the Senator feel that with the bad guessing on the part of the Treasury we might be justified in reducing the corporation tax to 10 per cent and still be within the bounds of reason?

Mr. KING. Mr. President, when we come to deal with the question of revenue I feel that there should be no partisanship,

and no attempt to play politics. We must face the situation, unpleasant as it may be. Congress is, in my opinion, too generous in its appropriations, and is now acting unwisely in its expenditures. But if appropriations are made—no matter how improper and profligate they may be—provision must be made to meet them. There should be no deficit. In view of the extravagance and unwise appropriations made and to be made before we adjourn, I confess that I look with some apprehension upon any proposition calling for a great reduction in taxes for the coming year.

Mr. COPELAND. Mr. President, will the Senator bear with me a moment?

Mr. KING. Certainly.

Mr. COPELAND. Let us for just a moment review the situation. I remember when the colleague of the Senator said we could not have a bonus and have tax reduction, and various estimates were made. There was a gloomy prediction by the senior Senator from Utah, and at various times since then the Treasury has made estimates about what the surplus would be, or what the deficit would be, as the case might be but, as a matter of fact, the guesses of the Treasury have invariably been so far wrong that the aggregate of them is in the billions. I believe the country demands lower taxes. When you think that practically one-ninth of all the earnings of our people are spent for taxes in this country, there is no question but that the country demands lower taxes, and there must be found a way to bring that about.

Mr. KING. Let me say to my friend from New York that for the next year the Federal expenditures will be between four and five billions, and county, State, and municipal expenditures will be between seven and eight billion dollars. There will be expenditures aggregating approximately $12,000,000,000. So that more than one-ninth of the earnings of all the people of the United States will be consumed in taxes—Federal, State, and municipal.

Mr. COPELAND. I think last year, if the Senator will bear with me, the Federal taxes amounted to about $4,000,000,000, the State taxes to one billion, and the local taxes to five billions, making in all $10,000,000,000, against an earning production on the part of our people of ninety billions. So that it was one-ninth last year, and now the Senator anticipates that a still larger sum will be spent in taxes in the aggregate.

Mr. KING. Mr. President, I have detained the Senate longer than I had intended. I rose to briefly reply to the Senator from Georgia.

I regret that this amendment is before us. I do not like to oppose measures increasing salaries, but have felt constrained to do so upon several occasions. I wish higher wages could be paid to those who toil and that labor generally could receive higher rewards. Yet when we are paying more than $800,000,000 of our taxes this year for Federal salaries—and we will add to that list before we adjourn at least $30,000,000 more—and when I examine the measures calling in the aggregate for billions of dollars from the Federal Treasury, I confess that I look with some degree of apprehension upon our future fiscal policies and the general course of our country in its dealing with national problems.

If we continue the present policies we will soon be compelled to increase taxes. It will be inevitable. And where will the increase begin? Obviously on corporations and incomes. There will be no general sales tax, and excise taxes will not be tolerated. So there will be but a limited number of springs from which to draw. The tax on tobacco in its various forms is enormous. Perhaps four or five hundred million dollars will be collected next year from this source. The receipts from our customs duties will be between five and six hundred million dollars. Then we must rely upon income and corporate taxes for the residue of our demands.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, that concludes all of the amendments except those that were passed over to-day, and nearly all of those involve rates. Therefore I now ask that the bill be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

### DIVERSION OF COMMERCE FROM UNITED STATES PORTS

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to call up Senate Resolution 220, relating to the diversion of commerce from United States to Canadian ports.

Mr. CURTIS. Mr. President, this is a resolution which has come over from a previous day, and I would like to have it disposed of. I understand there is no opposition to it.

Mr. KING. Let it be read.

The PRESIDING OFFICER. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 220) submitted by Mr. WALSH of Massachusetts on the 3d instant, as follows:

Whereas during the past 10 years there has been diversion of commerce from United States ports to Canadian ports, particularly in grain and other farm products, so great as to threaten the foundation of the future commerce and prosperity of the ports of the United States and to affect seriously the agricultural and transportation interests of this country, including the development of its merchant marine;

Whereas this diversion of commerce is the result of (1) more favorable railroad rates between points in the United States and Canadian ports than between the same points and United States ports, (2) more stringent regulations as to grading and inspection of grain at ports of the United States than at Canadian ports, especially the higher grain standards and the dockage rules of the United States, (3) the preferential customs regulations of Canada, giving lower tariffs on products imported into Canada directly through Canadian ports than on those routed through ports of the United States, and (4) the preferential schedules of other parts of the British Empire, imposing lower duties or more favorable regulations on products of the United States routed through Canadian ports than on those shipped from United States ports; and

Whereas the adoption by Congress of constructive legislation to meet these conditions is imperative and depends on the solution of problems within the respective provinces of the Department of State, the Department of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission: Therefore be it

*Resolved*, That the Secretary of State, the Secretary of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission are requested (1) to investigate, in cooperation with each other, the factors which are contributing to the diversion of commerce from ports of the United States to Canadian ports and practicable remedies for preventing such diversion, and (2) to report thereon to the Senate at the beginning of the next regular session of the Seventieth Congress.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. WALSH of Massachusetts. Mr. President, for some weeks Senators from the States of Maryland, Pennsylvania, Virginia, New York, Maine, and Massachusetts have been in conference in reference to the decline in exports from the Atlantic seaports, particularly in grain and other farm products. It is a condition which threatens seriously our future commerce. The result of these conferences, which were participated in by representatives of maritime organizations, has led to the presentation of the resolution which is now before the Senate.

The country should be brought to a full realization of the conditions and Congress should undertake to apply a remedy. The conditions are beyond dispute. The factors which are contributing to them are manifest. The remedies are available. I propose briefly to consider these three aspects of the problem.

First, as to the facts of the diversion of our own export trade to Canadian ports. The figures are fairly startling.

Grain shipments from the port of Montreal for the 12 months ending March 31, 1927, aggregated 122,000,000 bushels. Of this, 75,000,000 bushels was Canadian grain and 47,000,000 bushels United States grain. In other words, practically 40 per cent of all the grain exported through the port of Montreal for that year was of United States origin.

Taking the different grain commodities separately, nearly 35,000,000 bushels of United States wheat were shipped through the port of Montreal during the year ending March 31, 1927, as compared with 25,000,000 bushels of our wheat shipped through Montreal during the year ending March 31, 1922.

In 1922 Montreal handled less than a million bushels of Canadian rye and not quite 6,000,000 bushels of United States rye. In 1927 shipments of Canadian rye through Montreal have substantially declined to half a million bushels, and shipments of United States rye have increased to seven and a half million bushels.

In 1922, 7,000 bushels of United States barley passed through the port of Montreal. In 1927 a million and eight hundred thousand bushels of United States barley passed through that port.

Now, let us see what has been happening to grain shipments through United States ports in recent years.

In 1906 there were exported through the port of Boston 18,000,000 bushels of United States grain. In 1916, 33,000,000 bushels of United States grain passed through the port of Boston. And in 1926 less than 4,000,000 bushels of United States grain were exported from Boston.

In 1923 the export tonnage from Portland, Me., approximated 625,000 tons. In 1926 it was only 266,000 tons.

In 1913, 111,000,000 pounds of pork products and lard were exported through Boston, but now this business has practically

disappeared, and the export business which Portland and Boston and other north Atlantic ports have lost is now moving through Montreal and other Canadian ports.

Three factors have contributed materially in the transfer of this export business from United States ports to Canadian ports.

First and foremost is the matter of railroad rates. Montreal enjoys a 2-cent rail differential under the New York rates. Differentials also apply in favor of the ports of St. Johns and Halifax.

That Canada's intention is to further increase her own export business at our expense is well indicated by the recent request for a rate reduction ordered by the Railway Commission of Canada in the rail haul from Buffalo, N. Y., to St. Johns, a distance of 1,185 miles. Grain may then be hauled for the same money that is paid to move it from Buffalo to New York, a distance of only 425 miles.

A second factor in promoting the diversion of export shipments of United States grain through Canadian ports is the difference between the Canadian regulations and United States regulations relative to the grading and inspection of grain. The United States regulations are promulgated by the Secretary of Agriculture, in accordance with the United States grain standards act, and Canadian regulations are imposed in accordance with the Canada grain act of 1912. I do not intend at this time to go into the details of the differences in the two sets of regulations. Suffice it to say that our own regulations set up exacting standards which are rigidly enforced, and the Canadian regulations, so far as they apply to United States grain shipments, are very liberal indeed. A detailed examination of the Canadian regulations discloses that while they are rigid enough with respect to their own grain shipments, they offer to the shipper of United States grain much greater latitude in the matter of inspection.

At the present time, under our own Federal regulations governing grading and inspection of grain, 2 per cent is deducted for dockage on all United States grain exported through the north Atlantic ports. In the case of United States grain handled through Canadian ports for export, no such deduction is made. This deduction approximates a loss of 3 cents per bushel on United States grain shipped through our own seaports. The term "dockage" as applied in the grain trade means foreign material which is intermingled with the grain itself.

The third factor which has contributed to the upbuilding of Canadian ports has been the preferential customs and regulations of Canada, Great Britain, and Australia. The constant vigilance and alertness of our neighbors to the north has resulted in the enactment of legislation highly beneficial to their own port developments and very detrimental to our own ports. Canada allows preferential duties on all merchandise destined for Canada which is routed directly through Canadian ports.

Great Britain has a regulation which provides in substance that cattle shipped from a Canadian port are admitted to the United Kingdom for feeding purposes, while cattle from the United States must be slaughtered in quarantine within 10 days after arrival at a port in the United Kingdom.

In 1912, prior to the enactment of this legislation, 26,730 cattle were exported through the port of Boston. Last year not a single head of cattle was shipped through that port. Statistics of other ports show similar declines.

Since January 1, 1927, products from the British Empire destined for Canada, but routed through the United States, are not entitled to the rates of the British preferential schedule of the Canadian tariff.

Only recently a shipment of canned meat from the Argentine to Canada was diverted from one of our north Atlantic seaports, even though the shippers were willing to patronize the United States Shipping Board's American Republic Line, but because of the 10 per cent discount in customs duty if forwarded to Great Britain and then transshipped to Canada the Shipping Board's vessels did not carry the goods.

Australia is putting into effect a similar series of regulations which is affecting the business of our Pacific coast ports.

The Maritime Association of the Port of New York, the Ocean Traffic Bureau of the Port of Philadelphia, and other organizations have protested these various regulations.

Prior to the establishment of the Canadian aggressive policy of protection there was maintained in Portland, Me., a water service to Liverpool, Glasgow, London, Leith, Newcastle, and Havre. Now they have only the Newcastle service.

Congress ought to take cognizance of this situation and do what it can to enable our own ports to recover the trade which is being taken away from them. It is a subject which is part and parcel of our whole merchant-marine policy. It is axiomatic that adequate cargoes are quite as necessary as the ships themselves in the development of a merchant marine under the American flag. The economic health of our seaports is being undermined and our commercial independence is jeopardized. It involves the question of rail and water rates and raises questions of foreign policy.

What are the remedies? Some readjustment of our own freight rates will undoubtedly be necessary. Such readjustments can be made and ought to be made without further legislation. Our own regulations in the matter of grain inspections and grain standards ought to be so modified that there shall be no handicap imposed on the shipments of our own grain passing through our own ports. If the United States shipper can escape the dockage charge by shipping by Montreal, we can not expect him to submit to that deduction at the port of New York.

Perhaps we ought to enact a preferential customs regulation favoring our own ports for our protection similar in character to the preferential treatment which Canada gives to her imports. There is no question that a very large volume of business is now moving into the United States via Canadian ports. We have the means at hand to bring these imports to us direct through our own ports, and we ought to do this in the interest of the prosperity and welfare of our own country.

Nothing more need be said to indicate that the problem is of vital importance to our agricultural as well as our transportation interests both by land and sea. Measures have been proposed in both Houses which should be studied and, if possible, a constructive legislative program presented for enactment. To this end I have presented this resolution calling for a study of this whole subject by the four departments of the Government whose functions are interrelated with this problem, and ask for its immediate favorable consideration.

Mr. REED of Pennsylvania. Mr. President, I hope the Senator's resolution will be adopted. It suggests the necessity of information upon a condition of affairs which is increasingly difficult, not only for the ports on our eastern seacoast but for the farmers of most of the United States. At the present time—and I mean to speak but a sentence—the trade in grain normally belonging to American ports is being deflected to Canadian ports, to the joint injury of American shippers, American port exporters, and American farmers. I hope the resolution will be adopted.

Mr. COPELAND. Mr. President, I think the Senator from Massachusetts is to be commended for bringing this matter so forcibly to the attention of the Senate. It is a serious matter when we find 93,000,000 bushels of American grain diverted from American ports and sent to Canada, and the purpose the Senator has in mind, I have no doubt, is that these various administrative heads of departments will confer and bring about a solution. I think the Senator is to be thanked in the name of every American for his energetic action.

Mr. HALE. Mr. President, I want to say a word about the resolution of the Senator from Massachusetts. My home city of Portland, Me., used to be one of the great grain-shipping ports of the country. That business is practically gone now, and we ship very little grain now out of the port of Portland. It has gone to Canada. The matter certainly requires investigation, and I very much hope the Senator's resolution will be agreed to. I will not say more lest I delay the Senate in taking action before it adjourns to-night.

The PRESIDING OFFICER. The question is on agreeing to the resolution of the Senator from Massachusetts.

The resolution was agreed to.

The PRESIDING OFFICER. Without objection, the preamble is agreed to.

MEMBERS OF SAME FAMILY IN GOVERNMENT SERVICE

Mr. BLEASE. Mr. President, I desire to call up a resolution coming over from a previous day.

Mr. CURTIS. Mr. President, I hope the resolution may be considered to-night.

The PRESIDING OFFICER. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 226) submitted by Mr. BLEASE on the 5th instant, as follows:

*Resolved*, That the heads and chiefs of any and all the various departments, bureaus, commissions, and other establishments of the United States Government be, and the same are hereby, directed and required to forward, on or before the 3d day of December, 1928, a report to the Senate, setting forth with particularity the names and addresses of any and all husbands, wives, and other members of the same immediate family employed in the Government service, together with the place of such employment, the salary received by each therefrom, the date of appointment to the said service, and by whom made.

*Resolved further*, That any person or persons failing or refusing to make the said report as hereinabove directed, or making a false state-

ment in reference to any item or items thereof, shall forthwith be adjudged in contempt of the Senate, and shall suffer therefor such penalty or penalties as may be prescribed.

Mr. CURTIS. Mr. President, I desire to ask the Senator about the last clause in his resolution. I doubt if we have the right to include such a penalty in the resolution. I would suggest to the Senator that he eliminate the last clause.

Mr. BLEASE. Very well; I have no objection to striking out the clause referred to.

Mr. REED of Pennsylvania. Mr. President, was the resolution introduced to-day?

The PRESIDING OFFICER. No; it is a resolution coming over from a preceding day. The last resolve is stricken out.

Mr. CURTIS. Let the resolution as modified be read.

The PRESIDING OFFICER. The resolution as modified will be read.

The Chief Clerk read the modified resolution.

Mr. REED of Pennsylvania. Mr. President, let us stop for just a moment to consider what that means. As the resolution now reads, it would require the Secretary of War to find out from every one of the 120,000 enlisted men and 12,000 officers whether they had any wives or sons or daughters in the service of the Federal Government anywhere.

Mr. BLEASE. Not at all.

Mr. REED of Pennsylvania. That is just what it would mean.

Mr. CURTIS. I do not believe that is the intention. I think the resolution refers only to clerks employed in the various departments.

Mr. REED of Pennsylvania. Then the resolution ought to say so. It requires the head of every department to furnish such a list, and that includes the head of the War Department.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. REED of Pennsylvania. I ask that it may go over so that we may consider its wording. I am sure the Senator does not mean to require any such thing as I have suggested.

Mr. BLEASE. I am willing that it should go over to enable the Senator from Pennsylvania to give it consideration.

The PRESIDING OFFICER. The resolution will go over.

### PUBLIC HEALTH SERVICE

Mr. JONES. I send to the desk a conference report and ask for its immediate consideration.

The report was read, as follows:

The committee of conference on the disagreeing votes of the House on the amendments of the Senate to the bill (H. R. 11026) to provide for the coordination of the public-health activities of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 14.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, and 21, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "*Provided*, That the term of service of the Surgeon General of the Public Health Service shall be for four years: *And provided further*, That no person who has served for a period of eight years either before or after the passage of this act shall be eligible for reappointment as Surgeon General"; and the Senate agree to the same.

W. L. JONES,
CHARLES L. MCNARY,
DUNCAN U. FLETCHER,
*Managers on the part of the Senate.*
JAMES S. PARKER,
CARL E. MAPES,
CLARENCE F. LEA,
*Managers on the part of the House.*

Mr. KING. Mr. President, I would like to ask the Senator to explain the recessions of the Senate conferees.

Mr. JONES. The Senate recedes from the amendment on page 5, striking out the words "if selected from commissioned officers of the regular corps." That indicated that selections must be made from the regular corps. The Senate receded because we thought that it ought to be open for the President to select outside if he desires.

The modification of the House provision is where it reads that "The term of the Surgeon General shall be for four years unless sooner relieved and returned to the grade and number of the regular corps that he occupied previous to his appointment as Surgeon General." The committee left out the words "unless sooner relieved and returned to the grade and number of the regular corps that he occupied previous to his appointment as Surgeon General." We leave in the provision that no one shall serve more than eight years.

Mr. KING. It does not attempt to fix his status after he is relieved from service?

Mr. JONES. No; it does not.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

### SALE OF PRISON-MADE GOODS

Mr. METCALF. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the New York World entitled "A bad plan for a good cause."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### A BAD PLAN FOR A GOOD CAUSE

A measure pending before Congress, known as the Hawes-Cooper bill, furnishes another example of the tendency to extend the powers of the Federal Government over the States in the administration of their local affairs. This measure aims at the exclusion of prison-made goods from interstate commerce. It would deprive such goods of their interstate character when shipped from one State to another by making them subject to the regulations of the States into which they are sent.

A number of States have attempted in the past to impose severe restrictions on the sale of prison-made goods, but such laws have been held to be unconstitutional in so far as they affected commerce between the States. The Hawes-Cooper bill proposes to meet the constitutional objections by having the Federal Government delegate to the States the right to regulate this kind of commerce.

As we are in full sympathy with most of the efforts to prevent competition between the products of convict labor and free labor, we find it difficult to oppose a measure conceived with this purpose. Yet the States face many difficult and diverse problems in dealing with their prison populations, and we should be loath to see their troubles multiplied by this invocation of the Federal power. If there were grave abuses the situation might be different, but the amount of prison-made goods entering into interstate commerce is relatively small and their exclusion would have little effect on general trade. Whatever advantage might accrue from the exclusion of prison goods from competition with others would probably be more than counterbalanced by this further encouragement of Federal interference in the domestic affairs of the States.

### COTTON-PRICE PREDICTIONS

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of Calendar 866, the bill (S. 3845) to prohibit predictions with respect to cotton prices, in any report, bulletin, or other publication issued by any department or other establishment in the executive branch of the Government.

Mr. CURTIS. Let the bill be read.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read the bill.

Mr. HEFLIN. The word "grain" has been stricken out and it only applies to cotton. The Senator from Rhode Island [Mr. METCALF] wanted to have an opportunity to look into it. He has done so and I do not think he has any objection to its consideration now.

Mr. SHORTRIDGE. Mr. President, the Senator from California is somewhat interested in the matter.

Mr. HEFLIN. The Senator from California, I am sure, when he understands it, will agree with me. It provides a penalty for the prediction of prices of cotton. I am sure nobody wants to give the power to any department to predict prices either up or down. It is a dangerous power. We have provided in the Agricultural Department appropriation bill that this must not be done, but there is no penalty. In every other such instance there is a penalty. The bill for which I am asking consideration provides a penalty for the violation of the law prohibiting the making of predictions as to prices of cotton up or down. That is all it does. The Senator is interested in the cotton question?

Mr. SHORTRIDGE. I am, indeed.

Mr. HEFLIN. I am anxious to get it through so the House may give it consideration.

Mr. SHORTRIDGE. I shall have to object for the moment.

The PRESIDING OFFICER. Objection is made.

Mr. HEFLIN. Mr. President, I give notice that on to-morrow I shall discuss this question, the flag question, and the candidacy of Governor Smith for the Presidency. I shall consume some time in discussing those questions. I do not propose to have this cotton bill objected to first by one Senator

and then another. It looks like a concerted effort to defeat it. I want everything that is against it to be brought out in the open. I am going to insist on doing that.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and the Senate (at 5 o'clock and 15 minutes p. m.) took a recess until to-morrow, Tuesday, May 8, 1928, at 12 o'clock meridian.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate May 7 (legislative day of May 3), 1928*

POSTMASTERS

IDAHO

Peter W. McRoberts, Twin Falls.

MAINE

Roy A. Evans, Kennebunk.
Lyman E. Stinson, Stonington.

NEBRASKA

William I. Tripp, Belvidere.
Hannah Price, Bennet.
Harold L. Mackey, Eustis.
Charles C. Cramer, Hardy.
Arthur H. Logan, Ponca.
Albert E. Pratt, Tobias.

SOUTH CAROLINA

Clarence L. Knight, Ellenton.
Jesse J. Glass, Trough.

## HOUSE OF REPRESENTATIVES

MONDAY, *May 7, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, our dear Heavenly Father, our eyes are open to the wide reaches of the impartial love of Thy providence. We thank Thee for the outlook of the day and week. Help us to bring buoyant hearts and minds to our tasks. Impress us that it is always best to seek the best and do the best. Faithfulness to principle is essential to Thy favor and to the esteem of our fellows. Direct us by Thy wisdom, give us courage to conquer every temptation and strength to rise above every failure. Keep us this day in the folds of Thy benediction, which is truth, righteousness, and peace. Amen.

The Journals of Saturday, May 5, 1928, and Sunday, May 6, 1928, were read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 444. An act for the relief of H. C. Magoon;

S. 1857. An act authorizing the Delaware & New Jersey Bridge Corporation, a corporation of the State of Delaware, domiciled at Wilmington, Del., its successors and assigns, George A. Casey, of Wilmington, Del.; Clifford R. Powell, of Mount Holly, N. J.; and Anthony J. Siracusa, of Atlantic City, N. J., their heirs, executors, administrators, or assigns, to construct, maintain, and operate a bridge across the Delaware River at or near Wilmington, Del.; and

S. 3171. An act providing for a Presidents' plaza and memorial in the city of Nashville, State of Tennessee, to Andrew Jackson, James K. Polk, and Andrew Johnson, former Presidents of the United States.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 227

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. WOODBRIDGE N. FERRIS, late a Senator from the State of Michigan.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public service.

*Resolved*, That as a further mark of respect to his memory the Senate, at the conclusion of these exercises, shall stand in recess.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

EXTENSION OF REMARKS

Mr. WHITE of Maine. Mr. Speaker, I ask unanimous consent that all Members of the House may have three legislative days within which to extend their remarks on the merchant marine bill which was passed on Saturday last.

The SPEAKER. Is there objection?

There was no objection.

THE PINK BOLLWORM

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a telegram from the State entomologist of Georgia upon the question of the pink bollworm.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWARDS. Mr. Speaker, the pink bollworm is a great menace and will work greater damage than the boll weevil has. It came into this country, as did the boll weevil, from Mexico. It seems our country should stay in touch with Mexico with respect to cotton pests, and since we are such close neighbors and our interest with respect to fighting cotton pests are much the same, there should be cooperation in keeping out foreign pests that might be brought in.

The pink bollworm is at the stage in this country where it can be exterminated. It will cost much less to exterminate it by establishing noncotton zones in Texas, where it has been found, than it will later cost in trying to control it.

I want to incorporate a telegram in the RECORD from our State entomologist, which is as follows:

ATLANTA, GA., *May 1, 1928.*

Hon. CHARLES G. EDWARDS, M. C.,
*Washington, D. C.:*

The agricultural workers in all Southern States believe that Buchanan resolution appropriating $5,000,000 for eradication pink bollworm should pass. You can render great service to the South and the Nation by putting your efforts behind this resolution. If it should fail of passage this session ten to fifteen million will be required one year hence.

E. LEE WORSHAM,
*State Entomologist.*

This resolution should be speedily enacted and the pink bollworm exterminated.

VOCATIONAL EDUCATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks upon the subject of vocational education.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I wish to call the attention of my colleagues who are interested in farm relief to the bill introduced in the House by Mr. MENGES, of Pennsylvania. This bill is now in the Rules Committee. The real aim and purpose of this measure is to provide rural educational facilities that will tend to retain a larger percentage of energetic children on the farm.

Much has been done to improve rural education, but even so only about a quarter of the possible field has been touched. Rural education has been neglected until even the successful farmer has moved to the city to give his children the benefit of an education. The removal of the successful farmer from the country to the city has left either an abandoned farm behind or tenants who have little or no interest in the community and its problems. The result is to leave unprogressive mediocrity to run the farm and conduct the social and civic activities of rural society.

The city school and the rural school has each failed in its adaptability to rural needs. Moreover, the influence of both the city and rural school has been away from the farm. The school is the only agency that can turn the current of the child's interest toward rural life.

In the all too few communities where the experiment of agricultural vocational training has been tried it has been found that more than 60 per cent of the boys have engaged in agriculture as their life work.

The purpose of the Menges bill, as I have stated, is to bring this type of education into more schools throughout the country.

I want to see the boy and girl on the farm have the same educational advantages in the country to prepare them for farm life that the city boy or girl has in the city to prepare them for business or professional life. When we cheat the farm boy and girl out of the opportunity for farm vocational education we are robbing the country of its chief asset. We are injuring the basic industry of our country.

The call for boys and girls of personality, energy, capacity, convictions, and aspirations to continue this basic industry by the application of scientific knowledge and practical training is a call that is long and loud.

POSTAL RATES

Mr. GRIEST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating the postal rates, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 12030, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. GARNER of Texas. Mr. Speaker, reserving the right to object, as I understand it the Senate makes just one amendment, substituting the 1920 rate for the 1921 rate?

Mr. GRIEST. Oh, the Senate made several amendments. They made the amendment to the second-class rate to which the gentleman refers, and an amendment to the third-class rate and to the fourth-class rate, and also made two or three other immaterial amendments.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. GRIEST, Mr. RAMSEYER, and Mr. BELL.

NIGHT DIFFERENTIAL IN POSTAL SERVICE

Mr. KELLY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the night differential in the Postal Service bill passed by the House, including certain excerpts from a brief prepared by the postal employees' organization.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLY. Mr. Speaker, the Sproul night differential bill (H. R. 5681), which will give deserved consideration to postal employees who are compelled to work at night, has been unanimously passed by the House. It should be enacted into law before the end of this session.

This measure is sound and salutary legislation.

It will lighten the load of night work, the greatest hardship in the Postal Service. It will automatically terminate trivial and unnecessary night work by imposing a 10 per cent additional pay factor for such work.

It will emancipate 20,000 postal employees from dreary labor in dingy quarters during the hours when recreation and rest are both natural and essential.

It will cost must less than the estimates of the department which are figured on the basis that all present night work will be continued. Its benefits will enormously outbalance even the estimates given. Its passage will be proof that no arguments can not prevail against human values.

It will add to postal efficiency, not lower it, for much of the work now performed is on circular and other mail where a few hours delay will do no harm, even though it be necessary. It will mean more output and fewer mistakes for it will put many workers on the daylight tours which are most conducive to well-being and efficiency.

It will result in a tremendous gain in health values and a lessening of the ills which accompany abnormal, unwholesome night work.

It will mean more workers enabled to live normal lives, enjoy family companionship and have opportunities for social and fraternal activities and fewer workers deprived of these advantages. It will bring joy to many wives and many little children.

It will be the accomplishment of a purpose expressed by committees of the House and Senate in three different Congresses and recommended by three Postmasters General. It will mean the attainment of a goal sought for many years by those most concerned.

It will be like a burst of sunshine to a great host of faithful employees who have been starting on their work at the time most workers have finished their labors. It will brighten many lives which have been gray, monotonous, and depressing because of continuous night tours of duty. It will transform their dejection and discouragement into energy and enthusiasm for daytime tasks.

It will give extra pay to every worker compelled by the needs of the service to work at night, and thus enable him to make up for his low condition of employment by a slightly higher standard of living. It will permit him to buy a little better food and have a little better medical treatment.

It will put all postal workers on the same plan now used for the night work of employees of the mail-bag repair shop, who are also paid from postal revenues.

It will lead later to the adoption of the principle that all night workers shall have shorter hours than those who work during the day. It will reduce night work to the minimum, and then those who perform the necessary night tasks will be given such a time differential as will conserve their health and lives. It will relieve a great many employees and will open the door for action which will relieve all from hours which, no matter what the pay, produces strained, worn, and haggard workers.

Because of what this bill is, because of its aims and purpose, because of what it will surely lead to in the future, it should be enacted into law without further delay.

Mr. Speaker, I wish to insert in the RECORD as a part of my remarks excerpts from a brief prepared by Thomas F. Flaherty, secretary-treasurer National Federation of Post Office Clerks, and William M. Collins, president Railway Mail Association, on this question of postal night work.

This brief is unquestionably the most thorough and comprehensive statement ever compiled on this subject. In it mention is made of numerous sources of additional information for those who may want to follow up certain phases of the night-work question.

The matter referred to is as follows:

THE PROBLEM OF NIGHT WORK IN THE POSTAL SERVICE

1. THE EXTENT OF NIGHT WORK IN THE POSTAL SERVICE

When most of the world's work is finished for another day; when the great majority of busy men and women have dropped their pens and their tools; when rest and recreation is the order of the day—then the activity within the post offices is just reaching its height. Post-office clerks and railway mail clerks are just beginning to make a dent in the mass of mail which stands between them and their homes. Every piece must be sorted according to its destination (6, p. 67) (the authorities referred to by number are listed at the end) and on its way to start the world's work afresh next morning.

POST-OFFICE CLERKS

In 1922 the Postmaster General reported that over 25,000 post-office clerks were working part or all of their "tours" at night, between 6 p. m. and 6 a. m. (8, pp. 3–4.) There were 56,029 post-office clerks and supervisors in first and second class post offices at that time. (25, p. 108.) So nearly every other clerk was working at night. (5, p. 8.)

Forty-two per cent of the clerks in the Chicago post office in 1922 began work at 5 p. m. or later. On top of that, 34 per cent worked from one-half to six and one-half hours at night. Only 24 per cent were on purely day tours, between 6 a. m. and 6 p. m. (6, p. 41.) In the Philadelphia post office, over 75 per cent of the clerks had to work at night.

In the Boston post office in 1922, 61 per cent of the clerks worked at night (6, p. 18):

| | |
|---|---|
| Worked 8 hours at night | 141 |
| Were in the post office 6 hours at night | 59 |
| Were in the post office 5 hours at night | 317 |
| Worked 1 to 4 hours at night | 334 |
| Worked 1 hour or less at night | 174 |
| Night workers | 1,025 |
| Day workers | 664 |
| Total number of post-office clerks | 1,689 |

At the Varick Street terminal station in New York City in the same year, 84 per cent of the 1,300 clerks worked at night (6, p. 51). In the New York City central post office there are still (1926) about 75 per cent of the clerks who put in their tours between 4 p. m. and 9 a. m.

Night work has not abated since these facts were brought out at hearings before the Senate Committee on Post Offices in 1922 (6; 5, p. 8) for nothing effective has been done to check it. The Post Office Department testifies that its peak load is between 6 and 7 in the evening (6, p. 4) and that three-quarters of the mail comes in between 5 and 10 in the evening (5, p. 8; or 140, p. 3). During the rest of the 24 hours the equipment lies almost idle. This evening peak is heaviest in the big cities (6, p. 7).

RAILWAY MAIL SERVICE

Night work in the Railway Mail Service as shown by the figures of the Post Office Department in 1924 (the last available) was as follows:

Clerks assigned to offices of superintendents and chief clerks, 786; all day work.

Clerks assigned to transfer offices, 874; 50 per cent night work.

Clerks assigned to terminal railway post offices, 3,470; 50 per cent night work.

Clerks assigned to Class A lines, 1,631; practically all day work.

Clerks assigned to Class B lines, 12,142; 60 per cent night work.

Thus it will be noted that 9,427 clerks, or slightly more than 57 per cent of the 17,243 employees of the Railway Mail Service engaged in the distribution of mail, work at night, in whole or in part. The clerks assigned to the offices of superintendents and chief clerks perform office duties in which no night work is involved, and the work of the clerks on the Class A lines (branch lines) is largely in daylight hours, though a part of such clerks do not finish their runs until 7, 8, or 9 o'clock in the evening. But in all other branches of the Railway Mail Service the percentage of night work is heavy. It will be seen that 50 per cent of transfer clerks, who supervise the dispatching and loading of mails at important railroad centers, are engaged in night work. Terminal clerks, who distribute mails at the more important railroad stations in order to save space in trains, are also engaged to the extent of 50 per cent in night work, while 60 per cent of the clerks on Class B lines are engaged in night work.

This is not only the largest and most important group in the Railway Mail Service, but their duties are the most arduous, owing to the fact that these clerks man the mail cars on the heavy trunk lines and night fast-mail trains.

"Mail early" campaigns by the post office have not cut down night work. "The results were insignificant," said the Joint Commission on the Postal Service of the Sixty-seventh Congress (9). The "distributors," who sort the mail, bear the brunt of late mailing. To help the campaign, the National Federation of Post Office Clerks, paid for "mail early" advertisements (5, pp. 8, 12). But the habits of the business public are fixed. The post-office clerks and railway-mail clerks can expect no relief from that quarter. They are dependent on Congress.

2. THE NATURE OF THE WORK

"Distributing" is grinding work to do either day or night. Mail postmarked before a certain time must be quickly sorted to catch a train leaving at a certain time. Then another batch must be made ready for another train. Then another. Mail must be "thrown" into compartments, row on row, that look just alike. The clerk's mind must not waiver. His eyes can get no rest. He is on his feet all the time. For a moment he can lean against a rest-bar and "throw" letters. Then he has to move on to other compartments (27, p. 6).

The pile of parcel-post packages has to be cleaned up the same evening. This is heavier work, but less nerve straining (27, pp. 8, 46). By midnight there is little but circulars left for the midnight shift to sort. The Post Office Department is officially of the opinion that this less important mail ought to be put off and sorted in day hours. If there were a penalty on night work, this would be done.

Many of the most important mail trains are those operating at night to handle the "peak load" of evening first-class mail and the first editions of morning daily newspapers from all large cities. From the standpoint of satisfactory postal service, the ideal mail train is one operating on a fast schedule at night, so that the mail may be distributed en route after the close of the business day and be ready for early morning delivery at the beginning of the next business day.

The work on these fast night-mail trains is extremely arduous. Added to the heavy volume of mails to be distributed under artificial light are the handicaps of unnatural hours of labor, the swaying floor of a swiftly moving car upon which the railway mail clerk must stand for long hours in distributing mail. Working under such conditions, it frequently happens that clerks on these trains suffer from train sickness, which is similar to seasickness. It is recognized that the night fast-mail train is an absolutely essential part of our postal system, but under existing departmental rules the employees who must work on such trains are required to work as many trips per annum as the workers on day trains. If a time differential for night work were established, railway-mail clerks on night-mail trains would be relieved to a certain extent by having their number of trips per annum reduced.

Eye trouble and fallen arches afflict the post-office clerks and railway-mail clerks, for they must stand up continually and continually glance from address to the rack and from the rack back to another address. The workers did not themselves realize how widespread eye strain and fallen arches were among them until the United States Public Health Service examined a thousand postal employees in New York City and Chicago. Many were told that their eyes needed glasses. Flat feet were found to be 34 per cent more frequent than in the general population, although distributers were not the only employees examined (29; 92).

What makes it worse is that night work is most common in the post offices of big cities, where life at best is a strain. City workers have less resistance. For instance, their death rate from tuberculosis for men over 35 is "enormously greater" than in the country districts (98, p. 346).

3. HOW NIGHT WORK IS ALLOCATED

Quite a large percentage of post-office clerks and railway-mail clerks perform service at night. In 1922 a census of 137 representative post offices showed that—

Eighty-two, or 60 per cent, had straight shifts.

Twenty-two, or 16 per cent, had rotating shifts.

Thirty-three, or 24 per cent, had both kinds (6, p. 68).

In the post offices and terminal railway post offices straight shifts mean that many clerks are assigned steadily at night work. The newest, youngest men are at night work or evening work. When their seniority brings them a chance at a day "tour" they seize it eagerly, but in many instances a clerk is well along in years before attaining sufficient seniority to give him a day assignment.

Where the clerks rotate from night work to day work, even the younger men now and then get a chance to work in the day and play with their fellows in the evening. But night work bulks so large that they can not hope for a straight day tour as often as every other week or every other month. In Philadelphia, in 1922, there were 4 day tours to 13 tours substantially at night (6, p. 15). In the New York City central post office in 1922 half of the clerks had four months of day work and eight months of work substantially at night (6, p. 17). They changed every two months from a day tour to an evening tour, and from there to a tour after midnight. Since then night work has abated so little that in 1926 a clerk in the New York City central post office in four shifts works twice in the evening, once after midnight and once during the day. A "day" tour, however, sometimes begins as early as 5 a. m. or lasts as late as 9.30 p. m.

4. NIGHT WORK SHOULD GO

"Night work is in all respects undesirable," decided the joint commission on Postal Service of the Sixty-seventh Congress (9). John H. Bartlett, First Assistant Postmaster General, says that of "the hardships of the service * * * perhaps the main one is the night service" (6, p. 31).

"I am not in favor of night work for anybody," says Doctor Hayhurst, consultant of the Ohio State Board of Health (104). The British Government's health of munitions workers committee engaged Doctor Vernon to study British women making munitions. He concluded that their working at night "should not be allowed in peace times" (144, p. 95). Professor Lee goes further and says night work is not "justifiable even in the emergency of war" (126, p. 70).

To be sure, the post office can not function efficiently without some night work. But if post-office clerks and railway-mail clerks who work at night are given a time allowance, if their tours are shortened a little, then this load of night work will be a little more easy to carry. And, what is more, it will not come around to them as often as it does now, or to so many of them. Night work can be cut down if there is an inducement to cut it down. The Post Office Department once thought it could not get along without overtime work. In 1913 Congress decided that the post office should pay for overtime. Since then overtime has nearly disappeared. The postmasters think now that they can not reduce night work any further. If it is penalized by a time allowance they will undoubtedly find a way to reduce it; for example, by more strictly postponing the handling of circulars and other less important mail till the morning after it is received.

A time allowance is a system under which 45 or 50 minutes' work done after 6 p. m. counts for an hour toward the established eight-hour shift.

The time allowance does not mean that every hour is shortened, but only those worked between 6 p. m. and 6 a. m. A typical case would be that of a clerk who might work four ordinary hours before 6 p. m. and four shortened hours in the evening. A time allowance affects only that part of a shift which comes within the hours defined as night hours. It is a flexible system. No matter what fraction of a "tour" falls after 6 p. m., it is a simple matter to make the proper allowance for the burdensome night hours.

5. WHO IS AGAINST NIGHT WORK?

Medical experts, efficiency experts, industries, governments all over the world, congressional committees, postmasters, post-office clerks, railway-mail clerks—they are all called as witnesses against night work in the pages that follow.

II

THE HARM NIGHT WORK DOES TO THE CLERKS

1. POST-OFFICE WORK STRAINS THE EYES

When men become postal clerks 92.7 per cent of them have normal vision in one eye or both eyes. When they have been at work six months only 79 per cent of them still have it. When they have been at work three years only 71 per cent still have it. In those two and a half years the number with normal vision drops off 10 per cent. If they are employed in intensive eye work, as letter separators are, the number with normal vision drops off still more sharply—13 per cent. Persons with defective sight are not usually eligible for the Postal Service (10), and persons entering the service average 92.7 per cent

normal vision. But after they take up postal work their eyesight falls off so much that only 62.4 per cent of the indoor postal employees are normal in one eye or both eyes. The only occupations that are harder on the eyes than indoor postal work are the garment and chemical industries. Normal vision is 42 per cent more frequent among cement workers than among postal clerks.

These facts were reported in 1923 by the United States Public Health Service (27, pp. 49–63). They examined the eyes of two-thirds of the indoor workers at the City Hall Station and at the general post office in New York City. They made 2,449 examinations. Four-fifths of the workers examined were white males, so figures are given here only for white males. After the age of 45 a man's vision drops off anyway, irrespective of occupation. So to be safe we disregard employees over 45, who are about one-fifth of the workers examined. Normal vision is defined as twenty-twentieths or better.

The eyes of night workers deteriorate more than the eyes of day workers. The letter separators, who are used for night work more than the average indoor postal employee, suffer most heavily. Of the 2,449 employees examined, 45 per cent were letter separators, or else newspaper separators, whose eye work is nearly as intensive as that of the letter separators. The report says:

"A letter separator reads on the average between 30 and 40 addresses a minute. His work may require adjustment of both the external and the internal muscles of his eyes 80 times a minute. If the intensity of light on the letter is different from the intensity of light on the case, he has to adjust his eyes not only for distance but also for difference in illumination." (27, p. 45.)

2. POST-OFFICE WORK IS UNHEALTHY

Congress can not disregard the health of Government workers. They are its wards. It should not ask them to continue year in and year out at night work which undermines their health, unless it is ready to ease the load by a time allowance for hours put in at night. The post-office clerks and railway-mail clerks who work nights have an elemental human right to health. At the same time the Postal Service can not afford to allow the health of its personnel, who keep the mail moving, to deteriorate.

Post-office employees are not up to the physical standard of the average man in other respects besides eye troubles. They are not as healthy after a period of service despite the fact that they must pass a medical examination to get their jobs. An applicant is rejected if he has a fallen or misplaced arch in his foot, a rupture, hardening of the arteries, or an uncompensated organic disease of the heart (10). Nevertheless, the effect of postal work, much of which is night work, is to make these and other impairments more frequent among postal employees than among the general population. The United States Public Health Service determined this when they examined 985 postal employees a few years ago. (29, 9.) The workers who volunteered for examination were actively employed and apparently in good health. Nevertheless, the Public Health Service found the following physical defects per 1,000 men:

| Defects | General population | Postal employees | Excess in post office |
|---|---|---|---|
| | | | *Per cent* |
| Heart disturbances | 97 | 187 | 93 |
| Rupture (hernia) | 51 | 80 | 57 |
| Dilation of serotal veins (varicocele) | 81 | 110 | 36 |
| Flat feet | 164 | 220 | 34 |
| Hardening of the arteries | 195 | 250 | 28 |

Compared with garment workers, postal employees have three to nine times as many cases of—

Diseases of the circulatory system.

Hardening of the arteries (arteriosclerosis).

Aortic diseases.

Mitral diseases.

Tricuspid diseases.

Myocarditis.

They have a much higher rate than garment workers for—

Dilation of the sciotal veins (varicocele).

Varicose veins (29).

There is a "high ratio of impairment" among postal employees, says Doctor Fisk, medical director of the Life Extension Institute (96). He bases this on the impairments which the Public Health Service found. Of 1,000 postal workers—

One hundred and forty-two had serious physical defects requiring immediate medical or surgical attention.

Two hundred and thirty-four had advanced physical impairments requiring systematic medical or surgical attention.

Three hundred and forty-one had moderate defects requiring medical supervision as well as hygienic correction.

Two hundred and sixty-one had moderate defects requiring hygienic correction or minor medical, surgical, or dental attention.

Twelve had minor defects requiring observation or attention.

Five had no physical defects.

3. ALL NIGHT WORK IS UNWHOLESOME

The low health record of postal employees is only to be expected for a group laboring under unrelieved night work (84, pp. 75–113; pp. 3, 8, 10–13). City letter carriers who rarely work at night were included in the examination (except eye examinations). If they had not been included the health record would have been much blacker for the remaining workers—the post-office clerks—for they do the work at night.

There is a consensus of opinion that night work is unhealthy, and this is "supported by incontestable evidence," says Professor Lee. He adds that only "exceptional circumstances" will justify men's working at night, for "it is unnatural, unphysiological, and abnormal, and must ever remain so" (126, pp. 68, 72). The next pages give the medical case against night work.

4. THE NORMAL CONDITIONS WHICH THE NIGHT WORKER'S BODY NEEDS

While a man works his nerves and muscles are wearing down. Fatigue wastes are the result. They pile up in his body. This process begins even before he feels tired (14, p. 34). There is fatigue or breaking down even when a person rests. But when he works the amount of poisonous wastes rises. He breathes out twice as much carbon dioxide as before (103, p. 265).

The work of post-office clerks and railway-mail clerks causes heavy accumulations of fatigue wastes. The effort of the muscles in standing up and in continually "throwing" mail is part of this. But the work is especially a great strain on the nerves. And fatigue is chiefly fatigue of the nervous system (14, p. 36). The work is monotonous, and the monotony of doing the same thing over and over and over "is a true factor in inducing fatigue," says Miss Goldmark. It wears down the nerves. She adds that even "the monotony of so-called light and easy work may thus be more damaging to the organism than heavier work which gives some chance for variety" (103, pp. 67, 68).

This wearing-down process in the body must be balanced by building up. Under ordinary conditions the body will rebuild itself silently (103, p. 13). But if there is too much breaking down or too little building up the result is a physical deficit. If the deficit comes regularly, work night after work night, the outcome is physical bankruptcy. Then the body begins to protest loudly in tiredness and disease. The facts about the health of postal employees which have been presented indicate roughly how near many post-office clerks and railway-mail clerks are to physical bankruptcy. The figures do not, however, show the amount of piled-up fatigue that is still hidden and has not yet come out openly in disease (14, p. 129). And the Public Health Service could not include in its study the employees who had dropped out because the night work was too wearing.

Sleep is the most important thing needed to build up again the nerves that fatigue has worn down (84, pp. 26–46). There is no substitute for sleep (103, p. 281). Doctor Kraft, the Swiss physiologist, says:

"Men as well as animals die sooner of lack of sleep than they do of hunger. * * * We may consider that we have experimental proof, corroborated by much general experience, of the fact that the deprivation of * * * sleep is sure to bring on severe and lasting injuries" (123).

There is much similar testimony; for instance, from Doctor Carozzi, in Italy (88, p. 80); Doctor Sterling, in England (139), and Hough and Sedgwick, in the United States (110).

Sunlight is the second most important thing in the continuous rebuilding of the body (84, pp. 47–59; 62; 104). Professor Lee says: "Man's body needs the stimulus of sunlight and is adapted to the atmospheric conditions of the day" (126, p. 61).

Collis and Greenwood say that daylight "stimulates a healthy skin reaction and exerts a beneficial effect."

They add that sunlight tends to kill most germs:

"The more daylight, therefore, there is in the rooms where workers are congregated together, the less is the chance of the spread of infectious diseases and the better will be their general health" (89, pp. 314–315).

Daylight is just what night workers do not get.

5. THE NIGHT WORKER WORKS UNDER ABNORMAL CONDITIONS

The strain of industrial work is heaviest for the night worker. He especially is likely to run up a physical deficit and not be able to rebuild what has worn down in his body. The evidence for this lies in the results of night work. At night output is less, and spoiled work, lost time, and accidents are more frequent.

The first reason for the night worker's bodily deficit is the "medical commonplace" (144, p. 97), that night work is more tiring than daywork. In France, for example, Professor Proust concurs in this (135), and in Germany Doctor Herkner (107).

The high accident rate at night shows that night work creates abnormal fatigue.

When a post office has rotating shifts, as in New York City, the night workers very often do not get the full benefit of their occasional day shift because even in the daytime much of the work is done by artificial light, and so even their daywork is abnormally fatiguing, though night work is much more so. Examples of post offices that have to use artificial light are given in the report which the Public Health Service put

out in 1923 (27, pp. 31–43). On the first floor of the general post office in New York City 19 locations at which post-office clerks work had no natural lighting even in the daytime. In 13 other locations there was part natural and part artificial lighting. In no place was natural light alone enough. In the basement only five places had part natural lighting. The other 21 had only artificial light. At the City Hall postal station in New York City the amount of natural light was insignificant.

*Foot-candles of light in city-hall post office*

| Floor | Artificial | Natural |
|---|---|---|
| Basement | 4.2 | 0.0 |
| First floor | 3.8 | .7 |
| Mezzanine | 2.6 | .1 |

A very small number of the post-office clerks and laborers at the two stations worked solely under natural light, even during the daytime:

| Daytime lighting | City hall | General |
|---|---|---|
| | *Per cent* | *Per cent* |
| Artificial light all the time | 87.3 | 27.4 |
| Part artificial and part natural | 9.4 | 42.8 |
| Natural light all the time | 3.3 | 29.7 |
| Total clerks and laborers: | | |
| In per cent | 100 | 99.9 |
| In numbers | 883 | 2,276 |

The use of artificial light during the day and the fatigue it brings can not easily be escaped, for most post offices will not wear out for a long time. Even when they do, natural light will still be hard to get in a crowded city. The burden of this unfortunate condition should not be shifted to the post-office clerks and railway-mail clerks.

Bad lighting for night work (and day work) increases the fatigue of the clerks (89, p. 317; 14, p. 98). Either too little light or too much glare means many eye adjustments and greater eye fatigue (27, pp. 45–46). The lighting of post offices has been much bettered in recent years. But to the extent that it falls short of good natural lighting it entitles the workers to special consideration. As recently as 1923, the Public Health Service reported that of 127 post offices to New York City, Brooklyn, Philadelphia, Boston, Detroit, and Chicago only—

Sixty-three per cent had adequate natural lighting, 57 per cent had adequate artificial lighting, 34 per cent had both sorts adequate, and 15.7 per cent used gas for their artificial lighting (27, pp. 2–3).

They added that the lighting in the City Hall Station and the general post office in New York City "is generally below that of the requirements of the State codes of lighting and is generally lower than the mean illumination furnished employees doing similar work in private industries" (27, p. 103).

Night work is more tiring not only because artificial light is used, but also because "it imposes on a physiological organism attuned to one sequence of events a different and abnormal sequence" (126, pp. 70–72). The body varies its heat so as to allow for greater activity during the day. Under night work its habits can be "modified, but not reversed" (61, p. 27).

8. THE NIGHT WORKER IS CUT OFF FROM NORMAL SOCIAL CONTACTS

When men work at night they do not get a chance to live. The British health of munitions workers committee warned that "social intercourse, recreation, and amusement may be seriously interfered with. Suitable opportunities for attendance at instruction are impossible, unless special facilities are allowed" (14, p. 98).

The post-office clerks and the railway-mail clerks have a right to recreation (104). Amusement facilities center in the evening. This is just when most of these men are at work or perhaps returning hungry from work. They have a right to education. Workers' education projects are all arranged for day workers (84, pp. 263, 275). They have a right to home life (84, pp. 255–256). "The night work very largely interferes with family life," the Joint Commission on the Postal Service reported to the Sixty-seventh Congress (9). As early as 1887 the Swiss factory inspector reported that with night work, "the number of meals necessary in the family budget is increased, extra cooking must be done, and the family order and system are disjointed. Night product is inferior * * *. Switzerland does not hesitate to condemn night work, and she has put a stop to it even in many industries where other countries regard it as indispensable (137; or 84, p. 260).

Night work interferes with the clerks' right to adequate and well-timed leisure in which they can associate with their fellow man (104).

The clerks need leisure so that they shall not fall behind physically, and so that they may have life more abundantly. But in the large cities "the postal employees are either obliged to travel to distant suburbs to secure the advantages of desirable dwellings, or else dwell in crowded tenements. * * * When they have to travel to distant suburbs they find the means of transportation infrequent at the very time they would utilize them, and they thus lose much of their leisure time, and make the journey at considerable inconvenience." (Joint Commission on the Postal Service, 67th Cong., 9; 103, p. 143.)

Leisure hours are also eaten into, because "the great majority of post-office clerks are under the constant necessity of studying so-called 'schemes' of mail distribution. These 'schemes' consist of the names of thousands of post offices in every State in the country. These 'schemes' indicate the railway train that will carry the mail to these thousands of post offices.

"The average post-office clerk is compelled to memorize and carry in his head anywhere from 3,000 to 10,000 names of different post offices." (House Post Office Committee, unanimous report in the 64th Cong. (2; or 5, p. 3).)

The post-office clerk or railway-mail clerk may not be immediately concerned over the gradual deterioration of his health. But he is keenly aware that he is cut off from social contacts. The new clerks are assigned to night jobs most often. They are young and the lack of social opportunities irks them especially. Their morale suffers as a result. Output depends on morale. Doctor Fisk says that output is hindered by "mental poison such as home worries, suppressed or thwarted emotions or aspirations. * * *" (91, pp. 442–443, 359–360; 61, p. 27; or 84, p. 4.)

In his annual report to the first session of the Sixty-ninth Congress Postmaster General New said of the undesirability of night work:

"Naturally night duty is regarded as more irksome and undesirable than day work, as it deprives employees of social life in the evenings and keeps them from their families at night. It is believed, therefore, that this matter should have serious consideration and some compensation provided for it." (25, p. 17.)

5. NIGHT WORK MAKES IT HARD TO GET GOOD MEN

The Postal Service needs a steady supply of capable young men. Else the mails are held up. The pay and the work of post-office clerks and railway-mail clerks are not so attractive that men will shut their eyes to the discomforts and dangers of the night work which the service demands of them. And with the night work in mind the decision is too often against the service (141, pp. 4–5; 6, p. 7).

Also resignations result from night work. Often clerks quit before they have learned enough to earn their pay. Or if they have acquired skill in sorting letters and have learned the "schemes" of distribution, all this skill is lost to the service when they quit because of the night work. In any case the service has to find a new man to replace the old one whom the attractions of day work have taken away. The service, then, has to pay the cost of breaking in the new man (6, p. 7).

Responsibility for resignations can be laid largely to night work. The United States Public Health Service studied two large plants during the war. In one plant the departments which involved night work had a labor turnover 23 per cent greater than the average. In the other it was 6 per cent greater (26, or 98, pp. 164–165).

An English study of the women working in a biscuit factory showed that the largest labor turnover was among the night workers (113, or 98, p. 162):

| Reasons for quitting | Yearly per cent of turnover | | Night exceeds day |
|---|---|---|---|
| | Day shift | Night shift | |
| Single women: | | | *Per cent* |
| All reasons | 88.7 | 153.6 | 73 |
| Ill health and physical disability | 20.6 | 43.8 | 113 |
| Dissatisfaction | 36.9 | 62.7 | 70 |
| Married women: | | | |
| All reasons | 142.3 | 204.3 | 44 |
| Ill health and physical disability | 44.4 | 62.3 | 40 |
| Dissatisfaction | 33.0 | 58.0 | 76 |

So it is not surprising to find that night work increases the resignations in the Postal Service. The city mail carriers do little night work. Their resignation rate is low. The city post-office clerks who do night work have a resignation rate of 183 per cent higher than the carriers (25; pp. 16, 39, 108), as shown by the table below:

*Comparative resignation rates of postal employees*

| Division of service | Employees, June 30, 1925 | Resignations, fiscal year, 1925 | Per cent of resignations | Relative to carriers' rate |
|---|---|---|---|---|
| City carriers | 46,251 | 667 | 1.44 | 100 |
| City post office clerks | 65,071 | 2,658 | 4.08 | 283 |

6. NIGHT WORK MAKES IT HARD TO GET GOOD WILL

The Postal Service needs the good will of the clerks. If they are disgruntled their work suffers. The night work is "in ill favor with the employees," reported the Joint Commission on the Postal Service to

the Sixty-seventh Congress (9). This remains true because there is no time allowance to offset the evils of working at night. To the postmasters it presents a very hard problem. They feel that the morale of the post-office clerks and railway mail clerks is sapped by night work as it stands. In 1922 the Post Office Department took a census of the postmasters' opinions on night work (6, pp. 22–30):

Ninety-two postmasters from among the 100 largest post offices answered.

Forty-four, or 48 per cent, stressed the fact that night work lowers morale and output.

Seventy-six, or 83 per cent, said that the solution was special conditions for night work.

Forty-seven, or 51 per cent, said that the solution was a time allowance for night work.

Some of them were also disturbed by the ill effects of night work on health, social life, and labor turnover.

INDUSTRIES THAT HAVE GIVEN NIGHT WORKERS THEIR RIGHTS

1. NIGHT WORK IS INFREQUENT BECAUSE IT IS NOT ECONOMICAL

Night work is not popular in the United States, nor anywhere else. It is true that a factory cuts down its overhead cost if its plant and machinery are not idle at night. But this has not made night work popular even with employers. Its counterbalancing costs to the company and to the workers are too great. It is true that methods of artificial lighting have been enormously improved. But this has not made night work prevalent, as Doctor Frankel, of the post-office welfare division, points out. (5, p. 12.) It prevails only in continuous process industries and in seasonal industries. Collis and Greenwood say that it is so infrequent because leaders of industry are fast coming to see that "optimum output is obtained not by allowing fatigue to exceed physiological limits; that the goal of economists—output—can be best attained through the same agencies as allow the medical man to obtain his objective—health." (89, p. 79.)

As long ago as 1907 a South Carolina State bulletin reported that none of the big cotton mills ran at night any more since "it seems to be generally regarded as a losing proposition to undertake night work." (36; or 84, p. 309.)

The book and job printing industry, at its center in New York City, has an agreement with its electrotypers that they shall not be asked to work at night.

The German wood-working industry signed a national collective agreement in 1921 which forbade work between 5 p. m. and 7 a. m. for 430,000 workers. In 1922 the German building industry also signed an agreement forbidding night work for 350,000 workers. (38, pp. 25–26.) The Dutch printing industry allows night work only for morning newspapers. (43, p. 28.)

In the 1890's many countries in Europe supplemented the laws against night work for women by laws against night work for men. (84, pp. 316–323.) To know how to proceed, Belgium in 1898 made a study of how existing night work laws had functioned. The investigators discovered that employers felt the laws had made great improvement. England reported that no one wished to repeal the law. France reported that the opposition of the manufacturers was gradually disappearing. Switzerland reported unanimous approval for the law of 1877, one section of which prohibited night work. The Swiss leaders of industry had found that "night production is very inferior both in quality and in quantity to daytime production; and it is much more costly."

Austria reported sentiment among the employers in favor of extending the rules to forbid night work for men. (72, pp. 43, 69, 85, 120, 169; or 84, pp. 277–280, 316–317.)

2. ALLOWANCES FOR NIGHT WORKERS ARE USUAL

It is customary for night workers to receive special consideration in return for the special hazards and discomforts of night work, particularly when there is just as much work to be done at night as there is on the day shift. In such cases the undesirability of night work is allowed for in the scale of wages or hours or both. The Postal Service and the Railway Mail Service are in startling contrast to private industries, for in these services the evening work is more intense than the day work, and yet there are no special conditions allowed the workers.

The British postal service at one time allowed any 7 hours worked between 10 p. m. and 6 a. m. to count as 8 hours. This system of time allowance worked so well that the period was made to begin at 8 p. m. (6, p. 83.)

The New York City book-and-job printing industry works only 44 hours a week on daywork, but for night work the hours are only 40, and in addition the night pay is $3 a week more. On the third shift, after midnight, typographers work only 35 hours and get $6 more a week. Pressmen, feeders, sheet straighteners, and paper handlers work only 32½ hours on the third shift. The foreign-language typographers work very short hours at night. Their largest group, the Bohemian-Slavonic, works only 36 hours at night and gets $3 a week more pay at night in both newspaper and book-and-job printing (118; or 21, p. 840.)

The entire newspaper-printing industry of the United States averages shorter hours at night than in the day. On top of that, the pay for an hour worked at night more than makes up for the fact that fewer hours are worked, so that night workers in addition to shorter hours get more pay per week than day workers do. The average union scales for 1925, computed by the United States Bureau of Labor Statistics (22, p. 985), show the following percentage allowances in favor of night workers:

| United States newspapers crafts | Night allowances | |
|---|---|---|
| | Hours per week | Pay per hour |
| | *Per cent* | *Per cent* |
| Web pressmen | 10 | 17 |
| Stereotypers | 10 | 17 |
| Photo-engravers | 5 | 18 |
| Hand compositors | 2 | 10 |
| Machinists | 1 | 12 |
| Machine operators (time-work) | 1 | 9 |

In the Australian printing industry (22, p. 1256) the daywork calls for only 44 hours a week, but the prevailing week for night work is only 42 hours. Besides weekly pay is higher for night work than it is for daywork:

| Craft | Melbourne | Sydney |
|---|---|---|
| | *Per cent* | *Per cent* |
| Proof readers | 20 | 13 |
| Machinists | 15 | 9 |
| Compositors | 10 | 9 |
| Stereotypers | 9 | 5 |

In South Africa, too, the typesetting-machine operators work only 43 hours a week on day work, but only 40 hours on night work. In addition, they get 10 per cent more pay a week (79, p. 254).

In London the printers work 48 hours a week on day work, but only 42 on night work (40, p. 22). In South Africa the prevailing hours in printing and bookbinding are 46 on day work (43 for machine typesetters) and 40 on night work (79, p. 254). In Switzerland the hours in newspaper printing are 8 a day, but if as many as 4 of the hours fall between 7 p. m. and 6 a. m. the shift is only 7 hours (42, p. 21). In Italy the machine typesetters in Bergamo who work three shifts have an 8-hour day shift, but only 7 hours on the night shifts (41, p. 33). In Great Britain the cloth bleaching, dyeing, and printing trade works 48 hours on daywork and only 43¾ on nightwork (47, p. 79). The prevailing hours in Mexico are 8 in the day and 7½ at night (19, p. 889).

When night workers are not given a time allowance, the hazards and discomforts of night work are recognized in another way—by extra pay for the night shift. The Federal Government is now paying workers at the Government Printing Office an allowance of 20 per cent extra for work done between 5 p. m. and 8 a. m. It is paying workers at the arsenals and the mail-bag repair shop an allowance of 10 per cent more for night work, and at the navy yards 5 per cent (5, p. 4). But as yet there is no allowance for post-office clerks and railway mail clerks.

The Federal War Labor Board recognized the hardships of night work and regularly awarded night workers an allowance of 5 per cent more than the day rate (5, p. 9). The telephone companies of the United States have a policy of giving night workers a pay allowance. The Morse telegraph operators have an agreement that provides for night rates more than 20 per cent higher than the day rates (20, pp. 73–74).

The typographical workers of the United States regularly get a higher scale for night work than for daywork (118). For instance:

*Weekly night-pay allowances for hand compositors in the 10 largest cities in the United States*

| City | Number of union members | Night differential | |
|---|---|---|---|
| | | Book and job printing | Newspaper printing |
| New York City | 9,684 | $3.00 | $3.00 |
| Chicago | 5,346 | 4.00 | 5.00 |
| Philadelphia | 1,187 | 4.55 | 3.00 |
| Detroit | 830 | 2.20 | 2.94–3.36 |
| Cleveland | 837 | 4.00 | 5.20 |
| St. Louis | 1,272 | 2.20 | 5.00 |
| Boston | 1,849 | 5.72 | 1.76 |
| Baltimore | 732 | 3.00 | 3.00 |
| Pittsburgh | 726 | 3.00 | 3.00 |
| Los Angeles | 929 | 3.00 | 3.00 |

The machine typesetters' allowances are the same or nearly the same as these handwork allowances. The average union scale in the United

States for machine typesetters on piece work is 7 per cent higher for night work than for day (22, p. 985). The third shift, after midnight, often has still further allowances. The book and job typographers in New York City work only 35 hours on the third shift, instead of 44, and get $6 more a week. In Detroit they get a pay allowance of $7.80–$9.80 a week. The newspaper typographers in Philadelphia work 42 hours on the third shift instead of 48 and get $66 instead of $42 a week. In Detroit they get a pay allowance of $10.08–$11.52 a week. In Cleveland they work 42 hours instead of 45 and get $6.75 allowance. In Boston they get $3.52 allowance (118).

In Belgium the printing and bookbinding industry has special rates for work between 7 p. m. and 7 a. m. Up to 9 p. m. there is a pay allowance of 20 per cent extra and after that 50 per cent (39, p. 24). In Dutch breweries any work done after 6 p. m. is paid 50 per cent extra, or where there is a regular night shift it is paid 25 per cent extra after 10 p. m. (43, p. 28). The Government Railways of Japan give pay allowances for night work (77, pp. 1–2).

It is a common practice in Europe to recognize the hazards of night work by paying higher rates for overtime work done at night than for overtime during the day. The rate often rises as high as 100 per cent extra for late night work. The International Labor Office has published rates of this sort for Italy, Switzerland, Holland, and Czechoslovakia (41, pp. 18, 26, 28, 33–34; 42, p. 21; 43; 44, pp. 26–32, 37–38, 44).

### 3. THE CLERKS SHOULD HAVE THE CUSTOMARY ALLOWANCE

It appears from this mass of evidence that it is well recognized that when there has to be night work the night workers should have special conditions of labor. The most prominent example is the printing industry all over the world. The work of post-office clerks and railway-mail clerks is much like the work of typographers. It is just as hard on the eyes and on health in general, and there is the additional strain of constantly standing. The printers have won relief through their collective action. The clerks, however, are in Government service. The charters of the National Federation of Post Office Clerks and of the Railway Mail Association stipulate that there shall be no strikes. The clerks depend on action by Congress. So far they have had no relief from the hardships of their work at night, with the result that the standards of life of two large groups of employees of the United States remain below the standards of life of employees of privately owned industries.

## V

### GOVERNMENTS THAT GIVE NIGHT WORKERS THEIR RIGHTS

All civilized nations recognize that night work is undesirable (61 or 84, p. 291). Many have forbidden it by law. In 1919 Holland, Switzerland, and Czechoslovakia passed laws which prohibited night work for both men and women (43, pp. 9–10; 117 v. 14, p. 207; 44, p. 9). Belgium followed in 1921 and Portugal in 1925 (47, p. 405; 22, p. 1260). Great Britain forbids stores to stay open at night, and in 1925 the Argentine and Dominican Republics did so, too (53, p. 173; 23, pp. 120–121). In 1923 Belgium restricted the ordinary working day in brickmaking to the hours between 5 a. m. and 7 p. m. (54, p. 383).

Baking has always furnished an outstanding case of night work and its ill effects on the workers. Night work was abolished for baking in—

1906 in Norway.
1908 in Switzerland (Tessin), Italy, and Finland.
1912 in Denmark and Greece.
1918 in Uruguay.
1919 in Germany, Czechoslovakia, France, Austria, Spain, Holland, Sweden, and Poland.
1921 in Belgium.
1923 in Hungary (57).

At the 1924 conference of the International Labor Organization, which has 57 governments as members, the vote was 73 to 15 in favor of an international convention against night work for bakers. On June 8, 1925, a second vote made the convention official (20, pp. 177, 181; 52, p. 119). Each of the 57 governments has passed a law against night work to conform with the convention or is about to do it.

Although laws against night work for men have reached a tremendous proportion, most night-work legislation has confined itself to forbidding night work for women. The reason for this has been that the dangers of night work are more apparent in the case of women. The pitiable effects of night work on women who were bearing children were more obvious than the slow deterioration of men under night work. The wife seemed more urgently needed at home to keep the family together and to rear the children. (90 or 31, p. 68; 74 or 103, p. 266.) Men could win for themselves relief from night work or better conditions during the night shift. Women, it seemed, could not protect themselves as well, and so they needed laws to protect them.

When the legislature of a civilized country became convinced of the evils of night work it usually undertook to remedy first that situation which seemed to need remedying most. The result was "women and children first." The man power of the country, also important, had to take its chances.

The men were often able to meet the situation and win some freedom from night work by organizing. If it is impossible to fight bad working conditions in this way, says Professor Freund of police power fame:

"If for any reason such organization is impossible or ineffective, the right of the State to exert its power can not in reason be disputed. (100; or 91, p. 828.)

The State has exerted it for women, where organization is ineffective. The State has forbidden them to work at night almost everywhere.

But the State has not yet exerted this right on behalf of the post-office clerks and railway-mail clerks, whose organizations forbid them to win relief from night work for themselves, since they are public servants. The duty of Congress to protect them from suffering for this devotion to the public service "can not in reason be disputed."

The history of the gradual legal recognition by civilized countries of the hazards of night work covers nearly a century. In 1833 England forbade night work for children, and in 1844 it forbade it for women between 5.30 p. m. and 5.30 a. m. Others followed:

NIGHT WORK LAWS BEFORE 1906

1844. England.
1864. Switzerland (Glaris), men and women.
1877. Switzerland (federal law), men and women.
1881. New Zealand.
1885. Austria.
1889. Netherlands.
1890. Massachusetts.
1891. Germany.
1892. France.
1902. Italy. (83, pp. viii, 344.)

The International Congress of Hygiene and Demography, which met in Vienna in 1887, resolved that "the limitation of working hours, and above all the prohibition of night work, must be demanded on grounds both of health and of morals." (83, p. ix.)

An international conference on night work which met in Berlin in 1890 was officially attended by 14 European powers. It voted in favor of prohibiting night work for women. (120; or 83, p. ix.)

In 1906 a conference of 14 European powers met at Berne, Switzerland, and agreed upon the Berne convention. It provided for 11 consecutive hours' rest at night in all industrial undertakings of more than 10 workers. These hours were to include the seven hours between 10 p. m. and 5 a. m. Many of the powers already had laws more stringent than this. The others proceeded to bring their laws up to this standard, and on January 14, 1914, the convention was completely in force. Some of the powers made their laws more stringent than the convention required. (83; 87; 117; vol. 2, pp. 38, 389; vol. 3, p. 335; vol. 5, p. 236; vol. 6, p. 156; vol. 7, pp. 26, 47, 265; vol. 10, p. 14.) The convention took in "colonies, possessions, or protectorates" (art. 6). So Great Britain extended its rule to Ceylon, the Fiji Islands, Gibraltar, the Gold Coast, the Leeward Islands, New Zealand, Northern Nigeria, Trinidad, and the Uganda Protectorate. France extended them to Martinique, Guadaloupe, and Reunion. (117, vol. 11, p. 74.)

Many powers which had not signed the convention passed laws while the signers were doing it. (117.) Serbia, Greece, Liechtenstein, and Bosnia and Herzegovina passed laws that went beyond the standards of the Berne convention. Legislation against night work was also put through in Bulgaria, Greece, Russia (textiles), India, Japan, Canadian Provinces, the Australian States, and the Argentine (Buenos Aires).

The restrictions on night work for women had become widespread when the World War began. The warring countries often relaxed these restrictions in order to get more output. But the "economic, physical, and moral disabilities" of night work were still there (14, p. 56), and the British war cabinet committee on women in industry said that "much of this relaxation was found to be uneconomical and baneful" (64).

Even before the end of the war many of the restrictions were put back. Where they were not restored it was because the governments felt it necessary to take "a short and not a long view of the subject" (61, p. 26).

In 1919, 30 powers met in the International Labor Conference at Washington and adopted the terms of the Berne convention against night work, but applied them to all public and private undertakings, however small. The Washington convention came into force on June 21, 1921 (37, p. 102). By October, 1925, appropriate laws had been passed and the convention had been ratified by 16 powers (58): Austria, Belgium, Bulgaria, Czechoslovakia, Estonia, France, Great Britain, Greece, Hungary, India, Irish Free State, Italy, Netherlands, Rumania, South Africa, and Switzerland.

The administrations in seven countries had recommended the convention to the legislatures: Argentina, Brazil, Denmark, Germany, Latvia, Lithuania, and Spain.

Three powers had passed appropriate laws, but had not yet ratified: Japan, Poland, and Serb-Croat-Slovene Kingdom.

Four other powers had legislation in progress or in preparation: Bolivia, Norway, Portugal, and Uruguay.

**The Berne convention still governs: Sweden, Luxemburg, and Danzig.**

The world is almost unanimous in condemning night work. All Europe, except Finland, Monaco, Albania, and Turkey forbids it for

women, and many of the laws include men. In Asia, India and Japan forbid night work for women; in Africa, Tunis, Algeria, the Union of South Africa, Uganda, Northern Nigeria, and the Gold Coast; in the Pacific, the Australian States and New Zealand; in North America, 16 of the United States, Mexico, and the Canadian Provinces (except the Yukon and Prince Edward Island, which are not industrial); in Central America, a separate international convention between Costa Rica, Guatemala, Honduras, Nicaragua, and Salvador; in South America, the Argentine and Brazil (partial), and Bolivia and Chile have undertaken legislation which will forbid all night work for women.

In the United States there are in 1926 laws forbidding night work for women in various occupations in 16 States and 1 Territory: California, Connecticut, Delaware, Indiana, Kansas, Massachusetts, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Washington, Wisconsin, and Port Rico (24).

State laws, however, can never affect the situation of the Federal post-office clerks and railway-mail clerks, even though they work within State limits. The responsibility remains with Congress, and Congress should not disregard the fact that the votes of almost all the other lawmaking bodies in the world condemn night work.

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Mr. Speaker, I also desire to incorporate in my remarks a speech on the night work subject made by Thomas J. Mitchell, post-office clerk, Kansas City, Mo., who is president of Local No. 67, National Federation of Post Office Clerks. Mr. Mitchell has made an intensive study of the problem of night work and his views are the result of many years practical experience in post-office employment. It is as follows:

NIGHT WORK

After all that has been orated or pictured by graphic pen, not half has been written that comes from the experience of men and women who actually perform work during these unnatural hours.

Men are deprived of social intercourse, family association, evenings at home, talking with wife, and romping with children.

Home, a consecrated hearthstone, an institution that welds the ribs of State, launches all government functions worth while, gives life and power to effectually sail the turbulent sea of life, no matter how fierce

the outward elements rage. Home is the haven of all havens where weary hearts or buoyant hearts can with one accord commune together.

Impair this institution, lift one arrow and thrust it into this sacred institution, and you have belamed all. Yea, the poisoned instrument, "night work," aims at the hallowed place of thousands of postal workers.

In my city—industrial center that it is—stores, stock exchange, board of trade, what conditions do you find? Men and women arise when the life of the day lays aside his night robe, peeks up from the Eastern horizon and with one sweep of his rays gilds the world with glory and life, and the men of the soil with one common assent say, "His morning rays give greatest strength to man and vegetation."

We see this waking people busy in their daily toil and at 5 or 6 o'clock return to their homes. Father with rustic face, children playing around his knees and mother singing lullabys to the baby at her breast.

Ah, then, I want to go to Washington, D. C. Go into that silent cemetery with spade in hand, resurrect that body, speak life to that mortal remains, place him on sacred ground, call for the loveliest maiden in all the world, bid her clasp him to her breast and plant the everlasting kiss of affection upon the brow of John Howard Payne, and call him blessed; then with one accord let the choir assembled peal out that matchless melody, "Home, Sweet Home."

But we have to return to these places of daily activity. After 6 p. m. what do we find? A silent watchman blowing the smoke from his cob pipe with a snarling bulldog or a bob-tailed Airedale following behind him as he makes his round? No; there is one man left in the building. He rushed out at 6.30 p. m., and the watchman, after hushing the growl of his faithful dog, asks: "What makes you so late?" The man replies, "I was assembling some invoices I wanted to go on the 9 a. m. train to-morrow. The goods were shipped by freight."

I then go to the post office, linger from 10.30 p. m. till 2 a. m., a place of impaired activity, its wheels turning slowly. On wandering around I spy a man clad in Stars and Stripes, with a tobacco-bestained goatee, leaning up against a post. Ask him what's the matter with his machine, sparks don't seem to hit, has a flat tire. He says: "Machine is all right, but we just can't get the speed out of it at night; but just come around in the morning at 7 a. m. and watch her start. You'll see her leap like a fawn eluding the chase of a hound on a western plain."

In the mailing division, where I work, the "ghost" walks not to disseminate the shining shekels of brightest day. Not when noonday sun is scattering his rays of life and happiness. Ah, when does he come? He does not come. Yes; he comes, changes his habits, changes his coat, changes his nature, changes his life, enters into the silent hushes of night beneath the canopy of a starless Heaven. A tiger with hideous stripes, snarling, growling, springs, and with one bound fastens his ferocious teeth in the very vitals of all good moral happiness and contentment and leaves his prey lifeless, to be consumed by the vultures of seeming eternal despair, and the boy with dark eyes bright or the little girl with golden hair, on Mission Hills or Kansas plains, waits in vain for a happy, contented papa. The buoyant lad, in anticipation of the company of the blushing maiden, slinks away in despair.

What shall we do? Basest crime is committed at night; wild animals roam forth in scent of prey; the hoot owl sits on limbs of leafless trees watching for innocent victims and pours out his doleful note on the crags and rocks of the sleeping hills; the cunning coyote goes forth from his lair and with hideous cries that awakens the boy with terrifying imaginations in his prairie home, to prey upon the young of the innocent cows and bring desolation to their breasts; the basest needs of men. The basest deeds of animals are disseminated when the veil of night obscures the light of day.

Day is the time for man; then you get what there is in him. What shall be done for night workers? Shall we meet in convention, drop a few iced tears, repose in lethargic robes of warmth? No; no tears shall be shed, no lethargic robes shall be worn. No, verily! But as bold men with steeled determination arise and under the very Dome of our Nation's Capitol, grab the arms of our "Flaherty," lift them high, for it may be they are tired holding the burning torch that is directing us to a noble victory on time differential.

### FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent that the conference report upon the bill (S. 3740) for the control of floods on the Mississippi River, and for other purposes, be recommitted to the conference committee.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the conference report upon the bill referred to be recommitted to the conference committee. Is there objection?

There was no objection.

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 34

*Resolved by the House of Representatives (the Senate concurring)*, That the committee on conference on Senate bill No. 3740, "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," be authorized to include in its report on said bill a recommendation amending the proviso to the first paragraph of section 10 by striking out the words in said paragraph "board created in section 1 of this act," and inserting in lieu thereof the words "Mississippi River Commission," and no point of order shall be made against the report by reason of such action.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

### INFORMATION FOR PROHIBITION ADMINISTRATORS

Mr. LAGUARDIA. Mr. Speaker, under rule 22 I call up House Resolution 179, and move to discharge the Committee on the Post Office and Post Roads from further consideration of the same and agree to the same.

The SPEAKER. The gentleman from New York moves to discharge the Committee on the Post Office and Post Roads from further consideration of House Resolution 179, and to agree to the same.

The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 179

*Resolved*, That the Postmaster General be, and he is hereby, directed to inform the House of Representatives, if not incompatible with the public interest, as follows:

1. Have the postmasters and postal employees been authorized, directed, or ordered by the Postmaster General or any official in authority in the Post Office Department to obtain information for prohibition administrators or for other prohibition officials?

2. If such authorization, direction, or orders have been given, submit date and contents of same.

3. Have the postmasters, superintendents of stations, or other postal employees in the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland, in the State of Pennsylvania, been authorized, directed, or ordered by the Postmaster General or any authorized official in the Post Office Department to obtain confidential information concerning citizens and particularly certain private, business, political, religious, family, and other information concerning prospective jurors in the Federal Court of the Western District of Pennsylvania?

4. Have postmasters or other employees in the counties in Pennsylvania above mentioned requested authority or made inquiries of the Post Office Department concerning the propriety and the legality of their complying with instructions contained in a letter from the prohibition administrator of Pittsburgh, Pa., dated April 23, 1928, inclosing a questionnaire with the names and addresses of prospective petit jurors in the Federal Court in the Western District of Pennsylvania and seeking information concerning the business, wealth, lodge and political affiliations, religion, and family of said jurors?

5. If such requests for authority as described in paragraph 4 hereof have been made, what instructions, orders, or directions were given to said postmasters and postal employees?

6. How many employees and how many postmasters were employed in obtaining the information requested by the prohibition administrator of Pittsburgh, Pa., and how was this information collected and submitted to the said prohibition administrator?

7. Have postmasters and postal employees been instructed, ordered, or directed to scrutinize mail received by prospective jurors in the Federal courts in order to ascertain and obtain information requested in the questionnaire described in paragraph 4 hereof?

8. Have prohibition administrators located in other parts of the United States sought the assistance of postmasters and postal employees in obtaining information concerning jurors serving in the Federal courts?

9. What instructions, orders, or directions have been issued by the Postmaster General or other organized officials in the Post Office Department concerning such duties to postmasters and employees located outside of the counties in Pennsylvania above mentioned?

Mr. KELLY. Mr. Speaker, I make the point of order on the ground that the Committee on the Post Offices and Post Roads has not had opportunity to consider this resolution.

Mr. LAGUARDIA. Mr. Speaker, I do not believe I need to reply to that point of order.

Mr. CRAMTON. Mr. Speaker, I make the further point of order that the resolution contains a request for matters of opinion, and not solely a request for information.

Mr. LAGUARDIA. Mr. Speaker, in reply to that, the resolution will speak for itself. Unfortunately the gentleman from Michigan [Mr. CRAMTON] has no copy of the resolution before him.

Mr. SNELL. Will the gentleman withhold that until we can get some copies of the resolution? It was difficult to follow the reading.

The SPEAKER. The Chair has read the resolution with a good deal of care, and does not think that it is anything but a straight resolution of inquiry. It does not call for any opinion or conclusion, and is therefore not subject to a point of order.

Mr. CRAMTON. Mr. Speaker, I could not hear the resolution read.

Mr. LAGUARDIA. How can the gentleman make a point of order when he says he has not been able to get the purport of the resolution to which he wishes to make a point of order?

Mr. SNELL. Mr. Speaker, I suggest that the gentleman withhold until we can get some copies of the resolution. It is rather unfair to consider this matter without copies of the resolution before us. The gentleman will not lose any of his rights by withholding for a few moments.

Mr. LAGUARDIA. I think I can explain that resolution in five minutes and have it adopted. I ask to proceed.

The SPEAKER. The gentleman from New York is recognized.

Mr. LAGUARDIA. Mr. Speaker and gentlemen of the House, I will take very little time if I can get the attention of my colleagues, because I realize that the Consent Calendar will soon be on, and I know there are very many important matters on that calendar in which Members are interested.

I took occasion to call the attention of the House some 10 days ago to a circular letter, of which I have here one of the originals, which was sent to the postmasters located in the western judicial district of the State of Pennsylvania. Immediately after my remarks several of my colleagues asked me what I am going to do about it, which is a natural inquiry to make when a Member protests against an apparent violation of the law. I thereupon introduced three resolutions of inquiry in order to bring before the House all the facts officially coming from the three departments involved.

One resolution was directed to the Secretary of the Treasury and referred to the Committee on the Judiciary, and the reply from the department fully answered the inquiry. It is now contained in the report of the committee. In that reply the Secretary of the Treasury categorically answered every question contained in the resolution. The second resolution was directed to the Attorney General. The reply to the Committee on the Judiciary stated that the resolution did not require an investigation, and that the giving of the information would not be incompatible with the public interest. Notwithstanding that report the Committee on the Judiciary refused to report the resolution favorably, and reported it unfavorably.

My third inquiry was directed to the Post Office Department to ascertain whether or not the postmasters and postal employees were directed by the Post Office Department to obtain this information called for by the district attorney for the western district of Pennsylvania. The letter which was sent out by Mr. Pennington reads:

(Office of prohibition administrator western judicial district of Pennsylvania and State of West Virginia)

TREASURY DEPARTMENT,
UNITED STATES PROHIBITION SERVICE,
*Pittsburgh, Pa., April 23, 1928.*

DEAR SIR: This office is very anxious to know something about the caliber of men who have been drawn for petit jury service for the May term of United States district court beginning Monday, May 21, 1928, at Pittsburgh.

Inclosed are forms to be filled out regarding the jurors belonging to your post-office district. Would you be good enough to furnish the information desired and return the forms to us at the earliest date possible?

We will greatly appreciate your favor.

Yours very truly,

JOHN D. PENNINGTON,
*Federal Prohibition Administrator.*

Now, there is attached to the circular letter to the postmasters and postal employees a form in which the postmasters and postal employees are called upon to ascertain the following information and to forward it to the prohibition administrator in Pittsburgh. It contains these directions:

1. Name.
2. Address.
3. Education.
4. Age.
5. Approximate wealth.
6. Occupation.
7. If in business for himself, what business?
8. If employed by others, by whom?
9. If employed by a firm or corporation, who is his immediate superior or boss?
10. To what lodge does he belong?
11. To what church does he belong or attend?
12. Has this man ever been involved in any litigation?
13. Has this man ever been reported to have been in any crooked or shady transactions?
14. Is he a drinking man?
15. What friends, if any, does this man have among lawyers?
16. To what political party does he belong?
17. Who are the political friends of this man?
18. Do you know if any particular person controls or influences his vote, and if so, whom?
19. What attitude does he have toward railroad corporations?
20. As to liquor questions:
    1. Is he dry?
    2. Is he wet?
21. How many children has he?
22. How many daughters and what are their ages?
23. In your opinion, would he make a good juror?

Now, there is only one inference to draw, and that is this, that the Post Office Department, the postmasters, and the postal employees were called upon to provide this information about the individual political and religious and family history of the man by virtue of the fact that in the performance of their duty they naturally came in contact with the man's mail and can obtain this information.

Mr. SNELL. Mr. Speaker, will the gentleman yield there for a question?

Mr. LAGUARDIA. In a moment I will.

After I made my remarks the Commissioner of Prohibition sent this statement to the press, and his justification is this, that he did not seek this information concerning one juror but all of the jurors. He stated this, that he did so at the order of the district attorney for the western district of Pennsylvania. The Secretary of the Treasury says he has no knowledge and that he did not authorize any information.

Now, gentlemen, all that I ask in my resolution is this: Have the postmasters been authorized by the Post Office Department to furnish such information? That can be answered yes or no. If such information is authorized to be given, I ask them to submit a copy of the same.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield there?

Mr. LAGUARDIA. Not now.

Then I asked specifically concerning the postmasters in the various counties comprising the western district of Pennsylvania; I asked if postmasters had made inquiry of the Postmaster General whether they should do this or not, and that requires a yes or no answer. If they have made inquiries, I ask what instructions are given. That is a matter of record, and they may submit the instructions given.

I ask how many employees were used in this work, and that they can answer. Then I continue the inquiry to ascertain whether or not this has been going on in any of the districts other than the western district of Pennsylvania.

Mr. CHINDBLOM. Mr. Speaker, I will say that I have no objection to the gentleman's resolution generally, but I think this last inquiry, No. 8, may be difficult for the Postmaster General to answer.

All of the other inquiries go directly to information in the hands of the Postmaster General, but this question, I think, goes further than that. It reads:

Have prohibition administrators located in other parts of the United States sought the assistance of the postmasters and postal employees in obtaining information concerning jurors serving in the Federal courts?

That is information which must be obtained from all of the many thousands of postmasters and postal employees in the United States, and the Postmaster General personally can not have that information nor can it be in the department.

Mr. LAGUARDIA. I only ask for information that they have in the department. If he has not the information the answer is, "I do not know."

Mr. CHINDBLOM. It might start an investigation among all the postmasters of the United States and it should not do that.

Mr. LAGUARDIA. If the gentleman can find any parliamentary method by which I can strike out the eighth section of the resolution without losing my rights in the situation I will be willing to have that section stricken out.

Mr. CHINDBLOM. Why not limit the inquiry to information now in the department?

Mr. LAGUARDIA. All right.

Mr. CRAMTON. If the gentleman will yield, under the rules the gentleman's resolution is not privileged because of several matters it calls for which are not in the department. Under the rules a resolution loses its privilege if it requires an investigation. Now, the matter which the gentleman asks for under subdivisions 6 and 8 would require an investigation.

Mr. LAGUARDIA. No; an inquiry.

Mr. CRAMTON. It is information which would not be available in the department.

Mr. LAGUARDIA. No; it is only an inquiry.

Mr. CRAMTON. And the gentleman's resolution is subject to a point of order. I may have lost my rights but I did not have the resolution before me.

Mr. LAGUARDIA. I have introduced many of these resolutions and I have been licked on a good many of them, so I think I know how to draw them now. This simply asks for information. If they do not have the information then all they have to reply is that the information is not available without an investigation.

Mr. CHINDBLOM. The gentleman is satisfied to get the information now in the hands of the Postmaster General?

Mr. LAGUARDIA. Absolutely.

Mr. CHINDBLOM. And in the department in Washington?

Mr. LAGUARDIA. Yes; there would be no objection to that.

Mr. KELLY. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. KELLY. I am very much in favor of having the truth about this entire situation and letting the sunlight into it, but I think the reply from the Postmaster General, without any doubt, will be that no regulations and no orders have been issued by the Postmaster General regarding this matter.

Mr. LAGUARDIA. Fine. Then I can go right to Pittsburgh.

Mr. KELLY. This is also true—that in the case of a soldier asking for a discharge from the Army the commanding officer sends to the postmaster and asks for information concerning facts as to family income, and so forth. That is not a matter which comes under regulations of the Post Office Department but is simply the desire of the officer, as an official representative, to get such information.

Mr. LAGUARDIA. I am sure the gentleman does not want the Post Office Department to become an annex of the snooping bureau of the prohibition office.

Mr. KELLY. Not at all.

Mr. LAGUARDIA. We ought not to contaminate the Post Office Department, but when you ask the Post Office Department to inquire in the State of Pennsylvania about what a man's attitude toward railroads is, let me tell the gentleman from Pennsylvania, who believes in law enforcement, that the purpose of such information is not to enforce the law but to evade the law.

Mr. ADKINS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. ADKINS. When a man is a new candidate for public office, an elective office, an appointive office, or whatever it may be, has it not been the custom for at least 20 years for interested parties to send questionnaires to citizens, just such questionnaires as the gentleman has brought to our attention? Has not that been the situation?

Mr. LAGUARDIA. But this is to the Post Office Department.

Mr. ADKINS. Well, is not that the situation?

Mr. LAGUARDIA. No. You do not ask for intimate family matters.

Mr. ADKINS. As a matter of fact, I know that such a line of questions has customarily been sent out by interested parties. Now, the question I want to ask is this: Would not a man, whether he is employed in the post office, in a bank, or wherever he may be employed, have the right to answer such questions, whether he happened to be a postal employee, a bank clerk, a farmer, or whoever he might be?

Mr. LAGUARDIA. The gentleman does not understand the inquiry. This is a questionnaire concerning citizens, and it is a questionnaire sent to the Post Office Department for the purpose of having an investigation or an inquiry made concerning citizens through the mail they get. That is the only reason for it.

Mr. RAMSEYER. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. RAMSEYER. Under the section which the gentleman read a while ago who, is it claimed, sent out that order?

Mr. LAGUARDIA. It was sent out by the prohibition administrator at Pittsburgh at the direction of the district attorney for that district.

Mr. RAMSEYER. He sent it to postmasters and postal employees.

Mr. LAGUARDIA. Yes.

Mr. RAMSEYER. Has the gentleman any information that this prohibition inspector first got consent or authority from the Postmaster General?

Mr. LAGUARDIA. That is what my resolution asks.

Mr. RAMSEYER. Has the gentleman any information about that?

Mr. LAGUARDIA. If I had I would not put in a resolution to find out.

Mr. RAMSEYER. The gentleman would not?

Mr. LAGUARDIA. No.

Mr. RAMSEYER. Because an inspector sent out a questionnaire to postmasters and postal employees, the gentleman jumps at the conclusion that he first consulted the Postmaster General for the right to do this or else he is suspicious that he would not have done it unless he had first had the consent of the Postmaster General.

Mr. LAGUARDIA. What would the gentleman from Iowa do, as a legislator, if he wanted official information? Would not the gentleman ask the proper department for the information?

Mr. DENISON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. DENISON. I am sure the gentleman does not want to do any injustice, but I think the gentleman does an injustice when he says this information is sought in order to authorize the postmaster or postal employees to get the information from the mails. There is not anything in the letter that would justify that conclusion.

Mr. LAGUARDIA. Why, I will say to the gentleman from Illinois one can not escape that inference.

Mr. DENISON. What is there in the letter that would justify such an inference?

Mr. LAGUARDIA. For this simple reason: The district attorney has marshals and deputy marshals, the prohibition office has inspectors and agents, the Department of Justice has investigators, and the Treasury Department has an intelligence unit; yet all these agencies are not used, but the information is sought from the post office. You ask concerning a man's lodge and his church and who his political friends are; considering the fact they already have these various fact-gathering agencies at their disposal, what other inference is the gentleman going to draw except they want this intimate private information which the post office gets?

Mr. DENISON. If the gentleman will yield further, the gentleman knows that postmasters and postal employees by virtue of the performance of their various duties come in contact with the people of the community and they get information from their knowledge of or acquaintance with the people and not through the mail they receive. That is where the gentleman is mistaken. The gentleman ought to be fair.

Mr. LAGUARDIA. I say this is my inference, and, of course, the gentleman is entitled to draw a different inference. Would the gentleman say that when this questionnaire goes to the postmaster and he passes it on to the man on the route, he says to this man, "You forget all about the mail of this man, you forget all about his lodge notices, and just go out and get this information"? Is the gentleman in favor of using the post office for this purpose? That is the whole thing involved.

Mr. DENISON. If I want information which is not of a confidential nature and I can get it from a postmaster, I have as much right to get it from him as from anybody else; but, of course, this does not mean that he should get it from the mail, but from his acquaintanceship in the community.

Mr. KELLY. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. KELLY. I want to say to the gentleman I should not oppose the passage of the resolution if it would give any information, but it is a perfectly futile proposition. The crux of the gentleman's resolution is whether it is proper for the Department of Justice to get certain information regarding prospective jurors before they appear in court.

Mr. LAGUARDIA. Oh, no.

Mr. KELLY. And the gentleman is addressing his resolution to the Postmaster General, who has nothing whatever to do with the matter.

Mr. LAGUARDIA. The gentleman misses the point of my resolution entirely.

Mr. KELLY. Then what is the point?

Mr. LAGUARDIA. I want to get just what part the Post Office Department has taken in this matter and I want to establish, if necessary, by legislation that the Post Office Department must not be used for such purposes.

Mr. GILBERT. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GILBERT. If I remember correctly, when the gentleman first introduced this matter, a week or two ago, he stated that bootlegging in Pittsburgh has political protection. Am I correct about that statement?

Mr. LAGUARDIA. I do not think I stated it in that way. I said that bootlegging was a matter of political patronage in Pittsburgh.

Mr. GILBERT. The Secretary of the Treasury is the political boss of Pittsburgh, and I believe the gentleman inquired whether he had any information about this matter, and he said he had not.

Mr. LAGUARDIA. Yes; that he had not.

Mr. GILBERT. I wonder if he has any more information about bootlegging in Pittsburgh and its being a matter of patronage than he has about Sinclair oil campaign contributions.

Mr. LAGUARDIA. I will say if the Secretary of the Treasury, who is a resident of Pittsburgh, does not know that bootlegging is going on there under wholesale methods and that it is political patronage, he is the only man in Pittsburgh that does not know it.

Mr. GILBERT. He knows it.

Mr. CRAMTON, Mr. RAMSEYER, and Mr. GREEN rose.

Mr. LAGUARDIA. Mr. Speaker, I reserve the balance of my time.

Mr. RAMSEYER. Mr. Speaker, I would like to have five minutes.

Mr. CRAMTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman yield for a parliamentary inquiry?

Mr. LAGUARDIA. I yield for that purpose.

Mr. CRAMTON. Mr. Speaker, is it too late for me to make a point of order against the privilege of the resolution on the ground that it calls for an investigation or calls for matters not within the knowledge of the Postmaster General—information that he can only secure by an investigation?

The SPEAKER. The Chair thinks that point of order comes too late, in view of the fact that debate has been had. The Chair examined the resolution pretty carefully.

Mr. CRAMTON. I did not have the resolution at hand at the time and could not direct the attention of the Chair to the resolution specifically, but subdivision 6, for instance, asks how many employees and how many postmasters were employed in obtaining the information requested by the Prohibition Administrator of Pittsburgh.

Now, if any were so employed the Postmaster General has no knowledge of it and can only make inquiry by sending out and making an investigation, but possibly I am too late in making the point. I did not have the resolution at hand at the time.

Mr. LAGUARDIA. The resolution is so framed that there is no question about it. The House can take judicial notice that there is the time kept of every employee in the service and is available.

Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. RAMSEYER].

Mr. RAMSEYER. Mr. Speaker, this resolution was introduced several days ago, and technically, under the rule, it can be called up. What is the common practice of a Member in this House who introduces a resolution and really wants information? He goes to the chairman of the committee and asks that the committee consider it and report it out. If the chairman of the committee and the committee refuse to act within a week or seven legislative days, then, of course, the rule provides that the introducer of the resolution can call it up.

What are the facts? Neither the chairman of the Committee on the Post Office and Post Roads nor any other member of the committee had heard of this resolution before the gentleman from New York called it up. The Post Office Committee has not had a meeting since the resolution was introduced. The Post Office Committee will meet to-morrow morning, and if the House votes down this resolution they will take it up for consideration and the House will get in an orderly way all the information that the gentleman from New York seeks.

If the gentleman was desirous of information he would have proceeded in the manner I have indicated. As a matter of fact, the gentleman from New York has sought another opportunity to make a wet speech on the floor of this House, and that is all there is to it. He has had the opportunity and ought to be satisfied, and the House ought to vote down the resolution and let the Post Office Committee proceed on it in the usual way. I, as a member of the Post Office Committee—and I think I have the consent of the chairman of that committee to make this statement—say that this House will get all the information within the possession of the Postmaster General in a very reasonable time, and get it in an orderly way, and it will be presented to the House.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. LAGUARDIA. The gentleman is a member of the Post Office Committee?

Mr. RAMSEYER. I happen to be.

Mr. LAGUARDIA. This resolution was introduced 10 days ago. I am calling it up now, and the gentleman says that the members of the committee are taken by surprise. Is that the attitude of the gentleman?

Mr. RAMSEYER. I state that as a fact.

Mr. LAGUARDIA Did not the gentleman know that the resolution was referred to his committee?

Mr. RAMSEYER. I did not know it until this morning.

Mr. LAGUARDIA. Then the gentleman is not on his job. [Laughter.]

Mr. RAMSEYER. Has the gentleman from New York called on the chairman of the committee and asked for a hearing?

Mr. LAGUARDIA. No. I am looking after bills referred to my committee.

Mr. RAMSEYER. Why did not the gentleman ask the chairman of the committee for a hearing?

Mr. LAGUARDIA. If the gentleman is sincere in his statement about getting information he can get it now by voting for the resolution.

Mr. RAMSEYER. I want to get it in an orderly way and therefore I ask the House to vote down this resolution. Mr. Speaker, how much time have I left?

The SPEAKER. The gentleman has one minute.

Mr. RAMSEYER. I yield that to the gentleman from Pennsylvania, the chairman of the committee.

Mr. GRIEST. Mr. Speaker, I want to confirm what the gentleman from Iowa has just said, and in addition I want to say that to-morrow morning will be the first meeting of the Post Office Committee that we have had any opportunity to consider the gentleman's resolution. The reason we did not have a meeting a week ago was on account of members being absent at a funeral, and, further, because the chairman of the committee was ill. I want to assure the gentleman from New York that there is no disposition to avoid an investigation or giving consideration to his resolution. We will consider it if we have the opportunity to-morrow morning.

Mr. LAGUARDIA. Mr. Speaker, I yield two minutes to the gentleman from Kentucky [Mr. GILBERT].

Mr. GILBERT. Mr. Speaker, I hope this resolution will pass. I never cast a wet vote in Congress or out, but I am getting disgusted with a lot of the methods now being employed by the Government and certain quasi-governmental agencies which are bringing into disrepute the cause that I love so dearly.

Mr. LAGUARDIA. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were 72 ayes and 81 noes.

Mr. LAGUARDIA. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. LAGUARDIA. Mr. Speaker, I withdraw the objection.

Mr. SCHAFER. I renew it.

The SPEAKER (after counting). Two hundred and twenty-six Members are present, a quorum.

So the resolution was rejected.

## CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

### GRANTING CERTAIN LANDS TO NEW MEXICO

The first business on the Consent Calendar was the bill (H. R. 9207) granting to the State of New Mexico certain lands, for reimbursement of the counties of Grant, Luna, Hidalgo, and Sante Fe, for interest paid on railroad-aid bonds, and for the payment of the principal of railroad-aid bonds issued by the town of Silver City, and to reimburse said town for interest paid on said bonds, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MORROW. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

MONTEZUMA NATIONAL FOREST, COLO.

The next business on the Consent Calendar was the bill (H. R. 6854) to add certain lands to the Montezuma National Forest, Colo., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, this is a bill which I objected to on the last consent day in order that I might obtain some information. Since that time I have taken the matter up with the Department of Agriculture, and they have given me the information I sought at the time. Seemingly there is no opposition to the bill now. I understand that the Department of the Interior has written a supplementary report.

Mr. TAYLOR of Colorado. Yes. I have their supplementary report favoring the bill.

Mr. LAGUARDIA. I suggest that the gentleman extend his remarks in the RECORD by inserting that report.

Mr. TAYLOR of Colorado. Very well. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this measure, including therein the report referred to and two or three other items, and the three reports of the departments on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, in pursuance of the request of the gentleman from New York [Mr. LAGUARDIA], I insert herewith a resolution from the board of county commissioners of Dolores County, Colo., as follows:

Resolution

Whereas it appears that there are many thousand acres of land belonging to the United States Government which is adjacent to the Montezuma National Forest and at this time is not included in said forest reserve; and

Whereas it appears the Government and the counties are deriving no revenue from said lands: It is therefore

*Resolved*, That it is the opinion of the board of county commissioners of Dolores County, Colo., that for the best interests of all concerned that Congress should consider this matter and include the land described in the bill within the Montezuma National Forest Reserve, that the Government and counties interested may receive a revenue therefrom; it is further

*Resolved*, That a copy of this resolution be sent to all the United States Senators and Congressmen of the State of Colorado, and that they be hereby requested to give this matter attention and by proper action in Congress have the lands as hereinabove described included within the Montezuma National Forest that the interests of all concerned may be best protected.

Passed and approved this 20th day of October, A. D. 1927.

Respectfully submitted.

W. E. QUINE, *Chairman*,
EDWARD BAER,
S. M. CONN,
*County Commissioners, Dolores County, State of Colorado.*

Also, a resolution from the board of county commissioners of San Miguel County, Colo., as follows:

STATE OF COLORADO,
*County of San Miguel, ss:*

At a regular meeting of the board of county commissioners for San Miguel County, Colo., held at the courthouse in Telluride on Monday the 3d day of October, A. D. 1927, there were present: Howard Davis, chairman; J. P. Whiteley, commissioner; John J. Tracy, commissioner; J. M. Woy, county attorney; and Harold T. Hogan, clerk, when the following proceedings, among others, were had and done, to wit:

"Whereas there is a very good stand of timber in township 42 north, ranges 17 and 18 west, which adjoins the Montezuma Forest, which said land is more valuable for timber-production purposes than for any other use; and

"Whereas said land is now part of the public domain and that the local residents will not suffer any material damage in any way if the said premises be added to the Montezuma Forest: Therefore be it

"*Resolved*, That the board of county commissioners of San Miguel County, Colo., are in favor that said tract of land shall be added to and included in the Montezuma National Forest, and that Congress be respectfully petitioned to pass the necessary act; and be it further

"*Resolved*, That a copy of this resolution be sent to each of the United States Senators and each of the Congressmen of the State of Colorado, and that they be respectfully urged to give favorable support to an act to include the above premises to the Montezuma Forest."

STATE OF COLORADO,
*County of San Miguel, ss:*

I, Harold T. Hogan, county clerk and ex officio clerk of the board of county commissioners in and for the county and State aforesaid, do hereby certify that the annexed and foregoing order is truly copied from the records of the proceedings of the board of county commissioners for said San Miguel County now in my office.

In witness whereof I have hereunto set my hand and affixed the seal of said county at Telluride, Colo., this 7th day of October, A. D. 1927.

[SEAL.] HAROLD T. HOGAN, *County Clerk.*

I also insert the report of the Acting Secretary of Agriculture on the bill, as follows:

DEPARTMENT OF AGRICULTURE,
*January 23, 1928.*

Hon. N. J. SINNOTT,
*Chairman Committee on the Public Lands,*
*House of Representatives.*

DEAR MR. SINNOTT: Reference is made to your letter of December 15 inclosing copy of (H. R. 6854) a bill to add certain lands to the Montezuma National Forest, Colo., and for other purposes, with a request that your committee be advised of the views of the department on the proposed legislation.

The measure would add to the Montezuma National Forest, Colo., and thereby place under national forest administration a tract of approximately 21,500 acres of which approximately 17,500 acres are owned by the United States. The lands lie adjacent to the Montezuma National Forest and because of climatic and topographic conditions are unsuited to cultivation. They, for the most part, are timbered, containing a stand of western yellow pine estimated at approximately 54,500,000 board feet.

This area is adapted to the growing of timber and without doubt this is its highest economic use. It is logically a part of the adjoining Montezuma National Forest. The protection of the timber cover from fire and the removal of the timber under proper regulation would undoubtedly be in the public interest. If added to the national forest the timber would be available for sale. There is now a large lumber company cutting national forest and private stumpage in the region and its operations will reach this timber within 8 to 10 years. The stumpage available should yield in receipts not less than $100,000, or $5.65 per acre. The life of the operation which involves over $1,000,000 investment will be prolonged two years and the area will be left after cutting in a productive condition insuring another crop of timber if added to the national forest. Your committee, of course, appreciates that 25 per cent of these receipts now go to the State of Coorado, and 10 per cent are obligated for the improvement of roads and trails under the direction of the Forest Service.

These lands lie within an area which was formerly a part of the Ute Indian Reservation, but was ceded to the United States, and under the provisions of an act approved June 15, 1880 (21 Stat. 199), the Indians were to receive compensation therefor at the rate of $1.25 per acre when the lands were entered under the public land laws. Manifestly, if the lands are placed within a national forest and therefore not subject to disposal otherwise, the Indians should be compensated therefor to the extent contemplated by the above-mentioned act. Sections 2 and 3 of the bill under consideration would take care of this situation by providing that payment for the lands shall be taken from the unobligated portion of the receipts from the Montezuma National Forest.

If these lands are placed under national forest administration, they can be handled as a part of the Montezuma National Forest without any material increase in the cost of administration of that forest. The department recommends that favorable consideration be given to the proposed legislation.

Sincerely yours,

R. W. DUNLAP, *Acting Secretary.*

Also the first report of the Secretary of the Interior, made last January, as follows:

DEPARTMENT OF THE INTERIOR,
*Washington, January 24, 1928.*

Hon. N. J. SINNOTT,
*Chairman Committee on the Public Lands,*
*House of Representatives.*

MY DEAR MR. SINNOTT: I have your request for report on H. R. 6854, proposing to add the therein described area in Colorado to the Montezuma National Forest and provide for payment to the Ute Indian fund for the public lands therein at the rate of $1.25 an acre from the unpledged portion of the net receipts from such national forest.

The area adjoins the forest on the west and contains approximately 21,560 acres. The records of the General Land Office of this department show that there are outstanding permits to prospect for oil and gas under the mineral leasing law of February 25, 1920 (41 Stat. 437), covering all but 120 acres of the public lands involved, that 16,597 acres are surveyed, and that 680 acres thereof have been disposed of under the public land laws and 1,080 acres are embraced in unperfected entries under the stock-raising homestead laws.

The area is practically all within that portion of the former Ute Indian Reservation which has been opened to entry under the acts of June 15, 1880 (21 Stat. 199), July 28, 1882 (22 Stat. 178), June 13, 1902 (32 Stat. 384), and February 24, 1909 (35 Stat. 644), with provision for payment to the Indians of the proceeds of the lands when dis-

posed of at a price of not less than $1.25 per acre. In this portion of the former reservation the Indians are also credited with receipts from bonuses, rentals, and royalties under the mineral leasing laws.

Certain of the ceded Indian lands, not, however, including the area under consideration, have heretofore been added to national forests, and the claim of the Ute Indians to payment at $1.25 an acre for the public lands therein was examined by the Court of Claims in 1910 and 1911 under authority of the act of March 3, 1909 (35 Stat. 788), and the Indians were awarded judgment of over $3,500,000 for such lands and the Ute fund credited with the net amount of such judgment under the act of March 4, 1913 (37 Stat. 912, 934).

The general policy of Congress as to additions of public lands to national forests appears to be set forth in section 8 of the act of June 7, 1924 (43 Stat. 653), which only contemplates addition of lands chiefly valuable for timber production and stream flow protection.

Data on file in the Geological Survey of this department indicate that the area described in the bill is prospectively valuable for its oil and gas content; that there is little or no merchantable timber on the lands, and that they are used as cattle and sheep range for seven or eight months a year. The department therefore declined to recommend withdrawal of this identical area in 1925 when the Department of Agriculture requested its withdrawal with a view to recommending addition of the land to the forest under the above-mentioned act of June 7, 1924. That department has recently requested reconsideration of the matter and an early field examination by employees of this department has been directed for the purpose of securing further information regarding the character of the lands.

In view, however, of the data now before the department, I recommend that the bill be not enacted.

The Director of the Bureau of the Budget advises that this report is not in conflict with the financial program of the President.

Very truly yours,

HUBERT WORK.

I also insert the supplementary favorable report of the Secretary of the Interior, made May 4, 1928, as follows:

THE SECRETARY OF THE INTERIOR,
*Washington, May 4, 1928.*

Hon. N. J. SINNOTT,
*Chairman Committee on Public Lands,*
*House of Representatives.*

MY DEAR MR. SINNOTT: On January 24, 1928, I submitted report upon H. R. 6854, proposing to add certain lands to the Montezuma National Forest, Colo. In that report I stated that further field investigation would be made by this department.

In view of the fact that field examination is said to be impracticable at this season of the year, a telegraphic report, based upon familiarity of one of the departmental inspectors with the area, was submitted. In view of this report and of information furnished by the Department of Agriculture, which states that the lands are for the most part timbered, containing approximately 54,500,000 board feet of yellow pine, and that the land in question is adapted to the growing of timber, I now have to advise you that this department has no objection to the enactment of the bill, if Congress shall deem such action advisable.

Very truly yours,

HUBERT WORK.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following-described lands be, and the same are hereby, included in and made a part of the Montezuma National Forest, subject to all prior valid, adverse rights, and that said land shall hereafter be subject to all the laws affecting national forests:

Southwest quarter section 16, southeast quarter section 17, sections 19, 20, 21, 22, southwest quarter section 25, sections 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, township 42 north, range 17 west; east half section 8, sections 9, 10, 15, east half and northwest quarter section 16, northeast quarter section 17, east half section 21, sections 22, 23, 24, 25, 26, 27, east half section 28, east half section 33, sections 34, 35, 36, township 42 north, range 18 west; and sections 1, 2, and 3 of township 41 north, range 18 west, all from the New Mexico principal meridian.

SEC. 2. The Secretary of the Interior is hereby directed to determine, from the official records of the General Land Office, the number of acres of public land in the tracts described in section 1 of this act, and to compute the value thereof at the rate of $1.25 per acre, and he shall certify the computed value of said lands to the Secretary of the Treasury.

SEC. 3. The Secretary of the Treasury is hereby directed to place to the credit of the confederated bands of Ute Indians for their benefit, as provided in the act of Congress approved June 15, 1880 (21 Stat. L. 199), the amount certified to him by the Secretary of the Interior under section 2 hereof, which amount shall be taken from the unobligated portion of the net receipts from the Montezuma National Forest, beginning with the fiscal year in which this act is approved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

SUIT ON BEHALF OF INDIANS OF CALIFORNIA

The next business on the Consent Calendar was the bill (H. R. 491) authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, this is the bill which the gentleman from California [Mr. LEA] has had passed over once or twice in order that I might have an opportunity to make some study of it. I have completed that study and have suggested some amendments that are agreeable to the gentleman from California. I shall not take the time now to go into those amendments unless some Member desires me to. I shall offer the amendments when the bill comes up for consideration. I do not object, though I want it understood that I have the right to offer these amendments.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That for the purposes of this act the Indians of California shall be defined to be all Indians who were residing in the State of California on June 1, 1852, and their descendants now living in said State.

SEC. 2. All claims of whatsoever nature the Indians of California as defined in section 1 of this act may have against the United States by reason of lands taken from them in the State of California by the United States without compensation, or for the failure or refusal of the United States to compensate them for their interest in lands in said State which the United States appropriated to its own purposes without the consent of said Indians, may be submitted to the Court of Claims by the attorney general of the State of California acting for and on behalf of said Indians for determination of the equitable amount due said Indians from the United States; and jurisdiction is hereby conferred upon the Court of Claims of the United States, with the right of either party to appeal to the Supreme Court of the United States, to hear and determine all such equitable claims of said Indians against the United States and to render final decree thereon.

It is hereby declared to be the judgment of the Congress that the loss to the said Indians on account of their failure to secure the lands and compensation provided for in the 18 unratified treaties is sufficient ground for equitable relief.

With the following committee amendments:

Page 2, line 18, strike out "to be the judgment of the Congress."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. If any claim or claims be submitted to said courts, they shall settle the equitable rights therein, notwithstanding lapse of time or statutes of limitation or the fact that the said claim or claims have not been presented to any other tribunal, including the commission created by the act of March 3, 1851 (9 Stat. L. 631): *Provided*, That any decree for said Indians shall be for an amount equal to the just value of the compensation provided or proposed for the Indians in those certain 18 unratified treaties executed by the chiefs and head men of the several tribes and bands of Indians of California and submitted to the Senate of the United States by the President of the United States for ratification on the 1st day of June, 1852, including the lands described therein at $1.25 per acre. Any payment which may have been made by the United States or moneys heretofore or hereafter expended for the benefit of the Indians of California shall not be pleaded as an estoppel, but expenditures under specific appropriations for the support and civilization of Indians in California made prior to July 1, 1928, may be pleaded by way of set-off.

With the following committee amendments:

Page 3, beginning in line 12, strike out the remainder of the section and insert:

"Any payment which may have been made by the United States or moneys heretofore or hereafter expended to date of award for the benefit of the Indians of California, made under specific appropriations for the support and civilization of Indians in California, shall not be pleaded as an estoppel but may be pleaded by way of set-off."

Mr. CRAMTON. Mr. Speaker, I offer the following amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Mr. CRAMTON offers an amendment to the committee amendment on page 3: "Amend the committee amendment by inserting in line 21, after the word 'support,' the words 'education, health,' and in line 22, after the word 'California,' insert 'including purchases of land.'"

The SPEAKER. The question is on agreeing to the amendment to the committee amendment offered by the gentleman from Michigan.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The Clerk read as follows:

SEC. 4. The claims of the Indians of California under the provisions of this act shall be presented by petition, which shall be filed within three years after the passage of this act. Said petition shall be subject to amendment. The petition shall be signed and verified by the attorney general of the State of California. Verification may be upon information and belief as to the facts alleged. Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give the said attorney access to such papers, correspondence, or furnish such certified copies of records as may be necessary in the premises free of cost.

SEC. 5. In the event that the court renders judgment against the United States under the provisions of this act, it shall decree such amount as it finds reasonable to be paid to the State of California to reimburse the State for moneys expended by the State in the employment of attorneys to prosecute the claims of the Indians and for all necessary costs and expenses incurred by said State: *Provided*, That no reimbursement shall be made to the State of California for the services rendered by its attorney general.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that the following two amendments, which I send to the desk, be considered together.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Page 4, lines 14, 15, and 16, strike out the words "for moneys expended by the State in the employment of attorneys to prosecute the claims of the Indians and"; and in line 17, after the word "State," insert a comma and the words "other than attorneys' fees."

Mr. CRAMTON. Mr. Speaker, I offer this explanation. The State of California has adopted legislation authorizing the attorney general to begin this suit. That is a commendable interest on the part of the State of California. However, while it is an important suit it will not be unduly complicated, and the action that the Federal Government takes in this bill is very generous, and California may well be likewise generous to its own citizens. The amendments I offer to this section mean that the State of California will be reimbursed by the Indians for the expenses of the suit other than attorneys' fees. Inasmuch as the attorney general's office can supply the legal talent necessary, it will save the Indians a number of thousands of dollars and be a generous action on the part of the State, which, it seems to me, it may very well take, and I hope it will.

The SPEAKER. Without objection, the amendments will be considered together.

There was no objection.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The Clerk read as follows:

SEC. 6. The proceeds of any judgment when appropriated shall be placed in the Treasury of the United States to the credit of the Indians of California and shall draw interest at the rate of 4 per cent per annum and shall be disposed of as Congress shall hereafter direct: *Provided*, That the Secretary of the Treasury is authorized and directed to pay to the State of California, out of the proceeds of the judgment when appropriated, the amount decreed by the court to be due said State, as provided in section 5 of this act.

With the following committee amendments:

Page 4, line 20, strike out the word "proceeds" and insert the word "amount," and in the same line strike out the words "when appropriated."

The committee amendments were agreed to.

Mr. CRAMTON. Mr. Speaker, I offer amendment No. 4 on the sheet I have sent to the Clerk's desk.

The SPEAKER. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 4, line 24, strike out the words "disposed of as Congress shall hereafter direct" and insert in lieu thereof the following: "Thereafter subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per capita payment to said Indians."

Mr. CRAMTON. Mr. Speaker, the purpose of that amendment is to provide that no per capita cash payments be made to the Indians that would be of little benefit to them, but it insures to them the benefit of this money through expenditures for the purposes set forth in the amendment.

In this connection permit me to say that this is a most important bill, providing for adjustment of long-standing claims of the California Indians. From my study of the hearings on this bill and a somewhat similar bill in the Sixty-sixth Congress, and from information furnished me by the Bureau of Indian Affairs, I am satisfied these Indians have claims which should be examined and finally adjudicated.

The principal claims of the California Indians are based upon the failure of the United States Senate to ratify 18 treaties entered into with them in the years 1851 and 1852, which treaties appear in the hearings before the Committee on Indian Affairs, House of Representatives, March 23, 1920 (Sixty-sixth Congress), beginning on page 13 and ending on page 55.

These proposed treaties were considered by the Senate but were returned to the President without favorable action thereon. (See Senate resolution appearing on pages 66, 67, 68, and 69 of the hearings referred to above.)

It is claimed that the reason for the failure to ratify the treaties at that time was because of the discovery of gold in California. Under the terms of these treaties the Indians of California gave up a large amount of land but they failed to receive the benefits that were to accrue to them under the terms of said treaties.

It is estimated that the California Indians, under the terms of these unratified treaties, were to receive approximately 7,500,000 acres of land. Under the terms of the jurisdictional bill they are to be compensated at the rate of $1.25 per acre for these lands, which would amount to $9,375,000.

These Indians were to receive other miscellaneous benefits under the terms of the treaties, which will be included in their claims to be presented to the Court of Claims in the event of the passage of the jurisdictional act. The principal claim, however, is for the loss of land.

The Indians will never have a more loyal friend or Congress a more reliable source of information as to the Indian problem than the Assistant Commissioner of Indian Affairs, Mr. Meritt. He has said to me about this bill:

There are probably no Indians in any State of the Union who have been more unjustly treated than have the California Indians. The failure of the Federal Government to ratify the treaties with these Indians and at the same time to accept the benefits of those treaties was a gross injustice. These Indians should have their day in court.

I am glad that it appears that their day in court is near at hand.

Two matters in the bill have given me especial concern. First, the jurisdictional bill is so worded that only the specific appropriations that have been made for the benefit of the California Indians will be included as set-offs. This does not include the amounts that have been expended for the benefit of the California Indians from general appropriations. The expenditures from specific appropriations up to July 1, 1927, amount to approximately $4,199,793.93. Expenditures for the California Indians from the general appropriations to July 1, 1927, amount to approximately $8,062,815.97, and from reimbursable appropriations to the same period approximately $1,480,000.46, or a total expenditure from 1852 to July 1, 1927, from Government funds for the benefit of the California Indians approximately $13,742,610.36.

One will not have dreamed, who has heard the constant denunciation of the United States for neglect of the California Indians, that actually over $13,000,000 has been spent in their behalf. And the end is not yet.

As a matter of law and equity, there is as much reason for setting up expenditures of Federal funds for the benefit of these Indians under a general appropriation as under a special appropriation. In either case the money is spent, and the purpose served is the same. To exclude consideration of the general appropriations therefore is as lacking in logic as it is unusual. Certainly such a provision can not be conceived of as a precedent.

But to insist on a full statement of Federal appropriations for benefit of these Indians, as I was at first inclined to do, would make it useless for them to go into court. And I think it desirable the California Indian situation be finally determined and on a generous basis.

If the Government were permitted to plead as set-off all appropriations, both specific and general, for the California Indians,

by the time the judgment was entered by the Court of Claims, and with the additional amounts that will be expended for the benefit of the California Indians in the meantime, they would receive nothing, but would be indebted to the Government in an amount approximating $5,000,000.

At the same time I was reluctant to see the suit result in a large verdict for the Indians, soon to be dissipated in per capita distribution of cash among them, and have them soon destitute and objects of gratuity appropriations from the Federal Treasury. I have felt their fund should be safeguarded from dissipation and used in a wise and constructive program for their development and upbuilding. In the desire to work this out I have greatly appreciated the cooperation of the gentleman from California [Mr. LEA], whose broad and far-seeing views on this have made possible passage of this legislation at this time.

The bill we are passing to-day safeguards in an unusual degree the future welfare of these Indians. By reason of the amendment just offered on page 4, the money due them will be conserved and be available for expenditure in a constructive program of health, education, home building, and industrial development, and the generosity of the Federal Government in the statement of the account will not be wasted. I am happy to support the bill under these circumstances.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

SEC. 7. For the purpose of determining who are entitled to be enrolled as Indians of California, as provided in section 1 hereof, the Secretary of the Interior, under such rules and regulations as he may prescribe, shall cause a roll to be made of persons entitled to enrollment. Any person claiming to be entitled to enrollment may within two years after the approval of this act make an application in writing to the Secretary of the Interior for enrollment. At any time within three years of the approval of this act the Secretary shall have the right to alter and revise the roll, at the expiration of which time said roll shall be final and conclusive as to the rights of the persons entitled to be enrolled: *Provided*, That the Secretary of the Interior, under such rules and regulations as he may prescribe, shall also cause to be made, within the time specified herein, a roll of all Indians in California other than Indians that come within the provisions of section 1 of this act.

With committee amendments, as follows:

On page 5, line 10, strike out the word "two" and insert in lieu thereof the word "three"; and on line 13, strike out the word "three" and insert the word "five."

Mr. CRAMTON. Mr. Speaker, as to those two amendments, which may be acted on together, the gentleman from California and I have agreed that those amendments should be disagreed to, in order that the time may be nearer in which the Indians may realize the benefits of this legislation.

The SPEAKER. The question is on agreeing to the two amendments just read.

The question was taken, and the two amendments were rejected.

The SPEAKER. The Clerk will read the other amendment.

The Clerk read as follows:

Page 5, line 15, strike out the words "final and conclusive as to the rights of the persons entitled to be enrolled" and insert in lieu thereof "closed for all purposes and thereafter no additional name shall be added thereto."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HASTINGS. Mr. Speaker, I wish to ask the gentleman from Michigan and the gentleman from California what provision is made in the bill as amended for the expenses of the attorneys' fees.

Mr. CRAMTON. They will be advanced by the State of California and reimbursed by the Indians.

Mr. HASTINGS. I wanted to know if there was some provision to that effect.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

BRIDGE ACROSS THE OHIO RIVER AT EVANSVILLE, IND.

The next business on the Consent Calendar was the bill (H. R. 11357) authorizing the State of Indiana to construct, maintain, and operate a toll bridge across the Ohio River at or near Evansville, Ind.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

DESCHUTES RECLAMATION PROJECT IN OREGON

The next business on the Consent Calendar was the bill S. 1186) to provide for the construction of the Deschutes project in Oregon, and for other purposes.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Reserving the right to object, Mr. Speaker, would the gentleman from Oregon want to press that to-day? I shall feel obliged to object to-day.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to have it passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

COWLITZ TRIBE OF INDIANS

The next business on the Consent Calendar was the bill (H. R. 167) to amend the act of February 12, 1925 (Public, No. 402, 68th Cong.), so as to permit the Cowlitz Tribe of Indians to file suit in the Court of Claims under said act.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That the act approved February 12, 1925, entitled "An act authorizing certain Indian tribes, or any of them, residing in the State of Washington to submit to the Court of Claims certain claims growing out of treaties or otherwise," be, and the same is hereby, amended so as to permit the Cowlitz Tribe of Indians to file suit or suits in the Court of Claims in like manner as the other tribes mentioned therein, and jurisdiction is hereby conferred upon the Court of Claims to hear and determine any and all suits brought hereunder and to render final judgment therein the same as if the said Cowlitz Tribe of Indians had been included within the terms and provisions of the act of which this is an amendment.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

PHILIPPINE CONSTABULARY AND REGULAR ARMY OFFICERS

The next business on the Consent Calendar was the bill (H. R. 9496) to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLACK of Texas. Mr. Speaker, I object.

Mr. CRAMTON. I object.

Mr. LAGUARDIA. Mr. Speaker, I object.

The SPEAKER. Three objections are noted. The Clerk will report the next bill.

SETTLEMENT ON FEDERAL RECLAMATION PROJECTS

The next business on the Consent Calendar was the bill (H. R. 9956) to provide for aided and directed settlement on Federal reclamation projects.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLACK of Texas. I object.

The SPEAKER. Objection is heard. The Clerk will report the next bill.

MEMORIAL HIGHWAY IN VIRGINIA

The next business on the Consent Calendar was the bill (H. R. 4625) to authorize and direct the survey, construction, and maintenance of a memorial highway to connect Mount Vernon, in the State of Virginia, with the Arlington Memorial Bridge across the Potomac River at Washington.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Clerk will report the next bill.

BRIDGE ACROSS THE MISSISSIPPI RIVER AT BATON ROUGE

The next business on the Consent Calendar was the bill (S. 2449) to authorize the construction of a bridge across the Mississippi River at or near the city of Baton Rouge, in the parish of East Baton Rouge, and a point opposite thereto in the parish of West Baton Rouge, State of Louisiana.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLACK of Texas. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

CONTRACTS CONNECTED WITH THE PROSECUTION OF THE WAR

The next business on the Consent Calendar was the bill (S. 1347) to amend an act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA and Mr. SPROUL of Kansas objected.

The next business on the Consent Calendar was the bill (H. R. 11411) to amend an act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA and Mr. SPROUL of Kansas objected.

ACQUISITION OF PROPERTY FOR THE LIBRARY OF CONGRESS

The next business on the Consent Calendar was the bill (H. R. 9355) to provide for the acquisition of certain property in the District of Columbia for the Library of Congress, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLACK of Texas. Mr. Speaker, reserving the right to object, can the chairman of the committee give us any information as to the assessed value of this particular land? Has any inquiry been made as to that matter?

Mr. LUCE. Mr. Speaker, detailed inquiry was made. The gentleman's question prompts me in saying a word on that phase of the situation.

Mr. BLACK of Texas. I would be glad if the gentleman would give the House any information he has available and the reason I ask for it is this: It is well known by everyone that there has been a real and substantial decline in real estate values in the city of Washington. If you go out and undertake to sell a piece of property in the ordinary real-estate market you will find that out, and yet the Government continues to purchase, apparently, without taking into consideration the fact that there has been a real and substantial decline in real-estate values in the city of Washington, and I have wondered whether, in the purchase of this real estate, the Government is to be protected against that situation.

Mr. LUCE. Mr. Speaker, gentlemen of the Committee on Appropriations, finding that the system of assessment in the District was unsatisfactory, came to the conclusion that in order to improve it, if possible, bills authorizing the appropriation of money to buy land in the District might well contain a stipulation that not more than 25 per cent above the assessed price should be paid. That stipulation was put into the bill relating to the purchase of land for the arboretum, but in that case, as in the case of the purchase of land for the new Botanic Garden, great difficulty has been found in securing the sale of the land within the limits prescribed. The chief cause for the situation, I think, is to be found in the imperfect condemnation law of the District. Certain gentlemen greatly interested have given much thought to the perfecting of this law and recently have presented their views to the Committee on the District of Columbia. I welcome this opportunity to express to any members of that committee who may be here the great importance of speedy action upon the matter. If it can be secured before the end of this session the public improvements now in progress will be greatly expedited.

When it came to the drafting of this bill I was greatly perplexed by the situation. I found that in the opinion of the assessors the land in question could not be bought or secured by condemnation at a price 25 per cent above its assessed value. Indeed, the assessors indicated their expectation that under condemnation proceedings it would be necessary to pay 80 per cent above the assessed value.

I must take a personal responsibility, for the committee saw fit to follow my advice to take an arbitrary limit of 40 per cent, and this bill is figured out on that basis. I have grave doubts whether we can get that land under condemnation for 40 per cent above assessed valuation; I am quite sure we can not get it all by trade, because the attempt to bargain in the matter of the Botanic Garden land has resulted in no offer being submitted at less than 100 per cent above valuation. One offer is for more than 200 per cent and one offer is for more than 500 per cent.

Mr. BLACK of Texas. That was just the complaint I wanted to make. It is well known to every Member of the House that there has been a very substantial decline in real-estate values in the city of Washington. I do not think any well-posted man would dispute that for a moment; and yet when the Government goes to buy an effort is made to get the price that prevailed three or four years ago.

I shall not object to this bill, in view of the statement the chairman has made, to wit, that the committee has reduced the original figure from $780,000 to $600,000, and I assume the committee amendment will be adopted. However, I hope no hurry will be made in the purchase of this land until the condemnation law can be amended so that the Government will have better protection than now exists. We should be as economical as possible in the purchase of any needed real estate.

Mr. LUCE. I may say to the gentleman that I am extremely doubtful whether the land can be purchased for the figure set forth in the bill before we get a proper, just, and fair condemnation law.

Mr. BLACK of Texas. Then it might be well to wait a while if it can not be purchased within that figure.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I have been very glad to hear the suggestion of the gentleman from Massachusetts, after his study of this question, as to the need of a new condemnation law, and his suggestion with reference to this situation simply emphasizes the fact that the development of the District and the development of Government projects here are being handicapped and held back because of the lack of a proper condemnation law. The 25 per cent provision is a very crude way to get at it, and is ineffective, and until we can have a condemnation law in which Congress can have confidence many such desirable projects as this are going to lag. I believe there is nothing more important before the District of Columbia Committee than the framing and reporting of the law to which the gentleman has referred.

Mr. GILBERT. If the gentleman will permit, we are holding hearings on that bill now and hope to report it in such form as to be satisfactory to the Congress. There are some provisions in the pending legislation which undoubtedly go too far. It provides for the taking of property before paying for it and retaining it without setting out any definite bounds.

Mr. CRAMTON. I hope the gentleman from Kentucky will feel that the House is in earnest about having an effective condemnation law, something that has some teeth in it that will protect the interests of the Government, and that even if a provision is a little different from what the gentleman is accustomed to I hope he will not be in opposition to it.

Mr. GILBERT. I will say to the gentleman that not only in condemnation matters but in many other ways enforcement of law in the District of Columbia has largely broken down.

Mr. CRAMTON. I would like to ask a question of the gentleman from Massachusetts [Mr. LUCE]. I wonder if the gentleman would object to an amendment—which I will not insist on, of course—to include the ranking minority member of the Committee on the Library as a member of this commission. I think it customary to give the minority representation, and I am glad to have the minority share part of the responsibility. I hope to offer the amendment when the bill is taken up, and I now withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby created a joint commission to be composed of the chairman of the Committee on the Library of the Senate, the chairman of the Committee on the Library of the House of Representatives, and the Architect of the Capitol. The chairman of the Committee on the Library of the Senate shall act as chairman of the commission. The commission is authorized to sit and act at such times and places within the District of Columbia as it deems advisable. The chairman of the Committee on the Library of the House of Repre-

sentatives shall continue to serve upon the commission if he has been reelected to the House of Representatives, notwithstanding the expiration of the Congress. The members of the commission shall receive no additional compensation for their services as such members, but they shall be reimbursed for necessary expenses incurred by them in the performance of the duties vested in the commission. The commission shall cease to exist six months after the date of final acquisition of the property under the provisions of section 2 of this act.

SEC. 2. For the purpose of providing a site for additional buildings for the Library of Congress the commission is authorized and directed to acquire on behalf of the United States, by purchase, condemnation, or otherwise, at a cost not to exceed $780,000, all the privately owned land, including buildings and other structures, in squares Nos. 760 and 761, in the District of Columbia, as such squares appear on the records in the office of the surveyor of the District of Columbia as of the date of the enactment of this act. Any condemnation proceedings necessary to be instituted under the authority of this act shall be in accordance with the provisions of section 3 of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1891, and for other purposes," approved August 30, 1890, as amended.

SEC. 3. All such land, buildings, and structures, when acquired, shall be under the jurisdiction and control of the Architect of the Capitol, who is authorized, pending the demolition of such buildings and structures and the use of the land for Library purposes, (a) to lease any or all of such property for such periods and under such terms and conditions as he may deem most advantageous to the United States, (b) out of such appropriations as may be made therefor, to provide for the maintenance, repair, and protection of such property and to incur such other expenses as may be necessarily incident to such jurisdiction and control, and (c) to render available for the use of the Library, upon the request of the librarian, such portions thereof as may be suitable temporarily for storage or other purposes.

The proceeds of any leases hereunder shall be covered into the Treasury as miscellaneous receipts, and the Architect of the Capitol shall include in his annual report a detailed statement of his action under this section during the period covered by such report.

SEC. 4. The Architect of the Capitol is authorized to remove or to provide for the removal of such buildings and structures or such part thereof as may be necessary, upon request of the Joint Committee on the Library, when it shall become apparent to such committee that such land or any part thereof is needed for the purpose of commencing the construction of any additional building or buildings for the Library of Congress.

SEC. 5. After the demolition of the buildings and structures acquired hereunder, the Commissioners of the District of Columbia, upon request of the Joint Committee on the Library, are authorized and directed to close and vacate that part of A Street SE. lying between the east side of Second Street and the west side of Third Street SE., and the portion of such street so closed and vacated, together with the land acquired under this act, shall thereupon become a part of the grounds of the Library of Congress.

SEC. 6. Appropriations made for carrying out the provisions of this act shall be disbursed by the disbursing officer of the Interior Department.

With the following committee amendments:

Page 2, line 17, strike out "$780,000" and insert in lieu thereof "$600,000."

Page 2, line 18, strike out the language "in squares Nos. 760 and 761" and insert "in square No. 761, and so much thereof in square No. 760 as is south of the north side of the alley, being lots Nos. 15 to 30, inclusive, and including any easements or rights of reversion."

Page 4, line 15, strike out the words "and the portion of such street" and insert "and also the alley intersecting square No. 760 as described above in section 2, and the portion of such street and the whole of said alley."

The committee amendments were agreed to.

Mr. CRAMTON. Mr. Speaker, I offer several amendments, which I would be pleased to have considered together.

On page 1, in line 4, after the word "chairman," insert the words "and ranking minority member"; and in line 5, after the word "chairman," insert the same language; and on page 2, line 2, after the word "chairman," insert the same language.

Mr. ALLGOOD. Does that include the ranking minority member of the Senate Committee?

Mr. CRAMTON. That would include the ranking minority members of the Senate and of the House.

Mr. LUCE. Mr. Chairman, I have not the slightest objection to the amendments, but I would take the opportunity they give to say that the minority members of the Committee on the Library have cooperated with the majority members in such a whole-hearted way that I shall be pleased to have public record here made of their keen interest in the Library and their constant and active share in the promotion of its welfare.

Mr. CRAMTON. I felt it was more oversight than otherwise.

There should be one more amendment coupled with these amendments, page 2, line 4, strike out the words "he has" and insert "they have."

The SPEAKER. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 1, in line 4, after the word "chairman," insert the words "and ranking minority member"; in line 5, after the word "chairman," insert the words "and ranking minority member"; on page 2, line 2, after the word "chairman," insert the words "and ranking minority member"; and at page 2, line 4, strike out the words "he has" and insert in lieu thereof the words "they have."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

### THE NATIONAL ARCHIVES

The next business on the Consent Calendar was the bill (H. R. 10545) to create an establishment to be known as the national archives, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object——

Mr. LANHAM, Mr. EDWARDS, and Mr. BLACK of Texas objected.

### INVESTIGATION OF WATERS OF GILA RIVER, N. MEX. AND ARIZ.

The next business on the Consent Calendar was the bill (H. R. 10786) authorizing surveys and investigations to determine the best methods and means of utilizing the waters of the Gila River and its tributaries above the San Carlos Reservoir in New Mexico and Arizona.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, has the gentleman from New Mexico got the consent of the State of Arizona with respect to this matter of water?

Mr. MORROW. Yes; this is an agreement between Arizona and New Mexico, if we can get the survey under which they will apportion these waters.

Mr. LAGUARDIA. I understood Arizona was resisting the attempt of any other State in any way to deprive it of the full and complete enjoyment of all its waters.

Mr. MORROW. The gentleman from Arizona is right here.

Mr. ARENTZ. In view of the manner in which the other State has recognized the equities of the matter, we are sure nothing will be done that would be harmful to Arizona.

Mr. LAGUARDIA. Does the gentleman from Nevada expect that by this Christian conduct on his part and others we can get Arizona to see the evil of its ways?

Mr. ARENTZ. In this case we are not going to smite the other cheek, but we are going to return good for evil.

Mr. LAGUARDIA. Wait until Boulder Dam legislation comes in and we will see about it.

Mr. MORROW. This is a case where Arizona is perfectly willing to agree.

Mr. LAGUARDIA. That is good for Arizona.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, this bill provides for an expenditure from the Treasury. As I understand, it is agreeable to the gentleman from Arizona and the gentleman from New Mexico to have the expenditure made from the reclamation fund, and the gentlemen intend to provide for a local contribution. I therefore withdraw any objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized and empowered to make all necessary surveys and investigations to ascertain the best methods and means of utilizing the waters of the Gila River and its tributaries above the San Carlos Reservoir for irrigation and other purposes in the States of New Mexico and Arizona. The Secretary of the Interior is further authorized and empowered to prepare plans and make estimates of the cost of constructing dams, canals, and other works necessary for the utilization of such waters.

SEC. 2. That there is hereby authorized to be appropriated for this purpose $25,000 from any money in the Treasury not otherwise appropriated.

Mr. MORROW. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, strike all of section 2 and insert in lieu thereof the following:

"SEC. 2. That there is hereby authorized to be appropriated for this purpose a sum not to exceed $12,500 from any money in the reclamation fund: *Provided further,* That the appropriation herein authorized shall not be available unless or until contributions of an equal amount shall have been provided from local sources."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MORROW, a motion to reconsider was laid on the table.

GRATUITY TO DEPENDENT RELATIVES OF OFFICERS, ENLISTED MEN OR NURSES

The next business on the Consent Calendar was the bill (H. R. 5548) to authorize payment of six months' death gratuity to dependent relatives of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I have no objection to the bill, but it is improperly drawn. It is inartistic to amend the law by referring to certain lines in the original bill. That is the proper way to amend a bill on the floor of the House, but not to amend existing law. I have prepared an amendment which recites the entire paragraph as it would read when amended. I think that is the way it ought to be done. Otherwise you have the necessity of referring to the original bill, and unless you get the right edition, the right print—and you may have a copy in pamphlet form—and there would be uncertainty. Here it is proposed to "amend by inserting after the 'colon in line 16' of said provision the following additional proviso," and so forth. In my amendment I refer to the act of June 4, 1920, Forty-first Statutes at Large, page 822, section 943, title 34, United States Code, and so forth, and amend "to read as follows." And then I put the amendment in the paragraph where it belongs.

The SPEAKER. The Clerk will report the bill.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that my amendment which I have sent to the desk may be read in lieu of the bill, as it strikes out all after the enacting clause.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Strike out everything after the enacting clause and insert in lieu thereof the following:

"That the provision contained in the act approved June 4, 1920 (41 Stat. L. p. 824; sec. 943, title 34, U. S. C.), is hereby amended to read as follows:

"'943. Allowance on death of officer or enlisted man or nurse, to widow, child, or dependent relative. Immediately upon official notification of the death from wounds or disease, not the result of his or her own misconduct, of any officer, enlisted man, or nurse on the active list of the regular Navy or regular Marine Corps, or on the retired list when on active duty, the Paymaster General of the Navy shall cause to be paid to the widow, and if there be no widow to the child or children, and if there be no widow or child to any other dependent relative of such officer, enlisted man, or nurse previously designated by him or her an amount equal to six months' pay at the rate received by such officer, enlisted man, or nurse at the date of his or her death. The Secretary of the Navy shall establish regulations requiring each officer and enlisted man or nurse having no wife or child to designate the proper dependent relative to whom this amount shall be paid in case of his or her death. Said amount shall be paid from funds appropriated for the pay of the Navy and pay of the Marine Corps, respectively: *Provided,* That if there be no widow, child, or previously designated dependent relative the Secretary of the Navy shall cause the amount herein provided to be paid to any grandparent, parent, sister, or brother shown to have been actually dependent upon such officer, enlisted man, or nurse prior to his or her death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government: *Provided,* That nothing in this section or in other existing legislation shall be construed as making the provisions of this section applicable to officers, enlisted men, or nurses of any forces of the Navy of the United States other than those of the regular Navy and Marine Corps, and nothing in this section shall be construed to apply in commissioned grades to any officers except those holding permanent or probationary appointments in the regular Navy or Marine Corps: *Provided,* That the provisions of this section shall apply to the officers and enlisted men of the Coast Guard, and the Secretary of the Treasury will cause payment to be made accordingly.'"

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

READJUSTING THE PAY AND ALLOWANCE OF COMMISSIONED AND ENLISTED PERSONNEL OF THE ARMY, NAVY, MARINE CORPS, COAST GUARD, COAST AND GEODETIC SURVEY, AND PUBLIC HEALTH SERVICE

The next business on the Consent Calendar was the bill (H. R. 5718) to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service."

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, this bill is similar to the other and seeks to amend by changing the last five lines of said paragraph 5 after the word "grade" and semicolon immediately following, and so forth.

Mr. BLACK of Texas. Further reserving the right to object, I will say that the bill carries a provision that will render it retroactive to July 1, 1926, and that retroactive clause will cost the Government $15,000. There really is no justification for that. I have consulted with some members of the Naval Affairs Committee, and they seem to be agreeable that that clause shall be stricken out. I shall offer an amendment to strike out this retroactive clause and thus save the Government about $15,000.

Mr. LAGUARDIA. Mr. Speaker, I have no objection, providing I offer an amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That paragraph 5, section 1, of the act approved June 10, 1922 (vol. 42, Stat. L., chap. 212, p. 626), entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," be, and the same is hereby, amended by changing the last five lines of said paragraph 5, after the word "grade" and semicolon immediately following, to read as follows: "and to lieutenant commanders and lieutenants of the Staff Corps of the Navy, and lieutenant commanders, lieutenants, and lieutenants (junior grade) of the line and engineer corps of the Coast Guard whose total commissioned service equals that of lieutenant commanders of the line of the Navy, drawing the pay of this period": *Provided,* That this amendment shall be effective from July 1, 1926.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, strike all of line 9 and strike out all of page 2 and insert in lieu thereof the following, so that it will read as follows:

"The pay of the fourth period shall be paid to lieutenant colonels of the Army, commanders of the Navy, and officers of corresponding grades who are not entitled to the pay of the fifth or sixth periods; to majors of the Army, lieutenant commanders of the Navy, and officers of corresponding grades who have completed 14 years' service, or whose first appointment in the permanent service was in a grade above that corresponding to second lieutenant in the Army, or who are appointed to the Regular Army to fill vacancies created by the increase of the commissioned personnel thereof in 1920; to captains of the Army, lieutenants of the Navy, and officers of corresponding grades who have completed 17 years' service, except those whose promotion is limited by law to this grade and who are not entitled under existing law to the pay and allowances of the higher grade, and to lieutenant commanders and lieutenants of the Staff Corps of the Navy and lieutenant commanders, lieutenants and lieutenants (junior grade) of the line, and engineer corps of the Coast Guard, whose total commissioned service equals that of lieutenant commanders of the line of the Navy during the pay of this period: *Provided,* That this statement shall be effective from July 1, 1926."

Mr. BLACK of Texas. Mr. Speaker, I reserve the point of order on the amendment. This bill we now have before us is

designed to affect only 11 officers of the Navy. It seems to me that the gentleman is offering an amendment that will cover a wide field.

Mr. LaGUARDIA. Exactly. I have not offered anything new. The amendment changes only the last five lines of the act referred to, and I did not put anything new in it.

Mr. BLACK of Texas. Has the gentleman examined the language in his amendment very carefully to see that it does not go beyond the scope of the present bill?

Mr. LaGUARDIA. Of course I have. All I have done is to rewrite paragraph 5 as it is amended by the present bill. I would not think of doing anything else. Does the gentleman intend to offer an amendment striking out the retroactive feature?

Mr. BLACK of Texas. I have sent an amendment to the desk to do that. I ask that the reading of my amendment be changed so as to amend the LaGuardia amendment by striking out the proviso in the LaGuardia amendment and inserting the proviso which I have sent to the desk.

The Clerk read as follows:

Amendment by Mr. BLACK of Texas to the amendment offered by Mr. LaGUARDIA: Strike out from the LaGuardia amendment the following: "*Provided*, That this amendment shall be effective from July 1, 1926," and insert in lieu of the matter stricken out the following language: "that no back pay or allowance shall accrue by reason of the passage of this act."

The SPEAKER pro tempore (Mr. SNELL). The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

MECHANICS' HELPERS, POST OFFICE DEPARTMENT

The next business on the Consent Calendar was the bill (H. R. 7354) to allow the Postmaster General to promote mechanics' helpers to the first grade of special mechanics.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the third paragraph of section 6 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. L. 1060), is amended to read as follows:

"Mechanics' helpers employed in the motor-vehicle service shall receive a salary of $1,600 per annum: *Provided*, That on and after the passage of the salary reclassification act of February 28, 1925, and upon the presentation of satisfactory evidence of their qualifications after one year's service, mechanics' helpers may be promoted to the first grade of general mechanics or special mechanics, as vacancies occur."

With the following committee amendment:

Page 1, line 9, after the figures "1060" insert "United States Code, title 39, section 116, paragraph 2."

The committee amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MOTOR-VEHICLE SERVICE EMPLOYEES, POST OFFICE DEPARTMENT

The next business on the Consent Calendar was the bill (H. R. 8728) to authorize the Postmaster General to give motor-vehicle service employees credit for actual time served on a basis of one year for each 306 days of 8 hours served as substitute.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, I have no objection to the merits of the bill, but the gentleman from Iowa [Mr. RAMSEYER], who is a very careful legislator, I think has forgotten to put in a cross reference to the United States Code. He referred to the Forty-third Statutes, page 1064, but that does not give us the proper cross reference to the United States Code.

Mr. RAMSEYER. It is there right after the figures "1064," in line 8, page 1, continuing on line 1 of page 2.

Mr. LaGUARDIA. Then I have not that print.

Mr. RAMSEYER. The gentleman has not the copy of the bill that was reported out.

Mr. LaGUARDIA. What section have you of the code?

Mr. RAMSEYER. Section 104, title 39.

Mr. LaGUARDIA. Because the Forty-third Statute, page 1064, is carried on in about 14 sections of the United States Code.

Mr. RAMSEYER. The gentleman has a copy of the bill before it was amended.

Mr. LaGUARDIA. That answers the question. I knew the gentleman was too careful a legislator to let anything like that get by.

Mr. RAMSEYER. I try to keep up with the pace set by the distinguished gentleman from New York.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 11 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. L. 1064), is amended by adding thereto the following:

"Substitute clerks, substitute garage-men drivers, substitute driver-mechanics, substitute general mechanics, and substitute special mechanics, when appointed regular clerks, garage-men drivers, driver-mechanics, general mechanics, or special mechanics in the motor-vehicle service, shall be given credit for the actual time served as a substitute on the basis of one year for each 306 days of eight hours, and shall be appointed to the grade to which such clerk, garage-man driver, driver-mechanic, general mechanic, or special mechanic would have progressed had his original appointment as a substitute been made to grade 1. Substitute service shall be computed from the date of original appointment as a regular classified substitute, and the salaries of the employees shall be fixed accordingly upon the date of their advancement to a regular position under the act of February 28, 1925, and thereafter."

With the following committee amendments:

Page 1, line 8, after the figures "1,064," insert "United States Code, title 39, section 104."

Page 2, line 4, after the word "driver-mechanics," insert the word "and."

Page 2, line 5, strike out "and substitute special mechanics."

Page 2, line 6, after the word "driver-mechanics," insert the word "or."

Page 2, line 7, after the word "mechanics," strike out the comma and the words "or special mechanics."

Page 2, line 11, after the word "driver-mechanics," insert the word "or."

Page 2, line 12, after the word "mechanic," strike out "or special mechanic."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

STANDARDS FOR HAMPERS AND BASKETS

The next business on the Consent Calendar was the bill (H. R. 8907) to fix standards for hampers, round-stave baskets, and splint baskets for fruits and vegetables, and for other purposes.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I have one or two amendments here that I believe are necessary from my study of the bill. I would like to know the views of the Member who introduced the bill, but inasmuch as he is not on the floor at this time I ask unanimous consent that the bill may be passed over without prejudice.

Mr. LOWREY. I am not the sponsor of the bill, but I am a member of the committee which reported it. This bill has been passed over many times. It is so heartily approved and heartily appealed for over and over by both the trade and the dealers that I think it should be passed. There has been a strong sentiment for the passage of this bill for four or five years. I think it has been before our committee at least that long. I should hate to see it delayed.

Mr. LaGUARDIA. Would the gentleman object to the amendment?

Mr. LOWREY. What amendment?

Mr. LaGUARDIA. On page 5 you can relieve the dealer from responsibility if he can produce a signed guaranty from the manufacturer of these hampers. I would tighten that up a little. Also, at the bottom of page 5, lines 25 and 26, I think the language is ill-chosen and may lead to confusion. Instead

of referring to the person who made the purchase I would name him as the person who offers the article for sale.

Mr. LOWREY. I do not think there would be any objection to that last amendment. Will the gentleman state the first one again?

Mr. LAGUARDIA. Yes. On page 5 your bill reads that—

No person shall be prosecuted under the provisions of this act when he can establish a guaranty signed by the manufacturer, wholesaler, shipper, or other party residing within the United States from whom the hampers were purchased.

That establishes the party who signs the guaranty. I would place the guaranty on the man who offers the article.

Mr. LOWREY. I would not object to that guaranty.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That the standard hampers and round stave baskets for fruits and vegetables shall be of the following capacities: One-eighth bushel, one-fourth bushel, one-half bushel, three-fourths bushel, 1 bushel, 1½ bushels, and 2 bushels, which, respectively, shall be of the cubic content set forth in this section. For the purposes of this act a bushel standard dry measure has a capacity of 2,150.42 cubic inches.

(a) The standard one-eighth-bushel hamper or round stave basket shall contain 268.8 cubic inches.

(b) The standard one-fourth-bushel hamper or round stave basket shall contain 537.6 cubic inches.

(c) The standard one-half-bushel hamper or round stave basket shall contain 1,075.21 cubic inches.

(d) The standard three-fourths-bushel hamper or round stave basket shall contain 1,612.8 cubic inches.

(e) The standard one-bushel hamper or round stave basket shall contain 2,150.42 cubic inches.

(f) The standard 1½-bushel hamper or round stave basket shall contain 3,225.63 cubic inches.

(g) The standard 2-bushel hamper or round stave basket shall contain 4,300.84 cubic inches.

With a committee amendment, as follows:

Section 1, page 2, line 21, after the word "inches" insert: "*Provided,* That nothing herein contained shall prohibit or interfere with the farmers or market gardeners, or others, using five-eighths-bushel baskets in gathering, delivering, and selling their products to canning, packing, or wholesale houses."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will proceed with the reading of the bill for amendment.

The Clerk read as follows:

SEC. 2. That the standard splint baskets for fruits and vegetables shall be the 4-quart basket, 8-quart basket, 12-quart basket, 16-quart basket, 24-quart basket, and 32-quart basket, standard dry measure. For the purposes of this act a quart standard dry measure has a capacity of 67.2 cubic inches.

(a) The 4-quart splint basket shall contain 268.8 cubic inches.

(b) The 8-quart splint basket shall contain 537.6 cubic inches.

(c) The 12-quart splint basket shall contain 806.4 cubic inches.

(d) The 16-quart splint basket shall contain 1,075.21 cubic inches.

(e) The 24-quart splint basket shall contain 1,612.8 cubic inches.

(f) The 32-quart splint basket shall contain 2,150.42 cubic inches.

SEC. 3. That the Secretary of Agriculture shall in his regulations under this act prescribe such tolerances as he may find necessary to allow in the capacities for hampers, round-stave baskets, and splint baskets set forth in sections 1 and 2 of this act in order to provide for reasonable variations occurring in the course of manufacturing and handling. If a cover be used upon any hamper or basket mentioned in this act, it shall be securely fastened or attached in such a manner, subject to the regulations of the Secretary of Agriculture, as not to reduce the capacity of such hamper or basket below that prescribed therefor.

SEC. 4. That no manufacturer shall manufacture hampers, round-stave baskets, or splint baskets for fruits and vegetables unless the dimension specifications for such hampers, round-stave baskets, or splint baskets shall have been submitted to and approved by the Secretary of Agriculture, who is hereby directed to approve such specifications if he finds that hampers, round-stave baskets, or splint baskets for fruits and vegetables made in accordance therewith would not be deceptive in appearance and would comply with the provisions of sections 1 and 2 of this act.

SEC. 5. That it shall be unlawful to manufacture for sale or shipment, to offer for sale, to sell, to offer for shipment, to ship, or to import or cause to be imported into the continental United States, hampers, round-stave baskets, or splint baskets for fruits or vegetables, either filled or unfilled, or parts of such hampers, round-stave baskets, or splint baskets that do not comply with this act: *Provided,* That this act shall not apply to Climax baskets, berry boxes, and till baskets which comply with the provisions of the act approved August 31, 1916, entitled "An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes" (39 U. S. Stat. L. 673), and the regulations thereunder. Any individual, partnership, association, or corporation that willfully violates this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $500: *Provided further,* That no person shall be prosecuted under the provisions of this act when he can establish a guaranty signed by the manufacturer, wholesaler, shipper, or other party residing within the United States from whom the hampers, round-stave baskets, or splint baskets, as defined in this act, were purchased, to the effect that said hampers, round-stave baskets, or splint baskets are correct, within the meaning of this act. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of the hampers, round-stave baskets, or splint baskets to such person, and in such case such party or parties making such sale shall be amenable to the prosecution, fines, and other penalties which would attach in due course under the provisions of this act to the person who made the purchase.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 5, line 13, after the word "guaranty," insert the words "and identified." On line 14, strike out the words "signed by"; and in line 15, after the word "States," insert "who signed such guaranty and."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Speaker, I offer another amendment.

The SPEAKER pro tempore. The gentleman from New York offers another amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 5, line 25, after the word "made," insert "or offered to make a resale," and strike out all of line 26.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will proceed with the reading of the bill for amendment.

The Clerk read as follows:

SEC. 6. That any hamper, round stave basket, or splint basket for fruits or vegetables, whether filled or unfilled, or parts of such hampers, round stave baskets, or splint baskets not complying with this act, which shall be manufactured for sale or shipment, offered for sale, sold, shipped, or imported, may be proceeded against in any district court of the United States within the district where the same shall be found and may be seized for confiscation by a process of libel for condemnation. Upon request the person entitled shall be permitted to retain or take possession of the contents of such hampers or baskets, but in the absence of such request, or when the perishable nature of such contents makes such action immediately necessary, the same shall be disposed of by destruction or sale, as the court or a judge thereof may direct. If such hampers, round stave baskets, splint baskets, or parts thereof be found in such proceeding to be contrary to this act, the same shall be disposed of by destruction, except that the court may by order direct that such hampers, baskets, or parts thereof be returned to the owner thereof or sold upon the payment of the costs of such proceeding and the execution and delivery of a good and sufficient bond to the effect that such hampers, baskets, or parts thereof shall not be sold or used contrary to law. The proceeds of any sale under this section, less legal costs and charges, shall be paid over to the person entitled thereto. The proceedings in such seizure cases shall conform as nearly as may be to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in such cases, and all such proceedings shall be at the suit and in the name of the United States.

SEC. 7. That this act shall not prohibit the manufacture for sale or shipment, offer for sale, sale, or shipment of hampers, round stave baskets, splint baskets, or parts thereof to any foreign country in accordance with the specifications of a foreign consignee or customer not contrary to the law of such foreign country; nor shall this act prevent the manufacture or use of banana hampers of the shape and character now in commercial use as shipping containers for bananas.

SEC. 8. That it shall be the duty of each United States district attorney to whom satisfactory evidence of any violation of this act is presented to cause appropriate proceedings to be commenced and prose-

cuted in the proper courts of the United States in his district for the enforcement of the provisions of this act.

SEC. 9. That the Secretary of Agriculture shall prescribe such regulations as he may find necessary for carrying into effect the provisions of this act, and shall cause such examinations and tests to be made as may be necessary in order to determine whether hampers, round stave baskets, and splint baskets, or parts thereof, subject to this act, meet its requirements, and may take samples of such hampers, baskets, or parts thereof, the cost of which samples, upon request, shall be paid to the person entitled.

SEC. 10. That for carrying out the purposes of this act the Secretary of Agriculture is authorized to cooperate with State, county, and municipal authorities, manufacturers, dealers, and shippers to employ such persons and means, and to pay such expenses, including rent, printing, publications, and the purchase of supplies and equipment in the District of Columbia and elsewhere, as he shall find to be necessary, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes.

SEC. 11. That sections 5 and 6 of this act shall become effective at but not before the expiration of one year following the 1st day of November next succeeding the passage of this act.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

COMMUNITY MAIL BOXES ON RURAL ROUTES

The next business on the Consent Calendar was the bill (H. R. 12605) to enable the Postmaster General to purchase and erect community mail boxes on rural routes and to rent compartments of such boxes to patrons of rural delivery.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object, for the purpose of obtaining information. On page 2, line 1, it is provided that the units of said boxes and space in said racks or stands shall be rented at their option to patrons of the rural delivery service. Is there any need for that wording in the bill?

Mr. KENDALL. That was put in so as not to compel the person to rent a box if he didn't want one.

Mr. LAGUARDIA. In other words, it will be better if persons who wish to avail themselves of it pay out of their own private funds?

Mr. KENDALL. That is the object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That under such regulations as he may provide the Postmaster General be, and he is hereby, authorized to purchase community boxes with or without separate compartments for incoming and outgoing mail and to erect and maintain such community boxes and suitable sheltered racks or stands for rural mail boxes, in such selected localities as he may determine. The units of said boxes and space in said racks or stands shall be rented at their option to patrons of the rural delivery service at such monthly or annual rates as the Postmaster General shall determine, based on the cost of installation and maintenance. The cost of such installation and maintenance of said community boxes and sheltered stands, not exceeding $2,000 per annum, shall hereafter be paid from the appropriation for rural delivery.

With a committee amendment as follows:

On page 1, line 5, strike out the words "or without."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

THOMAS A. EDISON

The next business on the Consent Calendar was House Joint Resolution 243, to provide for the coinage of a medal commemorative of the achievements of Thomas A. Edison in illumining the path of progress through the development and application of inventions that have revolutionized civilization in the last century.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. HOOPER. Mr. Speaker, reserving the right to object, I want to say I have nothing against the bill itself, but I do not see the gentleman from New Jersey [Mr. PERKINS] present and something has come to my attention which I would like to investigate. Therefore I am going to ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

CONSOLIDATION OF COPYRIGHT ACTS

The next business on the Consent Calendar was the bill (H. R. 8913) to amend sections 27, 42, and 44 of the act entitled "An act to amend and consolidate the acts respecting copyrights," approved March 4, 1909.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LANHAM. Mr. Speaker, at the request of the chairman of the Committee on Patents, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

STANDARDIZATION OF LIME BARRELS

The next business on the Consent Calendar was the bill (H. R. 43) to amend an act entitled "An act to standardize lime barrels," approved August 23, 1916.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, since the gentleman from Ohio [Mr. CHALMERS] talked to me one thing has occurred to me. Who assumes the responsibility for the quality, as well as the weight of this lime, when it is sold by what the gentleman calls in the bill the shipper?

Mr. CHALMERS. The shipper guarantees the quality.

Mr. LAGUARDIA. In other words, the mere fact that he does not put the name of the manufacturer on the barrel does not relieve him of responsibility?

Mr. CHALMERS. No. He assumes all responsibility for the weight and quality.

Mr. LAGUARDIA. Is this reselling from the manufacturer done by irresponsible concerns, so that there is a way out of assuming responsibility as to weight and quality?

Mr. CHALMERS. No. It protects the public, as I understand it.

Mr. LAGUARDIA. Then the shipper would assume responsibility as to quality and weight?

Mr. CHALMERS. Absolutely.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That sections 2 and 3 of the act entitled "An act to standardize lime barrels," approved August 23, 1916, are amended to read as follows:

"SEC. 2. That it shall be unlawful for any person to sell or offer for sale lime imported in barrels from a foreign country, or to sell or offer for sale lime in barrels for shipment from any State or Territory or the District of Columbia, to any other State or Territory or the District of Columbia, unless there shall be stenciled or otherwise clearly marked on one or both heads of the small barrel the figures "180 lbs. net" and of the large barrel the figures "280 lbs. net" before the importation or shipment, and on either barrel in addition the name of the shipper or manufacturer of the lime and where manufactured, and, if imported, the name of the country from which it is imported.

"SEC. 3. When lime is sold in interstate or foreign commerce in containers of less capacity than the standard small barrel, it shall be sold in fractional parts of said standard small barrel, and the net weight of lime contained in such container shall by stencil or otherwise be clearly marked thereon, together with the name of the shipper or manufacturer thereof, and the name of the brand, if any, under which it is sold, and, if imported, the name of the country from which it is imported."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ENLISTED MEN IN THE NAVAL SERVICE

The next business on the Consent Calendar was the bill (H. R. 5644) to enable an enlisted man in the naval service to make good time lost in excess of one day under certain conditions.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That every enlisted man in the naval service who, without proper authority, absents himself from his ship, station, or duty for more than one day, or who is confined for more than one day under sentence, or while awaiting trial and disposition of his case, if the trial results in conviction, shall be liable to serve, after his return to a full-duty status, for such period as shall, with the time he may have served prior to such unauthorized absence or confinement, amount to the full term of his enlistment.

With the following committee amendment:

In line 7 strike out the words "shall be liable to" and insert in lieu thereof the words "may be permitted to."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ADVANCEMENT OF PUBLIC FUNDS TO NAVAL PERSONNEL

The next business on the Consent Calendar was the bill (H. R. 11621) to authorize the Secretary of the Navy to advance public funds to naval personnel under certain conditions.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I have an amendment to offer to this bill. I have talked it over with the gentleman from Georgia [Mr. VINSON]. He is engaged in committee work just now, but I believe he would not object to the amendment, and with that understanding I will withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy is hereby authorized, in accordance with such regulations as may be approved by the President, to advance public funds to naval personnel when required to meet expenses of officers and men detailed on shore patrol duty, or emergency duty: *Provided*, That the funds so advanced shall not exceed a reasonable estimate of the actual expenditures to be made and for which reimbursement is authorized by law.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment. In line 7, strike out the words "shore patrol duty or" and after the word "emergency" insert the word "shore," so it will read "expenses of officers and men detailed on emergency shore duty."

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: In line 7, strike out the words "shore patrol duty or," and after the word "emergency" insert the word "shore."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE OHIO RIVER

The next business on the Consent Calendar was the bill (S. 797) granting the consent of Congress to the J. K. Mahone Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River, at or near Wellsburg, W. Va.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I hope the gentleman from West Virginia will understand that this is simply following a policy in connection with these bridge bills. Does the gentleman know the grantee in this bill?

Mr. BACHMANN. I might say to the gentleman from New York that Mr. Mahone, who originally wanted the permit to build this bridge, on investigation did not turn out to be a satisfactory and proper party. The gentleman from Ohio [Mr. MURPHY], whose district parallels mine and whose district the bridge touches, and I investigated Mr. Mahone. As the gentleman will note, we objected to the passage of the bill the last time it was before the House. We did that in order to have an opportunity to have the town council at Wellsburg make an investigation. That has been done, and the town council is in favor of this bridge and the community is back of it.

Mr. LAGUARDIA. Is the permit to go to Mahone?

Mr. BACHMANN. It goes to the Mahone Bridge Co.

Mr. LAGUARDIA. And this corporation will build the bridge itself?

Mr. BACHMANN. Yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the J. K. Mahone Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Ohio River at a point suitable to the interests of navigation at or near Wellsburg, Brooke County, W. Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the J. K. Mahone Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches and terminals as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation and expropriation of property in such State.

SEC. 3. The said J. K. Mahone Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of West Virginia, the State of Ohio, any political subdivision of either of such States within or adjoining which any part of such bridge is located, or any two or more of them jointly may at any time acquire or take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of, first, the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; second, the actual cost of acquiring such interests in real property; third, actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and fourth, actual expenditures for necessary improvements.

SEC. 5. If such bridge shall be taken over or acquired by the States or political subdivisions thereof as provided in section 4 of this act, and if tolls are charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, to pay an adequate return on the cost thereof, and to provide a sinking fund sufficient to amortize the amount paid therefor, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient to pay the cost of acquiring the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the amount paid for acquiring the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of the daily tolls collected shall be kept, and shall be available for the information of all persons interested.

SEC. 6. The J. K. Mahone Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, at any time within three years after the completion of such bridge, investigate the actual cost of constructing the same; and for such purpose the said J. K. Mahone Bridge Co., its successors and assigns, shall make available all of its records in connection with the financing and the construction thereof. The findings of the Secretary of War as to the actual original cost of the bridge shall be conclusive, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the J. K. Mahone Bridge Co., its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 3, strike out the words "the consent of Congress is hereby granted to" and insert the words "in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes."

Page 1, line 6, after the word "assigns," insert the words "be and is hereby authorized."

Page 2, line 12, strike out the words "and terminals."

Page 2, line 19, strike out the word "and" and insert the word "or."

Page 3, line 5, after the word "any," insert the words "public agency or."

Page 3, line 11, after the word "condemnation," insert the words "or expropriation."

Page 3, line 13, after the word "condemnation," insert the words "or expropriation."

Page 3, line 16, after the word "condemnation," insert the words "or expropriation."

Page 4, line 1, strike out the word "interest" and insert the word "interests."

Page 4, line 3, after the word "shall," insert the words "at any time."

Page 4, line 5, after the word "are," insert the word "thereafter."

Page 4, line 7, after the word "the," insert the word "reasonable."

Page 4, line 9, after the word "approaches," insert the words "under economical management."

Page 4, line 11, after the word "therefor," insert the words "including reasonable interest and financing cost."

Page 4, line 15, after the word "sufficient," strike out the words "to pay the cost of acquiring the bridge and its approaches" and insert the words "for such amortization."

Page 4, line 17, after the word "been," insert the word "so."

Page 4, line 20, after the word "proper," strike out the word "care."

Page 4, line 21, after the word "approaches," insert the words "under economical management."

Page 4, line 23, after the word "the," insert the word "actual."

Page 5, line 5, after the word "War," insert the words "and with the highway departments of the States of West Virginia and Ohio."

Page 5, line 11, after the word "may," insert the words "and upon request of the highway department of either of such States shall."

Page 5, line 14, after the word "investigate," strike out the words "the actual cost of constructing the same" and insert the words "such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of cost so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge."

Page 5, line 19, after the word "for," strike out the word "such" and insert the word "the." And in the same line, after the word "purpose" insert the words "of such investigation."

Page 5, line 22, after the word "the," insert the word "construction," and in the same line, after the word "and," strike out the words "the construction" and insert the word "promotion."

Page 5, line 24, after the word "the," strike out the words "actual original cost" and insert the words "reasonable cost of the construction, financing, and promotion."

Page 6, line 1, after the word "conclusive," insert the words "for the purposes mentioned in section 4 of this act."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended.

A motion to reconsider the vote by which the bill was passed was laid on the table.

INTERNATIONAL STREET, NOGALES, ARIZ.

The next business on the Consent Calendar was the bill (S. 2004) authorizing the paving of the Federal strip known as International Street, adjacent to Nogales, Ariz.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I have gone over the peculiar circumstances in this case at some length with the gentleman from Arizona [Mr. DOUGLAS]. The circumstances here seem to be entirely different from what we are apt to find at any other place, and they are so different I feel reassured that granting this paving would not constitute a precedent on which claim could be made for paving adjacent to public buildings.

Mr. DOUGLAS of Arizona. It could not be so construed.

Mr. CRAMTON. In this case we own the fee simple of the land, while we do not in the other cases. The estimate furnished carries a number of frills that really ought not to be provided at our expense. If the city of Nogales wants to provide them, I think there would be no objection. If the gentleman from Arizona will consent to a reduction of the amount to $40,000, I would withdraw any objection to the bill. This amount would provide the roadway, but would eliminate some of the ornamentation.

Mr. DOUGLAS of Arizona. In order that the road may be paved I would be willing to accept that as an amendment.

Mr. CRAMTON. I withdraw any objection.

Mr. DOUGLAS of Arizona. I thank the gentleman.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause the grading and paving of the Federal strip of land known as International Street, belonging to the United States, along the international boundary line between Mexico and the United States, and adjacent to the city of Nogales, Ariz., said paving to extend from the east side of Nelson Avenue to the top of the hill beyond West Street, with the necessary retaining walls, storm sewers, the installation of an ornamental lighting system, and other items necessary in connection therewith, at a limit of cost of $60,000.

Mr. CRAMTON. Mr. Chairman, I offer an amendment striking out $60,000 and insert $40,000.

The SPEAKER pro tempore. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: On page 2, line 2, strike out "$60,000" and insert in lieu thereof "$40,000."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ZUNI RESERVATION, N. MEX.

The next business on the Consent Calendar was the bill (S. 1456) to authorize an appropriation for a road on the Zuni Indian Reservation, N. Mex.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized an appropriation of $8,000, out of any money in the Treasury not otherwise appropriated, for the construction of that portion of the Gallup-St. Johns highway within the Zuni Indian Reservation, N. Mex., under the direction of the Secretary of the Interior and in conformity with such rules and regulations as he may prescribe: *Provided*, That Indian labor shall be employed so far as practicable: *And provided further*, That the proper authorities of the State of New Mexico or the county of McKinley shall agree to maintain such road free of expense to the United States.

Mr. CRAMTON. Mr. Speaker, I move to strike out the last word.

It is my understanding if this bill becomes law the Government of the United States will be put to no further expense in the construction or maintenance of this road.

Mr. MORROW. That is what the bill provides.

Mr. CRAMTON. And that with this appropriation toward construction the county will take the road over and whatever is done in the future will be done by the county.

Mr. MORROW. Yes.

Mr. CRAMTON. On this basis I have offered no objection to the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. MORROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting in the RECORD the report on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The report is as follows:

Mr. MORROW, from the Committee on Indian Affairs, submitted the following report (to accompany S. 1456):

The Committee on Indian Affairs, to whom was referred the bill (S. 1456) to authorize an appropriation for a road on the Zuni Indian Reservation, N. Mex., having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill has the approval of the Secretary of the Interior and the Director of the Bureau of the Budget.

When constructed, the road will connect two State highways, providing access to markets for Indians of the Zuni Reservation. The road is not on the State's approved 7 per cent system and therefore not eligible for Government aid under the Federal highway act. The State has built a good road to the reservation line on each side, and this will eliminate a link which is almost impassable at times.

In order that the greatest possible benefit may accrue to the Indians, provision is contained in the bill that Indian labor shall be employed so far as practicable.

The State of New Mexico or the county of McKinley must agree to maintain the road free of expense to the United States before construction is started.

Your committee, after full consideration, believes that construction of the road is not only wise but desirable and that proper safeguards are placed in the bill.

The Secretary of the Interior reports favorably, as follows:

DEPARTMENT OF THE INTERIOR,
*Washington, January 18, 1928.*

Hon. LYNN J. FRAZIER,
*Chairman Committee on Indian Affairs,*
*United States Senate.*

MY DEAR SENATOR FRAZIER: This will refer further to your letter of December 17, transmitting for report and recommendation a copy of S. 1456, proposing to authorize an appropriation of $8,000 for the construction of that portion of the Gallup-St. Johns Highway on the Zuni Indian Reservation, N. Mex.

This road is a link in the National Park-to-Park Highway. It also connects with the famous Petrified Forest and El Morro, or Inscription Rock. The State has built a good road up to the reservation line on both sides, but as the Indian land is not subject to taxation, the State feels that the Government should provide funds for that part of the road on the reservation, or about 15 miles. However, this road is not on the State's approved 7 per cent system and hence it is not eligible for Government aid under the Federal highway act.

This department has no appropriation for road work on the Indian reservation; hence we have not been able to do more than try to keep the road open to traffic by making the most urgent repairs with the limited funds available. It is stated that the road is in bad condition; that part of it is almost impassable at times; and that travelers suffer great inconvenience and discomfort on account of the difficulty encountered in getting across the reservation. It is very desirable to have the road rebuilt on a par with the State highway on each side of the reservation, at a cost of approximately $8,000, the amount carried in the bill.

Under the circumstances, therefore, and for the reasons given above, it is recommended that S. 1456 be enacted into law.

The Director of the Bureau of the Budget advises that this report is not in conflict with the President's financial program.

Very truly yours,

HUBERT WORK.

ADMINISTRATION OF OATHS OF OFFICE

The next business on the Consent Calendar was the bill (H. R. 12408) authorizing custodians and acting custodians of Federal buildings to administer oaths of office to employees in the custodian service.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, is the gentleman from Indiana [Mr. ELLIOTT] here?

Mr. DENISON. The gentleman has gone out to the election, I will say to the gentleman from New York.

Mr. LAGUARDIA. Oh, yes. There is a reference here to section 2693 of the Revised Statutes, and I do not know whether this is an error or not. I spent a great deal of time trying to locate this section of the Revised Statutes but could not find it. I located section 1790 very readily. I simply wanted to call attention to this, but if there is any mistake I suppose they can catch it in the Senate. I do not think it is sufficiently important to hold up the matter.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That hereafter custodians and acting custodians of Federal buildings shall be competent to administer oaths of office to employees in the custodian service, required by sections 1790 and 2693 of Revised Statutes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BATTLE BETWEEN THE SIOUX AND PAWNEE INDIAN TRIBES

The next business on the Consent Calendar was the bill (H. R. 9194) authorizing the Secretary of the Interior to acquire land and erect a monument on the site of the battle between the Sioux and Pawnee Indian tribes, Hitchcock County, Nebr., fought in the year 1873.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. CRAMTON. Reserving the right to object, I understand it is probable these lands will be donated. Will it be agreeable to the gentleman to have an amendment providing for that?

Mr. SHALLENBERGER. I have a letter from the American Legion saying that they will acquire the land.

Mr. CRAMTON. It can be accomplished by striking out line 4 and inserting a statement that we accept the donation.

Mr. LAGUARDIA. The gentleman from Nebraska will not object to my proposed amendment which I am offering to all bills of this character providing that the monument shall be the work of some artist a citizen of the United States?

Mr. SHALLENBERGER. No.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is hereby authorized and directed to acquire, by condemnation or otherwise, such land as may be deemed appropriate, not exceeding 40 acres, on the site of the battle between the Sioux and Pawnee Indians near the Republican River in Hitchcock County, Nebr., the last battle between Indian tribes on American soil, and to erect thereon a suitable monument and historical tablets.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, or so much thereof as may be necessary to carry out the provisions of this act.

With the following committee amendment:

Page 2, section 2, line 3, strike out the figures "$10,000" and insert in lieu thereof the figures "$7,500."

The committee amendment was agreed to.

Mr. CRAMTON. Mr. Speaker, I offer the following amendment:

The Clerk read as follows:

Page 1, strike out line 4 and insert in lieu thereof "and accept the donation of."

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, after the word "act" in line 4 strike out the period, insert a colon and the following: "*Provided,* That said work shall be the work of an artist who is a citizen of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the report on this bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The report is as follows:

The monument proposed to be erected is to commemorate the last great battle between Indian tribes fought on American soil. As far back as records are available the Republican Valley was famous as a hunting ground for the Pawnee and other Indian tribes. After white men learned of the game to be found there, it became the region most favored for buffalo hunting in the West. Railroads were built up the Platte Valley to the north and across Kansas to the south, which resulted in the buffalo being soon driven from those sections, but there were still plenty in the great valley lying between the pioneer railroads. Both Buffalo Bill and Dr. W. F. Carver are said to have considered this region the best big-game hunting ground in the world in the early sixties and seventies.

Many famous buffalo-hunting expeditions visited the Republican Valley region, where it is proposed to erect this monument. Probably the most celebrated was that of the Russian Grand Duke Alexis and a party of distinguished men of the Russian Empire. The hunt was a national event, planned by Gen. Philip Sheridan as the representative of our Government and under the immediate command of General Custer. W. F. Cody, "Buffalo Bill," was chief of scouts at Fort McPherson, where the hunting party was outfitted, and was in actual charge of the details of the hunt. Spotted Tail, war chief of the Brule Sioux, accom-

panied the hunting party with a band of 300 Sioux warriors and buffalo hunters. The party hunted over the same ground in 1872 that the Pawnee and Sioux warriors fought over in August of 1873.

From the earliest times the Republican Valley had been the hunting ground for the great Pawnee Nation. They claimed it as their special hunting preserve. When a treaty was agreed to between the Federal Government and the Pawnee, the Indians had reserved to themselves the right to hunt buffalo in the Republican Valley to provide them necessary meat and leather supply.

The Government agents and Army officers divided the hunting grounds in western Nebraska into north and south Platte sections. They required that the Sioux must hunt north of the Platte and leave the valley of the Republican River for the sole use of the Pawnee Nation. The Pawnees were historically and essentially the Nebraska Indian Nation. The name Nebraska is a Pawnee word meaning Broad Waters, the Indian name for the State's principal river. The river's name was later changed into the more modern version, the Platte.

The Pawnee Nation was divided into three tribes or clans—the Loup Pawnee, the Grand Pawnee, and the Republican Pawnee. The Loups lived north and east of the Platte and gave their name to the principal river in that section. The Grand Pawnees occupied the valley of the Platte or middle ground, and the Republican Pawnees claimed the region farther south.

When the nation engaged in its great annual hunt or went into battle this same organization was always followed. The Loups hunted or fought upon the right wing, the Grand Pawnee in the center, and the Republican Pawnee upon the left. Hence the north river on the right was named the Loup and the south river, or left as the nation moved west to hunt, was named Republican for the left wing tribe.

In the summer of 1873 the Pawnee Nation was occupying a reservation on the north of the Platte River and in northeastern Nebraska, not far from the site of the city of Columbus. The Indians petitioned the Government agent for permission to make their annual hunt for buffalo in the Republican Valley. They wanted to secure their meat and robe supplies for the coming winter. Permission was granted.

In July, 1873, about 600 buffalo hunters and warriors, with some women and children to do the work, started westward up the Platte Valley. They were accompanied by two white men as agents of the Government to see that they conducted themselves peacefully and did not commit depredations upon any white settlers or hunters they might encounter.

The hunting party turned south from the valley of the Platte at a point near Plum Creek and traveled over into their favorite hunting ground on the Republican and its tributaries. They hunted there for nearly a month, killing many buffalo and curing much meat and many skins.

On the 5th of August they had hunted westward to a point in Hitchcock County west of the north fork of the Republican, now called the Frenchman River. Sky Chief was in command of the Pawnee hunting party at this time. Word was brought to him by two white hunters who were fleeing down the valley eastward that a large war party of Brule Sioux had crossed over the Platte and were now in the Republican Valley and evidently looking for opportunity to battle with their hereditary foe, the Pawnee.

Sky Chief's scouts reported buffalo in great numbers near their camp on the north bank of the river. He scoffed at the threat of danger, boasted that his young men were not afraid of any band of Sioux that might have come into their valley, and said to his people, "The white men are only trying to frighten us from this good hunting ground."

On the morning of August 6, 1873, the Pawnee moved out in hunting formation up what is now known as Massacre Canyon to a point where it heads out into the open country. There they discovered a big band of buffalo. The hunters had killed a large number, the warriors had dismounted, and the women and boys had come up to skin and dress the game when scouts came riding in and reported a Sioux war party coming in upon them at full speed.

Sky Chief rallied his warriors quickly and determined to make battle at the head of the canyon. The women and children tried to escape down the canyon, which was quickly crowded to its walls by the rush of those attempting to reach the camp in the valley below. Sky Chief and his bravest warriors fell in the fight at the head of the canyon. With courage equal to that of Leonidas and his 300, the Pawnee fought to stop the victorious Sioux and save the women and children. The white agent, Williamson, was with the Pawnee and has written a graphic account of the battle. His estimate is that from 1,200 to 1,500 Sioux warriors battled with the Pawnee who tried to stop the onrush of their enemy. After losing most of their young warriors the Pawnee battle line broke and the remnant of their band was driven down the canyon and out on the valley, never stopping their flight until they had crossed the river and turned to make a last stand upon the south bank of the stream.

The Sioux before continuing their attack stopped long enough to round up and seize all the supplies the Pawnee had gathered in their weeks of hunting, and drove off between five and six hundred ponies belonging to the defeated Pawnee. Just as the Sioux war chiefs were mustering their warriors for another charge, United States Army bugles were heard sounding the call for battle action. Down the valley to the eastward on the north bank of the river several troops of United States Cavalry were seen deploying for battle. The Sioux took one look at the flag and pennants that told them that the dreaded regular Cavalry were coming. They quickly rounded up their spoils of war, picked up their dead and wounded, fled back up the canyon, and disappeared to the north.

They never stopped until they were back over the Platte River and returned to the reservation from which they had slipped away. The Pawnee Nation lost all their ponies and other tribal property. Their principal war chiefs and warriors fell in the battle on the mesa and in the retreat down the canyon. The total loss in killed and wounded was more than 50 per cent of the Pawnee engaged in the battle. Williamson, the white agent with the Pawnee, was ordered by the Government agent at Omaha to return and bury the fallen. He counted 146 dead Pawnee that were buried on the battle field. He estimated that the Sioux must have lost 50 or 60 warriors in the earlier hour of the conflict. The wounded were many. The crush of the fleeing Pawnee in the canyon after their warriors gave way was terrific. The Sioux rode on either side upon the rim of the canyon and poured a deadly fire into the crush of fleeing Pawnee that was so thick they could not miss.

Many brave deeds performed that day by Pawnee warriors are still told at their tribal councils. Two thousand red warriors fought fiercely in this last great battle between red men on this continent.

The occasion that brought on the battle was an historic hunt for the buffalo that once were countless on these western plains. Both the warriors and the buffalo are now gone from there forever. A monument on the site selected would be a fitting memorial to the Indian and his wars and the buffalo, the most numerous and valued of animals that once covered our western plains.

The site upon which it is proposed to erect this monument is on the Goldenrod Highway and is readily accessible to visitors. The Massacre Canyon Battle Association have for the past 10 or a dozen years held their annual reunion at this place.

Your committee recommends the passage of H. R. 9194, with the following amendment:

Page 2, section 2, line 3, strike out the figures "10,000" and insert in lieu thereof the figures "7,500."

THE BATTLE OF KETTLE CREEK

The next business on the Consent Calendar was the bill (H. R. 9965) to erect a tablet or a marker to mark the site of the Battle of Kettle Creek in Wilkes County, Ga., where, on February 14, 1779, Elijah Clarke, of Georgia, and Colonel Pickens, of South Carolina, overtook the Tories under Colonel Boyd, killing him and many of his followers, thus ending the British dominion in Georgia.

The Clerk read the title to the bill.

The SPEAKER pro tempore. Is there objection?

Mr. CRAMTON. Reserving the right to object, it seems that the Committee on the Library is going to have monuments and markers all over the country wherever there has been a gun fired. In this case the bill when introduced only asked for $1,000. It seems to me that that is sufficient to take care of any markers. If it will be agreeable to the gentleman from Georgia to let it go at $1,000 I shall not object. The committee amendment raises it to $2,500 simply because they have agreed to $2,500 in other cases, and this evidently violates the rules of the union.

Mr. GILBERT. Mr. Speaker, that was not the reason. You can not get anything suitable for $1,000. It is either $2,500 or nothing. For $1,000 you could not get any kind of a marker. We felt that this deserved recognition, and that it would require $2,500.

Mr. CRAMTON. This was a minor affair, and if we are going to have markers all over the country I think that we ought to have them for $1,000 and not make them all $2,500.

Mr. GILBERT. In my opinion this great Government ought not to be so economical in providing markers for historical sites.

Mr. CRAMTON. I think it is more important to take care of folks who are living than to provide stone markers for battle sites. I know of many ways in which the Government is cutting pretty close in education, care of the health, and general living.

Mr. GILBERT. I think we need a little inspiration in historic knowledge.

Mr. CRAMTON. I doubt whether a marker for the site of the Battle of Kettle Creek is going to have any great effect on our historical knowledge. I object.

Mr. BRAND of Georgia. Will the gentleman withhold his objection?

Mr. CRAMTON. I will.

Mr. BRAND of Georgia. The gentleman from Michigan speaks about building markers all over the country. I want to say that as far as my district is concerned, which has been represented here by such men as Judge Lawson, William M. Howard, Alexander Stephens, and partly by Benjamin Hill, that no bill has ever been introduced asking for a single dollar from the Government for my district. I have never known a marker to be established in my district during the 11 years I have been a Member of Congress; neither have I known of the Government being asked to spend a dollar for that purpose in the State of Georgia. The general, sweeping statement of the gentleman from Michigan [Mr. CRAMTON] that we are going to broaden out and put one at every insignificant spot wherever a gun was fired I think is more or less subject to criticism. Why aim at this particular spot, the Kettle Creek battle ground, covering an area of about 12 acres, on which was fought the last battle of the Revolution, thus ending British dominion in Georgia? It was at this place in Wilkes County our people drove the British out of my district and State, the British and the Tories giving this county the name of the "Hornet's nest of the Revolution." If the gentleman from Michigan will refresh his memory, he will find that the Battle of Kettle Creek is referred to in 8 or 10 different histories written by historians of distinction. I respectfully submit a request to the gentleman not to insist on a reduction of this amount.

Mr. CRAMTON. Mr. Speaker, I shall withdraw my objection in response to the gentleman's appeal in the interest of the calendar, but make this statement: If the Committee on the Library is going to continue to bring in bills of this kind to place monuments at every place they can think of, I shall object to all of them. The amount of money that is involved in these bills is simply ridiculous. I withdraw my objection.

Mr. GILBERT. Mr. Speaker, reserving the right to object, as a member of the Committee on the Library I say to the House right now that I favor marking with a suitable marker every historical spot in the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the sum of $1,000 be, and is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of erecting a tablet or marker on the grounds of the Battle of Kettle Creek, in Wilkes County, Ga., where, on February 14, 1779, Elijah Clarke, of Georgia, and Colonel Pickens, of South Carolina, overtook the Tories under Colonel Boyd, killing him and many of his followers, thus ending British dominion in Georgia, said tablet or marker to be placed on the portion of this battle ground now owned by the Daughters of the American Revolution, said sum to be dispensed by the Secretary of War after he shall have approved the plans of said tablet or marker.

With the following committee amendment:

Page 1, line 3, strike out "$1,000" and insert "$2,500."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ALABAMA AND COUSHATTA INDIANS, POLK COUNTY, TEX.

The next business on the Consent Calendar was the bill (H. R. 5479) to provide for the purchase of land, livestock, and agricultural equipment for the Alabama and Coushatta Indians in Polk County, Tex., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice. I am making a study of it and I have not yet been able to complete that study.

Mr. BRIGGS. Mr. Speaker, I should like to ask the gentleman from Michigan if there is any prospect of satisfying him so that this legislation may be enacted at this session of Congress. The situation of these Indians is desperate and I call the attention of the House to a telegram just received from the district judge and other officials and prominent and worthy citizens of Polk County, reading as follows:

LIVINGSTON, TEX., *May 7, 1928.*

Hon. CLAYSTONE BRIGGS:

We commend you for your faithful efforts in behalf of the Alabama and Coushatta Indians and pray that the Congress will pass your measure to relieve the suffering of these worthy and starving red men.

J. L. MANRY, *District Judge.*
E. T. MURPHEY, *Representative.*
JAMES E. HILL, *County Judge.*
FRED NORRIS, *County Superintendent.*
R. D. HOLLIDAY, *Sheriff.*
Z. L. FOREMAN, *County Attorney.*
C. F. FAIN, Jr.
Rev. C. W. CHAMBERS, *Missionary.*

Mr. CRAMTON. Mr. Speaker, the gentleman knows something of my views. I am impressed by the report of the Polk County Chamber of Commerce that appears in the hearings. In the first place the bill asks for too much money. If I could feel sure that it was going to secure lands that could be farmed by these Indians, and not the kind of lands that they live on at the present time, which can not be farmed, and that those lands could be secured at a reasonable price and not an exorbitant price, I would be more friendly. Joined with that I should like to know that the locality and State that have the responsibility were going to join in along some such line as the Polk County Chamber of Commerce has suggested in the way of providing a road that would make the lands acceptable, and in providing supervision of their agricultural activities.

Mr. BRIGGS. Mr. Speaker, let me suggest to the gentleman from Michigan that undoubtedly the Polk County Chamber of Commerce and every other interest will have at heart in every possible way the success of these Indians and will aid in that success. But these Indians need help now and need it desperately, and the Federal Government should provide unconditionally the relief recommended by the Indian Affairs Committee in this bill.

Mr. CRAMTON. If they would provide an exact statement in advance of the appropriation, what lands are available in the vicinity of the home of these Indians, and at what price particular tracts of land may be purchased, it would be well, because then, if the appropriation is made, the Indian Bureau could examine these several tracts and make its choice feeling sure that the price has not been tilted up because of the appropriation.

Mr. BRIGGS. It is manifestly impracticable to get options on any territory to await action by the Federal Government without even any legislation.

Mr. CRAMTON. It is not at all impossible in such a situation as this for the Polk County Chamber of Commerce to get a price on large areas of cut-over lands that are in this vicinity, without a formal, legal option, to get a proposition of what acreage is available and what it will cost. Then we can tell better whether we can afford to do business with them or not.

Mr. BRIGGS. The gentleman will remember, if he has read the hearings, that the testimony reflects that from $7.50 to $10 per acre has been indicated by Polk County representatives and by the report of the Government investigator in 1918, as the price for which suitable land can be obtained.

Mr. CRAMTON. And the testimony also indicates that the lands they expect to buy are adjacent to and similar to the lands the Indians have, and of those lands not over one-third the acreage is suitable for agriculture. This bill as it stands, in my judgment, would be certain to be of advantage to the land owners to sell the land to the Government. I am not sure that it would mean much to the Indians.

Mr. BRIGGS. My opinion is that it would be of tremendous value to the Indians and the testimony at the hearings reflects that only the interest of the Indians, and not of land owners, is being considered. I have no objection to setting a fair limitation on the price to be paid for the land, and the land to be acquired, and its desirability for the Indians, will be left entirely to the Government and the Indian Bureau to determine.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. LAGUARDIA. I looked the matter up when it was first on the Calendar. Judging from the report that this land is available now at $10 an acre, I have prepared an amendment to be offered when we come to that stage of the proceedings, to provide that the land shall not be purchased at to exceed $10 per acre.

Mr. CRAMTON. When we put a limitation of $10 an acre on the purchase price, we are providing a limitation that is materially above what cut-over lands should cost. I do not

think we ought to take the time of the calendar with so many bills waiting to be called, and I am willing to let this go over and agree to have a definite proposition ready for the gentleman before the next call of the calendar. Otherwise I shall have to object.

Mr. BRIGGS. Mr. Speaker, in view of the urgent need of the Indians, I insist on the consideration of the bill. I am ready to accept a limitation on the other proposition.

Mr. CRAMTON. Mr. Speaker, I object.

The SPEAKER pro tempore. It is necessary that three objections be made. One objection has been noted.

Mr. LAGUARDIA. I understand the gentleman from Texas will accept a limitation of $10 an acre.

Mr. BRIGGS. I will.

Mr. LEAVITT. And that will be satisfactory to the Committee on Indian Affairs.

Mr. MAPES. I object.

Mr. HOOPER. I object.

The SPEAKER pro tempore. Three objections are noted, and the Clerk will call the next bill.

SEPARATION OF JURIES IN FELONY CASES, DISTRICT OF COLUMBIA

The next business on the Consent Calendar was the bill (H. R. 12350) to regulate the separation of juries in felony cases in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ROMJUE. Mr. Speaker, reserving the right to object, I call the attention of the House to an amendment that I propose to offer to the second section of the bill, if the bill is to be considered. In line 9 after the word "defendant" the proposed amendment would add the following: "Such agreement, if any, shall be in writing and noted of record by the judge presiding in any such case."

The second section provides for the separation of juries in noncapital cases, but it provides also that the jury may be separated upon an agreement between the counsel on the two sides of the case. There is nothing in the language of the bill which requires the agreement to be in writing, and consequently it may be oral between the two attorneys, and in that case there is no record. There is nothing requiring a record to be made of it. The amendment is that such agreements shall be in writing and noted in the record by the judge presiding. In the trial of a defendant where it is agreed by the counsel on the two sides that the jury may be separated and there is no record preserved of that agreement, and the case goes up on appeal, I think you will find, if the bill is not amended, that there will be opportunity for dispute between the counsel for the defendant and the State.

It is an important matter, as it seems to me. There ought not to be any opportunity for a dispute to arise between the counsel after the trial of the case as to just what was agreed to. Therefore the agreement should be made a matter of court record.

Mr. LAGUARDIA. This is rather unusual. May not either side, the district attorney or the other attorney, in order to relieve the jury, compel a quick decision? It occurs to me that that is a matter that should be considered very carefully. I do not think it should be left to the discretion of the court whether he would hold the jury or not.

Mr. ROMJUE. I am not pressing the matter as to the first section, but personally my view is that the second section, which provides for the trial of noncapital cases, ought to be amended so that in cases where the jury is separated that fact ought to be entered as of record. In every State of the Union where a man is tried for a capital offense the separation of the jury its not permitted, and a failure to keep the jury together is a reversible error in every State of the Union that I know anything about. This amendment provides that the court when it deems it necessary may separate the jury. Although I am not pressing that now, as to capital cases, I think that fact ought to be entered on the record in cases where the attorneys are permitted to agree as to the separation of the jury.

Mr. LAGUARDIA. What is the purpose of section 919 (b), page 2? Is it to require the consent of both sides as to the separation of a jury?

Mr. BRAND of Georgia. I shall be glad to answer the gentleman. Under the common law which prevails in this district, the judge trying a felony case less than a capital has the discretion, without the consent of the district attorney or the attorney representing the defendant, to separate the jury and let them mix and mingle with the multitude at their will. That is, he has full power to turn the jury loose, for instance, in the afternoon or at night until the court convenes in the morning following.

Mr. LAGUARDIA. Is not that the usual course?

Mr. BRAND of Georgia. It is in the District of Columbia but not the rule in the States. Such rule, I think, is exceedingly bad practice in the District of Columbia. Under the common law it is discretionary with the court in the trial of felony cases less than capital and in the District of Columbia it has been the practice to allow the juries to separate in all cases. This amendment provides that they may be allowed to separate provided the defendant's counsel and the district attorney consent to it. It does not take away the right of separation, but takes away from the judge the right to turn them loose unless the district attorney and the defendant's attorney agree that the jury may separate. Under the laws of the States that I have investigated—and I have investigated about 60 per cent of them—the statutory law gives this discretion to the judge, which is only enactment of the common law, in the trial of felony cases less than capital, but the usual practice is in these States when objection is made by counsel to keep the jury together.

Mr. O'CONNELL. That is not compulsory. It is within the discretion of the judge. This, however, makes it compulsory.

Mr. BRAND of Georgia. If the judge in his discretion turns the jury loose until the next morning, the responsibility for the evil consequences is upon him by reason of this separation. This amendment relieves the judge of the responsibility of turning the jury loose and thus allow them to come in contact with the jury fixers, the briber, and the criminally minded generally, and also relieves the district attorney of the embarrassment of objecting to separation.

Mr. O'CONNELL. Is Washington in a better condition in that respect than other jurisdictions?

Mr. BRAND of Georgia. I do not think so.

Mr. ROMJUE. I think this is a good bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I wish to be heard further.

The SPEAKER pro tempore. Is there objection?

Mr. MORTON D. HULL. The regular order, Mr. Speaker.

The SPEAKER pro tempore. The regular order is demanded. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. I will object if I can not be heard.

The SPEAKER pro tempore. Objection is heard. The Clerk will report the next bill.

CONVENTION OF THE AMERICAN LEGION AT APPALACHIA, VA.

The next business on the Consent Calendar was the bill (H. R. 11804) authorizing and directing the Secretary of War to lend to the town of Appalachia, Va., 500 canvas cots, 500 blankets, 1,000 bed sheets, 500 pillows, 500 pillowcases, and 500 mattresses or bed sacks, to be used at the convention of the American Legion, Department of Virginia, to be held at Appalachia, Va., on August 13, 14, and 15, 1928.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the entertainment committee of the American Legion, Department of Virginia, whose convention is to be held at Appalachia, Va., on August 13, 14, and 15, 1928, 500 canvas cots, 500 blankets, 1,000 bed sheets, 500 pillows, 500 pillowcases, and 500 mattresses or bed sacks: *Provided,* That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered at such time prior to the holding of said convention as may be agreed upon by the Secretary of War and the chairman of said entertainment committee, J. A. Gardner: *Provided further,* That the Secretary of War before delivering said property shall take from said J. A. Gardner a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

ALABAMA AND COUSHATTA INDIANS

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to return to Calendar No. 592, H. R. 5479, and allow the bill to go over without prejudice.

The SPEAKER pro tempore. The gentleman from Montana asks unanimous consent that the objection to Calendar No. 592,

H. R. 5479, may be considered as withdrawn and that the bill may be passed over without prejudice. Is there objection?

There was no objection.

TENTS AND CAMP EQUIPMENT FOR THE CONVENTION OF THE AMERICAN LEGION FOR THE DEPARTMENT OF WASHINGTON

The next business on the Consent Calendar was House joint resolution (H. J. Res. 236) authorizing the Secretary of War to lend tents and camp equipment for the use of the housing committee for the convention of the American Legion for the Department of Washington, to be held at Centralia, Wash., in the month of August, 1928.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved, etc.*, That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the housing committee of the American Legion for the Department of Washington, for its use, in connection with the ninth annual convention of the American Legion for the Department of Washington, to be held in Centralia, Wash., on the 9th, 10th, and 11th of August, 1928, such tents and other camp equipment as may be required at such convention: *Provided*, That no expense shall be caused the United States by the delivery and return of said property, the same to be delivered to said committee at such time, prior to the holding of said convention, as may be agreed upon by the Secretary of War and F. W. Schwab, of Centralia, Wash., general chairman of said housing committee: *Provided further*, That the Secretary of War, before delivering said property, shall take from the said F. W. Schwab a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States of America.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the resolution was passed was laid on the table.

WARRANT OFFICERS OF THE REGULAR ARMY

The next business on the Consent Calendar was the bill (H. R. 8314) to amend an act of Congress approved March 4, 1927 (Public, No. 795, 69th Cong.), to provide for appointment as warrant officers of the Regular Army of such persons as would have been eligible therefor but for the interruption of their status caused by military service rendered by them as commissioned officers during the World War.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MORTON D. HULL. Mr. Speaker, I ask that this bill be passed over without prejudice as I want to offer an amendment to it; but before doing so I want to confer with the gentleman from Texas [Mr. WURZBACH], the introducer of the bill, and he is now out of the city.

Mr. CRAMTON. Mr. Speaker, reserving the right to object to that request, I have a letter from the Director of the Budget with reference to this bill which I would like to put in the RECORD and commend it to the attention of those in charge of the legislation. I ask unanimous consent to extend my remarks by inserting this letter.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD by inserting the letter referred to. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

Mr. MORTON D. HULL. Mr. Speaker, what disposition has been made of my request that the bill may be passed over without prejudice?

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. COLLINS. Mr. Speaker, I object.

ISSUANCE OF PATENT FOR CERTAIN LAND TO THE CITY OF BUHL, IDAHO

The next business on the Consent Calendar was the bill (H. R. 12192) authorizing the Secretary of the Interior to accept a deed to certain land and issue patent therefor to the city of Buhl, Twin Falls County, Idaho.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman from Idaho the necessity of having this land deeded from the State to the Government and then from the Government to a city or municipality?

Mr. SMITH. This action is necessary for the reason that the Federal Government has already patented the land to the State of Idaho as a part of a large tract and the State does not now desire it. The city of Buhl wishes the land for a dumping ground. It is necessary to have this legislation in order to make it available. The Federal Government can not accept title to this land without authority of Congress.

Mr. LAGUARDIA. Why can not the State deed it directly to the city of Buhl?

Mr. SMITH. Because of the fact that the State has no authority under its constitution to dispose of State land without the payment of $10 per acre. The State has no use for this land and is willing to deed it to the Federal Government in order that it may be deeded by the Federal Government to the city of Buhl.

Mr. LAGUARDIA. The purpose of this is to avoid the requirement in the constitution of the gentleman's State that before any land is sold to municipalities there shall be a certain consideration paid?

Mr. SMITH. That is right.

Mr. LAGUARDIA. This was originally Government land, and under this legislation it will revert to the Government and then to the municipality?

Mr. SMITH. Yes.

Mr. LAGUARDIA. This will entail no expense to the Government?

Mr. SMITH. None whatever.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to accept a deed from H. C. Baldridge, Governor of the State of Idaho, to the following-described lands: The southeast quarter of the southeast quarter of section 23, township 9 south, range 14 east, Boise meridian, Idaho, containing 40 acres, and to issue a patent for said lands to the city of Buhl, Twin Falls County, Idaho, for use as a public dumping ground.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ALLOWANCE OF SIOUX BENEFITS

The next business on the Consent Calendar was the bill (H. R. 9046) to amend section 17 of the act of March 2, 1889, entitled "An act to divide a portion of the reservation of the Sioux Nation of Indians into separate reservations and to secure the relinquishment of the Indian title to the remainder, and for other purposes," as amended by the act of June 10, 1896.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 17 of the act of March 2, 1889 (25 Stat. L. 888), entitled "An act to divide a portion of the reservation of the Sioux Nation of Indians into separate reservations and to secure the relinquishment of the Indian title to the remainder, and for other purposes," as amended by the act of June 10, 1896 (29 Stat. L. 321, 334), be, and the same is hereby, amended to provide as follows:

"That the articles enumerated in said section 17 of the act of March 2, 1889 (25 Stat. L. 888), to be provided for the persons therein mentioned, or the payment of the commuted value thereof as provided in the act of June 10, 1896 (29 Stat. L. 321, 334), shall be furnished or paid to all persons whose allotments of land have been made and approved under the provisions of the act of March 2, 1889: *Provided, however*, That no person shall receive more than one allowance of such benefits, nor shall any single person under the age of 18 years, or any person who is or has been married, where the right has been claimed and allowed by either the husband or wife as the head of a family, be entitled thereto. The right to such benefits is expressly limited to the person entitled to receive the same and, if not allowed during the lifetime of such person, the same shall lapse."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Interior be, and he is hereby, directed to continue the allowance of the articles enumerated in section 17 of the act of March 2, 1889 (25 Stat. L. 894), or their commuted cash value under the act of June 10, 1896 (29 Stat. L. 334), to all Sioux Indians who shall have taken or may hereafter take allotments of land in severalty under section 19 of the act of May 29, 1908 (35 Stat. L. 451), and who have the prescribed status of the head of a family or single person over the age of 18 years, and his approval shall be final and conclusive, claims therefor to be paid as formerly from the permanent appropriation made by said section 17 and carried on the books of the Treasury for this purpose. No person shall receive more than one

allowance of the benefits, and application must be made and approved during the lifetime of the allottee or the right shall lapse."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended.

A motion to reconsider was laid on the table.

OLYMPIC NATIONAL FOREST, WASH.

The next business on the Consent Calendar was the bill (H. R. 9297) authorizing the adjustment of the boundaries of the Olympic National Forest, Wash., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman from Washington [Mr. HILL] the purpose of exchanging this land? Are we giving good land for some bad land or can not this desirable land be attached to the National Forest without an exchange?

Mr. HILL of Washington. This applies to privately owned lands, principally, outside of the National Forest, within 3 miles of the National Forest on two sides and 12 miles on one side.

Mr. LAGUARDIA. We could acquire this land by purchase.

Mr. HILL of Washington. This bill provides for an exchange either in land value or in timber value, the idea being to bring land that is desirable for forestry purposes into the National Forest by exchanging therefor land values or timber values within the National Forest.

Mr. LAGUARDIA. In whose discretion does that rest?

Mr. HILL of Washington. That is within the discretion of the Secretary of Agriculture.

Mr. LAGUARDIA. As to values?

Mr. HILL of Washington. As to values; yes. The Secretary of Agriculture fixes the values.

Mr. LAGUARDIA. You have certain specific land in mind that you are going to take in, and I suppose the value of that land has been estimated?

Mr. HILL of Washington. I am not advised as to that. I presume they may have some estimates on it, but I do not know whether there has been a survey made for that purpose or not.

Mr. LAGUARDIA. Is it customary or is it the purpose in this case to give some timberland for some land already stripped of its timber?

Mr. HILL of Washington. The idea is to reforest this land on the outside that is suitable for forestry purposes by bringing the land within the forest and to exchange for this land ripe timber within the limits of the forest.

Mr. LAGUARDIA. It strikes me, as a tenderfoot, that it is a very poor conservation measure to give away good timberland and take in exchange land where the timber has been wasted.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. SUMMERS of Washington. That is not the purpose at all. The value of the land exchanged is always taken into consideration. It might be an exchange of 100 acres in one instance for 200 acres in another. It goes on value, and the exchange is not made acre for acre. Oftentimes it helps to adjust the boundaries so as to make the administration of the forest better.

Mr. HUDSON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. HUDSON. Does this mean that the land that is taken out of the national forest is to be cut over and then brought back into the national forest by an exchange again at the expense of the Government after the lumber companies have taken off the timber?

Mr. LAGUARDIA. It hits me that way.

Mr. SUMMERS of Washington. There is nothing of that kind contemplated at all.

Mr. HUDSON. If it is the purpose to reforest this land, why not take the land and reforest it without giving up any other land?

Mr. LAGUARDIA. These trees are very many years old, are they not?

Mr. HILL of Washington. Yes; it is mature timber.

Mr. LAGUARDIA. The trees are 100 years old, so two weeks would not make much difference, and therefore I ask unanimous consent that the bill may go over without prejudice so that I may be better advised about it.

The SPEAKER pro tempore. Without objection, the bill will be passed over without prejudice.

There was no objection.

LASSEN VOLCANIC NATIONAL PARK, CALIF.

The next business on the Consent Calendar was the bill (H. R. 11406) to consolidate or acquire alienated lands in Lassen Volcanic National Park, in the State of California, by exchange.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, the gentleman from California [Mr. ENGLEBRIGHT] is not present. There have been some developments in connection with this situation since the bill was reported, so that I imagine the gentleman might not want to press it. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RIGHT OF WAY THROUGH CHALMETTE NATIONAL CEMETERY

The next business on the Consent Calendar was the bill (H. R. 11758) authorizing the Secretary of War to grant a right of way for a levee through the Chalmette National Cemetery.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Reserving the right to object.

Mr. O'CONNOR of Louisiana. This is to authorize the Secretary of War to grant a right of way through the cemetery on account of the breaking of the levee in the National Cemetery. I might say that the military appropriation bill carries an appropriation to make the necessary changes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of War is hereby authorized to grant the Lake Borgne Basin levee board, an agency of the State of Louisiana, a right of way through the Chalmette National Cemetery Reservation, St. Bernard Parish, La., in such location as may be designated by him, for the purpose of constructing and maintaining a new levee to replace the existing levee in front of said reservation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ACQUISITION OF LANDS IN HAWAII

The next business on the Consent Calendar was the bill (H. R. 11847) to authorize the acquisition of the Queen Emma and Damon estates and the Halawa site in the vicinity of Fort Kamehameha, Hawaii, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLACK of Texas. I object. This bill involves more than a million dollars and should not be considered on the Calendar for Unanimous Consent when the Military Affairs Committee can call it up on Calendar Wednesday.

Mr. JAMES. Let me say to the gentleman that the Military Affairs Committee will not have a Calendar Wednesday this session and there is no way of getting the bill up except by unanimous consent. We must have it because the Army and the Navy need it and the sooner we condemn the land the more it will save the Government.

Mr. BLACK of Texas. There are two tracts of land involved here. One is to cost at the rate of $300 an acre, and there are 1,434 acres. Another tract contains 862 acres and is to cost around $900 per acre.

Mr. CRAMTON. Will the gentleman yield?

Mr. BLACK of Texas. I will.

Mr. CRAMTON. This bill at first impressed me much as it does the gentleman from Texas, but I took it up with the Governor of Hawaii, Mr. Farrington, in whom I have very great confidence. I have a statement from him which I will ask unanimous consent to put in the RECORD as a part of my remarks. I suggest to the gentleman from Michigan [Mr. JAMES] that if the gentleman from Texas is reluctant about letting the bill pass that the gentleman from Michigan ask unanimous consent to have it go over without prejudice and I will ask the gentleman from Texas in the meantime to read the statement which I have put in.

Mr. BLACK of Texas. I will be very glad to do so.

Mr. CRAMTON. In connection with that I will say that I want to put in also some discussion of the way the Army officers have handled land matters in Hawaii. In my judgment the Army officers in Hawaii have conducted themselves as con-

quering officers in a subdued nation, in connection with their attitude toward disposal of valuable territorial lands turned over to the War Department for military purposes, and I want to put in also some information with reference to that.

Mr. BLACK of Texas. Let me say that I would have to investigate a situation thoroughly before I would be willing to let a bill pass to pay $900 an acre for 300 acres and approximately $300 an acre for another tract of 1,400 acres. I will have to be convinced that there is some real good substantial reason for paying such a price.

Mr. CRAMTON. I will say to the gentleman that if this was a proposition to allow the Army officers to make an exchange of land, I would agree absolutely with the gentleman from Texas, but this does provide for condemnation of the land, and it is not probable that the land can be secured for any less price.

Mr. BLACK of Texas. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

The Chair hears none.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting certain correspondence with the Governor of Hawaii and also the other matter I referred to.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CRAMTON. I have considerable contact, personally and officially, with Governor Farrington, and I have implicit confidence in his business judgment and his zeal for the public interest. The statement from him which I present satisfies me that the passage of the pending bill is desirable. It further satisfies me that the Army officers in Hawaii have been reckless in their waste of the public domain and that something should be done to prevent continuance of such reckless dissipation of lands in their control in Hawaii of great public value.

I am advised otherwise that the transfer to Dillingham was consummated without any public notice or discussion and two miles of valuable water front was disposed of without proper consideration. I do not criticize Dillingham, but the facts themselves are an indictment of the Army administration of valuable property intrusted to it. Action should be taken by Congress to prevent any further repetition of this waste. The letters from Governor Farrington are as follows:

EXECUTIVE CHAMBER, TERRITORY OF HAWAII,
*Honolulu, April 25, 1928.*

Hon. LOUIS C. CRAMTON,
*Member of Congress, Washington, D. C.*

MY DEAR CONGRESSMAN CRAMTON: I inclose confirmation copy of our telegram sent to you by naval radio in answer to your inquiry regarding the James bill for the purchase of land to give the War Department a proper aviation field in the vicinity of Pearl Harbor and the coast defenses of the island of Oahu.

I hope I have made myself clear in expressing cordial approval of the speedy acquiring of this property by the Federal Government.

In my opinion the most approved method for the Government to secure possession of private land is through the medium of condemnation proceedings. The fact that a tentative value for this land was secured for the information of Congressman JAMES indicates that the private owners, realizing that the land may be condemned and must, in the natural order of events, come into the possession of the Federal Government, have placed what they would consider a fair value. I am not disposed to dispute this value, but, on account of my experience and observation with and of Army methods of handling public lands, I have a very poor opinion of the experience, judgment, and degree of responsibility possessed by the officers who have handled Army land matters in this Territory during the period of my administration.

In this connection I could tell you a long story regarding the acquiring of a 254-acre tract, known as the Kalena tract, located in the midst of the Schofield Barracks Reservation. Summerall, when first assuming command down here, at the beginning of my administration, tried his best to force me to carry out a land exchange which would have resulted in the Territory giving up control of over 2,000 acres to private interests, in order that the Army might secure 254 acres of the Kalena tract. I insisted that the land should be condemned. Last December the final trial was held in connection with the condemnation proceedings. The price of the Kalena land and all charges against it amounted to $58,000. That money has been appropriated, I think, during the present session of Congress. The folly of Summerall's program is now brought into clear relief.

Last year the local Army officers were endeavoring to manipulate a land exchange to secure possession of the land included in the present James bill. The things that they proposed to do with public lands that were originally Territorial and made over to the War Department by Executive order during Governor Pinkham's administration were simply outrageously foolish. I inclose a copy of a letter which I wrote Major General Lewis bearing on this subject relating to another field at Waianae.

I have a very definite opinion on the propriety of the War Department returning to the administration of the Territory all the public land not required for the immediate uses of the War Department. The fact that the War Department was ready and would undoubtedly have exchanged the land had the Delegate and myself not protested directly to the President makes it clear that these lands, which I mention generally and can define specifically if desired, are not a factor of military necessity to the War Department.

Reverting again to the land area covered in the James bill, there is no doubt in my mind that this land will never be available at a lower figure. If it remains in private hands, it will be filled from dredgings of Pearl Harbor and vicinity and sold privately at a very much increased value. Should war ever come, there is no doubt in my mind that immediate possession would have to be taken of this property by the military authorities. It is the natural and logical location for the aviation field. It is, therefore, sound business for the Federal Government to acquire possession of the land at the present time, and thus allow the military authorities to develop their defensive program in a normal manner and at the lowest cost to the country.

I can go into all these land transactions in detail, if it is desired. Congressman JAMES made a very careful and intensive survey of the situation from a military standpoint. I most cordially support him in all his programs, except possibly when he suggests in a casual conversation that the Government might sell some of the property, once Territorial but now made over to the Army by Executive order, and use the money for local military programs. My answer to this is that the land, being originally Territorial, should revert to the Territory for public use. This Territory pays its normal share of taxes into the Treasury, and I do not feel that we should be specially assessed and placed in the position of having to buy back from private interests what was once public property. This condition exists on the water front of Honolulu at the present time, as the Territory in order to round out its harbor-terminal scheme must buy back from a private citizen a land area originally made over to the War Department by Executive order and through the War Department channels placed in private hands by exchange. This will cost the Territory approximately from $100,000 to $150,000. There is nothing of sound business in such a program.

I am delighted to know that you are continuing your interest in the affairs of Hawaii from every standpoint.

Yours sincerely,

W. R. FARRINGTON,
*Governor of Hawaii.*

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AUGUST 15, 1927.

Maj. Gen. E. M. LEWIS, U. S. Army,
*Commanding, Hawaiian Department,*
*Honolulu, Hawaii.*

MY DEAR GENERAL LEWIS: Responding to your request of August 11, regarding the possibility of the Territory undertaking to condemn land on the island of Oahu that might be turned over to the Army, I am of the opinion that such a proceeding could not be of any immediate value to you. There are legal difficulties that would make the procedure long drawn out and in any event the final consummation of the program would properly await confirmation by the legislature of 1929.

I should say it would be better to seek an appropriation from Congress, so that the lands desired may be condemned and purchased by the Federal Government.

While inspecting Territorial lands in the Waianae region on Friday last, I had the opportunity of viewing the tract at Makaha that I am informed is the area sought by the Army as a landing field. I have been informed that the program of exchange contemplates the transfer to the Waianae plantation or allied private interests of a portion of the near-by land now controlled by the War Department (being designated as Waianae-kai parcel No. 2, Executive Order 2900, July 2, 1918), containing approximately 153 acres; also several hundred feet (approximately a thousand) of the beach frontage on Waianae Bay (designated on map as Pokai Bay) in the vicinity of the Dowsett residence.

For your information, the Territory has usually been able to consummate exchanges of this nature on the basis of giving acre for acre, for land of the same general character. This would appear to be possible in this case. Consequently the inclusion of the beach frontage appears to be unnecessary. The 153-acre tract referred to produced an income of $811 a year under lease from the Territory previous to its being set aside for the purposes of the Army on the recommendation of Governor Pinkham.

My experience in dealing with private landholders in the Territory of Hawaii on matters of exchange does not lead me to believe that any branch of the Government need feel that private holders are conferring any particular favor on the Government when indicating a willingness to exchange. On my present information, I fail to see why any branch of the United States Government should transfer any portion of the Waianae Bay frontage to private interests.

A fair sample of what happens is now furnished by the conditions near the Maile Beach area. The 62 acres, carrying approximately 6,000 feet of beach frontage, that was deeded to W. F. Dillingham in a land

exchange completed by the Hawaiian Department, includes over a mile of the best beach in the Maile Beach section of the Waianae district.

The construction of an improved highway, for which the Territory has appropriated approximately $600,000, makes this region easily accessible from the more populous sections of the island of Oahu. Already petitions have been presented to me to secure an opening for the public on the so-called Maile Beach, that was placed under the control of W. F. Dillingham through exchange with the Army. I am informed that a 47-acre tract of land located across the main highway from this Maile Beach section recently sold for $40,000. Other sales of approximately $1,000 an acre are reported in this section. There is an increasing demand for access to the beach in that vicinity. The section of the beach a mile distant still controlled by the Territory is the rockiest portion and the least attractive for public use.

You can thus readily understand why the Territory views with concern the alienation of any of this beach area when it has become obvious that the retention of the beach area by the Army is not a matter of military necessity.

Judging from some of the proposals of exchange that have come to my attention as having been made under the authority of the act of Congress approved January 31, 1922 (entitled "An act to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii"), officers of your department have not resided in the Territory long enough to appreciate the importance of continued public control of beach areas. Hawaii has gone through the experience of allowing private interests to secure control of beach land, and then, as a result of the lack of foresight, the taxpayers have been forced to buy back these lands at a very high cost.

A portion of the public park at Waikiki was bought back by the city and county of Honolulu at a cost of $30,000, and only recently the site for the present war memorial at Waikiki was bought back at the cost of $200,000.

I can not bring myself to believe on any information now at my disposal that there is need or justification under the heading of either military necessity or national financial economies to alienate to private interests another foot of land along the Waianae Beach area or any other beach section of the island of Oahu.

There is an investment value in this property, and if there is any advantage to be gained it should be for the benefit of the public, not for private interests.

Yours very truly,

W. R. FARRINGTON,
*Governor of Hawaii.*

SALE OF SURPLUS WAR DEPARTMENT REAL PROPERTY

The next business on the Consent Calendar was the bill (H. R. 11953) to authorize the sale under the provisions of the act of March 12, 1926 (Public, No. 45, 69th Cong.), of surplus War Department real property.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, does this clean up all the surplus real property under the control of the War Department?

Mr. JAMES. I hope not. I do not think we ought to keep any real property that can be disposed of.

Mr. LAGUARDIA. The gentleman from Michigan and I have never agreed about the disposition of surplus real property. In the light of past experience in the sale of real property will not the gentleman agree that it has not been very successful?

Mr. JAMES. In some places the Government has got more than was expected.

Mr. LAGUARDIA. It is impossible to get the gentleman from Michigan to agree to the fact.

Mr. JAMES. No; we have overridden the War Department time after time. I am not taking any orders from the War Department.

Mr. LAGUARDIA. The gentleman will recall that when he came before the House with the first bill I opposed it, and we were assured by the gentleman that if we sold the real property it would be sufficient to finance the building program.

Mr. JAMES. Oh, I never made any such statement as that.

Mr. LAGUARDIA. I think that was the impression that the House got.

Mr. JAMES. I hope not.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of War be, and he is hereby, authorized to sell or cause to be sold under the provisions of the act of March 12, 1926, the several tracts or parcels of real property hereinafter designated or any portion thereof, upon determination by him that said tracts or parcels are no longer needed for military purposes, and execute and deliver in the name of the United States and in its behalf any contracts, conveyances, or other instruments necessary to effectuate such sale and conveyance, to wit: Amaknak Island, Alaska (that portion under the control of the War Department); Carlstrom Field, Fla.; Door Field, Fla.; East Jordan Range, Mich.; Fort Griswold, Conn.; Fort Independence, Mass. (portion only); Camp Lee, Va.; Fort Madison, Me.; Fort Sewall, Mass. The expense of sale of these properties shall be paid from the proceeds thereof, and the net proceeds shall be deposited in the Treasury of the United States to the credit of the military-post construction fund: *Provided,* That the net proceeds of the sale of East Jordan Range, Mich., shall be credited to the State allotment of funds for the Michigan National Guard.

With the following committee amendment:

Page 2, line 14, after the word "guard," insert "pursuant to the act of Congress approved May 12, 1917."

The committee amendment was agreed to.

Mr. FROTHINGHAM. Mr. Speaker, I move to amend on page 2, lines 7 and 8, by striking out "Fort Sewall, Mass."

The SPEAKER pro tempore. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. FROTHINGHAM: Page 2, line 7, strike out the words "Fort Sewall, Mass."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

APPOINTMENT OF WARRANT OFFICERS, UNITED STATES ARMY

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks upon the bill (H. R. 8314) to provide for appointment as warrant officers of the Regular Army of such persons as would have been eligible therefor but for the interruption of their status, caused by military service rendered by them as commissioned officers in the World War, by inserting a letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CRAMTON. The letter is as follows:

BUREAU OF THE BUDGET,
*Washington, May 2, 1928.*

Hon. LOUIS C. CRAMTON,
*House of Representatives.*

MY DEAR MR. CRAMTON: On the 20th ultimo you wrote me with regard to H. R. 8314, a bill to amend the act of Congress approved March 4, 1927, to provide for appointment as warrant officers of the Regular Army of such persons as would have been eligible therefor but for the interruption of their status, caused by military service rendered by them as commissioned officers during the World War.

The act of March 4, 1927 (44 Stat. 1416), authorizes the counting of commissioned service in the Army during the World War as the equivalent of service as quartermaster clerks, but does not authorize the counting of such commissioned service as the equivalent of detached service away from the permanent station or duty beyond the continental limits of the United States.

The act of August 29, 1916 (39 Stat. 625), specifically requires 12 years of service to establish eligibility for appointment as field clerks, Quartermaster Corps, with the provision that at least 3 years of such service must have been on detached duty or on duty beyond the continental limits of the United States or both. The bill under consideration (H. R. 8314) among other things contemplates amending the act of March 4, 1927, so as to have commissioned service during the World War count not alone for the equivalent of service as clerks, Quartermaster Corps, but also for the detached service or foreign duty prescribed by the act of August 29, 1916.

As it has been decided by Congress that the commissioned service shall count as equivalent to service as clerks, Quartermaster Corps, there would seem to be no objection to the commissioned service being counted as the equivalent of detached service or foreign duty. However, H. R. 8314 goes far beyond this and authorizes the counting of "all classified service rendered as clerks in the Military Establishment." None of the laws relating to the appointment of warrant officers, including the last enactment of March 4, 1927, has authorized the counting of all classified service rendered as clerks in the Military Establishment and to make this departure now for the eight men who would be the beneficiaries under H. R. 8314 would establish a precedent for all classes of these people who have been given an enlisted or warrant status or a commissioned status. While the amount involved for the eight men would not be large, the establishment of a precedent might prove to be extremely costly.

Sincerely yours,

H. M. LORD, *Director.*

DONATING REVOLUTIONARY CANNON TO NEW YORK STATE

The next business on the Consent Calendar was the bill (S. 805) donating Revolutionary cannon to the New York State Conservation Department.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of War, in his discretion, is hereby authorized to deliver to the order of the New York State Conservation Department five Revolutionary cannon stored in the Watervliet Arsenal at Watervliet, N. Y., and marked "W. A. 60," "W. A. 61," "W. A. 62," "W. A. 63," and "W. A. 64": *Provided*, That the United States shall be put to no expense in connection with the delivery of said cannon.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

SALES BY UTILITIES IN THE ARMY

The next business on the Consent Calendar was the bill (H. R. 7938) to regulate sales by utilities in the Army.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I object.

The SPEAKER pro tempore. This takes three objections.

Mr. SCHAFER. Mr. Speaker, I object.

Mr. COLLINS. Mr. Speaker, I object.

The SPEAKER pro tempore. Three objections are noted, and the Clerk will call the next bill.

UNITED STATES BARRACKS AT BATON ROUGE, LA.

The next business on the Consent Calendar was the bill (H. R. 11852) providing for the confirmation of grant of lands formerly the United States barracks at Baton Rouge, La., to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That the patent issued by the United States General Land Office to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College in trust for the Louisiana State University and Agricultural and Mechanical College under date of February 20, 1903, by virtue of the authority conferred by an act of Congress approved April 28, 1902, entitled "An act providing for the transfer of the title to the military reservation at Baton Rouge, La., to the Louisiana State University and Agricultural and Mechanical College," which conveyed full and complete title to the buildings and grounds of the United States barracks at Baton Rouge, La., for the purpose of said university and college, being sections 44 and 71 of township 7 south, range 1 west, St. Helena meridian, State of Louisiana, containing 211.56 acres be, and the same is hereby, approved and confirmed; and the right of the board of supervisors of the Louisiana State University and Agricultural and Mechanical College to sell or lease any of the said grounds or buildings in its development of said university is fully recognized, the proceeds to form part of the funds of the said Louisiana State University and Agricultural and Mechanical College and to be used for the purposes of said university and college.

With the following committee amendments:

Page 2, line 18, after the word "college" insert "excepting from the force and effect of this act the parcel of ground containing about 2.45 acres granted to the Roman Catholic congregation of St. Joseph's Church of the city of Baton Rouge, by act of Congress approved September 30, 1890 (26 Stat. 503); and further excepting that portion of land that lies westward of a line 100 feet east of the center of the railroad tract of the Louisville, New Orleans, & Texas Railroad Co.: *Provided*, That if the said railroad company shall cease to use and occupy such land it shall thereupon become subject to all the provisions of this act.

The committee amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

GAME REFUGES ON THE OUACHITA NATIONAL FOREST

The next business on the Consent Calendar was the bill (H. R. 8130) authorizing the creation of game refuges on the Ouachita National Forest, in the State of Arkansas.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I shall not object if the gentleman from Arkansas [Mr. REED] will agree to accept an amendment striking out lines 1 and 2 on page 2. If this is going to be a bird sanctuary, let us make it so; if it is going to be a bird refuge, let us make it so. But if it is going to be a hunting ground, let us say so.

Mr. REED of Arkansas. Mr. Speaker, of course, I would object to the striking out of lines 1 and 2 on page 2.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, I object.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3699. An act for the relief of the land-grant railroad operated between the station formerly known as East Portland, in the State of Oregon, and Roseville, in the State of California.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12030) entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39) regulating postal rates, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MOSES, Mr. PHIPPS, and Mr. MCKELLAR to be the conferees on the part of the Senate.

The message further announced that the Senate had concurred in the following concurrent resolution:

House Concurrent Resolution 34

*Resolved by the House of Representatives (the Senate concurring)*, That the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," be authorized to include in its report on said bill a recommendation amending the proviso to the first paragraph of section 10 by striking out the words in said paragraph "board created in section 1 of this act," and inserting in lieu thereof the words "Mississippi River Commission," and no point of order shall be made against the report by reason of such action.

THE CONSENT CALENDAR

BRIDGE ACROSS THE OHIO RIVER AT NEW CUMBERLAND, W. VA.

The next business on the Consent Calendar was the bill (H. R. 5475), granting the consent of Congress to the R. V. Reger Bridge Co. to construct, maintain, and operate a bridge across the Ohio River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, the Clerk will read the committee amendment.

There was no objection; and the Clerk read as follows:

Strike out all after the enacting clause and insert:

"That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the New Cumberland Bridge Co., its successors and assigns, be, and is hereby, authorized to contruct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near the city of New Cumberland, W. Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"SEC. 2. There is hereby conferred upon the New Cumberland Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"SEC. 3. The said New Cumberland Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of West Virginia, the State of Ohio,

any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value, (2) the actual cost of acquiring such interests in real property, (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property, and (4) actual expenditures for necessary improvements.

"SEC. 5. If such bridge shall be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

"SEC. 6. The said New Cumberland Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War, and with the highway departments of the States of West Virginia and Ohio, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said New Cumberland Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

"SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the New Cumberland Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

"SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill authorizing the New Cumberland Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near New Cumberland, W. Va."

A motion to reconsider the vote by which the bill was passed was laid on the table.

### BRIDGE ACROSS LITTLE CALUMET RIVER, ILL.

The next business on the Consent Calendar was the bill (H. R. 11917) granting the consent of Congress to the county of Cook, State of Illinois, to widen, maintain, and operate the existing bridge across the Little Calumet River in Cook County, State of Illinois.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby given to the county of Cook, State of Illinois, to widen, maintain, and operate the existing highway bridge and approaches thereto across Little Calumet River at or near Halstead Street, within section 8, township 36 north, range 14 east, in said county and State, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

### LEGALIZING WHARF IN DEER ISLAND, ME.

The next business on the Consent Calendar was the bill (H. R. 11950) to legalize a pier and wharf in Deer Island thoroughfare on the northerly side at the southeast end of Buckmaster Neck at the town of Stonington, Me.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, how was this pier originally constructed?

Mr. DENISON. It was constructed without authority of law. This is to legalize it.

Mr. LAGUARDIA. There is not much navigation on this stream?

Mr. DENISON. No; but the law is general in respect to such matters.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the pier and wharf built by Marguerite S. Morrison in the Deer Island thoroughfare, State of Maine, on the northerly side at the southeast end of Buckmaster Neck, which is about 2 miles north of the wharf at the town of Stonington, in the State of Maine, be, and the same is hereby, legalized to the same extent and with like effect as to all existing or future laws and regulations of the United States as if the permit required by the existing laws of the United States in such cases made and provided had been regularly obtained prior to the erection of said pier and wharf: *Provided*, That any changes in said pier which the Secretary of War may deem necessary and order in the interest of navigation shall be promptly made by the owner thereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

### BRIDGE ACROSS THE TENSAS RIVER IN LOUISIANA

The next business in order on the Consent Calendar was the bill (H. R. 11980) granting the consent of Congress to the Fisher Lumber Corporation to construct, maintain, and operate a railroad bridge across the Tensas River, in Louisiana.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHAFER. Reserving the right to object, Mr. Speaker, I would like to inquire whether or not this bridge is to be constructed on some property which is to be acquired as a flood way under the terms of the relief bill that we recently passed?

Mr. DENISON. I am unable to state definitely where the flood way is, but I will say to the gentleman from Wisconsin that this bill only authorizes the construction of a temporary bridge.

Mr. SCHAFER. And we might conclude that under this proposition, if the Government is going to purchase land along these flood ways, we may have to pay damages on account of the construction of this bridge?

Mr. DENISON. The flood way bill does not contemplate the Government purchasing anything but flowage rights. This does not interfere in any way.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the Fisher Lumber Corporation, incorporated under the laws of the State of Delaware, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across the

Tensas River, in Louisiana, at a point suitable to the interests of navigation at or near the dividing line between sections 1 and 12, township 12 north, range 9 east, Louisiana meridian, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Fisher Lumber Corporation, its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

CLAIMS OF LOWER SPOKANE AND LOWER PEND OREILLE OR LOWER CALISPELL TRIBES OF INDIANS, STATE OF WASHINGTON

The next business on the Consent Calendar was the bill (H. R. 5574) authorizing the Lower Spokane and the Lower Pend Oreille or Lower Calispell Tribes or Bands of Indians in the State of Washington, or any of them, to present their claims to the Court of Claims.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAMTON. Reserving the right to object, Mr. Speaker, I have certain amendments that I will not take time now to enumerate unless I am requested to do so. I understand those amendments are agreeable to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Yes.

Mr. CRAMTON. With that understanding I shall withhold any objection, and offer the amendments at the proper time.

Mr. HILL of Washington. Mr. Speaker, the bill S. 1480 is identical with this bill and is on the Union Calendar. I request that the Senate bill 1480 be considered in lieu of the House bill 5574, and that the House bill be laid on the table.

The SPEAKER. The gentleman from Washington asks unanimous consent that the Senate bill 1480 be considered in lieu of the House bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

Mr. CRAMTON. Mr. Speaker, it is a rather long bill, and unless somebody is interested in hearing it read I will ask unanimous consent that it be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate bill reads as follows:

S. 1480, Seventieth Congress, first session

A bill authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims.

*Be it enacted, etc.*, That jurisdiction is hereby conferred on the Court of Claims, with the right to appeal to the Supreme Court of the United States by either party, as in other cases, notwithstanding the lapse of time or statutes of limitation, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims of the Lower Spokane and the Lower Pend Oreille or Lower Calispell Tribes or Bands of the State of Washington, or any of said tribes or bands, against the United States arising under or growing out of the original Indian title, claim, or rights of the said Indian tribes and bands, or any of said tribes or bands (with whom no treaty has been made), in, to, or upon the whole or any part of the lands and their appurtenances claimed by said Lower Spokane Tribe or Band of Indians, in the State of Washington, and embraced within the following general descriptions, to wit:

Commencing in the State of Washington on the east and west Government survey township line between townships 24 and 25 north at a point whose longitude is 119° 10′ west; thence east along said township line to the first draw leading and draining into Hawk Creek in Lincoln County, Wash.; thence down the center of said draw to said Hawk Creek and down the center of said Hawk Creek to its conflux with the Columbia River; thence up and along the south and east bank of the Columbia River to the north bank of the Spokane River at its conflux with the Columbia River, which said boundary lines separate the lands of said Lower Spokane Tribe or Band of Indians from those, the several so-called Colville and Okanogan Tribes or Bands of Indians; thence easterly up and along the north bank of the said Spokane River to a north and south line whose longitude is 118° west; thence south along said line to its intersection with the forty-seventh parallel of latitude; thence west along said forty-seventh parallel to a line whose longitude is 119° 10′ west; thence north on said line to the point of beginning, which two latter lines of boundary separate the lands of the said Lower Spokane Tribe or Band of Indians from the lands of the confederated Yakima Indians as defined by the treaty between the United States and said Yakima Indians concluded at Camp Stevens, Walla Walla Valley, Washington Territory, June 9, 1855 (12 U. S. Stat. L. 941, 956); lands in the States of Idaho, Montana, and Washington, claimed by said Lower Calispell or Lower Pend Oreille Indian Tribe or Band of Indians and embraced within the following description, to wit:

Commencing at a point in the State of Idaho at the forty-ninth parallel latitude on the divide between the waters of the Flat Bow or Kootenai River and those of the Clark Fork River and its tributaries; thence southerly and southeasterly along said summit of the divide, known as the Cabinet Mountain, to the headwaters of Thompsons River in Sanders County, Mont.; thence southerly along the divide between Thompsons River and the tributaries of the Flathead River to the town of Plains, Mont., and continuing southwesterly on a line drawn through St. Regis, Mont., to the summit of the Calispell or Coeur d'Alene Range of the Bitter Root Mountain (which said boundaries separate the original habitat and lands of said Lower Calispell or Lower Pend O'Reille Indians from those of the Cooteney, Upper Pend O'Reille, and Flathead Tribes or Bands of Indians as defined by the treaty between the United States and said last-named tribes or bands of Indians executed July 16, 1855) (12 Stat. L. 975–979); thence northwesterly along the summit of said Calispell or Coeur d'Alene Range and the divide between the waters of the said Clark Fork and those of the Coeur d'Alene River, and along said course extend to and across the Spokane Plains and continuing in a general northwesterly direction to the divide separating the waters of said Clark Fork River from the Spokane River and its tributaries to the main ridge of the Calispell Mountains in the State of Washington; and thence in a northerly direction, along the summit of main ridge of said Calispell Mountains, and said course extending to the international boundary line between the Province of British Columbia and the State of Washington; then east along said international boundary line to the point of beginning, which last-named boundaries separate the original habitat and land of said Lower Calispell or Lower Pend O'Reille Indians from those of the Coeur d'Alene, Spokane, Colville, and Lake Tribes or Bands of Indians; which said lands or rights therein or thereto are claimed to have been taken away from said Indian tribes and bands, or some of them, by the United States, recovery therefor in no event to exceed $1.25 per acre; together with all other claims of said tribes or bands of Indians, or any of said tribes or bands, arising under or growing out of fishing rights and privileges held and enjoyed by said tribes and bands, or any of them, in the waters of the Columbia River and its tributaries; or arising or growing out of hunting rights and privileges held and enjoyed by said tribes and bands, or any of them, in common with other Indians in the "common hunting grounds" east of the Rocky Mountains as reserved by and described in the treaty with Blackfoot Indians October 17, 1855 (11 Stat. L. 657–662), and which are claimed to have been taken away from said tribes and bands, or any of them, by the United States without any treaty or agreement with such Indian claimants therefor and without compensation to them.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petition, subject to amendment, be filed as herein provided in the Court of Claims within five years from the date of the approval of this act, and such suit or suits shall make the said Lower Spokane and Lower Calispell or Lower Pend O'Reille Indian Tribes or Bands of Washington, or any of said tribes or bands, party or parties plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Indians approved in accordance with existing law; and said contract shall be executed in their behalf by a committee or committees selected by said Indians as provided by existing law. Official letters, papers, documents and records, maps, or certified copies thereof may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the prosecution of any suit or suits instituted under this act.

SEC. 3. In said suit or suits the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against the said Indian tribes and bands, or any of them, but any payment or payments which have been made by the United States upon any such claim or claims shall not operate as an estoppel, but may be pleaded as an offset in such suit or suits, as may gratuities, if any, paid to or expended for said Indian tribes and bands of any of them.

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder

may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, by any one of said tribes or bands, and in no event to exceed the sum of $25,000 for any one of said tribes or bands of Indians, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits to be paid to the attorney or attorneys employed as herein provided by the said tribes or bands of Indians, or any of said tribes or bands, and the same shall be included in the decree, and shall be paid out of any sum or sums adjudged to be due said tribes or bands, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum.

Mr. CRAMTON. Mr. Speaker, I submit my amendments and ask that they be considered together.

The SPEAKER. The Clerk will report the amendments offered by the gentleman from Michigan [Mr. CRAMTON].

The Clerk read as follows:

Amendments offered by Mr. CRAMTON: Page 6, line 18, after the word "them," strike out the comma and the words "but any" and insert in lieu thereof a period and the word "Any"; on line 7 of page 7 strike out the words "any one" and insert in lieu thereof the word "all"; and in line 17, page 7, strike out the period after the word "annum" and insert a comma and the following: "subject to appropriation by Congress for the health, education, and industrial advancement of said Indians, including the building of homes."

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the Senate bill was passed was laid on the table.

The similar House bill was laid on the table.

HOWARD SEABURY

The next business on the Consent Calendar was the bill (H. R. 12379) granting the consent of Congress to Howard Seabury to construct, maintain, and operate a dam to retain tidal waters in an unnamed cove which is situated and extends from Cases Inlet into section 28, township 21 north, range 1 west, Willamette meridian, in Pierce County, State of Washington.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That the consent of Congress is granted to Howard Seabury to construct, maintain, and operate, at a point suitable to the interests of navigation, a dam for the purpose of retaining tidal waves in an unnamed cove which is situated and extends from Cases Inlet into section 28, township 21 north, range 1 west, Willamette meridian, in Pierce County, State of Washington. Work shall not be commenced on such dam until the plans therefor, including plans for all accessory works, are submitted to and approved by the Secretary of War, who may impose such conditions and stipulations as he deems necessary to protect the interests of the United States, which may include the condition that Howard Seabury shall construct, maintain, and operate, in connection with such dam, and without expense to the United States, a lock, boom, sluice, or any other structure or structures which the Secretary of War at any time may deem necessary in the interests of navigation, in accordance with such plans as he may approve. This act shall not be construed to authorize the use of such dam to develop water power or to generate hydroelectric energy.

SEC. 2. The authority granted by this act shall terminate if the actual construction of the dam hereby authorized is not commenced within one year and completed within three years from the date of the passage of this act.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

With committee amendments, as follows:

Page 1, line 6, strike out the word "waves" and insert in lieu thereof the word "waters." Page 2, line 5, after the word "War," insert "and the Chief of Engineers." On page 2, line 6, strike out the words "he deems" and insert "they deem"; page 2, line 12, after the word "War," insert the words "and the Chief of Engineers." On page 2, line 14, strike out the word "he" and insert the word "they."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

BRIDGE ACROSS THE SABINE RIVER, STATES OF TEXAS AND LOUISIANA

The next business on the Consent Calendar was the bill (H. R. 12386) authorizing the State of Texas and the State of Louisiana to construct, maintain, and operate a free highway bridge across the Sabine River at or near Pendleton's Ferry.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the State Highway Commission of Texas and the Louisiana Highway Commission be, and are hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Sabine River, between Sabine County, Tex., and Sabine Parish, La., at a point suitable to the interests of navigation, at or near Pendleton's Ferry, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State Highway Commission of Texas and the Louisiana Highway Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the last vote was laid on the table.

BRIDGE ACROSS THE OUACHITA RIVER

The next business on the Consent Calendar was the bill (H. R. 12677) to amend section 2 of an act approved March 12, 1928, granting consent of Congress for the construction of a bridge across the Ouachita River at or near Calion, Ark.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2 of an act approved March 12, 1928, granting consent of Congress for the construction of a bridge across Ouachita River at or near Calion, Ark., shall read as follows:

"SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient (1) to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches; (2) the interest on borrowed money necessarily required and financing charges necessarily incurred in connection with the construction of the bridge and its approaches; and (3) to provide a sinking fund sufficient to retire the bonds issued and sold in connection with such original construction. All revenue received from the bridge shall be applied to the foregoing purposes and no bonds issued in connection with the construction of the bridge and its approaches shall be made to mature later than 20 years after the date of issue thereof.

"After a fund sufficient to retire such bonds in accordance with their provisions shall have been so provided, the bridge shall thereafter be maintained and operated as a free highway bridge, upon which no tolls shall be charged. An accurate and itemized record of the original cost of the bridge, and its approaches, the expenditures for maintaining, repairing, and operating the same, the interest charges paid and the tolls charged and the daily revenues received from the bridge shall be kept by the State Highway Commission of Arkansas, and shall be available at all reasonable times for the information of all persons interested."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS RED RIVER

The next business on the Consent Calendar was the bill (H. R. 12676) to amend section 2 of an act approved February 14, 1926, granting consent of Congress for the construction of a bridge across Red River at or near Fulton, Ark.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2 of an act approved February 14, 1926, granting consent of Congress for the construction of a bridge across Red River at or near Fulton, Ark., shall read as follows:

"SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient (1) to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches; (2) the interest on borrowed money necessarily required and financing charges necessarily incurred in connection with the construction of the bridge and its approaches; and (3) to provide a sinking fund sufficient to retire the bonds issued and sold in connection with such original construction. All revenue received from the bridge shall be applied to the foregoing purposes, and no bonds issued in connection with the construction of the bridge and its approaches shall be made to mature later than 20 years after the date of issue thereof.

"After a fund sufficient to retire such bonds in accordance with their provisions shall have been so provided, the bridge shall thereafter be maintained and operated as a free highway bridge, upon which no tolls shall be charged. An accurate and itemized record of the original cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, the interest charges paid and the tolls charged and the daily revenues received from the bridge shall be kept by the State Highway Commission of Arkansas, and shall be available at all reasonable times for the information of all persons interested."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

TIMES AND PLACES FOR HOLDING COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA

Mr. WARREN. Mr. Speaker, I ask unanimous consent to return to Calendar 716 and call up Senate bill 3947, to provide for the times and places for holding court for the eastern district of North Carolina. I will state to the House that at the last session a bill was passed which inadvertently destroyed the entire court procedure of the eastern district of North Carolina. This bill is to remedy that situation. It is an emergency and is of great public importance.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the terms of the District Court for the Eastern District of North Carolina shall be held at Durham on the first Monday in March and September; at Raleigh a one-week civil term on the second Monday in March and September and a criminal term only on the second Monday after the fourth Monday in April and October; at Fayetteville on the third Monday in March and September; at Elizabeth City on the fourth Monday in March and September; at Washington on the first Monday in April and October; at New Bern on the second Monday in April and October; at Wilson on the third Monday in April and October; and at Wilmington a two-weeks term on the fourth Monday in April and October: *Provided*, That this act shall take effect on July 1, 1928: *And provided further*, That at Wilson and Durham it shall be made incumbent upon each place to provide suitable facilities for holding the courts.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE SUWANNEE RIVER

The next business on the Consent Calendar was the bill (S. 3173) authorizing the St. Johns River Development Co., a corporation of the State of Florida, its successors and assigns, to construct, maintain, and operate a bridge across the Suwannee River at a point where State Road No. 15 crosses the Suwannee River, State of Florida.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, I want to ask a question about this bridge. Is this a toll bridge?

Mr. DENISON. It is.

Mr. COOPER of Wisconsin. I saw the other day a newspaper statement that there had been more toll bridges authorized by Congress during the last year and a half or two years than had been authorized in the previous 25 years, and that as a result of this a corporation had been organized and was printing advertisements that it would now attend to the selling of the bonds and stocks of toll-bridge corporations. I wonder whether Congress is being used to enable a corporation organized for the purpose of selling toll-bridge bonds and stocks to exploit the people. This matter of putting up toll bridges and the consequent obstructing of free intercourse between the States may degenerate into a very great evil. I would like to be informed whether this particular bridge company is going to have its stocks and bonds sold by this corporation.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, I object.

Mr. COCHRAN of Missouri. Will the gentleman withhold his objection?

Mr. COOPER of Wisconsin. I will withhold it until I get a statement showing what is going on.

Mr. COCHRAN of Missouri. Mr. Speaker, I will say to the gentleman that I saw the statement in the papers to which he has referred. I wrote to the officials of Maryland and asked what change had been made in the charter, and they answered by saying that the original incorporators had amended their charter so as to read that they would build and purchase toll bridges. I have the names of the incorporators in my office and have been watching the bills to see if any of them were interested in any of the bridge bills presented here, but their names have not appeared.

Mr. DENISON. Does the gentleman from Wisconsin wish me to make a statement?

Mr. COOPER of Wisconsin. I do; yes.

Mr. DENISON. The gentleman from Wisconsin has asked a question, and I feel as though some member of the committee ought to try to answer it. The fact that some company may have wanted to amend its charter so that it can deal in bridge bonds has no special significance unless it comes before our committee asking for some special privileges. Such a concern has never been before us so far as I have ever heard. I myself never heard of the corporation the gentleman refers to.

Mr. COOPER of Wisconsin. The gentleman from Missouri [Mr. COCHRAN] has just said that he had heard about that toll bridge stock and bond corporation and has been in correspondence respecting it with the officials of Maryland.

Mr. DENISON. I say I have never heard about it myself.

Mr. COOPER of Wisconsin. The gentleman has read about it?

Mr. DENISON. I will again state that I have never heard or read of the corporation, but I will be glad to have the name of it. It has never been called to the attention of our committee. I have heard of no member of our committee who knows about it. If we can get information in regard to such a concern, we would be very glad to have the information and would endeavor to prevent its having any connection with any bridges that we authorize.

Mr. COOPER of Wisconsin. Does not the gentleman think he had better suspend until he gets the information before passing any more of these bills?

Mr. DENISON. I do not think so. The Member who introduced this bill is just as vitally interested in having this bridge bill passed as any other Member in his bill. It is a matter of vital interest to his district. He assures us this is being built by local parties who are not connected with any other concern.

There is a reason why there are more applications for toll bridges now. There have been more roads built in the last 5 or 10 years than were ever built before in the history of this country, and as improved roads are being built demands for bridges are increasing. No such bridge is built except at places where there are tolls charged by ferries, and a modern bridge is an improved method of crossing a river; and nine times out of ten the charges for crossing by the bridge are reduced below those charged by the ferries; and in every instance we provide for protecting the public against indefinite charging of tolls and against excessive tolls. It should be remembered that the Federal Government can regulate the tolls charged on any bridge we authorize, and we provide for recapture of all bridges at any time by public authorities.

Mr. COOPER of Wisconsin. Can the gentleman from Missouri [Mr. COCHRAN] tell the House what correspondence he

has had with the Maryland authorities about this corporation?

Mr. COCHRAN of Missouri. I wrote the officials of the State of Maryland when I saw the article in the paper and I requested information as to how they amended their original charter. I was advised the amendment provided they should have the right to build and buy toll bridges, and that the original incorporators had asked for the amendment and it was granted. I have this letter in my office, together with the names, which I do not now recall. I have checked up on the bridge bills, and so far I have not seen the names of the people who are interested in this corporation. I realize this is a very important matter and one that should be watched, and if I come across their names in connection with any bill I will certainly call the attention of the committee to it.

Mr. COOPER of Wisconsin. Mr. Speaker, I shall have to object at this time until I can get more information upon this exceedingly important matter.

THE AIR CORPS

Mr. JAMES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12814) to increase the efficiency of the Air Corps.

The SPEAKER. The gentleman from Michigan moves to suspend the rules and pass the bill H. R. 12814, which the Clerk will report.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of War shall cause to be prepared an Air Corps promotion list on which shall be placed the names of all officers of the Air Corps of the Regular Army below the grade of colonel. The names on this list shall be arranged in the same relative order that they now have on the Army promotion list and shall be removed from the Army promotion list, and no officer whose name appears on the original Air Corps promotion list shall be considered as having less commissioned service than any officer whose name is below his on this list. All officers commissioned in the Air Corps after the formation of the original Air Corps promotion list shall be placed thereon in accord with length of commissioned service. Any officer whose position on the Air Corps promotion list is changed by sentence of a general court-martial or by law shall be deemed to have the same commissioned service as the officer next below whom he may be placed by such change.

SEC. 2. Except as herein provided, Air Corps flying officers shall be promoted to the grade of first lieutenant when credited with three years' commissioned service; to the grade of captain when credited with seven years' commissioned service; to the grade of major when credited with 12 years' commissioned service; to the grade of lieutenant colonel when credited with 20 years' commissioned service; to the grade of colonel when credited with 26 years' commissioned service. All flying officers of the Air Corps below the grade of colonel shall be promoted in the order of their standing on the Air Corps promotion list: *Provided*, That the number of Air Corps officers in the grade of colonel shall not be less than 4 per cent nor more than 6 per cent and the number in the grade of lieutenant colonel shall not be less than 5 per cent nor more than 7 per cent of the total number of officers on the Air Corps promotion list, and the aggregate number of Air Corps officers in the grades of colonel, lieutenant colonel, and major shall not be less than 26 per cent nor more than 40 per cent of the total number of officers on the Air Corps promotion list, and in so far as necessary to maintain said minimum percentage, Air Corps flying officers of less than the required years of commissioned service shall be promoted to the grades of colonel, lieutenant colonel, and major, and only in so far as their promotion will not cause said maximum percentages to be exceeded shall officers who have completed the prescribed years of commissioned service be promoted to the grades of colonel, lieutenant colonel, and major. Nonflying officers of the Air Corps shall be promoted as provided for other branches of the Army.

SEC. 3. When an officer of the Air Corps has served 30 years, either as an officer or soldier, he shall, if he makes application therefor to the President, be retired from active service and placed on the retired list: *Provided*, That, except in time of war, in computing the length of service for retirement credit shall be given for one and one-half the time heretofore or hereafter actually detailed to duty involving flying and credit shall also be given for all other time now counted toward retirement in the Army: *Provided further*, That the number of such voluntary retirements annually shall not exceed 6 per cent of the authorized strength of the Air Corps. When a flying officer of the Air Corps reaches the age of 54 years he shall, if he makes application therefor to the President, be retired from active service and placed on the retired list. Officers of the Air Corps who become physically disqualified for the performance of their duties as flying officers shall be eligible for retirement for physical disability.

SEC. 4. An officer of the Air Corps, may, upon his own request, be transferred to another branch of the service, and when so transferred shall take rank and grade therein in accordance with his length of commissioned service as computed under existing laws governing the branch to which transferred.

SEC. 5. All laws or parts of laws in so far as they may be inconsistent herewith or in conflict with the provisions of this act are repealed.

The SPEAKER. Is a second demanded?

A second was not demanded.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

Mr. FURLOW. Mr. Speaker, the problem of adequately caring for Air Corps officers now on the promotion list has been studied by many boards and committees of Congress and we now have before us H. R. 12814, which, in my opinion, will go a long way toward correcting the injustices which admittedly exist.

Military organization demands that its officers have the appropriate rank for their commands and responsibilities. The Army Air Corps is no exception to this principle.

Ever since the formation of the single promotion list of the Army, which includes the officers of the Air Corps with those of other branches, it has become more and more apparent that additional legislation was needed to correct a situation in the Air Corps which has been growing worse rather than better under the principles governing that list.

Prejudiced at the very beginning by their position in the lower files of the promotion list due to the greater period of training required and also greatly affected by the exceedingly high casualty rate as compared with other branches, the Air Corps officers have presented a problem that has been repeatedly investigated. As early as the spring of 1922 a War Department board of officers headed by Maj. Gen. David Shanks reported:

The board is of the opinion that this situation will affect adversely the efficiency of the Air Service.

And it is particularly significant that this board also stated:

The Air Service is the only branch or arm of the service which is adversely affected by the promotion situation.

Another War Department board nearly two years later reported:

The prejudice to the Air Service incident to having some of its officers on the promotion list well below their contemporaries in other branches should be remedied.

Other investigations have continued to disclose this unfortunate situation existing in the Air Corps and to bring to light the fact that year after year the relative rank of this corps with respect to the other branches has become lower and lower. It is the exception rather than the rule that officers of the Air Corps hold the appropriate rank for their commands and responsibilities.

The report—1277—submitted by the gentleman from New York [Mr. WAINWRIGHT] on the bill H. R. 12814, which has been unanimously passed by the House, sets forth the situation outlined above and enunciates what this bill will accomplish. In addition, it might be stated that over two-thirds of the officers commissioned in the Air Corps to-day are in what is commonly known as the World War hump, and these officers are almost entirely in the lower files of that hump. Their prospects for promotion under any system which would keep them on the single promotion list of the Army are always jeopardized by the fact that thousands of other officers in this World War hump must be promoted before reaching them. And yet the principal cause of their position is, as above stated, simply that they were required to undergo a greater period of training for their specialized work than officers of other branches.

The two officers who made that world-famed flight from San Francisco to the Hawaiian Islands, Lieutenants Hegenberger and Maitland—and these officers are typical of that great group of over 600 in the Air Corps who are thus affected—told our committee that their prospects, under the present system, of promotion to the grade of major indicate this would not occur until 1948, after 31 years of service and when both of these officers were 50 or more years of age. Yet both of them have already held the responsibilities of field officers for several years.

Lieut. Eric Nelson, who represents a smaller group of Air Corps officers, nevertheless, is an example of the situation which H. R. 12814 will tend to correct. Lieutenant Nelson, it will be remembered, was a member of the flight which encircled the world in 1924. He participated in the flight of Army planes which went to Alaska and back and was also on the flight from the United States to Porto Rico and return. For his accomplishments Congress saw fit to pass a special bill advancing him 500 files on the promotion list. Still this officer is a first lieutenant, and his prospects, under the present system, of becoming a major are little better than those of Lieutenants Hegenberger and

Maitland, above cited. He would be nearly 60 years of age at that time. Lieut. H. A. Dinger, who appeared before the Military Affairs Committee, is nearly 42 years of age, and is likewise adversely affected. There are several lieutenants in the Air Corps older than Lieutenant Dinger.

Military flying will no doubt always be hazardous, as the factors which contribute to the safety of commercial flying must in war planes give way to speed, greater fire power, larger bomb loads, and other desirable military characteristics. Combat will require decidedly different maneuvers from commercial flying. During the past five years, even with the introduction of the parachute and the increased efficiency of aircraft, the Army Air Corps, with less than a thousand officers, has borne the burden of nearly 40 per cent of all the casualties on the active list of approximately 12,000 officers in the Army. The accident death rate is nearly nine times as great as that in other branches.

Colonel Lindbergh brought out the point that "if a flying officer meets his death the vacancy should be filled by an Air Corps officer of equal experience." This principle is eminently sound and is the very basis upon which this Air Corps promotion list is built.

H. R. 12814 provides a reasonable rate of promotion. It contemplates the advancement of air officers so as to keep in step with the responsibilities placed upon him. It provides an inducement to candidates to enter the Air Corps, where now there is a tremendous stagnation in the promotion situation, and always that great hump of thousands of officers of other branches above them.

This bill recognizes the principle enunciated in the very first sentence of my remarks, that military organization must have its proper ranks. It recognizes the greater casualty rate, and assures to the average officer advancement to a field grade during his active flying career.

Annually 2.4 per cent of the commissioned personnel of the Air Corps lose their lives in air accidents. It is obvious that in about 20 years' flying an Air Corps officer has even chances of keeping off that casualty list. During that period he has given the best years of his life to the service of the Government in a profession which is recognized as many times more hazardous than any other Army activity. It is but a meager reward and recognition for this service to permit him to retire after this period of service should he care to do so.

There is also a provision in this bill that officers who become physically unfit or reach the age of 54 years may be retired. Laws have already been enacted which contemplate keeping the Air Corps at a high state of flying efficiency. This can only be accomplished by enacting retirement provisions for those who have lost their usefulness as active flying officers.

It is to be noted that the cost of this bill is very small compared with the results to be obtained. Although an increase in the rate of promotion is provided, the pay of officers is under existing law based primarily on years of service and not on rank. A large number of first lieutenants in the Air Corps, who have over 10 years of service, will receive no increase in pay when passing into the grade of captain, and similarly the captains when promoted after 12 years' service to the grade of major receive no increase in pay. It is true that there are some small increases, due to increased rank, but these come principally because of length of service.

It is obviously necessary to maintain the national defense at its maximum state of efficiency and, with a limited number of commissioned personnel in the Air Corps, their quality should be of the best. Efficiency in this line can not adequately be maintained if officers continue to work under prospects of stagnation in promotion, such as have existed for several years. An officer's morale is greatly increased if given rank commensurate with his command. Furthermore, the whole command responds with greater enthusiasm when the organization is properly balanced in the various grades. The officers of the Air Corps do not lack in quality or type, but they do lack in rank.

The Lassiter Board, which recommended several years ago a 10-year program, approved in principle by the Secretary of War, for the development of the Air Corps, stated:

> We can not improvise an Air Service, and yet it is indispensable to be strong in the air at the very outset of a war.

This principle has become more and more apparent with the development of aircraft and its increasing importance in the scheme of national defense. The five-year development program provided in the Air Corps act of July 2, 1926, provides for 1,650 regular officers in the Air Corps. This will permit of the organization of a number of units which will constitute the foundation for an expansion in time of emergency. This foundation should be strong, well balanced, and of the finest quality that can be obtained.

The morale of the air officers has been low, many have resigned because of poor prospects for their future. There probably would have been more, except for the fact that anticipation of better prospects has been stimulated by the repeated investigations that have taken place. Lieutenant Hegenberger stated before the House Military Affairs Committee:

> Since the war we have had the subject under constant discussion and it has always seemed that the solution was imminent, and it has always been an incentive to hang on in hope that the situation would be corrected.

There is no doubt the present bill will very greatly increase the morale of the officers, as well as provide a better organization.

Summarizing his testimony, Colonel Lindbergh stated:

> I believe our air forces should constitute a first line of defense—they must be ready to take the initiative when danger threatens our Nation; there may be no time permitted for preparation. Efficiency will be gained by proper peace-time provisions to care for the personnel. The expectancy of life for the flying officer is far less than in other occupations; the rate of attrition is high, the strain on the physical resistance from combat flying is excessive, the period of greatest flying efficiency is limited; responsibilities of air officers are heavy; promotion for a large proportion appears to have stagnated. These observations have led me to believe the problem of the air officers is special and requires consideration by itself.

I believe in a separate promotion list for the Air Corps as provided by this bill in order that the air officers may be given rank commensurate with command and responsibility, in order that World War veterans may have a chance to command with the proper grade, in order that vacancies caused by casualties in the Air Corps may be filled by properly qualified Air Corps officers, in order that morale may be enhanced and the efficiency of the Air Corps be increased, in order to offer additional incentive to candidates and to increase the Air Corps up to that strength contemplated by the Air Corps act of 1926, and to provide proper recognition of the hazardous service to which our air officers have devoted themselves.

H. R. 12814 is truly in the interests of national defense. It aims to increase and to bring to a high state of efficiency our Army air forces; it singles out no one for individual benefits.

From personal investigation, I am firmly convinced that the enactment of this bill into law is awaited with keen expectation by the personnel of our Air Corps. I have no hesitancy in stating my opinion that, should it fail of passage by both Houses of Congress, there will be a great number of our most expert pilots leaving the service and accepting attractive offers now being held out in the fields of commercial aviation.

We can ill afford to lose these seasoned and experienced officers and we need have no fear of having them resign if we but meet them half way, and give them an opportunity for advancement in their chosen line of endeavor.

With aviation making rapid strides throughout the world the United States should ever keep in mind the needs of its own Air Corps and its proper development. Modern equipment is of little avail if we forget the human side—and that means the fliers themselves.

## AMENDMENT OF SALARY RATES IN THE COMPENSATION SCHEDULES OF THE CLASSIFICATION ACT

Mr. LEHLBACH. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6518) to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services," as amended.

The SPEAKER. The gentleman from New Jersey moves to suspend the rules and pass the bill (H. R. 6518) as amended.

The Clerk will report the bill as amended.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 13 of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services," be amended to read as follows:

SEC. 13. That the compensation schedules be as follows:

### PROFESSIONAL AND SCIENTIFIC SERVICE

The professional and scientific service shall include all classes of positions the duties of which are to perform routine, advisory, administrative, or research work which is based upon the established principles of a profession or science, and which requires professional, scientific, or technical training equivalent to that represented by graduation from a college or university of recognized standing.

Grade 1 in this service, which may be referred to as the junior professional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, simple and elementary

work requiring professional, scientific, or technical training as herein specified, but little or no experience.

The annual rates of compensation for positions in this grade shall be $2,000, $2,100, $2,200, $2,300, and $2,400.

Grade 2 in this service, which may be referred to as the assistant professional grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, individually or with a small number of subordinates, work requiring professional, scientific, or technical training as herein specified, previous experience, and, to a limited extent, the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $2,600, $2,700, $2,800, $2,900, and $3,000.

Grade 3 in this service, which may be referred to as the associate professional grade, shall include all classes of positions the duties of which are to perform, individually or with a small number of trained assistants, under general supervision, but with considerable latitude for the exercise of independent judgment, responsible work requiring extended professional, scientific, or technical training and considerable previous experience.

The annual rates of compensation for positions in this grade shall be $3,200, $3,300, $3,400, $3,500, and $3,600.

Grade 4 in this service, which may be referred to as the full professional grade, shall include all classes of positions the duties of which are to perform, under general supervision, difficult and responsible work requiring considerable professional, scientific, or technical training and experience, and the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $3,800, $4,000, $4,200, and $4,400.

Grade 5 in this service, which may be referred to as the senior professional grade, shall include all classes of positions the duties of which are to perform, under general administrative supervision, important specialized work requiring extended professional, scientific, or technical training and experience, the exercise of independent judgment, and the assumption of responsibility for results, or for the administration of a small scientific or technical organization.

The annual rates of compensation for positions in this grade shall be $4,600, $4,800, $5,000, and $5,200, unless a higher rate is specifically authorized by law.

Grade 6 in this service, which may be referred to as the principal professional grade, shall include all classes of positions the duties of which are to act as assistant head of a major professional or scientific organization, or to act as administrative head of a major subdivision of such an organization, or to act as head of a small professional or scientific organization, or to serve, as consulting specialist, or independently to plan, organize, and conduct investigations in original research or development work in a professional, scientific, or technical field.

The annual rates of compensation for positions in this grade shall be $5,600, $5,800, $6,000, $6,200, and $6,400, unless a higher rate is specifically authorized by law.

Grade 7 in this service which may be referred to as the head professional grade shall include all classes of positions the duties of which are to act as assistant head of one of the largest and most important professional or scientific bureaus, or to act as the scientific and administrative head of a major professional or scientific bureau, or to act as professional consultant to a department head or a commission or board dealing with professional, scientific, or technical problems, or to perform professional or scientific work of equal importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be $6,500, $7,000, and $7,500, unless a higher rate is specifically authorized by law.

Grade 8 in this service, which may be referred to as the chief professional grade, shall include all classes of positions the duties of which are to act as the administrative head of one of the largest and most important professional or scientific bureaus, or to perform professional or scientific work of equal importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be $8,000, $8,500, and $9,000, unless a higher rate is specifically authorized by law.

Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $9,000.

SUBPROFESSIONAL SERVICE

The subprofessional service shall include all classes of positions the duties of which are to perform work which is incident, subordinate, or preparatory to the work required of employees holding positions in the professional and scientific service, and which requires or involves professional, scientific, or technical training of any degree inferior to that represented by graduation from a college or university of recognized standing.

Grade 1 in this service, which may be referred to as the minor subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, the simplest routine work in a professional, scientific, or technical organization.

The annual rate of compensation for positions in this grade shall be $1,020, $1,080, $1,140, $1,200, $1,260, and $1,320.

Grade 2 in this service, which may be referred to as the under-subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, assigned subordinate work of a professional, scientific, or technical character, requiring limited training or experience, but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $1,260, $1,320, $1,380, $1,440, $1,500, and $1,560.

Grade 3 in this service, which may be referred to as the junior subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, subordinate work of a professional, scientific, or technical character, requiring considerable training or experience, but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $1,440, $1,500, $1,560, $1,620, $1,680, and $1,740.

Grade 4 in this service, which may be referred to as the assistant subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, subordinate work of a professional, scientific, or technical character, requiring considerable training or experience, and, to a limited extent, the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $1,620, $1,680, $1,740, $1,800, $1,860, and $1,920.

Grade 5 in this service, which may be referred to as the main subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, subordinate work of a professional, scientific, or technical character requiring a thorough knowledge of a limited field of professional, scientific, or technical work, and the exercise of independent judgment, or to supervise the work of a small number of employees performing duties of an inferior grade in the subprofessional service.

The annual rates of compensation for positions in this grade shall be $1,800, $1,860, $1,920, $1,980, and $2,040.

Grade 6 in this service, which may be referred to as the senior subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, subordinate but difficult and responsible work of a professional, scientific, or technical character, requiring a thorough knowledge of a limited field of professional, scientific, or technical work, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 5 of this service.

The annual rates of compensation for positions in this grade shall be $2,000, $2,100, $2,200, $2,300, and $2,400.

Grade 7 in this service, which may be referred to as the principal subprofessional grade, shall include all classes of positions the duties of which are to perform, under general supervision, subordinate but responsible work of a professional, scientific, or technical character requiring a working knowledge of the principles of the profession, art, or science involved, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 6 of this service.

The annual rates of compensation for positions in this grade shall be $2,300, $2,400, $2,500, $2,600, and $2,700.

Grade 8 in this service, which may be referred to as the chief subprofessional grade, shall include all classes of positions the duties of which are to perform, under general supervision, subordinate but difficult and responsible work of a professional, scientific, or technical character, requiring a thorough working knowledge of the principles of the profession, art, or science involved, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 7 of this service.

The annual rates of compensation for positions in this grade shall be $2,600, $2,700, $2,800, $2,900, and $3,000.

CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

The clerical, administrative, and fiscal service shall include all classes of positions the duties of which are to perform clerical, administrative, or accounting work, or any other work commonly associated with office, business, or fiscal administration.

Grade 1 in this service, which may be referred to as the under clerical grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, the simplest routine office work.

The annual rates of compensation for positions in this grade shall be $1,260, $1,320, $1,380, $1,440, $1,500, and $1,560.

Grade 2 in this service, which may be referred to as the junior clerical grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, assigned office work requiring training or experience but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be $1,440, $1,500, $1,560 $1,620, $1,680, and $1,740.

Grade 3 in this service, which may be referred to as the assistant electrical grade, shall include all classes of positions the duties of which

are to perform under immediate or general supervision, assigned office work requiring training and experience and knowledge of a specialized subject matter or the exercise of independent judgment or to supervise a small section performing simple clerical operations.

The annual rates of compensation for positions in this grade shall be $1,620, $1,680, $1,740, $1,800, $1,860, and $1,920.

Grade 4 in this service, which may be referred to as the main clerical grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, responsible office work requiring training and experience, the exercise of independent judgment or knowledge of a specialized subject matter, or both, and an acquaintance with office procedure and practice, or to supervise a small stenographic section or a small section performing clerical operations of corresponding difficulty.

The annual rates of compensation for positions in this grade shall be $1,800, $1,860, $1,920, $1,980, $2,040, and $2,100.

Grade 5 in this service, which may be referred to as the senior clerical grade, shall include all classes of positions the duties of which are to perform, under general supervision, difficult and responsible office work requiring considerable training and experience, the exercise of independent judgment or knowledge of a specialized subject matter, or both, and a thorough knowledge of office procedure and practice, or to supervise a large stenographic section or any large section performing simple clerical operations or to supervise a small section engaged in difficult but routine office work.

The annual rates of compensation for positions in this grade shall be $2,000, $2,100, $2,200, $2,300, and $2,400.

Grade 6 in this service, which may be referred to as the principal clerical grade, shall include all classes of positions, the duties of which are to perform, under general supervision, exceptionally difficult and responsible office work requiring extended training and experience, the exercise of independent judgment or knowledge of a specialized and complex subject matter, or both, and a thorough knowledge of office procedure and practice, or to serve as the recognized authority or adviser in matters requiring long experience and an exceptional knowledge of the most difficult and complicated procedure or of a very difficult and complex subject, or to supervise a large or important office organization engaged in difficult or varied work.

The annual rates of compensation for positions in this grade shall be $2,300, $2,400, $2,500, $2,600, and $2,700.

Grade 7 in this service, which may be referred to as the assistant administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, responsible office work along specialized and technical lines requiring specialized training and experience and the exercise of independent judgment, or as chief clerk to supervise the general business operations of a small, independent establishment or a minor bureau or division of an executive department, or to supervise a large or important office organization engaged in difficult and specialized work.

The annual rates of compensation for positions in this grade shall be $2,600, $2,700, $2,800, $2,900, and $3,000.

Grade 8 in this service, which may be referred to as the associate administrative grade, shall include all classes and positions the duties of which are to perform, under general supervision, difficult and responsible office work along specialized and technical lines requiring specialized training and experience and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving specialized training on the part of the employees.

The annual rates of compensation for positions in this grade shall be $2,900, $3,000, $3,100, $3,200, and $3,300.

Grade 9 in this service, which may be referred to as the full administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, exceptionally difficult and responsible office work along specialized and technical lines, requiring considerable specialized training and experience and the exercise of independent judgment, or as chief clerk, to supervise the general business operations of a large independent establishment or a major bureau or division of an executive department, or to supervise a large or important office organization engaged in work involving technical training on the part of the employees.

The annual rates of compensation for positions in this grade shall be $3,200, $3,300, $3,400, $3,500, and $3,600.

Grade 10 in this service, which may be referred to as the senior administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, the most difficult and responsible office work along specialized and technical lines, requiring extended training, considerable experience, and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving considerable technical training and experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be $3,500, $3,600, $3,700, $3,800, and $3,900.

Grade 11 in this service, which may be referred to as the principal administrative grade, shall include all classes of positions the duties of which are to perform the most difficult and responsible office work along specialized and technical lines requiring extended training and experience and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving extended training and considerable experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be $3,800, $4,000, $4,200, and $4,400.

Grade 12 in this service, which may be referred to as the head administrative grade, shall include all classes of positions the duties of which are to perform the most difficult and responsible office work along specialized and technical lines requiring extended training and experience, the exercise of independent judgment, and the assumption of full responsibility for results, or to supervise a large and important office organization engaged in work involving extended training and experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be $4,600, $4,800, $5,000, and $5,200, unless a higher rate is specifically authorized by law.

Grade 13 in this service, which may be referred to as the chief administrative grade, shall include all classes of positions the duties of which are to act as assistant head of a major bureau, or to act as administrative head of a major subdivision of such a bureau, or to act as head of a small bureau, in case of professional or scientific training is not required, or to supervise the design and installation of office systems, methods, and procedures, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be $5,600, $5,800, $6,000, $6,200, and $6,400, unless a higher rate is specifically authorized by law.

Grade 14 in this service, which may be referred to as the executive grade, shall include all classes of positions the duties of which are to act as assistant head of one of the largest and most important bureaus, or to act as head of a major bureau, in case professional or scientific training is not required, or to supervise the design of systems of accounts for use by private corporations subject to regulation by the United States, or to act as the technical consultant to a department head or a commission or board in connection with technical or fiscal matters, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be $6,500, $7,000, and $7,500, unless a higher rate is specifically authorized by law.

Grade 15 in this service, which may be referred to as the senior executive grade, shall include all classes of positions, the duties of which are to act as the head of one of the largest and most important bureaus, in case professional or scientific training is not required, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be $8,000, $8,500, and $9,000, unless a higher rate is specifically authorized by law.

Grade 16 in this service, which may be referred to as the special executive grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $9,000.

CUSTODIAL SERVICE

The custodial service shall include all classes of positions, the duties of which are to supervise or to perform manual work involved in the custody, maintenance, and protection of public buildings, premises, and equipment, the transportation of public officers, employees or property, and the transmission of official papers.

Grade 1 in this service, which may be referred to as the junior messenger grade, shall include all classes of positions, the duties of which are to run errands, to check parcels, or to perform other light manual or mechanical tasks with little or no responsibility.

The annual rate of compensation for positions in this grade shall be $600, $660, $720, $780, and $840.

Grade 2 in this service, which may be referred to as the office-laborer grade, shall include all classes of positions the duties of which are to handle desks, mail sacks, and other heavy objects, and to perform similar work ordinarily required of unskilled laborers; to operate elevators; to clean office rooms; or to perform other work of similar character.

The annual rate of compensation for positions in this grade shall be $1,080, $1,140, $1,200, $1,260, $1,320, and $1,380: *Provided*, That charwomen working part time be paid at the rate of 45 cents an hour and head charwomen at the rate of 50 cents an hour.

Grade 3 in this service, which may be referred to as the minor custodial grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, custodial, or manual office work with some degree of responsibility, such as guarding office or storage buildings; operating paper-cutting, canceling, envelope-opening, or envelope-sealing machines; firing and keeping up steam in boilers used for heating purposes in office buildings, cleaning boilers, and oiling machinery and related apparatus; operating passenger or freight automobiles; packing goods for shipment; supervising a large group of charwomen; running errands and doing light manual or mechanical tasks with some responsibility; carrying important documents from

one office to another; or attending the door and private office of a department head or other public officer.

The annual rates of compensation for positions in this grade shall be $1,200, $1,260, $1,320, $1,380, $1,440, and $1,500.

Grade 4 in this service, which may be referred to as the undercustodial grade, shall include all classes of positions the duties of which are to perform, under general supervision, custodial work of a responsible character, such as supervising a small force of unskilled laborers, directly supervising a small detachment of watchmen or building guards, firing and keeping up steam in heating apparatus and operating the boilers and other equipment used for heating purposes, or performing general semimechanical new or repair work requiring some skill with hand tools.

The annual rates of compensation for positions in this grade shall be $1,320, $1,380, $1,440, $1,500, $1,560, and $1,620.

Grade 5 in this service, which may be referred to as the junior custodial grade, shall include all classes of positions the duties of which are to have general supervision over a small force of watchmen or building guards, or to have direction of a considerable detachment of such employees, to supervise the operation and maintenance of a small heating plant and its auxiliary equipment, or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be $1,500, $1,560, $1,620, $1,680, $1,740, and $1,800.

Grade 6 in this service, which may be referred to as the assistant custodial grade, shall include all classes of positions the duties of which are to assist in the supervision of large forces of watchmen and building guards, or to have general supervision over smaller forces, to supervise a large force of unskilled laborers, to repair office appliances, or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be $1,680, $1,740, $1,800, $1,860, $1,920, and $1,980.

Grade 7 in this service, which may be referred as to the main custodial grade, shall include all classes of positions the duties of which are to supervise the work of skilled mechanics; to supervise the operation and maintenance of a large heating, lighting, and power plant and all auxiliary mechanical and electrical devices and equipment; to have general supervision over large forces of watchmen and building guards; or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be $1,860, $1,920, $1,980, $2,040, $2,100, and $2,200.

Grade 8 in this service, which may be referred to as the senior custodial grade, shall include all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, watchmen, elevator conductors, laborers, janitors, messengers, and other employees engaged in the custody, maintenance, and protection of a small building, or to assist in the direction of such employees when engaged in similar duties in a large building, or to perform other custodial work of equal difficulty and responsibility.

The annual rates of compensation for positions in this grade shall be $2,000, $2,100, $2,200, $2,300, and $2,400.

Grade 9 in this service, which may be referred to as the principal custodial grade, shall include all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, watchmen, elevator conductors, laborers, janitors, messengers, and other employees engaged in the custody, maintenance, and protection of a large building, or to assist in the direction of such employees when engaged in similar duties in a group of buildings, or to perform other custodial work of equal difficulty and responsibility.

The annual rates of compensation for positions in this grade shall be $2,300, $2,400, $2,500, $2,600, and $2,700.

Grade 10 in this service, which may be referred to as the chief custodial grade, shall include all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, watchmen, elevator conductors, laborers, janitors, messengers, and other employees engaged in the custody, maintenance, and protection of a group of buildings, or to perform other custodial work of equal difficulty and responsibility.

The annual rates of compensation for positions in this grade shall be $2,600, $2,700, $2,800, $2,900, and $3,000.

CLERICAL-MECHANICAL SERVICE

The clerical-mechanical service shall include all classes of positions which are not in a recognized trade or craft and which are located in the Bureau of Engraving and Printing, the mail equipment shop, the duties of which are to perform or to direct manual or machine operations requiring special skill or experience, or to perform or direct the counting, examining, sorting, or other verification of the product of manual or machine operations.

Grade 1 shall include all classes of positions in this service the duties of which are to perform the simplest operations or processes requiring special skill and experience.

The rates of compensation for classes of positions in this grade shall be 50 to 55 cents an hour.

Grade 2 shall include all classes of positions in this service the duties of which are to operate simple machines or to perform operations or processes requiring a higher degree of skill than those in grade 1.

The rates of compensation for classes of positions in this grade shall be 60 to 65 cents an hour.

Grade 3 shall include all classes of positions in this service the duties of which are to operate machines or to perform operations or processes requiring the highest degree of skill, or supervise a small number of subordinates.

The rates of compensation for classes of positions in this grade shall be 70 to 75 cents an hour.

Grade 4 shall include all classes of positions in this service the duties of which are to perform supervisory work over a large unit of subordinates.

The rates of compensation for classes of positions in this grade shall be 85 to 95 cents an hour.

The heads of the several executive departments and independent establishments of the Government whose duty it is to carry into effect the provisions of this act are hereby directed to so administer the same that the positions and employees affected herein shall retain in the classification schedules herein provided the same relative position or positions within their respective grades as they hold at the time this law goes into effect: *Provided*, That nothing herein shall prevent the promotion or allocation for an employee to a higher grade: *Provided further*, That nothing contained in this act shall operate to decrease the pay of any present employee, nor deprive any employee of any advancement authorized by law and for which funds are available.

Whenever in any case the basic qualifications of any already existing grade or subdivision of a service are by this act made the basic qualifications of a higher grade or subdivision, the positions of all employees in said existing grade or subdivision are by this act advanced to said higher grade or subdivision of a service.

SEC. 2. Upon the passage of this act the board shall forthwith make a survey of the classes of civilian positions in the various field services, exclusive of the Postal Service, Foreign Service, and employees in the mechanical and drafting groups whose wages are now or have heretofore been fixed by wage boards or similar authority, and shall present a report to Congress at its first regular session following the passage of this act, such report to contain: (a) Compensation schedules for such classes of positions, which shall follow the principles and general form of the compensation schedules contained in the classification act of 1923; (b) such additional services and grades as may be necessary according to the fields of work peculiar to the establishments concerned; (c) adequate descriptions of all the classes of positions within the scope of this act, including the title of the class, a statement of its characteristic duties and responsibilities, illustrated where desirable by examples of typical tasks or of typical positions included in the class, a statement of the minimum qualifications as to education, experience, knowledge, and ability required for the satisfactory performance of the duties and the discharge of the responsibilities of the class and the salary rates for the class; (d) a list prepared by the head of each department, after consultation with the board, and in accordance with a uniform procedure prescribed by it, showing the allocation of all positions covered by this act to their respective classes and grades and fixing the proposed rate of compensation of each employee thereunder in accordance with the rules prescribed in section 6 of the classification act of 1923; (e) recommendations as to principles and procedures for putting such compensation schedules into effect, for assuring uniform compensation of like positions under like employment and local economic conditions, and for carrying out the administrative steps necessary to keep the descriptions of classes and the allocations of positions to classes current accordingly as positions may be abolished or created or their duties or responsibilities changed; and (f) such statistical or other information as is necessary or desirable in exposition of the board's findings of fact as a result of its survey, or in explanation of its recommendations.

SEC. 3. The heads of the several executive departments and independent establishments are authorized to adjust the compensation of certain civilian positions in the field services, the compensation of which was adjusted by the act of December 6, 1924, to correspond, so far as may be practicable, to the rates established by this act for positions in the departmental services in the District of Columbia.

SEC. 4. The provisions of this act shall not apply to employees in the Government Printing Office whose rates of pay are set under authority of the "act to regulate and fix rates of pay for employees and officers of the Government Printing Office," approved June 7, 1924. (U. S. C., p. 1417, sec. 40.)

SEC. 5. This act shall take effect July 1, 1928.

Mr. LEHLBACH (during the reading of the bill). Mr. Speaker, I ask unanimous consent that so much of the reading of the bill be dispensed with as deals with the compensation schedules, inasmuch as it is routine matter and serves no useful purpose to be read unless the person has the material for comparison before him.

Mr. NEWTON. It will appear in the RECORD as if read?

Mr. LEHLBACH. Yes.

The SPEAKER. The gentleman from New Jersey asks unanimous consent that the sections of the bill dealing with

compensation schedules be printed in the RECORD and be considered as having been read. Is there objection?

There was no objection.

The SPEAKER. Is a second demanded?

Mr. WOODRUM. Mr. Speaker, I demand a second.

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from New Jersey asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from New Jersey is entitled to 20 minutes and the gentleman from Virginia 20 minutes.

Mr. LEHLBACH. Mr. Speaker, early in the session there was introduced by the gentleman from California [Mr. WELCH] a bill (H. R. 6518) which contemplated a complete permanent revision of the compensation schedule carried in the classification act of 1923. The best estimate as to the increased annual cost in salaries that the original Welch bill would carry was $68,000,000.

The committee held extensive hearings, and it found that it had not sufficient information—that the witnesses at the hearing could not furnish sufficient information to make a thorough comparison of the pay in Government service with the pay for similar work in private enterprise, and it was found that there could not be made adequate comparisons between the pay in the different services of the Government, particularly in the field.

The committee had the hearty cooperation of the Bureau of the Budget and other governmental agencies in considering the question, and it was decided that forthwith there should be made a complete survey of the employment situation in the Federal Government, and that in the meantime relief properly could be granted to employees in circumstances in which it was generally admitted that the compensation existing at the present time was too low.

Mr. CRAMTON. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. CRAMTON. Will the survey include the field service?

Mr. LEHLBACH. Yes; the field service, and the bill particularly takes care of that and I will come to that in a few minutes. It is in this bill. The increase provided in this bill is a temporary tide over until Congress can legislate permanently on the subject of salary revision. It carries about $18,000,000 annual increase, of which it is estimated that about $6,000,000 is for increase in the District of Columbia and about $12,000,000 in the field, distributed among various field services.

Mr. McMILLAN. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. McMILLAN. Will this include the animal inspectors and the customs service?

Mr. CRAMTON. Does it reach the Indian Service?

Mr. LEHLBACH. I have no reason to believe that it will not give an equitable increase to the Indian Service.

Mr. McMILLAN. Will the provisions of the bill cover employees in the navy yards in naval stations and the United States arsenals?

Mr. LEHLBACH. No; they are specially excluded because they do not want to be included. They do not want to come under the classification, because the mechanics in the Government service, such as the gentleman describes, have their wages fixed by a wage board in accordance with the prevailing rate of wages in the communities in which they are employed.

Mr. KINDRED. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. KINDRED. Will the provisions of this bill cover the medical service?

Mr. LEHLBACH. Surely, it covers all Government employees, in the District and field exclusive of the Postal Service, exclusive of skilled laborers and mechanics in the various arsenals and navy yards of the country.

Mr. COCHRAN of Missouri. Does it take care of the deputy collectors in the Internal Revenue Department and the deputy marshals who, as I understand, are not under civil service?

Mr. LEHLBACH. It makes no difference whether they are in the classified civil service or not. The bill provides in the meantime for a report in December to be made of a complete classification for the field service such as contemplated when the classification act passed in 1923.

Mr. WOODRUFF. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. WOODRUFF. Do the employees in the Shipping Board, not under civil service, come under this act?

Mr. LEHLBACH. I should say they would.

Mr. HASTINGS. Mr. Speaker, I did not understand the gentleman's reply to the inquiry of the gentleman from Michigan, as to whether or not the provisions of this bill extended to the Indian field service?

Mr. LEHLBACH. I said that I believed that an equitable share of the increase designed for the field service would be accorded to the Indian Service, for this fiscal year commencing on the 1st of July, 1928. In the meantime there will be prepared a classification which will include the Indian Service as well as all other field services, which will be the basis of legislation when this Congress reconvenes in its next session.

Mr. BACHMANN. Mr. Speaker, I understand the gentleman to say that this bill brings into the classified service now those men who are not under the classified service under the act of 1923?

Mr. LEHLBACH. Classification has nothing to do with the classified civil service. An employee of the Government who is not in the armed forces of the Government, such as the Army, the Navy, and the Marine Corps, unless he is in the Postal Service, unless he is a skilled laborer or a mechanic in the navy yard or arsenal, is under the classification act, regardless of whether his position is subject to civil-service regulations or not. The classified civil service is one thing and the classification for purposes of salary is a different thing. There is no necessary correlation between the two.

Mr. BACHMANN. Yes; but those employees in the Indian Service who are now not under the classification act of 1923 will not get increases under this bill.

Mr. LEHLBACH. Yes; they will, because, as I said, the act of 1924 makes the District of Columbia schedules applicable as far as possible to all the field service.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield further?

Mr. LEHLBACH. Yes.

Mr. TREADWAY. I notice some charts have been prepared and are in the lobby, and following down those lines there are several places where there is no increase in pay. Is not that an error in the chart?

Mr. LEHLBACH. Unfortunately, in the preparation of those charts—and I had nothing to do with the preparation of them—there has crept into the comparisons a very grave error. For instance, in the professional service the existing grade 4 was split into two new grades, 4 and 5. Consequently old grade 5 in the existing law is now the new grade 6 in the Welch bill. The comparison should be made between the old grade 5 and the new grade 6, and not the two grades 5. The old grade 6 is to be compared with the new grade 7, and the old grade 7 with the new grade 8, and the same thing obtains in the clerical, administrative, and fiscal services, because there grade 11 was split into two grades. Grade 11 is 11 and 12 in the new grades, and consequently the old grade 12 is to be compared not with the new grade 12 but with the new grade 13, and old grade 13 is to be compared with the new grade 14, So when you look at those charts you want to remember to make a comparison in a proper way and not in an improper way.

Mr. TREADWAY. As I understand the language of the bill, every Government employee in the classified service will under this bill receive some increase of salary.

Mr. LEHLBACH. That is the purpose of the bill, and as far as humanly possible it has provided for that. I reserve the remainder of my time.

Mr. WOODRUM. Mr. Speaker and gentleman of the House, in the long, extensive hearings held by the Civil Service Committee on this bill some 200 Members of the House appeared before that committee indorsing the principle of an increase in salary of Federal employees. As we come to consider to-day the so-called Welch bill, however, I think it proper to say to you that there is no more resemblance between the Welch bill to-day and the Welch bill then being considered by the Civil Service Committee than there is a resemblance between the Declaration of Independence and the Apostles' Creed.

The gentleman from California [Mr. WELCH] deserves the credit for having brought to the attention of Congress and the Nation the inadequacy of the salaries paid certain Federal employees, but the gentleman from California and the Civil Service Committee and the House of Representatives have been deprived of their functions as legislators, because the Bureau of the Budget, or else some subordinate in that bureau—I have no idea and no information has been given as to who the functionary is that prepared these schedules—decided how much money could be spent on an increase in salaries, and prepared the bill and sent it to the Civil Service Committee with the information that they could take that or nothing. So to-day we have, instead of the Welch bill which was prepared and indorsed by the National Federation of Federal Employees, a bill that was prepared by the Bureau of the Budget, with some slight amendments being permitted to be made by the distin-

guished chairman of the Finance Committee of the Senate. He was allowed to invade the sanctum sanctorum and add a couple of million dollars to the bill; but nobody else dared change any of the schedules of the bill.

I am in favor of an adequate increase in the salaries of the lower-paid Federal employees. I have advocated that consistently during the hearings and in the executive hearings of the committee. I think it is a crying need that should be remedied by Congress; but I can not support this bill for many reasons, and I shall try in the few moments allotted in the consideration of this important legislation to point out to you some of the reasons why I can not support it.

In the first place, there are 554,000 employees in the Federal Government. This revision of salaries affects only about 135,000. It does not affect at all the employees in the Postal Service; it does not affect other great groups of employees. Some of them possibly do not need a revision of their salaries, but there is an urgent, crying need in the Government for a careful and comprehensive revision of all of the pay schedules of the different departments of the Government in order that there may be something like a consistent and coordinated wage schedule for Federal employees. Let us see just who is affected by this bill.

According to a statement issued by the National Federation of Federal Employees, quoting figures issued by the Bureau of the Budget:

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| The total number of employees in the Government service are | 554,175 |
| Employees in the Postal Service not affected by the Welch bill | 310,161 |
| Other groups not affected: | |
| Estimated number of other mechanical employees | 80,000 |
| Government Printing Office | 4,076 |
| Navy-yard employees | 38,000 |
| State Department employees | 3,791 |
| Board of Tax Mediation | 36 |
| Board of Tax Appeals | 154 |
| National Advisory Committee on Aeronautics | 187 |
| War Finance Corporation | 65 |
| Commission of Fine Arts | 2 |
| Federal Reserve Board | 202 |
| Railway Administration | 34 |
| Total | 436,708 |
| | 117,467 |

Figures furnished from the Personnel Classification Board estimate that 135,000 employees will be affected by the operation of the Welch bill. This estimate was based upon 45,000 employees in the District of Columbia and 90,000 in the field service.

When we approach this bill we find that unquestionably some of the employees of the 135,000 affected will receive adequate increases in their salaries. Some will receive something and some of them will receive a mere pittance—$5 a month or less. In my judgment as a member of the committee who has tried to understand this difficult and complicated scheme, a great many will receive nothing whatever; but bear in mind that there is one group about whom there will be absolutely no question but that they will receive a very handsome increase in their salaries.

As you will recall, the Civil Service Committee reported out a bill identical with the present bill you are considering, but it left out of the bill grades 8 and 9 in the professional and scientific service and grades 15 and 16 in the clerical, administrative, and fiscal service. The object of these new grades was to make it possible to raise the salaries of those affected from $7,500 to $9,000 per year. I exhibit before you here certain charts showing a comparison of the pay rates under existing law and the new rates contained in the Welch bill:

PROFESSIONAL AND SCIENTIFIC SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 2*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Grade 3*

| | |
|---|---|
| Existing law | $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, $3,600 |
| Welch bill | $3,200, $3,300, $3,400, $3,500, $3,600 |

*Grade 4*

| | |
|---|---|
| Existing law | $3,800, $4,000, $4,200, $4,400, $4,600, $4,800, $5,000 |
| Welch bill | $3,800, $4,000, $4,200, $4,400 |

*Grade 5*

| | |
|---|---|
| Existing law | $5,200, $5,400, $5,600, $5,800, $6,000 |
| Welch bill | $4,600, $4,800, $5,000, $5,200 |

*Grade 6*

| | |
|---|---|
| Existing law | $6,000, $6,500, $7,000, $7,500 |
| Welch bill | $5,600, $5,800, $6,000, $6,200, $6,400 |

*Grade 7*

| | |
|---|---|
| Existing law | $7,500 |
| Welch bill | $6,500, $7,000, $7,500 |

*Grade 8 (new grade)*

| | |
|---|---|
| Welch bill | $8,000, $8,500, $9,000 |

*Grade 9 (new grade)*

| | |
|---|---|
| Welch bill (positions specifically authorized) | $9,000 |

SUBPROFESSIONAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $900, $960, $1,020, $1,080, $1,140, $1,200, $1,260 |
| Welch bill | $1,020, $1,080, $1,140, $1,200, $1,260, $1,320 |

*Grade 2*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |
| Welch bill | $1,260, $1,320, $1,380, $1,440, $1,500, $1,560 |

*Grade 3*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680 |
| Welch bill | $1,440, $1,500, $1,560, $1,620, $1,680, $1,740 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860 |
| Welch bill | $1,620, $1,680, $1,740, $1,800, $1,860, $1,920 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040 |
| Welch bill | $1,800, $1,860, $1,920, $1,980, $2,040 |

*Grade 6*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 7*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 8*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500, |
| Welch bill | $1,260, $1,320, $1,380, $1,440, $1,500, $1,560 |

*Grade 2*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680, |
| Welch bill | $1,440, $1,500, $1,560, $1,620, $1,680, $1,740 |

*Grade 3*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860, |
| Welch bill | $1,620, $1,680, $1,740, $1,800, $1,860, $1,920 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040, |
| Welch bill | $1,800, $1,860, $1,920, $1,980, $2,010, $2,100 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400 |

*Grade 6*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 7*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Grade 8*

| | |
|---|---|
| Existing law | $2,700, $2,800, $2,900, $3,000, $3,100, $3,200, $3,300 |
| Welch bill | $2,900, $3,000, $3,100, $3,200, $3,300 |

*Grade 9*

| | |
|---|---|
| Existing law | $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, $3,600 |
| Welch bill | $3,200, $3,300, $3,400, $3,500, $3,600 |

*Grade 10*

| | |
|---|---|
| Existing law | $3,300, $3,400, $3,500, $3,600, $3,700, $3,800, $3,900 |
| Welch bill | $3,500, $3,600, $3,700, $3,800, $3,900 |

*Grade 11*

| | |
|---|---|
| Existing law | $3,800, $4,000, $4,200, $4,400, $4,600, $4,800, $5,000 |
| Welch bill | $3,800, $4,000, $4,200, $4,400 |

*Grade 12*

| | |
|---|---|
| Existing law | $5,200, $5,400, $5,600, $5,800, $6,000 |
| Welch bill | $4,600, $4,800, $5,000, $5,200 |

*Grade 13*

| | |
|---|---|
| Existing law | $6,000, $6,500, $7,000, $7,500 |
| Welch bill | $5,600, $5,800, $6,000, $6,200, $6,400 |

*Grade 14*

| | |
|---|---|
| Existing law | $7,500 |
| Welch bill | $6,500, $7,000, $7,500 |

*Grade 15 (new grade)*

| | |
|---|---|
| Welch bill | $8,000, $8,500, $9,000 |

*Grade 16 (new grade)*

| | |
|---|---|
| Welch bill (executive positions to be specifically authorized in excess of $9,000) | $9,000 |

CUSTODIAL SERVICE

*Grade 1*

| | |
|---|---|
| Existing law | $600, $630, $660, $690, $720, $750, $780 |
| Welch bill | $600, $660, $720, $780, $840 |

*Grade 2*

| | |
|---|---|
| Existing law | $780, $840, $900, $960, $1,020, $1,080, $1,140 |
| Welch bill | $1,080, $1,140, $1,200, $1,260, $1,320, $1,380 |

*Grade 3*

| | |
|---|---|
| Existing law | $900, $960, $1,020, $1,080, $1,140, $1,200, $1,260 |
| Welch bill | $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |

*Grade 4*

| | |
|---|---|
| Existing law | $1,140, $1,200, $1,260, $1,320, $1,380, $1,440, $1,500 |
| Welch bill | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620 |

*Grade 5*

| | |
|---|---|
| Existing law | $1,320, $1,380, $1,440, $1,500, $1,560, $1,620, $1,680 |
| Welch bill | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800 |

*Grade 6*

| | |
|---|---|
| Existing law | $1,500, $1,560, $1,620, $1,680, $1,740, $1,800, $1,860 |
| Welch bill | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980 |

*Grade 7*

| | |
|---|---|
| Existing law | $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, $2,040 |
| Welch bill | $1,860, $1,920, $1,980, $2,040, $2,100, $2,200 |

*Grade 8*

| | |
|---|---|
| Existing law | $1,860, $1,920, $2,000, $2,100, $2,200, $2,300, $2,400 |
| Welch bill | $2,000, $2,100, $2,200, $2,300, $2,400, |

*Grade 9*

| | |
|---|---|
| Existing law | $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700 |
| Welch bill | $2,300, $2,400, $2,500, $2,600, $2,700 |

*Grade 10*

| | |
|---|---|
| Existing law | $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000 |
| Welch bill | $2,600, $2,700, $2,800, $2,900, $3,000 |

*Charwomen (working part time)*

| | |
|---|---|
| Existing law | 40 cents per hour |
| Welch bill | 45 cents per hour |

*Head charwomen*

| | |
|---|---|
| Existing law | 45 cents per hour |
| Welch bill | 50 cents per hour |

CLERICAL-MECHANICAL SERVICE

*Grade 1*

| | | |
|---|---|---|
| Existing law | per hour | 45 cents, 50 cents |
| Welch bill | do | 50 cents, 55 cents |

*Grade 2*

| | | |
|---|---|---|
| Existing law | per hour | 55 cents, 60 cents |
| Welch bill | do | 60 cents, 65 cents |

*Grade 3*

| | | |
|---|---|---|
| Existing law | per hour | 65 cents, 70 cents |
| Welch bill | do | 70 cents, 75 cents |

*Grade 4*

| | | |
|---|---|---|
| Existing law | per hour | 80 cents, 90 cents |
| Welch bill | do | 85 cents, 95 cents |

If you will refer to chart 1 [indicating] of the professional and scientific service you will find that grades 8 and 9 are new grades. The purpose of that is to permit employees in grade 7, where they are now receiving $7,500, to receive as high as $9,000; and by passing this bill we shall write into the organic law of the land a provision that will permit any appropriation bill to be brought in here and increase salaries even above $9,000.

My objection to that is this, gentlemen: There may be a need in some of the departments of the Government to increase salaries from $7,500 to $9,000, but if there is such a need it has not been brought to the attention of the Committee on the Civil Service. I hold in my hand the hearings, and in those hearings no representative of the Budget, no member of the Cabinet, no departmental head is shown to have come before our committee or represented to us that for the sake of the efficiency of the service certain salaries should be increased by $1,500 a year.

But our committee eliminating these four new grades took the position that we should pass a temporary bill, and that this comprehensive survey spoken of by the gentleman from New Jersey [Mr. LEHLBACH] might follow and then if a real need were shown for these higher salaries Congress could consider the matter, and pass appropriate legislation. The bill was reported out without the four grades mentioned, but it was promptly rejected by the Bureau of the Budget, and the Civil Service Committee was given to understand that unless these higher grades were included we might expect no legislation at this Congress.

It is my deliberate judgment that with these higher grades included, if we pass this bill to-day you will find it is the last consideration of Government salaries we will get for years to come.

The whole original purpose of this salary increase bill was to help the employees in the lower grades, the people receiving $1,100 and $1,200 and $1,400 a year. Now it is proposed to give them a raise of only $60 a year, or $5 a month, and then give to those people who are in the higher grades, men getting $7,500 a year, an increase of up to $1,500 a year. This bill, if passed, will add chaos to the present confusion. I venture to say there is no Member of this House who has not received repeated protests and criticism from his constituents against the discrimination and favoritism that is shown in the Government departments in the matter of its method of efficiency ratings and promotions of employees; and if you pass this bill, you put the power in the hands of the Classification Board and the departmental heads to add still more to that discrimination of which we complain.

Now, referring to the custodial service, I want to say frankly that these schedules provide with fair adequacy for the custodial service. They increase the maximum of grade 1 to $840, and these other grades, as indicated in the first line of this chart [indicating], showing the rates under existing law and the second line showing the new schedule.

A great many Members have had letters from men in the custodial service complaining about the operation of grade 2 in that service. I may say I had 125 letters in my mail yesterday morning complaining about grade 2 in that service. Let us look at that for a moment. Under existing law the salary ranges in that grade from $720 to $1,140. The criticism made against the provision with regard to the custodial service is this: It is said there are practically no employees in the custodial service who are now drawing $1,020 or less. Therefore the elimination of the rates $780, $840, $900, $960, and $1,020 means practically nothing, and these employees think—and they have a great deal of reason so to think—that when you come to $1,080 and $1,140, which is what most of those in the custodial service are getting, and is the first two classes in the grade as provided in the Welch bill, that discretion is left with the heads of the department to keep them at that rate and give them no increase at all.

Let us go over here for a moment to the clerical, administrative, and fiscal service. Bear this in mind, gentlemen of the House, that this bill does not provide any automatic increase of salaries. It simply provides a change in the maximum and the minimum wage scale, and it is still left in the discretion of the Personnel Classification Board and the administrative heads as to where they will allocate the employee within the salary limit of that grade. Of course, they must be brought up to the minimum. They can not be carried beyond the maximum.

Now, you gentlemen know that by the manipulation of the efficiency ratings of the employees many have been constantly discriminated against. To illustrate: You will find, say, in the employees of grade 4, of the clerical, administrative, and fiscal service, doing work now that ought to be assigned to grade 5, and if they were put in their proper grade under existing law they would receive an increase of salary. Let us refer to the chart showing the clerical administrative service, grade 1. We see the minimum under the existing law is $1,140, the maximum $1,260. Under the Welch bill the minimum is $1,260, the maximum $1,320.

Now, what does that mean? It means that employees in the two minimum classes getting $1,140 or $1,200 under existing law must be brought up to the minimum of the new schedule, which is $1,260. That is to say, a novice who is just entering the Government service, without any experience in the Government service, must automatically be given a $120 raise if he is fortunate enough to be in the minimum class of the grade. In the second place, an employee receiving $1,200 can, in the discretion of the Personnel Classification Board or departmental heads, be increased $60 or to $1,260, or if they carry him up two steps he can be brought to $1,320. But what about the man in the top of that grade, the man who has given years of patient and efficient service and gotten to the top of his grade? He can only, under any circumstances, receive a raise of $60 a year, or $5 a month.

That applies as to the first four grades, but when we come to grade 5 we see that under existing law the maximum of grade 5 is $2,400, but under the Welch bill, if passed, the maximum of that grade is still $2,400; when we get down here we see a man in grade 5 at $1,860 to-day, and if we pass the bill he gets an automatic increase of $140, which brings him up to $2,000. But what about the man who by years of service and efficient application to duty has reached the maximum of the grade and is getting $2,400? He can not receive any increase at all because you can not carry him beyond the maximum of his grade. The answer to that is that he will be promoted into another grade, but you who have had any experience with how hard it is for an employee to be promoted from one class to another, to say nothing of how hard it is to be promoted from one grade to another, know how long it would be until the board or departmental head would carry him to the next grade. But suppose he should make that hurdle and get into another grade. What happens? He goes from the maximum grade 5, which is $2,400, to the minimum of grade 6, which is $2,300, so that he loses $100 a year, but they could then carry him to a second step to $2,400, so that he would get the same salary that he got in his other grade. But what a situation! He has had a promotion and he has had some honor, if no money. But if they carry him up three steps out of the grade he is already in to a place in the next grade, then he can get a raise of $100. But in the meantime what have you done to the morale of your service, when you take a man out of one grade and carry him two or three steps into the next grade, and what are the employees in the minimum of these grades going to say when a man goes over their heads into the next grade?

The SPEAKER. The time of the gentleman from Virginia has again expired.

Mr. WOODRUM. Mr. Speaker, I yield myself two additional minutes. Now, gentlemen, this is such a big subject and so little is known about it by anybody, myself included. I could talk all day long and just speculate as to the possible effect of this bill, but there is a way that these employees could have had an increase in their salaries, and that way I

suggested to the House through the bill I introduced. That was a bill to give a flat horizontal increase to the employees in the Federal service, and I submit to you it is perfectly reasonable and perfectly consistent with good finance and good economics. Everybody says this is a temporary measure and, of course, my proposition would be a temporary measure. My suggestion was to give every one of these 135,000 employees a flat increase of $300. [Applause.] That would be $25 a month to everybody. The man getting $1,000 a year would be very much helped by receiving an increase of $300. The man getting $7,500 possibly would not think so much of it; but if a man working for the Government who gets $7,500 a year is so rich that he will turn up his nose at an increase of $300, then I do not think you need worry about him.

Mr. KINDRED. Can the gentleman tell us how much the expense would be to the Government under his bill?

Mr. WOODRUM. The bill I introduced would cost the Government $40,500,000. It would apply to everybody. There would be no manipulation—no opportunity to change it or to chisel the employees out of their raise. Of course, gentlemen, the amount of the raise could be decreased. The amount could be cut to $150 annually. That would cost approximately what this bill costs. I care not so much about the amount. That could be at the discretion of Congress, but I submit the principle is sound and workable.

Mr. O'CONNELL. And the heads of departments could not interfere with the raise taking effect?

Mr. WOODRUM. No. [Applause.] But that is water that has gone over the dam because the present bill is here to-day under suspension of the rules, and not subject to amendment or a motion to recommit.

I reserve the balance of my time, Mr. Speaker.

Mr. LEHLBACH. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. WELCH]. [Applause.]

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent that all Members of the House may be granted five legislative days in which to extend their remarks on the bill H. R. 6518.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WELCH of California. Mr. Speaker, the bill under consideration, H. R. 6518, which has for its purpose an increase in salaries of Government employees holding certain positions within the District of Columbia and in the field service, is by no means new legislation. Similar bills have been before Congress for years past. Congressman John I. Nolan, who represented the fifth California district for many years, sponsored a salary increase bill, and with the assistance of Congressman James R. Mann, of Illinois, who at the time was Republican floor leader, secured its passage. The bill passed the Senate, but was held up on a motion to reconsider during the last days of the session. My immediate predecessor, the late Lawrence J. Flaherty, also introduced the bill during the brief time he was in Congress, and upon succeeding him I became its sponsor.

Mr. Speaker, this meritorious and humanitarian measure might well be called the child of the fifth California district. The bill in its present form does not provide the relief hoped for by the proponents of the original bill. It is, however, a step in the right direction and will in a measure bring comfort to the thousands of faithful men and women in the employ of our Government.

It has been repeatedly demonstrated that from a strictly business standpoint it is true economy to secure and retain well-paid, contented employees; that a contented state of mind on the part of the employees themselves has a direct effect upon the quantity and quality of their product. The present inadequate rates of compensation in the Federal service render it increasingly difficult to secure and retain a quality of employees necessary to carry on efficiently the business of our Government. I maintain that a readjustment of the rates of pay of these employees even to the extent provided for in the amended bill will inure to the benefit of the employer as well as the employee; that it will reduce turnover, which is at present dangerously high, and retain the service of experienced employees who are leaving the service of the Federal Government, the loss of whose experience and training and the resultant cost of breaking in new employees amount to a staggering total in money value each year.

This bill wisely provides for a classification of the field service, exclusive of the Postal Service and Foreign Service, by the Personnel Classification Board, which consists of the Bureau of the Budget, Bureau of Efficiency, and the Board of Civil Service Commissioners, who shall present a report to Congress at its first regular session following the passage of this act. With this information at hand Congress can then proceed in an intelligent and comprehensive manner, and provide equitably and fairly for all Government employees, who come under the provisions of this bill. [Applause.]

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. WELCH of California. I yield; yes.

Mr. HOWARD of Oklahoma. The gentleman from Michigan and also the gentleman from Oklahoma have asked the question whether or not the employees in the field service of the Indian Bureau come under this bill——

Mr. WELCH of California. It is my information they will come under the bill.

Mr. HOWARD of Oklahoma. Can not some one who is the author of the bill tell us whether they will or not come under the bill?

Mr. LEHLBACH. Mr. Speaker, I yield three minutes to the gentleman from West Virginia [Mr. BACHMANN]. [Applause.]

Mr. BACHMANN. Mr. Speaker and gentlemen of the House, this bill ought to pass. There is only one issue now before the House. Do we want to increase the salaries of 135,000 Federal employees $18,000,000 annually or do we want to refuse them this increase?

The gentleman from Virginia supported practically this same bill in committee. He complained then about the employees in the higher grades. The rates were not all satisfactory to him. He amended the bill by cutting out sections 8 and 9 of the professional and clerical service and 14 and 15 of the clerical, administrative, and fiscal services. When they were taken out of the bill it was satisfactory, but to-day with the amendments of the committee it is not satisfactory. Why? If you leave in the higher grades, he is against the bill. If we take out these grades, he is for the bill.

Let me tell the Members of the House what this amounts to. The total increase for grades 7 and 8 in the professional and scientific service only amounts to $77,750. The total increase in grades 14 and 15 in the clerical, administrative, and fiscal services only amounts to $103,500, or a total of $181,250 out of a grand total of increase of about $18,000,000.

Mr. LEHLBACH. Will the gentleman yield?

Mr. BACHMANN. Yes.

Mr. LEHLBACH. Thirty-two thousand dollars of that is in grade 7, the third from the top grade in the clerical, administrative, and fiscal service.

Mr. BACHMANN. That is true, because grade 7 and the other grade had to be changed in order to allow for these increases.

Mr. LEHLBACH. So there is only $149,000 involved in those four grades.

Mr. BACHMANN. In grades 7 and 8 and grades 15 and 16. I yield back the balance of my time.

Mr. HASTINGS. I would like to ask the gentleman a question.

Mr. BACHMANN. All right.

Mr. HASTINGS. We have been trying to find out whether or not these increases apply to the field service of the Indian Bureau. What can the gentleman say about that?

Mr. BACHMANN. I can not answer the gentleman from Oklahoma with respect to that. My understanding is this bill takes care of the same employees that were taken care of in the classification act of 1923.

Mr. HASTINGS. Is there any member of the committee who can give us that information?

Mr. BACHMANN. The gentleman from New Jersey [Mr. LEHLBACH], I think, can answer the question.

Mr. WOODRUM. Mr. Speaker, I yield myself the remainder of my time, three minutes.

Gentlemen of the House, I will answer the gentlemen's question about the Indians.

I want to say to you, gentlemen of the House, there are a lot of good Indians who think they are going to get something under this bill and there are a lot of good Congressmen who think they are voting for something for some of their constituents who are going to be sadly disillusioned when the roll is called.

Gentlemen, I am sure my friend from West Virginia did not intend to leave the impression on the House that this bill was ever satisfactory to me. It was not. I have fought it right from the jump. I made a speech on the floor of the House and condemned the Welch bill. The Welch bill was very much better than this bill because it did provide something for everybody. This bill does not even do that.

I have objected to the bill all along, and inasmuch as my name has been brought up I may state that these little increases here for these four top grades of the clerical, administration, and fiscal service were put in at my insistence, as well as an amendment requiring the employees to retain their relative positions in

grades in this bill. They would not go any further than that with me.

Gentlemen, this is a bad bill. Nobody can tell what it will do. The distinguished chairman of the committee very frankly told you he did not know what it will do.

Now, what about the high salaries? I do not care if it does not add but ten cents to the annual pay roll, it is wrong in principle to ask the Committee on Civil Service and the House of Representatives to delegate to departmental heads and the Personnel Classification Board the right to increase salaries from $7,500 to $9,000. When I vote to increase salaries to that extent I want at least to have some idea of who is going to get the money, what they are doing and whether or not they deserve to receive it.

It is not a question of amount at all; it is a question of principle. What will the Personnel Classification Board do with this survey that is called for? Your bill calls for a classification of the field service. Let me call attention to the fact that in 1923 you passed a bill requiring a classification of the field service, and it is a known fact to every Member of the House and the chairman of this committee that that board defied the mandate of Congress, and you have to-day no classification of field service. I have no right to believe that you will do any different under this bill.

I think if you do pass the bill you will get a little temporary relief and then beyond that you will get no survey, and it will reflect on Congress and nobody will be satisfied. It is immaterial to me what you do. I have no personal interest whatever in the matter, and it is immaterial to me how any Member may vote. I have discharged my duty. I have attempted to point out the glaring defects in the bill, and the rank and file of the Federal employees are not satisfied with the bill. [Applause.]

Mr. LEHLBACH. Mr. Speaker, I will again say what I have said before, that there is no classification of the field service, and that the $18,000,000 increase in this bill will give that service $12,000,000 or two to one—and what is to be spent in the field service is to be allocated to the various services in the field, including the Indian Service. It is only temporary until we get a classification, including the Indian Service, under the survey which is to be made.

The gentleman says that a person of the custodial service in grade 2 will go down in the range of salaries and receive no benefits. He knows that the bill provides—

> The heads of the several executive departments and independent establishments of the Government whose duty it is to carry into effect the provisions of this act are hereby directed to so administer the same that the positions and employees affected herein shall retain in the classification schedules herein provided the same relative position or positions within their respective grades as they hold at the time this law goes into effect: *Provided,* That nothing herein shall prevent the promotion or allocation for an employee to a higher grade: *Provided further,* That nothing contained in this act shall operate to decrease the pay of any present employee, nor deprive any employee of any advancement authorized by law and for which funds are available.

Do you want to make $18,000,000 available for the employees of the Federal Government? If you do, vote "yes"; if you do not, vote "no." [Applause.]

The SPEAKER. The question is on the motion of the gentleman from New Jersey to suspend the rules and pass the bill.

Mr. CRAMTON. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Michigan demands the yeas and nays. All those in favor of taking the vote by yeas and nays will rise. [After counting.] Twenty-seven Members have risen, not a sufficient number, and the yeas and nays are refused.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were 281 ayes and 14 noes.

So two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

### EXTENSION OF REMARKS—SALARY INCREASES FOR GOVERNMENT EMPLOYEES

Mr. COHEN. Mr. Speaker, under the leave to extend my remarks in the RECORD I wish to submit the following:

For some months the question of increase of salaries for Government employees in the classified service has been investigated and discussed. There has been a great difference of opinion as to the method and amount of increases, both by the employees, the heads of the departments, and the Members of Congress. It has seemed impossible to arrive at a conclusion satisfactory to all, and the bill introduced in the House by Mr. WELCH of California has finally come up for action and been passed by the House to-day.

I am of the opinion that a great many of my colleagues feel as I do about this bill and are not at all pleased with many of the features of it. It has been changed until it could not be recognized as the original bill, and even then it does not meet the requirements.

I certainly feel that the higher-paid employees should have had the increase given them for, unfortunately, Uncle Sam is known as an employer who never overpays, and our big commercial enterprises have been fortunate in securing the services of many of our scientists and experienced men and women who could not easily be spared in the places they were filling, solely because they could not afford to stay with the Government and see no future before them.

However, it is the poorly paid Government clerk I feel should have the most consideration, and under this bill, I understand, many of them will only receive a benefit of $5 a month. Is it any incentive to give the best in you, and be interested and attentive to your work, when you feel you are facing a stone wall, with no chance of advancement? The "bread and butter" problem is a very vital one to all those in the small-salaried positions and, with prices soaring to the sky from month to month, a $5 increase does not go very far.

I want to say here, as I have said before since taking my seat as a Member of the House of Representatives, that I have never in my whole business experience met with such courtesy and readiness to serve as that received from the Government employees, from those at the head down to the humblest worker. And it can not be said that it was because I was a Member of Congress, for in many cases no possible gain could come to those with whom I had come in contact and who were most courteous and helpful.

I understand this is to be only a temporary measure, and I certainly trust it will be and that a survey will be made immediately so that before many months these faithful and efficient employees will be given a wage commensurate with the services performed and the cost of living to-day.

### RETIREMENT OF OFFICERS OF THE ARMY, NAVY, AND MARINE CORPS

Mr. SNELL, chairman of the Committee on Rules, presented the following resolution for printing under the rule:

House Resolution 188

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 777, an act making eligible for retirement, under certain conditions, officers, and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War. That after general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall arise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

### FLOOD CONTROL

Mr. REID of Illinois presented the conference report on the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, for printing under the rule.

### ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE CONQUEST OF THE NORTHWEST TERRITORY

Mr. LUCE. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 23 as amended.

The Clerk read as follows:

Senate Joint Resolution 23, Seventieth Congress, first session

Senate joint resolution providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779

Whereas the expedition of George Rogers Clark into the territory northwest of the Ohio River in 1778–79, culminating in the capture on February 25, 1779, of Fort Sackville, at Vincennes, with its British garrison and the British commander of all the northwest region, was instrumental in adding to the 13 Atlantic seaboard States possession of the great Northwest Territory, which now contains the States of Ohio, Indiana, Illinois, Michigan, Wisconsin, and part of Minnesota; and

Whereas the march of George Rogers Clark and his men from Kaskaskia to Vincennes, February 7–23, 1779, was one of the most dramatic examples of patriotism, endurance, and heroism afforded in the whole

course of the war for the independence of the United States, the memory of which is worthy of perpetuation by a grateful country; and

Whereas the conquest of the old Northwest, in which the capture of Fort Sackville was the culminating event, contributed largely to the present greatness of the Republic and started the march of the American flag toward the Pacific; and

Whereas national recognition of the winning in the Revolutionary War of the country west of the Appalachian Mountains is appropriate upon the one hundred and fiftieth anniversary of Clark's decisive victory at Vincennes, and links the East and the West together in our common heritage of national independence and continental expansion; and

Whereas the campaigns of George Rogers Clark aided materially during the Revolutionary War in the protection of the whole western frontier of the United States in bringing the war of independence to a successful conclusion and in bursting the barriers which threatened to limit the new Republic to the Atlantic seaboard; and

Whereas the State of Indiana has by legislative enactment provided for the purchase of the site of Fort Sackville and has made provision for its proper maintenance as a national shrine and has created the George Rogers Clark Memorial Commission; and

Whereas no adequate recognition has been given by the Nation to the acquisition of the old Northwest and to the great achievements of George Rogers Clark and his associates: Therefore be it

*Resolved, etc.*, That there is hereby established a commission to be known as the George Rogers Clark sesquicentennial commission (hereinafter referred to as the commission) and to be composed of 11 commissioners, as follows: 3 persons to be appointed by the President of the United States; 4 Senators by the President of the Senate; and 4 Members of the House of Representatives by the Speaker of the House of Representatives. The commissioners shall serve without compensation, select a chairman from among their number, and appoint a secretary at such salary as the commission may fix.

SEC. 2. There is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, the sum of $1,000,000 to be expended by the commission in cooperation with the George Rogers Clark Memorial Commission of Indiana, the county of Knox, Ind., the city of Vincennes, Ind., and such other agencies, public or private, as the commission may determine, for the purpose of designing and constructing at or near the site of Fort Sackville in the city of Vincennes, Ind., a permanent memorial, commemorating the winning of the old Northwest and the achievements of George Rogers Clark and his associates in the war of the American Revolution: *Provided*, That the State of Indiana shall furnish the site for such memorial and that full, complete, and absolute title to the land shall be vested in the State of Indiana, free and clear of all liens and encumbrances, and that the State of Indiana shall assume, without expense to the Federal Government, the perpetual care and maintenance of said site and the memorial constructed thereon, after such memorial shall have been constructed.

SEC. 3. The commission may in its discretion accept from any source, public or private, sums of money to be added to the amount herein authorized to be appropriated for said memorial, or gifts for its embellishment.

SEC. 4. All expenditures of the commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the commission, but no expenditure shall be made or authorized by the commission except with the approval of a majority of the commissioners.

SEC. 5. The United States shall not be held liable for any obligation or indebtedness incurred by the State of Indiana, the George Rogers Clark Memorial Commission of Indiana, the county of Knox, Ind., the city of Vincennes, Ind., or any other agency or officer, employee, or agent thereof, for any purpose for which the commission may under the provisions of this resolution make expenditures.

SEC. 6. Before any of the funds herein authorized to be appropriated shall be expended, the plans and designs of the said memorial shall be approved by the National Commission of Fine Arts.

SEC. 7. No fee or charge of any character shall be imposed or made for admission to the said memorial or the grounds on which it may stand after the memorial shall have been completed and accepted by the commission.

SEC. 8. The commission shall cease and terminate June 30, 1931.

The SPEAKER. Is a second demanded?

Mr. GILBERT. Mr. Speaker, I demand a second.

Mr. LAGUARDIA. Mr. Speaker, I demand a second.

Mr. LUCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Massachusetts is entitled to 20 minutes and the gentleman from Kentucky [Mr. GILBERT] is entitled to 20 minutes.

Mr. LUCE. Mr. Speaker, the time available under a motion to suspend the rules, of course, does not permit any extended narration of the episode that is to be commemorated. If granted permission to extend my remarks, I shall insert the report accompanying the bill, which tells the story.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. CRAMTON. The gentleman, however, expects to make enough of a statement to the committee so that the pending proposition may be favorably presented?

Mr. LUCE. Oh, certainly. I am referring simply to the historical narrative that is set forth in the report. It will be sufficient for the moment to say that this episode is one of the most striking in the world's annals for heroism, suffering, and results. [Applause.] It accomplished the securing of what was long known as the old Northwest for the Union, and to this gallant march, the bravery of Clark, the boldness of his conception, and the success of its execution, historians largely attribute the presence in the Union to-day of Kentucky, Ohio, Indiana, Illinois, Michigan, Wisconsin, and part of Minnesota.

Next February comes the one hundred and fiftieth anniversary of the culminating point in the campaign, the capture of Vincennes, together with the British commander, the lieutenant governor of the English territory in the Northwest, and all the garrison of the fort. As a result of this the control of the British over the Indians was so weakened that it was possible to colonize Kentucky more and thereby bring to the region settlers enough to protect it against further disastrous inroads by the red men as well as to prevent the British themselves from attacking the struggling States on the seaboard from the rear.

In recognition of the great importance of this affair the State of Indiana, the county of Knox, in that State, and the city of Vincennes have undertaken to expend about $720,000 next year in celebration and commemoration. Representatives of the locality immediately concerned came to Congress with a request for an appropriation of $1,750,000, of which $250,000 was to be used for historical celebrations in the way of pageants. The remainder, $1,500,000, was to be used in the erection of a memorial of the same general plan as the Lincoln Memorial here in Washington, but, of course, not on so large a scale. The site of the old Fort Sackville was covered with factories, warehouses, and other buildings of commerce, and it was necessary to clear the land after the purchase of these unsightly edifices. That is the part which Indiana will play. The part asked of the Government is the building of the memorial itself.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. SNELL. I did not understand how much the State of Indiana is going to appropriate for this celebration.

Mr. LUCE. Already the action of the Indiana Legislature brings in sight about $720,000.

Mr. SNELL. Is that to purchase land and help build the memorial?

Mr. LUCE. No; that is for purchase of the land, clearing from it the buildings, and preparing the site. The edifice itself is to be the work of the Federal Government.

Mr. SNELL. And this bill carries an appropriation of $1,000,000?

Mr. LUCE. One million dollars for the edifice. As the estimates were laid before the joint committee, they totaled one and a half million dollars, but your Committee on the Library, after study of the details, came to the conviction that $1,000,000 would suffice, and we cut the resolution as it came to us from the Senate to the extent of $500,000, taken off the estimate for the cost of the memorial, and eliminated altogether the $250,000 for the pageants. The reasons are set forth in the report.

Mr. SNELL. The entire million dollars appropriated here is to go for the memorial?

Mr. LUCE. Entirely for the memorial.

At the same time we changed the bill by reason of our belief that the money of the Nation should be expended by the Nation. As the resolution came to us from the Senate, it provided that we were to turn this money over to the Indiana commission. This was contrary to precedent, and not in accord with the judgment of your committee. Therefore, in substituting the House resolution we provide for the usual form of commission—three to be appointed by the President, four by the President of the Senate, four by the Speaker of the House—who shall expend this million dollars.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. LAGUARDIA. Will the gentleman explain to the House why the State of Illinois withdrew from material participation in this movement?

Mr. LUCE. It is a thing that can not be explained, as far as I have been able to learn, a thing that is greatly to my regret. Perhaps some gentleman from Illinois—one already stands before me—will answer the question.

Mr. RATHBONE. Mr. Speaker, if the gentleman will permit, Illinois could not withdraw, because she did not participate in the first place. We are very heartily in favor of this memorial. I appeared before the committee and supported it to the best of my ability, but on the soil of Illinois there occurred an event which is of perhaps equal importance—namely, the capture of Kaskaskia—and we are going to devote our energies not only to making the Vincennes memorial a success, but also to make suitable provision for the celebration of the capture of Kaskaskia, which occurred in Illinois and at the opposite part of the State on the Mississippi River.

Mr. LAGUARDIA. Do I understand the gentleman to say that they have withdrawn from this because the State of Illinois intends to finance the other projects of which he speaks?

Mr. RATHBONE. We have not withdrawn, because the Legislature of Illinois has never acted on this particular proposal. But our people are very much interested in it, and we intend to support it.

Mr. LAGUARDIA. Is it true that the people of Illinois are willing to appropriate a large amount of money to establish a monument to King George? [Laughter.]

Mr. RATHBONE. I will say to the gentleman that the Legislature of Illinois will not be in session until next winter. At that time I look for action for a suitable memorial to be erected commemorating the capture of Kaskaskia.

Mr. LUCE. We were told a year ago that the State of Illinois and the State of Ohio and other States interested would join in this celebration at Vincennes; but, greatly to the regret of the committee, the legislatures of those States have not seen fit to act. We hope they yet will see the desirability of sharing with Indiana and the Nation in commemorating an event of precisely as much significance and import to them as to that State where the fort happened to be, on the one side of the river instead of the other.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. CRAMTON. What has become of the proposition for use of Federal funds for the ornamentation of a memorial toll bridge at this point?

Mr. LUCE. We were assured in the hearings that Illinois would build half of this bridge and Indiana the other half, and that the ornamentation would be provided by private subscription. Illinois has withdrawn, as I understand, and declines to take part in the building of this bridge. They reduced the people of Vincennes to the regrettable necessity of asking Congress to provide a toll bridge to mark the spot where Abraham Lincoln and his family crossed the Wabash River on the journey from Indiana to Illinois. It is to be hoped that this strange proposal will not prevail to the extent of a charge for passage of the bridge.

Mr. LAGUARDIA. Are commissioners authorized to act in connection with this celebration?

Mr. LUCE. These commissioners will serve, as in the case of the landing of the Pilgrims, without pay, but with a paid secretary who will serve as their executive officer.

Mr. LAGUARDIA. Is it not the gentleman's experience that once we create these commissions, and some time elapses before the members are appointed, and when appointed they commence their labors, they then come in and seek to amend the bill by providing a salary? If once we start on that there will be no end to it.

Mr. LUCE. It has not been done with respect to any commission created on advice of the Committee on the Library, since I have had the honor to be a member of that committee. It was not done in the case of the Plymouth commission.

Mr. SNELL. Has there been any other similar occasion except the big memorial to Lincoln that has cost so much as this?

Mr. LUCE. I do not recall one. When commemoration has been by way of an exposition, as in the case of the settlement of Jamestown and the acquisition resulting from the Louisiana Purchase, the Federal appropriation was much larger.

Mr. SNELL. I think this is the first time we shall have ever appropriated a million dollars for such a memorial.

Mr. LUCE. I think it is the largest appropriation of the sort thus far.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. KETCHAM. In response to the question propounded by the gentleman from New York [Mr. SNELL], I may call his attention to the fact that no other such event has taken place in our history. Therefore it is worthy of an unusual expenditure.

Mr. RATHBONE. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. RATHBONE. I would like to ask the gentleman on what he bases the statement, if I understood him correctly, that Illinois had withdrawn from any offer it had made? I know of no offer from an official source made by Illinois in this matter.

Mr. LUCE. The assurances will be found in the testimony given before the hearings of the Joint Committee on the Library a year and more ago.

Mr. CRAMTON. While the gentleman from Illinois is on the floor the House will be glad to know if the gentleman from Illinois has introduced a similar bill for the ceremony at Kaskaskia?

Mr. RATHBONE. I have introduced such a bill. Illinois is desirous of playing a broad and generous part, and Illinois is perfectly willing to have the Vincennes memorial made the principal memorial. But we do feel that there should be another memorial on the capture of Kaskaskia, which was the first great achievement of George Rogers Clark, and therefore should not be passed unnoticed.

Mr. LUCE. There have been bills introduced by Members from Illinois and Kentucky, but in no instance except in the case of Indiana have the persons interested secured a local contribution. If Kentucky and Illinois and any other States concerned should follow the example of Indiana and demonstrate willingness to take part in the expenditure the proposal would receive prompt consideration from the Committee on the Library.

Mr. CRAMTON. Has the gentleman from Massachusetts in mind the idea that if the gentleman from Illinois would introduce a bill to permit equally generous participation by Illinois the Federal Government would furnish a million dollars to match that generous participation?

Mr. LUCE. The gentleman from Massachusetts is not warranted in giving any assurance. He feels quite safe, however, in awaiting the offer of any money from any other State. [Laughter.]

Mr. LOWREY. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. LOWREY. Can the gentleman tell us how much money the Federal Government spent on the Washington Monument and how much on the Lincoln Memorial?

Mr. LUCE. I do not remember about the Washington Monument, but my impression is that the Lincoln Memorial cost between $3,000,000 and $4,000,000.

Mr. RATHBONE. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. RATHBONE. Replying to the question of the gentleman from Michigan, which seemed to reflect, in a way, upon my State, I will say that the only thing which the bill I have introduced provides for is an authorization of $100,000, and I have stated in the presence of the committee that we would be satisfied with less. We are not asking for any great memorial. Moreover, in fairness to our State, it should be stated by the chairman of the committee that there has been no session of the Illinois Legislature at which this matter could have been acted upon since this particular bill has been introduced and brought before the Congress, and Illinois, before aspersions are cast upon the State, should be given a fair opportunity to act, which I am satisfied she will do.

Mr. LUCE. I cast no aspersions; I express a prayerful hope. [Applause.]

The report of the committee is as follows:

[H. Rept. No. 1386, 70th Cong., 1st sess.]

GEORGE ROGERS CLARK MEMORIAL

Mr. LUCE, from the Committee on the Library, submitted the following report (to accompany S. J. Res. 23):

The President, in his address to this Congress at its opening, said:

"February 25, 1929, is the one hundred and fiftieth anniversary of the capture of Fort Sackville, at Vincennes, in the State of Indiana. This eventually brought into the Union what was known as the Northwest Territory, embracing the region north of the Ohio River between the Alleghenies and the Mississippi River. This expedition was led by George Rogers Clark. His heroic character and the importance of his victory are too little known and understood. They gave us not only this Northwest Territory but by means of that the prospect of reaching the Pacific. The State of Indiana is proposing to dedicate the site of Fort Sackville as a national shrine. The Federal Government may well make some provision for the erection under its own management of a fitting memorial at that point."

On every hand there is approval for commemoration of Clark, his expedition, and the achievement that gave us what was long known as the old Northwest.

It was a great enterprise, boldly and skillfully planned, heroically executed. Clark, a young Kentucky pioneer from Virginia, conceived that the way to protect the infant settlements of the Ohio Valley, to win the favor of menacing Indians between the Ohio and the Lakes, to oust the British from the vast region that had been yielded to them

by the French, and thus to remove the menace from the rear that in the darkest months in the Revolutionary War threatened ominously the States strung along the seaboard, was to strike the enemy unexpectedly on the flank and from behind. To that end and in the summer of 1778, with a force of less than 200 men, he started downstream from the Falls of the Ohio. Leaving the river near the mouth of the Tennessee he marched overland and took Kaskaskia, a thriving French town near the Mississippi, and then Cahokia, farther up, near what is now St. Louis. Next he sent a detachment eastward to Vincennes, on what is now the Indiana bank of the Wabash River. It yielded without resistance.

When the news of this reached Colonel Hamilton, lieutenant governor of the western British possessions, with headquarters at Detroit, he marched at the head of a considerable force to recover the Illinois territory, and had no trouble in overpowering the few men who were garrisoning Fort Sackville at Vincennes. There he prepared to pass the winter, never dreaming that he might be attacked at that time of the year. Clark, however, frontiersman and fighter, paid no heed to the perils of the season, and early in February of 1779 with only about 130 men started through the rains and mud of an Illinois winter on his audacious march. It proved to be of nearly 240 miles, by reason of detours to avoid the areas deeply overflowed and to reach places where the swollen streams could be crossed. The desperate venture is not equaled in American annals, nor surpassed by any in the recorded history of any other land. For nearly three weeks they struggled through the mire, often wading, sometimes up to their necks, in the icy waters. For the last six days they were virtually without food. Hamilton, completely taken by surprise, quickly surrendered. Without the loss of a man Clark thus gained possession of the town and the fort, with the garrison and colonel prisoners of war.

Clark hoped to follow this up with the capture of Detroit. Circumstances frustrated him, but the hold of the British on the region had been so shaken that thereafter such offensives as came from the Lakes were fruitless, and though Indian trouble continued, Clark's achievement, by giving the Kentucky region security enough to encourage the incoming of many more settlers, had so increased the number of fighting men and the volume of supplies as to make the conquest permanent. By the time of the treaty of peace American dominance of the Ohio Valley was so clear that England made no persistent attempt to assert title to the vast region involved. This was the region that became the States of Kentucky, Ohio, Indiana, Illinois, and Michigan, with possibly Wisconsin, Iowa, Minnesota, and the Dakotas to be included.

To commemorate this the State of Indiana has authorized expenditure by itself, the county of Knox, and the city of Vincennes, which is expected to amount to $720,000. This is chiefly, if not wholly, to be used for the purchase of the site of the old Fort Sackville, the removal of the buildings thereon, and the conversion of the spot into a beautiful park with attractive water front. It is hoped to raise a substantial amount in addition by further public action or private contribution to carry out the details of a program that is ambitious but, in the belief of those actively interested, not beyond the deserts of the praiseworthy object in view.

The Federal Government has been asked to contribute $1,500,000 for a memorial structure to be erected on the site of the old fort, with $250,000 for historical celebration. The Senate has sent to the House a bill granting the request for the full $1,750,000. Your committee, while sympathizing with the purpose and seeking to be generous in the matter, yet for the following reasons thinks it would not be warranted in recommending authority to appropriate more than a million dollars.

In matter of both national and local concern, the rough-and-ready standard of division of cost spoken of colloquially as "50-50," allotting half the contribution to each party, has become generally accepted as reasonable. Deviation in this instance may be warranted by the possibility that the local contribution will be increased, but that its total will reach more than a million dollars, if indeed that much, is distinctly a hope rather than a fact.

At the hearing before the joint committee a year or more ago, besides eminent witnesses from Indiana there were in attendance gentlemen from Kentucky, Ohio, Illinois, and Michigan, who united in emphasizing that this was to be commemoration of an episode that virtually involved the destinies of the whole region from Kentucky to the Lakes, making it of direct interest to all the States that have been carved out of the old Northwest. We were given to understand that all these States should and would join somehow in this commemoration. No State outside of Indiana, however, has yet shown any inclination to contribute.

On the other hand the State outside that is most concerned, Illinois, has actually withdrawn the incidental help we understood to have been assured. We were told that Illinois would share in building a new bridge across the Wabash, which separates Indiana and Illinois at this point. It was said a steel bridge would cost $350,000, and a bridge of the ornamental type $500,000. Illinois was to pay half the cost of a steel truss bridge, Indiana the other half, and Vincennes would provide the extra money necessary to make it a concrete bridge, fittingly ornamental. Since then Illinois has decided not to pay even half of the cost of a steel truss bridge.

In this regrettable dilemma, for which of course the Vincennes people were not responsible, they sought to meet the situation by backing a bill presented to Congress for a toll bridge, which meant that the traveling public would in the end make good the outlay that Illinois had avoided. The proposal to charge toll on a bridge designed to commemorate the passage of the Wabash by Abraham Lincoln and his family on the way to an Illinois home, somehow grates on the sense of propriety.

Possibly the Illinois authorities may yet decide to reverse their position and conclude to take some part in the commemoration of an episode that was of just as much importance to Illinois as to Indiana. Clark's heroic march was through what is now Illinois, and that its object was a fort happening to be on one bank of the river rather than the other should not deprive any of those who now dwell in the country saved for them, of the opportunity to show an interest in the memorial proposed, particularly when that interest would not seem to go beyond the material, practical needs of modern highway travel.

There is another aspect of this bridge matter that should not be overlooked. The architect of the proposed memorial says in his report:

"It would be nothing less than a tragedy if this bridge were not made a thing of beauty. It will be in such close proximity to the George Rogers Clark Memorial that a mere utilitarian structure or iron trusses perched on slender concrete piers would ruin the entire picture. I strongly advise that your commission make every effort to induce the States of Indiana and Illinois to erect a worthy bridge at this point. Unless you can succeed in so doing, I should be strongly inclined to recommend that you do not attempt to build an important memorial at or near the site of Fort Sackville. It would be far better to go to the other end of the town."

It will be seen that this so complicates the situation as to make difficult an estimate of what should be the Federal appropriation if on the basis of equal share. This increases our reluctance to authorize appropriation beyond the evident needs of a structure alone.

We are of the belief that such a structure could be built for a million dollars. This belief is based on the figures of the items in the estimate laid before us. They total $797,740 for the construction work. To this is added in the estimate the following:

| | |
|---|---|
| Mural paintings | $200,000 |
| Sculpture | 225,000 |
| Drives, planting, fountain, river wall, grading, seeding, and sodding | 153,309 |
| Architect's fee | 123,951 |
| Total | 702,260 |

It will be seen that the outlay for decoration, with so much of the architect's fee as its based thereon (if on a 10 per cent basis), would amount to $467,500. While your committee believe in artistic treatment of memorials, it doubts whether such lavish outlay as is here proposed would be justifiable. Question arises as to whether it would comport with the character of the man or the nature of the episode to be commemorated. Remembering the impressive dignity, the solemn simplicity of the Lincoln Memorial here in Washington, to memorialize a hardy backwoodsman for such a feat as the capture of Vincennes with something ornate, elaborate, gorgeous, brilliant savors of the incongruous.

It has been urged, to be sure, that this edifice is also to commemorate the winning of the West. Even so, the occasion for such extensive ornamentation does not appear.

If, however, that should after all be deemed desirable, it might well be accomplished in part by gifts of the desired works of art from the other States directly concerned, from patriotic organizations, or from individuals of wealth who might be glad to share in such a memorial.

Inasmuch as the river wall, the landscape gardening, and the other beautification of the site will inure to the advantage of Vincennes by giving it a beautiful park, it would not be unreasonable to view the item for this as properly to be included in the providing of the site for the memorial structure.

The Senate bill would permit the expenditure of $250,000 for an historical celebration, expected to consist chiefly of pageants, and to continue through several months.

Your committee urged the proponents of the bill to secure some reasonably definite estimates in this particular, but nothing has been submitted to us. We have, however, ourselves given some study to one phase of the matter. Vincennes in 1920 had less than 20,000 population. There may be 200,000 more within 50 miles, less than 900,000 within 100 miles, and the nearest large center of population is more than 100 miles away. It is improbable that to witness pageants any large throng would come repeatedly for several months from a distance farther than would easily permit a round trip of a day by automobile, with stay long enough to allow enjoyment of the spectacle, nor could a city of less than 20,000 furnish accommodations to a throng from a distance for stay overnight were it desired, which is of itself improbable. Our conclusion is that a very much smaller

outlay for celebration would conform to the conditions, an outlay indeed so small that it could easily be borne by the community, particularly if nearly all those taking part should be townsfolk, as is desirable if the benefits of pageants are to be secured in fullest measure. This would seem to make Federal appropriation unnecessary even if it were wise to establish the precedent of having the Government finance celebrations of this sort, which is far from clear.

Taking these considerations all into account, it has seemed to your committee that a reasonable authorization would be for enough to cover the structural cost contemplated, with a quarter of that amount added for the architect's fee and such ornamentation as it might permit, which would make the total $1,000,000.

It is our judgment that this should be expended by the National Government. Appropriation can be justified only on the ground that it is a matter of national interest which is to be commemorated. On general principles wherever possible the money of the Nation should be spent by the agencies of the Nation, agencies chosen by itself, agencies that can be held directly accountable. Presumably it was with this in mind that the President said: "The Federal Government may well make some provision for the erection under its own management of a fitting memorial." Agreeing with this view, your committee recommends pursual of the usual course—the appointment of a commission of 11, 3 named by the President, 4 Senators named by the President of the Senate, and 4 Members of the House of Representatives named by the Speaker. This commission is to cooperate with the George Rogers Clark Commission of Indiana, the county of Knox, the city of Vincennes, and such other agencies as may be concerned. Provision for a paid secretary is designed to secure competent executive management under the direction of the commission. Presumably the commission also, as is usual, will represent the Nation in such formal exercises as may take place in connection with the memorial.

Accordingly your committee recommends striking out all after the enacting clause of the Senate bill and appropriate insertion as herewith.

Mr. GILBERT. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD]. [Applause.]

Mr. GREENWOOD. Mr. Speaker, in the century and a half since our country threw off the yoke of monarchy, we as a people have made unparalleled strides toward wealth and influence in the family of nations. History discloses no finer or better proportioned national development.

From 13 struggling colonies of 3,000,000 souls scattered along the Atlantic seaboard with a lack of coordination—with relations at times bordering on enmity—we have expanded into a Union of States from sea to sea. We now have a population of 115,000,000 occupying the heart of a great continent and reputed to be the wealthiest nation of all time.

We must acknowledge that the first great factor which contributed to greatness of these United States was the spirit possessed by our colonial ancestry, viz, the spirit of independence—the love of liberty. It was this spirit that impelled them to fight the War of the Revolution and following that to build a constitutional Government safeguarding the rights of the individual against the encroachments of tyranny. We gave the world a new vision of representative democracy when we substituted for the ancient creed—the divine right of kings; a new doctrine, emphasizing the declaration, "The king is not the law, but the law is king."

To this achievement of democratic Government as a factor in our phenomenal progress must be added our territorial expansion and material development. Our present imperial greatness as a nation must be credited to a large extent to geographical location. Let us search our hearts and reread our histories and seriously ask ourselves: Whence came this opportunity for our Nation's territorial growth? We are to-day a Nation whose lands stretch from the Atlantic to the Pacific and even to the islands of the sea.

I would not venture to assert that this territorial expansion was due to the efforts of any one man. Nevertheless, I think of one heroic soul who in the militant flower of young manhood caught the vision, lead the campaign that opened the gateway to our infant struggling Nation through which she advanced to build a glorious state, filled with opportunity for a free people.

This intrepid youth, a son of old Virginia, Col. George Rogers Clark, possessed the courage and imagination to lead the way and conquer a wilderness filled with bloodthirsty savages conspiring with British soldiers. It was no task for a soldier who loved only the tinsel of dress parade. It called for heroic action. While his native State of Virginia claimed the territory north of the Ohio by colonial grant, it had never possessed this land. With a commission to raise an army, along with appropriation for 500 pounds of powder, Colonel Clark became as a military leader what John Randolph described as "The Hannibal of the West."

He crossed the mountains, builded his own boats and followed the Ohio, recruited and drilled his forces at the Falls, sailed on to the mouth of the Tennessee, traversed the forests of southern Illinois and captured the English post at Kaskaskia without the firing of a gun on July 4, 1778. Much of his success followed from a masterful understanding of men and knowledge of frontier life. It called for courage of the highest order, shrewd military strategy, and an enduring tenacity of spirit. Colonel Clark had a wonderful combination of these essential qualities.

At Kaskaskia, Clark by both threats and diplomacy was able to control the Indians, dislodge from their savage minds the belief that the British were as powerful as "the big knives," the significant name that had been given to the Americans. He formed treaties with the Indian tribes which removed a menace from the inner frontiers and allowed the settlers to join Washington's army in the East.

From Kaskaskia, Clark proceeded on another step of his campaign and captured Vincennes and placed it under the command of Capt. Leonard Helm. Upon learning of this capture of the fort at Vincennes, Hamilton, the British commander at Detroit, sent forces from Detroit and recaptured the fort in December, 1778. The situation was desperate, and Clark decided upon immediate heroic action. With the assistance of Father Gibault, a Catholic priest, the leader among the French Creoles, and Francis Vigo, a Spanish merchant of St. Louis, who advanced funds, Clark recruited his forces, obtained supplies, and with 170 men started in midwinter across the Illinois country to retake Fort Sackville on the east banks of the Wabash. Words can not properly picture to you that little band advancing upon the British at Vincennes.

It was a journey filled with unparalleled hardship. There were icy swamps, swollen streams, and prairies covered with slush. It required physical endurance and patriotic courage to continue on through icy streams from ankle depth to their armpits. When on the last terrible day they reached the Indiana shore they had been four days without fire or food. Upon that desperate last day with no breakfast for the weakened discouraged band Major Bowman made this entry in his diary: "No provisions. God help us." The men were weak with cold and starvation, yet with no disposition to mutiny. Clark delivered a patriotic address, smeared his face with water and gunpowder, gave a war whoop and sprang into the water, and the loyal, fighting company struggled on.

By perseverance, strategy, and shrewd diplomacy he was able to compel a surrender of the fort and send the commander, General Hamilton, back to Virginia in irons.

At this time George Rogers Clark was 26 years of age, and he deserves the highest praise for his accomplished leadership of men.

Much of the success of this military venture was due to the sympathy extended by Patrick Henry, Governor of Virginia, Thomas Jefferson and George Mason, both of whom used their influence to get action by the Virginia Legislature.

It was at Kaskaskia that Clark formed the friendship of two men who contributed much to the future success of his campaign. One of these was a Catholic priest, Father Pierre Gibault, and the other a Spanish merchant, Col. Francis Vigo.

Father Gibault, when he learned that Clark extended full religious liberty to his people and made no confiscations of property, became a devoted patriot to the cause of American independence. He came and went among his French Creole parishoners, who possessed no love for their British former foes in arms, the reverend father promoted among his devoted followers an allegiance that was a great contribution to the cause of American independence. This volunteer, patriot, priest—Father Gibault—should receive proper recognition, in marble or bronze, in the memorial at Vincennes, which this legislation proposes to build. Gibault's loyalty and devotion to America was constant to the end. Like the Master of old he went about administering to those in sickness and distress, and had no place to lay his head. He died in poverty, and his grave is unknown. We can recount his loyalty, recite his acts of service, and preserve his memory by giving him a part in this memorial to the winning of the West.

Likewise, Francis Vigo threw all that he possessed into the campaign of Clark. He gave his fortune to buy food and clothing for the soldiers. He made trips to Vincennes and elsewhere and obtained invaluable information to guide Clark and his army. He took Virginia currency and accepted drafts on Virginia for several thousands of dollars for supplies which were never paid. He made money but lost it, and died in poverty with his claims still unpaid. Forty years after his death Congress allowed the claims and paid the same to his estate. Colonel Vigo likewise must be remembered in this memorial.

In the winning and holding of the West for American independence there is one with a military genius like unto that of Washington; with a love of liberty and a vision for expansion comparable to Jefferson; one with a devotion to law and order

worthy of John Marshall and possessing an understanding of human nature with a diplomacy to win and engage others similar to Benjamin Franklin. This patriot and soldier used his preeminent talents for his country at a time when his capable leadership was sorely needed. When we take into consideration the results obtained by the military leaders of the Revolution there seems to be few, if any, who accomplished so much with the meager assistance provided as Col. George Rogers Clark.

Out of the Northwest Territory acquired by this campaign has been carved the five great States of Ohio, Indiana, Illinois, Michigan, and Wisconsin, along with a portion of Minnesota. This section now constitutes one-sixth of the territorial area of continental United States, is peopled by more than one-fifth of our population, possesses one-fifth of our national wealth, and contributes almost a billion dollars each year in Federal taxes.

The acquisition of this territory which we propose to celebrate next year at Vincennes on the one hundred and fiftieth anniversary of its capture by George Rogers Clark and his band of Kentucky riflemen, became the common possession of the original thirteen States. Virginia graciously ceded her rights to the Federal Government. John Fiske, the noted historian, makes the assertion that this common ownership of land that could be pioneered by emigrants from all the colonies as the greatest influence in cementing the bonds of union of the original States. Moreover, the sale of this land to homesteaders helped to provide the funds that paid off the debts of the Revolution. This section, therefore, became the melting pot of the Nation, wherein colonists from all the original States settled and developed a wholesome fellowship and a tolerant national spirit.

Just a few miles removed from the site of old Fort Sackville is found the center of population of our Nation. At Vincennes is the crossing of two highly traveled United States highways—one from Chicago to centers of population of the Southland; the other, Highway 50, the shortest route from the Capital to St. Louis and points to the westward. The roads are paved with concrete slab and are thoroughfares carrying many tourists.

Here upon the banks of the Wabash at the site where Colonel Clark achieved his chief victory we propose to build a memorial to the winning of the old Northwest. It will be worthy of the great episode in history which we propose to commemorate.

The State of Indiana, Knox County, and the city of Vincennes have already provided funds to the extent of three-quarters of a million dollars. These funds are buying the real estate, removing the buildings, and building boulevards. These preparations are made in the hope that the Federal Government will contribute liberally to the erection of this national shrine. Indiana assumes the obligation of preservation and maintenance of the memorial after completion. The George Rogers Clark Memorial Commission created by Indiana statute has studied plans and proposed a memorial building that would be beautiful in architectural design and with impressive interior treatment. The proposed design is one of which the Nation will be proud. Its inspiring beauty will draw the attention of everyone who can visit the site of its erection. I regretted that while the Senate committee, which had exhaustive hearings, was convinced that the amount requested by the Indiana commission was needed to properly complete the plans, the House committee reduced the amount from one and one-half million to one million dollars. This will call for a revision of the plans. However, I am pleased with the prospect for a memorial to Colonel Clark and his army—and I know that a million dollars can build a beautiful structure—I am not sure that it will be as satisfying in design and detail as was proposed by the plans submitted to the committees. It would be gratifying to see the amount returned to the Senate bill, but if the conferees of the two Houses shall deem otherwise we will then adjust ourselves accordingly and build the best we can with the funds provided.

It sometimes appears in the modern passion for legislation that the sum and substance of statecraft is to consider only economic advancement and prosperity as evidenced by material wealth. Surely America, the richest country of all times, may hesitate in her mad rush of accumulation to consider and memorialize those finer and richer traditions of sacrifice, courage, and unselfish patriotic devotion which have been the chief factors in creating this golden age in which we live. That the youth of our land and the coming generations may understand and appreciate the daring, loyalty, and genius of the crusaders of the past, let us spend more for education and patriotic inspiration. For historical and memorial perpetuation there is no individual more appealing than George Rogers Clark and no more inspiring episode in our Nation's history than the capture of old Fort Sackville at Vincennes on February 25, 1779, by Colonel Clark and intrepid followers. John W. Daniel, former United States Senator from Virginia, speaking of famous Revolutionary soldiers, said:

> There was no hero of the Revolution who did a cleaner or better piece of work than George Rogers Clark, and there is none who can stand by him or be mentioned on the same page with him, who has been so much neglected.

Last year I visited his grave in Cave Hill Cemetery, Louisville, and found his final resting place marked only by an insignificant monument not over 3 feet in height erected by the Daughters of American Revolution. Upon this small slab the meager lettering can be read only with difficulty. It seems almost a travesty that one who contributed so much to his country's glory and expansion of empire, should be so signally neglected.

I come to you with the hope that this Congress may rectify this ingratitude. For a century there have been spasmodic efforts to memorialize this event in history. The State of Indiana has made preparation for the Federal Government to cooperate in this worthy endeavor. May we not work together to build a shrine in memory to this great man and his army? One who, like Washington, was not of any political party, but belongs to all because he was a great American. George Rogers Clark and his achievements are the common heritage of every section and his memory should be perpetuated.

I ask your support for the pending measure. [Applause.]

Mr. GILBERT. Mr. Speaker, I observe the situation of the House. I will not make any speech. However, Kentucky and the other States that have Clark suggestions have been alluded to. The gentleman from Indiana spoke about Clark's expedition. Indiana has another suggestion for a monument about the Battle of the Thames. Of course, Kentuckians won the Battle of the Thames and Kentuckians won the battle at Vincennes. The gentleman from Illinois speaks of Lincoln and his great contribution. Of course, Kentucky furnished Lincoln; in fact, it seems that Indiana and Illinois would have little to commemorate if Kentuckians had not gone across the river.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts to suspend the rules and pass the bill.

The question was taken, and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BURDICK, for the balance of the week, on account of important business.

### BRIDGE ACROSS THE MISSISSIPPI RIVER NEAR TIPTONVILLE, TENN.

Mr. DENISON. Mr. Speaker, the gentleman from Tennessee [Mr. GARRETT] has a bill here which he would like to have passed as he has to leave for his home. I refer to the bill (H. R. 12985) authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn. There is a similar Senate bill on the Speaker's table and I ask unanimous consent to call up the Senate bill S. 3862 and consider the same in lieu of the House bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of the bill S. 3862. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, J. T. Burnett, his heirs, legal representatives, and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Tiptonville, Tenn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon J. T. Burnett, his heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said J. T. Burnett, his heirs, legal representatives, and assigns, is hereby authorized to fix and charge tolls for transit over such

bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of Tennessee, the State of Missouri, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches and any interest in any real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 15 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been provided, such bridge shall thereafter be maintained and operated free of tolls or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 6. J. T. Burnett, his heirs, legal representatives, and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Tennessee and Missouri, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States, shall, and at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said J. T. Burnett, his heirs, legal representatives, and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to J. T. Burnett, his heirs, legal representatives, and assigns, and any corporation to which, or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. DENISON. Mr. Speaker, I desire to offer two small amendments to correct the text.

The SPEAKER. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 5, line 5, strike out the word "and," and on page 5, line 13, strike out the word "its" and substitute the word "his."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

THE SURCHARGE ON PULLMAN FARES

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a small editorial from the New York Evening World of April 18, 1928, on the Pullman surcharge bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

While Congress is considering the removal of the remaining wartime taxes it might well turn its attention to one tax of war origin whose proceeds do not go into the Federal Treasury. This is the surcharge of 50 per cent on Pullman tickets. It was originally imposed when the Government was in control of the railroads and was intended for the twofold purpose of raising revenue and discouraging civilian travel when a large part of the railway equipment was needed for moving troops.

After the armistice this surcharge was discontinued, but in 1920, when the roads were hard hit by the postwar inflation, the Interstate Commerce Commission restored it. Since then conditions have changed, and the reasons for its retention appear to be no longer valid. An examiner of the commission has recommended its removal, but the commission itself has not been able to agree whether it should be removed or only reduced. Meantime the Senate has twice passed a bill for its repeal, but so far the House has failed to act.

It has been objected that a bill of this character puts rate making into the hands of Congress. The measure now before Congress, however, prescribes no rates, but leaves that function to the Interstate Commerce Commission, where it properly belongs. It merely prescribes a policy which the commission is to follow by stipulating that there shall be no discrimination or double charges for the same service. The Pullman surcharge is in effect a double payment, for which the passenger gets nothing in return. Its proceeds do not go to the Pullman Co., which renders the special service, but to the railway company.

As a second objection to the repeal of the surcharge it is urged that the roads badly need the money. Whether they do or not, a discrimination against one class of traffic is hardly the proper way to get it.

BILLS AND JOINT RESOLUTION SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and a joint resolution of the following titles, when the Speaker signed the same:

H. R. 4357. An act for the relief of William Childers;

H. R. 6492. An act to authorize the Secretary of War to donate to the city of Charleston, S. C., a certain bronze cannon; and

H. J. Res. 177. An act authorizing the erection of a flagstaff at Fort Sumter, Charleston, S. C., and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3594. An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 8, 1928, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, May 8, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON FOREIGN AFFAIRS

(10.30 a. m.)

To ascertain if the State Department is adequately equipped in both its foreign and domestic services (H. Res. 87).

To provide for the reorganization of the Department of State (H. R. 13179).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To authorize the merger of street-railway corporations operating in the District of Columbia (H. J. Res. 276).

COMMITTEE ON AGRICULTURE

(10 a. m.)

For the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton-futures exchanges (H. R. 11017).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to proceed with the construction of certain public works (H. R. 13319).

COMMITTEE ON RIVERS AND HARBORS

(10 a. m.)

To consider a report from the Chief of the Army Engineers on the proposal to deepen the Great Lakes channel.

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Prescribing the procedure for forfeiture of vessels and vehicles under the customs navigation and internal revenue laws (H. R. 12730).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

## EXECUTIVE COMMUNICATIONS, ETC.

488. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of Norfolk Harbor, Va., with a view to deepening, widening, and extending the channel in the Western Branch of Elizabeth River (H. Doc. No. 265), was taken from the Speaker's table and referred to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. R. 170. A bill to provide for the care of certain insane citizens of the Territory of Alaska; with amendment (Rept. No. 1540). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9778. A bill to amend an act entitled "An act providing for the revision and printing of the index to the Federal Statutes," approved March 3, 1927; without amendment (Rept. No. 1541). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7200. A bill to amend section 321 of the Penal Code; with amendment (Rept. No. 1542). Referred to the House Calendar.

Mr. WRIGHT: Committee on Military Affairs. H. R. 9961. A bill to equalize the rank of officers in positions of great responsibility in the Army and Navy; with amendment (Rept. No. 1547). Referred to the Committee of the Whole House on the state of the Union.

Mr. WRIGHT: Committee on Military Affairs. H. R. 12449. A bill to define the terms "child" and "children" as used in the acts of May 18, 1920, and June 10, 1922; with amendment (Rept. No. 1548). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 12689. A bill authorizing the sale of surplus War Department real property at Jeffersonville, Ind.; with amendment (Rept. No. 1549). Referred to the Committee of the Whole House on the state of the Union.

Mr. WRIGHT: Committee on Military Affairs. S. 1829. An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes; without amendment (Rept. No. 1550). Referred to the Committee of the Whole House on the state of the Union.

Mr. WRIGHT: Committee on Military Affairs. S. 1828. An act to amend the second paragraph of section 5 of the national defense act, as amended by the act of September 22, 1922, by adding thereto a provision that will authorize the names of certain graduates of the General Service Schools and of the Army War College, not at present eligible for selection to the General Staff Corps eligible list, to be added to that list; without amendment (Rept. No. 1551). Referred to the House Calendar.

Mr. WRIGHT: Committee on Military Affairs. H. R. 12352. A bill to require certain contracts entered into by the Secretary of War, or by officers authorized by him to make them, to be in writing, and for other purposes; without amendment (Rept. No. 1552). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 188. A resolution providing for the consideration of S. 777, an act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War; without amendment (Rept. No. 1554). Referred to the House Calendar.

Mr. GLYNN: Committee on Military Affairs. H. R. 10363. A bill to provide for the construction or purchase of two L boats for the War Department; without amendment (Rept. No. 1556). Referred to the Committee of the Whole House on the state of the Union.

Mr. GLYNN: Committee on Military Affairs. H. R. 10364. A bill to provide for the construction or purchase of two motor mine yawls for the War Department; without amendment (Rept. No. 1557). Referred to the Committee of the Whole House on the state of the Union.

Mr. FURLOW: Committee on Military Affairs. H. R. 10365. A bill to provide for the construction or purchase of one heavy seagoing Air Corps retriever for the War Department; without amendment (Rept. No. 1558). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPEAKS: Committee on Military Affairs. S. 4216. An act to authorize the adjustment and settlement of claims for armory drill pay; without amendment (Rept. No. 1559). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 12032. A bill to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended; with amendment (Rept. No. 1560). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BECK of Wisconsin: Committee on Claims. H. R. 11153. A bill for the relief of Harry C. Tasker; with amendment (Rept. No. 1543). Referred to the Committee of the Whole House.

Mrs. LANGLEY: Committee on Claims. H. R. 12021. A bill for the relief of Samuel S. Michaelson; without amendment (Rept. No. 1544). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12809. A bill to permit the United States to be made a party defendant in a certain case; with amendment (Rept. No. 1545). Referred to the Committee of the Whole House.

Mr. WARE: Committee on Claims. S. 1122. An act for the relief of S. Davidson & Sons; with amendment (Rept. No. 1546). Referred to the Committee of the Whole House.

Mr. WRIGHT: Committee on Military Affairs. H. R. 8341. A bill to amend the national defense act, approved June 3, 1916, as amended; with amendment (Rept. No. 1553). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GAMBRILL: A bill (H. R. 13590) creating a commission to investigate and report on the relocation of the food-distributing district of the District of Columbia to be moved to make way for the public-building program, and for other purposes; to the Committee on the District of Columbia.

By Mr. KEARNS: A bill (H. R. 13591) authorizing the Ripley Bridge Co., its successors and assigns (or his or their heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the Ohio River at or near Ripley, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD of Nebraska: A bill (H. R. 13592) authorizing H. A. Rinder, his successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. REID of Illinois: A bill (H. R. 13593) granting the consent of Congress to the city of Dundee, State of Illinois, to construct, maintain, and operate a footbridge across the Fox River within the city of Dundee, State of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. CASEY: A bill (H. R. 13594) to provide for the cooperation of the Federal Government in the sesquicentennial of the Battle of Wyoming; to the Committee on the Library.

By Mr. COCHRAN of Missouri: A bill (H. R. 13595) to punish the sending through the mails of certain threatening communications; to the Committee on the Post Office and Post Roads.

By Mr. HOPE: A bill (H. R. 13596) to amend the packers and stockyards act, 1921; to the Committee on Agriculture.

By Mr. UPDIKE: A bill (H. R. 13597) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes; to the Committee on Military Affairs.

By Mr. SMITH: Joint resolution (H. J. Res. 298) providing for the delivery of water on the Okanogan irrigation project, Washington, during the season of 1928; to the Committee on Irrigation and Reclamation.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER: A bill (H. R. 13598) for the relief of Robert W. Miller; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 13599) granting a pension to Rosanna Monroe; to the Committee on Invalid Pensions.

By Mr. DOUGLAS of Arizona: A bill (H. R. 13600) for the relief of C. R. Olberg; to the Committee on Indian Affairs.

By Mr. FULMER: A bill (H. R. 13601) for the relief of Herbert Warren McCollum; to the Committee on Claims.

By Mr. GARDNER of Indiana: A bill (H. R. 13602) granting a pension to Sarah E. McHobson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13603) granting a pension to Alfred McClellan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13604) granting a pension to Emily C. Colvin; to the Committee on Invalid Pensions.

By Mr. WILLIAM E. HULL: A bill (H. R. 13605) granting a pension to Cora Nevil; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 13606) for the relief of Russell White Bear; to the Committee on Indian Affairs.

By Mr. McSWEENEY: A bill (H. R. 13607) granting a pension to Regina W. Smith; to the Committee on Invalid Pensions.

By Mr. MOORE of Virginia: A bill (H. R. 13608) for the relief of the estate of Moses M. Bane; to the Committee on Claims.

By Mr. SHREVE: A bill (H. R. 13609) granting a pension to Catherine Peer; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 13610) granting a pension to John T. Truax; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 13611) for the relief of Peter Joseph Sliney; to the Committee on Naval Affairs.

By Mr. UNDERWOOD: A bill (H. R. 13612) granting a pension to Versa Shoemaker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13613) granting a pension to Phebie Hamilton; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7446. By Mr. BARBOUR: Resolution of State Council of California, Junior Order United American Mechanics, opposing the entry of members of the Facisti to the United States, etc.; to the Committee on Immigration and Naturalization.

7447. By Mr. KINDRED: Petition of Senator William M. Calder, in behalf of a number of Army officers who served with distinction in World War and residing in New York, for the early and favorable passage by the House of Representatives of House bill 13509, the Wainwright-McSwain bill; to the Committee on Military Affairs.

7448. By Mr. MAJOR of Missouri: Petition of citizens of Springfield, Mo., urging the passage of legislation providing increased pensions for Civil War soldiers and their dependents; to the Committee on Invalid Pensions.

7449. By Mr. MAPES: Petition of 30 retail merchants of Grand Rapids, Mich., recommending the passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

7450. By Mr. CARTER: Petition of Oscar Rose and many others of Oakland, Calif., urging an amendment to the Welch bill granting increased wages to the lesser-paid Government employees; to the Committee on the Civil Service.

7451. By Mr. O'CONNELL: Petition of Chamber of Commerce of the State of New York, opposing the passage of the Norris bill (S. 3151) to limit the jurisdiction of district courts of the United States by amending the Judicial Code so that the Federal courts would not have jurisdiction in "diversity of citizenship" cases; to the Committee on the Judiciary.

7452. Also, petition of the Chamber of Commerce of the State of New York, opposing the enactment into law of the Swing-Johnson bill (S. 592 and H. R. 5773) or similar measures which shall commit the Government to the operation of hydroelectric plants and other business projects usually conducted by private enterprises; to the Committee on Irrigation and Reclamation.

7453. Also, petition of the Chamber of Commerce of the State of New York, indorsing and commends the policy being followed by the President to limit the cost of flood control to reasonable and definite amounts, and to require the States and other local authorities to supply all land and assume all pecuniary responsibility for damages that may result from the execution of the project; to the Committee on Flood Control.

7454. Also, petition of Chamber of Commerce of the State of New York favoring the passage of Senate bill 744, as amended by the House Committee on the Merchant Marine and Fisheries, but strongly indorses the recommendations herein suggested by the committee on the harbor and shipping, believing such modifications would greatly promote the purposes of the measure in developing the American merchant marine; to the Committee on the Merchant Marine and Fisheries.

7455. Also, petition of the National Federation of Post Office Clerks, Local 1022, Jamaica, N. Y., favoring the passage of House bill 10422, a bill to give day-for-day credft to employees of the Post Office Department for the time served in the Army, Navy, or Marine Corps of the United States during any war, expedition, or military occupation; to the Committee on the Post Office and Post Roads.

7456. Also, petition of A. J. Ralph, Port Washington, Long Island, N. Y., favoring the passage of the Tyson bill (S. 777) in the form it passed the Senate; to the Committee on World War Veterans' Legislation.

7457. Also, petition of the Ithaca Gun Factory, Ithaca, N. Y., favoring the passage of the Tyson-Fitzgerald bill (S. 777) without amendment; to the Committee on World War Veterans' Legislation.

7458. By Mr. SHREVE: Petition of numerous citizens of Union City, Pa., and vicinity, for the enactment of Civil War pension bill; to the Committee on Invalid Pensions.

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